

Interim Advertising Council

Meeting 7
6 August 2004
8.30 am – 4.15 pm

The Stamford Hotel, Mascot, Sydney

DRAFT Minutes

1. Attendance

Mr Mike Codd (Chair)	
Ms Marilyn Anderson	Medsafe
Ms Jenny Bergin	Pharmacy representative (Aust and NZ)
Mr Pio Cesarin	Therapeutic Goods Administration
Ms Lesley Clark	Researched Medicines Industry (NZ)
Mr Mike Cocks	Australian advertising industry representative
Ms Pam Davis	Medical devices industry representative (Aust and NZ)
Ms Jean Drage	Consumer representative (NZ)
Mr Colin Harcourt	Australian media industry representative
Mr Jeremy Irwin	Association of New Zealand Advertisers (NZ)
Ms Val Johanson	Complementary Healthcare Council of Australia (CHC)
Mr Raymond Khoury	Natural healthcare professional (Aust)
Mr Tony Miller	New Zealand Self-medication Industry (SMI)
Dr Robyn Napier	Medical profession representative (Aust and NZ)
Mr Kieran Schneemann	Medicines Australia (Aust and NZ)
Ms Juliet Seifert	Australian Self-medication Industry (ASMI)
Mr Rob Shaw	Dietary supplements industry (NZ)
Dr Derek Weir	Consumer representative (Aust)
Mr Glen Wiggs	Advertising Standards Authority Inc. (NZ)
Dr Fiona Cumming	Therapeutic Goods Administration and Executive Secretary, IAC Support Group
Ms Judith Brimer	Secretary, IAC Support Group
Ms Sharyn McGregor	IAC Support Group
Apologies	
Ms Susan Martindale	Medsafe
Mr James Hart	Natural healthcare profession, New Zealand
Guests	
Dr Deon Schoombie	Consultant (for agenda item 1)
Mr Michel Lok	TGA Chief Finance Officer (for agenda items 1-4)

2. Welcome

The Chairman welcomed new members Mr Raymond Khoury (Australian complementary healthcare practitioner representative) and Ms Lesley Clark (Researched Medicines Industry representative), alternate representatives Ms Pam Davis (medical devices industry), Ms Marilyn Anderson (Medsafe) and guests Dr Deon Schoombie (consultant) and Mr Michel Lok (TGA Chief Finance Officer) to the meeting.

3. Minutes of the meeting held 20 February 2004

Moved: Juliet Seifert

Seconded: Robyn Napier

The minutes of the meeting held on 20 February in Sydney, Australia, were adopted.

4. Consultancy report – compliance

In February 2004, the TGA had engaged a consulting team (Dr Deon Schoombie in association with Oceania Health Consulting) to investigate the issue of compliance of advertisements for therapeutic goods in Australia with the Therapeutic Goods Advertising Code. This project was commissioned to assist in the IAC's deliberations about setting a 'dividing line' for determining which advertisements should be required to undergo pre-approval in the proposed trans Tasman advertising regulatory model.

Dr Deon Schoombie attended the meeting to answer questions relating to the report. It was agreed that the outcomes from the research would be dealt with fully when discussing the dividing line for the approval of advertisements, item 2.1 of the agenda.

Dr Schoombie clarified that the project related only to advertisements for medicines and websites directed to Australian consumers, and had not included advertisements for medical devices.

The inclusion of press releases in the survey was questioned. Clarification was given that press releases that amount to advertisements are subject to the Therapeutic Goods Advertising Code and related advertising controls. A member suggested that if the pre-approval of press releases is contemplated in the new trans Tasman model, there would be a need for consultation with the Public Relations Institute of Australia.

The high rate of breaches, especially serious breaches, for below the line material was noted and considered to be of strong concern.

Dr Schoombie was thanked for his attendance.

5. Consultancy report – advertising costing model project – agenda item 2

Members had been provided with a consultancy report undertaken by Acumen Alliance which had estimated the costs of the current systems of regulating advertising in Australia and New Zealand, the potential cost of a new trans Tasman system, and models for cost recovery in the new system.

Mr Michel Lok, Chief Finance Officer, TGA, introduced the discussion by noting that 3 possible models for cost recovery had been put forward by the consultants, of which model 2 had been recommended by them. Several members suggested that some of the costing estimates may need revision as some of the assumptions appeared not to be appropriate. Mr Lok also corrected a number of points in the consultancy report.

