

Gambling advertising – regulation impact statement

Context

The Commonwealth recognises that there is significant community concern with the scheduling and quantity of gambling advertising during the broadcast of live sporting events on television, particularly in the context of its impact on child audiences. This Regulation Impact Statement considers the scope of the issue, its impact on audiences, potential options to restrict gambling advertising and an identified course of action.

How is gambling advertising currently regulated?

Gambling services are promoted on broadcast services primarily through spot commercials or advertisements, 'in-program' promotions and sponsorship announcements. The scheduling, placement and content of gambling advertisements are currently regulated via broadcast industry codes of practice, the *Interactive Gambling Act 2001*, a range of State and Territory regulations, and via the self-regulatory framework for advertising established by the Australian Association of National Advertisers. There are comparatively few regulatory requirements on commercial radio and subscription television (largely limited to the promotion of betting odds during live sports events), and none on competing online services, for example Optus Sport.

The broadcast co-regulatory framework responsibility for ensuring that broadcast codes of practice reflect appropriate community standards, including matters relating to the placement and scheduling of advertisements, lies with the Australian Communications and Media Authority (ACMA). The Commonwealth does not have any formal role in the code review and registration process.

The ACMA's role is limited to its responsibilities as part of the co-regulatory scheme for broadcast industry codes of practice. It has no role in relation to the advertising self-regulatory framework which governs the content of advertisements, or advertising in the print press. Responsibility for gambling advertising in public spaces including thoroughfares and sporting grounds, and on sports apparel, lies with the States and Territories.

The problem

While there are a number of 'time of day' and classification related restrictions on commercial free-to-air television that are intended to reduce children's exposure to gambling promotions, these do not apply to sports and news broadcasts. In addition, restrictions in relation to live sporting events, outlined in Appendix 3 of the Commercial Television Industry Code of Practice (the code), do not restrict broader gambling advertising immediately prior to the match and in breaks with the result that there are significant levels of gambling advertising associated with live sporting events.

There is less concern where these events are broadcast after 8:30 pm as children are less likely to be viewing at this time however many sports events commence between 7pm and 8pm or take place on weekend afternoons when there are significant child audiences. Children are thus exposed to significant levels of gambling advertising on television which risks increasing adolescents' desire to experiment with gambling. Increased exposure to gambling advertisements has also been associated with more positive youth gambling attitudes and intentions towards gambling.¹

¹ Australian Gambling Research Centre Discussion Paper No.4 – November 2014 *Sports betting and advertising* Available at: <https://aifs.gov.au/agrc/publications/sports-betting-and-advertising/impacts-gambling-advertising>.

In a recent study, children aged 8-16 who regularly watched Australian Football League (AFL) and National Rugby League (NRL) matches were more able to accurately recall the names of sports betting brands (eg Sportsbet, TAB) compared to other sports like soccer. Further, many children were able to describe gambling sponsorships associated with AFL and NFL player uniforms.² This demonstrates the 'normalising' effect of gambling and how intertwined it becomes with the sport itself. Gambling and sport are no longer disparate entities in the eyes of children but have become enmeshed.

The images associated with sport promote gambling as healthy, harmless fun which, like sport relies on a player's skill to influence the outcome. Further, advertisements convey a message that the excitement of watching a sporting match will be enhanced by betting on the outcome of the game. This portrayal, combined with saturation advertising (on television, online, on player uniforms and at sporting grounds) leads to gambling becoming culturally embedded and is thought to 'prime' children to become consumers of gambling products.³ It is also believed to be a significant contributor to youth, particularly young males becoming problem gamblers.⁴ One study reports that whilst the legal age to gamble may be 18 years or older, an estimated 50-70 per cent of young people are engaging in gambling in the form of lotteries, raffles and tipping competitions before reaching this age. And those that become problem gamblers in later life reported that they had gambled at a young age.⁵

Research from another study found that 63 per cent to 82 per cent of teenagers (12 to 17 years of age) gamble each year, 4 per cent to 7 per cent of adolescents exhibit serious patterns of pathological gambling, and 10 per cent to 15 per cent are at risk for either developing or returning to a serious gambling problem⁶.

Gambling does not simply have a financial impact on teenagers. Other studies⁷ have found strong associations between problem gambling and other maladaptive behaviours, including delinquency, substance use, gorging/vomiting, and unprotected sex, as well as mood and personality disorders, criminality, disrupted social relationships, poorer educational outcomes, and suicidal ideation and attempts.

