

COMPLAINT NUMBER	20/507
ADVERTISER	NZ Social Credit Party
ADVERTISEMENT	NZ Social Credit Party, Facebook
DATE OF MEETING	13 October 2020
OUTCOME	Upheld Advertisement to be removed

Summary of the Complaints Board Decision

The Complaints Board upheld a complaint about a sponsored Facebook post by the NZ Social Credit Party that included a quote from Hon. Grant Robertson stating: “The way we manage money costs taxpayers billions”. This is because the statement is presented as a quote from Hon Grant Robertson and it was not substantiated as such by the Advertiser.

Advertisement

A sponsored Facebook post by the NZ Social Credit Party is headed with the wording: Finance Minister Grant Robertson said Labour will cost NZ taxpayers an unnecessary \$5 billion dollars per year because “that is the way we manage money and fiscal policy in NZ” (press conference 17 Aug '20). National will do the same. Social Credit would never be so irresponsible with tax payers’ money.” The post includes a link to the party’s media release. The advertisement includes an image of Hon. Grant Robertson, Minister of Finance, next to a square-shaped speech bubble and the statement: “The way we manage money costs taxpayers billions”. Underneath this is the statement: “All other parties will do the same” and “Only Social Credit will use the Reserve Bank to fund the government directly. Zero interest, zero debt.” At the top of the advertisement is the website address for the Social Credit Party. At the bottom of the advertisement is the party logo and authorisation statement.

Summary of the Complaint

The Complainant was concerned “the quote in the advertisement is a misleading claim about the monetary policy discussed in the conference and an absolute false representation of the facts and statements of the day.”

Issues Raised:

- Truthful presentation
- Advocacy advertising

Summary of the Advertiser’s Response

The Advertiser said it had considered the complaint and “as a result we have removed the quote marks from the meme section of the advertisement and requested our agency urgently change that part of the advert.” The Advertiser defended the wording in the advertisement and said in part: “Our statement that the way the Labour government chooses to manage money costs taxpayers billions, is factually correct, and we do not see any need to make further changes.”

Relevant ASA Codes of Practice

The Chair directed the Complaints Board to consider the complaint with reference to the following codes:

ADVERTISING STANDARDS CODE

Principle 2: Truthful Presentation: Advertisements must be truthful, balanced and not misleading.

Rule 2(b) Truthful Presentation: Advertisements must not mislead or be likely to mislead, deceive or confuse consumers, abuse their trust or exploit their lack of knowledge. This includes by implication, inaccuracy, ambiguity, exaggeration, unrealistic claim, omission, false representation or otherwise. Obvious hyperbole identifiable as such is not considered to be misleading.

Rule 2(e) Advocacy advertising: Advocacy advertising must clearly state the identity and position of the advertiser. Opinion in support of the advertiser's position must be clearly distinguishable from factual information. Factual information must be able to be substantiated

The Complaints Board said the advertisements before it fell into the category of advocacy advertising and noted the requirements of Rule 2(e) of the Advertising Standards Code. This Rule required the identity of the advertiser to be clear; opinion to be distinguished from factual information and factual information must be able to be substantiated. The Advocacy Principles developed by the Complaints Board in previous decisions considered under Rule 11 of the Code of Ethics remain relevant. They say:

1. That section 14 of the Bill of Rights Act 1990, in granting the right of freedom of expression, allows advertisers to impart information and opinions but that in exercising that right what was factual information and what was opinion, should be clearly distinguishable.
2. That the right of freedom of expression as stated in section 14 is not absolute as there could be an infringement of other people's rights. Care should be taken to ensure that this does not occur.
3. That the Codes fetter the rights granted by section 14 to ensure there is fair play between all parties on controversial issues. Therefore, in advocacy advertising and particularly on political matters the spirit of the Code is more important than technical breaches. People have the right to express their views and this right should not be unduly or unreasonably restricted by Rules.
4. That robust debate in a democratic society is to be encouraged by the media and advertisers and that the Codes should be interpreted liberally to ensure fair play by the contestants.
5. That it is essential in all advocacy advertisements that the identity of the advertiser is clear.

Role of the ASA when considering an advocacy advertisement

The Complaints Board noted its role is to consider the likely consumer takeout of an advertisement and complaints about advocacy advertising are considered differently to complaints about advertising for products and services.

