



Parliamentary Joint Select Committee on Gambling Reform

Fifth report

The advertising and promotion of gambling
services in sport

Broadcasting Services Amendment
(Advertising for Sports Betting) Bill 2013

June 2013

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Table of Contents

Chapter 1.....	1
Introduction and conduct of the inquiry	1
Terms of reference.....	1
Previous inquiry.....	1
Focus of the 2013 inquiry.....	2
Conduct of the inquiry.....	3
Related bill.....	3
Acknowledgements	4
Chapter 2.....	5
Key issues around the promotion of sports betting.....	5
Wagering industry	5
High levels of sports betting advertising.....	6
Battle for market share	6
The amount of wagering advertising in a family friendly environment	7
Normalisation effect.....	8
Brand recognition	8
Vulnerability of children to advertising	9
Minimising possible harm	10
Concerns about other subgroups	11
Young men	12
Problem gamblers.....	12
Integration of gambling into the match	13
Committee view.....	13
Current broadcasting restrictions and exemptions for gambling advertising.....	14
Wagering sector.....	15
Sport	16

Committee view.....	17
Chapter 3.....	19
Proposed action to address concerns over gambling advertising.....	19
Proposed action	19
Changes to the promotion of live odds.....	19
Status of the proposed amendments to industry codes of practice.....	20
What is covered by the proposed amendments?	21
Why not a blanket ban on live odds?	22
Is the distinction clear?.....	23
Announcement of further action.....	26
What is covered?	26
Further amendments to industry codes of practice.....	27
Response from broadcasters, wagering operators and sports.....	27
Committee view.....	27
Changes for live odds at the grounds	29
Committee view.....	30
Other issues	31
Replica uniforms	31
New and emerging technology.....	32
Chapter 4.....	35
Effect of sports betting on the integrity of sport.....	35
Background.....	35
Identification of the risks.....	35
Exotic betting.....	35
Match fixing	37
The threat from organised crime	37
Vulnerabilities	37
Methodologies employed	38

Responses to the threat from organised crime.....	40
Response from sporting codes.....	40
Response from governments	44
Scrutiny of betting markets	45
Committee view.....	46
Betting and amateur sports	46
Chapter 5.....	49
Broadcasting Services Amendment (Advertising for Sports Betting) Bill 2013.....	49
Background.....	49
The bill.....	49
Committee view.....	49
Dissenting comments by the Chair and Senators Di Natale and Madigan .51	
Promotion of Live odds	51
Gambling advertising	51
Influence on children.....	52
Sports-related broadcasts.....	53
Sporting uniforms	53
Broadcasting Services Amendment (Advertising for Sports Betting) Bill 2013 .54	
Coalition committee members' additional comments	55
Dissenting Report by Senator Nick Xenophon	57
The proliferation of sports betting.....	57
Advertising	59
The effect of government inaction	60
Broadcasting Services Amendment (Advertising for Sports Betting) Bill 2013 .61	
The Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011.....	61

Appendix 1	63
Submissions received	63
Additional information received	65
Answers to questions on notice.....	65
Appendix 2	67
Public hearings and witnesses	67

Recommendations

Recommendation 1

3.37 The committee recommends that the government and government agencies review the self-regulatory action being taken by industry with a view to legislating in this area if industry does not make appropriate changes regarding the promotion of gambling products in an environment which includes children.

Recommendation 2

3.39 The committee recommends that the government and government agencies review the current exemption of gambling advertising for sporting programs. This review would include processes to ensure an appropriate level of public consultation.

Recommendation 3

3.41 The committee recommends that the Australian Gambling Research Centre undertake or commission further research on the longer-term effects of gambling advertising on children, particularly in relation to the 'normalisation' of gambling during sport.

Recommendation 4

3.43 The committee recommends that the COAG Select Council on Gambling Reform work towards nationally consistent requirements for responsible gambling messages to ensure they work effectively as harm minimisation measures to counterbalance the promotion of gambling.

Recommendation 5

3.51 The committee recommends that the COAG Select Council on Gambling Reform review the amount of betting promotion at venues, including the display of sports betting promotion on uniforms for senior teams to determine whether the amount is appropriate in what is marketed as a family friendly environment. This review should include avenues for public consultation.

Recommendation 6

3.56 The committee recommends that the Minister for Sport work with the Australian Wagering Council and professional sporting codes to urgently review the availability of merchandise to children featuring sports betting logos or names.

Recommendation 7

3.59 The committee recommends that the Australian Gambling Research Centre undertake or commission further research on the effect of mobile phone applications on problem gambling, what harm minimisation features would be effective and how best to incorporate these features into regulatory structures.

Recommendation 8

4.50 The committee recommends that the DRALGAS Office of Sport, in consultation with stakeholders, develop appropriate tools and resources that amateur sport can use to increase the awareness of participants to the risks and threats to the integrity of their sport.

Recommendation 9

5.5 The committee recommends that the Broadcasting Services Amendment (Advertising for Sports Betting) Bill 2013 not be passed.

Chapter 1

Introduction and conduct of the inquiry

Terms of reference

1.1 On 7 February 2013, the Senate referred the following matter to the Joint Select Committee on Gambling Reform for inquiry and report by 16 May 2013:

The advertising and promotion of gambling services in sport, including:

- (a) in-ground and broadcast advertising;
- (b) the role of sponsorship alongside traditional forms of advertising;
- (c) in-game promotion and the integration of gambling into commentary and coverage;
- (d) exposure to, and influence on, children;
- (e) contribution to the prevalence of problem gambling, and mechanisms to reduce that prevalence;
- (f) effect on the integrity of, and public attitudes to, sport;
- (g) the importance of spot betting and its potential effect on the integrity of sporting codes;
- (h) the effect of inducements to gamble as a form of promotion of gambling services, and their impact on problem gambling; and
- (i) any related matters.¹

1.2 On 15 May 2013, the Senate granted an extension of time for reporting until 28 June 2013.² The committee has decided to report early.

Previous inquiry

1.3 These matters overlap with those considered in an earlier inquiry by the Joint Select Committee on Gambling Reform during 2010-2011.

1.4 In October 2010 the Senate referred to the committee an inquiry into interactive and online gambling in line with the committee's resolution of appointment. The terms of reference directed the committee to inquire and report into:

The prevalence of interactive and online gambling in Australia and the adequacy of the *Interactive Gambling Act 2001* to effectively deal with its social and economic impacts, with particular reference to:

- (a) the recent growth in interactive sports betting and the changes in online wagering due to new technologies;

1 *Journals of the Senate*, No. 132—7 February 2013, p. 3595.

2 *Journals of the Senate*, No. 145—15 May 2013, p. 3931.

- (b) the development of new technologies, including mobile phones, smart phones and interactive television, that increase the risk and incidence of problem gambling;
- (c) the relative regulatory frameworks of online and non-online gambling;
- (d) inducements to bet on sporting events online;
- (e) the risk of match-fixing in sports as a result of the types of bets available online, and whether certain types of bets should be prohibited, such as spot-betting in sports which may expose sports to corruption;
- (f) the impact of betting exchanges, including the ability to bet on losing outcomes;
- (g) the implications of betting on political events, particularly election outcomes;
- (h) appropriate regulation, including codes of disclosure, for persons betting on events over which they have some participation or special knowledge, including match-fixing of sporting events; and
- (i) any other related matters.³

1.5 Under (i) the committee also agreed to inquire into gambling advertising. Subsequently, in June 2011, the Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011 was referred to the committee for inquiry and report.⁴ The committee considered the reference and the bill together. It tabled its final report in December 2011 and made 20 recommendations, including several directly relevant to the promotion of gambling services in sport. Chapters 10–14 in the committee's 2011 report cover these issues and will be referred to where relevant.

1.6 As with the 2011 report the committee agrees that due to its fundamental connection with wagering, the racing industry should be exempt from measures around the promotion of live odds.⁵

Focus of the 2013 inquiry

1.7 Given the time elapsed since receiving submissions for its 2011 inquiry and the continuing concern around some of these issues, the committee decided to conduct a short inquiry to obtain updated information. Please refer to the committee's second

3 *Journals of the Senate*, 30 September 2010, p. 111.

4 *Journals of the Senate*, 20 June 2011, p. 1037.

5 Joint Select Committee on Gambling Reform, *Second Report, Interactive and online gambling and gambling advertising and Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011*, December 2011, p. 358; COAG Select Council of Gambling Reform, Communique, 27 May 2011.

report for more detail.⁶ The previous inquiry covered the issue of inducements to gamble and as no new information was received in this area it refers readers to its previous report.

1.8 This inquiry arose as a result of continuing concern about the intrusive amount of sports betting advertising. Concerns raised with the committee focused on:

- the amount of sports betting advertising;
- the exposure of children and other vulnerable individuals to high levels of sports betting advertising;
- the integration of sports betting advertising into match play and sports commentary; and
- the effect of this amount of sports betting and its integration into the match on the integrity of, and public attitudes to, sport.

Conduct of the inquiry

1.9 Information about the inquiry was advertised on the committee's website. The committee wrote to relevant people and organisations to notify them of the inquiry and invite submissions by 27 February 2013. The committee received 52 submissions. A list of the submissions authorised for publication by the committee is provided at Appendix 1.

1.10 The committee held public hearings in Melbourne on 5 March, Canberra on 19 March and Sydney on 27 March 2013. A list of witnesses who appeared at the public hearings is at Appendix 2. Hansard transcripts from the hearings are available at: http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=gamblingreform_ctte/gambling_sport/hearings/index.htm

Related bill

1.11 On 15 May 2013, the Broadcasting Services Amendment (Advertising for Sports Betting) Bill 2013 was introduced into the Senate by Senator Richard Di Natale.⁷ Pursuant to the committee's resolution of appointment, the bill was referred to the Joint Select Committee on Gambling Reform for inquiry and report.⁸ Given the overlapping subject matter, the committee decided to include the bill as part

6 Joint Select Committee on Gambling Reform, *Second Report, Interactive and online gambling and gambling advertising and Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011*, December 2011. Available from: http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=gamblingreform_ctte/completed_inquires/2010-13/interactive_online_gambling_advertising/report/index.htm

7 *Journals of the Senate*, No. 145, 15 May 2013, p. 3932.

8 The resolution of appointment for the Joint Select Committee on Gambling Reform directs the committee to inquire into and report on 'any gambling-related legislation that has been tabled in either House, either as a first reading or exposure draft'. *Journals of the Senate*, 30 September 2010, pp 141–142.

of its consideration of the areas covered by its reference on the advertising and promotion of gambling services in sport. The bill is covered in Chapter 5.

Acknowledgements

1.12 The committee thanks those organisations and individuals who made submissions and gave evidence at hearings.

Chapter 2

Key issues around the promotion of sports betting

2.1 Over the course of its inquiry, the committee sought updates on matters covered by its comprehensive 2011 report, *Interactive and online gambling and gambling advertising*, which delved into most of this inquiry's terms of reference. The key concerns that emerged during the current inquiry centred around the pervasive nature of the promotion of sports betting, its integration into sporting commentary and the possible effects on children and vulnerable people from this high level of exposure.

Wagering industry

2.2 In its 2010 report, the Productivity Commission (PC) estimated that sports betting represented 1.2 per cent of the \$19 billion spent on gambling and that sports wagering has experienced continued rapid growth since the mid 1990s.¹ The committee's previous report cited research that for the 12 months to September 2011 sports betting expenditure increased from \$0.4 billion to \$0.8 billion.²

2.3 Mr Cormac Barry, Chief Executive Officer, Sportsbet and Chairman, Australian Wagering Council³ (AWC) told the committee that the members of the AWC collectively have two million members.⁴ While acknowledging the significant increase in the amount of advertising, Mr Barry added that the annual growth in wagering turnover over the past five years has been in line with the growth of the economy at four to five per cent per year. He informed the committee that within overall wagering there has been a shift from the traditional channels for placing bets through retail TABs, by telephone and at racetracks to online betting.⁵ 40 per cent of Australian wagering now takes place online, 40-45 per cent takes place at the TAB and only a small proportion occurs over the phone.⁶

1 Productivity Commission, *Gambling*, Vol. 1; Commonwealth of Australia, Canberra, 2010, p. 7, 2.37.

2 Joint Select Committee on Gambling Reform, *Second Report, Interactive and online gambling and gambling advertising and Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011*, December 2011, p. 185.

3 The peak industry body for the online wagering and sportsbetting industry. Its members are: Betfair; Bet365; Betchoice (operating as Unibet); Eskander's Betstar; Sportsbet (including its subsidiary IASbet); Sportingbet Group Australia (which includes Sportingbet and Centrebet); and Tom Waterhouse.com. See Australian Wagering Council, *Submission 31*, p. 1.

4 Mr Cormac Barry, *Committee Hansard*, 27 March 2013, p. 24.

5 Mr Cormac Barry, *Committee Hansard*, 27 March 2013, p. 17. There has also been a trend of growth for sports wagering at the expense of wagering on racing.

6 Mr Cormac Barry, *Committee Hansard*, 27 March 2013, pp 24-25.

2.4 Mr Barry stressed that the ability to advertise, along with increased competition and improvement in products, has led to more Australians placing their bets with onshore operators.⁷

High levels of sports betting advertising

2.5 The committee recognises growing community concern with the proliferation of sports betting advertising over recent years. During a sporting broadcast there are not only sports betting advertisements, and live odds updates but betting in some cases became part of the sporting commentary. Even at venues sports fans are exposed to gambling advertising, including live odds updates and sports betting signage.

