



## **COALITION OF MAJOR PROFESSIONAL & PARTICIPATION SPORTS**

### **SUBMISSION TO THE JOINT SELECT COMMITTEE ON GAMBLING REFORM.**

### **INQUIRY INTO THE PREVALENCE OF INTERACTIVE AND ONLINE GAMBLING AND GAMBLING ADVERTISING IN AUSTRALIA**

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The Coalition of Major Professional and Participation Sports (COMPPS) consists of the following organisations:

- Australian Football League (AFL);
- Australian Rugby Union (ARU);
- Cricket Australia (CA);
- Football Federation Australia (FFA);
- National Rugby League (NRL);
- Netball Australia (NA); and
- Tennis Australia (TA).

One of COMPPS' roles is to provide a collective response on behalf of its member sports where their interests are aligned.

COMPPS made a submission on 1 September, 2010 to the precursor of this Inquiry, the Senate Community Affairs Committee Inquiry into the Prevalence of Interactive and Online Gambling in Australia, which has now been referred with three additional Terms of Reference to the Joint Select Committee on Gambling Reform.

In addressing this Inquiry, we have added to our previous submission and addressed new issues. In relation to the three new Terms of Reference, we have made separate submissions at the end of this document.

In our original submission, we referred to the formation of a COMPPS Anti-Corruption Working Party that had been established to address issues relevant to the COMPPS members concerning anti-corruption. That report has now been completed and its 30 recommendations were adopted by the Chief Executives of the COMPPS sports. In this submission to the current Inquiry, we refer to this report as "the COMPPS Anti-Corruption Report".

Some of the sports have unique difficulties that arise as a consequence of international participants in their sport, and their affiliation and interaction with international sports governing bodies and associated rules and regulations that are not covered by this response.

Australian sport has for many years provided high quality and popular domestic and international competition for which betting agencies have offered odds and taken

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profits from sports wagering. Each of the COMPPS member sports conducts matches on which betting takes place.

It is our strong view that as sports provide the competition for wagering and permit betting operators to use the sports' intellectual property, they should have the ability to ensure the integrity and quality of the product.

COMPPS member sports support a multi-pronged and consistent approach to integrity, promotion and harm minimization. Sports currently rely on a wide range of measures to ensure this – including education programs, Codes of Conduct and Integrity Agreements with betting operators - all without national legislation or nationally consistent legislation.

COMPPS response to the issues raised in the terms of reference is as follows:

**(a) The recent growth in interactive sports betting and the changes in online wagering due to new technologies:**

Sports betting is a legitimate and legal pastime.

The COMPPS sports support interactive sports betting and online wagering.

The emergence of interactive online technologies has increased the volume of betting on sport and provided new challenges in monitoring and policing.

It has, however, also provided better options for sport and betting agencies to protect the integrity of sporting events where betting takes place.

The volume and quality of useful betting data has increased commensurately with the emergence of online wagering. Under the Integrity and Product Fee agreements with betting operators, the sports have far greater access to information about who bets on their sports and what type of bets they are placing. This is an important part of the intelligence gathering function of the sports and assists them in managing integrity concerns.

**(b) The development of new technologies, including mobile phones and interactive television that increase the risk and incidence of problem gambling.**

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Problem gambling is not a new phenomenon – it has been evident for decades as an unfortunate outcome of cash-based betting.

We have not seen any definitive studies that show that new interactive online technologies will lead to increased numbers of problem gamblers.

Importantly, our discussions with interactive online gambling agencies indicate that the new technologies provide mechanisms that identify problem gambling and assist in reducing its impact.

The COMPPS members recognise we have a responsibility to provide a safe environment for the public to play, watch and interact. We also recognise that we can play a role in helping those affected by problem gambling – individuals, families and friends, as well as sports participants directly within the control of the sports.

Sporting organisations are keen to play an active role in research that seeks to investigate the impact that new technologies may have on problem gambling.

**(c) The relative regulatory frameworks of online and non-online gambling:**

COMPPS members have for many years argued for a nationally consistent set of regulatory and legislative frameworks.

The current legislation is inadequate, fragmented and confusing.

The Interactive Gambling Act 2001 (Cwth.) provided a good framework but needs to be updated to keep pace with recent developments in technology.

COMPPS lobbied for and welcomed the introduction of the Gambling and Racing Legislation Amendment (Sports Betting) Bill 2007 in Victoria. The information sharing framework strengthened the sports' ability to monitor integrity issues and enabled sports to receive a small percentage of revenue from sports betting on their events for the use of their intellectual property.

While this Act is a step in the right direction and has given sports a framework in which to negotiate national arrangements with betting operators, it only requires for the agreements to be in place for sports events in Victoria.

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COMPPS submits that a comprehensive, uniform and consistent regulatory and legislative approach is required across all of the States and Territories.

We seek a regulatory and technological solution that is technologically neutral insofar as it includes online and non-online gambling.

The COMPPS Anti-Corruption Report recommended that the provisions of the Gambling and Racing Legislation Amendment (Sports Betting) Bill 2007 (Victoria) be adopted in all States and Territories so that all events on which sports-betting is available are included and all betting providers are required to enter into Integrity and Product Fee agreements with sports to provide details of relevant information including suspicious betting activity and to pay a product fee.

