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Australian Communications and Media Authority
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Submission in relation to Cost recovery implementation statement: National Self-Exclusion Register – Cost Recovery Levy 2025–26

Dear ACMA

The Australian Bookmakers Association (ABA) appreciates the opportunity to comment on the ACMA's draft Cost Recovery Implementation Statement (CRIS) for the National Self-Exclusion Register (NSER) levy for 2025–26.

While ABA members support the intent of BetStop and recognise the importance of consumer protection, we continue to hold significant concerns regarding the design, transparency, and cost trajectory of the levy framework. These concerns disproportionately affect small and independent bookmakers—who constitute a meaningful proportion of the licensed wagering sector—and continue to raise questions about the sustainability and fairness of the current cost-recovery model.

1. Lack of cost transparency and cost certainty for industry

The CRIS outlines that the total annual cost of operating BetStop is expected to remain between \$7.59m and \$7.89m per year for the foreseeable future, following significant upfront establishment expenditure of \$19.14m. Despite the service now being in its second full year of operation, industry still cannot meaningfully verify, anticipate, or budget for these costs.

Key concerns include:

1.1 No external oversight of costs

The ACMA is permitted to recover “all costs associated with implementing and operating the NSER,” yet the industry has no visibility into:

- the efficiency benchmarks applied to the register operator
- how cost increases are assessed, challenged, or validated
- how the ACMA evaluates whether resource levels (e.g., staffing, compliance, promotion, research) are proportionate to need

Costs such as increases for ACMA staffing, research, campaigns, and security assessments materially change the levy total, yet industry has no mechanism to question or review the necessity or value of these expenditures.

1.2 Costs materially exceeded earlier forecasts

The CRIS records that costs increased 15% in 2024–25 over earlier estimates, largely attributable to ACMA-driven activities rather than operator or technical requirements.

For small bookmakers—often operating on thin margins and already facing significant increases in product fees, POCT, and regulatory imposts—unforecast increases of this nature materially impact commercial viability.

1.3 No practical ability for smaller operators to manage or mitigate the cost

Because the levy is determined retrospectively and is based on the use of mandatory services, small operators have no foreseeable budgeting horizon.

This violates fundamental principles of sustainable cost-recovery design:

- predictability
- transparency
- proportionality
- capacity to pay

2. Levy methodology unfairly disadvantages small bookmakers

The levy formula apportions cost based solely on the number of queries made to the NSER.

While superficially simple, this model has several structural weaknesses that disproportionately impact smaller operators:

2.1 High-volume operators dominate usage, yet small bookmakers face the greatest cost uncertainty

The CRIS notes that the top 10 operators account for more than 90% of all queries.

Yet smaller operators—who may only generate a tiny fraction of total queries—are left with both:

- a levy that fluctuates unpredictably year to year, and
- no ability to amortise costs across large customer bases.

The model fails to consider that many small bookmakers check the NSER with the exact same frequency per customer as large operators—their use per customer is identical, yet their relative cost burden (as a percentage of total revenue) is exponentially higher.

2.2 Operators cannot avoid or control their usage

Under the IGA, IWPs must query the NSER for account openings and conduct ongoing checks. Queries are therefore compulsory, not discretionary.

A compulsory activity should not be priced in a way that punishes those with smaller turnover or lower average margins.

3. The current levy structure creates a perverse incentive not to check BetStop

The CRIS acknowledges stakeholder concerns that the usage-based model “may act as a disincentive to use the NSER.” ACMA responds by stating that compliance obligations and penalties offset this concern.

However, this response does not adequately address the practical commercial reality for smaller operators:

3.1 Disincentive exists regardless of the legal obligations

When each additional check increases total sector usage and raises future levy allocations—especially unpredictably—operators face a structural discouragement from proactive or high-frequency compliance behaviours.

Even though operators must comply, the pricing model should not penalise the behaviour regulators want to encourage.

Examples of discouraged behaviour include:

- more frequent proactive re-verification of customers
- batch rechecks ahead of major events
- enhanced internal monitoring cycles

3.2 A well-designed regulatory scheme would avoid charging per compliance action

No other major consumer-protection system in wagering penalises operators for completing required compliance checks.

Charging per query is an anomaly in a regulatory environment specifically designed to encourage more checks, not fewer.

4. Escalating costs without demonstrated efficiency improvements

ACMA's own data shows annual operating costs increasing or holding at historically high levels (roughly \$7.6m–\$7.9m), regardless of efficiencies or technological maturity.

4.1 Contract costs to the operator increase despite scale stability

The register operator cost increases from \$4.48m to \$4.66m to \$4.79m over forward years.

There is no explanation of efficiency gains, cost benchmarking, or renegotiation opportunities.

4.2 ACMA internal costs have risen despite system maturity

ACMA staffing, campaigns, research and compliance monitoring costs continue at elevated levels, despite the system having stabilised since launch.

4.3 There is no independent review of efficiency or value for money

Industry is required to absorb increasing costs with no ability to review the service delivery efficiency or benchmark it against comparable government digital systems.

5. Industry-funded does not mean industry bears unlimited or unreviewable cost

The original National Consumer Protection Framework principle that the NSER be “industry-funded” does not equate to unbounded cost transfer to operators without transparency, predictability, or proportionality.

Industry funding should still meet the standards of:

- fairness
- value for money
- oversight
- proportionality to risk and capacity

Small bookmakers—already facing existential pressure from regulatory and cost-of-goods inflation—cannot sustainably absorb unpredictable and escalating compliance levies.

6. Recommendations

The ABA proposes the following reforms to create a fairer, more transparent, and more predictable system:

6.1 Freeze cost increases until an independent efficiency review is completed

A third-party assessment should review:

- ACMA internal costs
- register operator contract pricing
- efficiency opportunities
- benchmarking against government digital services of similar scale

6.2 Move away from a per-check model

Possible alternatives include:

- a tiered levy based on licence class or turnover
- a flat fee for small bookmakers with capped exposure
- a hybrid model that smooths variance and does not penalise compliance activity

6.3 Provide forward guidance on expected levy ranges

Operators require at least two years of indicative levy banding to budget responsibly.

6.4 Introduce industry oversight mechanisms

Such as:

- annual reporting against KPIs for cost-efficiency
- industry advisory group engagement in cost review
- transparent tender or re-tender processes for NSER operations

6.5 Remove incentives that discourage compliance checking

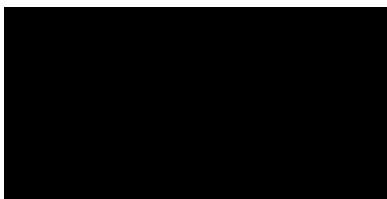
The model should reinforce—not undermine—frequent usage of BetStop, which is fundamental to consumer protection.

Conclusion

The ABA strongly supports the policy intent of the National Self-Exclusion Register. However, the cost-recovery model outlined in the draft CRIS places an unreasonable and disproportionate burden on small bookmakers, lacks adequate transparency and oversight, and structurally discourages the very compliance behaviours that underpin the scheme's effectiveness.

We urge ACMA to prioritise a more transparent, fair, and sustainable funding model that protects consumers without compromising the viability of small Australian wagering businesses.

Kind regards,



Chairman
Australian Bookmakers' Association