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Ad Standards Limited ACN 084 452 666

Case Report

1. Case Number: 0047-22

2. Advertiser : Energy Australia3. Product : House Goods Services

4. Type of Advertisement/Media : TV – Free to Air
5. Date of Determination 9-Mar-2022
6. DETERMINATION : Dismissed

ISSUES RAISED

AANA Environmental Code\1 Truthful and Factual AANA Environmental Code\2 Genuine Environmental Benefit AANA Environmental Code\3 Substantiation

DESCRIPTION OF ADVERTISEMENT

This advertisement has four versions.

Version 1 (NSW 45sec)

This video advertisement features an 'energy expert' speaking on a stage. He says, "In the future we will have renewable, affordable, and reliable energy. Of course that's all many years away".

Two employees wearing high-vis are shown, Sarah and Steve. Sarah says, "Actually it's today. At Energy Australia we're already building Australia's first carbon offset power station"

Steve says, "It will produce reliable power for up to 150,000 homes and businesses." Another employee, Simon, is shown in an office. He says, "And right now you can also opt into carbon neutral energy at home". He hands a folder to Cass, who says, "For no extra cost."

Another employee, Marco, is shown in a gelato store. Marco says, "Whatever the size of your business we'll help you find the right energy plan".

Pala is shown walking across a sports field. He says, "And we can offer your business cleaner energy options too".

Jess is shown walking in from the other direction, she says, "While others just talk about making a better tomorrow, we're actually doing it, today".

Version 2 (NSW 30sec)





This video advertisement features an 'energy' expert speaking on a stage. He says, "In the future we will have renewable, affordable, and reliable energy. That's all many years away".

Two employees wearing high-vis are shown, Sarah and Steve. Sarah says, "Actually it's today. At Energy Australia we're already building Australia's first carbon offset power station".

Steve says, "It will produce reliable power for up to 150,000 homes and businesses." Another employee, Simon, is shown in an office. He says, "You can also opt into carbon neutral energy at home". He hands a folder to Cass, who says, "For no extra cost."

Jess is shown walking in from the other direction, she says, "While others just talk about making a better tomorrow, we're actually doing it, today".

Version 3 (VIC 45sec)

This video advertisement features an 'energy expert' speaking on a stage. He says, "In the future we will have renewable, affordable, and reliable energy. Of course that's all many years away".

Two employees wearing high-vis are shown, Delisha and Tom. Delisha says, "Actually it's today".

Tom says "At Energy Australia we already work with partners to operate some of the largest batteries in Australia"

Another employee, Simon, is shown in an office. He says, "And right now you can also opt into carbon neutral energy at home". He hands a folder to Cass, who says, "for no extra cost."

Another employee, Jacinda, is shown in a gelato store. Jacinda says, "Whatever the size of your business we'll help you choose the right energy plan".

Pala is shown walking across a sports field. He says, "And we can offer your business cleaner energy options too".

Jess is shown walking in from the other direction, she says, "While others just talk about making a better tomorrow, we're actually doing it, today".

Version 4 (VIC 30sec)

This video advertisement features an 'energy expert' speaking on a stage. He says, "In the future we will have renewable, affordable, and reliable energy. Of course that's all many years away".

Two employees wearing high-vis are shown, Delisha and Tom. Delisha says, "Actually it's today".

Tom says "At Energy Australia we already work with partners to operate some of the largest batteries in Australia"

Another employee, Simon, is shown in an office. He says, "And right now you can also opt into carbon neutral energy at home". He hands a folder to Cass, who says, "For no extra cost."

Jess is shown walking in from the other direction, she says, "While others just talk about making a better tomorrow, we're actually doing it, today".

THE COMPLAINT



A sample of comments which the complainant/s made regarding this advertisement included the following:

I'm writing on behalf of the Australasian Centre for Corporate Responsibility. We object to the ad on four main grounds that are outlined in the below letter. The objection is around the potential breach of AANA code of ethics, promoting fossil energy as renewable, concern around a claim the company is making a better tomorrow compared to other companies, and portraying an actor as an energy expert.

Letter:

The Australasian Centre for Corporate Responsibility is a research and shareholder advocacyorganisation. ACCR wishes to make a complaint about a recently released TV and online/digital 45 second ad promoting EnergyAustralia's newest gas fired power station in NSW.

