the communications council
member report 2012
1. CEO note

2. Our industry at a glance
   - Industry overview
   - Agency changes: international context
   - Agency models
   - Talent
   - Adspend outlook
   - Regulatory pressures
   - Food advertising
   - Alcohol advertising
   - Privacy

3. Galvanising, nurturing and uniting our members
   - Current membership
   - Local representation
   - New member groups
     - Commercial Producers Council (CPC)
     - Public Relations Council (PRC)
     - Account Management Group (AMG)
   - Existing member groups
     - Australasian Promotional Marketing Association (APMA)
     - Account Planning Group (APG)
     - Australasian Writers and Art Directors Association (AWARD)
     - Youngbloods
   - Member communications
   - Industry collaboration
     - Human Resources Group
     - Digital Committee
     - Healthcare Committee
     - Gender Diversity Group
   - State Committees
     - The Queensland Committee
     - The Western Australia Committee
     - The South Australia Committee
4. Building the reputation of the industry
   Best practice projects
   Codes and regulation training
   Thought leadership and promotion of the industry
   Media relations
   Cross industry collaboration
   ASIC
   ABAC
   Social Media
   AMMIF
   OBA

5. Delivering world class education and professional development
   AdSchool
   AWARD School
   AWARD CopySchool
   Graduate Trainee Program

6. Promoting breakthrough creativity
   Effie Awards
   Effies Exposed
   Circus 2012
   Circus 2013

7. Thank you

8. How to maximise the value of your membership

9. The 2012 Communications Council Board

10. The 2012 Communications Council team
1. CEO note

To champion commercial creativity.

The Communications Council’s purpose was the single biggest thing that attracted me to the role of CEO in late 2011. Creativity is our industry’s greatest asset and contribution to society. It is inspiring and empowering, it is hugely valuable to business, it shapes culture and it can make the world a better place.

As your industry body, our vision is to empower communications agencies to be universally respected and valued for their contribution to the economy, culture and society.

At the end of the day, our industry’s reputation particularly with clients is at the heart of what we do. Our priorities as your representative body, which have been reinforced by the needs that you our members have articulated, are and will continue to be:
- To build the reputation of industry by raising professional standards, practices, advocacy with stakeholders
- To invest in talent and capability development by delivering world class education and professional development
- To promote breakthrough creativity
- To galvanise, nurture and unite our members

Over the past three years, The Communications Council has made a shift from being a more traditional trade association to being an inclusive organisation that functions as a hub for all players in the industry. In late 2009 we had the amalgamation of the Advertising Federation Australia (AFA), Australasian Writers and Art Directors Association (AWARD), the Account Planning Group (APG) and the Australasian Promotional Marketing Association (APMA). This year we started new member groups the Commercial Producers Council (CPC), the Public Relations Council (PRC) and the Account Management Group (AMG). This change has strengthened our industry footprint, collaboration across our industry, our communications expertise and elevated the quality of deliverables.

We are now well placed to take our priorities to the next level with a few scale initiatives in 2013:
- We will restructure our education and professional development programs in line with research we will undertake. This is a critical initiative to help us better meet your needs and the evolving communications landscape we operate in
- We will have state representation in our five major capitals to enable us to better meet individual member needs and build local momentum
- We will review the accreditation program in late 2013, to be more workable and practical and to ensure it remains a program raising professional standards.
- We will launch a number of exciting new initiatives among which Effies Exposed, a program of presentations highlighting the trends, learnings and methodologies from winning Efhe case studies providing an independent, reputable and local view on marketing effectiveness
- The Circus Festival of Commercial Creativity, our marquee event, will return for a third year to offer you a world class learning experience and an opportunity to rethink, reset and reinvigorate your professional aspirations

It is of paramount importance to us that you get value for your investment. In 2013, we once again commit to ensuring that we offer benefits of value and support to you. Likewise we hope to count on your continued commitment to help shape what we do.

Together stronger.
Thank you!
2. Our industry at a glance

$2b

0.1%

1.4%

Revenue

Annual Growth 2007-12

Expected Annual Growth 2012-17

Source: IBISWorld

Industry overview

2012 has been a challenging year for Australian agencies, which have traditionally been sensitive to any global changes in economic conditions. The level of advertising and promotional spending by clients has been decreasing in real terms over the past years, standing at a 0.1% increase over 2007-2012 (Source: IBISWorld). As they grapple with new spending patterns since the global financial crisis in a context of increasing complexity, many clients are using pitch processes to secure best available market rates, creating bidding competition between agencies to gain contracts and leading industry players to have to deal with higher investment costs and higher risk.

Fragmentation of the media landscape continues to have a marked effect on budgets and marketing priorities. A relatively high cost of main media advertising, the emergence of digital and new media, the rise of web-enabled devices, faster and cheaper internet pay TV and new free-to-air channels, are all driving changes in consumers’ media viewing habits. As clients and agencies manage these changes, a shift in budget allocation is occurring across a growing number of marketing channels. Marketers are still uncertain when or if to include certain channels in their marketing plans, and if so what audiences are best targeted through those channels and are relying on agencies to lead the way. This is illustrated well by a recent IBM CMO study showing that at senior executive level, 81% of Australian and New Zealand CMO’s feel unprepared to deal with growth in device and channel choices, while 72% of those CMO’s feel unprepared to deal with customer collaboration and influence.
Additionally, fragmentation is driving diversification, seeing clients including a greater proportion of below-the-line communication in marketing campaigns, evidenced by a significant increase in online spend, predicted to become 30% of media spend in 2015-6. (Source: Ibis World). At holding company level this has led to businesses seeking to obtain complementary businesses in areas such as public relations, market research, digital and social media to provide service across the spectrum.

