



**Submission by  
Free TV Australia**

Parliamentary Joint Select Committee on  
Gambling Reform

*Inquiry into the advertising and promotion of  
gambling services in sport*

---

27 February 2013

**EXECUTIVE SUMMARY**

- Free TV welcomes the opportunity to submit to the Inquiry into the advertising and promotion of gambling services in sport.
- Commercial television broadcasters have a number of protections in place to ensure community standards are met and that the advertising and promotion of betting services is undertaken responsibly.
- Restrictions on the placement of gambling and betting advertisements currently exist in the Commercial Television Industry Code of Practice (Code). These restrictions ensure that such advertisements do not appear in programs that are likely to have a substantial child audience.
- Free TV is also in the process of amending the Code to address community concerns in relation to the promotion of live odds in sports broadcasts. The Code amendments will place limitations on the promotion of live odds in sporting broadcasts, including a ban on the promotion of live odds by commentators directly before, during, and after a match or event. The Code amendments will also contain a number of harm minimisation measures to ensure that any allowable promotions are undertaken in a responsible manner.
- Commercial free-to-air broadcasters are the only media platform with such comprehensive restrictions on gambling and betting advertisements.
- Media consumption and usage patterns have evolved rapidly in recent times, particularly among young people. Content can now be accessed over a range of platforms and devices which are not subject to the kinds of regulations and restrictions that apply to Free TV broadcasters.

## Introduction

Free TV Australia (Free TV) represents all of Australia's commercial free-to-air television broadcasters. Our members provide nine channels of content across a broad range of genres, as well as rich online and mobile offerings. These services are free to view. The value of commercial free-to-air television to all Australians remains high. On any given day, free-to-air television is watched by more than 14 million Australians.

Free TV welcomes the opportunity to contribute to the Joint Select Committee on Gambling Reform's *Inquiry into the advertising and promotion of gambling services in sport*.

This submission addresses the existing protections in the Commercial Television Industry Code of Practice (Code), as well as the process currently underway to reduce and control the promotion of live odds in sports broadcasts.

Free TV members are cognisant of the significant social issue of problem gambling. Commercial television broadcasters have protections in place to ensure community standards are met and that the advertising and promotion of betting services is undertaken responsibly.

It is important that any gambling advertising restrictions apply equally across all media platforms. Otherwise 'regulatory bypass' will occur, and the relevant advertisements will simply move to those platforms which are not subject to any regulation.

## Current restrictions on gambling advertising on Free TV

Commercial television broadcasters are required to comply with the Code, which is developed by Free TV in consultation with the Australian Communications and Media Authority (ACMA). Before the Code is registered, the ACMA must be satisfied that it provides appropriate community safeguards.

Under clause 6.14 of the Code, advertisements for gambling services are not permitted during G classification periods<sup>1</sup>. In practice, this means that gambling advertisements must not be broadcast between 6.00am and 8.30am on any day, between 4.00pm and 7.00pm on weekdays and between 4.00pm and 7.30pm on weekends.

These restrictions have been specifically targeted to ensure that gambling and betting advertisements are not placed in programs that are likely to have a substantial child audience.

Evidence suggests these provisions are adequately meeting community standards.

Of the 7437 Code complaints received in the 3 years to December 2012, only 82 related to clause 6.14 of the Code, representing just 0.01% of all complaints.<sup>2</sup> When the Code was last reviewed, only 5 of the 1400+ submissions received raised

---

<sup>1</sup> Excluding news, current affairs or sporting programs

<sup>2</sup> Source: Free TV Code Complaints database

concerns regarding betting and gambling advertisements. The ACMA has not found any broadcaster to be in breach of this provision.

### **New restrictions - Live odds in sports broadcasts**

On 30 June 2012, the Minister for Broadband, Communications and the Digital Economy announced that commercial radio, commercial television and subscription broadcasters had reached agreement on measures to reduce and control the promotion of live odds during the broadcast of sporting events.

Free TV is currently in the process of amending the Code to reflect this agreement.

The Code amendment process is still underway and will be subject to public consultation and registration by the ACMA. This submission contains information about the changes agreed between Free TV and the Government as part of the negotiations referred to in Minister Conroy's media release of 30 June 2012.

There will be a number of new restrictions on the promotion of live odds, including a ban on all live odds promotions during play, and a ban on live odds promotions by commentators (including guests) directly before, during and after a sporting event.

Under the proposed Code amendment (which will shortly be the subject of public consultation), there will be a number of harm minimisation measures which apply to any permissible promotions. A live odds promotion must not:

- be directed to children;
- portray children as participating in live odds betting;
- portray live odds betting as a family activity;
- make exaggerated claims;
- promote betting on live odds as a way to success or achievement; or
- associate a bet on live odds with alcohol.

