

February 16, 2011

Dr Anna Dacre
House of Representatives
Standing committee on social Policy and Legal Affairs
Parliament House
Canberra ACT 2600
Australia

Re: Inquiry into the Regulation of Billboard and Outdoor Advertising

Please find herewith a submission to the Terms of Reference outlined in the above mentioned inquiry. This submission is lodged on behalf of the members of the Media Federation of Australia (MFA).

Much of the detail contained in the Terms of Reference will be supplied by other industry bodies as they are the key drivers and caretakers of the various codes. The MFA has seen the submissions provided by the Australian Association of National Advertisers, The Communications Council, The Advertising Standards Bureau and The Outdoor Media Association in relation to this inquiry and we support and agree with the content that they each provide. This submission is essentially aimed at clarifying the value of Outdoor in the process of media channel planning and its effectiveness in the media landscape, both of which are given every opportunity to succeed within the existing structure of codes and complaint management.

The MFA and its members' role in the industry

It is recognised that the economic value of marketing in Australia is \$ 31.1 billion. In the 12 months in excess of \$13 billion was spent directly on media advertising in Australia. The Media Federation of Australia is a non-for-profit industry association that represents the interests of those companies (media agencies) that act on behalf of the advertiser to identify how and where (i.e. the media platforms) this money would be best invested in order to offer the advertiser a better return on their investment.

Some of the influencing factors in deciding where to invest these advertising dollars is the relationship and level of engagement the consumer has with the media platform, the content that is offered, the relevance or value it has to them and its accessibility and potential to cut through the clutter. In all the steps of the process, the consumer is at the heart of all these decisions to that identify how and where the exposure will be directed.

To operate effectively and efficiently, the industry relies heavily upon the solid foundations provided by industry best practice guidelines and the various self-regulatory codes that ensure responsible behaviour on the part of the content providers, media, marketers and other relevant stakeholders but more importantly to ensure that the consumer experience remains positive.

Value of Outdoor

The advertising spectrum will continue to explode with more consumer choice and an increasing amount of time is being spent on the many visual devices available in the market to stay connected, informed and entertained. Outdoor advertising offers a unique and compelling environment as a powerful communication tool and has the significant advantage of appealing to a captive and mobile audience.

The growth of out of home advertising continues to grow in the last twelve months has seen a substantial increase of 19% in net revenue which highlights the increasing value and point of difference it offers to the communications industry. Out of home advertising represents 5% of the total media spend according to the latest Nielsen Adex reporting for 2010 yet of all the billings placed by the media agencies, who base their decisions on rigorous and extensive bespoke research, the share of investment is higher at 8.2% accordingly to the most recent SMI figures for 2010.

The introduction of greater accountability in measuring the effect of outdoor advertising through the launch of MOVE in 2010 has only further increased market confidence in providing a clear return on investment.

Supporting Industry self-regulation

It is our view that the various self regulation codes that exist in the Australian marketplace operate effectively, are well recognised and supported by all the industry stakeholders and are reviewed regularly to ensure they remain relevant.

The MFA participates in relevant industry discussions with other leading industry bodies such as the Australian Association of National Advertisers, The Communications Council and the Advertising Standards Bureau as well as the many media industry bodies to ensure the continuance of responsible behaviour and education on the various codes, regulations and complaint management systems in place. It is recognised by the MFA that there is a significant investment of time and resource provided by all these bodies to maintain the standards that we support without question.

The MFA and its members actively support these codes by way of facilitating the collection of levies to assist in funding the Advertising Standards Bureau to ensure it can continue to its work in the area of handling consumer complaints.

Only 90 outdoor advertisements received a complaint in 2010 and 75 of those were dismissed by the board. Only 8 third-party advertisements were upheld by the board, which represents 0.026% of the 30,000 third-party outdoor advertisements that were displayed in 2010. These statistics highlight to us that the system of self regulation works effectively.

The MFA would be concerned about any potential negative impact that an enforced regulation system might impose on the outdoor sector. Currently there are time delays with selecting outdoor so extensive forward planning is required, any time delays or approval processes could compromise the process and on the basis of a system that is presently effective, this would appear to create an unnecessary challenge.

In conclusion, the MFA takes a positive view that this inquiry has created an opportunity for the industry to highlight the extensive rigour and due diligence that is undertaken to provide a safe and responsible and effective framework that allows the industry to flourish whilst addressing the needs of the consumer. Our view is that the existing system works effectively and should be sustained.

Kind regards



Carol Morris
Executive Director

Cc: Henry Tajer, MFA President