With business confidence on the lower side, cost-effective means of advertising continue to be sought. Marketing clients are increasingly required to be commercially minded business managers and in turn require the same commercial focus by their agencies.

30% of media budget will be dedicated to online spend in 2015-16. - IBISWorld

Agency changes: international context

The lingering effects of the economic crisis continue to prevail, particularly for those agencies with multinational ownership. Cautious spending and creative conservatism are arguably the hallmarks of this period of economic uncertainty.

Where Australian agencies are owned by multinationals the effects of the crisis can be felt in the Australian market, resulting in conservative spending first and foremost.

However, with a strong advertising market, a proximity to Asian markets, Australian agencies’ activities have equally proved attractive to overseas businesses.

The purchase of major player Mitchell Communications by multinational firm Aegis in late 2010, acquired by Dentsu this July, the takeover of Clemenger Group in 2010 by Omnicom’s BBDO, and Interpublic’s Lowe Australia acquiring 51% of agency 303, as well as the purchase of 51% of creative agency Host, by France based Havas, are testimony to these facts.

Globally, the advertising sector is seeing companies diversifying marketing activities; acquiring agencies in public relations, direct marketing, website development, market research and database management areas. These conglomerate companies can be effective one-stop-shop to clients, especially where global accounts are concerned, a development that is likely to continue in 2013.
Agency models

In Australia, the emergence of specialist agencies has been driven by the need to adapt to fragmentation and changing media consumption patterns.

Marketing information service WARC predicts a future agency model focused on integration; where traditional expertise is matched with emerging technologies to create holistic solutions for clients. It predicts a focus on content, co-creation, integrated planning and real-time data matched with qualitative insight. The signs of such changes are visible already with the rise of customer communities, real-time feedback and integrated planning increasingly adopted. Specialist digital agencies focused on social media strategies, blogger representation or tablet-based communication are also testimony to this trend.

Talent

Fragmentation, increased integration and specialisation has had a significant effect on agency needs for talent. With the increased demand for digital content, as well as an increased focus on ROI and effectiveness, the industry has seen a critical need for employees with digital and quantitative skills.

The need for digital talent is especially pressing in our industry; in May 2012 BOSS reported that digital and social media channels are driving the skills requirements of marketing teams, with skills in these two areas being most in demand, while Digital IQ, conducted a study among 350 respondents from brand, agency and media businesses, which showed that on average only 28% of the respondents crossed the threshold of necessary working expertise (familiar or very familiar with category) across eight key digital marketing capabilities. This trend is echoed worldwide with McKinsey reporting in its Minding Your Digital Business Global Survey of May 2012 that 43% of senior marketing leaders say it is difficult to recruit digital talent.

Looking to the future, the tighter focus on return on investment by clients, the increased competition for ad production and the evolving nature of advertising mediums, is likely to drive changes in the talent and skills required to enter senior leadership.

43% of senior marketing leaders say it is difficult to recruit digital talent. – Minding Your Digital Business Global Survey, May 2012
Adspend outlook

According to figures supplied to the Communications Council by IBISWorld, the industry will generate revenue of $2.04 billion in 2011-12, representing a decline of 0.8% on the previous year 2010. This came on the back of two years of revenue decline that coincided with the economic downturn and a modest recovery in 2010-11.

The Standard Media Index recorded a 1.2% year-on-year decline in total advertising spending in October 2011, echoing these figures. Various advertising spending forecasters are uncertain about 2013 figures, with growth estimates ranging from 1.3% by Starcom to 6.5% by GroupM.

The combination of a minority government, weaker consumer confidence and budget cuts by multinationals have conspired to suppress the advertising market for the coming year to single digits. Similarly, the high Australian dollar, plus the fact that global advertisers account for more than half the ad dollars spent in Australia have dampened predictions.

On the more positive side, the Interactive Advertising Bureau (IAB) is optimistic that pre-Christmas retail spend could lead into better than expected online investment in 2013. An early federal election that delivers stability, business and consumer confidence could also boost the last quarters of 2013.

IBISWorld forecasts that industry revenue will increase by 1.4% per annum over the five years through to 2016-17, to reach $2.19 billion.

Promisingly, the March 2012 McKinsey report ‘Advertising as an economic growth engine’ states that digital advertising contributed ten per cent to economic growth in G20 countries from 2008-2010, pointing to an economically meaningful contribution from advertising to company performance, and the economy as a whole.

Regulatory pressures

Compared with 2011, regulatory pressure has eased on the industry with the completion of the Outdoor Advertising Review in mid 2011, the Classification Review late 2011, and Conroy’s Convergence Review mid-2012. With the government’s report on the Convergence Review due early 2013, the deadline for the implementation of the Outdoor Advertising Review’s recommendations to industry due that same year, and discussions around food and alcohol advertising and
online privacy, intensifying as local and international lobby groups gain momentum, agencies are likely to face increased regulatory pressure through 2013.

Food advertising - Concerns about obesity have been increasing in the past year, both internationally, nationally and on state level. All facets of society have proposed solutions to the issue, with certain lobby groups proposing restrictions or bans on food marketing. Politicians have raised concern, most recently in South Australia by way of Senator Hill, with excessive marketing to children, calling for advertising to be banned from `children heavy' time slots. The government has advocated a national approach to the issues, tasking the Australian National Preventive Health Agency (ANPHA) with reviewing marketing to children and, if found to be necessary, to reduce the exposure of children to the marketing of energy-dense nutrient-poor food and beverages.

