



Case Report

1	Case Number	0214/11
2	Advertiser	Santos Ltd
3	Product	Other
4	Type of Advertisement / media	TV
5	Date of Determination	13/07/2011
6	DETERMINATION	Dismissed

ISSUES RAISED

- 3 - Substantiation 3)i claims able to be substantiated and verifiable
- 1 - Truthful and Factual 1)i misleading or deceptive
- 1 - Truthful and Factual 1)iv supported by evidence

DESCRIPTION OF THE ADVERTISEMENT

A farmer is shown working on his farm and talking about Santos' long-term presence in the region, his personal experience with the company, and Santos' broader interaction with landholders and the community.

A voiceover completes the commercial, noting the potential of natural gas as an important future energy source and Santos' leading role in the industry.

THE COMPLAINT

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

I feel is little more than propaganda to sell coal seam gas mining which doesn't address the real facts that research shows coal seam gas mining is dangerous to the environment. This advert is trying to garner support from those in the community who may not know of the environmental and health impacts and us using the portrayal of the Australian farmer to support their claims that Santos is a part of the land. There is real opposition to coal seam gas mining and real concerns over the impact on the environment water health and community. They do not address the concerns of farmers affected by CSG mining. I find this type of advertising inaccurate misleading and offensive.

Completely deceptive as whilst farmer claimed there was no problem with having the gas companies on his land it was obvious that there was no gas company activity happening at

all ... not a gas rig road or truck in sight for goodness sake???? – it was akin to a 1940's Nazi walking through a beach-side holiday resort and with a big smile assuring viewers that the death camps were nothing to worry about!

A highly inaccurate portrayal of how coal seam gas mining has a minimal impact on the environment.

This is a blatant misrepresentation of what actually occurs during Mining and CSG extraction. The farmer was driving around a pristine farm with absolutely no mining or extraction equipment drill rigs trucks or roads in sight. If he wants to claim that Santos is looking after him and his farm then he needs to show that they are actually working ON his farm.

Coal Seam Gas Mining is highly unregulated by the Government. Many of the chemicals used in the fracking process are BTEX chemicals whereas many others are not even disclosed by the mining companies themselves. Rural towns with CSG drilling are being ripped apart by several means through health impacts (by gas entering the food and water supply) by bullying tactics of the company (to get landowners to agree) and its security personnel as well as police. Long-term effects are not disclosed landowners do not exactly know what will happen to their land their borewater their animals and their air quality. Community consultation is not happening in an honest way as Santos would have to speak of the dangers to the artesian basin as well as air and water quality and health effects of prolonged absorption of gas by the body. To be taken seriously Santos would have to address and state how to get around the long list of issues uncovered in the movie 'Gasland' which depicts what Gas companies have done in the USA over the last few years. Santos has a huge marketing budget and is now able to feed its spin to the gullible public who love to believe that there is another great way for Australia to make money and create jobs. But the truth is that Australia's 'land' (bush and agricultural) will be poisoned and ripped apart for many generations to come and that that is not even mentioned as a possible danger is highly offensive to those members of the public that have heard and informed themselves about this dirty out dated fossil fuel mining method.

The advertisement is unclear as to what is being advertised. The nature of coal seam gas exploration its environmental impacts and the chemicals used to extract coal seam gas are completely absent. Describing the gas as 'natural' is misleading considering the factors listed above.

Santos are heavily advertising coal seam gas under the guise of 'Natural' Gas which is misleading.

Extraction of coal seam gas is very different process from the extraction of natural gas. Coal Seam Gas extraction is heavily polluting process with reversible damage to the underground water farmlands soil food production real estate value and people's health. And due to methane leaks during the extraction process is more damaging to the environment than the coal burning over the 20 years period.

These Coal Seam Gas companies use a method to extract the gas from the coal seams called fracking. They get access to peoples properties. They drill down and use water and extremely toxic chemicals to release the gas from the coal seams. Several of these chemicals are benzene and formaldehyde. The water chemical cocktail leaches into the earth poisoning the water supply. Not all the gas is captured and some of it goes into the atmosphere causing even more global warming. The gas methane is much worse than CO2.

There have been many cases where people have let these companies go onto their land because they have been lied to. The people are sick and their animals and in many cases they can turn on the water and light it on fire! They have methane gas coming out of their taps!

There has been a lot of opposition to this form of mining shown on the media and these advertisements are an attempt to deceive the public after all the bad press they have got lately.

The gas they are mining is being sold to China. All these companies care about is making money. They have no regard for the environment or human welfare.

If you allow these sort of advertisements to go to air you are supporting an industry which is destroying the environment and people's lives.

These ads are deceptive and should not be shown.

Santos and other Energy companies are advertising Coal Seam Gas as natural gas.

