



COALITION OF MAJOR PROFESSIONAL & PARTICIPATION SPORTS

SUBMISSION TO THE SENATE COMMUNITY AFFAIRS COMMITTEE-

**INQUIRY INTO THE PREVALENCE OF INTERACTIVE AND ONLINE
GAMBLING IN AUSTRALIA**



The Coalition of Major Professional and Participation Sports (COMPPS) consists of the following organisations:

- Australian Football League (AFL);
- Australian Rugby Union (ARU);
- Cricket Australia (CA);
- Football Federation Australia (FFA);
- National Rugby League (NRL);
- Netball Australia (NA); and
- Tennis Australia (TA).

One of COMPPS' roles is to provide a collective response on behalf of its member sports where their interests are aligned.

This response deals with the Australian sports betting environment. Some of the sports have unique difficulties that arise as a consequence of international participants in their sport, and their affiliation and interaction with international sports governing bodies and associated rules and regulations that are not covered by this response.

Each of the COMPPS member sports (with the exception of Netball Australia) conducts matches on which betting takes place.

Australian sport has for many years provided high quality and popular domestic and international competition for which betting agencies have offered odds and taken profits through sports wagering.

It is our strong view that as sports provide the competition for wagering, we should have the ability to ensure the integrity and quality of the product.

There are seven issues raised in the Terms of Reference. COMPPS' response to each issue is as follows.

(a) The recent growth in interactive sports betting and the changes in online wagering due to new technologies:

Sports betting is a legitimate and legal pastime, the modern extension of the Australian tradition of betting on sporting events.

The COMPPS members are stakeholders in this enterprise and as sports gambling has increased in volume, they have sought to protect the integrity of their sports and to receive a share of the revenue that is generated.

Initially, sports betting used the traditional cash-based systems. The emergence of interactive online technologies has increased the volume of betting on sport and provided new challenges in monitoring and policing. It has, however, also provided better options for sport and betting agencies to protect the integrity of sporting events where betting takes place.

Information sharing with online and non-online betting agencies has greatly improved the ability of sports to regulate their internal integrity issues.

(b) The development of new technologies, including mobile phones and interactive television that increase the risk and incidence of problem gambling.

Problem gambling is not a new phenomenon – it has been evident for decades as an unfortunate outcome of cash-based betting.

We have not seen any definitive studies that show that new interactive online technologies will lead to increased numbers of problem gamblers.

Our discussions with interactive online gambling agencies indicate that the new technologies provide mechanisms that identify problem gambling and assist in reducing its impact.

The COMPPS members recognise we have a responsibility to provide a safe environment for the public to play, watch and interact. We also recognise that we can play a role in helping those affected by problem gambling – individuals, families and friends.

Sporting organisations are keen to play an active role in research that seeks to investigate the impact that new technologies may have on problem gambling.

(c) The relative regulatory frameworks of online and non-online gambling:

COMPPS members have for many years argued for a nationally consistent set of regulatory and legislative frameworks.

The current legislation is inadequate, fragmented and confusing.

The Interactive Gambling Act 2001 (Cwth.) provided a good framework but needs to be updated to keep pace with recent developments in technology.

COMPPS lobbied for and welcomed the introduction of the Gambling and Racing Legislation Amendment (Sports Betting) Bill 2007 in Victoria. It strengthened the sports' ability to monitor integrity issues and enabled sports to receive a small percentage of revenue from sports betting on their events.

While this Act is a step in the right direction and has given sports a framework in which to negotiate national arrangements with betting operators, it only requires for the agreements to be in place for sports events in Victoria.

COMPPS submits that a comprehensive, uniform and consistent regulatory and legislative approach is required across all of the States and Territories.

As part of this we submit that consideration be given to whether the wider issue of cheating in sport or the narrower specific issue of illegal activity in relation to sports betting should also be addressed.