New Zealand representatives flagged some political difficulty in New Zealand in relation to the Treaty, one of the main issues being that of the introduction of new costs for the complementary medicines and medical devices industries as a result of the proposed trans Tasman arrangements. (This issue was broader than the costs of a trans Tasman advertising model, but was noted in the IAC context.)

Members suggested that the potential impact of the new system on those industries newly covered by the advertising regulatory scheme would need to be noted in the report, with the inclusion of suggestions for a gradual transition in terms of cost in the early stages of implementation. For example, one member suggested consideration could be given to a nil cost initially to allow entry into the system and then the phasing in of the costs over a period of time.

A consumer representative was concerned that there should be a balance between commercial interest and the public health interest, without there being an overwhelming focus on reduction of costs for the new advertising regulatory scheme. It was noted that the consultant did not report on the 'end-cost' to consumers.

It was noted that there were some anomalies in the consultant's report. For example, it included a degree of cost recovery from the prescription medicines sector, but it did not reflect costs of the new self-regulatory part of the scheme to that sector or the costs applicable to the New Zealand OTC sector of running their self-regulatory systems.

The cost to industry *vis a vis* consumer issues was also noted, as was the need to flag areas of potential savings, and direct and indirect costs to pharmacy and other professional bodies.

Members were reminded that there had been agreement to have joint principles in a single code advertising for reasons of equity and harmonising. There also had been recognition that education, promotion and the operational costs of self-regulation would need to be recovered.

There was clarification given that complaints about price information material that do not comply with the Price Information Code of Practice and are, therefore, advertisements, had been accounted for in the consultant's report.

It was suggested that, for reasons of balance, the cost to all sectors of industry of meeting the self-regulatory requirements should be reflected in the costing model.

Members gave extensive consideration to possible models of cost recovery for the new scheme, and Mr Lok provided further suggestions as to how these might be developed.

5.1 Cost of transition

- **IT systems**

In referring to the IT system requirements as a 'non-trivial' issue, the Chairman informed members that the Joint Agency is establishing a consultancy with expertise to deal with an IT infrastructure for the overall trans Tasman regulatory program for therapeutic products. It was suggested by the Support Group that a working group be established to draw up design and specifications to meet IT needs for the proposed advertising scheme, for use by the expert when developing overall system designs and central costings. This would enable consultation with all parties with existing systems. It was noted that anticipated costs of transition and IT would not be known before October and, therefore, the total costs estimate for the IAC's report to TGA and Medsafe would be qualified at that stage.

The importance of the central database for the harmonization of the system between Australia and New Zealand in relation to approvals, complaints, accreditation and education was stressed. It was noted, too, that it would be important to build for an electronic future for both the submission of approvals and complaints.

It was thought that a ball park figure for overall IT costs probably would have been included in the initial costing of the Joint Agency but that a specific advertising component was unlikely to have been identified at the time.

Members agreed that there should be separation of the investment needed upfront to bring the system online from the ongoing costs of running the system. The ongoing costs would be built into the cost recovery model but the means of acquiring upfront funding also needs to be addressed.

Mr Lok said that the costs to establish the agency are on the record and noted that establishment costs are to be repaid over a period of five years. There has been an allocation for the IT set-up and the cost estimates related to establishing the register and core administrative systems but no allocation had been specifically earmarked for advertising. The cost of embedding the system would have to be cost recovered; the Agency would incur the cost and then recoup the money over time from industry. Mr Lok informed members that it is anticipated that a cost recovery review (for a regulatory impact statement) conducted by the TGA for the Joint Agency could be concluded in November/December 04, after comprehensive consultation with industry.

It was suggested by an industry representative that the notional five year timeframe to recoup the set up costs for the advertising scheme may need to be reconsidered in the light of actual costs.

Members agreed that a working group to undertake the preliminary scoping of the IT requirements for the advertising scheme should be established as soon as possible.

5.2 Education program

A cover paper to the Acumen Alliance report, as well as the report itself, had identified issues in relation to the development of an education program (in particular for the transition arrangements), for members' consideration, including the audiences which need to be targeted, timing, potential costs and various means of communication. The Chairman thanked the advertising industry (Aust) representative for the thinking he had contributed to this area.

