



AUSTRALIAN
**FOOD &
GROCERY**
COUNCIL

ANNUAL COMPLIANCE REPORT

2016 ANNUAL COMPLIANCE REPORT FOR
THE RCMI AND QSRI

Sustaining Australia

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1. EXECUTIVE SUMMARY

This report documents signatory compliance with the Responsible Children's Marketing Initiative (RCMI) and the Quick Service Restaurant Initiative for Responsible Advertising and Marketing to Children (QSRI) for 2016.

Overall, compliance with the RCMI and the QSRI core principles during their seventh year of operation was high, with the audit showing a compliance rate of 99.25 per cent across both initiatives. This compliance rate exceeds that recorded by the International Food and Beverage Alliance's commitment of 97 per cent¹.

The Advertising Standards Bureau (ASB) considered nine complaints relating to the initiatives in 2016. Of the eight complaints relating to the RCMI, one was found to be in breach of the initiative. While one complaint relating to the QSRI was considered by the ASB, no signatory was found to be in breach of their commitments under the initiative.

¹ <https://ifballiance.org/wp/wp-content/uploads/2016/04/IFBA-2015-Accenture-Marketing-Compliance-Monitoring-Report1.pdf>



2. INTRODUCTION

The Responsible Children's Marketing Initiative (RCMI) and the Quick Service Restaurant Initiative for Responsible Advertising and Marketing to Children (QSRI) were introduced in 2009 in response to community concerns about the level of advertising of foods high in energy, fat, sugar and salt to children. The initiatives are managed by the Australian Food and Grocery Council (AFGC) in line with the Australian Competition and Consumer Commission's (ACCC) *Guidelines for developing effective voluntary industry codes of conduct*².

In line with these Guidelines, and the principles set out in each initiative, this report details signatories' compliance with the RCMI and QSRI during 2016.

2.1. HOW THE INITIATIVES WORK

The RCMI and QSRI provide a common framework to ensure that only food and beverages that represent healthier choices are promoted directly to children. Whilst it remains the primary responsibility of parents to guide their children's behaviour in this area, companies voluntarily pursue the commitments under these initiatives as a means of assisting parents in their efforts.

The objectives of the RCMI and QSRI are to:

- Reduce advertising and marketing communications to children for food and beverage products that do not represent healthier choices
- Use advertising and marketing communications to children to help promote healthy dietary choices and health lifestyles amongst Australian children, and
- Provide an independent, best practice avenue for consumers to raise concerns regarding advertising and marketing communications to children for food and beverage products and issues of non-compliance through the Advertising Standards Bureau.

The initiatives capture advertising that is directed primarily to children and appears on television, radio, print, cinema, the internet and interactive games. There are also provisions relating to product placement and advertising in schools, pre-schools and day care centres. The QSRI has additional provisions relating to outdoor advertising, nutrition information and children's sporting events.

Advertising and marketing communications are considered directed primarily to children if:

- The communication is directed primarily to children through its themes, visuals and language, or
- The communication is placed in a medium directed primarily to children (in relation to television this includes all C and P rated programs and other rated programs that are directed primarily to children through their themes, visuals and language), or
- Children represent 35 per cent or more of the audience of the medium.

Signatories to the initiatives are required to publish individual Company Action Plans on the AFGC website (www.afgc.org.au) that outline their specific commitments. The QSRI has a common nutrition criteria for all signatories, while each signatory to the RCMI is required to specify the nutrition standards that will be applied to meet the core principles of the initiative. While the nutrition criteria may differ

² <https://www.accc.gov.au/publications/guidelines-for-developing-effective-voluntary-industry-codes-of-conduct>



between signatories, the RCMI uses an outcomes-based approach. The criteria must align with established scientific or Australian Government Standards and only products that represent healthy dietary choices may be advertised.

The Advertising Standards Bureau (ASB) administers the complaints process for the initiatives, in conjunction with a range of other industry codes, including the AANA Code of Ethics, Code for Advertising & Marketing Communications to Children and the Food and Beverages Advertising & Marketing Communications Code. All determinations of the ASB are available on their website www.adstandards.com.au.

2.2. 2016 SIGNATORIES

Signatories to the RCMI and QSRI include some of the largest national and multinational food and beverage companies. In 2016, Coca-Cola Amatil signed onto the RCMI.

RCMI Signatories

Campbell Arnott's	Lion Dairy and Drinks
Cereal Partners Worldwide (Australia)	Mars Australia
Coca-Cola Amatil	Mondelēz International (formerly Kraft Foods)
Coca-Cola South Pacific	Nestlé Australia Limited
Fonterra Brands Australia Ltd	Patties Foods
Ferrero Australia	PepsiCo Australia
General Mills Australia	Sanitarium Health & Wellbeing Company
George Weston Foods Limited and AB Food and Beverages Australia Pty Ltd	Simplot Australia
Kellogg (Aust) Pty Ltd	Unilever Australasia

QSRI Signatories

Chicken Treat	Oporto
Hungry Jack's Australia	Pizza Hut
KFC	Red Rooster
McDonald's Australia	



3. EXTERNAL AUDIT

AFGC undertook an audit of food and beverage television advertising through the purchase of three months of food and beverage television advertising data. Data for March, July and December 2015, were sourced from Ebiqity, an international provider of media and marketing analytics. The data covers advertising of food and beverage products on 13 free-to-air television channels (Seven, 7TWO, 7mate, Nine, GO, GEM, 9LIFE, Ten, 11, ONE, SBS1, SBS2, SBS Food Network) for Adelaide, Brisbane, Melbourne, Perth and Sydney. This data was paired with audience data purchased from OzTam to identify which programs had an audience comprising 35 per cent or more of children. Overall, 93 days were included in the analysis (24 hours each day) amounting to over 145,000 hours of television viewing time.

