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Committee Secretary
Joint Select Committee on Gambling Reform
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CANBERRA ACT 2600

Sent by email: gamblingreform@aph.gov.au

Dear Committee

Inquiry into the advertising and promotion of gambling services in sport

Betfair welcomes the opportunity to make a submission to the Joint Select Committee's (**Committee**) inquiry into the advertising and promotion of gambling services in sport (**Inquiry**).

Betfair has previously addressed the vast majority of the terms of reference of this Inquiry in its previous submissions to the Committee and its two submissions to the Department of Broadband, Communications and the Digital Economy's (**Department**) review of the *Interactive Gambling Act 2001* (Cth) (**IGA Review**). Accordingly, we respectfully request that the Committee consider each of these submissions (copies of which are **attached**) in addition to our specific comments below.

We accept that public opinion suggests that the nature and volume of sports betting advertising at present is excessive and therefore Betfair is committed to working with its industry counterparts (via the Australian Wagering Council) and government to ensure that these concerns are addressed.

In considering the regulation of advertising of sports betting services it is important to note that it is an offence for offshore sports betting operators to advertise their services to Australians. The right to advertise is therefore an important legal right granted only to those operators that have submitted to the Australian regulatory environment and have agreed to meet Australian standards. The right to advertise can therefore be seen as an incentive for offshore operators to seek a licence in an Australian jurisdiction. As has been discussed at length in Betfair's previous submissions to the Committee, it is vital to encourage Australians to transact only with locally licensed and regulated operators in order to ensure effective harm minimisation and consumer protection measures as well as maintaining the integrity of Australian sport.

National standard of advertising protocols

Betfair believes that it is important that the advertising and promotion of sports betting is conducted in a responsible manner and importantly should never encourage gambling by those that are underage.

It is important to recognise that the advertising of wagering services is already subject to strict regulation on a state-by-state basis and that all media advertising must comply with the Australian Association of National Advertisers' Advertising Code of Ethics. The inconsistency in state based regulations is a cause of significant uncertainty for operators and there is an urgent need for a more co-operative framework. Accordingly, it is important that the issue of gambling advertising be addressed at a national level.

Betfair is of the view that the most appropriate way to regulate sports betting advertising is through a nationally consistent code-of-conduct applying to all sports and racing advertising. The code should apply across all forms of media and advertising conducted at sporting events. The proposed code could utilise the Alcohol Beverages Advertising Code in Australia or Chapter 16 of the United Kingdom's CAP Code which deals specifically with the marketing of gambling products as references for its establishment.

We note that the Australian Wagering Council ('AWC'), of which Betfair is a member, has released a Statement of Intent in respect of the advertising of live odds during sporting broadcasts. The AWC will be making its own submission to this inquiry. The Statement of Intent confirms that the members of the AWC will not advertise live odds during a sporting match and will only do so in designated breaks in the match in a form that ensures it is clearly an advertisement. This enables those viewers who do not wish to receive such information to choose not to consume the advertising and provides a clear delineation between the sporting match and the advertisement. We are of the view this is the first step in forming an effective code-of-conduct for the advertisement of sports betting services.

The advertising guidelines that underpin the code should address all forms of offline wagering advertising with a specific focus on the key areas of public concern, such as television advertising, "in-ground" advertising during sporting events, the promotion of "live-odds" and ensuring that advertising is not aimed at minors.

We consider that the formulation of these guidelines would be best achieved as part of the Department's IGA Review and the specifics should be agreed between government and the industry through a consultation process. As the Committee is aware, the Department has already completed a great deal of work in this area as well as in developing proposals for a nationally consistent harm minimisation and consumer protection regime. Betfair is strongly committed to engaging with the Department on both of these issues and we consider that its final report will be instructive in developing meaningful and relevant advertising guidelines.

The importance of a well-regulated environment for online gambling

As Betfair's submissions to the Committee have previously stated, the illegal online gambling market in Australia is nearly three times larger than the regulated sports betting market in Australia (both online and offline). This situation has had significant ramifications on the ability of Australian governments to ensure its citizens are afforded adequate harm minimisation and consumer protection standards and has undermined the ability of Australian sporting bodies to manage the integrity of their games. It is abundantly clear that each of these important issues can only effectively be addressed within Australia.

Accordingly, it is vitally important that Australian licensed operators be permitted to advertise their services to Australians in a responsible manner, so as to limit the amount of Australians who elect to

transact in the unregulated environment where the Australian regulatory landscape has proven to be ineffective.

The impact of advertising of sports betting services and “spot betting” on the integrity of sport

Betfair is a strong advocate of the need to ensure the integrity of sporting competitions in the face of genuine or perceived threats and as outlined above we consider that the existence of a strongly regulated sports betting industry is pivotal in the promotion of responsible gambling and the protection of the integrity of sporting events.

It is essential for Betfair’s long term sustainability and that of the wagering industry generally, that its customers have confidence in the honesty of the markets on which they place bets. Betfair’s business interests, therefore, are aligned with those of sports governing bodies and governments: all need to ensure that sport is conducted fairly and is free of corruption.

We reject the notion that the advertising and promotion of gambling services in sport has a negative impact in respect of the integrity of Australian sport. There is no research anywhere in the world that supports such an assertion. On the contrary, 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.

Further, we do not accept that micro-betting (as a general concept) poses any specific risks to the integrity of sports. Betfair does not offer micro betting on events that are open to manipulation and considers that wagering operators must be sensible in the types of markets that are offered to customers. As an approved wagering operator of all of Australia’s major professional sporting bodies, Betfair seeks approval from the relevant governing body for all markets it intends to offer on a sporting event. Betfair does not offer markets or bet types without specific approval.

To this end, Betfair is supportive of the guidelines contained in the Department’s interim report as part of the IGA Review, which detail a sensible framework for dealing with those forms of betting that are repetitive and of high-frequency.

Conclusion

We again thank the Committee for the opportunity to make a submission to the Inquiry and we would be pleased to appear before the Committee to discuss any of these issues in further detail.

Yours faithfully

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