In our opinion, the ad may constitute a breach of the AANA code of ethics. For example, AANA code 1.4: Advertising shall not exploit community concerns in relation to protecting the environment by presenting or portraying distinctions in products or services advertised in a misleading way or in a way which implies a benefit to the environment which the product or services do not have.

Key component of the complaint - fossil energy portrayed as renewable: The ad starts with the following statement: "In the future, we will have renewable, affordable and reliable energy. Of course, that's all many years away..."

This is followed by an EnergyAustralia spokesperson who says: "Actually, it's today. At EnergyAustralia, we're already building Australia's first carbon offset power station."

Our concern stems from the fact that the power station being built by EnergyAustralia and featured in the ad is not a renewable energy project. This energy is not 'renewable', it's based on the burning of fossil methane gas. This is a fossil fuel power station, relying on purchasing carbon offsets in an attempt to account for the emissions from the project.

This ad may be misleading potential energy customers into thinking that the product from EnergyAustralia is renewable energy. A gas fired power plant is not renewable energy. EnergyAustralia has committed that the power station will run on up to 5% green hydrogen as an input by 2025. The power station has funding support from both the NSW state government (up to \$78 million) and the federal government (up to \$5 million), which are said to be conditional on the hydrogen component being delivered [1]. Even if the company can source the green hydrogen by that date, 5% is clearly a tiny proportion of the total energy mix.

As noted by Graham Readfearn in the Guardian recently: The power station in question – Tallawarra B – is under construction near Wollongong in New South Wales and will be a fast-start plant that will burn gas and, as the ad said, be "hydrogencapable".



But in reality, what EnergyAustralia is doing in building a "carbon offset power station" is constructing a regular fossil fuel power station, then working out what the emissions are, and then buying some carbon offsets.

To understand how unimpressive this is, think about how you could make the same claim about anything else you chose to construct like, for example, a diesel generator."
[2]

Further concern regarding 'making a better tomorrow':

Later in the ad, Jess, an EnergyAustralia team member, states: "While others just talk about making a better tomorrow, we're actually doing it, today."

EnergyAustralia is a major polluter in Australia, despite pledging to buy offsets for this new fossil fuel power station. According to data from the Clean Energy Regulator, EnergyAustralia is the second highest corporate emitter of greenhouse gases in Australia. EnergyAustralia released 17.9 million tonnes of carbon dioxide equivalent in 2019-20. [3] Many other electricity companies are arguably 'doing it, today' cleaner and better than EnergyAustralia. The recently released Green Electricity Energy Guide 2022 by Greenpeace ranks companies across Australia on their clean credentials. Considering companies available Australia wide, EnergyAustralia ranked near the bottom of the pack, ranked 45th of the 48 electricity companies listed.[4]

Funding a fossil fuel power station by EnergyAustralia under the guise of supporting renewable energy backup has come into question by the Clean Energy Council - the peak body for clean energy in Australia. As reported in RenewEconomy: "The proposal has been swiftly criticised by the Clean Energy Council, which said taxpayer dollars would be better spent on large-scale battery storage, pumped hydro and accelerating transmission upgrades to provide cost-effective, reliable, flexible and low-emissions power.

"The costs of energy storage have declined rapidly in recent years, and it's now clear that it provides a lower-cost solution for firming low-cost solar and wind energy resources," said CEO Kane Thornton.[5]

Final concern with the ad - a fake 'expert':

The ad begins with what appears to be an industry presentation with the title "Steven St Blaire Energy Expert" on screen. However, no such energy expert exists. This is a fictional 'expert' portrayed as a genuine expert.

In this era of important climate and energy debate, it is crucial companies advertising in Australia such as EnergyAustralia put forward genuine expert opinion and knowledge. We consider it to be problematic that an 'expert' played by an actor helps set the scene here for a fossil fuel power station to risk being interpreted as 'renewable' energy.



Thank you for considering this formal complaint and our concerns with the recent EnergyAustralia brand ad. We trust Ad Standards can take these concerns up directly with the company and investigate this matter further. Please feel free to be in touch for any further information.

