

Fuelling Fantasies

How the ad world is hindering climate action and protecting our biggest polluters.

NOV 2021

Greener than anything you're cooking tonight.

Love cleaner energy.
Love Natural Gas.

[Q Australian Gas Networks](#)

 **Australian Gas Networks**

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Introduction

Comms Declare was formed at the beginning of 2020 in recognition of the fact that the public relations (PR), marketing and advertising industries are aiding and abetting the corporations that are creating the climate emergency.

These communications sectors have a long history of helping fossil fuel corporations deny, yet simultaneously facilitate global warming. Now they are actively promoting a new wave of messaging through 'discourses of delay' - redirecting responsibility and pushing magical technological solutions, while talking up the supposed costs of phasing out fossil fuels.¹

Comms Declare has well over 320 members, including more than 80 businesses, all who have declared they will not support any activities, organisations or individuals that promote:

- the growth of fossil fuels
- high greenhouse gas pollution as 'business as usual'
- deception, distraction or spin around science or climate actions.

At present, Comms Declare members represent only a small section of the industry, but we are growing rapidly and are representative of a growing global movement of agencies and creatives. That said, most advertising, marketing and PR agencies are still failing to face up to the implications of a warming planet for their business, their staff, and the wider community, and, in turn, are failing to do the hard work to tackle the challenges it creates. Others are putting short-term profits ahead of the needs of the planet and the wishes of their own staff.

This is the first report examining how the Australian ad agencies are, but mainly aren't, dealing with the greatest challenge of our time, climate change.

CREATIVE DIVESTMENT

The divestment movement, which campaigns investors to move funds out of fossil fuel projects, is 10 years old, and has succeeded in removing more than \$US 15 trillion from fossil fuel investments.²

In the creative industries, it's talent that is the main currency. In recognition of this, Comms Declare is asking agencies and creatives to divest their talents from fossil fuels. In addition, it's asking clients to treat their advertising or marketing or media agency like any other company in their supply chain, and demand that their operations and clients engage in activity that will keep the planet within 1.5°C degrees warming.

1. Lamb et al (2020) 'Discourses of climate delay, Global Sustainability, <https://www.cambridge.org/core/journals/global-sustainability/article/discourses-of-climate-delay/7B11B722E3E3454BB6212378E32985A7>
2.. McKibben (2021) 'The powerful new argument for fossil-fuel divestment', <https://www.newyorker.com/news/daily-comment/the-powerful-new-financial-argument-for-fossil-fuel-divestment>

Sector Snapshot

Pre-COVID-19, Australian advertising agencies made \$3.2 billion, up by 28% since 2013.³

And those agencies helped spend \$16.4 billion⁴ on ads and promotions per year (2019), with an estimated carbon footprint of at least 5 million tonnes of carbon dioxide.

The growth of the advertising sector is now outpacing the economy overall, being fuelled by ad spend, which is expected to grow 9% in 2021 and online advertising, which is forecast to grow 5.5%.⁵

More than 250,000 people work in advertising, marketing, public relations and sales, and a further 10,100 Australians work as artistic directors or producers.⁶ These people are employed by marketing, public relations and advertising agencies, but also research companies, management consultancies and in-house at large corporations and governments.

To put the workforce size into perspective, at the end of June 2020, only 38,918 people worked in coal mining and 17,056 worked in oil and gas extraction.⁷

While the sector is a major employer, its cultural clout is far greater than its economic contribution. The industry helps the government and Australia's most powerful companies frame the climate debate on their own terms and for their own interests. This was famously demonstrated via the successful campaign against the Rudd government's mining super profits tax that helped end his Prime Ministership.

The industry helps coal, oil and gas corporations to build and maintain social licence (community support) through research, marketing, sponsorships, PR and community and digital engagement.

And it is helping fossil fuel corporations to sell themselves as being sustainable and clean, and most alarmingly, the solution to the global warming that they are predominantly causing.