Throughout 2012, The Communications Council has taken the view that there is a need for clear definitions for the foods to which marketing restrictions apply and for policy that is workable and enforceable across all media channels. Through 2013 we will be monitoring developments and work with the Australian Association of National Advertisers (AANA), which will represent advertisers interests within this working group, to ensure that any agency concerns are shared.

Alcohol Advertising - There is increasing concern around advertising for alcoholic beverage products and their possible links to underage drinking or excessive consumption. 2012 saw a continuation of lobby groups demanding that alcohol advertisements be further regulated or banned outright. The government has tasked ANPHA with considering public policy on alcohol misuse and associated harms, including a review of existing alcohol advertising regulations. ANPHA is likely to release their findings in this subject area at the end of 2012. Once released, we will be formulating a response in early 2013, in cooperation with other industry bodies that have member interests in this area, and through representation on the Alcohol Beverages Advertising Code (ABAC) Management Committee.

Privacy - Concerns about who gathers what data, how it is used and how people can be tracked online for advertising purposes remain. Throughout 2012, we participated in discussion on the industry's role, legal and social obligations in the area of privacy.

The Communications Council remains a supporter of the Online Behavioural Advertising (OBA) guidelines which offer best practice guidance to advertisers wishing to engage in third party online behavioural advertising.

With the release of the government’s position on the revised Australian Privacy Act, potentially redefining personal data and imposing further legislation in the online sphere, there may be changes in store for marketers in the area of online privacy in 2013. As the debate about Do Not Track, a proposed list similar to the Do Not Call register, heats up overseas, notably in the US and Europe, Australia is also likely to see increased discussion in this area.
3. Galvanising, nurturing and uniting our members

The Communications Council creates a footprint across the increasingly integrated world of creative, digital, healthcare, design, direct marketing, promotion, PR, plus creative production companies and strategic planning consultancies. The Communications Council is dedicated to galvanising our membership to come together to exchange ideas, share industry issues, network and learn from each other. Based on the concept of ‘together stronger’, we champion a proactive and united industry approach.

55 events and awards were run over 2012

The Communications Council runs a variety of events, awards, groups and initiatives to galvanise and unite our individual and corporate membership. Over 2012, we ran 55 events and awards in total, providing weekly opportunities for members to learn, network and socialise. Events ranged from our marquee event Circus and the Effie Awards to the Battle of the Bands, The Todd grills Russel Event and the recently launched AWARD pub nights.

For 2013, we will continue to deliver quality learning and networking events bringing together our members. Next year will see the introduction of forums for the industry’s leaders to share experiences and learnings in the area of reputation, agency culture and gender diversity.

Our membership: type of agencies

[Pie chart showing distribution of agencies]
Communications Council member top priorities

- Training and professional development
- Legal and self-regulatory codes advice
- Best practice guidance
- Agency reputation and value to clients
- Connectivity and industry engagement
- Advocacy and public affairs
Andrew Fabbro, Founding Partner AJF Partnership (Melbourne):

“We have been a member of The Communications Council since the first day AJF Partnership opened its doors seven and a half years ago. Back then, we had three Officeworks BBQ tables, three deck chairs, some Macs and a colour copier. The work The Communications Council does for our industry gives us the confidence and support to know that we are part of a strong professional industry. A fact that has sometimes been questioned by the business community in the past, but as our industry matures, a fact more business people now understand.”

Stephen Robson, Managing Director H&T (Sydney):

“For the 30 years H&T has been an accredited agency, we have seen a lot of changes to our industry. Our active membership of the Communications Council during this time has helped us to roll with the punches and emerge as a much stronger business. H&T was a founding member of the Healthcare Communications Council more than a decade ago. And we utilise Communications Council resources such as AdSchool, salary surveys, Effie case studies and the Graduate Program constantly. Our membership is an investment that keeps on giving.”

Michael Mottarelly, Managing Director Enso (Brisbane):

“As a small boutique agency, some of our team members are often required to wear many different hats, especially during the process of a new business pitch. Resources provided by the Communications Council, such as pitching guides and Remuneration/Client-Agency Agreement Guidelines are valuable tools that assist in managing efficient processes, while also giving our staff and clients the confidence that we are striving towards industry best practice.”
Current membership

The Communications Council membership currently stands at 197 member agencies across Australia, a significant rise from the 102 agencies that were part of The Communications Council’s predecessor the Advertising Federation of Australia (AFA) prior to the formation of our body in late 2009.

Recent new members are the newly independent BWM (Beligovane Williams Mackay), the UK headquartered agency VCCP, Queensland-based Khemistry, Victorian agencies RU Advertising, Nourish Brands and Press Play, locally-owned and media-accredited Chaos Group and WA-based Initiative Media, OMD, Longtail and Equilibrium. Over 2012, a number of new members have come on board as the formation of the PR Council and the Commercial Producers Council provided new impetus to join.

Local representation

In 2012, The Communications Council appointed two new state representatives, Danielle Norrish as the WA Communications Council Member Representative, and Hanns Bergs, representing the Communications Council in Queensland. We also saw the return of Audrey Maxwell as our Membership and Education representative in Victoria. Having these local representatives ensures our body is adequately resourced and represented at state level, and guarantees local issues are communicated effectively to national and board level.

In WA, digital agencies now represent 20% of corporate membership.

In 2013, the Communications Council will be employing a local representative for South Australia, who will shape and drive member issues in this region.
Galvanising, nurturing and uniting our members

New member groups

Testimony of our mission of ‘together stronger’ and the broadening of our footprint, the Communications Council has been striving to deliver a range of benefits to our increasingly diverse membership.

