



Australian Government

Department of Health and Aged Care

Ministerial Information Request

MB23-002054

Version (1)

Date sent to MO: 28/06/2023

To: Minister Wells

Subject/Issue: Senate Inquiry Report - You win some, you lose more: Online gambling and its impacts on those experiencing gambling harm

Comments:			
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Input provided by:	Sport Integrity Australia Australian Sports Commission		

Talking points:

- I acknowledge the release of the Senate Inquiry Report into online gambling and its impacts.
- The 'normalisation of gambling through advertising and sport' is a theme of the report. It raises serious issues on community expectations, social responsibility and protections from gambling harm.
- In particular, Recommendation 26 proposes the prohibition of online gambling advertising before and after sports broadcasts, and removing gambling advertising in stadiums and on players' uniforms.
- The Government will consider the report, and I will work closely with Minister Rishworth (Social Services) and Minister Rowland (Communications) to consider the report's recommendations.
- As part of this process, I will consult with the relevant sporting codes to ensure implications for sports are identified, understood and considered.
- Within the sport portfolio, I acknowledge the ongoing role of Sport Integrity Australia, which works cooperatively with the relevant departments and regulators to develop integrity elements of gambling regulation.

Sensitivities:

- The proposed restrictions on advertising will have financial impacts for broadcasters and sports and may be subject to resistance. The report outlines:
 - Major sporting codes have a direct financial interest in Australians' gambling losses and the interests of their wagering partners (through product fees they receive from bets placed on their sport).
 - Sporting codes earn significant revenue through sports rights deals with broadcasters, who in turn make money from advertising spots placed by the gambling industry.
 - Sporting codes did not provide specific information on how their operations would be changed or cut back if their gambling revenue was restricted.

Background:

- The Hon Amanda Rishworth MP, Minister for Social Services and the Hon Michelle Rowland MP, Minister for Communications have issued a joint media release – *Albanese Government to consider the report of online gambling inquiry* (<https://ministers.dss.gov.au/media-releases/11561>).
- The release outlines “The Government will now consider the report and its recommendations in full, and in consultation with key stakeholders, before outlining proposed reforms.”

Commonwealth responsibility for gambling policy

- The Department of Social Services manages the Commonwealth response to gambling policy. The Australian Government, together with the State and Territory Governments, have introduced a suite of minimum consumer protections for people who gamble online – The National Consumer Protection Framework for Online Wagering.
- The Australian Communications and Media Authority manages a range of research and educational resources about the rules for advertising gambling services.
- All forms of gambling, such as poker machines, casinos, lotteries and online gambling are licensed and regulated by the state and territory regulators.
- In the sport portfolio, Sport Integrity Australia provides advice and support to sporting organisations, regulators and betting providers to address sport integrity threats associated with betting-related corruption and competition manipulation.

Inquiry Report - Recommendation 26

- *5.148 The Committee recommends the Australian Government, with the cooperation of the states and territories, implement a comprehensive ban on all forms of advertising for online gambling, to be introduced in four phases, over three years, commencing immediately:*
 - *Phase One: prohibition of all online gambling inducements and inducement advertising, and all advertising of online gambling on social media and online platforms. Removal of the exemption for advertising online gambling during news and current affairs broadcasts. Prohibition of advertising online gambling on commercial radio between 8.30-9.00 am and 3.30-4.00 pm (school drop off and pick up).*

- *Phase Two: prohibition of all online gambling advertising and commentary on odds, during and an hour either side of a sports broadcast. Prohibition on all in-stadia advertising, including logos on players' uniforms.*
- *Phase Three: prohibition of all broadcast online gambling advertising between the hours of 6.00 am and 10.00 pm.*
- *Phase Four: by the end of year three, prohibition on all online gambling advertising and sponsorship*

Sporting codes with gambling sponsors

- In October 2022 the Australian Sports Commission undertook a desktop audit of peak sporting bodies to see which had commercial partnerships with sponsors that might cause community concerns, including partnerships with sports betting companies.
 - Four major professional sporting bodies (AFL, Cricket, Rugby, NRL) have gambling sponsors. These bodies, along with Football Australia, have arrangements with wagering operators to receive a commission on bookmakers profits from gambling which takes place on these sports' events.
 - Riding for the Disabled Association Australia also has a sponsorship arrangement with Sky Racing (owned by TAB Corp).
- Separate from sponsorship, a broader range of Australian sporting and racing bodies receive 'product fees' from Australian licensed wagering providers for the right to run books on their products (sporting matches and races).

