

Static Betting Advertising

Consultation paper

Office of Liquor, Gaming and Racing

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Introduction

On 21 August 2016, the Minister for Consumer Affairs, Gaming and Liquor Regulation, the Hon Marlene Kairouz MP (the Minister), announced a policy proposal to limit the proliferation of advertising by wagering service providers (WSPs) by prohibiting the display of static betting advertisements on public transport infrastructure and within a certain distance of a school.

The proposal intends to:

- ◆ address community concerns about the display of betting advertising in places that are difficult to avoid as part of most Victorian's day-to-day activities and its impacts on vulnerable groups such as problem and at-risk gamblers, children and adolescents
- ◆ reduce the association between sports and betting amongst vulnerable groups such as problem and at-risk gamblers, children and adolescents.

This consultation paper is seeking industry and community views on the proposal and information about the likely economic, commercial and social impacts, which will inform the government's decision on whether to implement the proposal.

Submissions received, together with information gathered through consultation with relevant stakeholders, will be assessed by the Department of Justice and Regulation and presented to the Minister for consideration.

Structure

The consultation paper is structured as follows:

- ◆ Section 1 provides background information
- ◆ Section 2 outlines the key matters for consideration in respect of the proposal
- ◆ Section 3 lists questions to assist in making a submission.

Submissions

Interested persons and organisations are encouraged to make a submission on all or any matters raised in this consultation paper.

While there is no prescribed format, submissions should be limited to your views on static betting advertising by WSPs. The department is particularly interested in responses to the questions posed in this paper.

The preferred method of submitting your response is online via the department's website – www.myviews.justice.vic.gov.au

Submissions may also be forwarded, in writing, to:

Post: Community Feedback on static betting advertising
Office of Liquor, Gaming and Racing
Department of Justice and Regulation
PO Box 18055
Collins Street East
MELBOURNE VIC 8003

or

Email: LiquorGamingandRacingEnquiries@justice.vic.gov.au

Submissions must be received by 5pm, 19 September 2016.

SECTION 1 - BACKGROUND

There has been a marked increase in participation in betting on racing and sports in Victoria. Betting on racing increased from 16.4 per cent of Victoria's adult population in 2008 to 20.1 per cent in 2014, while betting on sports increased from 4 per cent to 5.1 per cent over the same period (Hare, 2015).

Until 2009, advertising by interstate bookmakers was illegal in Victoria. In 2008, the High Court found that certain wagering laws in Western Australia were invalid as they were contrary to section 92 of the *Commonwealth Constitution*. This decision made it clear that legislation could not treat interstate bookmakers in a discriminatory fashion. As a result, Victoria was forced to repeal its restrictions on sports betting advertising in 2009, thus allowing interstate bookmakers to advertise in the state.

Since the repeal of the advertising prohibition, sports betting advertising in Victoria has become widespread. Wagering service providers use many different types of advertising, including television, radio, online and static advertising.

There has also been a marked increase in participation in betting on racing and sports in Victoria in recent years. Betting on racing increased from 16.4 per cent of Victoria's adult population in 2008 to 20.1 per cent in 2014, while betting on sports increased from 4 per cent to 5.1 per cent over the same period (Hare, 2015).

The Victorian Government is concerned about the normalisation of gambling on sport through the proliferation of gambling advertising. It is particularly concerned about its impact on children, adolescents and other people vulnerable to gambling-related harm.

The government is consulting the community and industry on the proposals to prohibit static betting advertising on public transport infrastructure, including trains, trams, buses and stations, and near schools.

1.1 Regulatory context

Under section 1.1(2) of the *Gambling Regulation Act 2003* (Gambling Act), the objectives of the Gambling Act include:

- ◆ to foster responsible gambling in order to minimise harm caused by problem gambling and accommodate those who gamble without harming themselves or others
- ◆ to ensure that minors are neither encouraged to gamble nor allowed to do so.

Chapter 4 of the Gambling Act contains requirements that apply to all gambling advertisements published or disseminated in Victoria by WSPs.

Section 4.7.8 of the Gambling Act provides that a WSP must not publish or disseminate, or cause to be published or disseminated, any gambling advertising, in any form or by any method of communication, that:

- a. encourages a breach of the Gambling Act; or
- b. depicts children wagering or involved in any other form of gambling; or
- c. suggests that winning will be a definite outcome of participating in wagering or sports betting activities; or
- d. suggests that participation in wagering or sports betting activities is likely to improve a person's financial prospects; or
- e. promotes the consumption of alcohol while engaged in wagering or sports betting activities; or
- f. is offensive.