Research into the harmful effects of gambling advertising is ongoing and suggests there is a strong correlation between exposure to gambling promotions at a young age leading children to become problem gamblers in later life. According to the University of Sydney's Gambling Treatment Clinic, where once poker machines were a key issue, their clientele is now predominantly young (18-25 year olds) men who have a problem with online betting. This type of wagering service is often heavily promoted broadcast during sporting events, for example, the State of Origin.

The evidence discussed above does not establish causality however there is a sufficient association between the two to be of concern. One doctor from the Gambling Treatment Clinic makes the same observation, noting that the rise of gambling in male youth seems to have occurred at the same time as increase in marketing of sports betting⁸.

² Victorian Responsible Gambling Foundation research report: *Child and parent recall of gambling sponsorship in Australian sport*, May 2016 Available at: www.responsiblegambling.vic.gov.au/information-and-resources/research/giro-research-updates/january-2017/child-and-parent-recall-of-gambling-sponsorship-in-australian-sport

³ *Ibid.*

⁴ *Ibid*

^b *Ibid*

⁵ Journal of Gambling Issues: Issue 22, December 2008: *Impact of gambling advertisements and marketing on children and adolescents: Policy recommendations to minimise harm* by Sally Monaghan, Jeffrey Derevensky & Alyssa Sklar, School of Psychology, The University of Sydney Available at: <http://youthgambling.mcgill.ca/en/PDF/Publications/2008/Monaghan%20Derevensky%20Sklar.pdf>

⁶ *Ibid.*

⁸ See www.abc.net.au/news/2015-05-28/online-gambling-addictions-among-young-men-dramatic-increase/6504282

Thus it is a combination of all the aforementioned factors that necessitates some form of intervention to reduce the number of gambling advertisements during live sports events.

Community attitudes to gambling advertising

The ACMA has identified a perception that the frequency of gambling-related advertising during live sports broadcasts and sport-related television programmes has grown significantly. The ACMA research, which aimed to gauge community attitudes towards gambling advertising during sports programming, found that around two-thirds of respondents were of the view that it was unacceptable to promote odds and betting advertisements during live sport, and 62 per cent thought it was unacceptable to have advertisements for betting agencies during live sport.⁹

In addition, a 2015 study into the impact of the marketing of sports betting and racing on gambling behaviour among Australians found that while racing marketing is particularly prevalent, people are most concerned about gambling promotions and advertisements during sports broadcasts on television.¹⁰

Further, the Department has received and continues to receive a significant amount of correspondence from the community, expressing concern about the impact of gambling advertising on child audiences. In a recent campaign the Department received over 1150 emails calling for gambling advertising in association with live sport to be banned.

Gambling advertising during live sports programs

Data indicates that, on average, there are double the number of gambling advertisements shown during sports programs when compared to other types of programs. Analysis has identified that there are generally between 7 and 12 gambling promotions per match in popular sports such as the NRL and AFL, the majority of these in pre-match programming. The evidence indicates that there has been a sharp increase in the prevalence of gambling advertising generally in the last 5 years, and particularly during sports programs.¹¹

The media has reported that during the opening round of the 2016 AFL season, more than one in six advertisements broadcast during televised matches were gambling advertisements, with gambling the second biggest advertising category after automotive advertisements.¹² Data sourced from Nielsen indicates that there are significant spikes in gambling advertising during times traditionally associated with weeknight and weekend sports viewing. For example on weekdays, including Fridays, there is a significant spike in the amount of gambling advertisements shown between 7:30 and 8:00 pm.

⁹ See <http://www.acma.gov.au/theACMA/community-attitudes-to-live-odds-and-sport-report>.

¹⁰ ORC International, *Marketing of Sports Betting and Racing*, May 2015, p212.