This development has seen the rise of a number of specialist groups, providing a voice on key issues, in the area of Public Relations, Production and Account Management.

Commercial Producers Council (CPC) - Commercial producers were not historically represented by the Advertising Federation Australia (AFA). A new group, the Commercial Producers Council (CPC), was launched at the end of 2011, providing a voice to commercial producers.

With a purpose of setting professional standards for the delivery of creative production in a commercial context, it looks at the provision of legal guidance and operational support for the business of commercial production, in a pressured economic environment.

The group’s key project is to establish an industry recognised production agreement and complementary terms and conditions, updating previously existing industry practices.

Ian Fowler (@radical.media), Co-chair of CPC:

The main focus of the work of the CPC this year has been the overhaul and update of the production agreement and terms and conditions between production companies and agencies. It has been quite a while since these documents were looked at and with changes in technology and new financial pressures on everyone in the business, it was long overdue. With input from CPC members, and agency TV production heads in Sydney and Melbourne, good progress has been made. We expect to be implementing the documents shortly bringing about a substantial lift in the standard of this important part of our business practices.

Public Relations Council (PRC) - The Public Relations Council (PRC) represents the consumer PR discipline within the marketing communications industry. Initiated by six founding agencies, its remit is in championing earned media. Its objectives are representing the interests of the consumer Public Relations agencies to other specialties within the marketing communications industry, as well as to the wider business community, providing a unified voice on issues facing the consumer Public Relations speciality and developing specific training, advice and best practice projects of relevance to PR professionals.
With the appointment of Michelle Hutton to the National Board in November 2012, the PRC is now ensured a voice in shaping the strategic direction of The Communications Council.

2013 will see the fruition of its first projects in the area of best practice, small member advice workshops and briefings on the client view of this specialty.

**Account Management Group (AMG)** - The Account Management Group was launched late in the year in Victoria with plans to go national early 2013. AMG is chaired by former Account Manager Michael McEwan, General Manager of BADJAR Ogilvy, and was created to champion the value of account management and provide a professional development path to account managers - it is a group which in time will become what AWARD is to creatives and the Account Planning Group is to planners.

AMG has received very strong support from across the industry seeking membership and individuals wanting to participate as part of the state committees. As an industry our collective success rests on our ability to attract, inspire and retain a disproportionate share of the best and brightest minds. We unashamedly want the communications business on top of the consideration list. We have a very clear ambition to champion the commercial relationship between creative ideas and their power to drive business growth.

Existing member groups

Existing membership groups, which bring together agencies and individuals to discuss the issues they face, have also made great strides over 2012. Here are a few highlights from AWARD, APG and APMA.

**APMA (Australasian Promotional Marketing Association)** - 2012 saw APMA agencies in the promotional and activation business feeling the brunt of a ‘pitch for eligibility to pitch’ demand. In response, the APMA group canvassed support from its members in the development of industry guidance for clients and agencies looking to partner on projects, retainers, and long-term business. The guide included...
client input supporting the principles to minimise pitch lists, maintain clear and transparent lines of communication and manage client and agency expectations. It also offers advice on managing agency collaboration, a specific need for agencies in this area.

Celebrating great creativity in promotions, the 2012 APMA Star Award saw a 35% increase in the number of agencies and clients entering. The award night had an increased attendance, ensuring widespread exposure for promotional and experiential creativity.

Three Globes, three silver and two bronze awards were presented to Australian agencies in the 2012 MAA Awards recognizing the world’s most outstanding promotional and experiential marketing campaigns.

Next year will see the development of an industry best practice guide to support agencies in the area of online promotions, an area that’s been under increased legal scrutiny.

APG (Account Planning Group) – This year has seen steady growth for the APG, with continued support from some of our largest agency members, through to planning specialists in creative, media and branding. APG membership now reflects the growing number of strategists in the industry, including healthy interest from clients to join events and participate in more initiatives such as the Battle of Big Thinking. Current APG membership stands at 365, and 2012 projects ranged from its program of Idea Exchanges, the bi-annual Creative Strategy Awards, which saw a rise in entries of just under 35%, to various successful workshops with international experts behavioural economist Mark Earls, Dave Cobban from Nike and BBH directors Nick Kendall and Kevin Brown.

AWARD (Australasian Writers and Art Directors Association) – Membership of AWARD has seen relative growth from new areas of the creative business, and currently stands at just over 280. Supported by the establishment of the CPC, AWARD membership now includes a number of Directors from CPC companies.
Discussion has continued with state based organisations, the Adelaide Art & Design Club (AADC) and Perth Art & Design Club (PADC) to review opportunities for joint programs to deliver more value for creative professionals in these states. The AWARD pinnacle event, the AWARD Awards continues to grow in relevance across the Asia Pacific region and within areas of the creative business, and was a sell-out event this year. In 2013, the AWARD Annual goes digital by way of an iPad App, to increase accessibility and promotability of the work. Next year AWARD will be focused on broadening its footprint across the region and on increasing members’ engagement with cutting edge programs highlighting bold creativity.

Youngbloods - Now in its 17th year representing young Australians working in communications, Youngbloods is going from strength to strength. Since its beginning the group has assisted under 30’s in the industry build a network and have a say on industry issues. From intelligent debates to networking parties, Youngbloods held a range of regular events in 2012 that attracted thousands around the country. With active committees in five states and representatives in most agencies, and a total of fifteen events around the country, Youngbloods still proves as relevant as ever.

To refresh the brand, Youngbloods Australia was completely rebranded in 2012. Driven by the Victorian arm of the group, it marked a new beginning for the group, with fresh-faced committees and more events in the works.

