

19 October 2009

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Parliament House
George Street
BRISBANE QLD 4000

Re: Inquiry into Alcohol-Related Violence in Queensland

Thank you for your letter of 3 September 2009 inviting a submission from The Alcohol Beverages Advertising Code (ABAC) Scheme to the Inquiry into Alcohol-Related Violence in Queensland ('the Inquiry').

Australia has a quasi-regulatory system for alcohol advertising: guidelines for advertising have been negotiated with government, consumer complaints are handled independently, but all costs are borne by industry. The ABAC Scheme is the centrepiece of Australia's quasi-regulatory system and is administered by a Management Committee which includes industry, advertising and government representatives.

ABAC is a quasi-regulatory system in line with the strict definitions for self, quasi- and co-regulation issued by the Australian Government Office of Best Practice Regulation. Both the Australian Government and the Council of Australian Governments are committed to best practice regulation.

The ABAC Scheme applies to print media, billboard, internet, cinema, television and radio advertising, and covers the content of advertising, not its placement. Following a recent decision by the Management Committee to incorporate the Scheme, the naming and packaging of alcohol beverages will also shortly fall under the ABAC umbrella.

ABAC Proudly funded by:

**Brewers Association of Australia and New Zealand
Distilled Spirits Industry Council of Australia
Winemakers Federation of Australia**

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The ABAC Code is not the only set of rules affecting advertising in Australia. Alcohol beverage advertising must also be consistent with other applicable laws and codes, for example:

- the Trade Practices Act and state fair trading legislation;
- the Australian Association of National Advertisers Code of Ethics;
- the Commercial Television Industry Code of Practice;
- the Commercial Radio Codes of Practice; and
- the Outdoor Media Association Code of Ethics.

To assist advertisers in their compliance with the ABAC Code, the Alcohol Advertising Pre-Vetting Service has been in place since 1992. It currently provides a valuable, confidential user-pays service to alcohol advertisers by assessing proposed advertisements against the ABAC Code at an early stage of campaign development. This provides some level of assurance, but no guarantee, against the possibility (and costs) of an advertisement being later ordered out of the marketplace – via the independent ABAC complaint processes.

At present, the great majority of alcohol advertising (greater than 98% by value) goes through the pre-vetting system. Whilst this is probably a higher rate of compliance than could be reasonably expected through any legislation, we are currently in discussions with other stakeholders as to how this may be improved.

With regard to print advertising placed by a retailer (e.g. Coles, Woolworths or a bottle-store chain), the ABAC Scheme exempts such print advertisements from being pre-vetted if the advertisement solely contains the retailer's name, the brand name(s), the type or style of beverage, a photograph of the container, the location and times of sale, and other material reasonably necessary to identify the retailer on whose behalf the advertisement is placed. Notwithstanding this exemption, we do consider complaints against retailer advertising where the retailer will cooperate, and I am not aware of any example where this cooperation has been refused, or where the adjudication decision has not been followed.

All complaints about any Australian advertising are received by the Advertising Standards Bureau (ASB), which provides a well-publicised central clearing point for complaints about alcohol advertisements. The ASB evaluates advertising – from all industries – against the Australian Association of National Advertisers (AANA) Code of Ethics, which sets standards for good taste, decency and meeting the prevailing community standards. In this manner, alcohol advertising is measured against the same standards for taste and decency as all other advertisements.

The ABAC Scheme applies a separate set of requirements on alcohol advertising, which are set out in the ABAC Code.

When a complaint about an alcohol advertisement is received, it is automatically sent on by the ASB to the Chief Adjudicator of The ABAC Scheme. The Chief Adjudicator is Professor the Hon Michael Lavarch. Currently there are five Panel members and a minimum of three Panel members can adjudicate on a particular complaint. One of these three will always be a Panel member with a professional

background related to public health, and who will have been nominated by the Commonwealth on behalf of the Ministerial Council on Drug Strategy.

No member of the Panel may, at the time of or during the term of his or her appointment to the Panel (a) be a current employee of member of the alcohol beverages industry; or (b) have been an employee or member of that industry during the period of five years prior to the date of his or her appointment.

Where a complaint is upheld by the Adjudication Panel, the alcohol industry has a very good record of complying with the decision, either amending the advertisement or more usually ending its use. In the long history of the ABAC Scheme, there has been only one instance of a company failing to amend or remove an advertisement. In that case, it was a very small Australian company with one product and that had only just entered the industry.

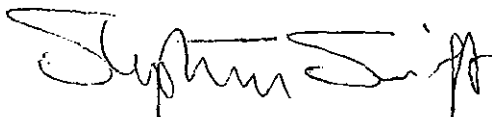
The well-established companies in the industry, with the largest brands and selling almost all alcohol consumed in Australia, support the ABAC Scheme through following the letter and the spirit of the Code, using the Pre-vetting Service, and by abiding quickly and voluntarily with adjudication decisions.

We welcome the opportunity to assist the Committee in its inquiry. To this end, the Chief Adjudicator of the ABAC Scheme, Professor the Hon Michael Lavarch, has offered to personally address the Committee to answer any questions you may have about his role or the operation of the adjudication process more broadly. If you should wish to accept this invitation, please contact me.

Additionally, I refer the Committee's attention to the website of The ABAC Scheme: www.abac.org.au. The website contains a range of background information on the Scheme and its operation, including detailed biographies of each Adjudication Panel member; copies of past annual reports; complete versions of the ABAC Code, and a range of past adjudication decisions. I have attached the latest Annual Report of The ABAC Scheme, for the Committee's information.

Thank you for the opportunity to provide comment to the Committee. If you should have any questions about this submission, or wish to contact me directly, I can be contacted by telephone

Yours sincerely



Stephen Swift
Chairman

Enc.