

30 April 2025

STATUTORY REVIEW OF BETSTOP – THE NATIONAL SELF EXCLUSION REGISTER RESPONSE TO CONSULTATION PAPER

Sportsbet welcomes the opportunity to respond to the Department of Infrastructure, Transport, Regional Development, Communication and the Arts' (**the Department**) consultation paper on the Statutory Review of BetStop – the National Self Exclusion Register (**BetStop**).

Sportsbet has strongly advocated for and supported the introduction of a national self-exclusion register. As the largest online bookmaker in Australia, Sportsbet advocates for a strong and effective consumer protection framework, including tools and measures which deliver targeted, proven and impactful safer gambling outcomes for wagering customers.

BetStop is one such measure, and our submission provides feedback to assist the Department in its consideration of whether the regulatory arrangements underpinning BetStop are fit for purpose, and working effectively in practice to protect consumers at risk of gambling harm. This includes discussion of issues in relation to the effectiveness of BetStop's regulatory framework in Part 7B of the *Interactive Gambling Act 2001* (**the IGA**), the *Interactive Gambling (National Self-Exclusion Register) Register Rules 2022* (**the Register Rules**) and the *National Self-exclusion Register (Cost Recovery Levy) Act 2019* (**the Cost Recovery Rules**).

Our submission provides recommendations on where BetStop, and the regulatory settings underpinning the Register, could be improved to ensure its continued effectiveness in driving consumer protection outcomes. Our recommendations include:

Recommendation 1: The scope of BetStop be expanded to include (a) online keno; (b) online lotteries; and (c) retail wagering.

Recommendation 2: BetStop be expanded to enable functionality for wagering service providers (WSPs) to refer specific, consenting customers at risk of harm to BetStop. This would help drive further engagement by at-risk customers with BetStop.

Recommendation 3: ACMA and the BetStop operator to work with industry to improve BetStop matching processes. For example, greater transparency and information sharing to enable 'fuzzy matches', helping to ensure registrants are captured as intended.

Recommendation 4: The Government reform BetStop cost recovery arrangements with the objective of removing current perverse incentives against register checking. We recommend a model where WSPs are charged based on market share, with unlimited register checks permitted.

Recommendation 5: ACMA and the BetStop operator to share detailed costs with WSPs, with the objective of providing transparency and reducing the overall cost of BetStop operations.

Recommendation 6: ACMA and the BetStop operator regularly consult and work with WSPs. We recommend the establishment of an ongoing working group on information sharing and issues management.

Recommendation 7: ACMA provide clarity on what actions would satisfy the “reasonable precautions” and “due diligence” tests through the development and publication of a regulatory guidance document.

Recommendation 8: The requirements in section 61MB be amended to allow an account to be reopened, reactivated or reinstated to ensure that relevant historical customer information in relation to safer gambling and AML/CTF is maintained, in cases where a customer chooses to re-join a WSP following a period of exclusion on the BetStop register.

About Sportsbet

Sportsbet is a leading Australian digital e-commerce business in the online wagering sector bringing excitement to 2.4 million Australian customers. Representing approximately 42% of Australia’s online wagering market, Sportsbet employs over 1,300 staff across Melbourne, Sydney and Darwin. We are part of the Flutter Group, the world’s largest online gaming company operating in over 40 regulated markets with a market footprint across Europe, Asia and North and South America.

Sportsbet generates an economic contribution to Australia of over \$3.53 billion each year, including \$1.1 billion in direct taxation, levies and fees, including State and Federal Taxes and product fees to Australian racing and sporting bodies.

Sportsbet is a world-leader in pioneering safer gambling strategies and technologies, introducing initiatives including deposit limits, the ‘Take a Break’ tool and Real-Time Intervention. We have invested significantly in these market-leading tools, spending over \$1bn to protect customers, and we proactively invest in prevention with an ‘always on’ approach.

In addition to our world-leading innovation in safer gambling tools, our leadership is also demonstrated by our work in founding Responsible Wagering Australia, and our ongoing commitment to work collaboratively with industry and government.

If you have any questions in relation to this submission, please do not hesitate to contact me at [REDACTED] or my colleague Kerri Hereward, Sportsbet’s Public Policy Manager, at [REDACTED]

Sincerely,



David Jancik
Head of Public Policy & Reputation
Sportsbet

SPORTSBET FEEDBACK TO BETSTOP REVIEW

Recommendation 1: The scope of BetStop be expanded to include (a) online keno; (b) online lotteries; and (c) retail wagering.

Sportsbet is strongly supportive of BetStop as a consumer protection tool to ensure customers can self-exclude across all online wagering service providers (**WSPs**). The registration of approximately 35,000 customers with BetStop since its inception is a clear indicator of its success.

Given the success of BetStop as a consumer protection tool for online wagering, we would strongly encourage the Federal Government to consider its extension to other online gambling products, specifically keno and lotteries, and additionally to retail wagering.

Online keno allows customers to place a bet on draws occurring every three minutes. The frequency of the draws, and the ability to place bets on draws at all hours of the day, provides sufficient parallels to online wagering platforms which are already part of the BetStop framework.

