



**Report of the Working Group on
Sports Sponsorship by the Alcohol
Industry**

June 2010

Department of Health and Children

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Background

A Government Decision dated 22nd April 2008 agreed to the establishment of a Working Group to deliver on the commitment in the Programme for Government to “Discuss the question of the sponsorship of sporting events by the alcohol industry with a view to phasing it out.”

Terms of Reference

A Working Group was established by the Department of Health and Children to give effect to the Government Decision. The Terms of Reference for the Group were as follows:

- (a) To facilitate engagement among stakeholders, including representatives of the main sporting organisations in Ireland and representatives from the Irish alcohol industry, to record their views and intentions with regard to the commitment in the Programme for Government to “Discuss the question of the sponsorship of sporting events by the alcohol industry with a view to phasing it out.”
- (b) To establish the extent of the existing sponsorships of sporting events by the alcohol industry and the terms and length of existing contracts.
- (c) To report to the Minister for Health and Children by 30 September, 2009.

Membership of Group

The Working Group was chaired by Dr Tony Holohan, Chief Medical Officer, Department of Health and Children. The full membership of the Group is shown in *Appendix A*.

Meetings

The Group met on three occasions from May 2009 to September 2009. The Department of Health and Children provided the necessary secretarial support to the Group.

Sport Sponsorship by the Alcohol Industry in Ireland

In considering the Terms of Reference of the Working Group it is important to set out the existing arrangements with regard to the sponsorship of sporting events by the Irish alcohol industry. In Ireland, alcohol marketing, communications and sponsorships are controlled mainly by a Code of Practice which was agreed between the Department of Health and Children and representatives of the Irish alcohol industry and the Irish advertising industry. The purpose of this code is to reduce the exposure of children and young people to alcohol advertising. Adherence and compliance with the Codes is monitored by the Alcohol Marketing Communications Monitoring Body (AMCMB). The Code of Practice was revised in July 2008 and includes restrictions on the time and location of alcohol advertising in all Irish-based media.

In relation to sport sponsorship the Code states that no alcohol company sponsorship of sports programming is allowed including sponsorship of sport bulletins. Other provisions of the Code on Sponsorship is a prohibition on the sponsorship of any event where 25 per cent or more of the audience is likely to comprise of people under the age of 18. This includes both attendees at the sports fixture and those viewing the performance on Irish TV or listening on Irish radio. The drinks industry is prohibited from sponsoring any sporting competition, league or event in which under-18s take part. Furthermore, a drinks company is prohibited from sponsoring any team that includes a player who is under the age of 18. There is a total ban on drinks sponsorship of certain sports, regardless of the audience profile or age of the participants. These include any sports involving mechanically propelled vehicles, such as motor racing and rallying or sports that focus on aggression, such as boxing or wrestling. There is also a ban on sponsorship of sports associated primarily with under-18s such as skateboarding etc.

The Code of Practice states that in large venues (where the capacity is greater than 10,000 people), the total level of permanent, branded alcohol advertising cannot exceed 25 per cent of total signage available. Furthermore, if such a stadium or venue were to hold an event appealing to an audience where 25 per cent of the audience is likely to comprise of people under the age of 18, everything possible should be done to cover over all alcohol branding so that it is not visible and young people are not exposed to it.

The AMCMB is due to undertake research to try to establish the effectiveness of the Codes in reducing the exposure of young people to alcohol advertising and marketing.

Submissions Made by Members of the Working Group

At the first meeting of the Working Group members set out the position of their respective organisations with regard to the Terms of Reference. The Chairman invited each organisation to set out their views in writing in relation to the issues to be addressed. The submissions received were detailed and contained valuable and relevant information which informed the deliberations of the Working Group.

A summary of the main points included in each submission follows which provides an outline of the position taken by each organization.

