# Response to the DRAFT Cost Recovery Implementation Statement: National Self-Exclusion Register – Cost Recovery Levy

## Introduction

Dabble Sports Pty Ltd are licensed in the Northern Territory and as a licensed operator will be required to pay the Levy.

Dabble supports the *National Consumer Protection Framework (NCPF)* and has been looking forward to the implementation of the national self-exclusion register as part of its commitment to be a leader in the area of Responsible Gambling. Despite the overall cost appearing far greater than expected, Dabble will accepts the need to fund the costs of maintaining an effective national self-exclusion register, provided those costs are equitably distributed.

Overall Dabble has concerns with the proposed mechanism for cost recovery on the basis that it may be unfair to emerging businesses, is based on a measure of utilisation which has not been clarified, provides a disincentive for operators to utilise the register, conflicts with the Government’s cost recovery guidelines, could potentially benefit mature operators over growing operators, and results in a cost which is difficult to budget for.

Further details outlining this position are outlined below, including a proposal for a more effective mechanism to be used for effective cost recovery.

## Burden on Emerging Businesses and Incompleteness of Measure

An email to Dabble staff on 15 December 2021 from the National Self Exclusion Register stated “the ACMA will publicly consult on the Register Rules in early 2022” with respect to when calls to the register needs to be made. Dabble is concerned the requests required for new customers may be proportionally high relative to those for existing customers, which would disproportionally impact new emerging growing operators with the least ability to pay and advantage existing mature operators.

## Conflict with Self Recovery Guidelines

The Australian Government Cost Recovery Guidelines (RMG 304)[[1]](#footnote-1) state in section 11, that considerations include

*the impact of cost recovery on competition, innovation or the financial viability of those who may need to pay charges and the cumulative effect of other government activities*

There is potentially a negative impact on competition in the proposal, as outlined in the previous section, that amplifies a number of disadvantages new operators already face in wagering including natural fixed cost disadvantages, variability in meeting-based product fees (notably in Vic and WA), and a cap on the wagering levy paid by Northern Territory licensed operators. The proposed levy may therefore have a negative impact on competition in breach of cost recovery guidelines, in light of the cumulative effect of other government activities.

## Disincentive to Utilise Register

The draft stated the following with respect to the proposed model acting as a disincentive to use the register.

*The ACMA notes that this model may act as a disincentive to use the register, however, the IGA makes it an offence for IWPs to provide wagering services to self-excluded individuals.*

Dabble finds it difficult to understand whether the system will be fair given that the determination of when calls should be made to the register is not yet known, especially for existing customers. This also means that the “significant penalties” outlined in the Draft cannot be enforced as there is no guidance on what constitutes a breach.

Dabble would ideally use API calls to the self-exclusion register as much as possible to ensure that it is fully compliant, over and above any guidelines if necessary. If there is a disincentive to act this way, then the benefits of the self-exclusion register are diminished.

## Inability to Budget

The proposed model imposes a significant new cost that can only be estimated based on guessing the level of growth and the level of compliance of other operators (for which Dabble has no knowledge or control over). While this is impactful to all contributors, in particular growth organisations such as Dabble would prefer more certainty in managing future cashflows.

An alternative measure such as market share using number of actives is more or less understood by most operators, and much easier to budget for, and would a more stable and competitive environment.

## Alternative Model

Dabble proposes that the annual share of total Actives be used to ensure the fairest contribution to the levy.

If the data sent by operators was aggregated in a way that counted the number of unique customers sent in requests to the register, the system would be fairer (assuming all active customers were required to be checked against the register) and the calculation could still be made without the need to collate additional information.

**Summary**

Thank you very much for the opportunity to comment on the Draft. Dabble representatives would appreciate an in-person, teleconference or telephone conversation to discuss any of the issues raised in this submission if you feel that would be useful.

1. https://www.finance.gov.au/publications/resource-management-guides/australian-government-cost-recovery-guidelines-rmg-304#:~:text=cost%20recovery%20charges.-,Cost%20recovery%20policy,the%20costs%20of%20those%20activities. [↑](#footnote-ref-1)