Battle for market share

2.6 The AWC explained that the high levels of sports betting advertising are a function of a highly competitive market. Customers have low brand loyalty and are on the lookout for the best deals given the low costs of switching between domestic and international providers. In addition:

Due to restrictions placed on the industry from operating land-based outlets, advertising is essential to enable the industry to genuinely compete with land-based retail outlets, such as TABs.⁸

2.7 Mr Cormac Barry provided further background and told the committee that the high levels of advertising reflect a 'battle for market share within the wagering sector' following the 2008 decision of the High Court which opened up advertising for corporate bookmakers. He submitted that 'sports betting is a niche pursuit' which in his view will remain the case 'no matter how much advertising the industry does'.⁹ He emphasised that the number of people gambling on sports is not increasing but there is a shift from the traditional channels of placing bets to online betting.¹⁰

2.8 Mr Barry told the committee that the primary objective of advertising is to gain market share and take business from competitors within the sector.¹¹ He added that this is achieved by the advertising raising brand awareness with the people who bet: 'it is not necessarily to create new betters'.¹² To reinforce this point he cited evidence that the wagering industry is not growing in real terms.¹³ Mr Giles Thompson, Chief Executive Officer, Betfair; and Treasurer, AWC, confirmed that advertising is targeting 'people who are currently betting' and 'those who are interested in betting'.¹⁴

7 Mr Cormac Barry, *Committee Hansard*, 27 March 2013, p. 25.

8 Australian Wagering Council, *Submission 31*, pp 7-8.

9 Mr Cormac Barry, *Committee Hansard*, 27 March 2013, p. 18.

10 Mr Cormac Barry, *Committee Hansard*, 27 March 2013, pp 17-18.

11 Mr Cormac Barry, *Committee Hansard*, 27 March 2013, p. 23.

12 Mr Cormac Barry, *Committee Hansard*, 27 March 2013, p. 21.

13 Mr Cormac Barry, *Committee Hansard*, 27 March 2013, p. 21.

14 Mr Giles Thompson, *Committee Hansard*, 27 March 2013, p. 19.

2.9 Associate Professor Samantha Thomas pointed out that the argument from the industry that they are only targeting existing gamblers is counterintuitive for a business where you would expect they would be looking to grow their market. She explained that the same argument was used by the tobacco industry: 'they were not trying to get more people to smoke, they were or are just trying to get people to switch brands'.¹⁵

The amount of wagering advertising in a family friendly environment

2.10 The committee heard how this avalanche of sports betting advertising is overly intrusive and ruining fans' enjoyment of the game. However, over and above the annoyance factor, are concerns which focus on the normalisation effect of industry marketing strategies, particularly on children.¹⁶ Evidence showed clear concern about the high level of exposure of children to the promotion of an adult product in what is marketed as a family friendly environment.¹⁷

2.11 During its last inquiry the committee was briefed on research which showed the high level of exposure to gambling advertising during broadcasts and at venues and the embedding of marketing strategies in the game.¹⁸ The research conducted by Associate Professor Samantha Thomas and Associate Professor Colin McLeod found that supporters at a match were exposed to an average of 341 minutes of gambling advertising when simultaneous promotions were counted separately.¹⁹

2.12 Ms Heather Gridley, Manager, Public Interest, Australian Psychological Society (APS) referred to this research and stated:

So you are talking about an awful lot of messages. Once again, they probably would not be there if they were not meant to be effective, and you cannot imagine that children are immune from that. And I think there is that aspect of the language itself becoming part of it. It is very hard to talk about sport now without talking about what are the odds or who you are betting on, who you are tipping and all those sorts of things. There is nothing wrong with that in itself, but if that becomes the only language in which we speak about sport, it is hard to imagine children being immune to that.²⁰

15 Associate Professor Samantha Thomas, *Committee Hansard*, 27 March 2013, p. 43.

16 Victorian Responsible Gambling Foundation, *Submission 19*, p. 3.

17 See, Name withheld, *Submission 4*, p. 1; Tasmanian Gaming Commission, *Submission 14*, p. 1; Gambling Impact Society NSW, *Submission 17*, p. 2.

18 Joint Select Committee on Gambling Reform, *Second Report, Interactive and online gambling and gambling advertising and Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011*, December 2011, pp 253-254.

19 Joint Select Committee on Gambling Reform, *Second Report, Interactive and online gambling and gambling advertising and Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011*, December 2011, pp 253-254; Ms Heather Gridley, Manager, Public Interest, Australian Psychological Society, *Committee Hansard*, 5 March 2013, p. 15; Thomas, S., Lewis, S., Duong, J. & McLeod, C. (2012). Sports betting marketing during sporting events: A stadium and broadcast census of Australian Football League matches. *Australian & New Zealand Journal of Public Health*, 36: 145-152.

20 Ms Heather Gridley, *Committee Hansard*, 5 March 2013, p. 15.

Normalisation effect

2.13 During the committee's previous inquiry it heard that while the advertising is not directly marketed to children and children cannot consume the product, they are nevertheless absorbing the message. In addition, the constant promotion of live odds at matches and within game play during broadcasts may have a normalising effect on children. This is because there is a blurring between advertising and the game so children may consider the live odds, for example, to be part of the game. As Associate Professor Samantha Thomas noted during the previous inquiry when asked about the possible long-term effects on children:

We can probably make an educated guess, that, as with those products [tobacco, alcohol and junk food]. Kids are being softened to this. It is becoming part of their talk...Kids are consuming those messages. They are consuming the brands. What we do not know is what long-term impact it is having on them and what will happen over time in terms of encouraging them to engage in gambling...²¹

2.14 The APS emphasised that the amount of gambling advertising has the effect of normalising it by making it an integral part of sport which influences the attitudes of children and young people.²² This was confirmed by Dr Christopher Hunt from the Gambling Treatment Clinic at the University of Sydney who noted that traditionally, sports such as the AFL and NRL have been marketed towards families and:

By normalising wagering associated with these sports, there is a high risk that the prevalence of problem gambling will increase as generations who have grown up with ubiquitous discussions of gambling around sport reach the legal gambling age.²³

Brand recognition

2.15 While recognising there needs to be more research on the effect of gambling advertising on children, Associate Professor Thomas indicated that it should not prevent action on something that is 'potentially incredibly problematic for children and vulnerable members of our community'.²⁴ She pointed to preliminary data that may be indicative of some of the harm:

For example, one of the things we know from our research with young people is that they have a very high awareness and recall of brands. This is unprompted. When we ask young people whether or not they know of any gambling-industry brands they are able to come up with at least two or three names of companies.²⁵ That is concerning for us. Quite often, children

21 Joint Select Committee on Gambling Reform, *Second Report, Interactive and online gambling and gambling advertising and Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011*, December 2011, pp 254-255.

22 Australian Psychological Society, *Submission 18*, p. 2. See also Ms Heather Gridley, *Committee Hansard*, 5 March 2013, p.14, 18.

23 Dr Christopher Hunt, *Submission 2*, p. 3.

24 Associate Professor Samantha Thomas, *Committee Hansard*, 27 March 2013, pp 41-42.

25 Adolescents aged between 14 and 18 who can name three industry organisations.

also have a much higher recall of advertising and brand names than their parents and adults generally. So certainly we see that children are recognising and are aware of the products and companies, and this obviously is concerning for us—particularly when thinking about long-term behaviours and harm.²⁶

2.16 The committee notes the picture below,²⁷ which shows children obtaining an autograph from Mr Tom Waterhouse. The picture indicates how well recognised he is.



Vulnerability of children to advertising

2.17 The committee heard that young people are at risk as they are particularly susceptible to advertising. In 2010 the Productivity Commission pointed out Canadian research that found:

42 per cent of youth reported that gambling advertisements made them want to try gambling and that 11 per cent of males and 3 per cent of females sometimes or often gambled after seeing an advertisement (Derevensky et al 2007, p. 27).²⁸

2.18 The Victorian Responsible Gambling Foundation agreed that the concern about exposing children to high levels of gambling advertising is valid because:

- research shows children under 11 have difficulty distinguishing differences between advertising and program content. In particular, children under 10 have difficulty understanding the persuasive intent in advertising;

26 Associate Professor Samantha Thomas, *Committee Hansard*, 27 March 2013, p. 42.

27 Shaun Hardie (@crackaShaun), '@Peter_fitz Last night kids were getting their jerseys signed by T. Waterhouse! pic.twitter.com/Oey52ETg4K', tweet, 28 March 2013, accessed 23 April 2013, <https://twitter.com/crackaShaun/status/317457065410981889/photo/1>.

28 Productivity Commission, *Gambling*, vol. 2, Commonwealth of Australia, Canberra, 2010, p. K.12.

- recent research indicates that it is successful in creating an attitude in those aged 13-18 that gambling is 'entertaining, harmless and convivial' which undermines the development of a responsible approach to gambling;
- the use of sports stars or media celebrities to promote gambling and the use of social media contributes to the difficulty young people have separating marketing material from neutral content.²⁹

2.19 The APS summarised that young people are particularly at risk of harm because:

- they are already more susceptible to gambling advertising (Lamont, Hing and Gainsbury, 2011) and vulnerable to gambling, with research showing that a substantial proportion of secondary students indicate that they gamble online (Delfabbro et al, 2005);
- of their familiarity with and widespread use of emerging technology (particularly mobile phones) in all aspects of their lives;
- of fewer checks for age appropriateness in forms of sport gambling (apart from the use of a credit card), and the likelihood it can be engaged in in isolation from others (such as parents or other adults);
- the use of young people's sporting 'heroes' by sporting organisations to promote gambling opportunities; and
- young people growing up with sports betting as an integral and 'normal' part of their experience of sport, particularly those sports that are popular among young people (such as AFL). This includes the likelihood that young people have witnessed their parents and other adults wagering, so are more likely to see it as a socially acceptable activity.³⁰

2.20 The APS advised that, while there has not been a lot of research on the possible effects of the increased availability of gambling opportunities and the promotion of sports betting, gambling research generally shows that:

...an increase in exposure to gambling advertising and opportunities is a risk factor for the development of gambling problems, particularly among vulnerable groups in the community.³¹

Minimising possible harm

2.21 Associate Professor Thomas emphasised that the approach to gambling marketing should be to minimise and, more importantly, prevent harm:

While industry claims that the point is that advertising should not target children, in my opinion the actual point is that children should not be exposed to advertising for this potentially harmful product—this includes in sporting matches, which are, as you know, marketed as being family

29 Victorian Responsible Gambling Foundation, *Submission 19*, p. 4.

30 Australian Psychological Society, *Submission 18*, p. 3.

31 Australian Psychological Society, *Submission 18*, p. 2.

friendly. The national preventative task force argued in relation to obesity, alcohol and tobacco that, where the market is failing, or governments need to act to protect our health, particularly the health of children and adolescents, standards need to be established, regulations imposed where necessary and consumer education provided. They go on to say that balanced, effective regulation and legislation, usually alongside effective and sustained public education, has been an essential element of most prevention programs to date and there is no reason this should not also apply to gambling.³²

2.22 This was supported by the APS which spoke about the need to restrict advertising to ensure less harm:

I think that we have dealt with tobacco. It is a really good example, because people still smoke and smoking is not illegal. But we have really restricted advertising and, lo and behold!, people—the television stations and sporting organisations—have managed to get sponsorship from other places. They haven't gone under. So I think it ought to be possible to do something different with these kinds of things. Without being a nanny state, it should still be possible to look at restricting these things to the point where they are going to do the least harm, and if they were going to do the least harm then probably they would not be worth investing in as advertising. So there is a balance there.³³

2.23 Relationships Australia believes it is logical to conclude that any problems created by exposing children to gambling advertising can only grow as the amount of such advertising increases:

In spite of lack of evidence, it is reasonable to surmise that early and frequent exposure to sports betting is likely to have significant influence on the gambling habits, and therefore future wellbeing, of young people.³⁴

Concerns about other subgroups

2.24 Concerns were also expressed about the effects of the high level of exposure to wagering advertising on the gambling behaviour of young men and problem gamblers.³⁵

32 Associate Professor Samantha Thomas, *Committee Hansard*, 27 March 2013, p. 41; Associate Professor Samantha Thomas, *Submission 33*, pp 2-3; Gambling Impact Society NSW, *Submission 17*, p. 2.

33 Ms Heather Gridley, *Committee Hansard*, 5 March 2013, p. 17.

34 Relationships Australia, *Submission 10*, p. 4.

35 Joint Select Committee on Gambling Reform, *Second Report, Interactive and online gambling and gambling advertising and Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011*, December 2011, pp 261-263. See also the University of Sydney, Gambling Treatment Clinic, *Submission 2*, pp 2-3; Relationships Australia, *Submission 10*, pp 2-3; Tasmanian Gaming Commission, *Submission 14*, p. 1; Australian Psychological Society, *Submission 18*, p. 2.

Young men

2.25 The Victorian Responsible Gambling Foundation advised that the profile of those betting on sport is primarily young men in their twenties and early thirties.³⁶ The committee heard through its previous inquiry that sports betting advertising has contributed to young men watching sport through a 'gambling prism'. Research showed that young men felt bombarded, targeted and unable to escape the advertising.³⁷ As argued by FamilyVoice Australia, sports fans, predominantly young men, 'now talk more about "the punt" than the game.'³⁸

2.26 Associate Professor Samantha Thomas told the committee her research indicated that young men talk about feeling isolated from their peer group if they do not gamble. She pointed out this is concerning as it is similar to alcohol 'when you did not want to be the only guy in the group that did not drink'.³⁹ She reported that young men will choose a sporting match to attend where team preferences are not an issue and use gambling on the match as a mechanism for socialising. Associate Professor Thomas indicated that as with other public health issues, these social elements make such behaviour harder to change. Young men also talk about sports betting as a skill rather than luck based activity.⁴⁰

Problem gamblers

2.27 Dr Christopher Hunt noted that the confluence of wagering and sport has existed in horse and dog racing for many decades but most other sports have existed independently of wagering. If wagering is seen as part of the sport there is a high risk that over time wagering will be taken up by more people than presently engage in it. Dr Hunt noted that while not everyone who takes up wagering will go on to develop a gambling problem, a proportion will and therefore the incidence of problem gambling is likely to increase over time.⁴¹ This view was supported by the APS.⁴²

2.28 The Victorian Responsible Gambling Foundation indicated that information from the Foundation's counselling services databases and feedback from counsellors is providing 'indicative evidence that gamblers presenting for help with sports gambling are growing in total numbers and as a percentage of all clients'.⁴³

36 Victorian Responsible Gambling Foundation, *Submission 19*, p. 3.

37 Associate Professor Samantha Thomas, *Committee Hansard*, 27 March 2013, p. 41. See also Joint Select Committee on Gambling Reform, *Second Report, Interactive and online gambling and gambling advertising and Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011*, December 2011, pp 256-257.

38 FamilyVoice Australia, *Submission 1*, p. 3.

39 Associate Professor Samantha Thomas, *Committee Hansard*, 27 March 2013, p. 42.

40 Associate Professor Samantha Thomas, *Committee Hansard*, 27 March 2013, pp 42-43.

41 Dr Christopher Hunt, Gambling Treatment Clinic, University of Sydney, *Submission 2*, pp 2-3.

42 Ms Heather Gridley, *Committee Hansard*, 5 March 2013, p. 18.

43 Victorian Responsible Gambling Foundation, *Submission 19*, p. 3.

2.29 The Royal Australian and New Zealand College of Psychiatrists indicated there is strong evidence of the relationship between the advertisement of products that lead to gambling and subsequent problem gambling behaviour.⁴⁴

Integration of gambling into the match

2.30 Associate Professor Thomas emphasised to the committee that the issue is not just about the promotion of live odds but there is a 'relative tsunami of the promotion of gambling products through multiple marketing channels within our sporting matches'.⁴⁵ Associate Professor Thomas explained that in line with their expectations they have seen a shift towards increased embedding of advertising within sporting matches. She expressed particular concern about marketing promotions that seek to create 'brand awareness' through the integration of promotional activities with match broadcasts. Evidence from the areas of alcohol and tobacco indicate that it is more difficult for individuals, both adults and children, to separate out and/or avoid these 'embedded' forms of marketing.⁴⁶ She added:

It is suggested that by the age of about five the majority of children are able to differentiate between programming content and television commercials, although they may not be able to understand the persuasive intent of advertisements until they are about seven or eight years of age. However, the commercial intention behind sponsorship is conceptually less well understood by the children. Only when they reach the age of about 12 [do] they understand the role of sponsorship in influencing consumption attitudes and behaviours.⁴⁷

2.31 The Gambling Treatment Clinic at the University of Sydney noted that the 'constant intrusion of wagering into the sporting discourse has the effect of making wagering appear to be an integral and normal part of enjoying sports'.⁴⁸

Committee view

2.32 The committee shares the concern in the community about the promotion and advertising of sports betting and the influence it may be having on children and young people. NRL and AFL in particular market themselves as family friendly sports and there are legitimate concerns about the longer term effects of exposing children to such a high level of sporting betting advertising. The committee acknowledges the intention by the industry and sports not to market directly to children but with the high level of gambling advertising and the many forms of marketing (signage, uniforms, general gambling advertising etc) the committee is also concerned about the level of indirect marketing on children and its possible effects. It believes a cautious approach is necessary. The current rules around broadcasting and exemptions for gambling

44 The Royal Australian and New Zealand College of Psychiatrists, *Submission 12*, p. 1.

45 Associate Professor Samantha Thomas, *Committee Hansard*, 27 March 2013, p. 41.

46 Associate Professor Samantha Thomas, *Committee Hansard*, 27 March 2013, p. 41, 46; Associate Professor Samantha Thomas, *Submission 33*, pp 1-2.

