

# 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.<sup>1</sup>

1.2 On 15 May 2013, the Senate granted an extension of time for reporting until 28 June 2013.<sup>2</sup> 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;

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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.<sup>3</sup>

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.<sup>4</sup> 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.<sup>5</sup>

### ***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

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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.

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report for more detail.<sup>6</sup> 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](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.<sup>7</sup> Pursuant to the committee's resolution of appointment, the bill was referred to the Joint Select Committee on Gambling Reform for inquiry and report.<sup>8</sup> Given the overlapping subject matter, the committee decided to include the bill as part

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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](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.