3. Ibis World (2021) Advertising Agencies in Australia – Market Size 2007-2017, <https://www.ibisworld.com/au/market-size/advertising-agencies/>

4. Buckingham-Jones (2021) Australian advertising market to grow 9.1% in 2021 to \$15.6bn: Zenith, <https://www.mi-3.com.au/26-07-2021/australian-advertising-market-grow-91-2021-zenith>

5. PwC (2021) Internet Advertising, <https://www.pwc.com.au/industry/entertainment-and-media-trends-analysis/outlook/internet-advertising.html>

6. Job Outlook (2021) Advertising and Marketing Professionals, <https://joboutlook.gov.au/occupations/advertising-and-marketing-professionals?occupationCode=2251#:~:text=There%20were%2087%2C100%20Advertising%20and,over%20the%20next%20five%20years>

7. Australian Bureau of Statistics (2021) Australian Industry 2019-2020, <https://www.abs.gov.au/statistics/industry/industry-overview/australian-industry/latest-release#data-download>

Survey Summary

This report is based on two years' work including three surveys and an investigation into agency transparency.

Marketing and research consultant, The Navigators surveyed 200 of Australia's top agencies in 2020 and 2021 on behalf of Comms Declare. A total of 103 responses were received, including executives or owners of a mix of large, medium and small advertising, marketing and media agencies. This response rate reflects a willingness on the part of the industry to engage in self-reflection.

In addition to the survey of agencies, an online survey was completed in late 2021 by 221 people aged under 30 in the communications industry.

Main Findings

Global warming is one of the main concerns for young people in the creative industries. Despite these concerns, many have been forced to work for coal, oil, or gas company accounts.

Survey of Under 30s



91%

think climate is the most, or one of the most important issues



73%

are reluctant to work for greenhouse gas polluters



70%

are actively wanting to work at a more climate-friendly company



66%

want their agency to take a stronger stand on climate



67%

think agencies should refuse to work for fossil fuel companies

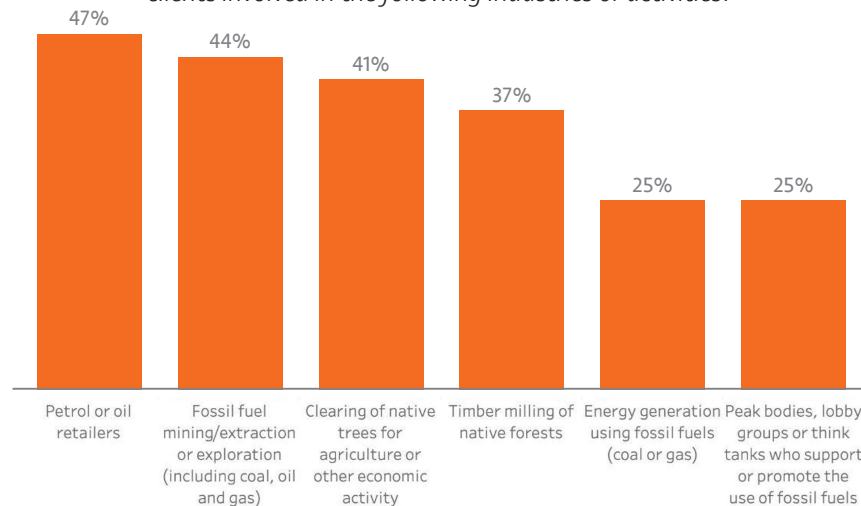


40%

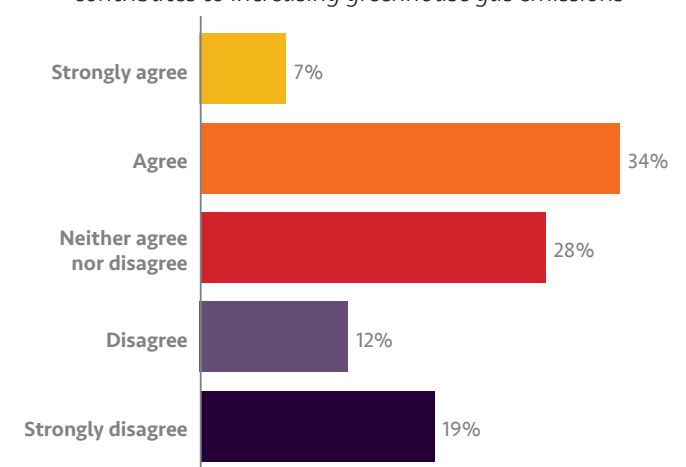
have felt pressured to work for polluting clients

One in four young communications professionals say they have felt pressured to work for clients who contribute to increasing greenhouse gas emissions

In the last 12 months has the agency you work at, worked on projects or for clients involved in the following industries or activities?



