

MEMORANDUM

TO: Members of the Standing Committee on Transport and Communications, Senate of Canada

FROM: Brian Dijkema, President, Canada
Renze Nauta, Program Director, Work & Economics
Andreae Sennyah, Director of Policy

DATE: September 10, 2024

SUBJECT: Study of Bill S-269: An Act respecting a national framework on advertising for sports betting

ISSUE

Senator Marty Deacon (Ontario) has introduced Bill S-269. The bill requires the Minister of Canadian Heritage to develop a national framework on sports betting advertising. This framework must include recommendations to limit the volume and types of advertisements; ways to promote research and data sharing between governments on gambling harms; and the creation of national standards to prevent and address gambling harms and addiction. Bill S-269 specifically requires the Canadian Radio-television and Telecommunications Commission to review its approach to sports betting advertising and to report on its review. Following various consultations, the Minister must create a national framework on regulating sports betting advertising within a year of the bill's passage and report on implementation within five years of the framework's release.

POSITION AND RECOMMENDATIONS

Cardus supports the creation of a national framework on sports betting advertising. *Our core position is that sports betting advertising should be treated similarly to alcohol, tobacco, and cannabis advertising.* These products are legal, but carry the risk of harm. Advertising is rightly restricted for these products to reduce exposure to them, especially for those most at-risk. Sports betting advertising should be treated in a similar way.

To strengthen the Bill S-269, Cardus recommends that the committee make the following amendments:

- Recommendation 1: Strengthen subsection 3(2)(a) with a view to a complete ban on sports betting advertising, instead of simply restricting its usage.
 - Recommendation 1.1: At minimum, include in the same subsection a move to banning advertising for sports betting *during* sports broadcasts.
 - Recommendation 1.2: At minimum, require the national framework to identify measures to ban advertising for *in-game* bets.
- Recommendation 2: Add to subsection 3(2)(b) a requirement that the measures include ways that gambling corporations (private and Crown-owned) could contribute financially to problem-gambling research, prevention, and treatment, with these contributions linked to the corporations' marketing expenses.
- Recommendation 3: Add a new clause under subsection 3(2) to identify measures to improve the efficacy of gambling prevention messaging.

BACKGROUND

The following background is based on our recent report “The Hidden Harms of Single-Event Sports Betting in Ontario” (<https://www.cardus.ca/research/work-economics/reports/the-hidden-harms-of-single-event-sports-betting-in-ontario/>). Please consult the full paper for references, data, and analysis.

Recommendation 1: Strengthen subsection 3(2)(a) with a view to a complete ban on sports betting advertising, instead of simply restricting its usage.

- Creating a national framework with a view toward *banning* sports betting advertising (rather than restricting it) would recognize the reality that sports betting is a high-risk form of gambling. The prevalence of sports betting advertising during broadcasts is not proportionate to the high-risk nature of this product. In fact, a recent study found that viewers of live sports broadcasts in Ontario are exposed to about 2.8 references to sports betting per minute. On average, of 21.6 percent of total viewing time involved a gambling reference of some kind.
- In terms of public attitudes, an Ipsos poll published in January 2023 found that 48 percent of Canadians think that the number of sports betting advertisements is excessive, with 63 percent agreeing that the number and placement of ads should be restricted.
- These limits would have the greatest impact on those who are vulnerable to gambling addiction, particularly minors. The Centre for Addiction and Mental Health found that the number of students from grades 7 to 12 who have gambled online has rapidly increased from 4 percent in 2019 to 15 percent in 2021.
- If the legalization of single-event sports betting was intended to meet existing demand and curtail the black market for sports gambling (as was stated at the time), then it should be unnecessary to drive up demand through advertising. Governments should not permit the promotion of this activity through advertising. Moving toward a complete ban would be consistent with this position.

Recommendation 1.1: At minimum, include in the same subsection a move towards banning advertising for sports betting *during* sports broadcasts.