47 Associate Professor Samantha Thomas, *Committee Hansard*, 27 March 2013, p. 41.

48 University of Sydney, Gambling Treatment Clinic, *Submission 2*, p. 2. See also The Royal Australian and New Zealand College of Psychiatrists, *Submission 12*, p. 1.

advertising are detailed below as well as the policies of wagering and sport in relation to children and vulnerable groups.

Current broadcasting restrictions and exemptions for gambling advertising

2.33 Free TV informed the committee about current broadcasting restrictions which have been targeted to ensure that gambling and sports betting advertisements are not placed in programs likely to have a substantial audience of children. While gambling advertisements are not permitted during G classification periods, exemptions are made for news, current affairs and sporting programs.⁴⁹ Broadcasters pointed out that these restrictions have resulted in low levels of complaints.⁵⁰

2.34 The Productivity Commission advised that the exemption appears to be inconsistent with the general principles concerning exposure to gambling by children and noted:

That inconsistency may be becoming more marked as the frequency of in-commentary gambling promotions during televised sport increases (through, for example, continuously posted odds and the conspicuous identification of betting agencies).⁵¹

2.35 Free TV argued that sporting events on free to air TV are primarily watched by adults. Children aged 5-17 made up less than 12 per cent of the total viewing audience of any of the top 10 sporting events in 2012. In addition, of those watching, the majority⁵² were viewing with an adult.⁵³ Mr Andrew Maiden, Chief Executive Officer, Australian Subscription Television and Radio Association (ASTRA) stated that to put the data in context:

...the average number of children under 18 watching any of those top-50 live sports broadcasts last year was something like 39,000. So, relative to our reach—which is 2.2 million homes, or seven million Australians—we submit that number is relatively small.⁵⁴

2.36 Ms Bridget Fair, Group Chief, Corporate and Regulatory Affairs, Seven West Media admitted that there are likely to be more children watching a sporting program like the AFL than a program directed specifically at children. However, she stressed that the viewing experience is very different.⁵⁵ Mr Scott Briggs, Director of

49 Free TV, *Submission 9*, p. 3. Under clause 6.14 of the Code gambling advertisements must not be broadcast between 6am and 8.30am on any day, between 4pm and 7pm on weekdays and between 4pm and 7.30pm on weekends.

50 Mr Scott Briggs, Director of Commercial and Regulatory Affairs, Nine Entertainment Co., *Committee Hansard*, 27 March 2013, p. 57; Ms Annabelle Herd, Broadcast Policy, Network Ten, *Committee Hansard*, 27 March 2013, p. 49.

51 Productivity Commission, *Gambling*, vol. 2, Commonwealth of Australia, Canberra, 2010, pp K.13-K.14.

52 8 in 10 for the 5-12 age group and 7 in 10 for the 13-17 age group.

53 Free TV, *Submission 9*, p. 5.

54 Mr Andrew Maiden, *Committee Hansard*, 27 March 2013, p. 33.

55 Ms Bridget Fair, *Committee Hansard*, 27 March 2013, p. 53.

Commercial and Regulatory Affairs, Nine Entertainment Co. advised the committee that for a Friday night NRL game there would be around 50,000 children aged 17 and below from an audience of 700,000. He indicated this would be the same numbers for some of their children's programs.⁵⁶

2.37 The committee notes data indicating that AFL is one of the top three television programs watched by children under 14 years.⁵⁷

Wagering sector

2.38 The AWC accepted that advertising must be conducted in a socially responsible manner 'and must be of a reasonable limit so as not to contribute to the encouragement of gambling, particularly amongst the most vulnerable'.⁵⁸ It stressed that 'AWC members do not directly target their industry advertising and promotional strategies to children'.⁵⁹ Mr Cormac Barry, Chief Executive Officer, Sportsbet Pty Ltd; and Chairman, AWC, informed the committee of the sophisticated mechanisms in place to verify the age of people who bet with them. In addition they use responsible gambling messages in the promotion of their product.⁶⁰

2.39 Mr Barry highlighted the data from Free TV indicating that there are low numbers of children watching sport and most are accompanied by an adult:

I think there is a role here for parents to educate children about the risks associated with gambling, and that would be consistent with other products in society, such as alcohol or other adult related issues, like sex education and so on. I do not think it is possible in the modern age for us to create a bubble around our children, where they will not be exposed to adult products.⁶¹

2.40 Mr Giles Thompson, Chief Executive Officer, Betfair, and Treasurer, AWC concluded that:

The key thing here is that advertising should not be targeted at children. That is the key. That is the fundamental point. Banning it in G-rated program is a way of trying to achieve that. That does not necessarily mean that it is the best way to do it, but it is a way of trying to achieve that. What

56 Mr Scott Briggs, *Committee Hansard*, 27 March 2013, p. 56.

57 Australian Communications and Media Authority, *Children's Viewing Patterns on Commercial, Free-to-air and Subscription Television., Reporting analysing Audience and Ratings data for 2001, 2005 and 2006*, Canberra, Commonwealth of Australia, May 2007, cited in Thomas, S., Lewis, S., Duong, J. & McLeod, C. (2012). Sports betting marketing during sporting events: A stadium and broadcast census of Australian Football League matches. *Australian & New Zealand Journal of Public Health*, 36, p. 146.

58 Australian Wagering Council, *Submission 31*, p. 8.

59 Australian Wagering Council, *Submission 31*, p. 14.

60 Mr Cormac Barry, *Committee Hansard*, 27 March 2013, p. 25.

61 Mr Cormac Barry, *Committee Hansard*, 27 March 2013, p. 25.

are we trying to achieve? We are trying to make sure that advertising does not target children.⁶²

Sport

2.41 In relation to the exposure and influence on children, the Coalition of Major Professional and Participation Sports (COMPPS) commented:

The COMPPS members are aware of concerns that the promotion of live odds during sports coverage risks normalising gambling behaviour. This was a factor in the recent decision to remove references to live odds from in-play broadcasts and in stadia, and to restrict commentators from discussing live odds. There was a sense that some commentators were seen as role models and that it was inappropriate for them to be involved in discussing live odds.⁶³

2.42 Sports emphasised that guidelines have been put in place to ensure that sports betting should not be targeted at minors or provide products targeted at minors.⁶⁴ The NRL highlighted their wish to take a proactive and cooperative approach to put agreed principles and safeguards in place.⁶⁵ Mr John Brady, General Manager, Media and Communications, NRL, acknowledged the difficulty with developing the right messages given the wide audience:

We are very, very mindful of and absolutely committed to the integrity of our game. We are very mindful of and very committed to the welfare of our community participants—the people who play the game at a junior level; the people who come to the game—and we try to have systems in place that communicate a responsible message to those people. To go to the point that was raised earlier in this hearing, some of those messages can be difficult because ours is a game that transcends every age group and a large part of society. We do work very hard to internally regulate, and we do very often work with government to try and make sure that we are heading in the right direction.⁶⁶

Committee view

2.43 The committee supports the approach of not directly targeting children but is concerned with the high level of indirect marketing and its effects on children. While the industry⁶⁷ and sports⁶⁸ argued it is a legal product, gambling advertising is all

62 Mr Giles Thompson, *Committee Hansard*, 27 March 2013, p. 27. See also Tabcorp, *Submission 7*, pp 7-8.

63 COMPPS, *Submission 15*, p. 6.

64 Mr Shane Mattiske, General Manager, Strategic Projects, NRL, *Committee Hansard*, 27 March 2013, p. 15.

65 Mr John Brady, General Manager, Media and Communications, NRL, *Committee Hansard*, 27 March 2013, p. 15.

66 Mr John Brady, General Manager, Media and Communications, NRL, *Committee Hansard*, 27 March 2013, p. 15.

67 Mr Cormac Barry, *Committee Hansard*, 27 March 2013, p. 25.

around us and it is difficult to ensure it does not reach children; the committee makes the point that what is promoted at the game is able to be controlled by the stakeholders. The industry argued that policies need to be based on evidence.⁶⁹ As policy can often take time to catch up with new marketing strategies, quality peer reviewed research takes time and given the possible effects could include increased problem gambling, the committee believes a precautionary approach regarding the exposure of children and vulnerable people to gambling advertising is warranted. Chapter 3 will detail the response underway.

68 Mr Shane Mattiske, General Manager, Strategic Projects, NRL, *Committee Hansard*, 27 March 2013, pp 11-12.

69 Mr Cormac Barry, *Committee Hansard*, 27 March 2013, p. 26.

Chapter 3

Proposed action to address concerns over gambling advertising

3.1 In response to community concerns a number of initiatives are being undertaken by stakeholders in an attempt to address the amount of sports betting advertising and its integration with the game. The main area of work has been around reducing the promotion of live odds being broadcast and at sporting grounds. Detail of the various initiatives is discussed below.

Proposed action

3.2 The action being proposed centres on changes to the promotion of live odds during broadcasting of sport and at sporting venues. The changes are aimed at making a clear distinction between the commentary team and sports betting promotion.¹ The changes do not affect general gambling advertising which would continue to be allowed during a sporting match.²

Changes to the promotion of live odds³

3.3 Through its previous inquiry the committee is aware that the in-game advertising of live odds has been seen as particularly problematic and intrusive. Resulting from a COAG process,⁴ in order to respond to community concern, on 27 May 2011, the government announced that it would be working with stakeholders to reduce and control the promotion of live odds during sports coverage through principles for reform⁵ which are being incorporated into existing industry codes of practice by amendments.⁶ In doing this the government recognised that:

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- 1 Ms Annabelle Herd, Head, Broadcast Policy, Network Ten, *Committee Hansard*, 27 March 2013, p. 54.
 - 2 Dr Simon Pelling, First Assistant Secretary, Department of Broadband, Communications and the Digital Economy, *Committee Hansard*, 19 March 2013, p. 13; Ms Bridget Fair, Group Chief, Corporate and Regulatory Affairs, Seven West Media, *Committee Hansard*, 27 March 2013, p. 53.
 - 3 Involves sporting commentator and representatives of betting agencies providing live updates on the odds prior to or during an event.
 - 4 COAG Select Council on Gambling Reform, Communique, 27 May 2011.
 - 5 COMPPS, *Submission 15*, Appendix A. The members of the Australian Wagering Council have developed a 'Statement of intent' to reduce the promotion of live betting odds during sports coverage which adopts the government's agreed principles for reform. See AWC, *Submission 31*, p. 9.
 - 6 The codes of practice form a co-regulatory framework that broadcasters operate under.

...the promotion of live odds during sports broadcasts can contribute to the encouragement of gambling, particularly amongst vulnerable people including children...⁷

3.4 The government indicated that if satisfactory amendments were not in place by the end of June 2012 then the need for legislation would be considered.⁸

3.5 On 29 June 2012, the minister announced an agreement had been reached with the commercial and subscription broadcasters⁹ to reduce and control the promotion of live odds during sports. Specifically, the restrictions would ban:

- sports commentators from mentioning live odds; and
- all live odds promotion during play.

3.6 The draft amendments to the codes would be based on the government's agreed principles and will be developed by broadcasters in consultation with government and the Australian Communications and Media Authority (ACMA). The codes will then be registered by ACMA if it is satisfied that the codes provide appropriate community safeguards.¹⁰ Broadcasters will comply with the provisions from the date of registration.¹¹ The expectation was that the amendments would be in place by the end of 2012.¹² However, this did not occur.

Status of the proposed amendments to industry codes of practice

3.7 The commercial radio industry undertook public consultation during December 2012 and was in discussions with ACMA about the detail of its code amendments. FreeTV and ASTRA released the proposed amendments to their codes on 22 April 2013 for public comment which closed on 20 May 2013.¹³ However, the

7 Senator the Hon Stephen Conroy, 'Government achieves agreement to reduce the promotion of live odds in sports broadcasts', *Media release*, 29 June 2012.

8 The Hon Jenny Macklin MP, 'Tackling problem gambling in Australia', with Senator the Hon. Stephen Conroy and the Hon Bill Shorten, *Joint media release*, 27 May 2011.

9 Free TV Australia, Commercial Radio Australia and the Australian Subscription Television and Radio Association.

10 ACMA includes a code in the register of codes of practice only if: it is satisfied that it provides appropriate community safeguards for the matters covered; it was endorsed by a majority of providers of broadcasting services in that section of the industry; and members of the public have been given an adequate opportunity to comment. Once implemented ACMA monitors these codes and deals with unresolved complaints made under them. See http://www.acma.gov.au/WEB/STANDARD/pc=IND_REG_CODES_BCAST (accessed 17 April 2013)

11 Dr Simon Pelling, First Assistant Secretary, Department of Broadband, Communications and the Digital Economy, *Committee Hansard*, 19 March 2013, p. 10.

12 Senator the Hon Stephen Conroy, 'Government achieves agreement to reduce the promotion of live odds in sports broadcasts', *Media release*, 29 June 2012.

13 FreeTV, 'Ban on promotion of live odds during play and by commentators', *Media release*, 22 April 2013. See <http://www.astra.org.au/Menu/Policy/Codes-of-Practice> (accessed 22 April 2013). Note: The 26 May 2013 announcement by the government to ban live odds is covered later in the chapter.

Department of Broadband, Communications and the Digital Economy (the department) advised that the broadcasters are 'already acting as if the codes were, for the most part, already implemented'.¹⁴

What is covered by the proposed amendments?

3.8 The detail and coverage of the proposed amendments are outlined below.

Commentators

3.9 Commentators will not promote live odds at any time in a sports broadcast.¹⁵ Commentators are banned from discussing live odds at any time during play, during scheduled breaks in play and 30 minutes before and after the game.¹⁶

Representatives of gambling organisations

3.10 A commentator does not include 'discrete and distinguishable representatives of gambling organisations'. Clearly identified representatives of gambling organisations can promote live odds before play, during scheduled breaks in play, during a suspension in play and after the game has finished.¹⁷

Breaks in play

3.11 Live odds could be promoted during scheduled breaks in the game by clearly identified representatives of gambling organisations.¹⁸ The scheduled breaks in play for FreeTV are outlined below¹⁹ and would include:

Sport	Scheduled break
Cricket	Tea breaks, lunch and change of innings
Rugby League	Half time
Rugby Union	Half time

14 Dr Simon Pelling, First Assistant Secretary, Department of Broadband, Communications and the Digital Economy, *Committee Hansard*, 19 March 2013, p. 10.