I've felt pressured to work for a client of the agency who contributes to increasing greenhouse gas emissions



While almost half of employees report working for fossil fuel companies, only 33% of agencies admitted to having such clients.⁸ This could suggest that larger agencies are more likely to work for fossil fuel companies and/or that agencies are less likely to admit they work for fossil fuel clients than their staff.

Significantly, while 73% of under 30 workers are reluctant to work on fossil fuel ads, only 39% of agencies would refuse such work.

“There’s many things in terms of advertising agencies and communication agencies and their roles to play. They’re literally the communicators between clients or businesses and the consumer audience, and other industry players, depending on who your client is. So there’s a huge responsibility there to make sure that we are communicating and educating and driving that awareness around climate change.

“In another sense, it’s just a fantastic opportunity: you’ve got the biggest issue of our time happening, and as communicators that sit in the middle, we are in a position where we can really be those people to educate our clients, and people on the other side, and consumers, to understand the issues around climate change, and how people can get involved.”

Sian Henderson
PR and Social Manager
The Bravery



“I think agencies should play a massive role in confronting climate change, if only because we are part of the reason that it exists. It’s kind of a difficult one to stomach, because if you think about it, BP and Shell Oil and Chevron and whatnot – the sort of giant polluters of the world – have and will continue to rely on agencies to lift their profile, and to talk about a ‘cleaner and greener’ future that is increasingly just a vaguer and vaguer concept.

“If we’re not working towards a future that is sustainable, what are we doing? Where are we going? What’s the point? It’s dangerous, it’s irresponsible, it’s unethical. I understand that not everyone feels that way, and there’s probably education that needs to be had around certain areas. But really, where we’re at now is pretty crucial.

“We do need to start really pushing for some of those harder action items, such as saying, ‘no, I won’t work with you, you know, I’m not going to do it. I don’t want to support that’.”