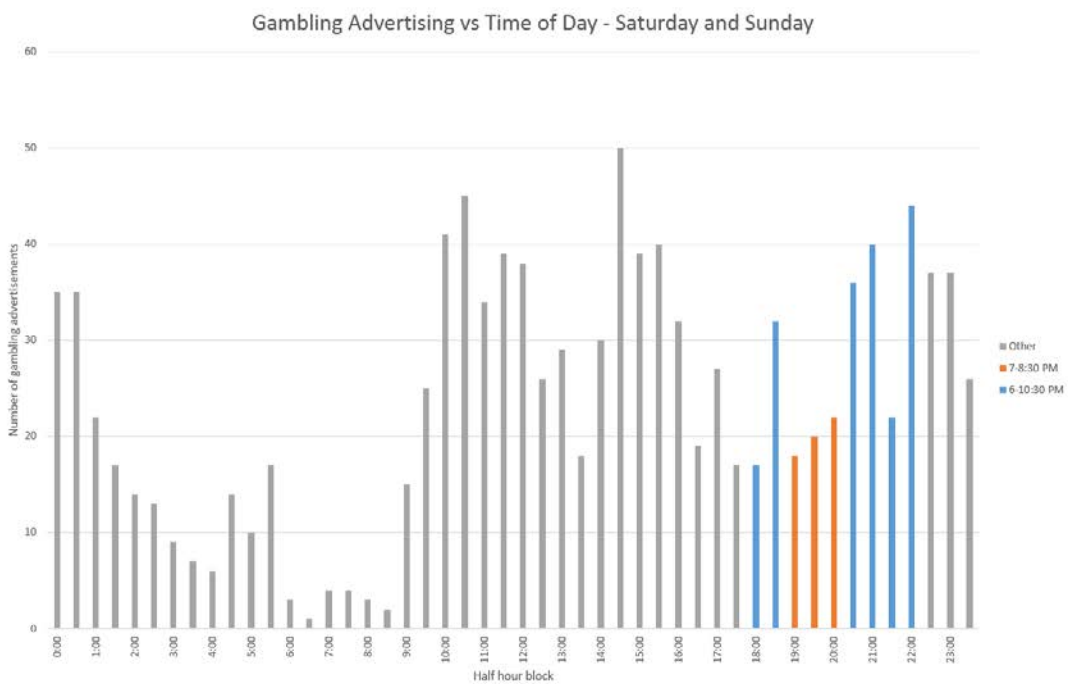
¹¹ Analysis by the Department of Communications and the Arts including viewing of relevant programming.

¹² See www.theage.com.au/victoria/gambling-ads-dominate-footys-round-one-broadcasts-20160331-gnvpr.html



Source: Nielson

On Saturdays and Sundays gambling advertisements are more evenly spread with a spike between 2:30 and 3:00 pm, consistent with pre-match programmes for afternoon sports events.



Source: Nielson

Children’s exposure to gambling advertising?

As the graph above indicates there are significant amounts of gambling advertising during daytime television hours when children are more likely to be viewing. It is clear that the sports programming targeted by gambling advertisers is popular with young audiences. The ACMA’s research found that in 2012 the AFL Grand Final and the third Rugby League State

of Origin Match were amongst the highest rating television programmes for children aged 5-9 years and 10-12 years old respectively.

More recently OzTAM data indicates that of the top five programs watched by children aged up to 14 in the first half of 2015, three were live sports events or sports-related programming, attracting child audiences of well over 200 000.¹³ Advertising during these events is viewed by parents and children alike. In a recent survey¹⁴, 48 per cent of adolescents were classed as having experienced a 'high' level of exposure to gambling advertising during traditional sports and 36 per cent for race betting events. The same study made clear associations with problem gambling in later life, stating that approximately four in ten problem (43 per cent) and moderate risk gamblers (40 per cent) were classified as having experienced a 'high' level of exposure to sports betting marketing.

Given the significance of issues associated with problem gambling, the exposure of young and vulnerable audiences to large volumes of gambling advertising is of particular concern. Analysis by the Australian Gambling Research Centre has identified that advertisements can increase adolescents' desire to experiment with gambling, and increased exposure to gambling advertisements has been associated with more positive youth gambling attitudes and intentions towards gambling.¹⁵

Sports betting marketing made one third of adolescents more likely to want to bet on sports, the research found. Other studies have found a strong association between gambling advertising and children's ability to recall gambling services, and that saturated sports betting advertising can normalise and legitimise gambling uptake at a young age.¹⁶ There is a perception that familiarisation with these brands and the association with sports tends to normalise gambling among children and influence their attitudes and consumption intentions¹⁷, a key concern for parents.

In relation to the broader community, and the advertising of gambling services during the broadcast of sports events particularly, research has found that the saturation marketing of wagering brands during television broadcasts has embedded sports betting within the game by aligning sports betting with fans' overall experience of the game, and encouraging individuals to bet live.¹⁸

Expenditure on gambling advertising

Broadcasters derive significant revenue from gambling advertising. In 2015, collectively free-to-air television broadcasters received more than \$106 million in gambling advertising revenue.

¹³ Data provided by OzTAM, for internal use only.

