

Submission

on the

Advertising and Promotion of Gambling Services in Sport

to the

Joint Select Committee on Gambling Reform

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1. Introduction

On 7th February 2013 the Senate referred to the Joint Select Committee on Gambling Reform an inquiry into the advertising and promotion of gambling services in sport.

The terms of reference include:

- (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.

The committee has invited public submissions on this matter to be received by 27 February 2013. The committee is due to report by 16 May 2013.

This submission complements the 20 July 2010 submission from FamilyVoice Australia to the Senate Community Affairs References Committee.

2. Advertising and problem gambling [tor (e)]

In its 2009 report the Productivity Commission tabulated the extensive list of state and territory laws and the various codes of practice applying to gambling advertising.¹

The Commission cited evidence from studies that “a proportion of people with gambling problems (with estimates ranging from 5 to 20 per cent) are likely to substantially increase their gambling expenditure in response to advertising”.²

Binde reports on three ways in which advertising may contribute to the prevalence of problem gambling:

- (a) Advertising recruits new players, some of whom later become problem gamblers.*
- (b) Advertising intensifies established gambling habits.*

On the continuum between problem-free gambling and pathological gambling, some people will, because of advertising impact, move a little towards pathological gambling. A problem-

free gambler may develop at-risk gambling behaviour, an at-risk gambler may become more of a problem gambler, and a problem gambler may behave more like a pathological gambler.

(c) Advertising may sustain and aggravate established problem gambling by providing hard-to-resist impulses for gambling that make it harder to adhere to a decision to quit or cut down on gambling.³

Advertising for sports betting has become more prevalent since the High Court decided in 2008 that section 92 of the Constitution which guarantees the absolute freedom of interstate trade and commerce effectively invalidated a Western Australian law restricting advertising to betting agencies registered in the State.⁴ This has opened up advertising to sports betting agencies registered under looser laws in the Northern Territory.

The High Court decision makes it constitutionally problematic for individual States to adequately control gambling advertising. This puts the onus on the Commonwealth to take the lead in promoting a co-operative federalist approach to this issue.

3. Live odds promotion [tor (c)]

Like any addiction, problem gambling starts somewhere. If a practice promotes gambling, it is highly likely to encourage more gambling and more people to take up gambling – some of whom are likely to end up with a gambling problem. Promoting live odds during a sports broadcast is a particularly persuasive encouragement to gamble, with all gambling's associated risks.

These risks are present whether the promotion of live odds occurs during play, or within scheduled or unscheduled breaks in play. As FamilyVoice Australia pointed out earlier, in a statement quoted by the Joint Select Committee on Gambling Reform:

*“In-play betting is likely to induce problem gamblers caught up in the excitement of a match [to bet] inappropriate amounts on the spur of the moment.”*⁵

Promoting live odds during a sports broadcast increases the likelihood of harm to both problem gamblers and sports enthusiasts who may be enticed to gamble without previously intending to do so.

On 27 May 2011 the Council of Australian Governments Select Council on Gambling Reform issued the following communiqué on live odds promotion during the playing and broadcasting of sports events:

Ministers have agreed to take action to reduce and control the promotion of live odds during sports coverage.

Governments are concerned that promotion, including commentary by sporting role models, is becoming insidious in live sports coverage. We are concerned that this can significantly influence vulnerable and young people and normalise gambling behaviour.

Ministers agreed consultation will be undertaken with industry as to the scope of the measures designed to reduce and control the promotion of live odds during sports coverage.

Ministers acknowledge that racing will be exempt due to its long standing integral connection with wagering.

In the first instance, industry will be provided with the opportunity to address this issue through amendments to their existing industry codes.

*However, if satisfactory amendments are not in place by the end of June 2012, the Australian Government will consider the need for legislation, noting that the measures would not apply to pre-existing contracts for the promotion of live odds during sports coverage as of 1am today.*⁶

On 29 June 2012 the Hon Stephen Conroy, Minister for Broadband, Communications and the Digital Economy, announced that the government had reached agreement with commercial and subscription broadcasters to reduce and control the promotion of live odds during sports broadcasts. He expected amended codes of practice to be registered by the end of 2012.⁷

According to the Minister's media release the agreement covered "banning sporting commentators from mentioning live odds and banning all live odds promotion during play". However this would appear to leave it open for advertising of live odds during scheduled play breaks.

A draft amendment to the Commercial Radio Code of Practice was released in late 2012 with submissions closing on 3 January 2013.