Maya Halilovic
Senior Creative
303MullenLowe



8. Some figures are averaged over 2020 and 2021

Survey of Agencies



78%

think climate action is important to attract employees



77%

have worked for high emissions clients in the last year



74%

want to reach net zero in their operations



39%

have an accurate understanding of their own carbon footprint



39%

agree agencies should not work with fossil fuel clients



33%

have worked with fossil fuel companies in the last 12 months

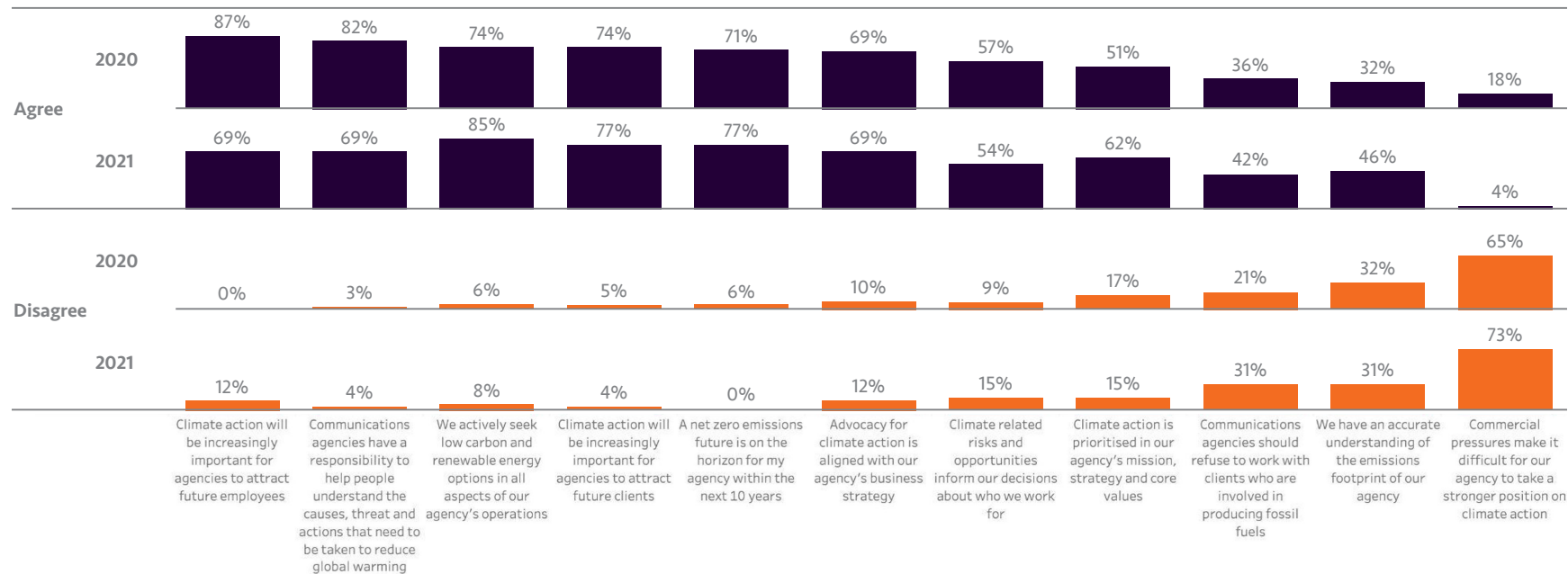


0%

know the Scope 3 emissions of high polluting clients

SUMMARY OF AGENCY POSITIONS ON CLIMATE ACTION

Overall the position of Australian communications agencies on issues climate action remain the same as they did in 2020.



There is a vast disconnect between the climate aspirations of agencies and their actions. While most support climate action and are seeking to lower their greenhouse gas emissions, 77% have worked for highly polluting clients in the past year. None of the agencies working for highly polluting companies are aware of their clients' Scope 3 emissions (the emissions outside the direct control of the organisation). In the case of fossil fuel companies these are the emissions from producing and burning the gas, oil and coal they sell. This means that agencies are failing to undertake due diligence on their clients' emissions and simply taking the sustainability claims of clients at face value.

Agencies are also largely unaware of the emissions of their own operations. While most are practicing sustainable procurement practices, less than half (43%) have formal emissions reduction policies or understand their own carbon footprint (39%).

As a result of this lack of curiosity or commitment, the carbon footprint of this \$3.2 billion dollar industry, with the production and dissemination of print, outdoor, broadcast and digital advertising, remains unknown.

Within the sector, it is the creative agencies that are leading climate action, with media agencies lagging. While 56% of creative agencies take the climate into consideration when choosing clients, only 38% of media agencies take the same stand. And 44% of creative agencies are against the industry working for fossil fuels, but only 21% of media agencies feel the same. Interestingly, 18% of media agencies agree commercial pressure makes it difficult to take a stronger position on climate action, while 68% disagree.

Climate Champions

Comms Declare's 2021 industry survey also polled agencies on their sustainability measures, emissions reduction goals, implementation of green initiatives for staff, and the greenhouse emissions of their clients.

This allows us to name the most climate-friendly agency in Australia.

For the second year running, Benedictus Media has taken the award. We thank all the agencies that responded to the survey this year.



WINNER



BENEDICTUS MEDIA

Runner Up



**Republic of
Everyone**

**Large
Agency**

Leo Burnett

**Green Employer
Award**



Alchemy One.

As a B Corp, Benedictus Media, is conscious of the impact of decisions on staff, customers, suppliers, community and the environment, using two main principles.

The first is making sure it runs the business sustainably: choosing green suppliers, reducing waste, buying second hand and recycling where possible. It encourages employees to take public transport, walk

or cycle to work rather than to drive. Impressively, the agency is already net zero emissions, through buying sustainable power, measuring annual emissions and offsetting what can't be reduced.

