

CONSULTATION ON THE REVIEW OF THE CODE FOR ADVERTISING LIQUOR

DECEMBER 2010

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Introduction

This paper seeks your views on the Advertising Standards Authority (ASA) Code for Advertising Liquor. A copy of the code is included in this booklet. The ASA Codes of Practice, the ASA Annual Report and a booklet entitled *The Case for Advertising Self-Regulation* are available on the ASA website, www.asa.co.nz or by contacting the ASA office (0800 AD HELP). The ASA website also includes seven years of Complaints Boards Decisions on its database which can be searched by key word or code.

The Review Panel is mindful of the current consideration on the legal framework for the sale of alcohol under the Alcohol Reform Bill, and its processes will take into account any developments which occur during its consideration.

How to Comment

We welcome all views and Submitters may respond using the booklet or send in comments on matters raised in other written formats. Submitters are also welcome to use more than the space provided after each question for their responses.

The deadline for responses is **Friday**, **February 25**, **2011** and this booklet is available online at www.asa.co.nz. If you would like a copy of the booklet sent to you, please call the ASA office on 0800 234357 or via email, asa@asa.co.nz.

All submissions should be sent to:

Codes Review Panel ASA Secretariat P O Box 10675 WELLINGTON

or emailed to asa@asa.co.nz

The Panel may hear from some submitters in either Wellington or Auckland in March or April 2011. Please indicate in your submission if you wish to be heard by the Panel.

The Panel may release submissions to the public at the conclusion of the review. Please advise if you are happy for your submission to be released.

Matters currently outside the jurisdiction of the ASA and the Codes of Practice

From time to time issues that are outside the scope of the ASA and its codes are raised during a code review process. These matters will be referred on to the relevant government and non-government organisations, however, to assist submitters, it is noted that this review is **not** able to assist in the following areas.

The practice of offering significant price discounts on liquor products

Clause 220 of the Alcohol Reform Bill includes restrictions relating to price advertising. The Advertising Standards Complaints Board (ASCB) has been advised that a decision of the ASCB made solely around the level of discounting, would likely been seen as a restrictive trade practice and could breach the Commerce Act 1986.

Health warnings on liquor products

The regulation of health warnings on liquor product is a matter covered by Food Standards Australia New Zealand – see their websites www.fsanz.govt.nz / www.fsanz.gov.au.

Broadcasting Standards Authority

Attention is drawn to the Broadcasting Standards Authority Codes of Broadcasting Practice which include a Standard on liquor with regard to the content of broadcast programmes and programme promotions along with sponsorship of broadcast programmes. See their website, www.bsa.govt.nz.

National Protocol on Alcohol Promotions

Section 154A of the Sale of Liquor Act 1989 states:

"Every person commits an offence and is liable to a fine not exceeding \$5,000 who, being a licensee or manager of licensed premises, does anything in the promotion of the business conducted on the premises or in the promotion of any event or activity held or conducted on the premises that is intended or likely to encourage persons on the licensed premises to consume alcohol to an excessive extent."

The National Protocol is supported by the Hospitality Association of New Zealand, the New Zealand Police, the Alcohol Advisory Council and Local Government New Zealand and provides guidelines to assist relevant parties to understand the type of promotions and events which are likely to be considered acceptable and unacceptable in terms of the provision. It is available on www.alac.govt.nz.

Promotions by licensees that fall under this provision are currently outside the jurisdiction of the Code for Naming, Labelling, Packaging and Promotion of Liquor.

Background to the Review

The Code for Advertising Liquor was last reviewed in 2003 by a Panel chaired by Rt. Hon. Sir Michael Hardie Boys. The Panel recommended the Code be reviewed in 2008. However, due to a number of Government initiatives that were deemed likely to impact on the self-regulation of liquor advertising, the ASA decided to delay the review while the relevant legislation proceeded through Parliament (the Sale and Supply of Liquor and Liquor Enforcement Bill).

Further developments ensued, including a comprehensive review of the Sale of Liquor Act 1989 by the New Zealand Law Commission. The report of the Law Commission, *Alcohol in Our Lives*, was released in April 2010 and is available on the Law Commission website, www.lawcom.govt.nz. Chapter 19 of the report covers matters relating to advertising, sponsorship and promotion of alcohol.

