



AUSTRALIAN
**FOOD &
GROCERY**
COUNCIL

ANNUAL COMPLIANCE REPORT

2015 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 2015.

Overall, compliance with the RCMI and the QSRI core principles during their seventh year of operation was very high, with the audit showing a compliance rate of 99.75 per cent for both initiatives. This compliance rate exceeds that recorded in the 2014 Annual Compliance Report (99.7 per cent and 99.5 per cent for the RCMI and QSRI respectively) and the International Food and Beverage Alliance's commitment of 97 per cent¹.

The Advertising Standards Board (ASB) considered 11 complaints relating to the initiatives in 2015. Of the five complaints relating to the RCMI, three were found to be in breach of the initiative. While six complaints relating to the QSRI were 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 2015.

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. 2015 SIGNATORIES

Signatories to the RCMI and QSRI include some of the largest national and multinational food and beverage companies.

RCMI Signatories

Campbell Arnott's	Lion Dairy and Drinks
Cereal Partners Worldwide (Australia)	Mars Australia
Coca-Cola South Pacific	Mondelēz International (formerly Kraft Foods)
Fonterra Brands Australia Ltd	Nestlé Australia Limited
Ferrero Australia	Patties Foods
General Mills Australia	PepsiCo Australia
George Weston Foods Limited and AB Food and Beverages Australia Pty Ltd	Sanitarium Health & Wellbeing Company
Kellogg (Aust) Pty Ltd	Simplot Australia
	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 Ebiquity, an international provider of media and marketing analytics. The data covers advertising of food and beverage products on ten free-to-air television channels (Seven, 7TWO, 7mate, Nine, GO, GEM, Ten, 11, ONE, SBS) 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 111,600 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 2015 audit period, RCMi signatories achieved a 99.75 per cent compliance rate with the placement of their advertising. This is an improvement on the 2014 audit period, which had a compliance rate of 99.7 per cent. 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.

Of all 17 RCMi signatories, 11 recorded their best compliance rate since monitoring began in 2009.

The results of the audit demonstrate that instances of non-compliance was not due to companies endeavouring to target children with their advertising, reflected in the fact that 36 per cent of breaches were for miscellaneous products that would clearly only be of interest to the main grocery buyer including cooking sauces, condiments, butter and sugar free mints. The provision of bonus airtime, which is managed by the television networks, continues to be a challenge for signatories, resulting in half of the instances of non-compliance under the RCMi. A further quarter of breaches were due to last minute decisions regarding the scheduling of movies or changes in programming where no notice was provided to the advertiser. Of all breaches, 21 per cent screened between midnight and 6.00am.

3.2. QSRI COMPLIANCE RESULTS

During the 2015 audit period, QSRI signatories achieved a 99.75 per cent compliance rate with the placement of their advertising. This is an improvement on the 2014 audit period, which had a compliance rate of 99.5 per cent. 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.

Of all seven QSRI signatories, four recorded their best compliance rate since monitoring began in 2013.

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 with these accounting for almost half of all instances of non-compliance. Of all breaches, 14 per cent screened between midnight and 6.00am



4. COMPLAINTS

The ASB considered 11 case during 2015 in relation to the RCMI and QSRI. This represented 2 per cent of all case considered by the ASB (483 in total). All 11 cases resulted from a single complaint, demonstrating that no advertisements during 2015 generated community wide concern. 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 five complaints in relation to the RCMI during 2015. Seven complaints were assessed in 2014, ten in 2013 and 2012 and nine in 2011.

UPHELD

Three complaints against RCMI signatories were upheld in 2015 (up from two in 2014):

1. 0206/15 Fanta Fruit Slam 2 (App) – Coca-Cola South Pacific
2. 0204/15 Fanta (Television) – Coca-Cola South Pacific
3. 0511/15 Patties (Television) – Patties Foods

All three cases contained products that did not meet the specified nutrition criteria. In the first two cases the ASB determined that the advertisement was directed primarily to children and therefore in breach of the RCMI. In the third case the ASB determined that the advertisement was not directed primarily to children, but as the advertisement was broadcast during programming directed primarily to children it was deemed in breach of the RCMI.

DISMISSED

Two complaints against the RCMI were dismissed in 2015:

1. 0205/15 Fanta (Website) – Coca Cola South Pacific
2. 0375/15 Sour Patch Lolly (Television) – Mondelez

The Board determined that the advertisements featured in the remaining two complaints were not directed primarily to children.

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

4.2. QSRI

The ASB assessed six complaints in relation to the QSRI during 2015. Five complaints were assessed in 2014 and 2013, 11 in 2012 and ten in 2011.

The ASB dismissed all cases in relation to the QSRI in 2015.

DISMISSED

Five complaints against the QSRI were dismissed in 2015:

1. 0279/15 Minions Extra Value Meal (Radio) – McDonald's Australia



2. 0280/15 McDonald's Minions microsite (Website) – McDonald's Australia
3. 0281/15 Minions Activity Sheet (Website) – McDonald's Australia
4. 0282/15 Minions Extra Value Meal (Television) – McDonald's Australia
5. 0336/15 Happy Readers (App) – McDonald's Australia
6. 0382/15 New Original Tenders (Billboard) – KFC

In all six cases the ASB determined that the content of the advertisements 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 seventh year of operation was very high, with 99.75 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.

Results of the external audit demonstrate the continued work is needed in communicating with media agencies and the networks and channels to ensure that signatories' commitments are clearly understood and accounted for in the placement of advertising.