15 COMPPS, *Submission 15*, p. 4.

16 FreeTV, proposed amendments to the code of practice regarding the promotions for live odds in sports coverage; Mr Andrew Maiden, Chief Executive Officer, ASTRA, *Committee Hansard*, 27 March 2013, p. 33; Dr Simon Pelling, First Assistant Secretary, Department of Broadband, Communications and the Digital Economy, *Committee Hansard*, 19 March 2013, p. 13; Mr Bruce Meagher, Director, Corporate Affairs, Foxtel, *Committee Hansard*, 27 March 2013, p. 35.

17 FreeTV, proposed amendments to the code of practice regarding the promotions for live odds in sports coverage.

18 Dr Simon Pelling, First Assistant Secretary, Department of Broadband, Communications and the Digital Economy, *Committee Hansard*, 19 March 2013, p. 13.

19 FreeTV, proposed amendments to the code of practice regarding the promotions for live odds in sports coverage; See also COMPPS, *Submission 15*, Appendix A.

Soccer	Half time
AFL	Between each quarter
Tennis	Between each set
Formula One, Moto GP and V8 Supercars	Between each practice round, qualifying rounds and races
Basketball	Between each quarter
Netball	Between each quarter
Golf	Not more than once every hour as part of a distinct break of at least 90 seconds

What types of gambling are covered?

3.12 The committee asked whether promoting of racing odds during an NRL match would be covered by the code. The department surmised that if it was at a time that a bookmaker could talk about the odds in relation to the game in play then they would be able to talk about other types of betting as well.²⁰

Children

3.13 Live odds promotion would not be directed at children or portrayed as a family activity.²¹

Responsible gambling messages

3.14 Promotion of live odds would be accompanied by a responsible gambling message.²²

Why not a blanket ban on live odds?

3.15 During the March 2013 hearing, the department was asked why there had not just been a blanket ban on live odds at any time during a sporting match. Dr Simon Pelling replied that the government had endeavoured to find a balance:

[T]his is one of those areas where, in this case, the government chose to find a balance of impacts. So they looked at ways of minimising the extent to which that material is provided around sporting games, but at the same time recognising that this is a significant form of revenue to broadcasters and also that that revenue then flows back into the sporting events; because, as you would be aware, there are substantial commercial arrangements entered into between broadcasters and the sporting codes to broadcast their

20 Dr Simon Pelling, First Assistant Secretary, Department of Broadband, Communications and the Digital Economy, *Committee Hansard*, 19 March 2013, p. 15, 16.

21 COMPPS, *Submission 15*, p. 4.

22 COMPPS, *Submission 15*, p. 4.

games. So I think the decision represents an attempt to find a balance of interest in negotiation with the broadcasting industry.²³

Is the distinction clear?

3.16 Using the example of Mr Tom Waterhouse and his integration into the sporting commentary, Channel 9 advised the committee that due to the level of community concern about this practice they would be putting in place new arrangements which are aimed at clearly separating betting promotion from the commentary within a broadcast. Mr Shane Mattiske, General Manager, Strategic Projects, National Rugby League acknowledged that the 'lines were a little blurred' but they have now put in place new arrangements to ensure a 'a very clear distinction between the commentary team and the promotion of sports betting'.²⁴

3.17 Mr Mattiske explained what has changed to indicate this separation:

[W]hen Tom Waterhouse, who is Channel Nine's sports betting partner, appears, he appears by himself. He appears with a super graphic describing him as a sports betting operator rather than a Channel Nine personality. He appears with material either on his mic cube or behind him that describes the fact that he is representing Tom Waterhouse the sports betting operator as opposed to a member of the commentary team. He is not interviewed by or interacting directly with the Nine commentators when he is appearing. When he appears he is talking purely about sports betting odds rather than talking about the game itself and the nature of the game.²⁵

3.18 The committee discussed whether there is now sufficient distinction between Mr Waterhouse and the commentators. Mr John Brady, General Manager, Media and Communications, NRL replied:

...clearly there is some movement taking place. In relation to separating it by an ad in between half-time or to a studio off site, I would question whether you will make the differentiation any greater when it is all said and done. Having seen how the industry can work, you can still look like you are crossing to a place somewhere next door or crossing to a studio. So it comes down not so much to the location but to the manner in which it is done, and I think we need time to assess that. I think there is a separation here between what the sport is putting in place and what the broadcaster is putting in place, and some of those questions may be better asked to the broadcasters, because that is their expertise of being able to say where that separation lives through their parties. Our separation is to make sure it is not part of the commentary during the game. We do not control every part

23 Dr Simon Pelling, First Assistant Secretary, Department of Broadband, Communications and the Digital Economy, *Committee Hansard*, 19 March 2013, p. 12.

24 Mr Shane Mattiske, *Committee Hansard*, 27 March 2013, p. 6.

25 Mr Shane Mattiske, *Committee Hansard*, 27 March 2013, pp 6-7. See also Tom Waterhouse.com, *Submission 49*, p. 1; Mr Cormac Barry, *Committee Hansard*, 27 March 2013, p. 31.

of the broadcast before and after the game, and I think Nine are conscious of the separation. I think that is where we have made some moves.²⁶

3.19 Mr Brady concluded that their main concern is to ensure sports betting occurs in a way that does not affect the integrity of the sport or the broadcast. He acknowledged there will no doubt be some debate as to whether the changes put in place are achieving that but he believes they are heading in the right direction.²⁷ Mr Andrew Maiden, Chief Executive Officer, Australian Subscription Television and Radio Association (ASTRA) described the practice at Fox Sports to the committee:

Our producers at Fox Sports have been instructed to, firstly, cross to a betting partner who is on-air talent without using the word 'odds' but with a simple factual reference to the person's name and the company he or she represents. The on-air betting partner presenter cannot use a microphone with the Fox Sports logo on a cube; instead, if they display any logo at all, it has to be one that refers to the company they represent. We ensure that no Fox Sports branding is visible during the sponsored segment too.²⁸



26 Mr John Brady, *Committee Hansard*, 27 March 2013, pp 15-16. See also Mr Scott Briggs, Director of Commercial and Regulatory Affairs, Nine Entertainment Co., *Committee Hansard*, 27 March 2013, p. 55, 57.

27 Mr John Brady, *Committee Hansard*, 27 March 2013, p.16.

28 Mr Andrew Maiden, *Committee Hansard*, 27 March 2013, p. 39.

3.20 Mr Waterhouse was provided every opportunity to contribute to and participate in the committee's inquiry due to his position and experience in the industry. The committee acknowledges he supplied a submission²⁹ and offered to answer questions on notice. Mr Waterhouse declined invitations from the committee to discuss the concerns raised during this inquiry.

3.21 The committee notes the picture above³⁰ which indicates Mr Waterhouse is still at the ground and asked the department about whether children could reasonably distinguish a bookmaker who is on the ground speaking into a microphone from one of the commentary team. The department replied that the intent of the policy is to distinguish between the commentator who is usually someone familiar to the audience as a sporting hero or previous player over a bookmaker who 'may be a relatively unknown face'.³¹

3.22 Associate Professor Samantha Thomas informed the committee that her research indicated that people find it very difficult to distinguish between commentators and wagering promotion. Adults and children believed the promotion was a part of the match. She explained:

So this is what we are talking about in terms of that blurring of the boundary between what is an ad and what is able to be recognised as an ad in a commercial break, and what is part of the game. So that is embedding, and we have seen it with other issues. This commentary embedding is certainly very difficult to pick up, for adults and children, as being an ad—as being a piece of marketing. I think that is really concerning in terms of people being able to see that as an explicit ad for a gambling product. The other thing that we have heard in our research is that people do not often believe that it is coming from a wagering company; they believe that it is coming from either the sporting team or the sporting code. If I were a member of that sporting code or team, I would be very concerned about the message that was giving.³²

3.23 The committee asked about whether younger children would be less likely to be able to make that distinction. Associate Professor Thomas responded:

There is a lot of anecdotal evidence about that. For example, if you follow social media, we have seen a number of parents talk on social media about how their kids believe that Tom Waterhouse is the person who owns

29 Tom Waterhouse.com, *Submission 49*. The committee notes media reports that the NRL failed to reach agreement with Tom Waterhouse to become an official sponsor of the NRL. However, this does not affect his deal with Channel 9. See Marian Wilkinson, 'NRL walks away from reported \$50m sponsorship deal with bookie Tom Waterhouse', ABC News 20 May 2013.

30 Chris Semsarian (@CSHeartResearch), 'How are kids supposed to work out if this is an @nrl commentator or #gambling rubbish?? @chrismurphys @Doc_Samantha pic.twitter.com/gfbbWNFIaH', tweet, 5 April 2013, accessed 23 April 2013, <https://twitter.com/CSHeartResearch/status/320108790672412673>.

31 Dr Simon Pelling, First Assistant Secretary, Department of Broadband, Communications and the Digital Economy, *Committee Hansard*, 19 March 2013, p. 14.

32 Associate Professor Samantha Thomas, *Committee Hansard*, 27 March 2013, p. 46.

gambling for the AFL and the NRL. Little kids who may be watching these games—and I think the figure that was given by Astra was that 39,000 kids, and up to 55,000 kids, are watching games—are not able to clearly distinguish that as an ad. One of the interesting things when we talk to young people about advertising is that they do understand the intent of the advertising, but they also say that gambling is fine and that it is part of the match experience.³³

3.24 Regarding the proposed amendments to the codes for live odds, Associate Professor Thomas said that in her opinion it won't make a significant difference to how a child experiences the game as it is difficult for people to separate the commentary and the marketing.³⁴

Announcement of further action

3.25 Responding to the continuing level of concern in the community, on 26 May 2013, the Prime Minister and Minister for Broadband, Communications and the Digital Economy made a further announcement regarding the promotion and advertising of gambling during sport.

What is covered?

3.26 The detail and coverage of the announcement is outlined below.³⁵

Live odds

3.27 All promotion of live odds by gambling companies as well as commentators will be prohibited during the broadcast of live sports matches.

General gambling advertising

3.28 All generic gambling advertisements will be banned during play but would be allowed during scheduled commercial breaks such as quarter or half time and before or after the game.

3.29 The government indicated that it will monitor the intensity of generic gambling advertisements and if it is found to be beyond 'reasonable levels' will impose a total advertising ban.

Other gambling promotion

3.30 Gambling advertisements on banners, sponsorship logos and other broadcast promotions must not appear during play.

33 Associate Professor Samantha Thomas, *Committee Hansard*, 27 March 2013, p. 46.

34 Associate Professor Samantha Thomas, *Committee Hansard*, 27 March 2013, p. 46.

35 Detail taken from The Hon Julia Gillard MP and Senator the Hon Stephen Conroy, 'Betting Odds Advertising Banned during the Broadcast of Live Sports Matches, *Joint media release*, 26 May 2013.

Location of gambling representatives

3.31 Representatives of gambling companies must not be at the ground or around the venue and must not appear with the commentary team. They must also be clearly identified as a gambling representative.

Further amendments to industry codes of practice

3.32 The broadcasting industry is expected to submit a revised code to ACMA to reflect these changes as soon as possible. The Prime Minister also indicated that should the industry not make these changes then the government will fast-track legislation.³⁶

Response from broadcasters, wagering operators and sports

3.33 Free TV has indicated that it will submit a revised code in line with the government's announcement within the next two weeks.³⁷ The Australian Wagering Council has signalled that its members accept the proposed changes and will work with the broadcasting industry to implement them.³⁸ The NRL has also supported the announcement to ban the promotion of live odds.³⁹

Committee view

3.34 As with previous inquiries the committee supports a public or population health approach to gambling which considers the whole population rather than only the individuals experiencing problems or at high risk. Although not being directly targeted, the committee is particularly concerned about children being exposed to the advertising for an adult product, the messages which are being consumed and what effect this may have on future behaviour.

3.35 The committee welcomes the 26 May 2013 government announcement to ban the promotion of live odds during sporting games which reflects community expectations. It notes and supports the willingness of the government to take further action should scheduled breaks become filled with generic gambling advertising.

3.36 The committee notes there are other industry self-regulatory codes which could also include the promotion of gambling products. For example, the Australian Association of National Advertisers, which is the peak national body for advertisers, has a code for advertising and marketing communications to children. This code includes the advertising and marketing of alcohol but not gambling products.⁴⁰

36 See The Hon Julia Gillard MP and Senator the Hon Stephen Conroy, 'Betting Odds Advertising Banned during the Broadcast of Live Sports Matches', *Joint media release*, 26 May 2013.

37 Free TV, 'Industry to revise odds code', *Media Statement*, 26 May 2013.

38 Australian Wagering Council, 'Statement of sports betting advertising', 26 May 2013. The statement notes that the members of the AWC had already voted to ban all odds advertising during matches in its Code.

39 NRL, 'NRL supports banning of live odds', *Media release*, 26 May 2013.

40 See <http://www.aana.com.au/pages/aana-code-for-advertising-marketing-communications-to-children.html> (accessed 17 April 2013)

Recommendation 1

3.37 The committee recommends that the government and government agencies review the self-regulatory action being taken by industry with a view to legislating in this area if industry does not make appropriate changes regarding the promotion of gambling products in an environment which includes children.

3.38 The committee notes the exemption for gambling advertising for sporting programs and believes this inconsistency is reflected in community concern about the level of exposure of children to gambling advertising. Given the level of concern in the community and the notable increase in sporting betting advertising in recent years the committee believes it is time to review this exemption. This process would provide for appropriate consultation with the community and stakeholders and should also serve to articulate and provide greater clarity around the reasons for this exemption and whether it is meeting its intended purpose.

Recommendation 2

3.39 The committee recommends that the government and government agencies review the current exemption of gambling advertising for sporting programs. This review would include processes to ensure an appropriate level of public consultation.

3.40 In its previous inquiry the committee noted its concern that sports betting is becoming normalised for children and that the long-term effects of being subjected to high levels of gambling advertising are largely unknown. The research that has been conducted since the committee's last report does not assuage these concerns and it repeats the need for further research to determine what the effects of such promotion may be having on children. The committee notes that since its previous report the Australian Gambling Research Centre within the Australian Institute of Family Studies is being established by the government and it recommends this body undertake or commission further research.

Recommendation 3

3.41 The committee recommends that the Australian Gambling Research Centre undertake or commission further research on the longer-term effects of gambling advertising on children, particularly in relation to the 'normalisation' of gambling during sport.

3.42 In its previous inquiry the committee also highlighted the need for effective harm minimisation messages given the amount of sports betting advertising and the inconsistency in standards of presentation. While these can never compete with the advertising campaigns funded by industry further work should be undertaken to ensure they are as effective as possible.⁴¹ There should be greater consistency of standards such as size, duration, colour and should include references to the likelihood of losing money. It therefore repeats its previous recommendation.

41 The Royal Australian and New Zealand College of Psychiatrists, *Submission 12*, p. 1.

Recommendation 4

3.43 The committee recommends that the COAG Select Council on Gambling Reform work towards nationally consistent requirements for responsible gambling messages to ensure they work effectively as harm minimisation measures to counterbalance the promotion of gambling.

