



Review of Operations 2017

Summary



A word from the Chair

David Scribner

The Ad Standards Board of Directors (the Board) works to ensure the advertising self-regulation system in Australia is robust and ready to meet the challenges of a rapidly evolving advertising system.

In 2017 we worked hard to better understand stakeholder needs and increase understanding of how the advertising self-regulation system works through research with brand specialists *Cre8ive*. These learnings have informed how we can improve our relevance and led to the implementation in early 2018 of our new name and creative branding featured in this report.

The Board is responsible for ensuring high standards in governance and in operations. In 2017 the

Board commissioned *Cameron. Ralph. Koury* to undertake an independent review of our governance structure and process, which showed our corporate governance practices are of a high level, and recommendations relate to matters already identified in Board policies.

New Directors Ms Louise Eyres and Mr Vince Meoli joined the Board in 2017, and we farewelled Ms Victoria Marles, Mr John Broome and Ms Andrea Martens with many thanks for their contribution.

On behalf of the Board I thank the Ad Standards Community Panel and staff for their dedication in administering the complaints arm of Australia's self-regulation system and for championing the importance of self-regulation in the Australian community.

A word from the CEO

Fiona Jolly

Our regulatory focus in 2017 was undertaking a world-first study into the effectiveness of the complaints handling part of Australia's advertising self-regulation system administered by Ad Standards.

The report from Deloitte Access Economics found that self-regulation is a more cost effective, efficient and responsive option than government regulation, and was positively received by members of the Australian Parliament at a launch at Parliament House in August 2017.

Advertisers continued to provide the operational and financial support integral to the successful operation of Ad Standards. Our compliance rates remained high in 2017, with an increase on 2016.

We welcomed six new members to the Ad Standards Community Panel including our first member from Tasmania, selected from 150 applications received following a public call Australia-wide.

Our long-awaited 10 year review of Community Panel decisions, '*Community Perceptions 2007-2017*', demonstrated consistent alignment between community views and decisions of the Panel. It also

demonstrated slightly reduced levels of awareness of Ad Standards – so the relaunch of our brand was timely and welcome.

There were several changes to the industry codes we administer and we welcomed the new clause 2.7 of the AANA Code of Ethics which requires advertising and marketing to be clearly identifiable.

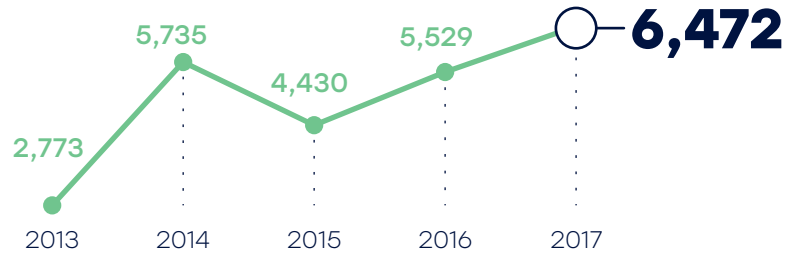
A record number of 6,472 complaints and the highest in Ad Standards' 20-year history were lodged in 2017. Of these 66% were about matters within the scope of the advertiser codes and about advertisements which were then considered by the Community Panel.

The following pages showcase key achievements in 2017 made possible by the great work of the Ad Standards team of staff, Directors, and Community Panel members. The full Review of Operations 2017 with all statistics is on the Ad Standards website.

My sincere thanks to our valuable industry partners in the media, media buying, creative and regulatory sectors, for their contribution to the success of the advertising self-regulation system.