AFGC identified all television advertisements screened by signatories and assessed whether foods that do not meet their nutrition criteria were advertised during children's programs (greater than 35 per cent of the audience are children and/or programs directed primarily to children). AFGC did not assess the creative content of the advertisements as this interpretive aspect is best suited to the expertise of the ASB as part of their adjudication on complaints received.

3.1. RCMI COMPLIANCE RESULTS

During the 2016 audit period, RCMI signatories achieved a 99.4 per cent compliance rate with the placement of their advertising. This overall rate places the RCMI's compliance ahead of other world leading self-regulatory initiatives, including the International Food and Beverage Alliance which reported a compliance rate of 97 per cent in 2015 across 10 different countries. The provision of bonus airtime, which is managed by the television networks, continues to be a challenge for signatories. Along with this, late scheduling of movies and last minute program changes have created compliance issues.

3.2. QSRI COMPLIANCE RESULTS

During the 2016 audit period, QSRI signatories achieved a 99.0 per cent compliance rate with the placement of their advertising. This overall rate places the QSRI's compliance ahead of other world leading self-regulatory initiatives, including the International Food and Beverage Alliance which reported a compliance rate of 97 per cent in 2015 across 10 different countries.

One television program accounted for 61 per cent of breaches. This program is not directed primarily to children through its themes, visuals or language, but for the first time in 2016, it began attracting an audience comprised of more than 35 per cent children. As with the RCMI, the provision of bonus airtime, late scheduling of movies and last minute program changes continue to be a challenge for QSRI signatories.



4. COMPLAINTS

The ASB considered nine cases during 2016 in relation to the RCMI and QSRI. This represented less than 2 per cent of all cases considered by the ASB (533 in total). All nine cases resulted from a single complaint, demonstrating that no advertisements during 2016 generated community wide concern. In fact, of the 5,881 complaints received by the ASB, complaints relating to the RCMI and QSRI represented 0.15 per cent. The ASB has noted that all RCMI and QSRI signatories complied with ASB decisions and fully cooperated and supported the advertising self-regulatory system.

4.1. RCMI

The ASB assessed eight complaints in relation to the RCMI during 2016. Five complaints were assessed in 2015, seven in 2014, ten in 2013 and 2012 and nine in 2011.

UPHELD

One complaint against an RCMI signatory was upheld in 2016 (down from three in 2015):

1. 0512/16 Paddle Pop Twirly Pop (Internet) – Unilever Australasia

In this case the ASB determined that the advertisement was directed primarily to children, for a product that did not meet the nutrition criteria and therefore was in breach of the RCMI.

DISMISSED

Seven complaints against the RCMI were dismissed in 2016:

1. 0146/16 Coke Zero (Television) – Coca Cola South Pacific
2. 0297/16 MILO (Television) – Nestlé Australia
3. 0298/16 MILO (Internet) – Nestlé Australia
4. 0299/16 Cadbury Dairy Milk with Oreo Cookies (Facebook) – Mondelēz
5. 0300/16 Cadbury Dairy Milk with Oreo Cookies (Internet) – Mondelēz
6. 0421/16 LCM Bars (Internet) – Kellogg (Aust)
7. 0465/16 Paddle Pop Twirly Pop (Poster) – Unilever Australasia

In cases 1 to 6, the ASB determined that the advertisements were not directed primarily to children. The remaining case considered a medium of advertising not covered by the RCMI.

All case reports can be viewed at the ASB website: www.adstandards.com.au.

4.2. QSRI

The ASB assessed one complaint in relation to the QSRI during 2016. Six complaints were assessed in 2015, five in 2014 and 2013, 11 in 2012 and ten in 2011.

The ASB dismissed all cases in relation to the QSRI in 2016.



DISMISSED

One complaint against the QSRI was dismissed in 2016:

1. 0239/16 Create Your Taste Meal (Facebook) – McDonald's Australia

In this case the ASB determined that the content of the advertisement complied with the provisions of the QSRI.

All case reports can be viewed at the ASB website: www.adstandards.com.au.

5. CONCLUSION

Overall, compliance with the RCMI and the QSRI core principles during their eighth year of operation was high, with 99.25 per cent of signatory advertising being compliant with their commitment under the initiatives. This demonstrates that companies have in place processes to ensure adherence with their commitment to the initiatives, and audited activity was largely in line with these commitments.

Following the results of the audit, the AFGC has met with numerous television network representatives to discuss how to best address the challenges of bonus airtime and programming changes. The AFGC also held a training session tailored to signatory representatives, creative agencies, media buying agencies and media platform owners to ensure all parts of the advertising industry had the opportunity to become comprehensively skilled in the requirements of the initiatives.