Member communications

The Communications Council has a number of touch points with its members, ranging from phone contact, newsletter and EDM’s to social media, ensuring members can communicate through their preferred channels.

In 2012, we increased the frequency of our newsletter to twice monthly, to ensure regular and relevant updates on our activities to member agencies. We also introduced a senior leadership update titled ‘The Network’, which covers issues facing communications agencies from a leadership point of view.

The Communications Council has planned a complete overhaul of its website for 2013 with a view to ensuring it provides easy access to relevant information for members, media, government and the wider public.

Industry collaboration

The Communications Council runs a wide variety of committees and groups, bringing together like minded members to work together in shaping the future of the industry both locally and nationally. Representing various disciplines, communities and expertise, these are a few committee highlights from 2012.
Human Resources Group - A Human Resources group made up of HR specialists has been formed, intended to look at best practice in this area. The priorities for the group are to raise the standard of people practices, share industry learnings and develop industry broad initiatives in this area in late 2012, early 2013.

Digital Committee - The Digital Committee is made up of sixteen professionals and has seen an intensified focus on best practice in the area of digital. The launch of their social guidelines has been timely with brands, and their agencies, grappling with engagement in the social space.

The Committee’s plans for the future include a Moderation Best Practice Guide and Crisis Management Best Practice Guide.

Healthcare Communications Council (HCC) - consisting of leading healthcare marketing agencies, runs a program of self-regulatory and mandatory code training for agency staff and education for healthcare marketers. In 2012, the group developed regulation fundamentals workshop content for incoming graduates and/or account management transitioning into healthcare marketing. The Committee is in the process of seeking endorsement for the workshop from Medicines Australia and the Australian Self Medication Industry.

The annual Bravo Awards, celebrating the Australian and New Zealand winners of the annual Global Awards - highlighting outstanding global creativity in healthcare communications, will be held early December at the MCA.

Gender Diversity Group - The Communications Council formed a working group in 2012 to look into practical ways of addressing the issue of gender imbalance in senior management in our industry; exploring ways of promoting the advancement of women in communications and influencing agency decision makers on the value of retaining a balanced workforce.

The committee consists of ten women and men and is in the process of gaining a full understanding of what is driving this imbalance. Qualitative and quantitative research regarding attitudes to gender diversity and barriers will be completed in 2013, with a view to formulating best practice guidance in this area in 2013. A PR program is running alongside to drive awareness on the value of gender balance to the industry.
State Committees

QLD Committee Chair Russ Vine (Junior) - A major focus for the Queensland Committee in 2012 was ‘Brisbanes,’ an event focusing on creativity and its link to effectiveness. Backed by The Communications Council and jointly hosted by Brisbane’s member agencies, over 200 of the city’s marketers attended the event which showcased this year’s stand-out creative work from around the globe.

The event will now run annually, with plans in place for 2013.

200 Queensland marketers joined the first Brisbanes event

WA Committee Chair Alan Taylor (303Lowe) - 2012 for the WA Committee delivered a strong focus on building the foundations of the values and services of The Communications Council locally, as well as putting in place strong alliances with industry partners to establish the Council as a brand and integral part of local industry. Local projects include research on ACCC and ASB case study material and workbook material, The AdSchool Rejuvenation Program where, in consultation with industry, a new structure was formulated that has seen AdSchool become more relevant, engaging and interactive locally, the formation of a partnership between the industry and Curtin University and a submission to the WA Government Procurement for its Master Media Contract.

In 2013, the Committee will be working towards an affiliation between AWARD and PADC, as well as the development of a regional Graduate Program to be launched in 2013.

SA Committee Chair Jamie Scott (Showpony) - In 2012 the Communications Council in South Australia contributed to another successful Marketing Week, an event with some 1200 delegates. The Communications Council hosted a breakfast session as part of the event, where board member Sudeep Gohil joined a panel discussion on ‘Game changers: how breakthrough campaigns change marketers’ thinking.’

In South Australia in 2012 APG began a series of lunch sessions with speakers joining a small group of planners and clients, resulting in robust debate. The increase of presence of the APG locally is planned for 2013.
4. Building the reputation of the industry

The Communications Council vision is to empower communications agencies to be universally respected and valued for their contribution to the economy, culture and society. Our vision is that respect and value will come from building industry reputation and excellence through best practice projects.

Over 2012 The Communications Council worked on a number of projects to empower and deliver value to members, often driven and/or supported by agency members.

Best practice projects

Over 2012 the Communications Council has launched these best practice projects:

Social Media Guidelines - an initiative from the Communications Council’s Digital Committee, this guide was released in September, providing agencies with best practice policies for management of staff conduct in a social media environment. Coupled with Social Media Legal Seminars with Stephen von Muenster Solicitors across the nation, this project was valuable in assisting agencies meet their obligations in this space.

APMA Pitch Guide - In June 2012, the APMA released its Best Practice Guide to Pitching to industry and members, providing guidance on pitching practice in the promotional and experiential space.

Standard Commercial Production Agreement - between commercial producers and heads of production is underway. The group is engaged in extensive consultations ensuring this is a broadly carried agreement when launched late 2012.

Talent Agreement - In 2012, The Communications Council engaged in discussions on the MEAA Talent Agreement, with AANA and heads of production, discussing issues such as performance and usage fees, development of a standard casting brief, percentages for overseas and ancillary usage and negotiation of voiceover rates. Discussion will continue with a view to updating current practices in 2013.

HR Templates - The Communications Council was pleased to announce a partnership with HR/ER specialist Employsure to provide members with access to best practice advice and content on workplace issues such as standard form templates for contracts of employment and staff policies.

