



Static Betting Advertising Consultation – Office of Liquor, Gaming and Racing, VIC

19 September 2016

Submission from the Outdoor Media Association

INTRODUCTION

The Outdoor Media Association (OMA) is the peak national industry body representing 90% of Australia's Out-of-Home (OOH) advertising industry.

The OMA recognises the Hon Marlene Kairouz, Minister for Consumer Affairs, Gaming and Liquor Regulation, and the Victorian Government are concerned about the impact of wagering advertising on vulnerable groups such as problem and at-risk gamblers, children and adolescents. What is not clear is how limiting wagering advertisements on public transport and 'within a certain distance of a school' will address these concerns.

The OMA congratulates the Victorian Government for undergoing this consultation process. We appreciate the chance to provide insight into the impact this proposed ban would have on the OOH advertising industry, state and local government, and will use the opportunity to raise concerns with the scope and rationale of the proposed ban.

This submission will provide information on the following points:

1. Background on the Out-of-Home advertising industry
2. Information on the system of self-regulation for advertising and the OOH industry's commitment to responsible advertising
3. Concerns regarding the rationale and scope of this ban
4. The impact (economic, commercial and social) the policy proposals have on the Out-of-Home advertising industry, public transport operators and local councils.

01 THE OUT-OF-HOME ADVERTISING INDUSTRY

Advertising and marketing play a fundamental role in the Australian economy, and are significant drivers of economic growth, contributing some \$40 billion of value in 2014. This means that advertising is responsible for driving approximately 2.5% of Gross Domestic Product. For every person directly employed by advertising another three people are reliant upon advertising for their jobs. There are over 200,000 people in

Australia employed due to advertising.¹ Out-of-Home advertising makes up approximately 5.3% of the advertising spend in Australia.²

Across Australia, the OOH industry:

- Contributes more than 17,600 items of infrastructure to the community, including pedestrian bridges, bus shelters, kiosks, phones, park benches and bicycles. The total replacement value is estimated at \$352 million;
- Directly contributes \$273 million GDP each year to the economy;
- Pays over \$49 million in taxes;
- Employs over 900 people directly and a further 2,200 indirectly;³ and
- Plays an important role in supporting the arts, sports and charitable organisations and is widely used by government bodies to advertise community messages such as road safety alerts and health awareness campaigns. In 2015, the industry donated advertising space valued at more than \$34 million to more than 160 charitable and community campaigns.⁴

The OMA is the peak national industry body representing 90% of Australia's Out of Home (OOH) media display and media production companies, as well as some media display asset owners. The OMA advocates for regulation that is fair and equitable for governments, the community and the OOH industry.

OMA media display members advertise third party products on both digital and static signs across a variety of OOH formats and locations including, airports, bicycle stations, billboards, buses, bus stations, cafes, commercial buildings, doctors' surgeries, free-standing advertisement panels, medical centres, office buildings and lifts, pedestrian bridges, railway stations, shopping centres, trams, universities and street furniture (bus/tram shelters, public toilets, telephone booths and kiosks).

The OMA's current media display members are:

- ADLED Advertising
- Adshel
- APN Outdoor
- Bailey Outdoor
- Bishopp Outdoor Advertising
- Executive Channel Network
- goa Billboards
- JCDecaux
- oOh!media
- Outdoor Systems
- Paradise Outdoor Advertising
- QMS Media
- TAYCO Outdoor Advertising
- Tonic Health Media
- TorchMedia

¹ 2016, Deloitte Access Economics, *Advertising Pays - The economic employment and business value of advertising*

² 2015 Commercial Economic Advisory Service of Australia (CEASA)

³ 2016 Deloitte Access Economics, *Out-of-Home Adds Value: Out-of-Home Advertising in the Australian economy*.

⁴ 2015 OMA Annual Report

02 SELF-REGULATION AND INDUSTRY COMMITMENT TO RESPONSIBLE ADVERTISING

All members of the OMA are committed to responsible advertising. The system of self-regulation in Australia is a mature and robust framework that exists to ensure the content of all advertising and marketing communications, across all media including outdoor, is within prevailing community standards.

The OMA supports the submission by the Australian Association of National Advertisers (AANA). The OMA Code of Ethics ensures that members only display advertising that complies with the *AANA Code of Ethics* and other relevant Codes and policies, including the *AANA Wagering Advertising & Marketing Communication Code*.

Our Code of Ethics also confirms that OMA members support all determinations made by the Advertising Standards Board in regards to complaints about outdoor advertising. In the case of upheld complaints, our members remove the offending copy immediately.

The OMA has a demonstrated history of responding to changes as community standards for advertising change. The nature of the self-regulatory system has allowed the OMA to gauge public opinion and respond accordingly, in a fast and effective manner. This process has seen the OMA establish new systems to address issues as they arise; the OOH industry strives to maintain its integrity as a responsible advertising medium.

