

# The PR Report

July 2011

1. **Dan Kaufman** (pic, right) former SMH Editor launches **"Editors Manifesto" for PRs**
2. **Domino's** forecast 50% of revenue will come from digital sales in 3 years: Amy Smith and Sarah Broad, Domino's PR team, at launch of their Android app (below, right)
3. **Keep Left PR** launch huge health campaign
4. **Advertising agency wins Cannes PR award**; a wake-up call for the PR industry, says Cannes judge Paul Taaffe
5. Ogilvy Chairman questions **"vitriolic" ad industry blogs**
6. US oil giant **Chevron** seeks to change perceptions



Photo: above left: Keep Left PR

Current issue of The Economist: 14 page special report on the **future of the media**

## Denton to launch new TV series on PR industry

Denton to shine spotlight on PR industry: Following the success of ABC TV show, The Gruen Transfer (insights into the advertising industry), Andrew Denton's production company, Zaprupe's Other Films, is creating a new show about the PR industry, to be called Gruen Planet.

# Dawn Til Dusk PR secures product placement in TV show Offspring

Dawn Til Dusk PR (Founded by Sarah Findlay) has placed her clients mini hi-fi product, Geneva Model S DAB+, in a recent episode of Offspring that aired 29 June. The product was featured extensively, and includes a scene after an advert break with a close up of an actor pressing play on an iPhone inserted the Geneva product.

Having the actor/talent use a product on the show (or in the film) is the “holy grail” of the product placement business.

The product was featured in Episode 10 of TV Show Offspring Season 2, which is a prime time Australian TV show. Findlay says: “I communicate with TV stylists on a regular basis for product placement just like I do with other media including magazines, newspapers and online.”

According to Findlay, the product placement sector uses an informally agreed formula to determine the “value” clients receive in media exposure: “To date this client has received over \$900,000 worth of publicity this year in a 6 month period using the industry formula of tripling the advertising rate. This client has also being featured in Small Time Gangster (Movie Extra, Foxtel), Rake (ABC), 20 to 1 (Channel Nine), 30 Seconds (Comedy Channel, Foxtel), and Satisfaction (Foxtel). We will also have product on upcoming episodes of Neighbours (Channel Ten) and Rush (Channel Ten).”



## PR and investor relations implications of the new ‘two strikes’ law

By Alice Cope (B. Fin, LLB), Account Executive and David Van, Managing Director, The De Wintern Group

On 20 June 2011, the ‘two strikes’ rule, which will allow shareholders to spill a company’s board if the company’s remuneration report receives a strong ‘no’ vote at two consecutive annual general meetings, passed into law.<sup>1</sup> Companies, and their public relations advisers, need to be aware of the rule’s investor relations implications, which include the following:

- A ‘no’ vote of just 25% or more in two consecutive years will trigger a spill vote. Accordingly, companies will have a greater imperative to engage with and understand the concerns of *all* shareholders, not just institutional or large shareholders.
- There is nothing to stop shareholders using the remuneration vote to send a message to the board in relation to non-remuneration issues. Therefore, companies will need to consider and address all material issues raised (not just remuneration related issues) by all shareholders.
- In the event of a strong remuneration ‘no’ vote at one AGM, companies will need to develop and implement a robust investor engagement process to identify and address all significant issues or potential issues (remuneration related and not), well ahead of its next AGM, to avoid a consecutive strong ‘no’ vote triggering a spill vote.

De Wintern recommends that listed companies assess these matters not just in their investor relations strategy, but also as part of their reputational risk assessment. See [The De Wintern Group’s blog](#) and follow on [Twitter](#).

<sup>1</sup> The *Corporations Act 2001* (Cth) currently requires companies to put their remuneration report to a non-binding shareholder vote. The ‘two strikes’ rule will be introduced by the *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011* (Cth), and will apply to annual general meetings on or after 1 July 2011. Under the new rule, if the shareholder vote on a company’s remuneration report receives 25% or more votes against it in each of two successive years, the company will be required to put a board spill motion to shareholders. If 50% of shareholders vote in favour of that motion, the company will be required to call a further general meeting at which all of the company’s directors (other than the managing director) will face re-election.