The draft amendment would allow promotion of live odds betting by any person other than a commentator during scheduled breaks in play, including at the end of each set in tennis and the quarter time, half-time and three-quarter time breaks in AFL matches.

It would also not apply to internet broadcasts by radio stations.⁸

As of 14 February 2013 no amended codes of practice have been registered.

Recommendation 1:

The foreshadowed ban on live odds promotions during sports broadcasts needs to be urgently put in place, given the announced deadline for its implementation is more than seven months overdue.

The ban should cover all promotion of live odds once a game has commenced and not allow live odds promotion during scheduled or unscheduled breaks in play.

No distinction should be made between the different means of access to the broadcast.

4. Gambling advertising and the integrity of sport [tor (f)]

The Productivity Commission found in 2009 that, while sports betting currently accounts for only 1% of all gambling activity in Australia, it has a rapidly increasing prevalence.⁹ This has led to the 'gambification' of sports,¹⁰ a term now used by the Joint Select Committee on Gambling Reform to describe a shift in emphasis from athletes, strategy and statistics to odds and exotic (or 'spot') betting.

Research by Monash University has shown that young men now talk more about 'the punt' than the game.¹¹ The promotion of live odds during play has drawn the focus away from players, statistics and underdog aspirations, instead highlighting gambling. However, these young men have a harmful attitude toward sports betting, viewing it not as gambling, but as the game itself.

Eliminating all gambling advertising during sports broadcasts would help protect the integrity of the sport and decrease the risk of problem gambling.

Recommendation 2:

A comprehensive ban on all gambling advertising should apply immediately before, during and immediately after any broadcast of a sports program.

5. Gambling advertising and children [tor (d)]

Sports betting has overtaken all other forms of online gambling,¹² while also remaining available through telephone and TAB venues. The scope of sports betting has burgeoned with possible bets not only on the outcome of a match, but also on small or novelty events within play (exotic betting).

This novelty factor is more likely to attract interest from vulnerable groups such as children. Since certain sports teams are sponsored by betting corporations (eg St Kilda Football Club is sponsored by Centrebet), there are unfortunately already opportunities for children to be exposed to gambling. Directly associating betting with sports (and frequently patriotism) harmfully normalises gambling and implicitly teaches children that it is another safe way of having fun.

The Productivity Commission acknowledges the dangers of exposing minors to gambling.¹³ Restrictions are placed on venues supplying gambling services to eliminate the risk of a child viewing or hearing gambling taking place.

Similar restrictions should be placed on practices that bring gambling into the home.

Recommendation 3:

A comprehensive ban on all gambling advertising should apply during all broadcasting during the G classification time zone on free-to-air television.

6. Spot betting and other exotic betting [tor (f)]

In his second reading speech on the *Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011*, Senator Xenophon made a good case that spot betting and exotic betting, such as betting on which player will receive the first yellow card in a soccer match, creates easier opportunities for corruption as a particular outcome can more readily be achieved by a single player.

There is merit in prohibiting corporations from offering specific forms of gambling services including spot betting, exotic betting, in-play betting or any similar form of betting; and betting on losing outcomes.

Recommendation 4:

Forms of gambling services that could facilitate opportunities for corruption, including spot betting, exotic betting, in-play betting or any similar form of betting, and betting on losing outcomes, should be prohibited.

7. Endnotes

1. *Gambling: Productivity Commission Inquiry Report* 06/2010, Table K.1 on p K.5-K.6:
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4. *Betfair Pty Limited v Western Australia* [2008] HCA 11 (27 March 2008):
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8. Commercial Radio Association, *Commercial Radio Industry Code of Practice – Promotion of Live Odds in Sports Coverage*:
<http://www.commercialradio.com.au/files/uploaded/file/public%20consultation%20note%20-%20live%20odds.pdf>
9. *Gambling: Productivity Commission Inquiry Report*, 26 February 2010, p 2.37:
<http://www.pc.gov.au/projects/inquiry/gambling-2009/report>
10. Joint Select Committee on Gambling Reform, *Inquiry into Interactive and Online Gambling and Gambling Advertising – Final Report*, p 10.2.
11. “Technology fuelling sports betting epidemic”, *The World Today*, 10 Jul 2012:
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<http://www.abc.net.au/worldtoday/content/2012/s3542581.htm>
13. *Gambling: Productivity Commission Inquiry Report*, 26 Feb 2010, p 12.50:
<http://www.pc.gov.au/projects/inquiry/gambling-2009/report>