¹⁴ See <https://www.gamblingresearch.org.au/publications/marketing-of-sports-betting-and-racing-report-2015>

¹⁵ See <https://aifs.gov.au/agrc/publications/sports-betting-and-advertising/impacts-gambling-advertising>.

¹⁶ For instance see University of Wollongong, *Children's implicit recall of junk food, alcohol and gambling sponsorship in Australian sport*, 2015, and AGRC, *Sports betting and advertising*, 2014.

¹⁷ *ibid*

¹⁸ See www.dhhs.tas.gov.au/__data/assets/pdf_file/0006/170772/Sports_Betting_Literature_Review.pdf

Revenue from Gambling Advertising by Media Company (2015) AUD

Outlet	Amount Spent (AUD)
Total metropolitan commercial free-to-air	\$81,871,000
Seven	\$34,450,000
Nine	\$34,795,000
Ten	\$12,626,000
Total regional commercial free-to-air (Prime, Southern Cross Austereo, WIN)	\$21,822,000
SBS (metropolitan and regional)	\$2,331,000

Source: Nielsen

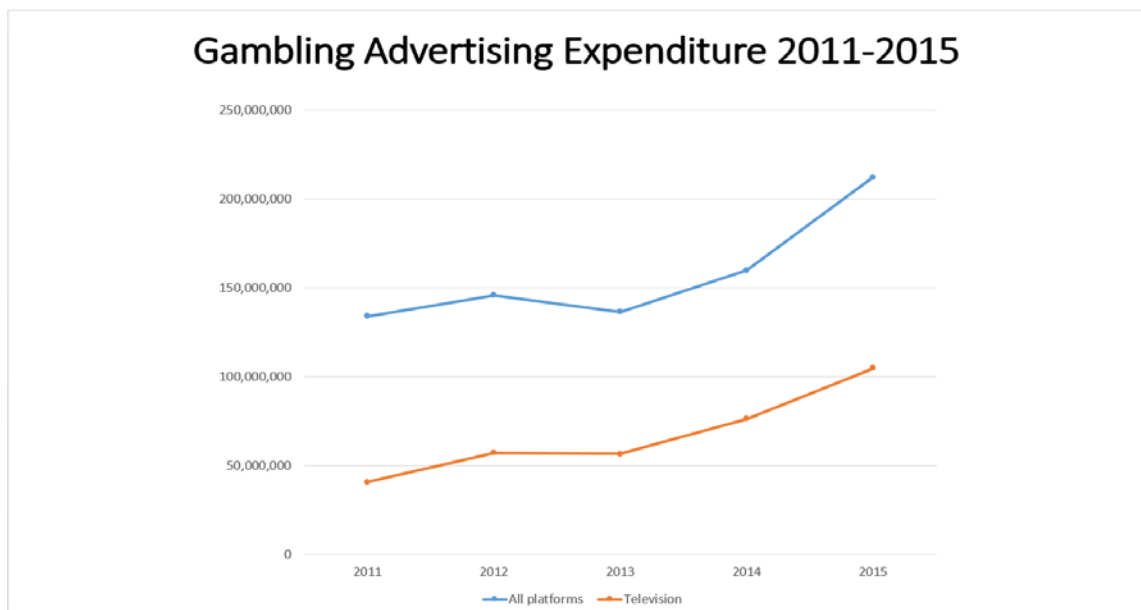
In addition to this, research indicates that generally television is the preferred medium for the major betting companies.

Gambling Advertising Expenditure by Company (2015) AUD

Company	Total advertising spend 2015	Television advertising spend 2015	Percentage of advertising spend going to television
Sportsbet Pty Ltd	\$36.6 million	\$28.9 million	79%
CrownBet Pty Ltd	\$18.9 million	\$14.1 million	74%
William Hill Australia Trading Pty Ltd	\$16.9 million	\$13.2 million	78%
Ladbrokes Digital Australia Pty Ltd	\$14.5 million	\$8.7 million	60%
Tabcorp Holdings Ltd	\$12.8 million	\$5.4 million	42%

Source: Nielsen

Analysis of the data found that expenditure on advertising by gambling companies on free-to-air television has increased by a factor of 2.5 between 2011 and 2015. The analysis also found that there is a significantly higher proportion of gambling advertising during sports programs compared to other types of programs.



