

11 April 2013

Ms Lyn Beverley
Secretary
Joint Select Committee on Gambling Reform
Department of the Senate
Parliament House

By email: gamblingreform@aph.gov.au

Dear Ms Beverley

On behalf of Foxtel and ASTRA, I thank the Committee for the opportunity to appear at the Sydney hearings of its inquiry into the advertising and promotion of gambling services in sport. Our response to questions on notice follow. We have also sought to clarify a number of issues that were raised during our appearance before the Committee.

Advertisements for products which are of particular concern or sensitivity

Mr Ciobo asked (p.34) whether gambling is an example of a “sensitive advertisement”, and asked what other services or products fell into that category, in response to my statement that “there are certain sensitive advertisements that can be restricted in additional ways.”

Under clause 3.9 of the Subscription Narrowcast Television Codes of Practice, “subscription narrowcasters will, where practicable, ensure that advertisements broadcast will be consistent with the relevant industry codes applicable to advertising, and...subject television advertisements for products and services which are of particular concern or sensitivity to additional placement restrictions.”

Under clause 6.5(a) of the Subscription Broadcast Television Codes of Practice, a subscription broadcast television licensee must take into account the intellectual and emotional maturity of its intended audience when scheduling advertisements in the following categories:

- Advertising of Alcoholic Beverages;
- Advertising relating to Betting or Gambling;
- Advertising relating to intimate products such as condoms, sanitary napkins and tampons etc;
- Advertising for cinema or video, particularly those products aimed at an adult audience;
- Advertising relating to religion;
- Advertising inviting responses via a Premium Rate Telephone Service (ie, 0055, 1900 numbers);
- Advertising relating to merchandising particularly when associated with children's programming;
- Advertising directed at children;
- Advertising relating to competitions.

Frequency and reach of gambling advertising/proportion of revenue from gambling advertising

Mr Ciobo asked (p.34) if ASTRA or Foxtel had information relating to gambling advertising in terms of frequency and reach.

ASTRA took on notice (pp.37-38) the question of what part of the revenue from advertising was drawn from betting advertising.

ASTRA is advised that it would not be practicable to provide a breakdown of the frequency of sports betting advertising on STV. ASTRA is further advised that, in 2012, the sports betting category constituted around 15% of the advertising revenue for sports channels provided by ASTRA members, and just over 3% of the overall advertising revenue for STV generally. ASTRA notes that, in comparison, revenue from advertisements for 'fast moving consumer goods' (for example, groceries, household items purchased regularly, etc.) accounted for just under 25% of advertising revenue on STV in 2012, while automotive advertisements made up 15% of advertising revenue.

ASTRA reiterates that advertising revenue overall represents only a small percentage of revenue for STV platforms and channel providers. In fact, STV licensees are subject to statutory licence conditions requiring that subscription fees, not advertising, be the predominant source of revenue for the services.¹ Traditionally, subscription fees have accounted for more than 90 per cent of the total revenue for major STV platforms.

Proportion of Foxtel subscribers that receive the sports package

Mr Ciobo asked (p.35) what proportion of Foxtel subscribers receives the sports package.

Foxtel advises that around 80% of Foxtel subscribers receive the sports channels package.

Proportion of children watching sport on STV

Mr Jones stated (p.36) that, by combining the proportion of the live STV sports audience that is made up of children (11%) with the proportion of children watching live sports broadcasts on commercial free-to-air (FTA) television (12%),² then the total average proportion of a live sports television audience that consists of children would be equivalent to the sum of these two percentages (23%).

ASTRA respectfully submits that adding these two percentages does not give a correct representation of the proportion of children watching live sport on television. Combining the two figures (11% for STV, and 12% for FTA) would give an overall average proportion of children in the viewing audience for a live sports broadcast of around 11-12%.³

ASTRA notes that according to the Australian Bureau of Statistics, as at June 2012, the total Australian population was 22,323,933, with the total number of persons aged under 18 years

¹ *Broadcasting Services Act 1992* (Cth), Sch 2, cl 10(2)(b).

² Per the Free TV Submission to this Inquiry, p.5.

³ For example: an AFL match is simultaneously shown live on the FOX Footy channel and on the Seven Network. The audience for the FOX Footy Channel broadcast is 200,000, and 600,000 for the Seven Network broadcast. The number of children watching the FOX Footy Channel broadcast will be 22,000 (11% of 200,000) while the number of children watching on Seven will be 72,000 (12% of 600,000). The total combined audience (FOX Footy and Seven) is 800,000, with 94,000 of that audience – **11.75% of the total combined audience** – being children.

being 5,074,810.⁴ Therefore, the proportion of the total Australian population that consists of people under 18 was 22.7%, significantly greater than the proportion of children watching any given live sports broadcast on STV.

As stated in our submission to the Committee on 8 March 2013, the average number of children watching any one of the top 50 live sports broadcasts on STV in 2012 was approximately 39,000, which is less than 1% of the total Australian population under 18.

Please feel free to contact myself or Simon Curtis, Policy and Regulatory Affairs Manager, on (02) 9776 2684 if you wish to discuss further anything in the above.

Yours sincerely

Andrew Maiden
CEO

⁴ ABS, *Australian Demographic Statistics June 2012*, released 18 December 2012, available at: http://www.abs.gov.au/AUSSTATS/abs@.nsf/allprimarymainfeatures/33970B13F1DF7F56CA257B3B00117A_A2?opendocument