Changes for live odds at the grounds

3.44 In 2011, the Minister for Broadband, Communications and the Digital Economy, Senator the Hon. Stephen Conroy, indicated that states and territories would be investigating steps to take to limit the promotion of live odds at sporting grounds.⁴²

3.45 The department advised that live odds promotion on big screens in sporting venues will be prohibited during play. Specifically, the NRL has banned live odds being broadcast at games by ground announcers or on scoreboards. In addition, the AFL has reached agreement with certain stadiums, including the MCG and Etihad, to prohibit live odds promotion in ground during matches.⁴³

3.46 The NRL indicated that there is no promotion of live odds in venue when the match is in progress. However, there may be promotion of odds prior to the match commencing on the scoreboard.⁴⁴

3.47 Mr Brett Clothier, Integrity Manager, AFL provided details of the AFL's policy for 2013 which applies the following restrictions to the promotion of live odds and wagering advertising at AFL venues:

First, live odds will not be permitted to be displayed at any time on the venue scoreboards. A maximum of two wagering providers will have onscreen representation for any form of advertising. Club wagering sponsors will be limited to fence signage only. Wagering providers will not be represented on the screen as goal replay breakers.⁴⁵ That position goes a little bit further than the overall COMPPS position. We support the COMPPS position as being appropriate for other sports, but I want to clarify that that is our position in relation to in-ground advertising.⁴⁶

42 Senator the Hon Stephen Conroy, 'Gillard Government has already committee to live-odds prohibition' *Media release*, 19 August 2011; Senator the Hon Stephen Conroy, 'Government achieves agreement to reduce the promotion of live odds in sports broadcasts', *Media release*, 29 June 2012.

43 Dr Simon Pelling, First Assistant Secretary, Department of Broadband, Communications and the Digital Economy, *Committee Hansard*, 19 March 2013, p. 10.

44 Mr Shane Mattiske, General Manager, Strategic Projects, NRL, *Committee Hansard*, 27 March 2013, pp 7-8.

45 After each goal a replay of the goal is shown and this is usually a sponsored spot. See Mr Brett Clothier, *Committee Hansard*, 5 March 2013, p. 2.

46 Mr Brett Clothier, *Committee Hansard*, 5 March 2013, pp 1-2.

Committee view

3.48 The committee welcomes changes to reduce the promotion of live odds at sporting grounds. However it notes that people at venues are a captive audience and these sporting matches are marketed as a family friendly environment. During this and its previous inquiry the committee heard that over and above the promotion of live odds there is a broader suite of marketing at stadiums including sponsorship visible on banners (including run through banners and goal posts), player uniforms and fan jerseys. There are also pop up messages at the stadiums which encourage people to bet as well as betting kiosks and mobile betting vans as pictured below⁴⁷ and logos on player uniforms. All of this sends a complete message. Live odds are only a fraction of the total marketing that occurs within a sporting match.⁴⁸



3.49 The committee particularly notes the placement of sports betting promotion across the uniforms of senior players. This promotion does not carry any responsible gambling messages. Children look up to these players who they see as sporting heroes and role models. Such a highly visible message, which is obvious during play is promoting brand recognition and contributing to the normalisation of sports betting for children.

47 Bethany Beattie (@Bethany_Bat), 'TAB truck. There are four of them. Coming to a town near you. What an absolute disgrace. (ping @Doc_Samantha) pic.twitter.com/UlpSR5BGcN', tweet, 5 April 2013, accessed 23 April 2013, https://twitter.com/Bethany_Bat/status/319998173210886144.

48 Associate Professor Samantha Thomas, *Committee Hansard*, 27 March 2013, pp 46-47.

3.50 The committee believes that given sporting matches are promoted as a family friendly environment, these other forms of gambling promotion should also be subject to a review.

Recommendation 5

3.51 The committee recommends that the COAG Select Council on Gambling Reform review the amount of betting promotion at venues, including the display of sports betting promotion on uniforms for senior teams to determine whether the amount is appropriate in what is marketed as a family friendly environment. This review should include avenues for public consultation.

Other issues

Replica uniforms

3.52 Mr Shane Mattiske from the NRL advised that none of the junior jerseys carry sports betting promotion, only the senior teams are able to do this. He confirmed that this follows the principle that minors should not be directly targeted.⁴⁹

3.53 However, the committee notes the following merchandise for children on offer by the AFL and featuring a Centrebet logo.⁵⁰

Locker Home / On Field Apparel / Saints 2013 Youth Replica Home Guernsey



Saints 2013 Youth Replica Home Guernsey
 (No Reviews)
 Be the first to Write A Review

Like 0 Send Tweet Pin it -1

Price: \$80.00
 Member Price: \$72.00

SIZE CHART

Size: 6 8 10 12 14

1 Add to Cart

3.54 During the committee's last inquiry the Australian Internet Bookmakers' Association (AIBA) highlighted proposals from sports betting agencies on changes to advertising practices, including the removal of logos from children's merchandise as follows:

49 Mr Shane Mattiske, *Committee Hansard*, 27 March 2013, p. 8.

50 See <https://shopdesq.imgstg.com/index.cfm?fuseaction=Product&ProductID=29805&OrgID=1709> (accessed 16 April 2013).

In May [2011], sports betting providers including Sportsbet, Sportingbet, Centrebet and Betfair presented a proposal to the Federal Minister for Sport for changes to advertising practices. Importantly, these included proposals that:

- Odds updates in commentary during play to be phased out
- **Gambling companies sponsors logos not be permitted on children’s replica sports shirts (a practice already applied by these companies); and that**
- Sporting clubs and gambling providers be banned from offering “white label” betting sites, e.g. Bombersbet.com.au⁵¹

3.55 The committee understands that the AIBA is now the Australian Wagering Council (AWC). Its submission makes no mention of this issue but stated:

AWC members do not directly target their industry advertising and promotional strategies to children.⁵²

Recommendation 6

3.56 The committee recommends that the Minister for Sport work with the Australian Wagering Council and professional sporting codes to urgently review the availability of merchandise to children featuring sports betting logos or names.

New and emerging technology

3.57 Dr Christopher Hunt from the Gambling Treatment Clinic at the University of Sydney highlighted that use of mobile phone applications (apps) to place bets is another area of concern that has continued to grow since the committee's previous inquiry (see example below).⁵³ Dr Hunt explained:

Clients are able to place bets at any time in any location, whereas previously they may have been limited in placing bets at times when they had access to a computer. Several clients have reports that this has allowed them to place bets more frequently than they would have previously, which has increased the losses accrued. Clients also report that given the ease with which they are able to place bets via this method without having to re-enter

51 AIBA, *Submission 54*, p. 35 [emphasis added]. See also Sportsbet, *Submission 44*, p. 5. (for the committee's inquiry into *Interactive and online gambling and gambling advertising and Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011*).

52 AWC, *Submission 31*, p. 14.

53 Andrew Parker (@Parker_Andrew_), ‘@AFL live official app (iPhone) has gambling ads. Rated 12+ Gambling advertisement overload. @Doc-Samantha pic.twitter.com/CuhwENr4uG’, tweet, 7 April 2013, accessed 23 April 2013
https://twitter.com/Parker_Andrew_/status/320686126929158146.

credit card details means that it is often difficult to keep track of their current losses, increasing the likelihood of larger debts being created.⁵⁴

3.58 The effects of new and emerging technology were also raised by the Gambling Impact Society of NSW⁵⁵ and the Victorian Responsible Gambling Foundation.⁵⁶ The committee agrees that more research is needed in this area.



Recommendation 7

3.59 The committee recommends that the Australian Gambling Research Centre undertake or commission further research on the effect of mobile phone applications on problem gambling, what harm minimisation features would be effective and how best to incorporate these features into regulatory structures.

54 Dr Christopher Hunt, *Submission 2*, p. 3. See also the Australian Psychological Society, *Submission 18*, p. 2.

55 Gambling Impact Society NSW, *Submission 17*, p. 2.

56 Victorian Responsible Gambling Foundation *Submission 19*, p. 4.

Chapter 4

Effect of sports betting on the integrity of sport

Background

4.1 The association of sport and betting draws attention to the need to ensure the integrity of sport. Areas of risk, such as that posed by exotic betting, were pointed out to the committee, as was the threat of infiltration by organised crime, which can corrupt or apply pressure on individuals to engage in match fixing. This chapter outlines these risks and the responses by the various stakeholders working to protect the integrity of sport.

Identification of the risks

4.2 Particular types of bets, such as exotic bets, have the potential to make individuals more vulnerable to influence contingencies within a match.

Exotic betting

4.3 Exotic betting, often referred to as 'spot-betting', involves wagering on contingencies within a particular event or match. This can, for example, be the number of penalties awarded or points won, and may pertain to a certain player, a certain team or certain time period during a match. Bets can be placed online, by phone or in person prior to an event, or, once the event has started, in person or by phone only.

4.4 Exotic bets are a relatively recent phenomenon in the gambling world, and remain controversial, as it would be easier to target an individual to control the outcome of a contingency within a match than to control the outcome of a match. While emphasising no specific work had been undertaken on this area this general proposition was recognised by Mr John Lawler, Chief Executive Officer, Australian Crime Commission (ACC):

To a certain degree, logic would tell you that, where you have a betting outcome that can be influenced by just one individual, the potential risk to that individual would be greater than to a broader group where one might have to influence a whole team, for example.¹

4.5 The committee examined the practice during its 2011 inquiry, and noted that there was indeed some cause for concern. The committee concluded:

While recognising that exotic bet types make up a small portion of the overall sports betting market, the committee majority notes that the risks

1 Mr John Lawler, *Committee Hansard*, 19 March 2013, p. 3.

associated with exotic betting have the potential to be damaging to the integrity of Australian sport.²

4.6 The committee also suggested that research be commissioned on:

- the risks of exotic betting (for those who bet and or sporting participants); and
- appropriate regulatory responses which will assist sporting bodies with decisions relating to veto power over bet types.³

4.7 In a submission to the committee's current inquiry, the Coalition of Major Professional and Participation Sports (COMPPS) advised that exotic betting had been a primary area of focus for a number of years, and highlighted limitations with Victoria's *Gambling and Racing Legislation Amendment (Sports Betting Act 2007* (the Sports Betting Act):

At present, there is no requirement on sports betting providers to enter into Integrity and Product Fee Agreements with sports controlling bodies in respect of events occurring outside Victoria. COMPPS members have managed to negotiate agreements covering events outside Victoria with several but not all of the betting providers. However, this cannot be relied upon in the longer term, particularly if sports controlling bodies, acting responsibly in the light of increased integrity risks, wish to enhance the integrity measures contained in such agreements.⁴

4.8 To remedy the problem, COMPPS called for legislation like the Victorian Sports Betting Act to be implemented across all states and territories. In the meantime, the committee heard that individual codes were working around problems presented by lack of legislation at the national level:

Spot betting has to be carefully managed by us. One of the constraints we have on that is that the legislation in Victoria in the Gambling Regulation Act that provides that bookmakers must have an agreement with us to conduct betting on the AFL only applies to events occurring in Victoria and does not apply nationally. We have managed to negotiate with all the bookmakers that our agreements apply nationally however, which is a great result and it is a credit to the bookmaking industry that they are cooperating with us. Through those agreements we manage what types we have on our events. But because we do not have a legislative basis to have those agreements apply to all of our events we cannot push that issue too hard.

2 Joint Select Committee on Gambling Reform, *Second Report, Interactive and online gambling and gambling advertising and Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011*, December 2011. Available from: http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=gambling_reform_ctte/completed_inquires/2010-13/interactive_online_gambling_advertising/report/index.htm

3 Joint Select Committee on Gambling Reform, *Second Report, Interactive and online gambling and gambling advertising and Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011*, December 2011.

4 COMPPS, *Submission 15*, p. 9.

Having said that, though, there is a balance in this that is to do with the fundamental issue of prohibition versus regulation. We ban a lot of spot betting types and manage it quite effectively.⁵

4.9 The committee notes that the lack of uniform laws is not a new problem, and progress on this issue is outlined below by the Department of Regional Australia, Local Government, Arts and Sport.

Match fixing

4.10 The committee's 2011 report provided an overview of the problems presented by the phenomenon of match fixing and corruption in sport, as well as legislative and other measures in place to address these problems.

4.11 There is no evidence to suggest that match fixing, although a noted and serious problem in other parts of the world, is prevalent in Australia today.

4.12 The committee noted that COMPPS, speaking on behalf of its members, posited that 'sports betting advertising has no relevant impact on the level of corruption or the incidence of match fixing or sporting fixing'.⁶

The threat from organised crime

4.13 The committee noted concerns about organised crime increasingly identifying individual players and officials as possible targets for corruption. These vulnerabilities and how they may be exploited are outlined below.

Vulnerabilities

4.14 The committee discussed the infiltration of sport by organised crime with the ACC. While the ACC has not conducted specific in-depth analysis of the relationship between organised crime and online gambling, it has nonetheless identified vulnerabilities for the sector through its broader work on methodologies used by organised crime:⁷

Whilst the ACC board has not specifically asked for the ACC to conduct a specific in-depth piece of work on organised crime and online gambling, we see threats and vulnerabilities for the sector through our broader work on organised criminal targets and methodologies used by organised crime, such as money laundering.⁸

4.15 The committee heard that understanding how organised crime operates and to what end is key to understanding the vulnerabilities that exist:

There is a strong motivating source here for organised crime in making money, and they do that in a sophisticated way. These are people that buy in professional facilitators. They are people that run corporate enterprises

5 Mr Brett Clothier, Integrity Manager, AFL, *Committee Hansard*, 5 March 2013, p. 6.

6 COMPPS, *Committee Hansard*, 5 March 2013, p. 21.

7 Mr John Lawler, *Committee Hansard*, 19 March 2013, p. 1.

8 Mr John Lawler, *Committee Hansard*, 19 March 2013, p. 8.

and mix legitimate and illegitimate assets together. They are people that understand risk and return. They look to accumulate as much money as they can and, through money, power.⁹

4.16 Organised crime syndicates, active in illicit drug markets, exploit all available opportunities to infiltrate legitimate markets in order to disguise sources of income. Where there are revenue streams, there will be organised crime seeking to infiltrate them. This includes professional sport:

...There are very few areas that you could refer to me where you would not find organised crime...

So it is with professional sport. They have an opportunity to work within markets, illicit drug markets, and they do that to very good effect. They also are involved in gambling activities to disguise often the sources of illegitimate income, and this is a mixing of the legitimate and the illegitimate together. I think that has been well documented for many years in this country. The horse racing industry is one case in point, notwithstanding lots of good work being done by the regulators and people working in the horse racing industry to enhance the integrity but it is very difficult to root out organised crime when they actually become entrenched.¹⁰

4.17 The sporting world holds an added attraction for organised crime: a valuable opportunity to be seen with popular individuals who have celebrity status in the community:

From that association, they get access to individuals and people with whom they would normally not have access—people in positions of power and authority in the community.¹¹

Methodologies employed

4.18 The committee sought views on the methods organised crime uses to infiltrate professional sports. Mr John Lawler, Chief Executive Officer of the ACC, explained how and why individual athletes are targeted:

I mentioned the issue of risk and return. One of the risks for return for organised crime is vulnerability. For example, if we take the border environment or the maritime environment, one of the things they will look to do is corrupt officials working in those areas so they can circumvent the risk controls that have been put in place by governments to protect the border.