Outside of its own footprint, it is careful to work with clients who do not compromise its ethos and, where possible, to work with clients who actively make a difference.

Going a step further, its directors have teamed up with sustainability specialists to found Net Zero Media, a company which calculates and offsets the carbon footprint of media and marketing campaigns, as well as working with Benedictus to plan more sustainable media campaigns.

Transparency and Disclosure

Effective and standardised disclosure of climate risks is essential to managing all businesses as the climate warms.⁹ Deloitte Access Economics estimates that, by 2070, the economic cost of climate damages will shrink Australia's GDP by 6% per cent.¹⁰ This would also result in 880,000 fewer jobs. Under this scenario, Australia will experience economic losses on par with COVID-19 every single year by 2055.

During COP26, an International Sustainability Standards Board (ISSB) was founded, paving the way for an international baseline for climate risk reporting.¹¹ Already, company and superannuation trustee directors' must consider climate risk under Australian law.¹²

However, the management and boards of some of our biggest media companies are falling short when it comes to planning for a warmer future, reporting carbon pollution or disclosing fossil fuel exposures.

This is the critical decade for climate action, and as financial and reputational pressure mounts on large greenhouse gas polluters, the professional services who support them, will also face greater risks.¹³

As seen during COVID, advertising and marketing budgets are often the first to be cut when the economy takes a dive. In addition, companies that do not adequately report against sustainability measures will find it increasingly difficult to obtain investment.

We have rated the top agencies on their public disclosure of fossil fuel clients and whether they answered the industry survey. This information has been gathered using publicly-available sources.

Agency	Transparency rating	
Affinity	B	A=Good B=Fair C=Fail
AJF Partnership	B	
Apparent	B	
Atomic 212	B	
BMF	B	
Che Proximity	C	
Clemenger BBDO	B	
Cummins&Partners	B	
DDB	A	
Havas	B	
Leo Burnett	A	
M&C Saatchi	C	
McCann	C	
Mediacom	C	
Mindshare	B	
Ogilvy	B	
OMD	B	
PHD	C	
R/GA Sydney	A	
Saatchi&Saatchi	B	
Spark Foundry	B	
Starcom	B	
TBWA	A	
The Monkeys	B	
The Special Group	B	
Thinkerbell	B	
UM MEDIA	C	
VMLY&R	C	
Wavemaker	C	
Whitegrey	A	
Wunderman Thompson	B	
Zenith	B	

9. Debelles (2021) Climate Risks and the Australian Financial System at CFA Australia Investment Conference, <https://www.rba.gov.au/speeches/2021/sp-dg-2021-10-14.html>

10. Deloitte Access Economics (2020) A new choice: Australia's climate for growth, <https://www2.deloitte.com/au/en/pages/economics/articles/new-choice-climate-growth.html>

11. International Financial Reporting Standards (2021) IFRS Foundation announces International Sustainability Standards Board, consolidation with CDSB and VRF, and publication of prototype disclosure requirements, <https://www.ifrs.org/news-and-events/news/2021/11/ifrs-foundation-announces-issb-consolidation-with-cdsb-vrf-publication-of-prototypes/>

12. CDP, Investor Group on Climate Change, Principles for Responsible Investment (2021) Confusion to Clarity: A plan for mandatory TCFD-aligned disclosure in Australia, https://igcc.org.au/wp-content/uploads/2021/06/ConfusiontoClarity_APlanforMandatoryTCFDalignedDisclosureinAus.pdf

13. IPCC (2021) Sixth Assessment Report WG1, <https://www.ipcc.ch/assessment-report/ar6/>

Fossil Fuel Campaigns

It takes creativity, experience and skill to persuade Australians that burning more fossil fuels plays an important role in reducing greenhouse gas emissions. The PR, marketing and advertising sector both provides those resources and subsequently profits from their success. This section provides a brief description of some of the more dangerous uses of the sector's skills and efforts.

