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Victorian Bookmakers' Association

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3rd February 2022

The Manager
National Self-Exclusion Register Section
Australian Communications and Media Authority
PO Box 13112 Law Courts
MELBOURNE VIC 8010

Via email to: nationalsexclusionregister@acma.gov.au

**VBA Submission in relation to the DRAFT Cost Recovery Implementation
Statement: National Self-Exclusion Register (NSER) – Cost Recovery Levy**

The VBA is a membership-based organisation which attends to bookmakers who are registered in Victoria to operate bookmaking businesses online, telephone and oncourse.

Currently there are approximately 30 Members who accept bets via the internet and/or telephone (from off-course premises and/or via oncourse telephones). These businesses range in size from quite small single-proprietor to larger internet operators, who notwithstanding are significantly smaller than the larger corporate bookmakers that operate out of Northern Territory.

Proposed Levy Calculation

The proposed levy calculations for Interactive Wagering Providers (IWP) are detailed below:

$A = (B / C) \times D$, where:

A = Levy Payable by an IWP for a levy period

B = the number of requests for access by the IWP in the levy period

C = the total number of requests for access by all IWPs in the levy period

D = the total amount the ACMA will recover during the levy period

We understand the ACMA under the National Self-Exclusion Register (Cost Recovery Levy) Act 2019 have the statutory authority to recover the costs of providing the register through the imposition of a levy on IWPs that access the register.

In attempting to analyse and respond to your invitation to comment on the Levy, we are frustrated that, following our most recent enquiry, the NSER cannot provide relevant data of any kind in order to model even the most basic of possible cost outcomes for our Members, i.e., a fundamental input is “C” (estimated total number of requests for access by all IWPs in a levy period). Without such data, we are unable to make any informed conclusions about the actual or even estimated NSER cost to our members. As mentioned previously, our Members operate small online or telephone businesses in comparison to the large corporate operators, and usually with much lower margins. Some online Members physically transact as little as ~3,000 tickets per week whereas others would exceed ~10,000 per week. Without even estimating the severe impact of COVID, our Members already pay a multitude of levies and taxes and the introduction of the Cost Recovery Levy is yet another expense our Members must endure.

At this time, with no available data of any kind, we are unable to estimate to any extent the impact this levy will have on our Members and their future business viability. Therefore, by default we are prevented from providing valuable feedback to the NSER.

Notwithstanding, we strongly recommend that ACMA consider a threshold for all IWPs under which no levy is payable or indeed a de minimis fixed levy is applied, e.g., the first 10,000 requests for access are excluded from calculation, or a lower levy rate is applied for small business operators.

Recovery of Upfront and On-Going Costs

The cost information provided in the Draft Cost Recovery Implementation Statement indicates the costs of building the NSER currently tracking to the budgeted amounts.

The VBA asks what safeguards (agreements regulating cost increases) does ACMA and the Register Operator have in place to ensure there are no material cost blowouts which the IWPs would have to pay through the Levy.

If this was to occur, how can we be assured the IWPs will not be forced to cover the costs of inappropriate or poor management of the budget on this project?

We recommend, the costs of the project should be disclosed and fixed to agreed budgets and/or (CPI) caps, to reduce the possibility of over-spending.

Review of Levy after First Levy Period

We fully support a further review and consultation of the Cost Recovery Levy immediately after the First Levy Period.

The VBA supports the NSER and the need for our industry to fund the program based on a user pay system, however these costs should not be onerous and burdensome to the future viability of IWPs and indeed small sole proprietor operators.

We thank you for the opportunity to comment on the proposed Cost Recovery Levy, should you like to discuss any of the matters raised in this document further, please get in contact.

Kind regards

A handwritten signature in dark ink, appearing to read 'M. McKinnon'. The signature is fluid and cursive, with the first letter 'M' being large and prominent. The name 'McKinnon' is written in a similar cursive style.

Monika McKinnon
Executive & Operations Officer