



What is sports betting?

Sports betting is a term used to cover a wide range of wagers on the outcomes of events, or events that occur within larger events. For example, betting on who will win a match of tennis, through to who will win the first set within a match of tennis. Or who will win a match of football or who will be leading at half time, or even on which team in a round of games will have the greatest winning margin.

What the events have in common is relative uncertainty of what will happen, what outcome will occur. Sports betting in Australia is an expansion of bookmaking, which was traditionally wagering on horse or greyhound racing.

Since 2008, a number of new corporate players in the field of bookmaking have been offering wagers on all sorts of sports and other events, often via internet or phone betting. Traditional wagering providers, such as TABcorp, have moved to also offer wagers on other events.

The practice of 'sports betting' includes a very large range of activities or events. It includes everyday sports such as football and cricket, but also other events such as financial results, outcomes of political elections, or even results of reality TV contests. Corporate bookmakers can offer opportunities to bet on the outcomes of Victorian, interstate and overseas events.

In Victoria, sports betting is legal on any event where approval has been given by the [Victorian Commission for Liquor and Gambling Regulation \(VCGLR\)](#). As noted above, this may be on the outcome of the game or games or events within the game, such as the first goal or winning margin.

While sports betting accounts for a small percent of gambling turnover in Australia, its growth has been substantial.¹ In 2010, the Productivity Commission estimated it was growing by at least 10 per cent a year.² In 2011, it was calculated that sports wagering in Australia over the internet generated around \$1.5 billion in turnover.³

Because so much of the advertising for sports betting comes from companies that primarily provide betting via the internet, the term sports betting is often used interchangeably with internet betting. Note, however, that there is a wider range of types of gambling available over the internet than just those legally provided by sports betting.

Types of sports bets

In play betting, betting in the run

In addition to being able to place bets prior to the start of an event, sports betting also offers the option of in-play betting or 'betting in the run'. This refers to betting on an outcome (e.g., who will win) after the event has commenced. In-play betting via the internet is prohibited under Commonwealth law (with the exception of horse and greyhound racing) but is allowed if the bet is placed in person or via the telephone.⁴

¹ Productivity Commission 2010, *Gambling*, Report no. 50, 2.37

² "All Bets Are On", *The Age*, April 1, 2011: <http://www.theage.com.au/afl/afl-news/all-bets-are-on-20110331-1cn8o.html>

³ 2010-11 financial year. Department of Broadband, Communications and the Digital Economy 2011, *Interim Report - Review of the Interactive Gambling Act 2001*, p. 106

⁴ Ibid

Exotic bets

There are different types of in-play bets. You can bet on the outcome of an event after it has started. Another type of in-play bet is an 'exotic bet' (or 'contingency wager'). This refers to a bet made on a situation that may or may not happen in the course of an event, such as which player will score the next goal in a football game.⁵ In racing the term exotic bet refers to games within each race, such as Trifectas, and Quinellas. Depending on the type of bet, and laws relating to it, exotic bets can be placed before an event starts or can be made during the event, 'in the run'.

Exotic bet is also sometimes used to refer to what might otherwise be called a novelty bet. This is where the bookmaker offers odds on a strange or one off occurrence of any type.

Micro bets

Similar to, or perhaps even best characterised as a subset of exotic bets, 'micro event wagering' is betting on "micro" outcomes within an event.⁶ For example, whether a tennis player will serve an ace on the next point, or a four will be struck from the next ball in a cricket over. Micro-bets offer opportunities to bet frequently and repetitively with short intervals between bet and result.⁷ There are concerns this type of betting may affect the integrity of sports since they are seen as events easily susceptible to manipulation.⁸

In the interim report for its review of the *Interactive Gambling Act 2001*, the Department of Broadband, Communications and the Digital Environment (DBCDE) suggested that micro bets be prohibited because they might be more harmful in promoting problem gambling behaviour.⁹

Note that what actually constitutes a micro bet is currently not clearly defined in the legislation. You can read more about the regulatory framework for sports betting in the [GIRO Information sheet on Sports betting regulation: Rules, regulation and agreements](#).

Ways to make a 'sports bet'

There are many ways to place a 'sports bet'. It can be done using the internet, a telephone, mobile phone, smart phone apps, using interactive television, or in person at TABs or on racecourses via 'bookies'. Some types of sports bets are only legal via telephone or in person, these are bets that are made 'in-play', and as mentioned above cannot be offered via the internet, excepting in horse and greyhound racing.

Generally sports bets are at fixed odds, where what the bet will pay is agreed at the time of the wager. However, in Victoria AFL and motor sports are approved for tote odds betting.¹⁰ This is where all bets placed are pooled, with the winning bets sharing the pool (minus a percentage taken by the operator).¹¹

The main providers of sports betting services are corporate bookmakers, for example TAB Sportsbet, Centrebet and Sportingbet.

Betting exchanges also offer sports bets. Such exchanges operate in a similar way to a stock exchange, they act as a market place for gamblers to trade wagers between each other at different prices and quantities.¹² Betting exchanges also allow to the placement of 'lay bets'; these are bets against the outcome of an event.¹³

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⁵ Ibid, p. 107

⁶ Ibid

⁷ Defined by the DBCDE as less than five minutes Ibid, p. 135

⁸ Parliamentary Joint Select Committee on Gambling Reform 2011, *Interactive and online gambling and gambling advertising, Second Report*, p. 294

⁹ Ibid, p. 115

¹⁰ Victorian Department of Justice 2011, *Review of Sports Betting Regulation*, p. 34

¹¹ Parliamentary Joint Select Committee on Gambling Reform 2011, *Interactive and online gambling and gambling advertising, Second Report*, p. 191

¹² Productivity Commission 2010, *Gambling*, Report no. 50, 16.6

¹³ Parliamentary Joint Select Committee on Gambling Reform 2011, *Interactive and online gambling and gambling advertising, Second Report*, p. 342