ABAC seminars - In 2012 the Communications Council held two ABAC seminars in Melbourne and Sydney informing our members and industry of changes within the scheme with a view to ensuring effective self-regulation. Hearing from pre-vetters and the Chief Adjudicator of the ABAC system, it was a great learning opportunity for all 100+ attendees.
Through 2013, the Communications Council will continue to deliver on its best practice objectives. For 2013, the following specific best practice guidance projects are planned:

Reputation - Commenced in 2012, the Communications Council will be undertaking a reputation study of our industry, surveying the industry’s marketers. The study will provide the insights to build our industry reputation and in particular forge stronger relationships with clients; providing insights into the challenges and opportunities facing agencies in their client relationships and helping benchmark reputation progress for the future. As part of the same study, the general public’s perceptions of the industry will be measured in an annual tracking survey. We aim to have results of this study ready to share with members in the first quarter of 2013.

Third Party Consultant Guide - A Third Party Consultant Guide is currently in draft form. Following consultation with agency leaders, feedback will be incorporated to reflect current and local issues. Third party consultants will then be asked to review and endorse in early 2013.

Agency Search and Selection - Driven by the Communications Council’s Victorian Committee, 2013 will see the publication of a best practice guide and interactive tool to assist client and agencies with pitching, covering the key pitch stages.

Accreditation - an important cornerstone in demonstrating an industry wide commitment to continuous professional development and to raising the professional standards of advertising, the Accreditation program will be reviewed to be more workable and practical mid 2013 with a view to relaunching it in 2014.

Codes and regulation training

Workshops - Reflecting the growing member need for and the importance of safeguarding the industry’s reputation, the Communications Council has seen a rise in requests for training in the area of codes and regulation. A total of 37 ACCC/ASB/Ethics workshops were conducted at member agencies during the year.

Advice - Directly related to the increased consciousness of regulatory matters in member-created marketing communications and advertising, is the number of agencies taking advantage our free-to-members advice service that covers legal, regulatory, copyright, IP and general information. An average of between 6 to 10 member requests are fielded per week.

Thought leadership and promotion of the industry

The Communications Council strives to position the marketing communications industry as innovative, proactive, responsible,
Building the reputation of the industry

forward looking, and a valuable partner to clients. In 2012, these were some of the thought leadership forums The Communications Council represented the industry at:

University of Sydney - Highlighting the communications industry as an attractive future employer and members as responsible corporate citizens

CIPSA Procurement Conference - Fostering understanding and respect between procurement and marketing

VIVID Think Tank and NSW Department of Trade & Investment - Contributing a marketing communications perspective on the future of the creative industries, highlighting the need for digital training in the industry

Mumbrella 360 - Raising awareness of the issue of gender imbalance in the industry

She Says - Illustrating the importance of female leadership

International Association of Business Communicators - Offering an industry perspective on the opportunities and risk of social media

Media relations

A key role of the Communications Council is to help promote the value of agencies to the media. Where possible, we liaise with media to engage industry spokespeople in member agencies.

The Communications Council has seen a year on year growth in media coverage; in 2011 it secured some 290 pieces of coverage and it is set to surpass that by the end of 2012.

We have had exposure in trade publications such as Campaign Brief and Marketing Magazine, business publications such as BRW and mainstream publications such as the Australian Financial Review and the West Australian.

Cross industry collaboration

Where appropriate The Communications Council represents its members on the boards of the industry’s key governing regulatory and marketing bodies. We are represented on the ABAC Management Committee and the Media Federation Australia (MFA) Executive Committee.
The past year has seen a number of cross industry initiatives:

**ASIC** - Late 2011 the Australian Securities and Investments Commission (ASIC) released a discussion paper around the tightening of advertising of financial products. Given the document raised a number of issues for our sector, we worked to align positions with the Interactive Advertising Bureau (IAB), Australian Direct Marketing Association (ADMA), AANA and Outdoor Media Association (OMA) on the guidance note. Our submission to ASIC highlighted the agency perspective on the role advertising plays in this space, including the negative impact it would have on social media channels. In addition to its submissions, the cross industry group engaged in direct discussion with the regulator. The cross-industry group’s efforts have resulted in the removal of the provision that online advertising needs to be self-contained and saw most major industry recommendations taken up.

**ABAC** - On the occasion of the launch of the Alcohol Advertising Review Board by the Cancer Council of WA and the McCusker Centre for Action on Alcohol and Youth in May 2012, we aligned positions with the industry on the functioning of ABAC to highlight the scheme as an independent, well-established and proven vehicle for complaint adjudication which enjoys wide industry support and has been reviewed and endorsed by government. As ABAC is in the process of reviewing the possible need to strengthen operation of the system and review how it can better communicate its system and benefits to the community, we will provide input to these processes through our seat on the Management Committee.

**Social Media** - In light of recent regulatory and self-regulatory developments establishing user comments as advertisements, there are currently two cross industry initiatives underway in the social media space. The first is a set of guidelines for alcohol advertising in social media, initiated by ABAC, and co-drafted by AANA, which The Communications Council will provide input on late 2012. Secondly, we have initiated discussion with industry partners on social media issues such as comment moderation, with the intention to jointly provide guidance for our industry in this rapidly evolving space.

**AMMIF** - The Australian Marketing and Media Forum brings together all marketing industry bodies to discuss legal and self-regulatory industry developments, and share successful initiatives in the area of best practice and advocacy. The Communications Council maintains a regular presence at the forum.