The Law Commission Report included a number of recommendations relating to alcohol advertising and marketing. These recommendations were in three stages, the final stage being a ban of alcohol advertising. In August, the Government tabled its response to that report (see the Cabinet Paper on Alcohol Reform at www.justice.govt.nz) and agreed to the recommended stage one restrictions from the Law Commission Report which said:

"Stage 1 of the programme, comprising a new offence relating to the irresponsible promotion of the consumption and supply of alcohol (replacing section 154A of the Sale of Liquor Act 1989), should be implemented immediately.

The new provision should make it an offence to:

- in the course of carrying on a business, encourage the consumption of an excessive amount of alcohol, whether on licensed premises or at any other place;
- promote or advertise alcohol in a manner that has special appeal to people under the age of 20;
- promote or advertise alcohol, except in store or on premises, in a manner that leads the public to believe the price is 25% or more below the price at which the alcohol is ordinarily sold;
- promote alcohol that is free; or
- offer any goods or services on the condition that alcohol is purchased."

Taking into account a number of factors, including the need for regular reviews of the Code, and recent decisions made by the Government regarding alcohol advertising and promotion, the ASA decided it was appropriate to commence a review the Code for Advertising Liquor.

Terms of Reference of the Review Panel

- 1. To examine the content of the Code for Advertising Liquor.
- 2. To receive and review submissions on the Code for Advertising Liquor.
- 3. To recommend any amendments of the Code for Advertising Liquor to the ASA.
- 4. To comment on combining the Code for Advertising Liquor with the Code for Naming, Labelling, Packaging and Promotion of Liquor.
- 5. To comment on the Liquor Promotions Complaints Board, a specialist complaints board, receiving all complaints under the liquor code/s.

Process

The panel has agreed the terms of reference and will meet to review submissions and consider the content of the Code for Advertising Liquor taking into account recent complaints and decisions of the Complaints Boards. The review of the code is intended to be complete by August 2011. The review will be advertised in mainstream media, promoted via specialist websites including the Alcohol Advisory Council, through direct approaches to interested parties and via the ASA website.

Members of the Review Panel

The panel has seven members and is chaired by former Court of Appeal Judge, Hon. Sir Bruce Robertson

The other panel members are:

Sonya Crosby	Managing	Director,	Datamine	New

Zealand (industry nominee)

Paul France Director (nominee of the Broadcasting

Standards Authority)

Rick Friesen Chief Executive, Television Broadcasters

Council (industry nominee)

Dr Mark Jacobs Director of Public Health, Ministry of

Health (Ministry of Health nominee)

Jenny Robson Chairman, Advertising Standards

Complaints Board (ASCB Public Member)

Val Sim Barrister, former Law Commissioner

involved with the Law Commission Review of the Sale of Liquor Act (Alcohol Advisory

Council nominee)

Definition of Advertisement

The Advertising Standards Complaints Board and the Advertising Standards Complaints Appeal Board are the final arbiters of the interpretation of the ASA Codes in our system. The current definition of advertisement is set out below.

For the purposes of the Advertising Codes:

- The word "advertisement" is to be taken in its broadest sense to embrace any form of advertising and includes advertising which promotes the interest of any person, product or service, imparts information, educates, or advocates an idea, belief, political viewpoint or opportunity.
- The word "product" includes goods, services and facilities whether paid or given free.
- The word "consumer" refers to any person to whom an advertisement is addressed or is likely to be reached by it whether as a final consumer or as a trade customer or user.
- The definition includes advertising in all traditional media and new media such as online advertising, including websites. Emails and SMS messaging that are selling or promoting a product, service, idea or opportunity are also covered by the codes, as are neck labels and promotions attached to a product Other examples include posters, pamphlets and billboards (whether stationary or mobile) and addressed or unaddressed mail.

Advertising Standards Complaints Board (ASCB)

The Advertising Standards Complaints Board (ASCB) is an independent Board. It was established by the ASA in March 1988 to adjudicate on complaints about advertisements which complainants believe breach the Advertising Codes of Practice.