In responding to needs as they arise, financial costs have been borne by both the OMA and its members, all of which have dedicated staff allocated to ensuring that advertising is considered thoroughly before it is publically displayed.

The OMA and its members have undertaken significant work in the area of compliance with the Codes and since 2011 when we first conducted Self-Regulation Content Training, there have been very few upheld complaints – two in 2012, one in 2013, one in 2014, two in 2015. In a landscape of at least 30,000 advertisements displayed over the year, this reflects an industry that takes self-regulation seriously.

Following are some measures the OMA has introduced to support self-regulation:

- Content training for OMA members in conjunction with the AANA and the ASB, offering clear guidance about self-regulation codes and how to best comply. This training is conducted every 18 months and is continually improved.
- Content Manual, which assists members with tips and trends about content.
- Content Review Policy under which members will refer contentious advertisements to the OMA prior to display and if the OMA considers that the advertisement is likely to breach the AANA Code of Ethics, it cannot be displayed.
- Concept Advisory Service which is available to advertisers and creative agencies, enabling them to seek advice for advertisements in the early stages of development.

The OMA confirms its ongoing commitment to support the effectiveness of the AANA Codes through any continuous improvement processes. Further, we support this self-regulatory system which enables continuous improvements to be made without cumbersome or costly parliamentary/governmental procedures.

2.1 Industry Commitment to responsible wagering marketing

In July 2016, the *AANA Wagering Advertising & Marketing Communication Code* came into effect. All members of the OMA are committed to working within this Code.

Following training on the new Code conducted for creative agencies by the AANA earlier

this year, in September 2016, the OMA, in partnership with the AANA, the ASB and the Communications Council, will conduct Content training including a session dedicated to the new Code.

This Code is applied across all advertising and marketing platforms, and provides a range of protections for the community, requiring that wagering advertising must not:

- be directed primarily to minors;
- portray people under the age of 25, unless in an incidental role;
- portray or encourage the consumption of alcohol in combination with wagering;
- state or imply a promise of winning;
- state or imply a link between wagering and sexual success or enhanced attractiveness;
- portray or encourage wagering as a means of relieving financial difficulties;
- portray or encourage excessive participation;
- portray or encourage peer pressure to wager or disparage abstention.

These principles will continue to evolve and improve in line with community standards.

03 CONCERNS REGARDING THE RATIONALE AND SCOPE OF THIS BAN

3.1 Assumption of a causal relationship between advertising and wagering

This consultation paper outlines the ‘marked increase in participation in betting on racing and sports in Victoria’ since 2008. Over a similar period, the percentage of Australians accessing the internet on their phone increased from 8% (in 2008) to over 40% (in 2013),⁵ we have also witnessed deregulation and subsequent proliferation of online betting businesses with currently 2,443 online casino and gambling websites available to Australians. Rather than suggesting OOH advertising is a primary contributor to this increase, it appears likely to be informed by more people having access to more online betting platforms on their smartphone.

The research cited in this report does not demonstrate a causal link between advertising and increased wagering activity. Furthermore, no research has been cited linking *Out-of-Home advertising* to increased wagering activity.

In its 2015 study into the “impact of [wagering] marketing on gambling behaviour and intention among Australians”, Gambling Research Australia found that:

“greater engagement with sports and race betting was associated with higher exposure to wagering advertising, as well as greater likelihood of betting for adults. Therefore, it was apparent that there is a relationship between exposure to wagering marketing and gambling intention and behaviour. Despite using both qualitative and quantitative studies, it was not possible to determine a causal relationship between wagering marketing and betting behaviour. This is because the factors that lead to betting include a complex array of social, individual, and environmental factors that are interrelated. Wagering advertising does play a role however... it is not possible to specifically isolate these effects.”⁶

⁵ ACMA Communications Report 2013 <http://www.acma.gov.au/theACMA/Library/Corporate-library/Corporate-publications/australia-mobile-digital-economy>

⁶ Sproston, K., Hanley, C. and Brook, L. 2015, *Marketing of sports betting and racing*, Gambling Research Australia: <http://www.gamblingresearch.org.au/resources/071d1081-3ee4-474a-98d1->

3.2 Intention of the Gambling Act

The aim of the Gambling Act is to not encourage irresponsible gambling, to minimise harm from problem gambling, and to protect minors from gambling. The Gambling Act does not outline a need to ensure that no gambling advertising is visible. The Productivity Commission found the self-regulation of wagering advertising to be appropriate, stating while “might be possible to go further – with more sweeping prohibitions on advertising that *might* reach children...arguably the main thrust of the policy should be to address inappropriate content, being mindful of the difficulty of more generally limiting exposure to children of gambling without inadvertently eliminating the capacity for legitimate...marketing”.⁷ The OMA believes that with appropriate self-regulation of gambling advertising content, legitimate advertising should be able to occur and still be consistent with the Act.