Members were keen to ensure that the program would embrace media and professional bodies, as well as consumers and industry, and that the strategy would apply to both Australia and New Zealand.

Those consulted in relation to the costs of an effective public education campaign had indicated that costs could vary substantially, depending on the media channels employed.

When considering the need for a significant upfront spend to ensure maximum awareness and understanding of the system, as well as an ongoing program, the following points were made:

- There is already a high level of awareness of the right to complain about advertisements in New Zealand and concern was expressed that New Zealand should not subsidise a specific Australian awareness-raising program;
- Because of the importance of a common message, and because the structures are unlikely to change in New Zealand, it would be a marginal cost to add New Zealand to the Australian program that was jointly cost-recovered;
- To undertake a properly constructed base-line assessment of existing awareness and then to design an education program accordingly would probably cost at least as much as the education program itself.

Suggestions for achieving effective coverage with minimum cost through the use of a pragmatic approach and working on partnerships included:

- the use of the public relations power of the Joint Agency;
- 'piggy backing' on, and working with, existing channels of communication for quality use of medicines programs in Australia and New Zealand;
- working closely with stakeholder groups, including consumer, industry, professional bodies' networks; and, from the pharmacy representative,

- inclusion in the Code of mandatory information in advertisements about the right to complain.

It was suggested that likely difficulties associated with relying on using existing quality use of medicines programs for consumers would be that money would have been allocated already to specific projects for which consultation had already taken place, and that it would be difficult to control the messages and their timing.

There was considerable reluctance from industry members to undertake significant expenditure on a public education campaign, in the light of the probable cost impact on industry for establishing the joint agency and the new advertising arrangements. It was felt that all other opportunities to get the message out to consumers should be utilized and this should be seen as a separate issue from the education of the users of the system.

In summary, it was felt that there would need to be an initial modest expenditure on the design of an information package for use by all possible communication channels, including public relations, quality use of medicines programs and partnerships with stakeholders.

5.3. Volume of advertising material

Concerns were expressed as to the lack of information in the Acumen Alliance report in relation to the predicted volume of advertising material in the market place, giving rise, therefore, to problems with the estimated costs in relation to the approval of advertisements.

It was noted that lack of information from some sectors of industry had presented a significant problem for the consultants.

As it is important to have a ballpark estimate of the volume of below the line material involved in any proposition relating to the approval of advertising, members again were requested to provide any information that would be helpful, within a week.

5.4. Detailed costs of the current framework

It was suggested that costs comparisons in the Acumen report may not always have been comparing like with like. For example, the cost of handling Australian complaints had been presented as stand-alone figures compared with New Zealand complaints, the costs of which had been spread over a range of advertising sectors, not just the therapeutic products sector.

The Medsafe representative clarified that the crown funding of \$200,000 related mainly to funding for compliance and enforcement, rather than to the development of guidelines.

5.5. Equity issues

It was suggested that there may be a more equitable approach to cost recovery for the new model than the proposal in the Acumen report to increase fees and charges on all products on the register, whereby those who do not advertise would subsidise those who do. It was suggested that there could be a system developed of applying an impost, which is only related to advertising, on all parties involved in, and benefiting from, the presentation of the advertisement. It was noted that the legal implications of any proposal involving imposing fees on advertisers that are not product sponsors have not been explored.

Scenario 1

Consideration then was given to the possibility of cost recovery based on a more equitable approach, which could include the reporting by sponsors of their advertising budget at market entry, and subsequently annually, with a levy applied based on that report. To address potential avoidance of the levy by advertisers who fail to declare their advertising budget, there would need to be a legally underpinned reporting requirement.

Scenario 2

Another approach suggested was the application of a universal low level charge on all products annually to cover public health protection matters, supplemented by a fee based on advertising spend, i.e. a two-tier approach. Sensitive information about advertising spends could be dealt with as commercial-in-confidence material. Because of the current self-regulatory nature of the New Zealand system, the advertising spend component requirement may need to differ from that applied in Australia.

In discussing areas of potential cross-subsidisation, clarification was given that currently approximately 2% of the fees and charges collected from the Australian prescription products industry and from the medical devices industry is applied to prescription products and medical devices advertising issues, which are dealt with by the TGA Advertising Unit.