The Board will consider whether the advertisement includes statements of fact or opinion and decide whether any factual claims have been adequately substantiated by the Advertiser. The Complaints Board noted that a fact is something that is objectively true and can be verified as such whereas an opinion is a personal belief. Others may agree or disagree with an opinion, but they cannot prove or disprove it. Some statements contain both fact and opinion. The Board referred to the ASA Guidance Note on Advocacy which says:

“Evidence may be cited in support of the opinion, but it should be clear it supports an opinion rather than being the full factual position. Evidence in support of an opinion should be clearly cited and readily obtainable. Academic studies are often cited as evidence. Such studies are treated as expert opinion rather than the full factual situation...the Board will not determine which of competing academic studies or other evidence is correct. The Complaints Board’s only role is to determine whether there has been a breach of the ASA Codes, taking into account the Advocacy Principles.”

The Complaints Board observed that in a free and democratic society, issues should be openly debated without undue hindrance or interference from authorities such as the Complaints Board, and in no way should political parties, politicians, lobby groups or advocates be unnecessarily fettered by a technical or unduly strict interpretation of the rules and regulations.

Under Rule 2(e) Advocacy advertising of the Advertising Standards Code:

- The identity of the advertiser must be clear
- Opinion must be clearly distinguishable from factual information, and
- Factual information must be able to be substantiated.

If the identity and position of the Advertiser is clear, a more liberal interpretation of the Advertising Standards Code is allowed.

Relevant precedent decisions

In considering this complaint the Complaints Board referred to two precedent decisions, Decision 17/303 which was not upheld and Decision 17/338 which was upheld.

The full versions of these decisions can be found on the ASA website:

<https://www.asa.co.nz/decisions/>

Decision 17/303 concerned a video advertisement for the National Party on Twitter about their support of farmers and regional New Zealand. The video is interrupted with a message featuring the New Zealand Labour Party logo and states the following on-screen:

“Labour. Tax Agenda:

- A water tax
- A capital gains tax
- Farming into the ETS
- Land taxes & wealth taxes.”

The Complaints Board said the advertisement presented the National Party’s opinion on the kinds of tax the Labour Party may introduce if elected which was part of a political discourse allowed under the provisions of Rule 11 of the Code of Ethics. Further, the Complaints Board said the reference to ‘Labour’s Tax Agenda’ in the context of an advertisement on Twitter did not meet the threshold to be likely to mislead voters into thinking the Labour Party was going to introduce a Capital Gains Tax if elected and therefore, was not in breach of Rule 2 of the Code of Ethics.

The majority of the Complaints Board said the brief use of the colour red and Labour Party logo in the advertisement did not reach the threshold to be misleading when the overall context, medium and political nature of the advertisement were considered. The complaint was not upheld.

Decision 17/338 concerned a sponsored Facebook post for the Make New Zealand Great Again Party. The post was accompanied by a picture of Jacinda Ardern with following statement in quotation marks:

“My Labour Party will end child poverty through abortion. No children. No poverty”.

The Complaints Board confirmed the advertisement created the impression the statement shown next to the image of Jacinda Ardern was a quote from her and no evidence had been provided to support that impression. The Complaints Board said the advertisement was misleading and in breach of Rule 2, Rule 11 and Basic Principle 4 of the Code of Ethics.

Complaints Board Discussion

Consumer Takeout

The Complaints Board agreed the likely consumer takeout of the advertisement was the Social Credit Party is alerting voters to a statement from the Minister of Finance, Grant Robertson, from a press conference on 17 August when he said “the way we manage money costs taxpayers billions”, and Social Credit will instead use the Reserve Bank to fund the government directly.

Has the advocacy advertisement been adequately identified?

The Complaints Board agreed the advertisement had been adequately identified as an advocacy advertisement.

The Complaints Board said the advertisement is a sponsored Facebook post for the NZ Social Credit Party promoting policy during the 2020 election campaign. The Board said the identity of the Advertiser was clear. The Board said the Advertiser’s policy position to use the Reserve Bank to fund the government directly was clear.

Is the statement in the advertisement likely to mislead?

The Complaints Board agreed the statement in the speech bubble which states: “The way we manage money costs taxpayers billions” is presented as a quote from the Minister of Finance, Hon. Grant Robertson.

The Complaints Board noted the Complainant considered the statement to be misleading, and “false representation of the facts and statements of the day.”

The Board noted the Advertiser’s response, confirming the section of the transcript the quote was based on, was from a press conference on 17 August 2020.

The Complaints Board confirmed the importance of open debate during an election campaign. However, under the ASA complaints process, the onus is on the Advertiser to support factual statements made in advertisements, if challenged.

The Complaints Board ruled the quote that “The way we manage money costs taxpayers billions” was misleading. This is because consumers would consider the statement to be a direct quote from the Minister of Finance and this was not supported by the Advertiser’s response.