Alcohol Action Ireland

Alcohol Action Ireland (AAI) is the national charity for alcohol-related issues. AAI acknowledges the vital role sport plays in Ireland both on a local and national level and the positive health associations and social capital dividends it provides. However, AAI argues that the public association of alcohol products and sports obscures the connection between alcohol and mental and physical harms. These harms disproportionately impact on children and young people. It noted that the link between alcohol use and suicide has been well established.

The promotion of alcohol products through sponsorship reaches the sports audience regardless of age, shaping and influencing the attitudes and preferences of children and adults alike. Alcohol marketing and advertising, including sponsorship, increase the likelihood that adolescents will start to use alcohol, and to drink more if they are already using alcohol (*Science Group of the European Alcohol and Health Forum 2009*).

If exposure of young people to sponsorship by the alcohol industry is to be reduced, then there is a need to reduce the levels of sponsorship viewed by all. Preventing exposure of children to the promotion of alcohol through sport sponsorship requires the establishment of a timeline for action to end alcohol sponsorship of sports.

Alcohol Beverage Federation of Ireland

The Alcohol Beverage Federation of Ireland (ABFI) is the umbrella organisation which represents the alcohol beverage manufacturing industry in Ireland. The drinks industry provides around €2bn in excise and VAT to the Exchequer every year and provides around 90,000 jobs directly and indirectly.

ABFI referred to the fact that the co-regulatory framework in which their members' sponsorship activity takes place has been agreed with the Government and is the most comprehensive set of rules of its nature in the world.

It also stated that there is a lack of coherent, empirical evidence linking sponsorship by alcohol brands to increased consumption. Any move to restrict alcohol sponsorship of sports and major events, would be extremely damaging to a vital national industry and would hamper the growth and development of Irish sporting and cultural bodies. Banning alcohol sponsorship would encourage international event organisers to reconsider staging tournaments and other events with a corresponding loss to tourism.

ABFI stated that in order to ensure maximum adherence to both the letter and the spirit of the codes the industry has developed a comprehensive training programme aimed at those working on marketing campaigns.

The submission also provides examples of how some companies go even further than the co-regulatory codes.

In Ireland, exposure to foreign broadcasts via cable and satellite channels is almost universal. Therefore, any ban on sponsorship of sporting and cultural events would put Irish sporting and cultural bodies at a great disadvantage.

It stated that 39% of festival funding came from alcohol brands and that the economic and social benefits arising from culture and festivals would be substantially less if drinks sponsorship was not available.

Association of Advertisers in Ireland (AAI)

AAI believes that any proposal to phase out alcohol sponsorship is a direct attack on the reasonable freedom for commercial enterprises to advertise and to promote their products. It is important to emphasise that all alcohol marketing communications are aimed at people aged over 18 in strict compliance with the law. The Advertising Industry emphasised that they did not want to see or encourage children and young people to try alcohol or to drink it.

The alcohol industry in Ireland is committed to promoting the use of its products in a responsible way. It readily subscribes to and actively participates in promoting good corporate behaviour through the range of Codes of Practice it participates in and complies with.

The AAI quoted from a number of research works which concluded that “alcohol advertising has no or little effect on total alcohol consumption”.

Department of Tourism, Culture and Sport

The Department of Tourism, Culture and Sport is responsible for the formulation, development and evaluation of sport policy and for overseeing major sports projects. The Department facilitates and funds the development of sports facilities at national, regional and local level.

In the current economic conditions the Department maintained that it was crucial to recognise the importance of investment in sport for the social and economic development of the country. Given the wide benefits associated with participation in sporting activities, continued targeted investment to maximize the benefits that arise in the areas of health and well-being, social and cultural development, education, personal development, tourism and the economy, is vital.

The Department is concerned that any constraints placed on sporting organisations in the current economic climate could have very serious implications for their operations. In light of this, and the prevailing economic conditions, the Department is concerned that non-intentional outcomes may be achieved if disproportionate and hurried decisions are made on the phasing out of alcohol sponsorship.