Scenario 3

It was recognised that the pre-approval scheme (involving pre-approval fees) meets the equity test, as only those advertising pay for approval. However, funds must be raised to cover the costs of the Advertising Council, Central Support Unit (CSU), complaints handling, monitoring and evaluation and education costs. Setting approvals fees with the inclusion of a levy to ensure a surplus could raise sufficient funding for these costs. In this scenario, the approvals dividing line would be significant, as, were the current media based dividing to be retained, below the line advertising would not contribute to this funding structure.

Scenario 4

A two-tier approach with a base-line low level universal annual charge for all products on the register combined with a user pays charge applied at the time of approval was also considered.

Other factors raised included:

- The potential for cheating and avoidance where there was reliance on self-reporting requirements;
- Additional charges based only on use could result in a very large cost to those using the system;
- Relative to other costs of registration, an advertising levy of the order of the revised amount suggested by the Michel Lok (\$24) would not be very significant;
- High approvals charges could present a problem for small companies;
- Time-based approvals charges could be set a level to cover costs to industry associations as well as administration and complaints costs;
- By refusing to accept unapproved advertisements, the media would provide the means of addressing those who avoid the approvals system;
- Care must be taken with such a levy to ensure that above the line advertisements approvals do not subsidise complaints about below the line advertisements.

Members generally agreed that there could be a substantial equity issue in relation to those sponsors that do not advertise being required, through the application of an annual fee on all products on the register, to subsidise those that do.

Although there are equity issues with all of the scenarios contemplated, most members appeared to favour scenario 4.

The Support Group is to develop further a model for cost recovery for the new advertising scheme in line with the approach suggested by Michel Lok.

The Acumen Alliance Report was noted.

5.6. Consumer advisory group

The industry and consumer representatives agreed that, because consumers would want to be providing comment on all aspects of the operation of the joint Agency, advertising issues should be dealt with as part of the role of any consumer advisory body established for the whole agency.

Acceptance of the suggestion that advertising issues should be dealt with by any consumer advisory group established by the joint Agency was noted.

5.7 Oversight of transition

It was agreed that this issue, and the role of the Central Support Unit, should be discussed under agenda item 3 (options for governance).

6. The approvals dividing line – agenda item 2.1

The following options for the requirement of approval of advertisements in Australia had been presented in the paper put forward in the agenda papers:

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- Option 1 – approval required for all advertisements
- Option 2 – a risk-based dividing line
- Option 3 – retention of the media-based dividing line

The Chairman noted that contracts with industry sectors would underpin each of the three options.

Members accepted that the consultant's report on compliance had identified significant and serious problems in Australia with compliance of material in the market place that had not been pre-approved.

Some members were strongly supportive of introducing Option 1 as soon as possible. It was felt that the opportunity to introduce this measure would not present itself again and so the goal should be set now.

There was concern that by introducing Option 1 from the start, the volume of material requiring approval could be such that the whole system could be compromised and come into disrepute.

The ANZA and ASA representatives were confident that once set up correctly, by increasing the number of delegated authorities and their workload and with full compliance by the media, the increased volumes would be manageable and that full approval would be an advantage to all parties. It was noted that first time approvals for prescription medicines advertisements in New Zealand require approval from the TAPS office but that, for class 1 complementary medicines in the trans Tasman scheme, it may be possible for the introduction of first time approvals from delegated authorities. On the basis that the responsibility for compliance has been vested in the CEO of the company, the media then would accept the advertisement.

It was suggested that there may need to be a phase-in period for the introduction of full approval for complementary medicines in New Zealand.

In the discussion on dealing with the problems identified in Australia by the compliance report and the potential volume of material requiring approval, some options were put forward by industry representatives.

Firstly, it was suggested by the CHC representative that there could be the introduction of a system of 'registration' (notification) on a database for all below the line advertisements. This would include a description of the advertisement, its text and the allocation of a 'registration' number. Such a scheme, combined with the approvals system, for above-the-line advertisements could provide ready access for review and monitoring of the system. There could be a legal requirement for all advertisements to be registered, and a certification of compliance from advertisers, and for a fee to be applicable for the 'registration'. The database could be utilized for accessible and cost efficient post-market surveillance.

It was then suggested by the ASMI representative that rather than having just a notification system of the existence of an advertisement, industry could be given the responsibility for below the line advertising compliance, on the basis of introducing trained delegated authorities for approving all below the line material. There would be

training and education of the delegated authorities by the CSU, the application of an administrative fee and notification on the central database of the approval by the delegated authority. Evaluation could be done on the basis of a percentage of the approvals on a quarterly basis.

