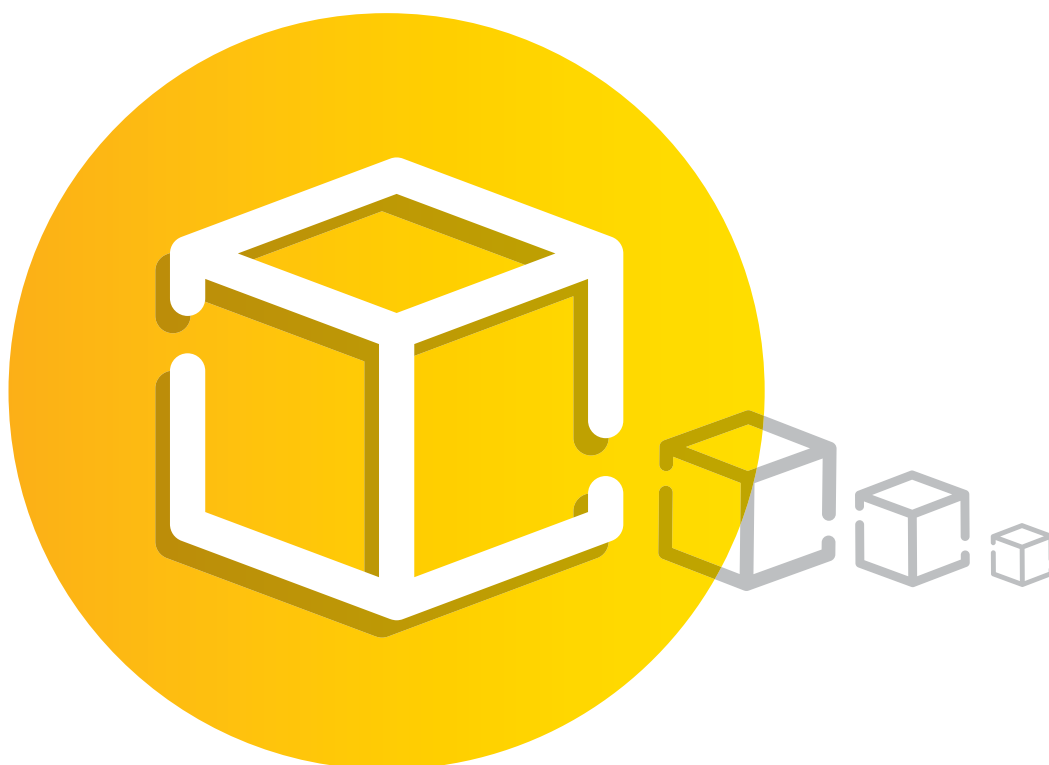


June 2021



The MFA Transparency Framework

for Agencies and Advertisers

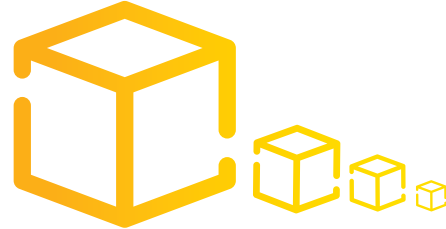
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AANA

Background

In November 2015 the board and executive of the Media Federation of Australia (MFA) developed a Transparency Framework to set expectations for Agencies and Advertisers in areas identified by Advertisers as key issue areas for transparency and accountability. The Transparency Framework was ratified by all MFA members and endorsed by the Australian Association of National Advertisers (AANA).

Since then, the MFA Transparency Framework has become a cornerstone of the MFA's Transparency Agenda, a program of transparency marketing aids and activities that includes the Australian Digital Advertising Practices and industry training programs.

In the MFA's submission to the ACCC in response to its Ad Tech Inquiry Issues Paper 2020, the MFA outlined how it is updating its Transparency Framework to reflect progress and the emergence of new issues. This updated Transparency Framework is the result of that work.



Introduction

The 2021 iteration of the MFA Transparency Framework for Agencies and Advertisers moves to a principles approach to accommodate the dynamic nature of the advertising industry and particularly the digital supply chain.

The updated Transparency Framework also reflects the ACCC Inquiry's stated key issues, i.e., 'the availability of information and pricing transparency'. The new approach sets out to enhance the availability of clear and relevant information to Advertisers and ensure that Agencies and Advertisers are aware of their rights and responsibilities.

About the MFA and this document

The MFA represents media communication agencies providing services to advertisers across all media channels, including media planning and buying, proprietary systems and tools, data and analytics, and content development. It brings together the local offices of all the major media agency networks, as well as Australian independent agencies, accounting for over 90 percent of all media billings placed by media agencies in Australia.

The MFA's charter is to represent and advocate for the industry; set best practice standards and guidelines; and provide skills and best practice training for members.

The MFA Transparency Framework has been signed up to by MFA member agencies and is endorsed by the AANA.

The MFA will continue to update the MFA Transparency Framework in the future, to ensure it aligns with significant changes in the market.

The MFA Principles of Transparency

The four principles of Transparency for Agencies and Advertisers to follow are:



1.



Disclosure

The Agency or Agency Holding Company clearly discloses, via client contracts, areas of potential conflicts of interest, such as where the Agency is acting as an Agent or Principal, the existence of rebates, commissions, mark-ups and/or 'value banks' from media owners, as well as the Agency's policy for managing each. Policies regarding the use or recommended use of self-owned ad tech services should also be explicit in the client contract and followed according to the contract.