It recommended that nationally consistent criminal legislation, specific to sport, creating an offence of “cheating in connection with sports wagering” be adopted.

It recommended that each sport should be given the power to prohibit certain types of exotic or unusual bets that present enhanced integrity risks.

It recommended that new regulation also address issues such as minimum standards for all betting agencies in relation to record-keeping, retention of data, disclosure of information to sporting bodies and reporting of suspicious bets, among other things.

We understand that the major betting operators would welcome dialogue in relation to these matters.

Our preference is that these legislative reforms are enacted through Federal rather than State and Territory legislation.

We note the Communiqué issued by the Sport and Recreation Ministers’ Council dated 10 June, 2011 in which a commitment is given to seek nationally consistent criminal legislation that provides an effective deterrent for match-fixing offences and enforceable arrangements between sports and betting agencies in relation to the mechanisms to be adopted for betting on sports.

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**(d) Inducements to bet on sporting events online:**

We are aware that state governments have prohibited the offer of free bet inducements to new sports account holders. Any other kind of inducements to bet on sporting events should comply with relevant responsible gambling principles.

**(e) The impact of betting exchanges, including to bet on losing outcomes:**

Six of the COMPPS members have information and revenue sharing arrangements with Betfair, the major betting exchange operating in Australia. The information sharing arrangements have worked well and sports have received valuable, timely and detailed information that has greatly assisted them.

So long as the sports impose proper internal mechanisms on their own personnel - players, coaches, umpires and officials so that they are not permitted to bet on events in which they are participants – we do not take issue with the concept of betting to lose.

**(f) 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:**

COMPPS sports each have extensive Codes and practices covering integrity and sports betting. These are enforced by way of contract and include prohibitions on match fixing and corruption, on betting by participants and disclosure of inside information for betting purposes. To support their integrity systems, COMPPS members have information sharing agreements with betting agencies. Such agreements require agencies to disclose full details of their betting sheets to sports for the purpose of investigation or inquiry.

Each of the sports is prepared to make available to the Inquiry those relevant parts of their regulations and codes of conduct that relate to anti-corruption measures.

COMPPS member sports are continuing to work to enhance existing Codes of Conduct and education processes for participants.

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COMPPS member sports have highlighted mechanisms through which closer relationships with betting operators could improve the information gathering processes that sports use to identify suspicious betting activities.

**(g) Any other related matters.**

Nil.

**Additional Terms of Reference.**

**(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;**

The COMPPS sports do not oppose spot-betting *per se*. They do, however, seek support for a power of veto over types of spot-bets that may be offered by betting operators on their sports where they have serious integrity concerns over the type of bet that is being offered.

In the COMPPS Anti-Corruption Report, it was recommended that this right of veto be included as part of the process that seeks the adoption of the Gambling and Racing Legislation Amendment (Sports Betting) Bill 2007 (Victoria) to all States and Territories.

The COMPPS members strongly believe that a multi-pronged approach is required and that if appropriate Codes of Conduct, education processes, legal and regulatory regimes (both civil and criminal) and adequate information gathering, investigation and enforcement processes are in place, they are able to deal with match-fixing and any issue that may impact on the integrity of their sport.

**(g) The implications of betting on political events, particularly election outcomes.**

We recognize that betting in Australia is undertaken on a wide range of activities other than sport – from reality TV shows to the outcome of political elections. Betting on these activities does not have the integrity framework that surrounds betting on sport. To this extent, we suggest that sport is leading the way..

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**(i) The Committee is interested in views on: the level of gambling advertising; the display of odds at venues and during match broadcasts; commentators referring to the odds; and the general impact of gambling advertising on sport.**

COMPPS members support the development of a set of principles for the sports gambling industry to advertise responsibly across all mediums.

Sports betting is legal and betting operators are entitled to advertise the betting products that they offer to the public. Clearly, sports seek to protect the integrity and quality of the competitions that they show live and on television. It is not in the sports' interests to have inappropriate or excessive exposure of gambling advertising.

The relationships and dialogue that currently exist between the betting operators, the sports, government and broadcasters provide a strong framework for discussing advertising issues in a balanced, practical and constructive manner.

COMPPS members welcome the announcement of the Australian Government's Select Council on Gambling Reform to reduce and control the promotion of live odds during sports coverage and to consult with the industry on this matter.

We welcome the opportunity to be part of the consultation process.

## **Conclusion:**

Australian sport has responded well to the threat of corruption through sports betting given that we are a nation of sports lovers and active gamblers. Compared with many other countries, the internal processes that the sports have adopted and enforced have served them well. There is a strong and continuing commitment to protect and enhance the integrity of professional sport in Australia.

The COMPPS Members welcome the Joint Select Committee Inquiry on Gambling Reform in Australia and are happy to provide greater detail on any of the points made in this submission. In addition, COMPPS Members are able to take part in hearings if required or provide any other assistance as and when requested by the Committee.



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Submitted for and on behalf of the COMPPS' Members.

**Malcolm Speed**

**Executive Director**