The Chairman suggested that the system of registration of advertisements could be introduced from the start. In return for retaining a media-based dividing line, industry would assume responsibility for approving the below the line material with the approvals recorded, monitored and evaluated separately.

In summary, New Zealand would expand its program of delegated authorities both to increase the numbers and to introduce first time approvals for some advertising. For Australia, from the 1st July 2005, registration and the payment of a fee would be required. The money would be used to develop training and education for industry delegated authorities for first time approvals for below the line advertisements. The delegated authorities approving below the line advertisements would be trained centrally. By 1 July 2006, effectively, all advertisements would be pre-approved.

In other words, there would be 100% approval of advertisements with a media-based dividing line defining the responsibility for approval.

In noting the merit of the proposals, the medical devices industry representative referred to the work done to date on the development of a risk-based dividing line for that sector of industry. She agreed that it would be of value for the time-based charging model for approvals and the possibility of the option of introducing delegated authorities to be considered.

Other features of the proposal which were discussed included:

- the mandatory education of industry in the first instance;
- an initial notification period for below-the-line advertisements of twelve months; followed by approval being required by a delegated authority after this lead-in time;
- legal responsibility would be made clear at time of registration;
- appropriate sanctions in place for recalcitrants;
- that during the notification period, there would be development of the pre-approval system with trained and accredited delegated authorities;
- a move to pre-approval of all advertisements by the end of the first year;
- the possibility of distance education for delegated authority training;
- that registration of advertisement would be a legal responsibility of the advertiser;
- that active monitoring in the first year would be crucial;
- that fees would be collected centrally;
- that auditing generally would be conducted centrally; and
- that websites would be included in the scheme.

There was in-principle support for the concept as outlined above, on the basis that it could address the problems outlined in the compliance report, that responsibility and accountability for advertisements would rest with the advertiser, it could provide a

simple means of effective surveillance and evaluation and it would provide funding for the education and training of delegated authorities, as well as for post-market monitoring and surveillance. There would be an expectation that by 1 July 2006 all advertisements in both countries would be pre-approved, either centrally or by a delegated authority.

The Support Group is to prepare a paper for the next meeting based on the concept outlined above.

The Medical Devices Advertising Review Group is to consider its report to the IAC in the light of the new proposals.

7. Governance – agenda item 3

The discussion paper identified, for members' consideration, three options for the governing and administrative structure for the regulation of the advertising of therapeutic products. The second option presented two versions, options 2a and 2b.

The Chairman and members noted the difficulty in coming to grips with the issues that arise from considering the options presented.

These included:

- maintaining a co-regulatory approach to the controls;
- the requirement for issuing contracts and delegations only to a legal entity or to an individual;
- maintaining a harmonised approach between Australia and New Zealand;
- ensuring transparency, accountability and no real or perceived conflict of interest; and
- the personal liabilities and responsibilities of company directors.

The possibility of a company structure for the management subcommittee (Options 2) or for the Advertising Council (Option 3) was considered. Any company established in Australia would be registered in New Zealand.

Options 2 were considered first, followed by Option 1 and then Option 3.

Option 2a

This option was considered not to be feasible on the basis that the large, controlling body (Advertising Council) would meet only twice per year with each country managing the system separately otherwise. This would not be a harmonised system in any sense. As the company directors proposed in this option would be drawn from industry only, there could be a perception that it would be a lack of balance with control by industry.

Option 2b

This option was ambiguous as to whether it addressed only an Australian scenario and would result in separate arrangements for New Zealand and, therefore, also was not feasible. Were it to include New Zealand in the proposed company structure, viability for this option could be possible, as the proposal suggested a more broadly representative board of directors, i.e. a membership of 11, as follows:

Advertising Standards Authority (NZ)
Advertisers New Zealand Association (NZ)
Advertising (Aust)
Prescription medicines (Aust/NZ)
Complementary medicines (Aust/NZ)
OTC medicines (Aust/NZ)
Medical devices (Aust/NZ)
Consumer (Aust)
Consumer (NZ)
Regulator
Chair of the Advertising Council

Option 1

In this scenario, the Advertising Council would be established as a broadly representative expert committee of the Joint Agency and would have a management sub-committee drawn from the ranks of the Council. The Central Support Unit would operate as a business unit of the joint Agency rather than under the direction of a company. Delegations to New Zealand and industry associations would be by recommendation by the Council and executed by the joint Agency. There would be contracts between the joint Agency and the ASA and ANZA as well as other bodies (such as industry associations)), which would be issued by the joint Agency on the recommendation of the Advertising Council. In this scheme, the joint Agency would be responsible for several contracts. The budget for the coming year would be negotiated with the Joint Agency and, once approved, responsibility for its management would reside with the Council's management sub-committee and the CEO.

