

COALITION OF MAJOR PROFESSIONAL & PARTICIPATION SPORTS

SUBMISSION TO THE DEPARTMENT OF BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY

LIVE ODDS PROMOTION DURING SPORTS BROADCASTS



INTRODUCTION

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. One member sport, Cricket Australia, is making a separate submission in addition to this.

This response deals with the promotion of live odds during sports coverage.

OVERVIEW

Each of the seven COMPPS member sports conducts matches on which betting takes place.

In recent years, at AFL, NRL and CA matches, betting operators have provided live odds updates during play. Updates were initially provided during play in match commentary on television and, in some cases, live odds were also displayed in play on the big screen at event venues.

In the last year, with the support of the COMPPS members, this landscape has changed and live odds promotion has been scaled back.

Now, no live odds updates are provided during play in television commentary for any COMPPS member sport match. Live odds updates are now provided in designated advertisement breaks before matches and during designated breaks in play (such as half time).

No live odds are advertised on the big screen during play at matches for any COMPPS member sport except AFL. The AFL is working with its venues, in particular the MCG, with the objective that from 2012, there be no live odds advertising displayed during play on the big screens.

COMPPS member sports submit that live odds promotion be restricted – in television broadcasts and on big screens at sporting venues – to designated breaks in play and that these announcements take a form that clearly indicates that they are paid advertisements from the betting operator and not part of the match commentary. COMPPS sports also support responsible gambling messaging as part of these advertisements.

We respectfully suggest that recent developments have shown that the industry is able to regulate itself and that neither legislation nor a Code of Conduct is required.

TERMS OF REFERENCE

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

1. The structure of current arrangements for the promotion of live odds during sports coverage

a) During television broadcast

None of the COMPPS member sports has contractual arrangements in its broadcasting rights agreements that explicitly allow live odds promotion in play during broadcasts.

CA has a commercial arrangement with broadcasters that expressly restricts the promotion of live odds during play. Details of this arrangement are set out in CA's separate submission.

CA and the AFL have commercial arrangements with broadcasters that set out the nature and amount of all on-screen commercial content contained in match telecasts. For CA, this includes the number and timing of live odds advertisements.

Some COMPPS members have broadcast rights agreements that contain a general contractual mechanism preventing the broadcaster from doing any act that detracts from the quality of the broadcast or brings the sport into disrepute. Live odds promotion during play may in some cases fall within this prohibition.

Advertisement of betting odds is generally carried out either before the game or during quarter or half time breaks or at other designated breaks in play (for example, the tea break in cricket).

b) On big screens at sporting venues

No live odds are advertised on the big screen during play at matches for any COMPPS member sport except AFL.

Several sports have specific policies in place with respect to advertising live odds on big screens: for example, the NRL prohibits live odds to be displayed on the big screen during play at any rugby league event; CA does not allow any promotion of live odds on big screens; and, from 2012, it is the AFL's intention to work with the MCG (and other venues) to ensure that no live odds advertising will be displayed on the big screen during play at AFL matches. The MCG hosts between 45 and 48 matches per year of the 198 home and away matches of the season.

c) Sports-specific arrangements

In addition to the above, some sports have additional arrangements in place concerning live odds promotion.

The NRL has social responsibility policies in place which promote responsible gambling and impose restrictions on the promotion of live odds by clubs and betting operators. These restrictions include: prohibiting live odds to be announced over the public address system or big screen during play at any rugby league event; and prohibiting aggressive 'bet now' promotional messages. Betting promotion is limited to periods prior to kick off and at half time, accompanied by a responsible gambling message.

The ARU has mechanisms in its rights agreement to restrict future interactive betting promotion (for example, technology that enables a pay TV viewer to place a wager through an interactive TV remote).

2. How the provision of live odds is currently contracted

There are three types of contracts that are relevant to this submission:

- Broadcasting rights agreements made between the sport and the broadcaster;
- Sponsorship agreements made between the sport and the betting operator; and
- Product Fee and Integrity Agreements made between the sport and the betting operator.

a) Broadcasting rights agreements

Each of the COMPPS member sports has contractual arrangements in place with broadcasters that grant rights to broadcast the event and allow the broadcaster to sell

advertising on terms that comply with the 2010 Commercial Television Industry Code of Practice, and The Australian National Advertisers Association Code of Ethics.