Faculty of Public Health Medicine, Royal College of Physicians

It is the view of the Faculty of Public Health Medicine that alcohol is not an ordinary commodity and thus the normal rules of the market cannot be allowed to be applied. Alcohol is a psychoactive substance that causes much health and social damage in Ireland. The Faculty believes that the impact of international alcohol sponsorship is negative in terms of human health and social well being and referred to the Report of the Science Group of the European Alcohol and Health Forum in this regard.

The Faculty believes that financial and other supports given to the national sporting bodies by the alcohol industry should be phased out. All existing contractual agreements should be allowed come to completion, provided that they are completed by the end of 2011 and that there is no new sponsorship agreements between alcohol producers and national sporting bodies. This can only be achieved by legislation. Voluntary codes will not be sufficient as not all national sporting bodies or alcohol producers would take the same approach to a voluntary code.

Football Association of Ireland

The Football Association of Ireland (FAI) is the governing body of football in Ireland and its aim is to promote, foster and develop football in Ireland. The FAI has been sponsored by Diageo for over 20 years. Their sponsorship has allowed the FAI to invest in developing the game throughout the country and in conjunction with the extensive marketing support it has received from Diageo and its other sponsors, football is now the largest participant sport in Ireland.

Government is increasingly encouraging organisers of sports to look at private sector sources of funding in place of support from public funds. Sponsorship has become this key source of finance. A ban on alcohol sponsorship, would put the FAI in a disadvantaged position in terms of international team performances in comparison to countries where such a ban does not exist.

Another, perhaps more damaging, consequence of banning advertising sponsorship is that international event organisers would avoid staging tournaments and other events in Ireland.

Until such time as there is a Global ban on alcohol sponsorship, the FAI feels that a ban on alcohol sponsorship in Ireland will not achieve its desired purpose. Major international events are significantly more likely to have an alcohol sponsor than local or national ones and their availability in Ireland through TV broadcast would nullify any potential impact of a ban on alcohol sponsorship in Ireland.

The FAI favours a programme of self regulation between the alcohol industry and the sporting governing bodies as the best solution with both parties continuing to actively promote responsible drinking as a key element.

Gaelic Athletic Association

The GAA accepts sponsorship from the alcohol industry for teams and events at adult level. The GAA set up the Alcohol & Substance Abuse Prevention (ASAP) programme with the Health Service Executive and has recently piloted a move from title sponsorship to multi sponsorship for its Hurling Championship which previously had Guinness as title sponsor.

Over 80% of all GAA income is invested in achieving of the GAA's objectives. The GAA has no international sponsorship.

The GAA believes that their ASAP programme is the best means for it to address alcohol misuse for its organisation. The extent of alcohol industry sponsorship of gaelic games at national level is not seen as a hugely significant issue for the GAA as it is currently addressing this issue on an ongoing basis.

Health Service Executive (HSE)

The submission from the HSE provided information on the extent of the financial commitment to alcohol advertising. The HSE said that alcohol advertising and marketing spending totaled €9m in 2007, a 31% increase on the previous year. Commercial sponsorship has also expanded greatly since the 1980's. In 2007 Guinness spent more than €1.4m on rugby sponsorship and €1.6m on hurling sponsorship. Heineken spent €2m on its Irish rugby sponsorship, €239,000 on its Heineken Cup sponsorship and €17,000 on the Heineken Champions League. The HSE concludes that the sports industry relies very heavily on the alcohol industry.

The HSE quoted a recent study in New Zealand which found that the alcohol industry sponsorship of sportspeople and sports events was associated with hazardous drinking. Its submission referenced a recent opinion of the Scientific Committee of the European Alcohol and Health Forum which stated that "Commercial communications increase the likelihood that adolescents will start to use alcohol and to drink more if they are already using alcohol."