What is a wagering service provider?

WSPs offer betting on racing and sporting events and include the Victorian wagering and betting licensee, Tabcorp Wagering (Vic) Pty Ltd, Victorian bookmakers and bookmakers licensed in other states and territories.

The Victorian Government has the legislative capacity to regulate WSPs provided it does not impose a discriminatory burden against interstate licensed WSPs in favour of those licensed within the state.

1.2 Advertising activity and impact on gambling

Advertising associated with racing and sports betting has grown significantly in recent years and there is a high level of community concern regarding its proliferation (Little, 2015).

In its inquiry report into gambling, the Productivity Commission (2010) found that "...gambling advertising, which aims to stimulate demand, has the potential to encourage harmful gambling behaviour and undermine efforts to educate people about gambling" (p.8.1). Further, it noted that empirical evidence suggests that gambling advertising can have adverse effects on susceptible people, even if it may not affect many others.

Several studies on the impacts of sports betting advertising have found that it can shape gambling attitudes, intentions and behaviours and impact most negatively on vulnerable groups and children.

Recent research on betting advertising indicates:

- ◆ gambling advertising is increasingly pervasive and aims to normalise gambling, making it more socially acceptable and less stigmatising, particularly amongst groups that are disproportionately vulnerable to gambling problems (Sproston et al., 2015)
- ◆ amongst former and current problem gamblers, gambling advertising increased their already high involvement in gambling and/or made it harder for them to adhere to a decision to reduce or abstain from gambling (Binde. 2009, cited in Sproston et al., 2015).

These findings support previous research that highlights a growing culture of gambling, particularly amongst young adult males who are also disproportionately vulnerable to gambling problems (Thomas et al., 2012b; Delfabbro, 2012; Williams, West & Simpson, 2012; cited in Sproston et al., 2015).

As part of its submission to the inquiry into the advertising and promotion of gambling services in sport by the Parliamentary Joint Select Committee on Gambling Reform (2013), the Victorian Responsible Gambling Foundation indicated that information from its counselling services databases and feedback from counsellors suggested that gamblers presenting for help with sports betting are growing in total numbers and as a percentage of total clients.

It further noted data from Gambler's Help services in Victoria, which suggested that the number of problem gamblers reporting issues with sports betting increased fourfold between 2009 and 2013. Financial Counselling Australia (2015) further reports that it is seeing an increasing number of clients who have lost significant sums of money through sports betting.

SECTION 2 – PROPOSED POLICY REFORM

2.1 Static betting advertising

Advertising by wagering service providers can be separated into broadcast advertising (including television, radio and the internet) and static advertising (including signage, advertising on uniforms, billboards, advertising on public transport and print media).

The proposed policy considers several factors in identifying locations where static betting advertising may be prohibited including that:

- ◆ they are commonly frequented by minors; or
- ◆ they are unavoidable as part of many Victorian's day-to-day activities; and
- ◆ allowing advertising at the location would undermine a responsible gambling objective of the Gambling Act.

Public transport infrastructure and areas proximate to schools have been identified as locations for prohibition due to the exposure to children and adolescents that these advertising locations provide. Public transport infrastructure is also unavoidable as part of many Victorians day-to-day activities.

The prohibition of betting advertisements in or on public transport infrastructure is intended to include train, tram, bus and taxi infrastructure.

The prohibition of betting advertisements within a certain distance of a school is intended to cover a place at or from which education is provided to children of compulsory school age during normal school hours.

Stakeholder input will provide accurate information about the economic and commercial impacts of restricting static betting advertising in these locations.

To avoid negative impacts on organisations that have entered into advertising contracts with WSPs or advertising agencies, the proposed prohibition would not apply to contracts or agreements that are on foot at the time the prohibition comes into effect. This would provide certainty to WSPs and others about their existing commercial arrangements.

The proposed prohibition would also not capture static betting advertising displayed at sporting venues.

SECTION 3 - QUESTIONS

- Should the government consider the development and implementation of the policy proposals to restrict static betting advertising?

- What factors should the government consider in identifying locations where static betting advertising should be prohibited?

- Should the government consider prohibiting betting advertising on other mediums in or on public transport or near schools (e.g. digital advertising, audio-visual advertising)?

- What impact (economic, commercial and social) will the policy proposals have on:
 - a) wagering service providers
 - b) advertising agencies
 - c) public transport operators
 - d) sporting bodies
 - e) members of the community?

- What arrangements should the government put in place to enable wagering service providers to transition to any new arrangements?

- What other proposals could the government consider to minimise the harm caused by exposure to static betting advertising?

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