This is a misleading environmental claim.

This ad is misleading in that it describes coal seam gas as a natural gas whereas the process used to obtain the gas involves huge amounts of chemicals that are anything but natural.

None of the equipment used during the coal seam gas mining process is shown during the ad instead portraying a minimal effect the process has on the farm.

The farmer was driving around a pristine farm with absolutely no mining or extraction equipment drill rigs trucks or roads in sight. If he wants to claim that Santos is looking after him and his farm then he needs to show that they are actually working ON his farm. This ad is akin to a 1940's Nazi walking around a beach-side holiday camp and with smiling face telling viewers there's nothing sinister about the death camps!

THE ADVERTISER'S RESPONSE

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

The specific purpose of the commercial is to promote Santos' positive relationships with landholders.

Generally, the complaints made against the commercial allege that it is a misleading representation of the nature and impact of coal seam gas activity. It appears that the section of the Environmental Claims In Advertising And Marketing Code to which the complaints appear most relevant is 1.1., which states that environmental claims "shall not be misleading or deceptive or be likely to mislead or deceive," and it is to this point that we address the following.

This commercial is a true and accurate portrayal of the relationship between Santos and a landholder upon whose property we operate.

The commercial shows a real farmer working on his own property and talking about his own experiences with Santos. It is one example of our many strong relationships with landholders, and, more broadly, the communities in which we operate. We note that the farmer was not paid to appear in the advertisement.

It is noted in some complaints that there is no gas infrastructure shown in the commercial. Santos has been operating on this farmer's property for about two years, and we currently have five wells that are ready to enter the pilot production phase, and which are contained within a fenced area of about 100m x 80m. When the pilot phase is complete and the wells move into full production, the size of the fenced area will reduce to about 10m x 10m, and the land around that will be returned for agricultural use. As the landholder, the farmer is appropriately compensated. As mentioned above, the purpose of the advertisement is to show

that farming activity is not impacted by Santos' CSG operations, rather than show the activity itself.

Taken as a whole, the complaints appear to be about coal seam gas activity in general, rather than about this specific advertisement. Santos is well aware of the questions and concerns expressed in the complaints, and we continue to address those through our extensive community engagement program.

Santos actively engages with landholders and the community to answer questions about the potential environmental, social and economic impact of coal seam gas activity. The company's ongoing engagement includes public meetings, one-on-one consultations, regional offices where the public can obtain information, freecall 1800 numbers, email enquiries, fact sheets, newsletters, and a section on our website dedicated to coal seam gas (www.santos.com/csg).

One complaint asserts that we are "advertising coal seam gas under the guise of 'Natural' Gas, which is misleading". We would like to clarify this misconception. Coal seam gas is natural gas that is extracted from coal seams (rather than, for example, sandstone reservoirs). Its use in Australia is common, and today approximately 20 percent of the natural gas being used in this country comes from coal seams.

It is important to clarify that we were not seeking to address community concerns in this particular advertisement, nor were we seeking to make claims about our environmental credentials. The commercial deliberately focuses on a specific aspect of our coal seam gas activity: our relationships with landholders.

Rather than making a specific environmental claim, the commercial depicts a real relationship between Santos and a landholder upon whose property we operate, and is a true and accurate example of our strong relationships with landholders and, more broadly, the community. Our company supports the concept of self-regulation and, in particular, the AANA Code of Ethics and the AANA Environmental Claims in Advertising and Marketing Code with AANA Environmental Claims Code. We do not however, believe the commercial in question is in breach of any section of these Codes and ask that the Advertising Standards Bureau find these complaints do not represent a breach.

THE DETERMINATION

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

The Board noted the complainants' concerns that the advertisement is misleading in its representation of Coal Seam Gas due to the environmental damage it causes when mined, and is misleading in its claims that Coal Seam Gas is natural.

The Board noted that the Environment Code applies to 'environmental claims' which are 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 Board noted that the advertisement features a farmer talking about Santos using his land for Coal Seam Gas and how they look after people and the land.

The Board noted the advertiser's response that the farmer used is a real farmer and that he was not paid to appear in the advertisement. The Board considered that no environmental claims are made in the advertisement regarding the effects of Coal Seam Gas mining on the environment, or regarding any other environmental issues, but rather that the advertisement is focused on the relationships Santos has with landowners and communities.

The Board noted the complainants' concerns that it is misleading to advertise Coal Seam Gas as natural. The Board noted the advertiser's response that Coal Seam Gas is a natural gas which is extracted from Coal Seams.

The Board considered that the advertisement does not fall under the Environment Code because it does not make any environmental claims.

Finding that the advertisement did not breach the Code on other grounds, the Board dismissed the complaints.