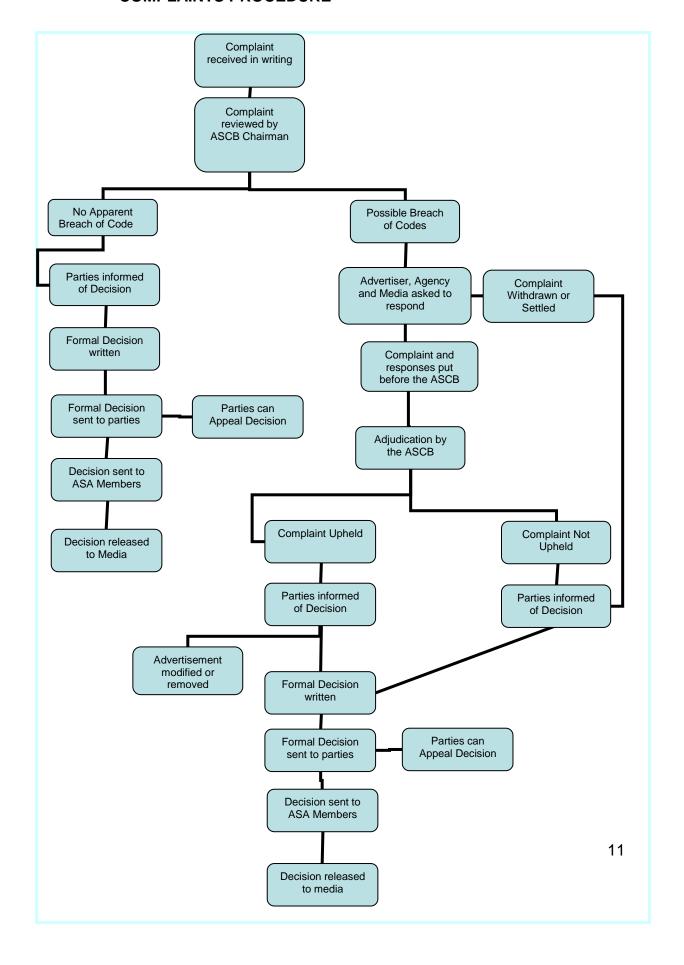
Its three main functions are:

- To adjudicate on complaints received about advertisements, which may be in breach of the Codes of Practice.
- To advise the ASA on the interpretation of the Codes and possible improvements to the Codes.
- To report to the ASA on any aspect of advertising which may be causing concern.

The ASCB meets monthly and in the event of urgent complaints is able to meet at short notice.

There are five public members on the Complaints Board and four industry members. The Complaints Board carefully consider all complaints put before it. All complaints received about advertisements are the subject of a Chairman's Ruling or a Complaints Board Decision. Rulings and Decisions are sent to all parties to the complaint and also released to the public and the media via the ASA website, www.asa.co.nz. Chairman's Rulings and Complaints Board Decisions may also be appealed to the Advertising Standards Complaints Appeal Board (ASCAB). The ASCAB has two public members and one industry member.

ADVERTISING STANDARDS COMPLAINTS BOARD COMPLAINTS PROCEDURE



Code for Naming, Labelling, Packaging and Promotion of Liquor

In October 2009, following consultation with industry and a number of Government agencies, the ASA introduced this additional code, which specifically covers the naming, labelling, packaging and wider promotion of liquor. A copy of this Code is available on the ASA website, www.asa.co.nz.

A separate Complaints Board (Liquor Promotions Complaints Board) was appointed to deal with complaints under this code, with three public members and two industry members.

While this Code is not directly part of this review, the Panel will be considering whether it would be more appropriate to have a single code covering all types of marketing and promotion for liquor. The Panel is also interested in receiving comments on whether or not complaints about liquor advertising and marketing should be received and considered by a separate complaints board – i.e. the Liquor Promotions Complaints Board.

The Review Panel will be considering whether having a separate code allows for more detailed guidelines in specific areas of promotion like labelling and packaging and if this would be of benefit to consumers and the public with regard to a robust codes and complaints process.

Currently, complaints about liquor advertising are dealt with by the ASCB, and complaints about labelling, packaging and promotion, by the Liquor Promotion Complaints Board.

Section 10

The Concept of Social Responsibility

A core part of the ASA Codes of Practice is the concept and application of a standard of social responsibility. In the case of liquor advertising and promotion – a high standard of social responsibility is required.

Social responsibility means different things to different people. The Appendix of this booklet contains an extract from the report of the review of the Code for Advertising to Children and the Code for Advertising of Food reported in May 2010, which may be of assistance to submitters.