Source: Nielson

The need for Commonwealth action

As noted above gambling restrictions are set out in industry codes of practice which are negotiated between industry and the ACMA, taking into account public feedback on draft code provisions. Before a code is registered the ACMA is required to ensure that it reflects appropriate community standards.¹⁹ While the Minister for Communications does not have a formal role in the code registration process, it is open to the Commonwealth to request the ACMA and industry to consider code amendments where the Commonwealth considers that community standards are not adequately addressed, or to legislate additional restrictions where code amendments are not subsequently made.

The code was recently reviewed in late 2014 and 2015, and a new code has been registered by the ACMA, taking effect on 1 December 2015. The 2015 code adopted, in substance, the same gambling restrictions that existed in the previous code. However, it is considered that the increasing quantity of gambling advertisements, and their scheduling within time periods and sports programs viewed by children, has resulted in the existing code no longer fully addressing community concerns, nor including adequate community safeguards. As such Commonwealth intervention is required to ensure that adequate community safeguards are included in the code or that legislation is amended to the same effect.

Whilst the information presented has largely been skewed to a television-based audience, it is important to note the growth of other viewing platforms.

In the last 5 years, the commercial broadcasting market has seen a sizeable shift in the way people watch sports. With over 60 million hours of sporting content consumed by Australians at home each week, the growth of on-demand services has exploded. It is estimated that there has been a 57 per cent growth in the proportion of Australians watching sports online since 2010²⁰. This move away from traditional broadcasting viewing is applicable across all age groups, with Australians aged 16-21 spending some 5.8 hours a week watching sports online, and 3.4 million (or 21 per cent) of these fans spending over 8 hours a week online watching sports.

Telstra reports that online streamed AFL and NRL viewing increased by over 70 per cent and 100 per cent respectively in the 2014-15 financial year. Similarly, in 2015 when the

¹⁹ Section 123(4)(b)(i), *Broadcasting Services Act 1992*.

²⁰ See www.nbnco.com.au/content/dam/nbnco2/documents/2017-nbn-Report%20Design-FA-future-of-sport-HR.pdf

Australian Open was streamed online for the first time, it was watched by 3 million viewers on commercial television compared to over 4 million online viewers and almost a quarter of a million downloads²¹.

It should also be noted that a vast majority of Australians watch a mixture of commercial television and on-demand services. For those viewers who watch sports in this multi-platform format, exposure to promotional material is doubled.

Unlike advertising over free-to-air or subscription television broadcasts which is regulated through industry codes and backed by legislation, advertising during sports programming watched over the internet remains unregulated. There is no recognised industry group or co-regulatory framework for online services.

For these reasons, the options below have been expanded to cover all viewing platforms: commercial television, commercial radio, subscription television and radio, the Special Broadcasting Service (SBS), online television and radio 'like' programs, including 'catch-up' services, and live online streaming.

A range of potential options for dealing with the matters raised in this analysis is outlined below.

Options and Analysis

Option One: Active monitoring of issues but no change to arrangements

Description

Leave existing gambling restrictions set out under the co-regulatory framework unchanged and conduct further research into the potential harms caused by exposing child audiences to gambling advertising.

Assessment

Under the current framework, broadcasters are already subject to regulation in relation to when they can show gambling advertisements or promote live odds. This places limitations on when this type of advertising is shown, for example they cannot be broadcast during P, C, or G-rated programs during morning and afternoon time zones, nor any program principally directed at children from 5:00 am to 8:30 pm. Sports betting firms offer a lawful service and further restrictions would impact the normal commercial operations of what are legitimate businesses.

An option for addressing community concerns is to facilitate research that would enable a better understanding of the extent to which community concerns are valid. This option is consistent with the Commonwealth's response to the 2015 Review of the Impact of Illegal Offshore Wagering.

Recommendation one was that "Commonwealth, State and Territory governments should recommit to Gambling Research Australia to ensure that research funds are directed towards maximising the information available to policy makers, academics, the community and industry about the nature, prevalence and impact of gambling across Australia". The findings of this research would inform the Commonwealth's response.

There are significant short-comings to a 'do-nothing' option. Community concerns about the prevalence and potential impacts of gambling advertising on free-to-air television represent a

²¹ See www.sevenwestmedia.com.au/docs/default-source/business-unit-news/seven-s-australian-open-peaks-at-3-37m-for-novak-s-high-five.pdf?sfvrsn=2

perception that existing rules do not reflect community standards. In addition, broadcasters derive significant revenue from gambling advertising and are unlikely to reduce the number of advertisements of their own volition. Without reform to the rules, vulnerable audiences will continue to be exposed to gambling promotions during live sport, which research indicates encourages children to experiment with gambling and encourages problem gamblers to gamble.