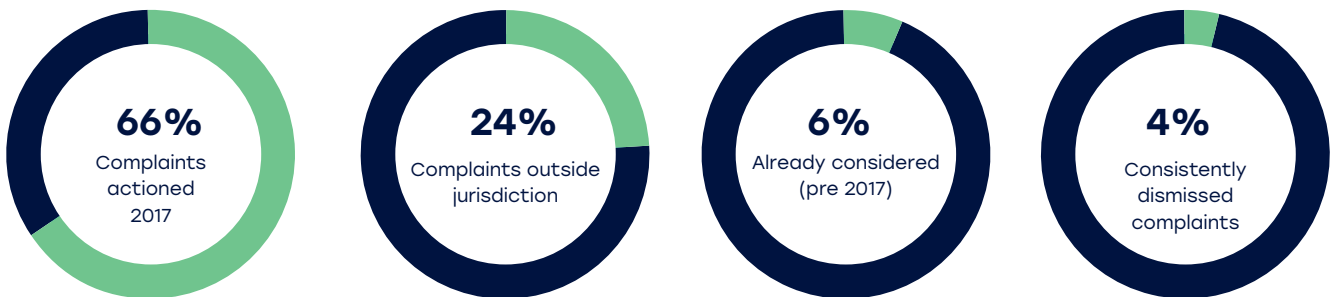
COMPLAINTS



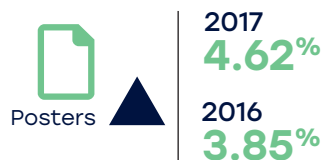
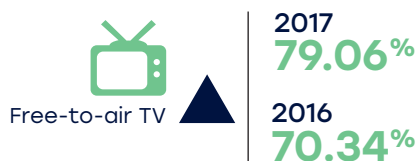
Record number of complaints received



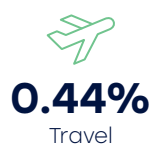
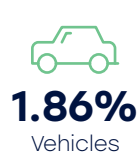
Outcome of cases 2017



Treatment of complaints



Complaints by media



Complaints by product category

Top 10 most complained about ads of 2017

1. Car trouble?

Ultra Tune Australia – TV – Free-to-air
Complaints: 359 – Dismissed

Issues of concern: 2.1 – Discrimination or vilification, 2.2 – Exploitative and degrading, 2.4 – Sex/sexuality/nudity and 2.6 – Health and safety.

2. Un-forkin-believable

Youfoodz – TV – Free-to-air
Complaints: 304 – Upheld

Issue of concern: 2.5 – Language.

3. Un-BEEP-believable

Youfoodz – TV – Free-to-air
Complaints: 232 – Upheld

Issue of concern: 2.5 – Language.

4. Android or steroids?

Sportsbet – TV – Free-to-air
Complaints: 202 – Upheld

Issue of concern: 2.6 – Health and safety.

5. Trying to escape the in-laws

Neds – TV – Free-to-air
Complaints: 186 – Dismissed

Issue of concern: Wagering Code – 2.8 Excess participation.

6. Gods coming over for dinner

Meat & Livestock Australia – TV – Free-to-air
Complaints: 144 – Dismissed

Issue of concern: 2.1 Discrimination and vilification.

7. Back to work!

Neds – TV – Free-to-air
Complaints: 139 – Upheld

Issue of concern: Wagering Code – 2.8 Excess participation.

8. A fox in the henhouse

Industry Super Fund – TV – Free-to-air
Complaints: 126 – Dismissed

Issue of concern: 2.3 Violence.

9. Up Ship Creek

AAMI – TV – Free-to-air
Complaints: 96 – Dismissed

Issue of concern: 2.5 Language.

10. Insurance you didn't even know you wanted

iSelect Pty Ltd – TV – Free-to-air
Complaints: 72 – Dismissed

Issues of concern: 2.1 Discrimination and vilification and 2.4 Sex, sexuality and nudity.



What do people complain about?

In 2017 Ad Standards worked with Deloitte Access Economics to assess Australia's system of advertising self-regulation of complaints against a scenario where the system is regulated through direct regulation by government.

The report found that self-regulation is working and achieves similar outcomes to government regulation in compliance and effectiveness, and performs better in terms of cost, efficiency and responsiveness.

Cost

40% lower cost per year, plus set up costs*

Efficiency

99.8% of cases resolved in 3 months

Compliance

92% compliance over the last decade

Responsiveness

Quicker to adapt

Effectiveness

94% of community satisfied or neutral that Ad Standards decisions are in line with community standards

* Compared to the counterfactual of labour costs of a government regulated complaints handling system for advertising.

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78 per cent of the time, Community Panel decisions either aligned or were not inconsistent with the majority community opinion.

The 10 year review of Ad Standards Community Panel decisions 'Community Perceptions 2007-2017' by Colmar Brunton Social Research showed that decisions made by the Community Panel were largely in line with community standards over the last 10 years.



The Ad Standards Community Panel welcomed six new members in 2017 following a public call for applications nationally.

The Community Panel is representative of the diversity of the Australian community and works to uphold community standards in advertising and marketing.

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