**OBA** - The Communications Council has been a supporter of the Online Behavioural Advertising (OBA) guidelines since 2011. These offer best practice guidance to advertisers wishing to engage in third party online behavioural advertising. Launched last year, alongside a consumer and government campaign, it was well received by consumer groups such as Choice and received cautious endorsement from Minister Conroy. The group has recently regrouped to discuss the increasing debate on Do Not Track in the Europe and US, as well as the use of an icon indicating OBA, and are considering an overhaul of the current website to be more consumer friendly. Our participation in the group will continue through 2013.
5. Delivering world class education and professional development

Since the GFC there has been a trend of organisations curbing discretionary and training spends and budgets, whilst they go through challenging economic times. This has had a ripple effect on individuals upskilling themselves. In addition, the tertiary education space is crowded with a wider variety of offerings in the areas of marketing, advertising and digital.

At the same time, increased integration and specialisation has had a significant effect on agency needs for talent, with pressing demands in areas such as digital.

Within this space, AdSchool has been remodelled to take a ‘learn by doing approach’ offering a number of modules, short courses and workshops to upskill the industry. In 2012, AdSchool launched the ‘What’s my Brand? What you do defines you’ campaign to market this new teaching model. Based on the idea that treating yourself as a brand can be a powerful way to develop personally and professionally, the campaign helped people discover their brand with a view to developing it further through AdSchool.

In 2012, The Communications Council was proud to launch an education partnership with Curtin University WA; an industry partnership between the University and the industry to close the gap that currently exists between study and career, ensuring graduates with increased knowledge of the industry. Similar initiatives will be pursued and planned in other states for late 2013.

AdSchool

Professional Development is still a key driver of engagement with the Communications Council. In 2012, AdSchool saw some 700 students across 27 courses during its three terms, reporting a positive experience with the course.

Five new courses were launched in the area of promotional marketing, brand marketing, digital and healthcare marketing, and two courses were remodelled, with AdSchool now in a position to offer a continuous professional development journey from candidates coming into the industry to the medium career term.

With pressure on training budgets, decreasing training spend has affected AdSchool nationally, exacerbating the need to reassess AdSchool’s priorities. In addition, a fast changing marketing landscape makes for continuously changing training needs. During 2013 AdSchool will therefore take on a comprehensive research project amongst member agencies to ascertain specific professional development and training needs for the future. Insights and data gleaned from the WA Rejuvenation Program will be included in this comprehensive research project.

Identifying a pressing need in the area of digital skills, a high level AdSchool course for senior management who are often unable to attend regular training programs will be launched in 2013.
IBISWorld forecasts industry revenue will increase by 1.4% per annum over the five years through 2016-17, to reach $2.19 billion.

AdSchool student numbers nationwide

<table>
<thead>
<tr>
<th>Year</th>
<th>QLD</th>
<th>NSW</th>
<th>VIC</th>
<th>SA</th>
<th>WA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>319</td>
<td>281</td>
<td>145</td>
<td>48</td>
<td>48</td>
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<tr>
<td>2011</td>
<td>392</td>
<td>217</td>
<td>148</td>
<td>72</td>
<td>73</td>
</tr>
<tr>
<td>2012</td>
<td>281</td>
<td>217</td>
<td>172</td>
<td>51</td>
<td>144</td>
</tr>
</tbody>
</table>

2010: 773
2011: 929
2012: 731

Delivering world class education and professional development
AWARD School

AWARD School’s position in the industry remains strong, ranking consistently in the top ten of the top advertising schools worldwide, as recognised by the International YoungGuns Top 10 of Schools producing the most awarded creative students in the past 10 years.

This year, 190 successful students were accepted across the states. Expanding its footprint across the region, AWARD School Singapore and AWARD School New Zealand have been running successfully for the 2nd and 3rd time respectively this year.

A recently launched initiative, AWARD Pre-School started in mid-October as a weekend workshop to assist applicants in preparing a portfolio for successful application into AWARD School. It has been well received running over four weekends due to the number of participants.

AWARD School numbers

AWARD Copy School

Fairfax Media sponsored Copy School ran in Sydney and Melbourne in 2012, with a total of 27 aspiring copywriters participating.
Graduate Trainee Program

Assisting the industry source great talent is a key focus of the Communications Council. The Graduate Trainee Program, now in its 33rd year, has seen a strong upward trend in participation in the past years. Numbers were boosted from 2009 when the five-day live-in Summer School was introduced as a bridging course between university academic life and real agency life, ensuring a firm grounding for incoming graduates. Recent graduate placement numbers have risen to 34 in 2011, 55 in 2012 with a steady 50 predicted for 2013. Agencies participating over the past two years include some 30 to 40 agencies. For the first time the 2013 Program will include PR agencies, ensuring graduates have exposure to the full range of marketing communications specialties.

Agency participation

Graduate Trainee Program supporter Marianne Bess (Former MD Droga5):

"The Graduate Trainee presents a brilliant opportunity – for both the students and for the agencies. The trainees get their teeth into genuine challenges in the communications business, and the agencies get introduced to the best and brightest, the future stars of our industry."
6. Promoting breakthrough creativity

The Communications Council believes that in times of tightening budgets the importance of breakthrough creativity that presents a clear return of investment is paramount. That is why we worked to elevate the standards of creativity and presented a clear case for the power of creativity throughout 2012.

The Communications Council is the premier body committed to raising the value of commercial creativity to agencies, clients, and the wider business community.

The annual APMA, AWARD Awards, BRAVO and APG Awards saw steady entries this year highlighting the continuing importance agencies place on proving effective, breakthrough creativity.