- 1. https://reneweconomy.com.au/energyaustralia-to-build-first-green-hydrogen-gas-generator-in-nsw/
- 2. https://www.theguardian.com/environment/2022/feb/10/can-you-really-carbon-offset-a-power-station-sure-but-its-unimpressive

3.

http://www.cleanenergyregulator.gov.au/NGER/National%20greenhouse%20and%20energy%20reporting%20data/Data-highlights/2

019-20-published-data-highlights/australias-10-highest-greenhouse-gas-emitters-2019-20

4.

https://www.greenelectricityguide.org.au/https://reneweconomy.com.au/energyaustralia-to-build-first-green-hydrogen-gas-generator-in-nsw/

5. https://reneweconomy.com.au/energyaustralia-to-build-first-green-hydrogen-gas-generator-in-nsw/

THE ADVERTISER'S RESPONSE

Comments which the advertiser made in response to the complainant/s regarding this advertisement include the following:

We acknowledge the complaint received by Ad Standards dated 14 February 2022 regarding EnergyAustralia's 'Doing. Not just dreaming' brand advertisement and thank you for the opportunity to respond to the concerns raised.

EnergyAustralia takes its obligations seriously to ensure relevant advertising standards and guidelines are followed, including in relation to environmental claims.

We acknowledge the Board will review EnergyAustralia's advertisement in its entirety against Section 2 of the Advertiser Code of Ethics and the AANA Environmental Claims in Advertising and Marketing Code. EnergyAustralia considers the Environmental Claims Code is of most relevance due to the nature of the complaint and our response addresses the provisions of the Environmental Claims Code. We briefly comment on each subsection of Section 2 of the Code of Ethics in Attachment 1.

Cummins & Partners provide an integrated service of both creative and media to EnergyAustralia and developed the 'Doing. Not just dreaming' advertisement under question. The digital copy of the advertisement can be seen below.

NSW 45 seconds: https://youtu.be/_J3VxsJZfEg NSW 30 seconds: https://youtu.be/JJGxs8-HQXI



VIC 45 second: https://youtu.be/ZDCCrnb7ei0 VIC 30 seconds: https://youtu.be/dex5kVpjuno

Our 'Doing. Not just dreaming' campaign is a representation of EnergyAustralia's purpose which is to lead and accelerate a clean energy transformation for all. We deliver against our purpose via a planned approach focused on a smooth energy transition for all, made possible through respectful, reliable, and responsible actions taken today for a better tomorrow.

The core message of the campaign is that EnergyAustralia is taking action today to work towards a future where we will have "renewable, affordable and reliable energy". This is true. The phrase 'Doing. Not just dreaming' and the advertisement do not state that EnergyAustralia sources all of its energy through renewable sources. However, the advertisement does describe some of the many actions we are taking to lead and accelerate the clean energy transformation.

Response to address environmental concerns

At EnergyAustralia, we recently updated our Climate Change Statement. We think this document demonstrates how we're "Doing, Not Just Dreaming" in advancing the clean energy transition in Australia. The document articulates our commitment to be net zero (scope one, two and three) by 2050, to be out of coal by 2040, and to reduce our direct emissions by 60 per cent by 2028/29 relative to 2019-20. In addition, it also outlines what we had already announced, including the early retirement of our brown coal-fired power station, Yallourn, in mid-2028. We've also made commitments to pumped hydro, battery and gas projects that are designed to directly and indirectly enable more renewables to enter the system.

In March 2021, we committed to build the Wooreen battery – a four-hour, 350MW battery that will be built by 2026 and located at our Jeeralang power station. And in May 2021, construction commenced on the 250MW Kidston pumped hydroelectricity storage project, the first in the National Electricity Market in nearly 40 years. EnergyAustralia will be the market operator of the plant under a long-term contract.

Through long-term power purchase agreements, EnergyAustralia also underpins around 6 per cent of the large-scale wind and solar projects in the National Electricity Market. Our Climate Change Statement can be accessed at: energyaustralia.com.au/climate-change-statement.

With specific regard to Tallawarra B, the advertisement does not state that Tallawarra B is a renewable energy project. The super on the screen states: "Tallawarra B: Australia's first carbon offset gas and hydrogen capable power station", while the voiceover states that "It will produce reliable power for over 150,000 homes and businesses". The advertisement does not claim that gas is a renewable energy – however, EnergyAustralia firmly believes that gas projects will play an important role in providing reliability to the system during the energy transition. To support the energy transition, New South Wales requires fast start gas that can operate in the



system for a sustained period to help balance the energy system. We have responded with the Tallawarra B project. When consumer demand is high, and renewable sources are unable to respond, Tallawarra B will deliver reliable power to an additional 150,000 New South Wales homes at a lower average carbon intensity than coal-fired power generation. The project will contribute \$300 million to the economy and create 250 jobs.