Sport integrity impacts of the recommendations

- If certain Inquiry recommendations are accepted (such as the live monitoring of transactions), Sport Integrity Australia should be included in the planning and design phases to ensure the system can work for consumer protections and sport integrity outcomes.
- Recommendations to establish national regulation, an ombudsman, access to betting transactional data and research activities will all highly relevant to Sport Integrity Australia and the sport and wagering industries.
 - Wagering providers have called for more consistent regulation across states and territories.
 - Taxes to state and territory governments across gambling sectors are significant.
 - Product fees to the major sports and racing bodies are major revenue sources.
- Cooperation of regulated online wagering providers and sports is crucial to the investigation, awareness and deterrence of corruption in Australian sport.

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Stakeholder views on gambling in relation to integrity of sport

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Department of Health and Aged Care

Ministerial Information Request

MB23-002202

Version (1)

Date sent to MO: 24/07/2023

To: Minister Wells

cc: Minister Butler

Subject/Issue: MIR - Gambling Inquiry - Analysis on impact to sport

Comments:			
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Input provided by:		Sport Integrity Australia Australian Sports Commission	

Synopsis:

- **Purpose:** To provide advice on the potential impacts on sporting codes, clubs and organisations of recommendations from the House of Representatives inquiry into online gambling and its impacts on those experiencing gambling harm.
- **Issue:** A ban on advertising of all online gambling advertising and sponsorship will impact the revenue of some Australian sports, particularly in the short-term (Recommendation 26 of the Committee's report).

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Key Points:

- In June 2023, the House of Representatives Standing Committee on Social Policy and Legal Affairs released the inquiry report - *You win some, you lose more: Online gambling and its impacts on those experiencing gambling harm* (report). The foreword of the report is provided at [Attachment A](#) and initial talking points were provided to your office on 28 June 2023 (MB23-002054 refers).

- In considering the report recommendations:
 - The Minister for Social Services is responsible for recommendations relating to gambling harm reduction measures.
 - The Minister for Communications is responsible for online gambling regulation and harm reduction, and gambling advertising through the Australian Communications and Media Authority.
 - As Minister for Sport, you should be consulted and involved in Recommendation 26 relating to the comprehensive ban on advertising for online gambling.
- The report notes the Minister for Sport, through Sport Integrity Australia (SIA), is leading development of the Australian Sports Wagering Scheme (ASWS). However, the report does not contain recommendations on the ASWS.
- Overall, noting it is up to the responsible Ministers to respond on behalf of Government following the normal protocols, s47C

Recommendation 26: Comprehensive ban on advertising for online gambling

- The Committee recommends the Australian Government, with the cooperation of the states and territories, implement a comprehensive ban on all forms of advertising for online gambling, to be introduced in four phases, over three years, commencing immediately:
 - Phase One: prohibition of all online gambling inducements and inducement advertising, and all advertising of online gambling on social media and online platforms. Removal of the exemption for advertising online gambling during news and current affairs broadcasts. Prohibition of advertising online gambling on commercial radio between 8.30-9.00 am and 3.30-4.00 pm (school drop off and pick up).
 - Phase Two: prohibition of all online gambling advertising and commentary on odds, during an hour either side of a sports broadcast. Prohibition on all in-stadia advertising, including logos on players' uniforms.
 - Phase Three: prohibition of all broadcast online gambling advertising between the hours of 6.00 am and 10.00 pm.
 - Phase Four: by the end of year three, prohibition on all online gambling advertising and sponsorship.

Recommendation 26: Impact Analysis

- It is anticipated a comprehensive ban on all forms of advertising for online gambling will have a financial impact on several sporting organisations, with the greatest impact on the larger professional codes (AFL and NRL) who have the greatest revenue exposure to online gambling.
- It is difficult to quantify potential revenue loss, due to the commercial-in-confidence nature of advertising and sponsorship deals.

- SIA advises that if the recommendation is implemented by Government:

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- Some sporting codes will be concerned about an increase in Australians gambling with illegal offshore operators, which could increase integrity risks.
- The AFL and NRL have stated that revenue derived from gambling is invested in specific sports integrity programs, as well as the broader sports system including national teams and grassroots participation. s47C
- The Australian Sports Commission (ASC) advises they expect a lower impact on the majority of Olympic, Paralympic and Commonwealth Games sports.
 - Most Olympic, Paralympic and Commonwealth Games sports receive a high proportion of their revenue from the Australian Government (via the ASC).
 - The ASC advise that Olympic, Paralympic and Commonwealth Games sports do not have direct sponsorships, however some sports receive 'product fees' from the wagering which occurs on their competitions.