This option would operate along the lines of the existing TGACC in that the Advertising Council, and its management subcommittee, would make recommendations that would be implemented by the joint Agency. The major difference would be that the Central Support Unit would be within the joint Agency and its staff employed by the joint Agency on the recommendation of the Advertising Council.

The Chairman suggested that an alternative to the subcommittee outlined in this option could be for the management subcommittee to operate as a company with the membership as per Option 2b. It then would be a legal entity able to engage staff and issue subcontracts, thus reducing the number of contracts for which the joint Agency would be responsible. This option would amount to Option 1b.

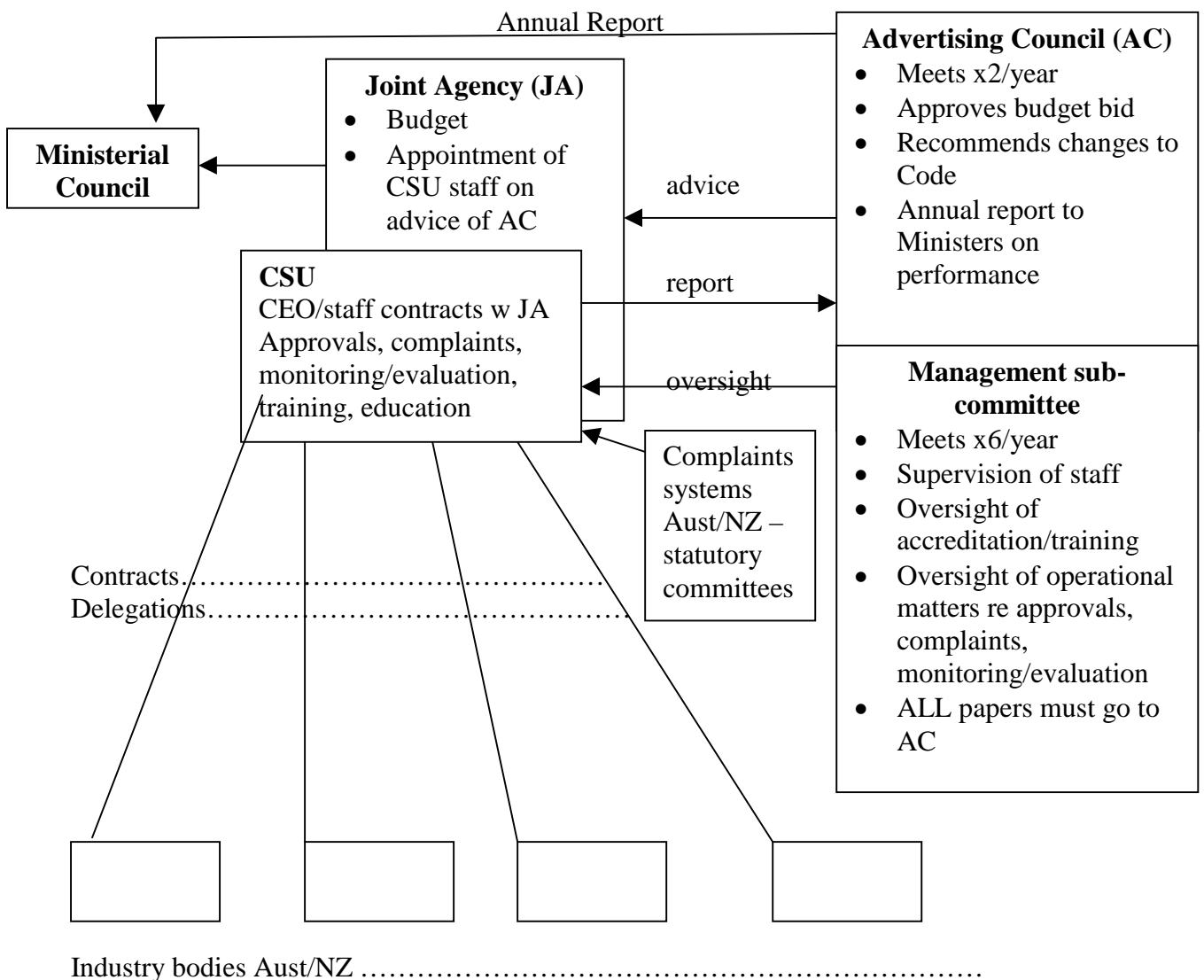
Concern was expressed that the system should reflect a partnership approach with committed stakeholders willing to play a role in both jurisdictions, that this could be compromised by Option 1 as it currently stands, and could be seen as a top-down