Advertising during television broadcasts is sold by way of contract between the broadcaster and the advertiser.

Advertising on big screens at sporting events is sold by way of contract between the scoreboard rights holder and the betting operator. In some cases sporting bodies are also parties to these contracts.

b) Sponsorship agreements

Several COMPPS member sports and teams that play in competitions under their control have sponsorship agreements with betting operators that permit them to use official logos and promote themselves as official betting partners of the sport and/or team.

Agreements with the sport usually allow the betting operator first right of refusal to purchase advertising from the broadcaster.

For some sports, these sponsorship agreements also allow the sport to approve (or decline) all 'bet types' specific to their sport. This is discussed further below.

c) Product Fee and Integrity Agreements

Most of the COMPPS member sports have Product Fee and Integrity Agreements with betting operators for events operating in Victoria pursuant to the *Gambling and Racing Legislation Amendment (Sports Betting) Act 2007*, and have extended these by convention to events in the rest of Australia. The Product Fee and Integrity Agreements entitle the sport to a product fee, based on betting turnover; provide for information sharing between sports and betting operators; and set out the types of bets that the operator may run for that sport.

NA is making progress towards becoming a Sports Controlling Body under the Victorian Legislation; and has had discussions with betting operators with the aim of entering into Product Fee and Integrity Agreements for the 2012 season. FFA is in a similar position.

There is some capacity for sports to influence the type of betting that is carried out with operators who are party to a Product Fee and Integrity Agreement, but not with operators who are not subject to a Product Fee and Integrity Agreement.

3. Scope and terms of any contracts in place prior to 27 May 2011 for the provision of live odds during sports coverage

No COMPPS member sport has contracts in place that allow specifically for the provision of live odds during play. As discussed elsewhere, paid advertisements that are not part of in play commentary and take place in designated breaks in play are contemplated under existing contracts.

4. The likely impact of any changes

a) On sports

Broadcasting rights are a major source of revenue for sport. If the ability of broadcasters to sell advertising to betting operators were restricted, the value of sports' broadcasting rights would likely decrease. However, it is difficult to determine accurately the extent of any revenue impact on COMPPS member sports.

b) Social impact

COMPPS is aware of concerns held by the COAG Select Council on Gambling Reform that the promotion of live odds during sports coverage risks normalising gambling behaviour. COMPPS has not seen any definitive evidence that live odds promotion by way of paid advertisements during designated breaks in play exacerbates this issue.

c) The extent to which COMPPS can control promotion within coverage

As discussed in Part 2 of this submission, COMPPS members, with the exception of CA, have limited ability to control promotion within coverage (save for controlling commercial integration with match vision) because they are not party to the agreements for advertising, either during broadcast or on big screens at sporting venues.

As discussed in Part 1(a), COMPPS members have a general contractual mechanism within their broadcasting rights agreements which prevents the broadcaster from doing any act that detracts from the quality of the broadcast or brings the sport into disrepute.

Some COMPPS members have capacity to influence the type of bets that are run by betting operators who are subject to a Product Fee and Integrity Agreement, as discussed in Part 2(c).

In future rights agreements with broadcasters and ground owners/managers, sports could insert conditions that specifically deal with the advertising of live odds as part of commentary or during play, other than in designated breaks in play.

CONCLUSION

COMPPS members have long supported, and developed, a socially responsible approach to sports betting. COMPPS has vocally supported measures to create nationally-consistent gambling regulation, tackle corruption in sport, and prevent problem gambling.

Specifically, COMPPS members support:

- the introduction of a national, comprehensive, uniform and consistent regulatory and legislative approach to online and non-online gambling;
- the introduction of specific criminal penalties for corruption in sport; and
- via an extension of the *Gambling and Racing Legislation Amendment (Sports Betting) Act 2007* (Vic) nationally, the granting to major sports of the right to veto types of wagering that compromise the integrity of their sport.

COMPPS views the restriction of live odds promotion during play as an important part of its role in providing a safe and appropriate environment for the public to enjoy sport, and an important measure to protect the integrity of professional sport in Australia. We respectfully suggest that recent developments have shown that the industry is able to regulate itself and that neither legislation nor a Code of Conduct is required.

COMPPS members are happy to provide more 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 Department.

Submitted for and on behalf of the COMPPS Members.

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