Option Two: Prohibit gambling advertising around the broadcast of live sports from start of play until conclusion ('siren to siren'), across all platforms

Description

This option would prohibit gambling advertisements from being shown from the scheduled start of play until the conclusion of play ('siren to siren') for a live sporting event, between 5.00 am and 8.30 pm, and would apply to broadcast, internet and other means. This approach would have regard to the growing use of internet platforms such as Foxtel Go, Optus Sport, Telstra AFL Live Pass and NRL Digital Pass and catch up television services. Regulatory obligations that would be introduced to enable this option would not extend to gambling advertisements at sporting grounds or on sporting apparel, as regulatory arrangements covering these are matters for States and Territories.

Assessment

Children: This option affords a strong level of protection for children who, as a result of the changes would have limited exposure to gambling advertising. This option directly addresses community concerns which centre on the normalisation of gambling and its association with sporting events. However this option would not prevent children being exposed to gambling advertising immediately prior to the commencement of play. Sports programs viewed by the Department indicate that there are up to three gambling advertisements in the last five minutes before the commencement of play – a time when many children would be settling down prior to viewing the event.

Broadcasters/platforms: This option will have a negative impact on the revenue various sports platforms earn from transmitting live sports events. Based on data provided to the Department, it is estimated that free to air and subscription broadcasters will lose approximately \$15 million if this option were implemented. The impact on online platforms is difficult to assess given the lack of data in relation to gambling advertising during sports events on these platforms. However the Department notes that most online streaming of sports programs is undertaken by traditional broadcasters, and policy changes affecting traditional broadcasts are likely to flow through to related online transmissions.

Gambling firms: This option would have the most significant impact on a gambling firm's ability to advertise their services on audio and audio-visual platforms. The financial impact is difficult to estimate as there would be a trade-off between the capacity of firms to 'migrate' advertising spends to other platforms, the impact of reduced advertising on each business, for example in market share, and the expenditure potentially saved by reduced advertising.

Sporting organisations: Option two has the potential to devalue exclusive broadcast rights and product fee agreements with major sporting organisations.

Option Three: Prohibit gambling advertising around the broadcast of live sports from five minutes before the start of play until five minutes after, across platforms

Description

This option would build on option two by prohibiting gambling advertisements from being shown five minutes prior to the commencement of a live sporting event, during the event itself and for five minutes after the event has concluded, between 5.00 am and 8.30 pm and applies to broadcast, internet and other means.

Assessment

Children: This option affords a strong level of protection for children who, as a result of the changes would have limited exposure to gambling advertising. As with option two, this option directly addresses community concerns which centre on the normalisation of gambling and its association with sporting events, however this option extends this protection to the five minute shoulder periods before and after play.

Broadcasters/platforms: Based on data provided to the Department, it is estimated that free to air and subscription television broadcasters would lose approximately \$30.5 million net²² as a result of this option. This option would affect online platforms in a similar way to option two.

Gambling firms: The impact on gambling firms would be similar to option two.

Sporting organisations: As with option three, option four has the potential to devalue exclusive broadcast rights and product fee agreements with major sporting organisations.

Option Four: Prohibit gambling advertising around the broadcast of live sports from five minutes before the start of play until five minutes after play concludes before 8:30 pm, across platforms

Description

Similar to option three, this option would prohibit gambling advertisements from being shown five minutes prior to the commencement of a live sporting event and during the event itself across all platforms. However unlike option three, this prohibition would continue to prohibit gambling advertising in live sports events to five minutes after the conclusion of play where the event commences before 8:30 pm but play extends past this time.

Assessment

Children: This option affords a strong level of protection for children who, as a result of the changes would have limited exposure to gambling advertising. As with option two and three, this option directly addresses community concerns which centre on the normalisation of gambling and its association with sporting events. However extending the prohibition beyond 8.30 pm is at odds with other regulatory protections for children, including current gambling and alcohol advertising restrictions. Research indicates that the peak time for child audiences is prior to 8:30 pm.

Broadcasters/platforms: Based on data provided to the Department it is estimated that free to air and subscription television broadcasters would lose approximately \$52 million net as a result of this option. This option would affect online platforms in a similar way to option two.

Gambling firms: The impact on gambling firms would be similar to option two. As with option two and three, this option effectively prevents betting companies from making marketing to

²² Reference to 'net' takes into account that gambling advertisements may be replaced with advertisements for alternative products but these advertising spots will generate less revenue.

audiences during times and events where many potential gamblers would be in the viewing audience.