Recommendation 26: Mitigation

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- There is an ongoing debate about a lack of Australian Government funding for Olympic, Paralympic and Commonwealth Games sports.
- The Australian Olympic Committee (AOC) argues there is a disproportionate focus on and investment in domestic professional sports, including infrastructure investments for AFL, rugby league and cricket, which have greater resources and capacity¹.
- The AOC has sought an additional \$2 billion investment in Olympic, Paralympic and Commonwealth Games sports through to 2032 for participation and high performance².

¹ www.aph.gov.au/Parliamentary_Business/Committees/Senate/Rural_and_Regional_Affairs_and_Transport/PreparednessforGames

² www.olympics.com.au/news/aoc-calls-for-stand-alone-department-of-sport-as-sport-investment-faces-black-hole/

- Other considerations:
 - There are a number of state and territory government 'education and awareness' campaigns which partner with sporting organisations to address the normalisation of gambling advertising in sport³. These include:
 - NSW - Reclaim the Game initiative
 - QLD - Sports club partnership project
 - SA - Here For The Game.
 - For example, the NSW Reclaim the Game initiative has 14 partners across five sporting codes, including the Sydney Swans and the South Sydney Rabbitohs, which have forgone sports betting sponsorship in favour of gambling awareness messaging, and reduced or no gambling advertising.

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Background

Broadcast Rights, Advertising and Sponsorship (from SIA)

- These elements are commercially negotiated by individual stakeholders, including national sporting organisations (both COMPPS and Olympic, Paralympic and Commonwealth Games program sports), sporting leagues and events, and clubs. Payments directly to sport organisations can include:
 - exclusivity arrangements such as being a nominated betting partner
 - clubs sponsorships within a competition
 - event activations
 - player uniform logo placement
 - stadium naming rights
 - website visibility and links
- Broadcast rights payable to major sports are not publicly available but subject to intense negotiations. The value of these rights would be expected to drop if an entire category of advertiser is excluded from the potential advertising buyers, as indicated in evidence to the Inquiry.
- As an indication of the amounts reported:
 - Responsible Wagering Australia reported recently that their members, being six of the more prominent corporate wagering providers:
 - Spent \$436 million on marketing in 2022
 - Estimated that 10% of their workforce headcount of 2746 people was employed in marketing
 - Tabcorp reported \$106 million in marketing costs.

³ www.aph.gov.au/Parliamentary_Business/Committees/House/Social_Policy_and_Legal_Affairs/Onlinegamblingimpacts/Submissions

Sport Controlling Body Status - Product Fee and Integrity Agreements (from SIA)

- Sports can apply to become a sport controlling body (SCB). Approval as an SCB enables the sport to have oversight of the betting on the sport it controls and regulates. An approved SCB may enter agreements, known as Product Fee and Integrity Agreements (PFIA) with wagering service providers (WSP) to allow these providers to offer betting on the sport it controls.
- This PFIA sets out the contingencies (or markets) that a WSP can offer on the sport, as well as information sharing provisions between the SCB and WSP. This arrangement is designed to protect and support the integrity of sporting competitions and sports betting and enables a SCB to receive a financial return from the wagering service providers. The product fee arrangements are commercial-in-confidence; however, generally SCBs will negotiate the product fee as a percentage of gross profit or turnover.
- The conferring of SCB status and the PFIA arrangement is a legislated process within NSW and Victoria and is recognised across all other jurisdictions. There are currently 13 SCB's approved in Victoria, and 9 in NSW. The * indicates the sport has been through the SCB process in both jurisdictions:
 - AFL*
 - Basketball Australia*
 - Bowls Australia*
 - Cricket Australia*
 - Football Australia*
 - Hockey Australia
 - Motorcycling Australia
 - Motorsport Australia
 - Netball Australia*
 - PGA of Australia
 - Rugby League*
 - Rugby Australia*
 - Tennis Australia*

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- Further information is available from SIA's impact analysis on the ASWS, available at <https://oia.pmc.gov.au/published-impact-analyses-and-reports/australian-sports-wagering-scheme>.
- It should be noted that the sport integrity aspect that the ASWS is focused on is different to the policy response to community concerns in relation to harm from gambling within the Report.

Attachment/s:

- A. Report Foreword – You win some, you lose more