So it is with the sports. Organised crime will look to make introductions or associations; sometimes they will come through third parties. They can come in a multitude of ways. But what we see, typically, is the introduction of professional athletes to illicit substances, and that is a direct interface

9 Mr John Lawler, *Committee Hansard*, 19 March 2013, p. 1.

10 Mr John Lawler, *Committee Hansard*, 19 March 2013, p. 2.

11 Mr John Lawler, *Committee Hansard*, 19 March 2013, p. 1.

with organised crime. We then find that that illicit association, that vulnerable association, is being used by organised crime to get their hooks into that particular person and corrupt them. They can corrupt them in the early stages, through the provision of information about who might be going to play in a particular game or in a particular role. It might extend to match-fixing, where contrived outcomes are formulated and indeed applied. It can have much broader implications, where people can be drawn into much more serious—if that is not serious enough—and much broader criminal activity on behalf of organised crime. Once people are corrupted, vulnerable and compromised, then they are at the mercy of those organised crime members.¹²

4.19 AFL representatives also offered insights:

The classic way to approach players or others is to get their hooks into them based on gifts, free meals, drink cards. They get them on the hook. They ask people to give them some inside information, for example. Every rort that ever occurred in world sport started with inside information. They do not jump straight into match fixing.¹³

4.20 Mr Lawler added that neither athletes nor sporting codes were equipped to handle the sophisticated methods applied by organised crime:

Professional athletes, professional sporting codes and sports in this country are not equipped to deal with that level of penetration and that level of sophistication by organised crime, which is why the commission and law enforcement have worked with the sporting codes to help them understand the vulnerabilities and then respond to those threats they might be confronted with.¹⁴

4.21 Similar points were echoed by COMPPS, whose submission added that sporting bodies are limited to contracts, rules, regulations and codes of conduct in influencing players and officials:

They do not have police powers and achieve their influence over players and officials by way of comprehensive contracts, rules, regulations and codes of conduct. The sports will focus on their players and officials and will continue to concentrate their efforts on codes of conduct, education processes, intelligence gathering, surveillance and investigation.¹⁵

4.22 In recognition of the fact that they do not have enforcement powers, COMPPS members have been actively lobbying for sport-specific legislation addressing integrity issues, including:

- the introduction of a national, comprehensive, uniform and consistent regulatory and legislative approach to online and non-online gambling;

12 Mr John Lawler, *Committee Hansard*, 19 March 2013, p. 2.

13 Mr Brett Clothier, Integrity Manager, AFL, *Committee Hansard*, 5 March 2013, p. 8.

14 Mr John Lawler, *Committee Hansard*, 19 March 2013, p. 2.

15 COMPPS, *Submission 15*, p. 7.

- the introduction of specific criminal penalties for corruption in sport. We note and welcome the introduction of the NSW Cheating at Gambling Act 2012 and have been consistently urging State and Territory Governments to honour the commitment that they gave us as part of the National Policy on Match-fixing in sport in June 2011 to introduce mirror legislation; and
- via an extension of the *Gambling and Racing Legislation Amendment Sports Betting Act 2007 (Vic)* nationally, the granting to major sports of the right to veto types of wagering that compromise the integrity of their sport. We have been urging State and Territory governments to honour the commitment they gave as part of the National Policy on Match-fixing in Sport in June 2011 to introduce mirror legislation.¹⁶

Responses to the threat from organised crime

4.23 The committee notes that a considerable effort is being expended to ensure that the threat to integrity in sport is addressed before the problem escalates further. Government agencies, sporting codes and their umbrella organisations and legal wagering operators each have a role to play in ensuring a rapid response is in place. These are outlined below.

Response from sporting codes

4.24 The committee discussed the characteristics of an effective response to threats from organised crime with the ACC. The ACC spoke highly of measures being put in place by the AFL, NRL and other sports since the release of its 'Drugs in sport' report.¹⁷

4.25 The committee understands that the ACC is pleased with the general direction sporting codes have been taking in response to the identified threats.

I think it is unreasonable to expect everybody to be absolutely in step across all sports across the country. But, I think what we have seen is a quite profound shift to acknowledging that integrity of sport is very necessary in this country, and all the codes we have had dealings with have moved at a pace to actually put in place and commence processes to harden the environment against organised crime...I think the sports fans, the sports participant and the broader community can be pretty pleased that that is happening.¹⁸

4.26 COMPPS stated that its members were alive to the risks presented by organised crime and are taking active steps to protect the integrity of their sports:

16 COMPPS, *Submission 15*, p. 8.

17 In early 2012 the ACC commenced a review of the use of drugs by professional athletes. Its report, *Organised crime and drugs in sport*, was published in February 2013 and highlighted widespread identified or suspected use of drugs in a number of sporting codes. The report is available at: <http://www.crimecommission.gov.au/publications/other/organised-crime-drugs-sport> (accessed 29 April 2013).

18 Mr John Lawler, *Committee Hansard*, 19 March 2013, p. 8.

The COMPPS members are alert to the integrity risks that arise from betting on their codes and have taken many steps to attempt to minimise the chances of their players or officials being corrupted. This includes product fee and integrity agreements which, *inter alia*, facilitate the flow of information from betting operators to sporting organisations so that sporting organisations become aware of irregular or suspicious betting activities in relation to their sports.¹⁹

4.27 Mr Malcolm Speed, Executive Director of COMPPS, provided the committee with an update on three major events which occurred in the sports betting landscape since the committee tabled its 2011 report:

Firstly, the New South Wales government has adopted its cheating at gambling legislation that imposes heavy penalties for sport betting related crime. Most of the other states and territories, but not all of them, are on their way to replicating this. There has also been progress in relation to the legislation that is going to be modelled on the Victorian legislation that deals with product fees and sporting organisations and betting operators being approved operators.

The second thing that has occurred is that the Ryan Tandy case in New South Wales has largely been completed. We have seen a major sport—the NRL—the betting operator and the police deal with Australia's first match-fixing case, although some parts of that case are back in court in Sydney tomorrow. By way of comment, it is fair to say that that case involved...organised crime, but it was badly organised crime. The fix was thwarted by the opposing team, betting operators were alerted to it and immediately investigators were engaged and the perpetrators easily identified. I think the major problem that the sports face from that case is that the penalties that were imposed did not reflect the seriousness of the crime.

The third thing that has happened is that the sports have been alerted by the Australian Crime Commission to the risk and perhaps the inevitability that properly organised crime will seek to be involved in match fixing or spot fixing. They have been further alerted to the risks imposed in this area by illicit drugs and performance enhancing drugs. The sports take this very seriously. Together with government, law enforcement agencies and betting operators they are addressing these concerns and they will fight to maintain their excellent records in relation to betting related integrity issues.²⁰

4.28 The committee notes from ACC evidence that positive action is evident:

I would like to say at the outset that it is very pleasing to see the robust measures which the Australian Football League, the National Rugby League and other Australian sports have announced since the public release

19 COMPPS, *Submission 15*, p. 7.

20 Mr Malcolm Speed, Executive Director, COMPPS, *Committee Hansard*, 5 March 2013, p. 21.

of the drugs in sport report to make their players and the community safer. The report is having the desired effect.²¹

AFL and NRL integrity units

4.29 The committee notes that both codes have dedicated integrity units charged with protecting integrity in sport, and considers this to be a step in the right direction.

4.30 Mr Brett Clothier, AFL Integrity Manager, provided the following overview:

I would like to give the briefest of overviews about the AFL integrity unit. I was appointed to the position of Integrity Manager of the AFL in August 2008. At the time that was the first position of its kind in professional sport in Australia, the racing codes aside. That appointment allowed the AFL to really get ahead of the curve in relation to protecting the integrity of sport before a series of major occurrences occurred in world sport that really brought the issue of integrity in sport to further prominence. So we feel we have been able to get ahead of the curve and put really sound building blocks in place in terms of how we run our program.

We have got a very strong investigations and intelligence-gathering capability and we believe that we are viewed by law enforcement in this country, by government and by international sports as having a very credible and effective integrity program when it comes to professional sport...²²

4.31 The early establishment of the AFL's integrity unit ensured a proactive approach to various threats to the integrity of their sport, but representatives acknowledged that their response was a work in progress:

I think the AFL is way ahead of the game in terms of protecting the integrity of sport. We were aware of many of the risks that emerged in the ACC report, so we were not taken as much by surprise as maybe some were. But there are always matters that you can learn from and show that you can harden up your environment. So we are not ashamed to say that we are taking those on board and acting on them.²³

4.32 Similarly, the NRL established its own unit in early 2013, which is overseen by Judge Tony Whitlam QC during the development and implementation stage.²⁴ The difference between the NRL and AFL integrity units was explained for the committee:

The way our system works is a little different to the AFL. We require clubs to conduct a minimum of 140 tests across two grades each year—in fact, some clubs go well beyond that. The policy works on the basis that for a first offence a player has a suspended fine of five per cent of his wage, has to undergo compulsory counselling, and has to receive a written

21 Mr John Lawler, *Committee Hansard*, 19 March 2013, p. 1.

22 Mr Brett Clothier, Integrity Manager, AFL, *Committee Hansard*, 5 March 2013, p. 1.

23 Mr Brett Clothier, Integrity Manager, AFL, *Committee Hansard*, 5 March 2013, p. 11.

24 Mr John Brady, General Manager, Media and Communications, National Rugby League, *Committee Hansard*, 27 March 2013, p. 1.

employment warning. Now if at that point that player has already had two written employment warnings, that could clearly cost him his job. For a second instance, that player would be suspended for 12 weeks. So there is not a long process during which a problem stays hidden, and there is a specific, club based committee that actually oversees the player.²⁵

4.33 The NRL added that work was underway in terms of deciding how best to address integrity issues in future:

We are in the process of designing the integrity unit structures going forward. It is a redistribution of the way we deal with integrity within our game, and that is one of the factors the integrity unit is taking into account.²⁶

4.34 The integrity units regularly make recommendations²⁷ and are charged with pre-empting and addressing threats such as those identified by the ACC. Their approach includes extensive education processes which are designed to safeguard against regulation breaches:

We have a very extensive education process which covers all of our rules and regulations. Every player and every member of the football staff at every club receives education every year about this topic; not just, 'you can't bet, don't bet', but also about the dangers of organised crime and about the dangers of people trying to approach them and get them on the hook—to groom them, effectively. Those education sessions are extensive and are provided every year to players.²⁸

4.35 The NRL's work in terms of its drug testing regime, for example, showcases their commitment to improving safeguards and outcomes:

There are a number [of improvements] and I have to say at this stage they are not formalised, but we are in close consultation with ASADA. They include the introduction of a blood passport program, which is seen as an international standard. The blood passport program on its own is not the thing that will be the be-all and end-all. In relation to testing, we have a great lab in Australia—or a very good lab in Australia—in Sydney. But there are more advanced tests overseas. We are looking at utilising some of those on some of our samples. So they would be the basic principles that we are doing in the program at the moment. There are some more additions in terms of working with the players. It is important to note that players, in many ways, cannot be made to undergo drug testing, particularly when it comes to illicit substances. There is a level of cooperation that relates to this. So we need to work through this with the players association. We are

25 Mr John Brady General Manager, Media and Communications, National Rugby League (NRL), *Committee Hansard*, 27 March 2013, p. 3.

26 Mr John Brady, General Manager, Media and Communications, NRL, *Committee Hansard*, 27 March 2013, p. 3.

27 For discussion see Mr Brett Clothier, Integrity Manager, AFL, *Committee Hansard*, 5 March 2013, p. 10.

28 Mr Brett Clothier, Integrity Manager, AFL, *Committee Hansard*, 5 March 2013, p. 8.

in the process of that and they have been cooperative to date with those discussions. We are looking at strengthening things like illicit substances testing. We have a very good program, but we think we can strengthen it and that is what we are looking to do.²⁹

4.36 On 16 May 2013, the AFL and the AFL Players' Association announced proposed amendment to the AFL Illicit Drugs Policy following the release of the latest player testing results which showed a significant increase in failed tests for the 2012 season. The proposed amendments will restrict players' ability to self-report instances of illicit drug use, instead introducing more targeted testing at more targeted times, and increased levels of hair testing during the high-risk off-season.³⁰

Response from governments

4.37 The committee received a submission from the Department of Regional Australia, Local Government, Arts and Sport (DRALGAS) which provided an update on the implementation of key initiatives since the committee's last inquiry. This included an update on the commitment by state and territory governments to introduce criminal offences for match fixing³¹ which highlighted that:

- on 12 September 2012, New South Wales passed legislation to criminalise specific match fixing behaviours;
- on 29 November 2012, South Australia introduced similar match fixing legislation; and
- Tasmania and Victoria have announced their intention to introduce similar legislation.³²

4.38 In relation to the provision for sports to be able to veto certain bet types, Victoria has the legislation in place while New South Wales, South Australia and Tasmania are working towards implementation in 2013.³³

4.39 DRALGAS also provided an overview of the new National Integrity of Sport Unit (NISU) within the DRALGAS Office of Sport.³⁴

4.40 NISU was established on 9 October 2012, and is currently working with sporting codes, the betting industry, state and territory regulators and justice and law enforcement agencies to ensure that:

29 Mr John Brady, General Manager, Media and Communications, NRL, *Committee Hansard*, 27 March 2013, p. 5.

30 AFL/AFLPA 'Amendments to AFL Illicit Drugs Policy (IDP)/Release of 2012 Testing Results', *AFL News*, 16 May 2013.

31 Department of Regional Australia, Local Government, Arts and Sport (DRALGAS), *Submission 23*, Attachment C.

32 DRALGAS, *Submission 23*, p. 2.

33 DRALGAS, *Submission 23*, p. 2.

34 DRALGAS, *Submission 23*, p. 2.

- sports have systems in place to monitor and report on players' and officials' activities;
- sporting codes have education programs in place to prevent match-fixing;
- a betting industry standard for information exchange is developed;
- there is a national approach to regulation;
- consistent criminal legislation is implemented; and
- a rapid, nationally coordinated response is available assisting sporting codes experiencing integrity issues.³⁵

4.41 NISU has also established an online resource for stakeholders, with further integrity tools currently in development. These include:

- an anti-match-fixing policy template and a template code of conduct;
- a sports betting integrity agreement template to support sports to enter into integrity agreements with betting agencies;
- a betting industry standard for information exchange between betting agencies, sports government and law enforcement; and
- an education program, with resources developed by Netball Australia with funding from the government.³⁶

Scrutiny of betting markets

4.42 The committee acknowledges that the wagering providers play an important role by identifying irregular bets or betting activity and drawing it to the attention of relevant authorities. For example Betfair noted:

...Betfair considers that by encouraging Australian consumers to transact only with Australian licensed and regulated wagering operators, we are ensuring that sports governing bodies have unfettered access to bets placed on their sport for the purposes of integrity management.³⁷

4.43 The role is valued by sports. As put by representatives of the AFL:

As an integrity manager my biggest fear is gambling that occurs offshore in legitimate markets. The particular risk for Australia is through Asian markets and, as you know, Indian markets for cricket and other matters. I feel much more comfortable as integrity manager of the AFL knowing we have a strong, healthy, well-regulated local environment. That is something I feel very strongly about. Before I started with the AFL I worked in integrity in racing for five years. I am well connected with people who work in this area internationally. I think that is the biggest risk for sport. It is not something that I have to even in my own mind weigh up against any commercial consideration or anything like that. That is totally irrelevant to

35 For more see DRALGAS, *Submission 23*, p. 2.

36 DRALGAS, *Submission 23*, pp 2–3.

37 Betfair, *Submission 16*, p. 3.

me. I would prefer for us to have a healthy and vibrant wagering industry that can advertise responsibly and ethically, with the right balance.³⁸

Committee view

4.44 The committee is pleased to note the action being taken by all stakeholders to protect the integrity of sport. The committee commends the initiatives being implemented by sporting codes in relation to the threats and vulnerabilities identified by the Australian Crime Commission. This work will provide further assurance to the public that integrity is the main concern for sporting bodies.