government to industry approach. It was suggested that there would be better balance with the approach taken in Option 2b, as long as there was appropriate representation of all stakeholders in the structure of the company. This option, with the inclusion of New Zealand, would amount to Option 2c (similar to Option 1b).

It was suggested that the co-regulatory control of the system would not necessarily be limited under Option 1, as contracts would be made only on the recommendation of the Advertising Council, and the engagement of approvals staff (other than the central person for developing accreditation, training and stepping in where there is a problem with approval) would be the purview of the industry associations under delegation contracts.

It was noted that which of the functions of the joint Agency are to be located in Australia and in New Zealand is still to be determined.

The following diagram was drawn to illustrate a possible model:



The Chairman expressed his personal view that a company in which the directors would be responsible for subcontracting to themselves could be problematic.

It was felt by most members that whichever structure is adopted, account would be taken of all views and interests and that the advantages of introducing a company structure may not necessarily outweigh the disadvantages.

Option 3

This option was viewed by all as impractical and of no value.

There was a brief discussion on the advantages of having a separate legal entity for the operation of the complaints system. This idea was supported by some and seen as moving further from the 'one stop shop' concept by others.

The ASMI representative indicated that there were issues associated with Option 1 that would need further clarity. Concern was expressed at the possibility of the complaints system and the Central Support Unit moving back into the domain of the regulator, and a group not impacted by funding issues making the decisions. Because this is a very different proposition from that anticipated from earlier discussions, there would need to be further consultation. A clearly defined role for every player in the scheme was requested.

The Chairman indicated that the draft report should include two options – Option 1 (as per the above diagram) and Option 1b (including a management company, as outlined above).

8. Membership of the Advertising Council

The extended representation on the IAC was noted, as well as requests that have been received for inclusion on the Advertising Council in the future. It was agreed that attendance of the senior approvals manager/adjudicator and the complaints bodies' chairpersons should also be considered.

- Most members agreed that there should be a fully representative policy-making Council and a smaller management committee to do the work relating to operational matters, on the basis that all papers pertaining to the management subcommittee would be provided to Council members to ensure transparency and accountability;
- Some members were of the view that one smaller Council of approximately 14 members would be preferable;
- Members generally agreed that the senior approvals manager from Australia and adjudicator from New Zealand, and complaints board chairpersons, could attend the Council meetings ex officio when required/invited. This would not be a permanent right to attend;
- It was agreed again that restricted representation issues should be considered by a separate subcommittee;
- A mechanism to allow for the ability to call a full Council meeting other than those scheduled was suggested;

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- Given the built-in transparency with respect to the operation of the management subcommittee, the general view of the meeting was that it could be possible to reduce the numbers over time;
- It was suggested that in the initial stages, to assist trans Tasman consistency, the Council should meet more frequently than twice per year.
- It was suggested that alternate members should be drawn from the country other than that of the member.

It was agreed that

- **the report should contain two options for the constitution of the Advertising Council – the preferred option of a large, broadly representative Council supported by a smaller (11 member or less) management subcommittee (Option 1) and the option of one smaller Council comprising 14 members (Option 2);**
- **the report should recommend that the objective for the first option should be two meetings per year for the Council and six times per year for the management subcommittee, other than in the first year when the Council should meet four times.**

9. Date of the next meeting

As items 4 and 5 of the agenda had not been addressed, another meeting date was set for Thursday 26 August 2004, in Auckland, at a location to be determined.

Public consultation dates are to be set next week (week of 16 August)

Members were invited to submit comments on the draft report to the Support Group before the meeting.

The meeting ended at 4.15 pm.