Tallawarra B will be Australia's first carbon offset hydrogen and gas capable power plant, with scope one greenhouse gas emissions from the power station offset over its operational life. The project sets a new benchmark for how gas generators can be consistent with NSW's plan to be net zero by 2050 by using green hydrogen and offsetting residual emissions. Residual scope one emissions will be offset through Australian Carbon Credit Units registered with the Commonwealth's Clean Energy Regulator, with some flexibility after 2030 to use other credible offsets that may emerge. We will also investigate the potential to increase the percentage of green hydrogen in the fuel mix over time. It's our hope that Tallawarra B will further encourage the development of the green hydrogen industry in Australia and provide reliable power to NSW during the energy transition.

EnergyAustralia is responsible for supplying energy to 2.4 million customers and to the various communities in which we operate. We are focused on a smooth energy transition for all, made possible through respectful, planned and responsible actions. With each decision, we are balancing the needs of our customers as well as the overall grid to ensure customers receive reliable, affordable, and increasingly cleaner supplies of energy.

Our statement of "While others just talk about making a better tomorrow, we're actually doing it, today." is reflective of the actions we are taking today to deliver on the clean energy transition and "make a better tomorrow" in a respectful and responsible manner. Further points within the TV advertisement highlight what we are doing as a generator and as an energy supplier for residential and business customers.

The 'Doing. Not just dreaming' platform is used to highlight a selection of current EnergyAustralia actions contributing to the delivery of our purpose. The projects featured in the advertisement are a small diverse selection of projects underway by EnergyAustralia; it would not be possible to show everything we are doing to advance our purpose in a 45 or 30 second advertisement. Our intent is the 'Doing. Not just dreaming' platform will continue to evolve and share the most recent actions as and when we complete or progress them. Other actions referred to within the advertisement include:

- Go Neutral program for residential consumers. Since 2016, we have given our customers the opportunity to offset their emissions from home electricity use through our Go Neutral program at no extra cost to them. We expanded our Go Neutral program to gas in May 2020.
- A broad range of business energy solutions which can be tailored to address business size and specific needs ranging from affordability, reliability, to cleaner



energy options. EnergyAustralia product offerings include Go Neutral, Solar PV and battery installations, demand response and GreenPower, a 100% renewable energy source.

- EnergyAustralia is also a major partner in addition to being a supplier of energy to MCG and through the partnership has helped MCG with sustainable energy solutions including the solar PV featured within the TV advertisement and more recently switching the MCG to 100% GreenPower, making the MCG the first major stadium in Australia to acquire 100 percent renewable power.
- The Victorian edit also references how we work with partners to operate some of the largest batteries in Australia. In 2018 EnergyAustralia supported Victoria's first two battery storage facilities with a combined capacity of 55MW and storage of 80MWh. This is enough to power around 40,000 homes for an hour of critical peak demand before being recharged.

Further information of how EnergyAustralia is 'Doing. Not just dreaming' is available at Light The Way - Brand Campaign Page | EnergyAustralia accessible via the EnergyAustralia website. The webpage also details other innovative products available to customers, such as a solar and battery bundle for no upfront cost.

Use of Steven St. Blaire character

To address the final concern raised in relation to the advertisement, Section 2.7 of the AANA Code of Ethics requires that advertising or marketing communication must be clearly distinguishable as such to the relevant audience. In EnergyAustralia's view, all components of the advertisement are clearly advertising or marketing content and there have been no attempts to disguise or conceal the marketing nature of the advertisement. Steven St Blaire, is a fictional character used as a device in the advertisement to portray a sentiment widely held and expressed by some within Australia that renewable, affordable and reliable energy is still many years away. This character makes no comment in relation to EnergyAustralia or the environmental benefits of the services provided by EnergyAustralia. A fictional character was chosen with exaggerated qualities and mannerisms as a "spoof" or "parody" of the many external commentators on the energy transition from a variety of sectors. EnergyAustralia considered this approach preferable to using actual footage of an unrelated industry expert, which would be difficult to use with permission.

