



SUBMISSION BY COMMERCIAL RADIO AUSTRALIA

ALCOHOL ADVERTISING:

***The Effectiveness of Current Regulatory Codes in Addressing
Community Concerns***

28 February 2013

Commercial Radio Australia (**CRA**) welcomes the opportunity to comment on the Australian National Preventative Health Agency (ANPHA)'s Issues Paper on *Alcohol advertising: the effectiveness of current regulatory Codes in addressing community concerns* (**Issues Paper**).

CRA is the peak national industry body for Australian commercial radio stations. CRA has 260 members and represents approximately 99% of the commercial radio broadcasting industry in Australia.

CRA is keen to assist in the development of a culture of responsible drinking in Australia. However, it urges ANPHA to acknowledge the existing and effective co-regulatory structure already governing the advertising of alcohol on radio.

Summary

CRA's primary comments are:

- The existing framework of co-regulation – through the CRA Codes of Practice (**CRA Codes**), the Alcohol Beverages Advertising Code Scheme (**ABAC**), the Australian Association of National Advertisers Code of Ethics (**AANA**), and State and Territory laws - is working well to ensure the responsible advertising of alcohol on radio.
- Only 5.7% of alcohol advertisements are broadcast on commercial radio, compared with other forms of media.¹ In these circumstances there is no obvious logic – or benefit – in imposing further regulatory restrictions on radio.
- Industry compliance with the existing co-regulatory structure is excellent. CRA members have received 3 recorded complaints in the last 4 years relating to the advertising of alcohol on radio. These complaints were investigated by the ACMA and no breaches of the CRA Codes were found.² The Advertising Standards Bureau (**ASB**) has upheld only 1 complaint relating to radio alcohol advertising in the last 4 years.³
- There is no clear evidence of a causal effect linking responsible radio advertising with irresponsible drinking patterns among the young. It is also unclear what effect the prohibition or restriction of radio alcohol advertisements will have on drinking patterns in Australia. These issues should be investigated fully before any alcohol advertising restrictions are introduced.
- Further restrictions regarding the advertising of alcohol on radio are inappropriate, given the stringency of the current co-regulatory framework, the high levels of compliance within the commercial radio industry, and the absence of clear evidence to show that the proposed changes will be effective in reducing irresponsible alcohol consumption.

A discussion of these points, together with other comments, follows.

Existing Framework of Co-Regulation

1. A stringent co-regulatory framework already governs the advertising of alcohol on radio and ensures that such advertisements are responsible and balanced. In particular, it:
 - (a) prohibits advertisements that encourage excessive consumption of alcohol, encourage under-age drinking, strongly appeal to children or adolescents, or link drinking to the achievement of personal, business, social, sporting, sexual or other success; and

¹ Neilson Adex Survey, financial year 2011/12.

² ACMA Radio Operation Investigations: http://www.acma.gov.au/WEB/STANDARD/pc=PC_91716

³ The ASB finding was on the basis that the advert vilified people with disabilities. The finding did not relate to the portrayal of alcohol.

- (b) provides an Alcohol Advertising Pre-Vetting Scheme – administered by individuals who are not employed by the alcohol beverage industry – under which alcohol beverage producers may assess whether their advertisements comply with the ABAC Code.

2. The key parts of the existing framework are summarised below.

(a) *Commercial Radio Codes of Practice*

The CRA Codes provide that a radio station licensee must not broadcast programs (including advertisements) which “*present as desirable the misuse of alcoholic liquor*” (Code 1.3(c)(i)).

The CRA Codes also require that advertisements broadcast by licensees must “*comply with all other Codes of Practice so far as they are applicable*” (Code 3.1(b)). This includes the ABAC scheme outlined below.

(b) *Alcohol Beverages Advertising Code*

The ABAC scheme is a quasi-regulatory arrangement administered by the ABAC Management Committee, consisting of representatives from industry, advertising and government.

The ABAC Code contains detailed provisions aimed at ensuring that alcohol advertising is conducted in a manner that promotes responsibility and moderation, and does not encourage underage drinking. It prohibits advertisements that encourage excessive consumption of alcohol, encourage under-age drinking, appeal strongly to children or adolescents, or link drinking to the achievement of personal, business, social, sporting, sexual or other success. It also prohibits the depiction of any direct association between the consumption of alcohol and the operation of any motor vehicle.

