Background

1. The Federation of Irish Sport (the “Federation”) was established in 2002 by the National Governing Bodies of Sport and is the representative association for Ireland’s National Governing Bodies and other organisations promoting sport or physical activity on a non-commercial basis. Membership is currently comprised of 67 National Governing Bodies¹, 3 National Multi-Sport Organisations & 30 Local Sports Partnerships (the “Members”). It is estimated that up to 1.7 million Irish people actively participate in sport in approximately 12,000 sports clubs nationwide.

2. The National Substance Misuse Strategy Review Group was established to develop alcohol policies to form part of an overall National Substance Misuse Strategy to cover the period up to 2016. The Report of the Review Group published in February 2012 outlined a number of actions that could be used to deal with the harms caused by alcohol use and misuse to include the placing of further restrictions on alcohol marketing & sport.

Report Recommendations & Sport

3. The principal focus of the report is on issues entirely unrelated to sport for example, sale and pricing of alcohol, promotions, taxation, availability, opening hours and makes a series of recommendations as to how these issues should be addressed.

4. The Report does however make one recommendation directly impacting on sport setting out their view that drink industry sponsorship of sport & other large public events in Ireland should be phased out by legislation by 2016. There is a concern within Irish Sport that this proposal is seen as a quick fix solution that neither addresses the underlying issues involved in alcohol misuse nor gives adequate thought to the consequences on the development of sport in Ireland. The recommendation is also made without reference to any research regarding the effectiveness of such a measure or indeed, it’s likely impact.

5. Irish Sport is of the view, that the introduction of a ban at this point given the current economic challenges and funding environment for sport would be detrimental to the on-going development of Irish Sport. Irish Sport does however acknowledge the real issues regarding alcohol misuse as outlined in the Review Group’s Report and is open to working with public health officials to examine ways in which the sporting community could assist in addressing their issues of primary concern.

¹ The makeup of the Federation’s membership is estimated to be in excess of 90% of the sector
Impact of Sport on Ireland

6. The impact of sport on Ireland should not be underestimated. A summary of the key dividends is set out below:

a) Economic

Sport supports 38,000 jobs in Ireland\(^2\). Sport contributes 1.4% to GDP generating just over €1.8 billion each year and stimulates €1.9 billion in household each year spending.

b) Health

The WHO indicated that 6% of deaths globally each year are directly attributable to physical inactivity. UK research has found that 11% of their health spend each year is due to physical inactivity. In Ireland in 2011 this would amount to more than €1.4 billion.

c) Tourism

Sports tourism generates in excess of €800 million for Ireland each year.

d) Ireland overseas

In 2011, Ireland’s athletes and sports teams represented our country in over 70 countries across the globe.

e) Social

Sport remains the single biggest driver of voluntary activity in Ireland with in excess of 450,000 Irish adults volunteering in sport each week. 70% of those who partake in sport say that they do so because of the people they meet whilst 53% of volunteers in sport regularly socialize with fellow participants.

Alcohol Sponsorship & Sport: The View of Irish Sport

7. Irish Sport believes that the introduction of a blanket ban prohibiting alcohol sponsorship of sport would at present be injurious to the ongoing development of sport in Ireland. This reality is heightened by the economic challenges currently facing the country. It is estimated that sponsorship from alcoholic drinks companies funds Irish Sport to the tune of \textbf{in excess of €12 million a year}\(^3\). This figure represents 26% of the Irish Sports Council’s budget for 2012. These funds are simply not easily replaceable.

\(^2\) Excludes the 21,000 additional jobs supported by the Horse Racing Industry

\(^3\) Onside Sponsorship
8. It should be noted that Ireland’s sporting system is relatively new compared to our European and other counterparts. Irish government investment in sport only began in a meaningful way in 1997 with the Irish Sports Council (“ISC”) being formally established in 1999. This contrasts with the establishment of the UK ISC equivalents in 1972 and the Australian equivalent in 1984.

