

CCIQ Submission to the Health and Community Services Committee: Review of Sexually Explicit Outdoor Advertising

Introduction

As the State's peak business organisation, the Chamber of Commerce and Industry Queensland (CCIQ) welcome the opportunity to provide input to the Health and Community Services Committee on the review of sexually explicit outdoor advertising.

CCIQ is the State's largest business organisation. CCIQ represents members across all industry sectors and all business sizes. We represent in excess of 25,000 businesses with links more than 120 local chambers of commerce and professional associations.

At the outset CCIQ wishes to state its opposition to any additional regulation of outdoor advertising on the basis that the existing framework of industry self-regulation and national oversight has proven effective to date in maintaining a high standard of advertising content and addressing community and ethical concerns as they have arisen.

As an effective framework currently exists, any move by the government to introduced state based legislation would result in additional regulatory compliance cost and burden for business and the community, and would reduce the comparative competitiveness of Queensland businesses compared to those in other states.

Given the State Government's already strong record and commitment to reduce red tape in Queensland by 20 per cent (net), CCIQ would have concern over any proposal or recommendation of the Committee for legislative reform.

Existing regulatory framework

Having reviewed the existing regulatory framework and held discussions with the Outdoor Media Association (OMA), CCIQ firmly believes that an effective self-regulatory framework currently exists.

The industry self-regulatory framework includes:

- 12 self-regulated national codes of ethics developed by the Australian Association of National Advertisers (AANA) which the industry adheres to in the development and publication of advertising material.
- Compliance with the code is overseen by the Advertising Standards Bureau (ASB) who also has responsibility to investigate and adjudicate complaints and breeches.
- The OMA's Content Review Policy which encourages advertisers to self-refer any advertisement which may be contentious prior to display.
- The OMA Content training offers clear guidance about industry codes and how best to comply.
- All members of the community have access to the industry's complaints mechanism, available through the ASB website and phone enquiry line.

Additionally it is CCIQ's firm belief that it is in the best interests of advertisers and their clients to adhere to the ethical standards and not to breach community and social expectations in order protect brand and market standing.

Evidence of the effectiveness of the self-regulatory framework includes:

- Of the average 30,000 ads posted on 73,000 advertising faces annually in Australia, the ASB received 30 complaints in 2011 and 83 complaints in 2012.
- Of these complaints, an ASB review resulted in the finding of 8 and 3 industry specific breaches of the code respectively in 2011 and 2012.
- To date there has been 100% voluntary compliance by the industry following a decision of the ASB to bring down or remove an offensive advertisement.

Most importantly, what this evidence demonstrates is that there is not only an effective mechanism to control the ethical development of advertising content, but that there is also an effective system for responding to and addressing complaints such that when complaints are made, adequate and timely action is taken.

Business impacts and economic costs of new regulation

The outdoor advertising industry makes a significant economic contribution to the Queensland economy. In 2012 the industry contributed an estimated \$42.6 million to Queensland's GSP and employed an estimated 150 full time equivalent employees.

The outdoor advertising industry in Queensland differs from other states in that there are more independent members working in a range of different regional and metropolitan areas. More than three quarters of these businesses are typically small and medium businesses.

Important also to note is that the outdoor advertising industry indirectly supports the revenue and profitability of the remaining 412,000 businesses operating in Queensland as the clients/customers of outdoor advertising companies are themselves other small and medium businesses. Queensland has a comparatively higher rate of local or regional advertising campaigns compared to other states indicating that outdoor advertising has a considerable positive impact for local business owners and operators across the state.

Further, it is CCIQ's view that the financial impact and compliance burden associated with regulation of the outdoor advertising industry would fall disproportionately on small and medium and regional businesses and could potentially remove from these businesses opportunities to market and promote their products and services. This would be an unfortunate outcome given the current economic environment in which many Queensland businesses are under financial pressure.

Inconsistency with State Government Objectives

The Queensland Government has publically committed to a regulatory reform program which includes reducing the cost and burden of red tape by 20 per cent (net) and applying improved regulatory assessment and review practices across government. As red tape is one of the most significant issues identified by Queensland businesses as impacting their ability to grow and employ, CCIQ strongly support these commitments.

Whilst the committee has been tasked with reviewing the effectiveness of current controls on outdoor advertising and determining if reform, including legislative reform, is necessary, CCIQ notes that the committee has not been asked to provide comment on the cost or impact of any recommended reforms.

Accordingly CCIQ recommends that the Committee give thorough consideration to the strong arguments being presented by industry in this and other submissions. These overwhelmingly demonstrate that the existing framework is proving effective in ensuring advertising material meets community expectations; and that any response based on new or amended regulation would impose additional and unnecessary compliance burden and cost on Queensland businesses.

Summary

Whilst it is true that the state government has limited powers in relation to the material on billboards and other outdoor advertising, it is arguable that there is any significant evidence to demonstrate failure of the existing national industry self-regulation framework to warrant regulatory intervention. Given the lack of action from any other state jurisdiction, it would be fair to assume that other State Governments share this view.

CCIQ firmly believes that in this instance a regulatory response is unwarranted. A regulatory response in this instance will simply increase the existing number of regulatory requirements imposed on businesses, and increase the cost and burden of red tape compliance. This may also constitute a clear example of duplication between State and Commonwealth regulation.

Should you have any questions or wish to discuss this submission in more detail please do not hesitate to contact Megan Johns, Senior Policy Analyst on 07 3842 2254 or email mjohns@cciq.com.au.