The Complaints Board noted the Advertiser had amended the advertisement to remove the quote marks from the speech bubble in the advertisement. The Board discussed whether this amendment was sufficient to settle the complaint. The Complaints Board confirmed the

complaint was not settled. This is because the speech bubble device supported the consumer takeout the statement was made by the Minister of Finance. The removal of the quote marks did not materially alter this.

Outcome

The Complaints Board unanimously ruled the advertisement was in breach of Principle 2 and Rules 2(b) and 2(e) of the Advertising Standards Code.

Outcome

The Complaints Board ruled the complaint was **Upheled**.

Advertisement to be removed.

APPEAL INFORMATION

According to the procedures of the Advertising Standards Complaints Board, all decisions are able to be appealed by any party to the complaint. Information on our Appeal process is on our website www.asa.co.nz. **NOTE:** Under the fast track process one month prior to the Election, appeals must be made in writing via email or letter within three (3) calendar days of receipt of this decision.

APPENDICES

- 1. Complaint**
 - 2. Response from Advertiser**
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Appendix 1

COMPLAINT

https://www.facebook.com/ads/library/?active_status=all&ad_type=all&country=NZ&view_all_page_id=201119943250384 Social Media

The ad shows a quote attributed to Finance Minister Grant Robertson "The way we spend money costs taxpayers billions". This is a misrepresentation of statements during press the conference on 17 August 2020. During this press conference, questioning from media suggested the option of the reserve bank writing off debt - and Robertson responded to reiterate that we have a well functioning bond market, and that this is not the way we "manage monetary and fiscal policy".

The full transcript can be found here: <https://www.beehive.govt.nz/sites/default/files/2020-08/170820%20Min%20Robertson%20press%20conf.pdf>

At no point during the conference does Robertson say the quoted remarks, or anything remotely near to it that might have been paraphrased.

The Social Credit Party's representation of this conference is a flagrant breach of principle 2 of the code. Rule 2(b) has been breached: The quote in the advertisement is a misleading claim about the monetary policy discussed in the in the conference and an absolute false representation of the facts and statements of the day.

Rule 2(e) has been breached: The advertisers are presenting an opinion loosely based on the likely fiscal policy outcomes as a factual quote as iterated by the minister, which was never said.

Thank you in advance for your consideration of this complaint.

Appendix 2

RESPONSE FROM ADVERTISER,

We have considered the matters raised in your letter and in the complaint.

As a result we have removed the quote marks from the meme section of the advertisement and requested our agency urgently change that part of the advert. A copy of the new meme is attached.

Our advertisement is based on this section of the transcript of the media conference you supplied.

Media: Just on the level of debt—excuse me if it's a bit pointy-headed, but how much Government debt does the Reserve Bank actually hold in its balance sheets?

Hon Grant Robertson: Look, let me give you the exact figure later on, Jason. But obviously the Reserve Bank and the Government have been working together around its role in the secondary bond market, making sure that the money is there. But I'm still confident about New Zealand's debt position. There's no reason not to be. We remain, at a public debt level, one of the least indebted countries in the OECD.

Media: And, again, it might be a little pointy-headed and, essentially, a bit obvious, but why can't the Reserve Bank, if they do have any New Zealand Government debt, just, essentially, write it off? I mean, inflation is low—it wouldn't really be that problematic, would it?

Hon Grant Robertson: I'll leave you and Bernard to have this discussion afterwards if you'd like, but from our perspective, that isn't the way we manage monetary and fiscal policy in New Zealand. There is a separation. There is an independence there. Certainly, that idea has gained a bit of currency around the world, but I'm still confident that we have a system in New Zealand where we've got a functioning bond market where our debt is managed well. But those discussions, no doubt, will carry on around the world for some time to come. We're just going to come down and then go—

The facts are these:-

The Reserve Bank is currently creating \$100 billion to buy existing government bonds (IOU's) from banks, pension funds and wealthy investors who have previously lend money to the government.

The bond dealers (mainly banks) are 'clipping the ticket' at the taxpayers expense to the tune of \$11 billion over the next 3 years ([Bernard Hickey – Managing Editor Newsroom](#)).

Meanwhile the government is selling bonds (borrowing money) into the market. Government borrowing will be \$200 billion by 2024 (Treasury, PREFU 2020 attached) on which taxpayers are going to have to pay interest (\$3.773 billion in 2020 and similar sums in subsequent years) and pay the debt back.

What the Reserve Bank could be doing is direct funding the government needs, not the needs of bond dealers. That way no government debt and no interest. (See attached quotes from economists, commentators, and the Reserve Bank governor).

Our statement that the way the Labour government chooses to manage money costs taxpayers billions, is factually correct, and we do not see any need to make further changes.