9. One of the consequences of this is that there is still a heavy reliance on state funding for sport in Ireland with commercial and private sector investment in sport remaining limited and underdeveloped in contrast to other countries. In Ireland the total sponsorship spend to include sport for 2011 is estimated to be €120 million\textsuperscript{4}. In contrast the value of the sport sponsorship alone was valued at £1.59 billion\textsuperscript{5} in the UK for the same period.

10. Indeed, the traditional revenue streams for Sport are by their nature limited and tend to come from the following sources:

- Taxpayers Investment
- Membership Affiliations
- Sponsorship
- Broadcasting
- Gate Income
- Licensing/Merchandising
- Education/Training

11. All of these revenue sources are under increasing pressure. Overall sponsorship spend declined by 4% in 2011 following on from a 6% reduction in 2010\textsuperscript{6}. The recent announcement by RTE that they intend to reduce their budget for the acquisition of sporting rights by 25% is an example of current pressures on broadcasting revenue whilst, the impact of the recession on tickets sales has been well documented.

12. Government investment in sport has also been significantly reduced over the last three years which has seen the Irish Sport Council’s budget reduced from a high of €57 million in 2008 to €44.5 million for 2011 with a further 10% reduction forecast over the next two years.

13. It is the viewpoint of Irish sport that the introduction of a blanket ban on any category of potential sponsor at this time would be a retrograde step given broader national policy objectives in which sport has a key role to play particularly, in the area of public health and economic renewal. The loss of these funds would have a detrimental effect on the ability of Irish Sport to contribute to Ireland’s economic recovery and an improved quality of life for all.
14. This view is strengthened by the lack of empirical evidence that establishes a direct link between alcohol sponsorship and the misuse of alcohol. It is likely that the negative consequences of imposing such a ban could outweigh any benefit that could accrue. It is suggested that there may be a better way of addressing the primary concerns of the Review Group regarding alcohol misuse through the use of the sporting community’s network to raise awareness and address some of the issues caused by substance misuse. Closer co-operation and partnership between Irish sport and public health officials in Ireland would facilitate progress in this regard.

15. The removal of an entire sector from the Irish sponsorship market will impact not just those organisations that currently benefit the most from such sponsorship namely, the IRFU, GAA & FAI but such a step will also further increase the significant challenges facing the remaining National Sporting Organisations in their efforts to raise sponsorship income. This challenge can be seen by the scarcity of commercial sponsors, with a few notable exceptions, currently involved with sport outside the major three field sports.

16. It should also be highlighted that unlike culture and the arts, sport does not qualify for charitable status and therefore, does not given this status quo have the fundraising ability or philanthropic opportunities available to entities operating in that sector.

Other Jurisdictions

17. France and its Loi Evin is often cited by proponents of a ban on alcohol sponsorship on sport as a model of best practice. However, there are a number of reasons why this should not be seen as a “template” for the Irish situation.

18. The first relates to the background of the ban. Initially French advertising law discriminated against foreign products. This led Scotch Whisky producers to take the French Government to the European Court of Justice where the law was struck down in 1980 and France was asked to change the law. A satisfactory law was not in fact introduced until 1991 more than 10 years after the ECJ decision. In the intervening period, alcohol producers engaged in all forms of inappropriate advertising leading to the introduction of the legislation.

19. This explains at least in part why France unlike most other European countries does not depend on self-regulation or voluntary codes such as those as currently in existence in Ireland and which, the Review Group itself acknowledged were well adhered to in Ireland.

20. The French government’s approach to sport also differs somewhat from that in Ireland. In France sport is seen as a “public good” and something the government is obliged to provide for the population. The French Ministry of Sport therefore retains a greater degree of control over the administration of sport going so far as to “licence” the individual national sporting organisations to run their particular sport in France.
21. This has implications in relation to the funding of sport in France where sport receives significant dividends from the state lottery. There is also a licensing system in place with regard to gambling with a portion of the proceeds being invested in sport. There is also a more developed sport industry and a tradition of greater commercial involvement in sport in France than currently exists in Ireland, the private ownership and sums invested in French rugby clubs being just one example of this.