We also submit that the concerns about Steven St Blaire expressed in the complaint may be isolated and not representative of the general understanding of ordinary and reasonable viewers of the advertisement. EnergyAustralia believes that members of the viewing public are familiar with the use of fictional characters and similar devices in advertisements and that this is common practice in the advertising industry. Further, prior to launching our 'Doing. Not just dreaming' campaign EnergyAustralia conducted research testing to ensure the correct key message take out for the advertising would be achieved. Throughout this testing, as well as the internal launch to over 2,000 employees within Australia and over the last four weeks of campaign activity across south-east QLD, NSW, VIC and SA, EnergyAustralia has not received any other negative feedback regarding the fictitious Steven St Blaire character.



Notwithstanding the above, if the Board considers the use of this character as problematic, EnergyAustralia may consider use of additional super to clarify that Steven St Blaire is a fictitious character.

THE DETERMINATION

The Ad Standards Community Panel (the Panel) considered whether this advertisement breaches the AANA Environmental Claims in Advertising and Marketing Code (the Environmental Code).

The Panel noted the complainant's concerns that the advertisement is misleading by:

- promoting fossil energy as renewable
- claiming the company is making a better tomorrow compared to other companies
- portraying an actor as an energy expert.

The Panel viewed the advertisements and noted the advertiser's response.

AANA Code of Ethics

The Panel noted that the complainant had submitted their concerns under Section 1 of the AANA Code of Ethics for advertisers. Section 1 of the Code of Ethics is applicable only to cases considered by the Ad Standards Industry Jury in relation to competitor complaints. The Panel noted that they were unable to consider the complainant's concern under the AANA Code of Ethics, however the concerns did raise an issue under the AANA Environmental Claims in Advertising and Marketing Code (the Environmental Code).

Is an Environmental Claim being made?

The Panel noted that the Environment Code applies to 'Environmental Claims' in advertising and marketing communications.

The Panel noted that the Code defines Environmental Claims as "any express or implied representation that an aspect of a product or service as a whole, or a component or packaging of, or a quality relating to, a product or service, interacts with or influences (or has the capacity to interact with or influence) the Environment".

The Panel noted that all four versions of the advertisement begin with a fake expert stating that in the future we will have renewable, affordable and reliable energy, but that it is many years away. The expert is then followed by an Energy Australia employee who says, "actually it's today".



The Panel considered that stating that renewable energy is available today is an Environmental Claim as it is a representation that the company offers products which have a positive impact on the environment. The Panel considered that while having reliable and affordable energy may not have a direct impact on the environment, the Claim being made by Energy Australia is that it already provides renewable options for energy which are reliable and affordable.

The Panel noted that the two NSW versions of the advertisement include the statement that, "at Energy Australia we're already building Australia's first carbon offset power station." The Panel considered that this statement is also an Environmental Claim as the representation of the new power station being carbon-offset is a positive statement about how it will interact with the environment.

The Panel noted that the two Victorian versions of the advertisement include the statement that, "we already work with partners to operate some of the largest batteries in Australia". The Panel noted that the vision and super show the battery to be connected to a solar farm, and considered that the implication of the statement is that Energy Australia works with partners to store a large amount of solar energy, which is a statement relating to the company's interaction with the environment.

Overall, the Panel considered that the three Environmental Claims being made are:

- That Energy Australia (already) provides renewable options for energy which are reliable and affordable.
- That Energy Australia is building Australia's first carbon offset power station.
- That Energy Australia work with partners to operate some of the largest batteries in Australia.

1 a) Environmental Claims in Advertising or Marketing Communication...shall not be misleading or deceptive or be likely to mislead or deceive

The Panel noted that the Practice Note for this Section includes:

"It is not intended that legal tests be applied to determine whether advertisements are misleading or deceptive, or likely to mislead or deceive, in the areas of concern to this Code. Instead, consideration will be given as to whether the average consumer in the target market would be likely to be misled or deceived by the material.

Factors to consider include:

 An advertisement may be misleading or deceptive directly or by implication or through emphasis, comparisons, contrasts or omissions. It does not matter whether the advertisement actually misled anyone, or whether the advertiser intended to mislead – if the advertisement is likely to mislead or deceive there will be a breach of the Code.