CHE Proximity

CLOSE TO FOSSILS

CHE Proximity is a full-service agency, which claims to have the largest analytics offering of any Australian creative or media agency to “uncover all traces of human data to gain a superior understanding of people”.¹⁴

In recent years it has used those capabilities to try to invoke an emotional connection between customers and the fossil fuel companies AGL, Jemena and Australian Gas Networks.

For gas infrastructure company Jemena, Che Proximity used “insights around the power of the flame” to highlight “the emotional and transformational benefits of natural gas”.¹⁵

The campaign included an ad of a group hug around a gas fire pit, and a sponsored spot on the Channel 7 Morning Show that claimed gas flames could improve women’s health¹⁶. Burning gas releases harmful substances including carbon monoxide, nitrogen dioxide and formaldehyde.¹⁷

A related influencer campaign on Instagram called #GoNaturalGas was abandoned after being hijacked by protestors.¹⁸

CHE Proximity helps Australia’s largest greenhouse gas polluter and coal company, AGL, to tap into our emotions and greenwash its brand with images of wind turbines, electric cars and talk of ‘innovation’ and ‘progress’.^{19 20}

Its campaign ‘Love Natural Gas’ for Australian Gas Networks, included a billboard that was removed following a complaint to Ad Standards. The billboard had the tagline “love cleaner energy, love natural gas”, and falsely stated that gas was “greener than anything you’re cooking tonight”.²¹



14. Che Proximity (2021) Capabilities, <https://www.cheproximity.com.au/capabilities>

15. AdNews (2019) CHE Proximity releases first work for Jemena, <https://www.adnews.com.au/campaigns/che-proximity-releases-first-work-for-jemena>

16. Jemena (2019) Natural Gas Channel 7 Morning Show, <https://www.youtube.com/watch?v=pQemvImstJA&t=2s>

17. Smith (2021) Are gas appliances for cooking and heating bad you’re your health, <https://www.choice.com.au/home-and-living/kitchen/cooktops/articles/are-gas-appliances-for-cooking-and-heating-bad-for-your-health>

18. Visontay (2020) ‘Steamy showers’ Australian Instagram influencers post on behalf of natural gas, <https://www.theguardian.com/environment/2020/jul/04/steamy-showers-australian-instagram-influencers-post-natural-gas>

19. Clean Energy Regulator (2021) Corporate emissions and energy data 2019-20, <http://www.cleanenergyregulator.gov.au/NGER/National%20greenhouse%20and%20energy%20reporting%20data/Corporate%20emissions%20and%20energy%20data/corporate-emissions-and-energy-data-2019-20>

20. AGL Discover (2021) Progress, <https://discover.agl.com.au/category/progress/>

21. Wilkinson (2020) Gas billboard claiming to be ‘cleaner’ and ‘greener’ pulled by watchdog for misleading consumers, <https://mumbrella.com.au/gas-billboard-claiming-to-be-cleaner-and-greener-pulled-by-watchdog-for-misleading-consumers-635364>

M&C Saatchi

GREENWASHING AT ITS CUTEST

M&C Saatchi Australia does several campaigns for worthy causes, including saving rhinos and sharks. But saving the climate is not among them.

Its client, Origin Energy, is Australia's second largest greenhouse gas polluter.²² It operates Australia's biggest coal-fired power plant, coal seam gas operations in the Surat and Bowen basins and the Australian Pacific LNG export project. Worse still, it is exploring for more gas in both the highly contested Beetaloo and Canning Basins and the offshore Browse Basin. These operations are inconsistent with 1.5°C degrees of warming.²³

But Saatchi's ad for Origin is tagged "Origin - Where all the good change starts" and it asks customers to make changes to their personal lives "for the better" such as washing their clothes less often.²⁴ The ads heavily feature electric vehicles, solar power and other environmental imagery. While Origin has aspirations to cut its greenhouse footprint, its capital expenditure on increasing gas extraction means these campaigns misrepresent Origin as a renewable energy company.