4.45 The committee also notes the work and undertaken by the government to put in place an appropriate policy framework for integrity and to work cooperatively with stakeholders to address issues of concern. It particularly notes the resources available and the integrity tools under development.

4.46 The committee also acknowledges and supports the scrutiny that properly licensed wagering operators are bringing to the otherwise borderless, global-wide world of sports gambling to identify potentially illegal activity. Opportunities to gamble through legitimate operators cut the risk of involvement by unregulated operators and help draw irregular betting to the attention of authorities for action.

Betting and amateur sports

4.47 During the course of this inquiry the committee became aware of the introduction of online gambling to amateur sporting events, with reports of betting agencies offering live odds on amateur competitions in Canberra.³⁹ The committee notes that the events in question involve interstate and overseas betting agencies introducing their product to Canberra-based amateur sporting competitions, and shares community concerns.

4.48 Amateur sports are not well resourced to address the integrity risks and threats that this brings. It is precisely this lack of resourcing that makes amateur sports vulnerable and creates an opportunity for corruption such as match fixing.

Committee view

4.49 The committee is extremely concerned at emerging reports of amateur sporting competitions being targeted by betting agencies. It is clear to the committee that amateur sport, which is not well resourced, requires assistance to address integrity issues. To this end, the committee suggests that the government, in consultation with stakeholders, draw on the integrity resources and tools being developed by the

38 Mr Brett Clothier, Integrity Manager, AFL, *Committee Hansard*, 5 March 2013, p. 6.

39 See, for example, Lee Gaskin, 'Amateur competitions feel bet threat', *Sydney Morning Herald* online, available at: <http://www.smh.com.au/action/printArticle?id=4191333> (accessed 17 April 2013). See also Tom McIlroy, 'Betting on amateur sports slammed', *Canberra Times*, 16 April 2013, p. 3, and Tim McIlroy, 'Betting on amateur sport a "devastating development": Costello', *Canberra Times*, 15 April 2013, available at: <http://www.canberratimes.com.au/act-news/betting-on-amateur-sport-a-devastating-development-costello-20130415-2hv1g.html> (accessed 26 April 2013).

National Integrity of Sport Unit (NISU) for the professional sporting codes, to develop appropriate tools and resources targeted for amateur sports.

Recommendation 8

4.50 The committee recommends that the DRALGAS Office of Sport, in consultation with stakeholders, develop appropriate tools and resources that amateur sport can use to increase the awareness of participants to the risks and threats to the integrity of their sport.

Chapter 5

Broadcasting Services Amendment (Advertising for Sports Betting) Bill 2013

Background

5.1 On 15 May 2013, the Broadcasting Services Amendment (Advertising for Sports Betting) Bill 2013 was introduced into the Senate by Senator Richard Di Natale.¹ Pursuant to the committee's resolution of appointment, the bill was referred to the Joint Select Committee on Gambling Reform for inquiry and report.² Given the overlapping subject matter, the committee decided to include the bill as part of its consideration of the areas covered by its reference on the advertising and promotion of gambling services in sport.

5.2 The committee notes that on 3 June 2013 this bill was introduced into the House of Representatives in identical terms by Mr Adam Bandt MP.³ The committee has considered Mr Bandt's bill through its consideration of Senator Di Natale's bill in this report.

The bill

5.3 The bill seeks to amend the *Broadcasting Services Act 1992* to:

- ban the broadcast advertising of live odds for sports betting;
- ban the advertising of sports betting services on television and radio during children's viewing hours before 9pm; and
- ban the promotion of sports betting services by sporting commentators and their guests during sports broadcasts.⁴

Committee view

5.4 The committee has considered the bill in the context of its reference inquiry into the advertising and promotion of gambling services in sport. As indicated in Chapter 3, the committee noted the work underway by the government with commercial and subscription broadcasters to amend their existing industry codes of practice to address the promotion of live odds. The committee welcomes the government announcement on 26 May 2013 to ban the promotion of live odds during

1 *Journals of the Senate*, No. 145, 15 May 2013, p. 3932.

2 The resolution of appointment for the Joint Select Committee on Gambling Reform directs the committee to inquire into and report on 'any gambling-related legislation that has been tabled in either House, either as a first reading or exposure draft'. *Journals of the Senate*, 30 September 2010, pp 141–142.

3 The Broadcasting Services Amendment (Advertising for Sports Betting) Bill 2013 [No.2]. *House of Representatives Hansard* 3 June 2013, p. 6.

4 Explanatory Memorandum, p. 3.

the broadcast of live sports matches and to ban generic gambling advertising during play. The effectiveness of these measures needs to be evaluated before considering further action such as legislation.

Recommendation 9

5.5 The committee recommends that the Broadcasting Services Amendment (Advertising for Sports Betting) Bill 2013 not be passed.

5.6 While signing this report as chair of the committee and supporting the majority of the report and recommendations, there are some issues the Chair does not agree with. These are outlined in dissenting comments which follow this report.

Mr Andrew Wilkie MP

Chair

Dissenting comments by the Chair and Senators Di Natale and Madigan

1.1 While we agree with the majority of the committee's report and some recommendations, we believe that others need to be significantly strengthened.

Promotion of Live odds

1.2 We welcome the government announcement on 26 May 2013 to ban the promotion of live odds.¹ It is a step forward but it has come quite late given the level of community concern around gambling promotion. We note that from the time of the first government announcement about taking action on live odds in May 2011 to an industry code amendment being in place will be over two years. Given the amount of community concern it is an extraordinarily long time from decision to implementation, and includes a late shift in position by the government.

1.3 We wish to note that in the committee's second report in December 2011, it indicated that it believed the level of concern in the community about the promotion of live odds was sufficient to warrant a total ban during the broadcast, including pre-match coverage and at venues and that this should be legislated. It noted that information about betting odds would still be easily available through websites, TABs and other betting outlets at stadiums.² We maintain legislation is necessary³ so the industry is not setting its own rules. They will look after their interests. While the industry may produce a code that looks at first glance to be acceptable, there will be no compulsion to go any further, to keep it updated as the environment and technology changes, and no punitive arrangements. We therefore reiterate the committee's recommendation from its second report that legislation is required.

Recommendation 1

1.4 We recommend that the government legislate a total ban of the promotion of live odds both at venues and during the broadcast of a sporting event.

Gambling advertising

1.5 We do not accept the proposition put by the wagering industry representatives that the amount of sports betting advertising is only about a battle for market share

1 The Hon Julia Gillard MP and Senator the Hon Stephen Conroy, 'Betting Odds Advertising Banned during the Broadcast of Live Sports Matches, *Joint media release*, 26 May 2013.

2 Joint Select Committee on Gambling Reform, *Second Report, Interactive and online gambling and gambling advertising and Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011*, December 2011, p. 266.

3 We note the Victorian Premier has indicated that he wishes the federal government to legislate the ban rather than leave it to the broadcasting industry. See Sean Nicholls, Jonathan Swan and Jacqueline Maley 'O'Farrell out to trump PM on sports betting', *The Age*, 27 May 2013.

and not about growth through recruiting new customers.⁴ As the data indicates, wagering expenditure is growing at four to five per cent per annum.⁵ This does not include data from overseas betting companies.

Influence on children

1.6 The approach in the committee's report, which reflects the government's position, allowing generic gambling advertising during commercial breaks⁶ is a fundamental weakness. The promotion of live odds is a subset of gambling advertising and we remain concerned that the changes proposed still do not take a sufficiently cautious approach where the long-term effects on children of exposure to gambling advertising is likely to be very harmful.

1.7 The committee heard that even though sports betting promotion is not directly targeting children, they are being softened to and consuming the message and brands and it is becoming part of their vernacular.⁷ Research also shows it is difficult for children to clearly distinguish commentators from bookmakers.⁸

1.8 In line with a public health approach to gambling we should not wait for the problems to occur but should take a cautious approach, particularly as research shows children are vulnerable to advertising.⁹

1.9 Current broadcasting restrictions have been developed to ensure that gambling and sports betting advertisements are not placed in programs likely to have a substantial audience of children. While gambling advertisements are not permitted during G classification periods, exemptions are made for sporting programs.¹⁰

1.10 The argument of the broadcasters and industry that not many children are watching, and those that do are mainly in the company of an adult,¹¹ is simply not logical. If we accept the rationale for the current restrictions that children should not be exposed to gambling advertising when they are likely to be watching then there

4 Mr Cormac Barry and Mr Giles Thompson, *Committee Hansard*, 27 March 2013, pp 20-21.

5 Mr Cormac Barry, *Committee Hansard*, 27 March 2013, p. 17.

6 We note that the NSW Premier is calling for a blanket ban on gambling advertising during live sports events as well as action on internet gambling. See Sean Nicholls, Jonathan Swan and Jacqueline Maley 'O'Farrell out to trump PM on sports betting', *The Age*, 27 May 2013.

7 Joint Select Committee on Gambling Reform, *Second Report, Interactive and online gambling and gambling advertising and Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011*, December 2011, pp 254-255.

8 Associate Professor Samantha Thomas, *Committee Hansard*, 27 March 2013, p. 41; Associate Professor Samantha Thomas, *Submission 33*, pp 1-2.

9 Victorian Responsible Gambling Foundation, *Submission 19*, p. 4; Australian Psychological Society, *Submission 18*, p. 3.

10 Free TV, *Submission 9*, p. 3.

11 Mr Cormac Barry, *Committee Hansard*, 27 March 2013, p. 27; Mr Chris Downy, *Committee Hansard*, 27 March 2013, p. 28; Mr Andrew Maiden, *Committee Hansard*, 27 March 2013, p. 33.

should be no exemption for sporting matches which are marketed as family friendly. Relying on children to be in the company of an adult is a fairly loose safety net under those children.

Recommendation 2

1.11 We recommend that the government legislate to remove the exemption for gambling advertisements during sporting programs being shown during G classification periods.

Sports-related broadcasts

1.12 We note the promotion of live odds is not limited to sports broadcasts but also occurs through sports-related programs (for instance the Nine Network's The Footy Show). Commentators on these programs regularly promote gambling products and live odds. This highlights the increasing blurring of the line between advertising and content, with its disproportionate potential to influence children.

1.13 As sports-related programs also have substantial audiences of young children, similar restrictions should apply as for the broadcasting of sporting events.

Recommendation 3

1.14 We recommend that a ban on the promotion of live odds extend to sports-related programs, and that the government legislate to prohibit the paid promotion of gambling services during editorial segments of sports and sports-related broadcasts.

Sporting uniforms

1.15 We note that the uniforms of senior teams carry sports betting promotion.¹² We have concerns that an admired player, a sporting hero for many children and a role model, has highly visible gambling promotion on their uniform. Young people are watching the game and we would argue that children and adults are affected by gambling promotion being on the uniform of their favourite players. There is no point in having it there otherwise. We agree that children can't be protected from every piece of gambling marketing but this has to be viewed in the context of the current excessive amount of gambling advertising. Each piece of marketing is reinforcing a message and prime position on a sporting hero's jersey will at the very least promote brand recognition in children and contribute to the normalisation of betting. Again the government should be ensuring a cautious approach.

Recommendation 4

1.16 We recommend that governments ban gambling promotion from senior sporting uniforms as these players are role models for children and young people.

12 Mr Shane Mattiske, *Committee Hansard*, 27 March 2013, p. 8.

Broadcasting Services Amendment (Advertising for Sports Betting) Bill 2013

1.17 As indicated above, our personal views are that legislation is required in this area. We therefore support legislation such as the Broadcasting Services Amendment (Advertising for Sports Betting) Bill 2013.

Recommendation 5

1.18 We recommend that the Broadcasting Services Amendment (Advertising for Sports Betting) Bill 2013 be passed.

1.19 Finally, we also note the advice from Mr Waterhouse that he was unavailable to speak with the committee at a hearing. Given his high public profile in this area and genuine ability to assist the committee with its inquiry, a submission and offer to answer questions on notice is not sufficient. The committee should have the opportunity to speak to him in person to discuss these important issues and to better understand the industry. Furthermore, Mr Waterhouse's recent comments and apology regarding restricting the amount of future advertising his firm engages in are at odds with his submission to this inquiry, which maintained such advertising was vital in maintaining the viability of the medium.¹³ The Parliament should have been given the opportunity to interrogate this discrepancy.

1.20 Other operators have been cooperative with the committee and we believe he has treated the Parliament with contempt.

Mr Andrew Wilkie MP

Chair

Senator Di Natale
Australian Greens
Senator for Victoria

Senator John Madigan
Democratic Labor Party
Senator for Victoria

13 Tom Waterhouse.com, *Submission 49*.

Coalition committee members' additional comments

1.1 As indicated in our additional comments to the committee's 2011 report, Coalition committee members believe that while gambling is a legitimate industry, there should be fair and reasonable limits to the advertising of gambling.

1.2 The growing popularity of sports betting has brought with it an increase in the promotion of live odds during the broadcast of sporting events. This is of concern as it exposes vulnerable groups such as children and those with a gambling problem to gambling products.

1.3 This issue was included in the discussion paper released by the Coalition's Working Group on Gambling Reform in November 2011 where the Coalition sought comments on the promotion of live odds. The paper suggested that one way to address the issue would be to prohibit the promotion of betting odds while the match is in play. However, live odds could be provided during breaks in play, eg. half-time.¹

1.4 Due to its fundamental link with wagering, the Coalition believes the thoroughbred, harness and greyhound racing industries should be exempt from such measures.

1.5 In January 2013 members of the Australian Wagering Council developed a Statement of Intent which already banned all promotion of live odds during matches.² This was included in its Code which was approved in the week starting 20 May 2013.³ The Coalition welcomed this initial action taken by the industry with the release for public comment of the proposed changes to the Commercial Television Industry Code of Practice to address the issue of the promotion of live odds during the broadcasting of sporting events.⁴

1.6 However, responding to the level of community concern, on 6 May 2013, Leader of the Opposition, Mr Tony Abbott MP, indicated that if the television networks did not act before the September 2013 election, he would be prepared to legislate a ban on the promotion of live betting odds during sporting events.⁵

1.7 The government's announcement on 26 May 2013 is catch-up politics. The Coalition takes the concerns about the level of gambling advertising very seriously and intends to closely monitor the outcomes of the final industry codes to ensure they adequately reflect community standards.

1 *The Coalition's policy discussion paper on gambling reform*, November 2011.