Self-owned Services

Advertisers should be aware of all relevant commercial relationships that the Agency or the Agency Holding Company has to deliver the required services to the Advertiser, and the nature of the relationship, via the client contract.

Value Banks

Where value banks exist, they are used at the discretion of the Agency or the Agency Holding Company and in accordance with the client's contract. Value banks are defined as space, time and impressions, awarded free of charge by Media Owners to Agencies as a reward for volume commitments.

Rebates

The Agency or the Agency Holding Company discloses any rebates it receives in relation to their Australian business tied to a client's media spend (volume or share), in accordance with the client's contract. Rebates are defined as compensation (cash or value) awarded to Media Agencies by Media Owners for placing media buys with them.

Agency Trading Desks

Agency Trading Desks operate either in an Itemised model or a Guaranteed Outcome manner (also referred as 'disclosed' or 'undisclosed' models). Clients elect to opt-in to the Guaranteed Outcome model via a client contract.

Agency Commission

Where Media Owners extend Agency commissions to the Agency or the Agency Holding Company, they are rebated directly to clients or retained in lieu of service fee in accordance with the client's contract.

2.



Education

Education is an essential aspect to ensuring transparency. The MFA and its member Agencies have an important role to play in helping Advertisers educate themselves about the advertising supply chain, ad tech and best-practice digital advertising transparency. The MFA also has an important role to play in educating Media Agency personnel about the industry's expectations of transparency and accountability.

The MFA commits to providing tools and resources for the purposes of industry education in these areas. This includes programs such as the MFA Digital Foundations Certificate I and Certificate II and the Australian Digital Advertising Practices resources.

Ethics Training

Agency staff members are required to undertake training on the Agency's ethics/anti-fraud corporate protocols at induction and at least every 24 months.

Digital Advertising Practices Training

All relevant Agency staff members to undertake Australian Digital Advertising Practices training and to complete a proof-of-knowledge certificate.

3.



Accountability

The MFA and its members believe Advertisers should have access to information about all parts of the supply chain regarding advertising spend deployment. This right to information access includes the right to engage reputable, independent third parties to audit all parts of the client contract, including agencies' advertising spend deployment, in accordance with their client contract. In the event of an audit of advertising spend deployment, Agencies welcome the opportunity to discuss with their client appropriate third-party audit providers.

Audits

The Agency and Advertiser should agree and set out in the client contract the audit methodologies to be employed, including data access protocols. Agencies should support the audit process and submit all agreed required documents on request. The cost of any audit is to be borne by the Advertiser and Non-Disclosure Agreements should be signed by the appointed Auditor and the Agency prior to audit data exchange.

Verification

The MFA and its members support the Advertisers right to access independent verification services and will work with them to do so.

4.



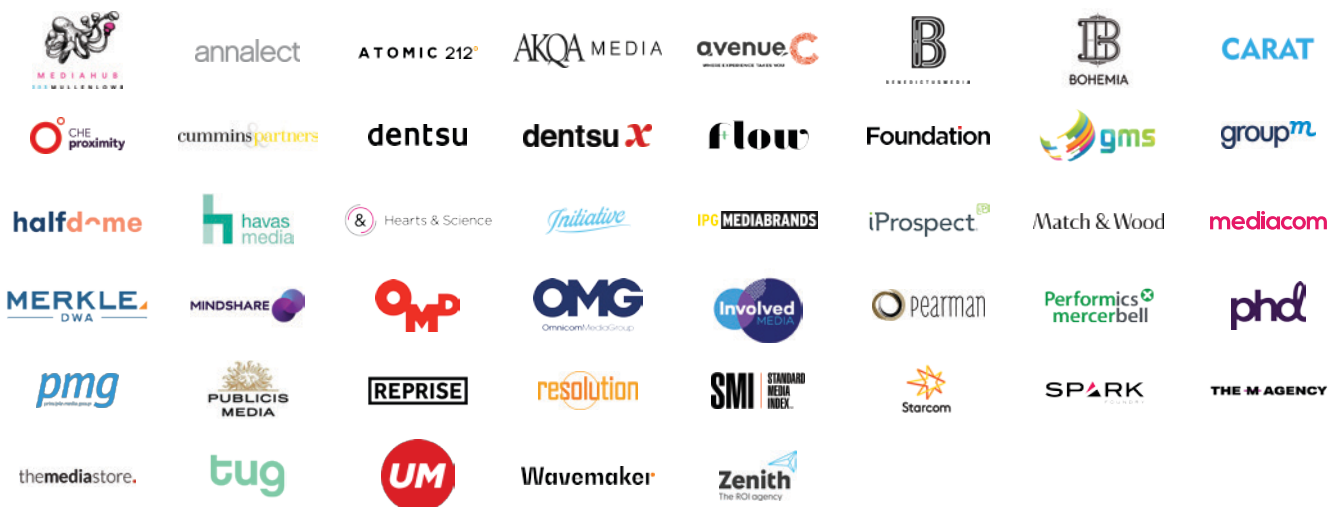
Sustainable Contracts

The MFA believes that transparency and accountability in the industry are best served when client contracts are balanced and fair, with clear explanations of how both parties benefit from the contractual arrangement. Additionally, Agencies and Advertisers should seek to fully understand all parts of their contract and seek clarity prior to signing if mutual benefit is not transparent and explicit.

Data

Data ownership should be contemplated and made explicit within client contracts with a view to affording portability where appropriate.

MFA Members



Acknowledgements

With thanks to all MFA members and the AANA who contributed to the creation of the 2021 MFA Transparency Framework.

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