



Ad Standards Community Panel
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Case Report

1. Case Number :	0202-20
2. Advertiser :	Australian Gas Networks
3. Product :	House Goods Services
4. Type of Advertisement/Media :	Billboard - Digital
5. Date of Determination	8-Jul-2020
6. DETERMINATION :	Upheld - Modified or Discontinued

ISSUES RAISED

AANA Environmental Code\1 Truthful and Factual

DESCRIPTION OF ADVERTISEMENT

This digital billboard advertisement features the words, "Greener than anything you're cooking tonight. Love Cleaner Energy, Love Natural Gas" and a picture of man in a kitchen holding a tray of lasagne.

THE COMPLAINT

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

*It's not true. Natural Gas is a high carbon intensive fuel. It's extraction especially by fracking (which takes place in Australia) and the fugitive emission make it comparable to coal as a source of green house gases. This article links to scientific articles that support this argument. <https://www.theguardian.com/environment/2020/feb/19/oil-gas-industry-far-worse-climate-impact-than-thought-fossil-fuels-methane>
For the typical householder who is looking to reduce emissions from their cooking simply buying "green" (zero emission renewable) electricity at a slight premium is the simplest solution. This has no emissions. Gas stoves also emit "nitrogen dioxide (NO2), carbon monoxide (CO), and formaldehyde (HCHO), each of which can exacerbate various respiratory and other health ailments."*

<https://ehp.niehs.nih.gov/doi/10.1289/ehp.122-a27> This air pollution absent with electric cooking appliances which are the common alternative.

Taking the advert at face value, (ignoring the bad pun) it's also true that any vegetable grown in a back garden will have lower carbon emissions than gas.



THE ADVERTISER'S RESPONSE

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

Thank you for notifying Australian Gas Networks (AGN) of the above complaint to Ad Standards and providing the opportunity for us to respond for the consideration of the Community Panel. AGN takes seriously its obligations under the advertising standards to ensure relevant guidelines are followed, in particular the Environmental Claims Code.

Our winter advertising campaign aims to raise awareness of natural gas and the benefits it provides over electricity, so that consumers can make an informed choice on their energy supply.

The complaint refers to a campaign billboard which promotes the lower emissions from the use of natural gas in comparison to grid electricity.

The billboard image is of a man in his kitchen holding a freshly cooked tray of lasagne and reads as follows:

Greener than anything you're cooking tonight.

Love Cleaner Energy,

Love Natural Gas.

(search symbol magnifying glass) Australian Gas Networks

(logo at bottom) Australian Gas Networks

For reference, we have included an image of the billboard in-situ as part of our submission,

Our response addresses the AANA Environmental Claims Code which the complaint has initially been assessed against by Ad Standards, and also all sections of the Advertiser Code of Ethics which the Community Panel will also consider. Please also note that as part of mid-winter campaign updates, the billboard, the subject of this complaint will be replaced in July 2020.

RESPONSE TO COMPLAINT RECEIVED

1. AANA Environmental Claims Code for Advertising and Marketing

Section 1. Truthful and Factual Presentation.

Environmental Claims in Advertising or Marketing Communication:

a) shall not be misleading or deceptive or be likely to mislead or deceive;

In our view, the wording of the billboard is not misleading as Natural Gas is widely considered to be a cleaner energy source than electricity from the grid which is the primary alternative energy source.



The complaint refers to renewable electricity being the lowest emission option, however, in Victoria, in the 12 months to 25 June 2020, 79% of electricity generation was from coal (mostly low quality brown coal), with 17% generated from renewable sources. (AEMO Data Dashboard Dispatched Energy as at 24 June 2020).

Our view that natural gas is a cleaner energy source than electricity is supported by the Department of Environment and Energy, National Greenhouse Accounts Factors Report (NGAFR) (August 2019) which is designed for use by companies and individuals to estimate greenhouse gas emissions.

The current NGAFR is published at:

<https://publications.industry.gov.au/publications/climate-change/climate-change/climate-science-data/greenhouse-gas-measurement/publications/national-greenhouse-accounts-factors-august-2019.html>

The complaint refers to emissions from the combustion of fuel (known as Scope 1&2 emissions in the NGAFR) and from the exploration and extraction processes (Scope 3 emissions). The comparable data for Scope 1-3 emissions for natural gas versus electricity in Victoria shows natural gas emissions are 82% lower than electricity from the NEM.

Victoria Electricity Scope 1-3 Emissions Total 311 KgCO₂e/Gj (Report Table 44)

Victoria Natural Gas Scope 1-3 Emissions Total 55 KgCO₂e/Gj (Report Table 2 & 41)

The NGAFR data supports our view that natural gas is a cleaner energy source than electricity.

b) shall display any disclaimers or important limitations and qualifications prominently, in clear, plain and specific language

Our advertisement does not include any disclaimers or limitations.

c) shall represent the attributes or extent of the environmental benefits or limitations as they relate to a particular aspect of a product or service in a manner that can be clearly understood by the consumer.