2 Australian Wagering Council, *Submission 31*.

3 Australian Wagering Council, 'Statement of sports betting advertising', 26 May 2013.

4 The Hon. Malcolm Turnbull MP, Shadow Minister for Communications and Broadband, the Hon. Kevin Andrews MP, Shadow Minister for Families, Housing and Human Services, 'Coalition backs Industry on gambling reform', *media release*, 22 April 2013.

5 Samantha Maiden, 'Abbott pledge on live betting', *Sunday Herald Sun*, 5 May 2013.

Mr Steven Ciobo MP

Mr Josh Frydenberg MP

Dissenting Report by Senator Nick Xenophon

1.1 While the committee's majority report makes a number of reasonable recommendations, it fails to fundamentally address the insidious promotion of gambling in sport.

1.2 This dissenting report will largely reflect the sentiments I expressed in the committee's previous report into my bill - Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011 – introduced in the Senate on 20 June 2011, and the committee reported in December 2011.¹

1.3 That bill contained unambiguous provisions to prohibit the broadcasting of gambling advertising on television and radio during all sports broadcasts as well as all G-rated periods. It dealt in part with the anomaly of the current Commercial Television Code of Practice, which exempts news, current affairs and sporting broadcasts from the ban on gambling advertising during G-rated periods.

1.4 At that time, I raised concerns relating to the level of gambling advertising in sport, including the incessant broadcasting of live odds, and the subsequent risks of normalisation for the next generation who will grow up viewing sports through the prism of gambling.

1.5 Those concerns are more relevant today, and despite over 23 months elapsing, it is extremely frustrating that governments, commercial television networks, sporting clubs and corporate bookmakers are still having the same futile discussions over how to combat the proliferation of gambling in sports. However, I welcome the recent announcement of the South Australian Premier, the Hon Jay Weatherill, to strengthen the South Australian regulatory codes, which appears to go further than what the federal government is now proposing.

The proliferation of sports betting

1.6 The growth in the online sports betting market is a major concern. Leading market research company Roy Morgan estimated that for the 12 months to September 2011, sports betting doubled from \$0.4 billion to \$0.8 billion.² According to media reports of IBIWorld's assessment of the gambling industry, sports betting has grown by an average of 12 per cent a year over the past five years.³ Further, other estimates

1 Joint Select Committee on Gambling Reform, *Second Report, Interactive and online gambling and gambling advertising and Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011*, December 2011.

2 Roy Morgan research, *Australians spent \$18.5 billion on gambling in the 12 months to September 2011; Spending on pokies falls to \$11.2 billion*, Media Release, 24 November 2011, <http://www.roymorgan.com/news/press-releases/2011/1489/> (accessed 5 June 2013).

3 Danielle Teutsch, 'Perfect storm fear for problem gamblers', *Sun Herald*, 30 May 2010, p. 21.

predict that sports betting will be worth \$10.6 billion, or 38 per cent of the nation's gambling industry, by 2016-17.⁴

1.7 The varied estimates of spending on gambling advertising highlight the need for further independent research into the prevalence of the sports betting industry in Australia.

1.8 Associate Professor Samantha Thomas told the committee of the need for further research into the impact of gambling advertising on children:

We have preliminary data which we think should be used to inform further research and it may be indicative of some of the harm that is starting to happen. For example, one of the things we know from our research with young people is that they have a very high awareness and recall of brands. This is unprompted. When we ask young people whether or not they know of any gambling-industry brands they are able to come up with at least two or three names of companies. That is concerning for us. Quite often, children also have a much higher recall of advertising and brand names than their parents and adults generally. So certainly we see that children are recognising and are aware of the products and companies, and this obviously is concerning for us—particularly when thinking about long-term behaviours and harm.⁵

1.9 The growth in the domestic sports betting market was also highlighted by the University of Sydney Gambling Treatment Clinic in evidence provided to the committee's inquiry into interactive and online gambling and gambling advertising over two years ago:

In the past five years, as regulation around sports betting has been loosened, there has been an increase in the number of clients presenting to the clinic with problematic sports betting. Indeed, from representing less than 5% of our clients in the 2006-2007 financial year, problem gamblers with sports betting problems now represent 15-20% of new clients in the current financial year. Thus, whilst still representing a minority, reported problems with sports betting are rising, and rising rapidly.⁶

1.10 It is clear that the online wagering market is growing exponentially, and it is simply ignorant (or perhaps disingenuous) of Tom Waterhouse in his purported apology to state: I understand betting turnover has not risen (apart from CPI) since

4 Dr Sally Gainsbury and Professor Alex Blaszczynski, Submission to the Joint Select Committee on Gambling Reform's inquiry into Interactive and online gambling and gambling advertising, *Submission 7*, p. 8.

5 Associate Professor Samantha Thomas, *Committee Hansard*, 27 March 2013, p. 42.

6 University of Sydney Gambling Treatment Clinic, Submission to the Joint Select Committee on Gambling Reform's inquiry into Interactive and online gambling and gambling advertising, *Submission 9*, p. 2.

2007.⁷ The Roy Morgan research and IBISWorld figures referred to sit starkly at odds with Mr Waterhouse's assertion.

1.11 Independent, benchmark research on the growth of sports betting (including on unauthorised overseas sites) and prevalence levels of problem gambling due to sports betting would help inform the public policy debate. However, this research should not be used as an excuse to delay action on gambling advertising given the existing research available.

Recommendation 1

1.12 The federal government should urgently commission independent research to effectively quantify the growth and prevalence of sports betting in Australia, together with the impact of this growth on children, as well as problem gambling prevalence rates.

Advertising

1.13 While the federal government's recent announcement that it would ban the promotion of betting odds during live sports matches, generic gambling ads during game play and banners and sponsorship material is obviously a welcome reform, it should be noted that live odds advertising makes up about 5 per cent of total gambling advertising shown during sporting programs. It is also worth noting that the intention to ban live odds was first announced by the federal government in May 2011, and the government chose to allow the commercial television industry to develop amendments to its own code of conduct at a snail's pace.

1.14 Arguably, it wasn't until FreeTV released its proposed amendments to its code - which would have merely prevented the broadcast of live odds during limited time periods - that the government's hand was effectively forced.

1.15 Further, the federal government's proposal will not prevent the broadcast of generic gambling advertisements during scheduled breaks in play.

1.16 Research indicates that children under 11 have difficulty distinguishing differences between program and advertising content. The Victorian Responsible Gambling Foundation also told the committee of:

Additionally disturbing ... results from recent research on gambling advertising that indicates it is being successful in creating an attitude in those aged 13-18 that gambling is 'entertaining, harmless and convivial'.⁸

1.17 This research clearly highlights the critical need to legislate to ban all forms of gambling advertising at any time that children could be watching.

1.18 As Associate Professor Samantha Thomas stated:

7 Tom Waterhouse, 'I'm sorry and I've listened to your message', *Daily Telegraph*, May 31, 2013.

8 Victorian Responsible Gambling Foundation, *Submission 17*, p. 4.

... Industry claims that the point is that advertising should not target children, in my opinion the actual point is that children should not be exposed to advertising for this potentially harmful product.⁹

1.19 Not only this, but given the federal government's reluctance to rapidly address the issue of gambling advertising in sports broadcasts, I am also concerned that it will not respond to any changes in the way in which the gambling industry advertises on social media and other emerging forms of technology.

1.20 As Associate Professor Samantha Thomas suggested:

Given previous evidence from tobacco and alcohol, it is extremely naïve to think that industry will not find alternative strategies to promote their products within sport, and reach and target new audiences. This also includes shifts to new media platforms such as social media sites and mobile technologies. Voluntary industry codes of conduct appear to have had very limited impact on the promotion of gambling during sport, particularly when there are 'exceptions' within these codes which allow advertising during peak audience viewing times.¹⁰

The effect of government inaction

1.21 The government has been put on notice for some time now that the wider community expects effective regulation of gambling advertising in sport. Relationships Australia clearly described the work required in order to effective control of gambling advertising in sport to be realised:

Attempts in hand to further regulate the industry - to curb the promotion of live odds at matches and on broadcasts – are likely to have limited effect. Many sporting codes and individual clubs are reliant on official partnerships and sponsorships from betting agencies. The gambling industry is powerful...and it argues that it is already well-regulated.¹¹

1.22 Strong industry opposition to greater regulation is becoming less and less convincing in the eyes of the Australian community. It must not be forgotten that the proliferation of gambling in sports is not just a numbers game, but that there are real people suffering the effects of gambling addiction as a result.

1.23 I have seen firsthand the impact of gambling addiction on families. It is too easy for a person to bet large amounts of money in short spaces of time without loved ones being aware. Often a husband or wife, son or daughter, only finds out about the problem when it is too late. By this stage the family home is history and the family is faced with repaying tens (and in some cases hundreds) of thousands of dollars of gambling debt.

9 Associate Professor Samantha Thomas, *Committee Hansard*, 27 March 2013, p. 41.

10 Associate Professor Samantha Thomas, *Submission 33*, p. 2.

11 Relationships Australia, *Submission 10*, p. 6.

Broadcasting Services Amendment (Advertising for Sports Betting) Bill 2013

1.24 While I support this passage of this bill, I believe there are more suitable ways of addressing these particular issues. This bill sets out specific requirements in law, which makes the provisions harder to strengthen based on changing circumstances. While this is a benefit in terms of ensuring those specific provisions stay in force, it means the bill lacks flexibility. In addition, the bill should be amended to go further – there ought to be a blanket ban on gambling advertising during all sports broadcasts. The number of children watching sports broadcasts after 9pm can number in the many tens of thousands.

The Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011

1.25 Instead of including the specific provisions in law, this bill proposes that regulations be introduced to place requirements on broadcasting licences.

1.26 We have seen how sports betting and advertising has evolved in such a short time. It is naïve to believe operators will not respond to the new restrictions and find ways to promote their product. By allowing for conditions to be enshrined in regulations, this bill will allow future lawmakers to respond easily and quickly to new developments.

1.27 For example, since 2011 we have seen bookmakers become involved in sports commentary teams, a situation that did not exist at the time the bill was drafted. However, the bill can continue as it stands, with the regulations themselves now expanded to cover these circumstances.

1.28 This bill also contains further provisions aimed at addressing problem gambling, including allowing problem gamblers to request their financial institutions suspend payments to online gambling providers, prohibits the use of incentives to gamble (including free online credit), and introduces stricter rules regarding match-fixing.

1.29 These provisions, together with the greater flexibility this bill allows, make it a preferable option for addressing these issues.

Recommendation 2

1.30 The Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011 be passed. In the absence of this, the Broadcasting Services Amendment (Advertising for Sports Betting) Bill 2013 should be amended to enable greater flexibility to meet emerging technological trends and to extend the ban on gambling advertising to all sports broadcasts.

NICK XENOPHON

Independent Senator for South Australia

Appendix 1

Submissions received

Submission Number	Submitter
1.	Family Voice Australia
2.	University of Sydney Gambling Treatment Clinic
3.	Mr Peter Mair
4.	Name Withheld
5.	Commercial Radio Australia
6.	Australian Racing Board
7.	Tabcorp
8.	Victorian Local Governance Association
9.	FreeTV
10.	Relationships Australia
11.	Communications Law Centre, University of Technology Sydney
12.	RANZCP
13.	Telstra
14.	Tasmanian Gaming Commission
15.	The Coalition of Major Professional and Participation Sports
16.	Betfair Pty Ltd
17.	Gambling Impact Society
18.	The Australian Psychological Society
19.	Victorian Responsible Gambling Foundation
20.	Clubs Australia
21.	Mr Bill Ranken
22.	ASTRA Subscription Television Australia

23. Office for Sport, Department of Regional Australia, Local Government, Arts and Sport
24. Australian Crime Commission
25. Harness Racing Australia
26. Sportsbet Pty Ltd
27. Mr Kevin Dennehy
28. Name Withheld
29. Ms Judith Cox
30. Name Withheld
31. Australian Wagering Council
32. Associate Professor Peter Katelaris
33. Associate Professor Samantha Thomas
34. Mr Daniel Odell
35. Mr Jim Russell
36. Name Withheld
37. Mr John Nolan
38. Mr Paul McCabe
39. Mr Christopher Dodd
40. Mr Max Vardanega
41. Mr Trevor Rowe
42. Dr Greg Tanner
43. Ms Colleen Pont
44. Mr Jim Carlton
45. Mr Michael Cuddihy
46. Health Promotion Evaluation Unit, University of Western Australia
47. Mr David Shliahov
48. Name Withheld
49. Tom Waterhouse.com

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50. Dr Bruce Blunden
 51. Name Withheld
 52. Name Withheld

Additional information received

1. Tabled document from Dr Charles Livingstone, at Melbourne public hearing, 5 March 2013

Answers to questions on notice

1. Response from Australian Crime Commission to question taken on notice at public hearing on 19 March 2013, received 4 April 2013
2. Response from ASTRA to questions taken on notice at public hearing on 27 March 2013, received 11 April 2013
3. Response from Australian Wagering Council to questions taken on notice at public hearing on 27 March 2013, received 17 April 2013
4. Response from Network Ten to questions taken on notice at public hearing on 27 March 2013, received 19 April 2013
5. Response from Department of Broadband, Communications and the Digital Economy to questions taken on notice at public hearing on 19 March 2013, received 1 May 2013

Appendix 2

Public hearings and witnesses

Tuesday 5 March 2013 – Melbourne

Australian Football League

Mr Brett Clothier, Manager of Integrity Services

The Australian Psychological Society

Ms Heather Gridley, Manager, Public Interest

The Coalition of Major Professional and Participation Sports

Mr Malcolm Speed, Executive Director

Dr Charles Livingstone

Tuesday 19 March 2013 – Canberra

Australian Crime Commission

Mr John Lawler, Chief Executive Officer

Mr Paul Jevtovic, Executive Director Intervention and Prevention

Department of Broadband, Communications and the Digital Economy

Mr Abdul Rizvi, Deputy Secretary, Digital Strategy and Services

Mr Simon Pelling, First Assistant Secretary

Mr Simon Cordina, Assistant Secretary, Cyber Safety and Security Branch

Wednesday 27 March 2013 – Sydney

National Rugby League

Mr Shane Mattiske

Mr John Brady

Australian Wagering Council

Mr Cormac Barry, Chairman and Chief Executive Officer, Sportsbet

Mr Chris Downy, Chief Executive Officer, Australian Wagering Council

Mr Giles Thompson, Chief Executive Officer, Betfair Pty Ltd

Australian Subscription Television and Radio Association

Mr Andrew Maiden, Chief Executive Officer, ASTRA

Mr Simon Curtis, Policy and Regulatory Affairs Manager, ASTRA

Mr Bruce Meagher, Director of Corporate Affairs, Foxtel

Associate Professor Samantha Thomas

Network Ten

Ms Annabelle Herd, Head of Broadcast Policy

Mr Ian Wilson, Regulatory Manager

Seven Network

Ms Bridget Fair, Group Chief, Corporate and Regulatory Affairs, Seven West Media

Ms Justine McCathy, Legal Counsel, Regulatory and Business Affairs, Seven Network Operations Ltd

Nine Entertainment Company

Mr Scott Briggs, Director of Commercial and Regulatory Affairs