Effies Exposed

Taking the view that the Effies awarded cases are the best demonstration of how creativity equals profit, 2013 will mark the launch of a new program to uncover key insights from these cases to build a valuable learning experience for members. Millward Brown and a committee of industry experts will review recent winning cases to produce an overview of trends, learnings and methodologies. Once completed we will have an independent, objective, reputable, and importantly, local view on marketing effectiveness to showcase in workshops and seminars in all states. These are scheduled to be included in the launch of the 2013 Effie Awards.
Effies Entries

- NSW/ACT: 90
- Vic/Tas: 57
- Qld: 18
- SA: 10
- WA: 20
- NT: 2

2010:
- entries: 154
- agencies: 45
- clients: 75

2011:
- entries: 214
- agencies: 60
- clients: 111

2012:
- entries: 203
- agencies: 62
- clients: 92
Circus 2012

Circus 2012 was an overwhelming success with 1700 attendees from across media, government, academia and the industry’s different streams and specialties. Drawing representatives from WA, Victoria, South Australia and Queensland, and with marketer attendance at nearly 20%, Circus further broadened its remit, ensuring excellent networking opportunities for all attendees.

With themes such as brand survival in a Darwinian world, the importance of engaging with influential consumers through utility and brand growth through software development, Circus proved a unique learning and inspiration platform and a breeding ground for new ideas.

1700
people attended over three days

81.7%
attendees rated the event good to excellent

60.3%
attendees are very likely or extremely likely to attend 2013

Circus 2013

Circus 2013 is taking place from March 19-21 and is looking to rival 2012 in terms of cutting edge speakers and topics. Maintaining the 2012 format, 2013 will see an enhanced focus on client attendance and diversity in agency participants.
Circus Attendee Denis Mamo (Ursa Clemenger):

There’s an energy about attending an event like Circus that you just can’t get from peering into a 20” screen. You can feel the collective ‘exclamation mark’ when a speaker inspires a surprising thought, or helps crack an idea that’s been festering for weeks.
7. Thank you

Thank you to all our 2012 Communications Council supporters. We rely on the generosity of our community’s support for our initiatives, events, awards, as well as to aid us in shaping the future of our industry.

A heartfelt thanks to all those that dedicated their time and resources to our community by:

- Providing input into Committee discussions and projects
- Working on pro-bono and low bono campaigns
- Judging our awards programs
- Consulting on industry issues
- Participating in industry surveys
- Dedicating time and expertise to our professional development programs such as AWARD School, CopySchool and AdSchool
8. How to maximise the value of your membership

At the Communications Council, our philosophy is simple. To truly be a part of this creative, dynamic and inspiring industry, you need to be involved. Whether it’s awards, events, training or networking, there are many opportunities to be in the industry you’re in. From individuals to agency teams, joining up is only half the story.

Here are some of the ways you can maximise membership:

1. CIRCUS – our flagship ‘circuit breaker’ event of the year. Don’t wait for your ticket to Cannes, this is where you want to be to hear from international and inspirational leaders. Members receive a 30% discount compared to non-members.

2. EVENTS – With more than 50 on offer this year, there is something happening somewhere that you should be a part of. From Youngbloods to CEO seminars, events are a must do in calendars of every busy executive keen to further learning and inspiration; besides entry to member only events, member agencies are entitled to significant discounts on events.

3. AWARDS – reward yourself, your colleagues and your agency at one of our award nights with specialist events for AWARD, APMA, APG and Effies. Member agencies are entitled to major discounts when they submit their entries for consideration in the APMA or Effie Awards.

4. ADVICE – over the phone advice on legal and regulatory issues is one dial away. Member guides are also available on the website to help you make the right decisions for your business.

5. BENCHMARKING – Making sure you keep pace with the ever changing employment landscape. Participation in our annual salary survey is entirely free for members to enter.

6. GRADUATE TRAINEE PROGRAM – the best way to find your agency an enthusiastic, bright creative talent. And a chance to build up mentoring skills within the team, this is one of our longest running programs, with an impressive cast of alumni.

7. PROFESSIONAL DEVELOPMENT – AdSchool and AWARD School remain the playground of the creatively curious and dangerously talented. Enrol in any one of the many disciplines to learn from the leaders at generous member discounts.

8. BEST PRACTICE – project guidance, workshop development and participation – all on offer for those smart guns keen to keep ahead of industry change.

9. COMMITTEES – flex your relationship skills with industry peers on any of our many committees designed to build a brighter future for marketing through programs for professional development.

10. STAY IN TOUCH – Sign up for our bi-monthly newsletter or our senior membership newsletter ‘The Network’ to be in the know on industry news and trends.
9. The 2012 Communications Council Board

The Communications Council Board provides the strategic direction for our industry body, with Board members providing a practitioners’ perspective to the implementation of our key objectives.

Resigned in 2012: Mark Coad (CHE) and Matthew Melhuish (Enero)
10. The 2012 Communications Council team

Margaret Zabel
Chief Executive Officer

Linde Wolters
Media & Public Affairs Officer

Genevieve Murphy
Membership Manager

Gawan Rudder
Membership, Business Services & Advice Manager

Danielle Norrish
Education & Member Services Manager WA

Hanns Bergs
Education & Member Services Manager QLD

Audrey Maxwell
Education & Member Services Manager VIC

Jo Libline
Events & Sponsorship Manager

Tanja Drazic
Events Coordinator

Kate Byron
Events Coordinator

Madeleine Robertson
Professional Development Manager

Tesha Jones
AWARD School Manager

Ana Sanaei-Wong
Professional Development Coordinator

Shane Dingwall
Information & Web Manager

Sara Lisboa
Membership Executive

Henry Satyam
Accountant