Section 11

Request for General Comments

The Panel is particularly interested in receiving evidence from submitters which can assist with the Review. The Panel will assess evidence considered by the Law Commission during its review of the Sale of Liquor Act 1989, and by the Government Steering Group on the Review of the Regulation of Alcohol Advertising in 2007.

The Panel would welcome submissions which consider the following questions:

- 1. The key areas of concern that you have about alcohol advertising.
- 2. Whether you were aware of the ASA Code for Advertising Liquor, prior to making this submission?
- 3. If you know how to make a complaint about alcohol advertising?
- 4. Your assessment of the current complaints process and how it may be improved?
- 5. Whether the Code for Advertising Liquor and the Code for Naming, Labelling, Packaging and Promotion of Liquor should be combined in a single code?
- 6. Whether all complaints about liquor advertising and promotion should be considered by a separate specialist complaints board?

Section 12

Request for Specific Comments on the content of the Code for Advertising Liquor

In interpreting the principles and guidelines of the Code for Advertising Liquor, the Complaints Board considers both the spirit and intent. All codes operate alongside the over-arching Code of Ethics (available at www.asa.co.nz).

The Code for Advertising Liquor is set out on the following pages and comments are invited from submitters. If you wish to use more space than is provided in the booklet, please feel free to do so. It would also be helpful to the Panel if specific code references are used when making comments that refer to more than one principle or guideline.

Thank you for your contribution to the process.

Code for Advertising Liquor

All advertising shall adhere to the Principles and Guidelines set out in this Code.

The Code is designed to ensure that liquor advertising will be conducted in a manner which neither conflicts with nor detracts from the need for responsibility and moderation in liquor merchandising and consumption, and which does not encourage consumption by minors.

In interpreting the Code emphasis will be placed on compliance both with the Principles and the spirit and intention of the Code. The Guidelines are examples, by no means exhaustive, of how the Principles are to be interpreted and applied. Thus many are mandatory requirements. Notwithstanding the foregoing, the paramount consideration is the spirit and intention of the Code. Accordingly, upon complaint, the Advertising Standards Complaints Board is vested with a discretion to ensure a commonsense outcome.

Approval by the Liquor Advertising Pre-vetting System (LAPS) is strongly recommended.

Radio and television broadcasters annually provide free airtime to government organisations for the broadcast of liquor moderation messages and/or the no alcohol option as a result of commitments made by broadcasters when alcohol brand advertising was introduced in 1992. Such messages can be broadcast at any time.

DEFINITIONS

The following definitions are part of the Code for Advertising Liquor. Where relevant, they are repeated with the Principles they apply to.

"Heroes and/or heroines of the young" means individuals or groups of people who have achieved particular celebrity status with minors and includes cartoon and other imaginative characters. (See Principle 4)

"Light (or lite) alcohol" means liquor containing a maximum of 2.5% alcohol by volume.

"Liquor advertisement" means an advertisement, by whatever means it is disseminated, that promotes liquor by product, brand or outlet, but does not include a sponsorship credit or a sponsorship advertisement or an advertisement in which reference to or the depiction of liquor or liquor packaging or a liquor outlet is incidental to its purpose.

- "Liquor advertiser" means an advertiser which markets or sells liquor and uses its name or any identifying feature to promote the sale of liquor in any way.
- "Liquor packaging" means a recognisable representation of a liquor bottle, can, cask, pack or other container.
- "Minors" are people who are under the age at which they are legally entitled to purchase liquor. (See Principle 4)
- **"Sponsorship credit"** means an acknowledgment of a liquor advertiser's sponsorship. (See Principle 5)
- "Sponsorship advertisement" means an advertisement which clearly indicates that the advertiser is sponsoring a person, competition, activity or event. (See Principle 5)

QUESTIONS

Without limiting any comment you may wish to make, submissions are invited on the following:

Are the above definitions clear and do they provide sufficient guidance?
Is further guidance required? If so, in what areas?
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Is further guidance required? If so, in what areas?

Principle 1 - Liquor advertisements shall neither conflict with nor detract from the need for responsibility and moderation in liquor consumption.

Guidelines

- 1(a) Liquor advertisements shall not emphasise a product's alcoholic strength, except where the product is a light (or lite) alcohol product.
- 1(b) Liquor advertisements shall not glamorise liquor or association with it, or show or encourage the immoderate consumption of liquor.