3.3 Assumption that OOH wagering advertising targets minors

The study by Gambling Research Australia noted that “the majority of adolescents had negative responses to wagering marketing, for example feeling annoyed and bored. This study did not find a consistent relationship between exposure to wagering marketing and gambling intention amongst adolescents.”⁸

In fact, “70-75% of adolescents disagreed that sports betting marketing made them think about betting on sports in the future...Similar negative responses applied to questions in relation to race betting marketing.”⁹

Furthermore, OOH advertising is not used to target minors. The OMA’s audience measurement system, MOVE, does not measure children. This is due to many factors, including the difficulty in accurately, appropriately and ethically tracking children in outdoor settings.

4.4 Application of this ban to Out-of-Home advertising only

The consultation paper notes that the Victorian government must not ‘impose a discriminatory burden’ on interstate licenced WSPs; however, implemented in its current form, the policy imposes a discriminatory burden on Out-of-Home providers.

In 2015, the gambling/gaming industry spent \$202 million on advertising; 6% of this was spent on OOH advertising. If the Victorian Government considers advertising to be a cause of wagering issues, it is difficult to understand why it will attack this 6% while disregarding the remaining 94%. Inconsistent regulation regarding advertising (either by targeting a specific location or a single sector of advertising such as outdoor) will be ineffective. In addition, this inconsistency will commercially disadvantage that sector.

According to the ASB, in 2015, 6.54% of total complaints about advertising related to gambling advertising. That year, advertising complaints by medium ranged from 71.86% about Television ads down to 3.12% about Billboards and 2.7% about Transport.¹⁰ These numbers do not align with a plan to ban OOH wagering advertising.

[944701ca229a/gramarketingofsbandrb.pdf](http://www.oma.org.au/944701ca229a/gramarketingofsbandrb.pdf) P22

⁷ Productivity Commission 2010, *Gambling*, Report No. 50, Canberra

⁸ Sproston, K., Hanley, C. and Brook, L. 2015, *Marketing of sports betting and racing*, Gambling Research Australia: <http://www.gamblingresearch.org.au/resources/071d1081-3ee4-474a-98d1-944701ca229a/gramarketingofsbandrb.pdf> p176

⁹ Ibid, p176

¹⁰ 2015 Advertising Standards Bureau Review of Operations

<https://www.joomag.com/magazine/advertising-standards-bureau-review-of-operations-2015/0963529001470012181?short>

05 NEGATIVE IMPACTS OF THE PROPOSED BAN

In addition to its concerns regarding the rationale for this proposed ban, the OMA is concerned that its application is applied only to a single media sector, which will therefore significantly disadvantage it. In the absence of consistent restrictions across all media, the proposed ban would be inequitable in addition to being ineffective.

The OOH sector makes significant investments into cities and towns according to an advertising-funded infrastructure business model. The sector is also a significant revenue source for governments – most of the advertising revenue from public transport goes to state governments.

In Victoria, OMA members of the have built and continue to maintain over 2000 bus and tram shelters, 98 bins, as well as telephone booths, telephone bollards, kiosks and public toilets. Much of this infrastructure does not display advertising. The revenue from infrastructure that displays advertising funds the construction, upkeep and maintenance of the non-advertising infrastructure. The industry also works to ensure all this public infrastructure complies with DDA requirements, which are evolving and expensive. This advertiser-funded infrastructure model represents a multi-million dollar investment in Victoria.

This proposal would significantly undermine original business models funding the development and maintenance of infrastructure as it erodes the original revenue base.

When it comes to advertising displayed on buses, trains and trams, the Victorian Government is making money, through revenue share and/or minimum guarantees deals with OMA members. In 2015, gambling/gaming advertising accounted for \$11.8 million of the OOH advertising spend, almost 2% of all OOH marketing. Approximately \$1 million of this revenue came from advertising displayed on public transport. Given a significant proportion of OOH advertising contracts are with national advertisers, the application of this restriction to Victoria only will jeopardise that \$1 million of revenue per annum for the industry.

Any ban or any ban or restriction on this advertising category would have a significant negative commercial impact, with no clear corresponding benefit.

06 CONCLUSION

In summary, the OMA submits that introducing the proposed regulation is not warranted, and does not reflect the demonstrated integrity of the system of self-regulation or the Out-of-Home advertising industry. The rationale for this ban requires further explanation. Finally, the application of this regulation inconsistently across media, to Out-of-Home advertising only, is not properly justified, and will only will lead to limited efficacy and a negative commercial impact on the industry.

The OMA thanks the Victorian Government for the opportunity to participate in this process, and is eager to engage further on this discussion. Furthermore, the OMA would like to note the OOH industry's commitment to work with the Victorian Government to do what it can to minimise any harmful effects of this type of advertising.

To discuss the contents of this submission, please contact Tess Phillips, General Manager, Government Relations, OMA on tess.phillips@oma.org.au