The ABAC also incorporates an Alcohol Advertising Pre-Vetting Scheme. It is compulsory for beer and spirits producers to submit the scripts for their radio advertisements for pre-vetting against the ABAC Code. Wine producers may voluntarily submit scripts for radio advertisements to be pre-vetted. The pre-vetting is carried out by a minimum of two people, who must have been independent of the alcohol beverages industry during the preceding five years.

Importantly, the ABAC Rules and Procedures contain safeguards to ensure that alcohol advertising is monitored by individuals who are independent of the alcohol industry. A representative of the Australian Government’s Department of Health and Ageing sits on the ABAC Management Committee, and the ABAC pre-vetting scheme may only be undertaken by individuals who have been independent of the alcohol beverages industry for five years preceding their appointment.

(c) *Licensed Premises*

Licensed premises are bound by State or Territory legislation which regulates the way in which they advertise on radio. The restrictions vary from one jurisdiction to another, but all have the aim of promoting the responsible service and promotion of alcohol.

No evidence that further restrictions would be effective

- 3. Only a small proportion of alcohol advertisements are broadcast on commercial radio, compared with other forms of media. In the financial year 2011/12, commercial radio advertising comprised only 5.7% of the alcohol industry’s advertising spend.⁴ In these

⁴ Neilson Adex Survey.

circumstances there is no obvious logic – or benefit – in imposing further regulatory restrictions on radio.

4. The alcohol related problems faced by communities are caused by the irresponsible consumption of alcohol, rather than alcohol *per se*. Alcohol can therefore be distinguished from substances such as tobacco. A prohibition on advertising alcohol would not be an appropriate or effective means of combating irresponsible drinking patterns.
5. The commercial radio industry is willing to work closely with government and other organisations to educate the community, and particularly young people, in relation to the effects of irresponsible alcohol consumption. Nevertheless, it has seen no evidence to suggest that the further restriction of alcohol advertising on radio would assist in conveying this message. Indeed, responsible advertisements, which are compliant with the detailed provisions of the ABAC Code, may even help to develop a responsible approach to alcohol consumption in the community.
6. The commercial radio industry does not broadcast any programs targeted at children. Hence, its ability to influence vulnerable minors is limited. In this context, further regulation aimed at protecting minors is likely to be inappropriate for commercial radio.
7. CRA urges the ANPHA to consider carefully the effect of alcohol advertising on drinking patterns in the community. CRA's firmly held view is that no further restrictions should be imposed in the absence of clear evidence linking responsible radio advertising of alcohol with irresponsible drinking behaviour.

Disproportionate and unfair burden on the commercial radio industry

8. The burden that further restriction or prohibition of alcohol advertising would have on commercial radio is disproportionate to any benefit likely to be gained by the community, particularly as such a small percentage of alcohol advertisements in the community are transmitted by radio.
9. CRA's members include small metropolitan, regional and rural stations, all of which provide a valuable service to local communities. Alcohol advertising can be a significant source of revenue for these stations. Commercial radio licensees pay significant amounts of money for their licences, and they do this on the basis that they will continue to receive certain categories of advertising revenue. To remove a significant source of revenue from these licensees and, therefore, to affect negatively their sustainable earnings into the future, is neither fair nor equitable.
10. Further, a ban on alcohol advertising may do more than simply prevent radio stations from running discrete advertisements for alcohol products during restricted periods. A prohibition could prevent alcohol companies from being involved in the sponsorship of any radio shows or segments, even if they are not promoting specific products. This could threaten the existence of certain programs and sports events on commercial radio.

Excellent compliance record within the commercial radio industry

11. There is no evidence to suggest that the current co-regulatory structure is not working effectively to ensure the responsible advertising of alcohol on commercial radio. CRA's members adhere strictly to the AANA, ABAC and CRA Codes.
12. CRA members have received only 3 recorded complaints relating to the advertising of alcohol on radio during the last 4 years. These complaints were investigated by the ACMA and no breaches of the CRA Codes were found.⁵

⁵ ACMA Radio Operation Investigations: http://www.acma.gov.au/WEB/STANDARD/pc=PC_91716

13. During the last 4 years, the ASB has received only 4 complaints relating to the advertising of alcohol on commercial radio. Of these, only one was upheld, on the basis that it vilified people with disabilities. The remaining 3 complaints were dismissed.

CRA would welcome the opportunity to discuss or amplify any of these points with the ANPHA. The ANPHA should contact [REDACTED]