

**RESPONSE TO THE SOUTH AUSTRALIAN INDEPENDENT GAMBLING
AUTHORITY'S REQUEST FOR COMMENT ON DRAFT NUMBER 2 OF THE
GAMBLING CODE OF PRACTICE 2013.**

19 SEPTEMBER 2013



Background

COMPPS

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; and
- Tennis Australia.

Each of these organisations is the governing body and custodian of a major professional sport in Australia. They are not-for-profit bodies and are responsible for the long-term development and sustainability of their sport in Australia.

In general, COMPPS members provide a wide range of public benefits through a self-funding business model. A large portion of their revenue is devoted to enhancing, promoting and developing sport for all Australians both at national and 'grassroots' level.

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

The South Australian Independent Gambling Authority (IGA) is conducting a review of the Codes of Practice to apply to all forms of lawful gambling offered to South Australians.

COMPPS makes the following submissions:

1. The major area of concern for the COMPPS' sports in relation to gambling on events conducted by them is to ensure that all appropriate measures are in place to seek to protect the integrity of their codes.
2. COMPPS has been active in seeking two tranches of national sports-betting related legislation. First, it is seeking consistent legislation that imposes long periods of imprisonment for corrupt betting-related activity (Cheating at Gambling) and, second, it is seeking consistent legislation that enables sports to have wider powers to influence bet types and to require betting operators to share information of suspicious betting activity through integrity agreements.
3. The sports have also invested in setting up their own integrity units and have detailed and effective codes of conduct and education processes through which they seek to minimise the chances of players and officials being engaged in corrupt activity.
4. There have been few instances in Australia of inappropriate behaviour that is betting related and these have generally been at a low level and have been dealt with firmly and effectively. This week's Victorian Premier League incident is the first time an international match-fixing syndicate has been detected apparently operating in Australia. The incident was detected as a result of Football Federation Australia being alerted by its bet-monitoring provider and passing this information to Victoria Police to carry out the investigation and initiate criminal charges under the newly introduced Cheating at Gambling legislation.
5. Sports also enter into Product Fee and Information Sharing agreements with betting providers to enable them to share information to detect irregular betting and comply with Victorian legislation enabling wagering operators to take bets on sporting events within Victoria. In return, wagering operators provide a small share of wagering revenue to sporting organisations. Some sports and their clubs also enter into sponsorship agreements with betting operators and this

sometimes results in betting logos being shown on participants' uniforms and other inventory.

6. In relation to this request for submissions from the IGA, COMPPS' focus is on Chapter 2, Part 3 that deals with mandatory warning messages and Part 4 that deals with Live Odds Advertising.
7. In principle, COMPPS supports the inclusion of responsible gambling messages in sports-related betting advertising.
8. In principle, COMPPS supports the concept of the expanded warning messages that provide a more explicit and relevant warning to potential problem gamblers and the proposed timeframe for each of the messages to be used.
9. The regulatory requirements imposed by Part 3 fall squarely on betting operators who are seeking to take bets on sports events. There is no corresponding regulatory burden in respect of the sports bodies. It must be acknowledged, however, that the events on which bets are placed are controlled by the sports bodies and that they are the owners of the intellectual property in those events. Sports seek to maximise the value of sports events that are conducted under their control.
10. Extensive regulatory requirements such as those included in Part 3 impact on sports in a number of ways.
11. The model proposed by the IGA for inclusion of responsible gambling messages is far more onerous than any such processes adopted in other Australian states. It imposes extensive requirements for the messages to be included in all forms of advertising as the regulations appear to apply to all events globally that may be viewed on television in South Australia, not just events in South Australia. This will increase costs for betting operators, both in terms of complying with the regulatory requirements, or in purchasing advertising space in order to implement management plans that are provided for in Chapter 1 Part 2.
12. One of the main concerns of sports is the prevalence of offshore betting operators who operate unregulated. Any further measures put in place on Australian based operators need to take into consideration the impact on such locally regulated operators. Where betting operators are required to engage in

extensive regulatory processes or incur further expenditure to purchase advertising, there is the risk that they may discontinue or limit their betting operations in South Australia. As a result, residents of South Australia may then be faced with a reduced number of betting operators and may be induced to bet with offshore betting operators. This exacerbates the problem faced by sports in that where bets are placed with offshore operators, many of which operate in unregulated environments, sports lose the ability to obtain information from such operators and therefore reduce their ability to detect suspicious betting activity. COMPPS members support measures that encourage betting activity to take place with registered, regulated, onshore betting operators with which integrity agreements are in place.

13. Ultimately, if broadcasters receive less advertising revenue, this may affect the value of sports' media rights, which the COMPPS members use to fund their grassroots and game development and other programs. Increased regulation and cost of advertising is also likely to impact on the amount that betting operators are prepared to pay to sports for sponsorship agreements.
14. COMPPS is concerned that these provisions do not apply to overseas betting operators, thereby giving them a competitive advantage over local betting operators. We refer to and repeat the earlier point concerning the desirability of sports betting by Australians taking place in regulated jurisdictions within Australia.
15. COMPPS opposes the restriction of hours for sports betting advertising set out in Sections 23 and 24.
16. COMPPS opposes the imposition of responsible gambling messaging on participant uniforms. The requirement that it occupy no less than half the space occupied by the logo is excessive and impractical.
17. We respectfully suggest that the warning messages would be more effective if displayed at the point of sale when the bet is actually placed.
18. Chapter 2, Part 4 deals with Live Odds. The COMPPS sports engaged with the Federal Government's extensive review of Live Odds Advertising from May 2011 and agree with the provisions that have been adopted as part of the Australian Communications and Media Authority Code of Conduct that have been reflected

in the IGA position. This Code binds relevant broadcasters. The major weakness of the Code and the SA position is that it provides a competitive advantage to offshore operators who continue to offer live odds to Australians who seek to use this increasingly popular form of betting.

19. COMPPS' strong preference is for a national policy to be adopted in relation to the matters contained in this submission.

Signed for and on behalf of the COMPPS' Members.

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