The HSE favour a total legislative ban on advertising of alcohol products and the complete ban of alcohol sponsorship of sports events. Alcohol sponsorships and advertising at sports events convey the false impression that there is a natural connection between alcohol consumption and participation in and enjoyment of sports. Therefore, the linking of alcohol and sport is not compatible with overall health.

Horse Racing Ireland

Sponsorship from Drinks Companies accounts for approximately 10% of all race sponsorships with many long-established associations and mutually beneficial marketing programmes in place.

HRI's position is that alcohol sponsorship of horse racing should be allowed to continue on the basis that it operates at all times in line with existing legislation and codes of practice governing the promotion and sale of alcohol. The HRI noted that alcohol advertising is controlled rather than banned, so a similar approach should apply to sponsorships. Blanket bans of the sort proposed are a crude instrument which will damage legitimate businesses.

Curtailment and control of alcohol sponsorship of sports events should be solely designed to support the socially desirable outcomes of promotion to over 18's only and promotion of moderation. A more targeted approach to achieving these ends in the realm of alcohol sponsorship of sports would require that there is proof of harm or demonstrable risk in either category in a given sponsorship situation. The promotion of horseracing would never support a sponsorship activity which compromised either one of these principles.

Horse Racing, both live and on TV, is predominantly targeted at an adult audience and available research shows that to be a mature adult audience.

Institute of Advertising Practitioners in Ireland (IPAI)

The Institute of Advertising Practitioners in Ireland (IPAI) is the trade association and professional institute for Irish advertising agencies. Its primary role is to promote the highest professional and creative standards in the production of advertising across all media.

Since 2003, IAPI has been involved in a number of initiatives in partnership with public and private sector bodies - the implementation and monitoring of the Alcohol Marketing, Communications and Sponsorship Codes of Practice, the establishment and operation of Central Copy Clearance Ireland and the implementation of the children's' advertising codes in collaboration with the Broadcasting Commission of Ireland. These codes have been recognised as being amongst the most stringent and innovative in Europe.

IAPI maintains that co-regulation – if properly monitored – is the most effective means to ensure that all key stakeholders are aware of their obligations, and can structure their operations – including staff training - to ensure ethical and effective compliance. Any current or future code or regulations will only apply to Irish media. Therefore, sporting or cultural events which take place in other countries and which feature sponsorship by the alcohol industry will still be broadcast into this country – it is estimated that this covers over 50% of all media in this country.

Irish Greyhound Board

There is very limited alcohol related sponsorship presently in place at Greyhound Stadia. Of the 134 listed feature races for 2009, only three are sponsored by alcohol related brands and none of these would be among the top 50 races.

The sport is not presently negotiating any increase in these levels though, in difficult times, the Irish Greyhound Board would not wish to rule out attracting sponsorship from any particular sector of the legal business community. This is particularly so given that Greyhound Racing generally takes place in the evening, on premises which are licensed for the sale of alcohol and which are exclusively marketed to adults.

Irish Rugby Football Union (IRFU)

The Irish Rugby Football Union (IRFU) submission pointed out that the removal of sports sponsorship by the alcohol industry would not on its own solve the problems associated with alcohol misuse in Ireland. The IRFU was concerned that no empirical research has been presented to show “cause and effect” that alcohol sponsorship of sporting events causes misuse and abuse of alcohol. The IRFU expressed concern that there is a real danger that rash decisions could be made with long-reaching and devastating consequences for organised sport in this country in the absence of proper cost/benefit studies.

One of these consequences would be a direct impact on employment in the sports sector. It will have a significant impact on the competitiveness of the National Team and Provincial Teams. Removal of alcohol sponsorship may make Ireland ineligible to host certain major international sports events with consequential negative economic impacts. The promotion of Ireland through international sporting participation plays an important role through hosting of major international events and through the participation and success of Irish teams and athletes in international competitions.

The IRFU is firmly of the belief that Irish rugby and Irish sport would be significantly and adversely affected by a ban on alcohol sponsorship which would be to the detriment of society. In the current environment it is highly unlikely that replacement funding would be forthcoming from either the State or Commercial sectors.