We believe that the wording of the advertisement is consistent with the environmental benefits of natural gas, and can be clearly understood by the consumer, for whom grid electricity is the alternative energy option.

The advertisement wording of "Love cleaner energy. Love natural gas" promotes natural gas as the cleaner option but not necessarily the "cleanest" energy fuel.

Section 2. Genuine Benefit to the Environment.

Environmental Claims must:

a) be relevant, specific and clearly explain the significance of the claim;

We believe the claimed benefits are relevant to consumers as they are based on comparing the two main sources of residential energy and that one option is cleaner



than the other. That is relevant information to a person who is interested in which energy source is producing less carbon.

It's specific as it makes a clear statement that natural gas is "cleaner", but doesn't claim to be the 'cleanest' option available.

b) not overstate the claim expressly or by implication;

The claim "Greener than anything you're cooking tonight" is not an overstatement as we consider a reasonable person would understand the sentiment is being compared to the green colour of any vegetable present in lasagna.

As noted above, we do not believe "Cleaner energy" is an overstatement as natural gas is cleaner than the energy used in a majority of households (electricity from the grid).

c) not imply that a product or service is more socially acceptable on the whole.

The advertisement seeks to make a factual point about natural gas relative to electricity, which is a relevant decision for some consumers. There is no suggestion that energy alternative options are not socially acceptable.

Section 3. Substantiation.

Environmental Claims in Advertising or Marketing Communication:

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

As noted in our response to Section 1a, we believe our claims can be substantiated and verified based on government provided data. We consider the degree of substantiation noted in Section 1a is too detailed to include on the billboard. Relevant information is provide on our website, which consumers are encouraged to visit.

b) shall meet any applicable standards that apply to the benefit or advantage claimed;

We do not believe our advertisement is subject to additional applicable standards regarding the benefit claimed.

c) containing testimonials shall reflect the genuine, informed and current opinion of the person giving the testimonial.

We do not believe our advertisement breaches this section of the Code of Practice as no testimonials are present in the advert.

2. AANA Code of Ethics for Advertising and Marketing

We have also addressed Section 2 of the AANA Code of Ethics for Advertising and Marketing, which relates to Consumer Complaints.

Section 2.1 Advertising or Marketing Communications shall not portray people or depict material in a way which discriminates against or vilifies a person or section of the community on account of race, ethnicity, nationality, gender, age, sexual preference, religion, disability, mental illness or political belief.



We do not believe our advertisement in any way breaches this section of the Advertiser Code Of Ethics as it does not depict material that discriminates or vilifies a person or section of the community as identified in section 2.1

Section 2.2 Advertising or Marketing Communications shall not employ sexual appeal: (a) where images of Minors, or people who appear to be Minors, are used; or (b) in a manner which is exploitative or degrading of any individual or group of people. We do not believe our advertisement breaches in any way this section of the Advertiser Code of Ethics as it does not employ sexual appeal against Minors or in a manner that is exploitative or degrading to any individual or group of people as identified in section 2.2.

Section 2.3 Advertising or Marketing Communications shall not present or portray violence unless it is justifiable in the context of the product or service advertised. We do not believe our advertisement breaches in any way this section of the Advertiser Code Of Ethics as it does not present or portray violence as identified in section 2.3.

Section 2.4 Advertising or Marketing Communications shall treat sex, sexuality and nudity with sensitivity to the relevant audience. We do not believe our advertisement breaches in any way this section of the Advertiser Code of Ethics as there is no sex, sexuality or nudity present.

Section 2.5 Advertising or Marketing Communications shall only use language which is appropriate in the circumstances (including appropriate for the relevant audience and medium). Strong or obscene language shall be avoided. We do not believe our advertisement breaches in any way this section of the Advertiser Code of Ethics as there is no strong or obscene language used.

Section 2.6 Advertising or Marketing Communications shall not depict material contrary to Prevailing Community Standards on health and safety. We do not believe our advertisement breaches in any way this section of the Advertiser Code of Ethics as it does not depict material contrary to Prevailing Community Standards on health and safety.

Section 2.7 Advertising or Marketing Communications shall be clearly distinguishable as such to the relevant audience. We do not believe our advertisement breaches in any way this section of the Advertiser Code of Ethics as our advert is clearly distinguishable to its relevant audience.

3. Other Matters raised in the complaint

The customer complaint also made reference to an article from The Guardian website, which in turn refers to other reports. We consider the annual emissions data provided by the Department of Environment and Energy in the NGAFR to be the benchmark for measuring emissions and we will continue to use this data as our reference point. The



methods used in the NGAFR “are consistent with international guidelines and are subject to international expert review each year”, and form the basis of the Australian Government’s National greenhouse accounts.

We do not claim that natural gas is the cleanest energy available. We also note that AGN is progressing the conversion of its natural gas network to renewable gas, with the first stage commencing in South Australia later year by blending renewable hydrogen gas into the natural gas network (Hyp SA).