22. Clean Energy Regulator (2021) Corporate emissions and energy data 2019-20, <http://www.cleanenergyregulator.gov.au/NGER/National%20greenhouse%20and%20energy%20reporting%20data/Corporate%20emissions%20and%20energy%20data/corporate-emissions-and-energy-data-2019-20>

23. Swann (2020) Weapons of Gas Destruction, <https://australiainstitute.org.au/wp-content/uploads/2020/12/Weapons-of-Gas-Destruction-WEB.pdf>

24. Krumel (2021) Origin launches first work from M&C Saatchi, <https://mumbrella.com.au/origin-launches-first-work-from-mc-saatchi-683542>

APPEA

POLLUTING PATRIOTISM

As Australia's LNG export industry has become one of the biggest in the world, the communications budget of the industry group Australian Petroleum Production & Exploration Association (APPEA) has increased sixfold.²⁵

APPEA has been running a multiple channel strategy under different brand names, such as Bright-r and Energy Information Australia, to push the messages that gas is good for the economy and jobs, and necessary for renewables to work. Despite the gas industry employing less workers per dollar invested than almost any other industry in Australia, the jobs claim has influenced the federal government's 'gas fired recovery' and entered popular discourse.²⁶

According to a presentation at its 2021 Conference, APPEA now plans to promote that gas equates to 'sovereignty and security for Australia'.²⁷

This campaign is based on insights from JWS Research. APPEA's other agencies have recently included Crosby Textor, FTI Consulting, Hawker Britton, Marketforce North, and influencer agency, Tribe.

APPEA's media influence is significant, ranging from sponsored eight-page lift-outs in The Australian newspaper and gaining favourable news coverage by offering exclusives to friendly journalists. Its CEO, Andrew McConville had a staggering five opinion articles and eight mentions in The Australian between May 2020 and 2021 - more than the opposition spokespeople for the resources portfolio.



25. ACCR (2021) Gaslighting : How APPEA and its members continue to oppose genuine climate action, <https://www.accr.org.au/downloads/2021-06-accr-appea-gaslighting-report.pdf>

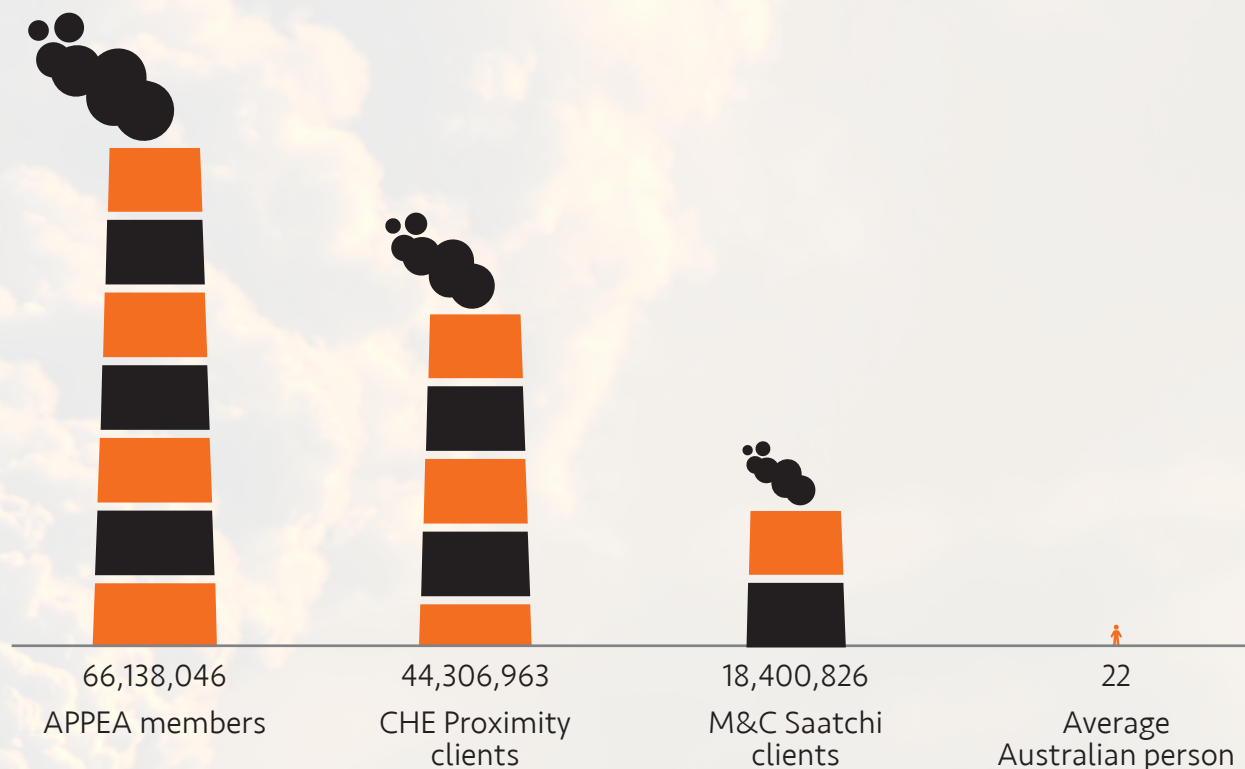
26. Merzian and Ogge (2020) Gas-fired recovery a massive employment dud, <https://australiainstitute.org.au/post/gas-fired-recovery-a-massive-employment-dud/>