- The target market or likely audience of the advertising or marketing communication should be carefully considered when making environmental claims. Therefore all advertising should be clear, unambiguous and balanced, and the use of technical or scientific jargon carefully considered."
- Environmental claims relating to future matters or commitments should be based on reasonable grounds as at the time the claim was made, even if the future matter does not come to pass. The fact that a person may believe in a particular state of affairs does not necessarily mean that there are reasonable grounds for the belief.

Renewable options for energy which are reliable and affordable

The Panel noted the complainant's concerns that the power station being built by Energy Australia and featured in the ad is not a renewable energy project.

The Panel noted the advertiser's response that the advertisements do not claim that Tallawarra B is a renewable energy project, rather is a way to support the transition to revewable energy.

The Panel noted that its role is to consider whether the average consumer in the target market, which is everyday adult Australians, would be mislead or deceived by the claim.

The Panel noted that in two versions of the advertisement the employees start talking about the carbon offset power station immediately after saying that renewable, reliable and affordable energy is available today. The Panel noted that the disclaimer on the screen clearly states "Tallawarra B, Australian's first carbon-offset gas and hydrogen-capable power station" and the employees refer to the station as being able to provide reliable energy. The Panel considered that the advertisement does not state or suggest that Tallawarra B is a renewable energy power station, rather that the advertiser has renewable options available which are also depicted in each version of the advertisement, such as battery storage and solar panels.

First carbon offset power station

The Panel noted the evidence provided by the advertiser that it was Australia's first carbon offset hydrogen and gas capable power station. The Panel considered that, based on the evidence provided, this claim was not misleading.

Work with partners to operate some of the largest batteries in Australia

The Panel noted the advertiser's response that it supported Victoria's first two battery storage facilities with a combined capacity of 55MW and storage of 80MWh in 2018, and that this is enough to power around 40,000 homes for an hour of critical peak demand before being recharged.



The Panel considered that the advertiser had provided sufficient evidence to support this claim and that the claim was not misleading.

Section 1 a) conclusion

The Panel determined that the advertisement did not breach Section 1 a) of the Environmental Code.

2 b) Environmental Claims must...not overstate the claim expressly or by implication

The Panel noted that the Practice Note for this Section includes:

"Advertisers and marketers should avoid making claims that expressly or impliedly overstate an environmental benefit. Consideration should be given to whether there is sufficient disclosure of any negative impacts. For example, whether negative impacts have been withheld which, if known, would diminish the positive attribute."

Consistent with the determination under Section 1 a), the Panel considered that the advertisement did not overstate the claims expressly or by implication.

Section 2 b) conclusion

The Panel determined that the advertisement did not breach Section 2 b) of the Environmental Code.

3 a) Environmental Claims...shall be able to be substantiated and verifiable. Supporting information shall include sufficient detail to allow evaluation of a claim

The Panel noted that the Practice Note for this Section includes:

Advertisers and marketers should have a reasonable basis for making a claim and therefore should hold appropriate, balanced, comprehensive and credible evidence to substantiate all express and implied claims. Information to support a claim may include, but is not limited to, documentary evidence or data evidencing conformity with an identified standard, research, studies, or an expert independent audit. There is no requirement to use third party verification or certification before an environmental claim is made. An advertiser's own internal procedures may be able to provide the necessary substantiation.

In testing the validity of any claim the Community Panel will only rely on information/material provided by the advertiser and the complainant. The Community Panel may seek expert advice to assist in the consideration of material provided in relation to the complaint. It is not the intent for the Community Panel to act as an arbiter of scientific fact, or of philosophical approaches to understanding or addressing environmental concerns.



Consistent with the determination under Section 1 a), the Panel considered that the claims made in the advertisement were adequately substantiated.

The Panel noted in testing the validity of the Environmental Claims it was entitled to rely on the information provided by the advertiser and the complainant.

The Panel noted that the information provided by the advertiser meant that the Environmental Claim in the advertisement was substantiated and verifiable.

Section 3 a) conclusion

The Panel determined that the advertisement did not breach Section 3 a) of the Environmental Code.

Conclusion

Finding that the advertisement did not breach the Environmental Code on any other grounds the Panel dismissed the complaint.