Irish Sports Council

The Irish Sports Council is concerned that a prohibition on the sponsorship of sport by the alcohol industry would have a detrimental impact on sport in Ireland without a proven benefit for population health. It is the Council’s view that phasing out of alcohol sponsorship will have a knock on impact on participation rates in sport.

Before any decision can be made it recommends research on the sponsorship market in Ireland and an analysis of the impact of sponsorship on alcohol consumption.

Sport and physical activity enhances the health of individuals and the community. The provision and development of sport by the State has to be placed in the wider context of public health policy. The aim should be for a strong partnership between the health and sports sectors based on mutual respect and shared goals.

The Council’s view is that a ban on sports sponsorship should only be part of a comprehensive strategy to tackle alcohol related harm and that measures aimed at

sport should not be considered in isolation.

The Irish Sports Council's opposition to alcohol sponsorship in young people's sport is clearly set out in the Code of Ethics and Good Practice for Children's Sport (2000).

National Youth Council of Ireland

The National Youth Council of Ireland (NYCI) provided copies of two reports to support their submission. "*Get 'Em Young- Mapping young people's exposure to alcohol marketing in Ireland*" was launched by NYCI on June 9th 2009. This report shows that children and young people in Ireland today are subject to aggressive and pervasive advertising through 16 different media channels. The second is a report by the Independent Science Group of the European Commission Alcohol and Health Forum. The conclusion of the Science Group is that there is a clear link between alcohol advertising and marketing and an increase in the frequency and levels of alcohol consumption among children and young people under 18. It also demonstrates that children begin to drink at an earlier age because of marketing and advertising.

NYCI strongly supports the decision of Government to work towards the phasing out of sponsorship of sporting events by the alcohol industry. Alcohol misuse among children and young people under 18 years in Ireland is among the highest in the European Union. The most recent State of the Nation's Children Report found that 38% of young people aged 15-17 years and 10.3% of young people aged 12-14 years were drunk in the last 30 days.

While it fully acknowledges that sporting organisations play a very important role in the lives of many young people, it believes it is problematic and counterproductive when some of that work is supported through the promotion of alcohol products.

NYCI believes that to progress this issue, we need to know the level and percentage of total budget sporting bodies generate from drink industry sponsorship. NYCI believes that an end date for drinks industry sponsorship of sport should be recommended by the Group.

Conclusions of the Working Group

The many benefits of sport and its contribution to Irish society and identity were accepted by all members of the Working Group. All members recognised the harms caused by alcohol misuse in Irish society. All were willing to play their part in reducing this harm. However, views diverged in how this might be achieved. It was recognised that bringing a focus on alcohol advertising, marketing and sponsorship was but one element of a wider range of initiatives and policies needed to tackle alcohol misuse in Irish society. Some members favoured a population health approach to the problem by seeking to reduce overall alcohol consumption across the population. Other members were in favour of focusing on specific at-risk groups and the drinking patterns of the minority of people who misuse alcohol.

With regard to the Terms of Reference the Working Group has achieved its objective in facilitating engagement among key stakeholders to record their views and intentions with regard to the commitment in the Programme for Government to “Discuss the question of the sponsorship of sporting events by the alcohol industry with a view to phasing it out.” These views are recorded in this Report.

It has not been possible to establish the full financial extent of the existing sponsorships of sporting events by the alcohol industry or the terms and length of existing contracts. In the time available to produce its report the Group were not in a position to identify or to undertake research to establish the full financial extent of alcohol sponsorships. However, it is clear from the information provided to the Group that the financial contribution by the alcohol industry to sport in Ireland is very significant. Two of the largest national sporting bodies (FAI and IRFU) maintain that their sporting organisations or structures would not exist without the current support from the alcohol industry.