New regulation may also address issues such as minimum standards for all betting agencies in relation to record-keeping, retention of data, disclosure of information to sporting bodies and reporting of suspicious bets, among other things. Importantly, and in order to protect the integrity of our sports, COMPPS members believe that we each should be able to prohibit certain types of exotic or unusual bets that present enhanced integrity risks. We understand that the major betting operators would welcome dialogue in relation to these matters.

We would seek a regulatory and technological solution that is technologically neutral insofar as it includes online and non-online gambling.

One example that highlights the challenges that sport has faced in relation to betting occurred in the late 1990's when match-fixing in cricket was exposed. The captains of three of the nine test-playing countries were banned for life (we note that this issue has arisen again in the last week). The root of the problem was cash-based, unregulated, illegal betting in the Indian sub-continent. We do not believe that prohibition works as a regulatory framework. It will drive betting underground or push Australian gamblers to off-shore online gambling agencies.

(d) Inducements to bet on sporting events online:

We are aware that state governments have prohibited the offer of free bet inducements to new sports account holders. Any other kind of inducements to bet on sporting events should comply with relevant responsible gambling principles.

(e) The impact of betting exchanges, including to bet on losing outcomes:

There have been positive outcomes for sport from the emergence of betting exchanges.

Six of the COMPPS members have information and revenue sharing arrangements with Betfair, the major betting exchange operating in Australia. The information sharing arrangements have worked well and sports have received valuable, timely and detailed information that has greatly assisted them.

It is in the interests of the betting agencies to work with sports so as to ensure that the integrity of sporting contests is maintained.

Each of the COMPPS sports conducts matches where there is a winner and a loser. If a gambler bets on one team to win, he or she is also betting that the other team will lose. Some betting operators also provide for multiple outcome markets on the COMPPS sports, such as first try-scorer and first points.

So long as the sports impose proper internal mechanisms on their own personnel - players, coaches, umpires and officials so that they are not

permitted to bet on events in which they are participants – we do not have a problem with the concept of betting to lose.

(f) Appropriate regulation including codes of disclosure, for persons betting on events over which they have some participation or special knowledge, including match fixing of sporting events:

COMPPS sports each have extensive regulation concerning integrity and sports betting by participants. These regulations are enforced by way of contract and include prohibitions on match fixing and corruption, on betting by participants and disclosure of inside information for betting purposes. To assist in the enforcement of such regulations, COMPPS members have information sharing agreements with betting agencies. Such agreements require agencies to disclose full details of their betting sheets to sports for the purpose of investigation of inquiry.

Each of the sports is prepared to make available to the Inquiry those relevant parts of their regulations and codes of conduct that relate to anti-corruption measures.

(g) Any other related matters.

COMPPS has recently established a specialist anti-corruption taskforce to review the following matters:

- I. International trends in dealing with integrity issues;
- II. The regulatory frameworks of all of the member sports in Australia;
- III. Recent developments in the UK where sports specific legislation and a Sports Gambling Commission have been implemented;
- IV. “In-play” betting and its potential impact on integrity and problem gambling issues;
- V. Recent initiatives adopted by the International Olympic Committee and its member sports to protect and maintain the integrity of sport if and when put at risk by irregular betting.

The COMPPS taskforce will include representatives of the sports who have specialist knowledge of the issue, a representative of the Australian Sports Commission and an industry representative.

Conclusion:

Australian sport has responded well to the threat of corruption through sports betting given that we are a nation of sports lovers and active gamblers. Compared with many other countries, the internal processes that the sports have adopted and enforced have served them well. There is a strong and continuing commitment to protect and enhance the integrity of professional sport in Australia.

The COMPPS Members welcome the Senate Inquiry into interactive and online gambling in Australia and are happy to provide greater detail on any of the points made in this submission. In addition, COMPPS Members are able to take part in hearings if required or provide any other assistance as and when requested by the Committee.

Submitted for and on behalf of the COMPPS' Members.

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