



**ADVERTISING
STANDARDS
BUREAU**

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Case Report

1	Case Number	0427/11
2	Advertiser	Jemena
3	Product	House goods/services
4	Type of Advertisement / media	Print
5	Date of Determination	9/11/2011
6	DETERMINATION	Dismissed

ISSUES RAISED

- 2 - Genuine environmental benefit 2)i relevant- specific and clearly explain benefit
1 - Truthful and Factual 1)i misleading or deceptive

DESCRIPTION OF THE ADVERTISEMENT

The headline features the words "It pays to turn on Natural Gas hot water" and the visual features a young woman in the shower shown from the shoulders up. There is an \$300 Reward offer for switching to Natural Gas and the terms and conditions for the offer are listed in small print at the bottom of the advertisement.

THE COMPLAINT

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

The wording says "Better for the environment than older electric storage ones". Who has done a lifecycle comparison cradle to grave? I feel like the public is being misled into believing that Natural Gas is good because it is clean and we can feel better by using it because face it - who wants to use a product that damages the world we live in. Natural Gas drilling and production is not CLEAN nor is it ENVIRONMENTALLY FRIENDLY. STOP SELLING IT AS SUCH!

THE ADVERTISER'S RESPONSE

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

Following is our response to the complaint that was recently received regarding The Natural Gas Hot Water promotional print advertisement, which is advertising awareness of the \$300 Reward offer to encourage consumers to replace their old, traditional electric Hot Water storage tanks with a modern Natural Gas Hot Water system.

The complaint focuses solely on one line of body copy that states.....

"Modern Natural Gas systems are more efficient, cheaper to run and better for the environment than older electric storage ones."

Our specific response in relation these words are:

(1) Environmental Claims:

Water heating is the largest single source of greenhouse gas emissions from the average Australian home and accounts for about a quarter of household energy use.

The Federal Government is currently phasing out traditional or older style electric resistance systems as Electric hot water systems use at least three times the greenhouse gases produced by other more efficient technologies such as solar or gas hot water systems. The Department of Climate Change and Energy predicts that the phase out of electrical Hot Water systems will result in the reduction of greenhouse gases by about 78.7 million tonnes over twenty years from 2010-2030 (Source: <http://www.climatechange.gov.au/what-you-need-to-know/appliances-and-equipment/hot-water-systems/phase-out.aspx>).

Stage 1 of this phase out has already been completed and Stage 2 is planned to commence next year, which will mean that electric water heaters will no longer be able to be installed in any existing detached, terrace or town house. Under the current BASIX system, homeowners are not allowed to install an electric hot water system in any new building or renovation due to their environmental inefficiencies.

Natural Gas Hot Water systems are significantly better for the environment as they produce approximately 70% less Greenhouse Gas emissions than electric hot water systems (source: Federal Department of Climate Change and Energy Efficiency). This is because Natural Gas burns cleaner than the coal that is burnt to generate most electricity in mainland Australia.

Comparison of greenhouse gas emissions produced by hot water systems

<i>Heating Format</i>	<i>Greenhouse Gas Emissions (tonnes per year)</i>
<i>Gas Storage 5 Star</i>	<i>1.1</i>
<i>Gas Instantaneous</i>	<i>1.2</i>
<i>Electric Storage</i>	<i>4.2</i>

Source: Federal Government department of Climate Change and Energy Efficiency report, 2011

(2) Taking body copy out of Context:

The key focus of the print advertisement is to encourage people to switch to natural gas for their hot water energy needs and hence the headline reads "It pays to turn on Natural Gas hot water" and features a visual icon to highlight the \$300 Reward offer. We believe it is important that the message of the communication should be viewed in its entirety and not just one sentence in isolation.

(3) Assessing the Print Ad within Advertiser Code of Ethics (Sect. 2):

Together with our Advertising Agency Pulse Marketing Group and the Communications Council, as requested we have carefully reviewed the AANA Advertiser Code of Ethics with particular reference to Section 2 of the Advertiser Code of Ethics and we can see no areas

were there are any claims made or any depictions which could contravene the Code.

Specifically, there is:

- *No depiction of people which discriminates against or vilifies a person or section of the community on account of race, ethnicity, nationality, sex, age, sexual preference, religion, disability or political belief.*
- *No portrayal of violence.*
- *No scenes involving sexuality and nudity.*
- *Nothing in the communication aimed at children, as we are targeting (both creatively and in our media buy) Home Owners aged between 25-54 years who are looking to install Natural Gas Hot water systems in their homes.*
- *There is no use of strong or obscene language.*
- *There is no material contrary to Prevailing Community Standards on health and safety.*
- *We are not advertising motor vehicles.*
- *We are not advertising Food or beverage products.*

In summary Jemena do not believe we have made any misleading claims in regard to the statement that “Modern natural gas systems are better for the environment than older electric storage ones” as this is the primary reason the Federal Government has stipulated that State governments move to ban electric resistance Hot water systems as they are the biggest contributor to Greenhouse Gas emissions.

Jemena stands by this reference as being fair and correct, as Natural Gas is a significantly better option for Hot Water heating than electric storage as they produce approximately 70% less Greenhouse gas emissions.

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 complainant’s concerns that the advertisement is misleading in its claims that Natural Gas hot water is better for the environment than older electric storage heaters when, in the complainant’s view, natural gas drilling and production is not clean or environmentally friendly.

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 an image of a woman showering and that the accompanying text says that modern Natural Gas heaters are ‘more efficient, cheaper to run and are better for the environment than electric storage heaters’.

The Board considered section 2(iii) of the Environmental Code which provides that:

‘Environmental claims must...in comparative advertisements, be relevant and balanced either about the product/service advertised or class of products or services with which it is compared.’

The Board noted that the fine print at the bottom of the advertisement states that the reference to running costs is based on a comparison of running costs of electricity and Natural Gas in NSW. The Board also noted the advertiser’s response that traditional, older style electric hot water systems are being phased out by the Federal Government because they can create up to three times the amount of greenhouse gases as a gas hot water system.

The Board considered that the comparison in the advertisement to the efficiency and costs of Natural Gas is, to a reasonable consumer, a relevant and balanced one. The Board determined that the advertisement did not breach section 2(iii) of the Environment Code.

The Board noted the complainant’s concerns that the advertisement claims that natural gas is drilling and production is clean and environmentally friendly.

The Board considered that the advertisement makes no such claims or any references to the environmental effects or impact of gas drilling.

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