Other Findings relevant to Sport:

The report also makes a number of other observations that are relevant to sport. The Federation’s comment in respect of each of them is listed below.

22. The report noted that some sporting bodies, such as the GAA, have moved forward in regard to alcohol & drug policies but that there was further scope for further development in this area. Irish Sport is willing to do all that is necessary in this regard and it is suggested that the lack of progress in this area is more to do with the lack of resources (human & financial) as opposed to any apathy in this regard. The Federation would be willing to in conjunction with public health officials to examine ways of rolling out such policies across sport in Ireland.

23. The Report acknowledged the changes that have taken place following the adoption of Codes of Practice on alcohol advertising and sponsorship but noted that no research has taken place to demonstrate that people’s attitudes to alcohol has changed. Resources are again at issue in this regard. Indeed, if you were to look at the totality of research available on Irish Sport it is relatively meagre. Indeed, the Irish Sports Monitor 2007 was the first report that looked to measure on-going participation rates in Irish Sport. This is an area that requires the co-operation of government and sport going forward. There is also a lack of empirical evidence linking alcohol sponsorship with alcohol misuse in Ireland.

24. The Report outlines a concern in relation to the large volume of media moving to digital which it states, is extremely difficult to regulate. It is acknowledged that digital media generates regulatory challenges. However, behaviour on all forms of digital and social media is something which sport has taken significant steps to regulate with codes of practice in place across a number of sports setting out what is or is not appropriate and/or permissible.

25. The Report acknowledges the good practice of the Irish alcohol industry regarding the non-appearance of sponsor branding on child sized sports equipment or clothes. This is demonstrative of the effective self-regulation already in place across sports organisations and the alcohol industry in relation to such sponsorships. It is the contention of Irish sport that regulation of the exercise of such sponsorships as opposed to a ban is more appropriate.
26. Need to develop a statutory code of practice regarding the sale of alcohol at sport stadia and other large public events to ensure compliance with the prohibition on underage drinking and the offence of supplying an intoxicating person with liquor. The Federation is not aware of any opposition to such a development within Irish Sport.

Research

27. The Review Group makes reference to 3 pieces of research regarding alcohol and sport with only New Zealand piece directly examining sponsorship. The 2011 WHO Report on alcohol in the EU ("WHO Report") refers to the mixed results that have emerged from studies on the impact of alcohol marketing on young people. It also accepts that the impact of alcohol sponsorship is largely unexplored stating that it is an issue that has only recently received attention.

28. The WHO Report makes reference to the research currently been undertaken by the EU Commission under the heading of the Amphora ("Alcohol Measures for Public Health Research Alliance) Project 2010". This project will over the next four years provide further up to date research on issues regarding alcohol consumption to include the areas of alcohol advertising and marketing. It is suggested that at the very least the outcome of this research should be awaited prior to any decision on the introduction of a ban on alcohol sponsorship be imposed.

Conclusions

The Federation is therefore of the view that:

1. A ban on alcohol sponsorship of sport would particularly, given the current economic challenges facing Ireland together with the existing funding environment for sport in Ireland have a detrimental effect on Irish Sport and the returns sport generates for Ireland

2. The empirical evidence and research does not exist at present to support the introduction of a ban as an effective means of addressing the issues of primary concern regarding alcohol misuse particularly, given the consequences to the ongoing development of sport in Ireland by the removal of an entire industry sector as a potential funder given the scarcity of available revenue to sport at present.

3. It is suggested that ways in which Irish Sport and its wide network stretching to every community in the country together with the sports participation programmes administered by the Federation members might be examined as to how they could be best used to assist the government in the implementation of its strategy to tackle responsible alcohol usage and other public health issues such as obesity before the ban proposed by the Review Group be introduced..

The Federation of Irish Sport - 18th April 2012

7 www.amphoraproject.com