QUESTIONS

Without limiting any comment you may wish to make, submissions are invited on the following:

Principle 2 - Liquor advertisements shall observe a high standard of social responsibility.

Guidelines

2(a) No product shall be advertised that does not comply with the following requirements taken from the National Guidelines on the Naming, Packaging and Merchandising of Alcoholic Beverages, published by the Alcohol Advisory Council of New Zealand (June 2000).

Labels, graphics, artwork, brand names, packaging, containers and other marketing materials and techniques shall observe the law, and shall not:

- (i) have the appearance of special appeal to minors by way of designs, motifs, cartoon characters or other devices that predominantly appeal to minors.
- (ii) lead to confusion with confectionery or soft drinks.
- (iii) lead to confusion as to the alcoholic nature and/or alcoholic strength of the product.
- (iv) draw any association with drug culture, narcotics or illegal drugs.
- (v) mimic containers or shapes (eg. hypodermic needles and syringes, explosive devices, etc) that are predominantly associated with antisocial or dangerous behaviour.
- 2(b) Advertisements shall not depict or imply offensive, aggressive or irresponsible behaviour or unduly masculine themes or portray unrealistic outcomes.
- 2(c) While advertisements may depict the consumption of liquor as incidental to a friendly and happy social environment, they shall not suggest that liquor will create a significant or desirable change in mood or social environment, or that liquor contributes to or is a reward for success or achievement of any kind.
- 2(d) Advertisements shall not be sexually provocative or suggestive or suggest any link between liquor and sexual attraction or performance.

QUESTIONS

Without limiting any comment you may wish to make, submissions are invited on the following:
Is it appropriate to require liquor advertisements to observe a high standard of social responsibility?
If so, do the guidelines provide sufficient guidance on how to achieve this? If not, is further guidance required? In what areas?

Principle 3

- 1. Liquor advertisements shall not depict or imply the consumption of liquor in potentially hazardous situations or include any unsafe practices.
- 2. Liquor advertisements shall not offer motor vehicles or boats as prizes in any competition.

Notes

- Principle 3(1) applies to advertisements depicting or implying the consumption of liquor by people in motor vehicles or boats, or while participating in swimming or other water sports, or other activities where the consumption of liquor by those participating is potentially hazardous.
- It is permissible to depict the consumption of liquor after the activity has ended, provided that no unsafe practice is involved.

QUESTIONS

Without limiting any comment you may wish to make, submissions are invited on the following:

Is it appropriate to require liquor advertisements not depict or imply the

consumption of liquor in hazardous situations or include unsafe practices?

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Principle 4

Relevant Definitions:

"Minors" are people who are under the age at which they are legally entitled to purchase liquor.

"Heroes and/or heroines of the young" means individuals or groups of people who have achieved particular celebrity status with minors and includes cartoon and other imaginative characters.

1. Liquor advertisements shall be directed to adult audiences. Liquor advertisements shall not be directed at minors nor have strong or evident appeal to minors in particular.

Note: Particular care is needed in advertising products such as RTDs which may appeal to the younger section of the adult market.

- 2. Liquor advertisements shall not be shown on television between 6.00 am and 8.30 pm.
- 3. Liquor advertisements shall not use or refer to identifiable heroes or heroines of the young.
- 4. Broadcasters must take care to avoid the impression that liquor promotion is dominating the viewing or listening period when broadcasting liquor advertisements, including liquor sponsorship advertisements and/or liquor sponsorship credits taking into account the context of the programme.

Guidelines

- 4 (a) Anyone visually prominent in a liquor advertisement depicting liquor being consumed shall be and shall appear to be at least 25 years of age with their behaviour and appearance clearly appropriate for people of that age or older
- 4 (b) Minors may appear in advertisements only in situations where they would naturally be found, for example in a family barbecue, provided that there is no direct or implied suggestion that they will serve or consume liquor.
- 4 (c) Television liquor advertising shall not exceed six minutes per hour, and there shall be no more than two advertisements for liquor in a single commercial break. (Effective from 1st December 2004.)

QUESTIONS

Without limiting any comment you may wish to make, submissions are invited on the following:
Is it appropriate to require liquor advertisements to be directed at adulaudiences and to not have particular appeal to minors?
If so, do the other requirements under Principle 4 provide sufficient guidance on how to achieve this? If not, is further guidance required? In what areas?