It will also be a requirement that live odds promotions be socially responsible, and not mislead or deceive the audience. Finally, any live odds promotion must be accompanied by a responsible gambling/mandatory warning message, either in a generic form, or in line with State laws or industry Codes if applicable.

The agreement with the Government and moves by Free TV to amend the Code means that live odds promotions will be appropriately regulated at a national level. Free TV understands that commercial radio and pay TV will be introducing similar restrictions into their respective Codes.

Broadcasters face significant enforcement action by the ACMA if they are found to be in breach of the Code. By including these measures in the Code, Free TV members are proactively addressing the community concerns that have arisen in relation to the promotion of live odds, and taking on additional responsibility for this form of advertising.

### **Changing media habits**

Children and young people between the ages of 5 and 17 are watching less commercial free-to-air television than ever, and they make up only a small proportion of Free TV's overall audience.

Sporting events broadcast on commercial free-to-air television are primarily watched by adults. Children aged 5-17 made up less than 12% of the total viewing audience for any of the top 10 sporting events in 2012, (excluding Olympic broadcasts).<sup>3</sup> Of those children who were watching, the majority were co-viewing with an adult (around 8 in 10 for the 5-12 age group, and around 7 in 10 for the 13-17 age group).

Even the event with the highest audience proportion of child viewers (State of Origin 3) was only watched by 13.5% of children aged 13-17. This figure is lower for children aged 5-12 (12.8%). Of those children who were watching, more than 85% were co-viewing with an adult.

Media consumption and usage patterns have evolved rapidly in recent times, particularly among young people. Content can now be accessed over a range of platforms and devices which are not subject to the kinds of regulations and restrictions that apply to Free TV broadcasters. A single device (such as a connected TV) can be used to view substantially similar content that is subject to very different levels of regulation.

Young people are driving the use of these emerging technologies in the new media environment. Nielsen reports that for people aged 13-17, over a third (34.8%) of their total TV screen time from January to September 2012 was dedicated to “other screen usage” (such as non-broadcast activities (gaming), online activity on the TV screen or playback beyond 7-days).

This is more than double that of people 40-54 (14.2%) and four times more than people 55+ (8.3%).<sup>4</sup> The same report notes that approximately 18% of all homes now have internet-enabled televisions.<sup>5</sup> These new technologies are not regulated in the same way as commercial free-to-air television.

The table below from the same Nielsen report shows the penetration of various technologies and demonstrates the rapid rate that of growth in these new content delivery platforms.<sup>6</sup>

**TABLE 1: TECHNOLOGY PENETRATION**

	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
Digital terrestrial television (DTT): Penetration within TV households <sup>1</sup>	94%	95%	96%	97%	97%
Completely DTT: Penetration within TV households (Homes capable of receiving DTT on each working TV within the home)	65%	70%	74%	77%	79%
Personal video recorder (PVR): Penetration within TV households	42%	44%	47%	49%	50%
Internet Connection: Household penetration <sup>2</sup>	76%	77%	78%	78%	78%
Tablets: Household penetration	N.A.	N.A.	15%	19%	22%
Internet Connected TV in Home	N.A.	N.A.	15%	16%	18%
Smartphones: People 16+ <sup>3</sup>	46%	45%	48%	52%	56%

<sup>3</sup> Source: OzTAM, 5 city metro, 01 Jan - 31 Dec 2012, ranked by average audience for total ppl, commercial free-to-air channels, based on consolidated data.

<sup>4</sup> Source: Nielsen (2012) *Australian Multi-screen report Q3 2012*, 6 December 2012: <http://www.nielsen.com/au/en/news-insights/reports-downloads/2012/australian-multi-screen-report-q3--2012.html>; pp 3

<sup>5</sup> Ibid.

<sup>6</sup> Ibid., pp 6



### **Overseas sports broadcasts**

Broadcasters are increasingly receiving broadcasts of overseas sporting events which feature prominent signage and other advertisements for gambling services. As these broadcasts originate from countries in which the broadcast of such materials is legal, no attempt has been to minimise their display during filming.

It is therefore important that any proposal for restrictions on the advertisement of gambling and betting services accommodate the accidental or incidental broadcast of gambling advertisements where the broadcaster does not receive any direct or indirect benefit for broadcasting the advertisement (in addition to any direct or indirect benefit received for broadcasting the event itself). This is in line with the provisions of the *Interactive Gambling Act 2001*, in relation to interactive gambling services.