It is clear from the comprehensive submissions made by the various organisations represented on the Working Group that the issue of sponsorship by the alcohol industry in Ireland is a matter of great importance. The views of members of the individual organisations represented on the Working Group have been clearly stated. Research evidence was quoted in support of the arguments and positions being taken. International evidence was cited which concluded that alcohol marketing increased the likelihood that adolescents will start to drink and drink more if they are already using alcohol. The strength of this evidence in relation to Ireland was questioned by some members.

One view represented in the Working Group argued for the elimination of alcohol sponsorship of sport in Ireland in order to protect the health of young people in particular, but generally aimed at reducing the association of alcohol with sport. This argument contended that alcohol is a drug which has important pharmacological and toxic effects both on the mind and on almost every organ and system in the human body. Alcohol is implicated in numerous premature deaths every year from disease, accidents and violence. It has been shown to be causally related to more than 60 different medical conditions. The negative consequences of alcohol misuse include harm to physical health, psychological well-being and relationships. These consequences impact on all facets of society, from the affected individuals and their families to the medical, social and legal resources of the state. There is a need for acceptance of the impact alcohol-related harm has on society and acceptance for the need to take the policy necessary measures to address this harm. Therefore, the negative health consequences and economic costs associated with alcohol misuse demanded a legislative ban on sport sponsorship by the alcohol industry.

An opposing view was that there are huge economic, social and health benefits accruing from sport in Ireland. The alcohol industry, through its sponsorship of sport, has made a significant contribution to sport in Ireland. The support provided by the alcohol industry was integral to the survival of mainstream sport. A reduction or elimination of this support through a legislative ban would be detrimental for the sporting organisations in the current economic climate. A ban on alcohol sponsorship in Ireland would also have broader implications and impact on the benefits and revenues associated with international sponsorships. It would be extremely unlikely

that Government would be in a position to step in and replace the lost revenue from the alcohol industry.

The Working Group was not charged with finding a means of reconciling these two opposing views or to assess the relative merits of the arguments made. It is a matter for the Minister for Health and Children to consider the information and views expressed in this Report and to use this Report to inform any proposals that will emerge to address health concerns around sponsorship of sport by the alcohol industry. The Programme for Government 2007 – 2012 and the Government Decision of April 2008 provide the policy direction and express a desire for a discussion on the question of the sponsorship of sporting events by the alcohol industry with a view to phasing it out. Based on the submissions from the National Sporting Bodies it is clear that any proposals to emerge must take account of the contribution such sponsorships have made and continue to make to sport in Ireland. The balance to be achieved is to ensure that the consequences of any actions taken do not have a disproportionate impact on the economy, health and social fabric of Irish society.

Membership of the Working Group on Sport Sponsorship by the Alcohol

Industry

Dr Tony Holohan, Chief Medical Officer, Department of Health and Children
(Chairperson)

Prof. Joe Barry, Faculty of Public Health Medicine, Royal College of Physicians

Mr. Philip Browne, Irish Rugby Football Union

Dr John Devlin, Office of the Chief Medical Officer, Department of Health and
Children

Mr. James Doorley, National Youth Council of Ireland

Mr. William Ebbitt, Health Service Executive

Ms. Rosemary Garth, Alcohol Beverage Federation of Ireland

Mr. Sean Mc Crave, Institute of Advertising Practitioners in Ireland (IAPI)

Mr. Paul Mc Dermott, Irish Sports Council

Mr. Ed Mc Donald, Association of Advertisers in Ireland (AAI)

Mr Brian Mullen, Department of Health and Children

Mr. Michael O'Rourke, Horse Racing Ireland

Mr. Dermot Power, Gaelic Athletic Association

Ms. Fiona Ryan, Alcohol Action Ireland

Mr. Tim Scully, Department of Tourism, Culture and Sport

Mr. Rory Smyth, Football Association of Ireland

Ms Orla Strumble, Irish Greyhound Board

Mr Robbie Breen, Department of Health and Children