27. Noble (2021) Gas industry mirrors Morrison, pivots to message of energy security, <https://reneweconomy.com.au/gas-industry-mirrors-morrison-pivots-to-message-of-energy-security/>

The most important action that any agency can take for the climate is to drop high-emissions clients. The greenhouse gas emissions of an agencies' clients are part of its Scope 3 emissions (indirect emissions in the value chain). No reductions that an agency takes in its own operations can account for the vast emissions of these clients.

For example, Che Proximity's clients produce 9% of Australia's total annual emissions.

ANNUAL CO₂ POLLUTION



**Tonnes of CO₂ equivalent*

Conclusion

Just like financial advisors, lawyers and accountants, ad agencies are professional services that protect and advance the interests of corporations whose business models have significant influence on the community and environment. Pressure on services that facilitate and enable the continued operation of fossil fuel companies is growing globally. However, unlike sectors such as fashion or finance, the role of the marketing and communications industry in supporting high-emitting industries has, to date, remained largely unchallenged.

Under the International Energy Agency net zero by 2050 scenario, there must be no new investment in fossil fuel projects.²⁸ The IPCC says developed nations must end coal use by 2030.²⁹ However, PR, marketing, advertising, research and lobbying services are still being widely deployed by fossil fuel companies that continue to protect and expand their operations and position themselves as part of the climate solution.

The research conducted by Comms Declare over two years has found that the Australian creative sector is ill-equipped to deal with the increasing risks that climate change poses.

These risks include an inability to attract and retain the best staff, failure to adhere to growing sustainability reporting and transparency requirements and, the reputational damage that comes with helping fossil fuel companies to falsely portray themselves as being clean, sustainable and the solution to global warming.

Our surveys have shown that agency heads are out of step with the climate concerns of their younger workers and that those aged under 30 are being asked to work for highly polluting companies against their better judgement. These workers will vote with their feet, as 70% are actively wanting to work with a company that shares their concerns about global warming.

Worryingly, some agencies have responded to the growing concern about their fossil fuel clients by hiding them. Many agencies promote their work for ethical causes while keeping quiet about their less popular clients.

Many corporate procurement policies now explicitly factor in the climate and environment. Companies with significant advertising budgets such as Telstra, Woolworths and IAG are now vowing to decarbonise their supply chains, and agencies are advised to clean up their acts.

28. IEA (2021) Net Zero by 2050 Scenario <https://www.iea.org/data-and-statistics/data-product/net-zero-by-2050-scenario>

29. Climate Analytics (2019) Global and regional coal phase-out requirements of the Paris Agreement: Insights from the IPCC Special Report on 1.5°C, <https://climateanalytics.org/publications/2019/coal-phase-out-insights-from-the-ipcc-special-report-on-15c-and-global-trends-since-2015/>



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