- The framework should move toward a partial ban similar to the United Kingdom that prohibits gambling advertising during live sports broadcasts. Consideration should also be given to limiting the use of betting corporations’ branding on team uniforms and other surfaces during a game.

Recommendation 1.2: At minimum, require the national framework to identify measures to ban advertising for *in-game* bets.

- In-game bets are bets placed on various sub-outcomes of a game during a live sporting event (ex. which player will score the next goal). This creates countless events during a game that can be bet on, not just a one-time bet on the outcome of the game.
- Similar to high-risk forms of betting like slot machines, in-game bets have addictive features like a rapid rate of play and cognitive distortions. These addictive features are made worse by the unlimited access that comes from online betting on smartphones, allowing players to bet while alone, drunk, or high. Further, the existence of multiple platforms allows a person to keep playing even if they are locked out of other apps.

- In-game betting is most dangerous for high risk players (i.e. those prone to problem-gambling). It is also the most lucrative form of sports betting. For example, in 2021, 68 percent of bet365's revenue from sports betting in Ontario came from in-game bets. Since 2001, Australia has banned online in-game betting completely. The advertising for this type of sports betting should specifically be addressed in the national framework.

Recommendation 2: Add to subsection 3(2)(b) a requirement that the measures include ways that gambling corporations (private and Crown-owned) could contribute financially to problem-gambling research, prevention, and treatment, with these contributions linked to the corporations' marketing expenses.

- Gambling corporations invest hundreds of millions of dollars in marketing because advertisements change consumer behavior and increase gambling. However, as noted above, sports betting is a high-risk form of gambling. The prevalence of these advertisements during sports broadcasts has public health effects, particularly for minors and high-risk gamblers.
- Systematic research reviews have concluded that there is a clear causal relationship between advertising and increased gambling activity. Given the risks associated with this activity, gambling corporations should be actively engaged as responsible actors in this market. Linking their marketing spending to required contributions to the research, prevention, and treatment of problem gambling would accomplish two things: (1) gambling corporations would likely reduce spending on marketing and (2) they would be actively engaged as part of the solution to address problem-gambling in the Canadian population.
- Our research on the sports betting market in Ontario recommends a dollar-for-dollar matching policy. This means that for every dollar spent on marketing, a corporation would have to contribute a dollar for gambling research and prevention. The eventual study for the framework could move toward this specific recommendation.

Recommendation 3: Add a new clause under subsection 3(2) to identify measures to improve the efficacy of gambling prevention messaging.

- A national framework on sports betting advertising must include consideration of the efficacy of gambling prevention messaging, particularly if the goal is to reduce the negative effects of pro-gambling advertisements.
- Typical disclaimers about gambling harms are too generic and are often integrated into advertising that encourages higher spending on gambling (ex. "Know your limit, play within it"). The national framework should include in its study measures to improve the efficacy of gambling prevention messages. One international study highlighted in our research noted that the most effective messages were those with clear calls to action (ex. "What are you prepared to lose today? Set a deposit limit").
- While not all players are problem gamblers, some players are spending more on gambling than the recommended amounts. The need for gambling-prevention messaging is clear. The average player *account* in Ontario (note that one player can have multiple accounts) spends an average of \$283 per month on online gambling. The monthly spend is the amount gambled, minus any winnings. Put differently, the average player account in Ontario sustains net losses of \$283 per

month. Guidelines from the Canadian Centre on Substance Use and Addiction say that players should not spend more than 1 percent of pre-tax household income on gambling. For the average Ontario household, that means a threshold of \$89 a month. The net losses per player account are therefore more than three times as much as what experts consider safe.

- When comparing those who spend under 0.1 percent of their income on gambling to those who spend more than 1 percent, players exceeding the 1 percent threshold are 4.3 times as likely to experience financial harm, 4.7 times as likely to experience relational harm, 3.9 times as likely to experience emotional or psychological harm, and 4.4 times as likely to experience harm from health problems related to gambling.