Principle 5 - Sponsorship advertisements and sponsorship credits shall clearly and primarily promote the sponsored activity, team or individual. The sponsor, the sponsorship and items incidental to them, may be featured only in a subordinate manner.

Relevant Definitions:

- "Sponsorship credit" means an acknowledgment of a liquor advertiser's sponsorship.
- "Sponsorship advertisement" means an advertisement which clearly indicates that the advertiser is sponsoring a person, competition, activity or event.

Guidelines

Sponsorship advertisements and sponsorship credits:

- 5(a) Shall not contain a sales message.
- 5(b) Shall not show a product or product packaging.
- 5(c) Shall not imitate or use any parts of product advertisements from any media.
- 5(d) Shall not portray consumption of liquor.
- 5(e) Shall only briefly and in a subordinate way mention or portray the sponsors name and/or brand name and/or logo orally and/or visually.
- 5(f) Sponsorship advertisements and sponsorship credits may be broadcast at any time except during programmes intended particularly for minors.

QUESTIONS

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Principle 6 - Liquor advertisements shall not by any means, directly or by innuendo, contain any misleading description, claim or comparison about the product advertised, or about any other product, or suggest some special quality which cannot be sustained.

QUESTIONS

Without limiting any commen	t you may	wish to	make,	submissions	are
invited on the following:					

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Are there any other matters that should be Principles under this Code? If so, in what areas and why?

Final Question:

APPENDIX 1

What do we mean by social responsibility?

In 2009 a Panel reviewed the Code for Advertising to Children and the Code for Advertising of Food. In the Final Report on the review of these codes, the Panel made the following comments about social responsibility.

"The Panel noted that a number of submitters requested clarification for a number of definitions – and in particular, clear parameters for what is meant by the term "social responsibility".

The Panel discussed this matter at length. The Panel agreed that the word "responsibility" was an important word to use about the content and context of advertising. A range of issues were considered – including the use of the terminology across all of the ASA codes of practice. One submitter recommended that the wording be removed and replaced with a requirement for advertising to be "in line with community expectations" as this could be a more easily quantifiable measurement. The Panel agreed that this term did not necessarily acknowledge the diversity of communities. The Panel was advised that as part of its consideration of complaints, the Advertising Standards Complaints Board (ASCB) regularly takes the communities likely to be affected by the advertising into account and the Panel notes that these communities differ, depending on the context, medium, audience and product.

The Panel acknowledged the challenges for both complainants and the industry around the lack of a definition of "social responsibility". However, it also acknowledged there is a substantial body of precedent decisions from the Advertising Standards Complaints Board (ASCB) providing context for the interpretation of both a due sense and a high standard of social responsibility.

It was noted that one of the benefits of the principle and rule approach in the Advertising Codes of Practice is that the interpretation of the codes can move in response to what the community may find more, or less, acceptable. A simple example is that society today is more tolerant of certain words such as 'bugger' and 'bloody idiot', which would not have been acceptable 20 years ago in advertising. On the other hand, tolerance of violence in advertisements has become more conservative over the same time period.

The Panel considered that the following statement, to be included in the codes, provides some context for all users on the application of the codes and the value of a level of discretion for the ASCB in its decision-making.

"In interpreting the code emphasis will be placed on compliance with both the principles and the spirit and intention of the code. The guidelines are examples, by no means exhaustive, of how the principles are to be interpreted and applied. Upon complaint, the ASCB is vested with discretion to ensure a commonsense outcome."

The Panel acknowledged that while a number of guidelines are included in the codes to illustrate the principles of a due sense or high standard of social responsibility – the ASCB is not restricted in its interpretation of the principle to the actual listed guidelines as indicated above. It is also possible for an advertisement to be in breach of the principle without being in breach of a specific guideline.

The Panel noted that when the ASCB is looking at a complaint with regard to social responsibility, they consider a multitude of factors based on the matters it raises. These can include the nature of the advertisement, product, medium, timing, demographics of the intended audience, number and nature of complaints received and the requirements of the specific rules and guidelines in the ASA Codes of Practice. In addition, the Panel noted that overlaying these considerations are the views of the ASCB members themselves consisting of public and industry representatives, from a wide range of backgrounds who all bring their views to bear on the consideration as to whether an advertisement is socially responsible. It agreed with the intention to vest a level of discretion with the ASCB."

The above commentary may be of assistance to submitters wishing to comment on social responsibility.