THE DETERMINATION

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

The Panel noted the complainant’s concerns that the advertisement is misleading as Natural Gas is a high carbon intensive fuel which is not greener than zero emission renewable energy.

The Panel viewed the advertisement and noted the advertiser’s response.

The Panel considered whether the advertisement made an Environmental Claim. The Environment Code applies to 'Environmental Claims' in advertising and marketing communications. An 'Environmental Claim' is defined as 'any representation that indicates or suggests an Environmental Aspect of a product or service, a component or packaging of, or a quality relating to, a product or service.'

An 'Environmental Aspect' means 'the element of a product, a component or packaging or service that interacts with or influences (or has the capacity to interact with or influence) the Environment.'

The Environment is given a broad definition in the Code but, according to the dictionary definition means 'the broad natural surrounding conditions, such as the bush, the rivers, the air, the sea in which human beings live.'

The Panel noted the advertisement included the statements “Greener than anything you’re cooking tonight” and “Love Cleaner Energy”.

The Panel noted the advertiser’s response that the statement “Greener than anything you’re cooking tonight” would be understood by a reasonable person to be a statement comparing the energy to the green colour of any vegetable in a lasagne.

The Panel acknowledged that the advertisement may be interpreted as making the comparison to green vegetables in cooking, however the Panel considered in combination with the phrase 'love Cleaner Energy' and in the context of an advertisement for natural gas the statement 'greener than anything you’re cooking tonight' was more likely to be interpreted by a reasonable person as a statement



which implied that the natural gas used to cook the lasagne was greener than any other potential cooking method.

The Panel considered that the imagery and the two statements combined in the advertisement are an implied claim that natural gas is greener and cleaner than other energy sources used for cooking.

The Panel considered section 1a of the Code which requires that 'Environmental Claims in Advertising or Marketing Communications...Shall not be misleading or deceptive or be likely to mislead or deceive.

The Panel noted the advertiser's response that the advertisement makes the statement that the ad is 'cleaner' not the 'cleanest' and that the advertiser has provided evidence that Natural Gas is considered to be a cleaner energy source than electricity from the grid.

The Panel noted that the Practice Note to the Environment Code states that "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 will be likely to be misled or deceived by the material."

The Panel noted that both the advertiser and complainant had provided evidence to support their claims. The Panel considered that it is not their role to assess whether Natural Gas is a clean or green energy source, rather it is their role to assess whether the overall impression an average consumer would take from the advertisement was that Natural Gas was the cleanest or greenest method of cooking.

A minority of the Panel considered that the statement 'greener than anything you're cooking tonight' was puffery and that the use of the word 'greener' may be considered by an average member of the target market to be referring to the colour of the food being prepared. A minority of the Panel considered that an average member of the target market would consider the phrases 'greener' and 'cleaner' to be referring to the average method of cooking food, and would not be considered a statement that Natural Gas was the cleanest or greenest form of cooking. The minority of the Panel considered that the claims made in the advertisement were not misleading or deceptive or likely to mislead or deceive.

The majority of the Panel acknowledged that the advertiser's intent was to portray natural gas as a cleaner alternative to electricity from the grid, however considered that this was not clearly stated in the content of the advertisement, and the only reference to other potential sources was 'greener than anything' without a specific reference to electricity from the grid that was as detailed in the Advertiser's response.

The majority of the Panel considered that many members of the community would not consider Natural Gas to be greener than all other energy sources, such as renewables.



The Panel considered that the overall impression an average consumer in the target market would have of the advertisement would be that natural gas is cleaner and greener than any alternate method of cooking that they could use. The Panel considered that this claim is misleading as there are other energy sources which would be considered cleaner and greener than gas.

The Panel considered the advertisement made an environmental claim and that this claim was misleading or deceptive based on the impression an average consumer in the target market would take from the advertisement as a whole.

Finding that the advertisement was misleading the Panel considered that the advertisement did breach Section 1a of the Environmental Code.

Finding that the advertisement breached Section 1a of the Environmental Code the Panel upheld the complaint.

THE ADVERTISER'S RESPONSE TO DETERMINATION

Australian Gas Networks (AGN) acknowledges the Ad Standards Community Panel case report for reference number 0202-20 and appreciates the opportunity to provide an Advertisers Response for inclusion in the published case report.

AGN takes seriously its obligations under the advertising standards to ensure relevant guidelines are followed, in particular the Environmental Claims Code. Our winter advertising campaign aims to raise awareness of natural gas and the benefits it provides over grid electricity, so that consumers can make an informed choice on their energy supply.

In our original submission to the Community Panel, AGN advised that the claims in the advertisement were intended to convey the message that natural gas is a cleaner energy source than grid electricity, due to its lower greenhouse gas emissions. The supporting data relating to the carbon emissions remains as set out in our original response. However, we accept the decision of the Panel and confirm that due to the rotation of our winter campaign ads, the billboard is no longer in use.