Sporting organisations: As with option two and option three, option four has the potential to devalue exclusive broadcast rights and product fee agreements with major sporting organisations.

Option Five: Prohibit gambling advertising around the broadcast of live sports from 30 minutes before the start of play until 30 minutes after, across platforms

Description

This option would build on option three by prohibiting gambling advertisements from being shown 30 minutes prior to the commencement of a live sporting event, during the event itself and for 30 minutes after the event has concluded, between 5.00 am and 8.30 pm and applies to broadcast, internet and other means.

Assessment

Children: This option affords a strong level of protection for children who, as a result of the changes would not be exposed to gambling advertising for any part of an extended sports presentation including pre-match and post-match programming. As with options two, three and four, this option directly addresses community concerns which centre on the normalisation of gambling and its association with sporting events.

Broadcasters/platforms: Based on data provided to the Department, it is estimated that free to air and subscription television broadcasters would lose approximately \$65 million net as a result of this option. Analysis indicates that the majority of gambling promotions are in the 30 minutes prior to some football matches. This option would affect online platforms in a similar way to option two.

Gambling firms: The impact on gambling firms would be similar to option two. Gambling firms may consider migrating their advertising to non-sports programs or less regulated platforms such as websites that don't stream live sport matches.

Sporting organisations: As with option two, three and four, option five has the potential to devalue exclusive broadcast rights and product fee agreements with major sporting organisations.

Option Six: Comprehensive prohibition of gambling advertising to 8:30 pm

Description

Option six proposes to prohibit the broadcast of promotions of gambling between 5:00 am and 8:30 pm every day, and would apply to commercial free-to-air television, commercial radio, subscription television, the Special Broadcasting Services (SBS), online television and radio 'like' programs, including 'catch-up' service, and live online streaming.

Assessment

Children: This option will potentially have the greatest positive impact on children as it prevents any exposure to gambling advertising during the time in which children are most likely to be watching any form of broadcasting or online transmission. Gambling advertising would only be permitted after 8:30 pm when children are less likely to be watching live sport. Children may still be exposed to gambling advertisements during live sport after 8:30pm, for example the State of Origin which has child audiences in excess of 260 000, on subscription television services such as on Fox Sports channels, and on non-broadcast platforms.

Broadcasters/platforms: Based on data provided to the Department, it is estimated that free to air and subscription television broadcasters would lose approximately \$130 million net as a result of this option. Analysis indicates that the majority of gambling promotions are in the 30 minutes prior to some football matches. This option would affect online platforms in a similar way to option two.

Gambling firms: The impact on gambling firms would be similar to option two, but to a greater extent. Gambling firms may consider migrating their advertising to less regulated platforms such as websites that don't stream live sport matches.

Description of preferred option

Any ban on advertising during times in which children are watching will address community concerns of the impact of gambling advertising and have positive effects. Increased gambling advertising restrictions will achieve the policy goal of protecting children from exposure to gambling promotions, while still giving the broadcasters room to reform and to better anticipate and respond to changes in the future. However, it is necessary to balance this with the significant revenue stream for broadcasters that this form of advertising represents.

The significant analysis of the financial and social impacts of each of the options on the key groups of children, broadcasters, sports rights bodies and gambling firms the Government considers that option three offers the best balance for these competing interests. Option three provides an effective and clear 'safe zone' for children to watch their favourite sporting content during the times they are most likely to be watching television, with a smaller financial impact on the broadcasting, sports rights and gambling sectors, than more comprehensive prohibitions.

Option three allows broadcasters the opportunity to continue to commercialise sporting content through gambling advertising and earn revenue whilst providing a small buffer period to prevent inadvertent exposure to advertising as families settle in to watch the game. The current 5.00 am to 8.30 pm time slot is accepted in the industry as the standard benchmark for existing content restrictions aimed at protecting children. For example the advertising of alcohol and intimate products, and the airing of mature classified content like MA15+ programming, are all permitted after 8:30pm. Extending the prohibition to all platforms that transmit live sport will mitigate against gambling advertising migrating to other platforms which may distort the market for sports rights, and risk exposing child audiences to gambling advertising on services that are being rapidly embraced by audiences.

There is no reliable way to estimate the number of overall number of gambling advertisements and other promotions that would be reduced by option three noting that there are a significant number of commercial broadcast television and radio licence areas across metropolitan and regional Australia, as well as subscription and online services. However option three will clearly result in a significant reduction in these promotions during live sports events and prohibit gambling promotions in the identified 'safe zone' between 5:00 am and 8:30 pm. The net benefit to the community of pursuing this course of action is an overall reduction in the number of gambling promotions broadcast in association with live sports events during times when children are watching thereby reducing their exposure to the concept of gambling and gambling related products

Implementation pathways

As noted above in 'The need for Commonwealth action' section, the preferred implementation pathway is to request broadcast industry to initiate a change to their respective codes of practice, that is the Commercial Television Industry Code of Practice, the Subscription Television Industry Codes of Practice and the Commercial Radio Codes of

Practice. Where no relevant enforceable codes of practice exist, for example for online services, or where the code change pathway outlined above fails the Commonwealth would seek to legislate the reforms.

There are a number of options for legislating gambling restrictions on online services including amending the Interactive Gambling Act to prohibit gambling promotions during broadcasts or webcasts of live sporting events involving a team administered by a recognised sporting body in Australia, where the broadcast or webcast is intended to be received by Australian residents. As mentioned earlier, there is also no recognised industry group or co-regulatory framework for online services and to implement any prohibition would likely require legislative intervention.

Consultation

An early draft of this RIS was used to inform the decision making process. The Commonwealth has not undertaken a public consultation process on the options in this RIS, however it is clear that there is significant community concern over the current level of gambling advertising (see 'Community attitudes towards gambling advertising' on page 3) There has been a significant range of targeted consultations on gambling advertising between key broadcasters and their representative bodies, the AFL, the NRL and the Coalition of Major Professional and Participation Sports, sports betting firms, and the Department of Communications and the Arts, and the Office of the Minister for Communications. The consultation process was targeted given the clear impact of the proposed reforms on the broadcasters, wagering operators and sports bodies. These consultations have included requests for data and impacts of potential reform options, including option three. As this data was provided to the Department in confidence, approximations of this data have been used in this RIS demonstrate the financial impact of the restrictions on industry.

In these consultations broadcast sector stakeholders have acknowledged the level of community concern in relation to gambling advertising but have also expressed concern about the likely impact on a significant revenue stream for their business, and the impact on existing contracts with sports rights bodies.

Sports rights bodies have expressed concerns about the potential devaluation of sports rights. Gambling firms have provided mixed comments with some firms supporting additional restrictions on advertising (see below).

In addition to the consultations that have already taken place some industry stakeholders have previously publicly indicated that there should be a reduction in gambling advertising, including those carried on broadcasting services. For example:

- The Responsible Wagering Australia lobby group has previously vowed to support Commonwealth regulation that will reduce the level of advertising during sports broadcasts.
- Cormac Barry, CEO of Sportsbet the leading online bookmaker in Australia and biggest advertiser, has reportedly advocated for the introduction of Commonwealth regulation to curb gambling advertising, being quoted as saying that Sportsbet want to work with the Commonwealth to achieve the appropriate balance between community concerns and the commercial interests of wagering companies to advertising their service.
- Industry stakeholders, as part of the 2015 *Review of Illegal Offshore Wagering*, have indicated that competitive market forced drove the overall level of gambling

advertising and suggested they would welcome a national approach to reduce that level, particularly on channels visible to children.

- At a meeting involving the Department of Communications and the Arts and the Department of Social Services, Sportsbet informed that it was open to reducing advertising, but that the Commonwealth intervention was vital in ensuring reduction covered all industry operators. Sportsbet further advised that operators were going to meet to agree on a reduced level of gambling advertising, but decided against it as they may have been accused of collusion.

Table of Online Video Content service types

Provider	Service type	Business model	Example
Free to air broadcasters	Catch-up service	Free to users; advertising-supported for commercial networks and SBS	ABC iview TENplay
	On-demand streaming video services	Subscription-supported	Stan Netflix
Subscription broadcaster	Streaming live channels, video-on-demand and catch-up on-demand content	Subscription-supported and pay-per-view	Foxtel Go Foxtel Play Stan
ISP	IPTV	Subscription-supported	Fetch TV
	Video-on-demand	Pay-per-view	BigPond Movies
Consumer electronics companies	Device/Overseas-based content libraries	Pay-per-view and subscription	iTunes PlayStation Store
	IPTV		Google Play
Standalone OTT service providers	On-demand video services	Mixed, including subscription and pay-per-view	Fetch TV EzyFlix

Source: <http://www.acma.gov.au>