The situation is similar in relation to online lotteries, with the introduction in recent years of foreign-matched lotteries adding to a significant gap in the consumer protections provided to Australians. Almost half of all adult Australians (46.8 per cent) bought a lottery ticket in 2024, with 45 per cent of that activity occurring online. With some providers, customers can spend thousands of dollars on lottery tickets at a time, with draws occurring most days of the week.

Australian Gambling Statistics show that Australians lost more than \$3.5 billion on lotteries and keno in 2022-23, and following the introduction of online keno in Victoria, keno losses in Victoria more than doubled from 2021-22 to 2022-23.

Retail wagering offers a further avenue for expanding the protections of BetStop. When an individual excludes themselves via BetStop from wagering on sports and racing using online WSPs, that individual can then simply travel to their closest local retail wagering venue and engage with the exact same product and markets, albeit in a retail environment which provides less consumer protections than an online environment.

Retail settings do not require ID verification prior to placing a bet or entering a venue, do not have visibility of all bets placed by customers, and have no effective immediate exclusion registers available. Customers can also bet anonymously using cash (not available with online WSPs). Therefore that same customer, excluded from online operators on consumer protection grounds, can engage in less-protected wagering activity in a retail venue, given BetStop is not in operation at a retail wagering level.

Consistency is crucial to effectively reduce the risk of gambling harm, and the extension of BetStop to online keno and lotto, and retail wagering, would offer consumers more comprehensive control over their gambling activities. The popularity and financial scale of keno and lotteries, and their easy access online, provides that the extension of BetStop to cover those products would ensure a more consistent and effective self-exclusion system across online gambling platforms, enhancing protections for those individuals who choose to self-exclude. Expanding BetStop to retail wagering would ensure BetStop covers the same products and services as currently covered in an online environment, but at the retail wagering level.

Recommendation 2: BetStop be expanded to enable functionality for wagering service providers (WSPs) to refer specific, consenting customers at risk of harm to BetStop. This would help drive further engagement by at-risk customers with BetStop.

A key element of the success of BetStop to date has been the ability for the individual consumer to exclude themselves from online wagering activity, where they have felt they need a longer break or a permanent cessation of engagement with wagering. WSPs, where a provider sees indicators of harm, can recommend BetStop to an individual customer.

From an industry perspective, one limitation with the current register design is whilst a WSP can recommend and provide links to BetStop directly to the customer, the WSP cannot refer the customer to BetStop. In practice, this means a customer excluded from wagering at one WSP due to safer gambling reasons can sign up or continue as a customer at another provider where the risk of harm can continue. This cycle can repeat itself, with over 100 online WSPs licensed across Australia, if the customer does not proactively register themselves with BetStop. It could also continue at retail wagering venues.

The Federal Government should consider an expansion of BetStop to enable WSPs to refer customers on their behalf to the Register in situations where a customer explicitly consents to referral. More specifically, a WSP would be empowered by the customer, through explicit consent, to refer that customer to the BetStop register in specific circumstances of risk of harm – including:

- A) customer-led, where a customer is requesting to permanently self-exclude or take a long break with the WSP; or
- B) WSP-led, where a WSP is taking the decision to permanently exclude or place a customer on long-term break on safer gambling grounds.

In both scenarios above, the WSP could only refer the customer to BetStop following the customer providing explicit consent to the WSP to be referred to BetStop on their behalf. At that point, the BetStop operator would place that individual on the BetStop register for the designated period of time (as indicated by the customer to the WSP).

The rationale is that such a reform would expand safer gambling protections, as it would assist customers who may not wish to undertake the additional step of referring themselves to BetStop, by empowering WSPs to act on the consenting customer's behalf. Privacy considerations, specific parameters of when consent is asked for by the WSP (such as during the permanent exclusion process), and methods of customer consent and record keeping are details which would need to be further determined with industry.

Recommendation 3: ACMA and the BetStop operator to work with industry to improve BetStop matching processes. For example, greater transparency and information sharing to enable 'fuzzy matches', helping to ensure registrants are captured as intended.

Sportsbet has some concerns with the matching logic used by the register operator. Owing to a lack of transparency (as previously outlined), we have no clear understanding of the exact algorithms used to determine matches but we understand that in some cases, customers have not been identified due to minor discrepancies in the information provided. While there have been some cases where customers have deliberately used incorrect details (e.g., using another's person's identification details to sign up for an

account, which amounts to fraud), these do not seem to constitute a significant proportion of failures to match.

Our understanding is that BetStop does not use ‘fuzzy matching’ logic – that is, the information provided by WSPs must be exactly the same on several data points to that held by the BetStop register, in order to be considered a match. This rigidity does not best serve the need to protect customers, and does not reflect the practical reality of individuals using different emails, phone numbers, or addresses over time.

With fuzzy matching logic, if a customer has signed up to a WSP as ‘Nick’ and then registers with BetStop as ‘Nicholas’, this would return a match. Presently, the current algorithm (as far as we understand) would not match these records and results in a sub-optimal experience from a customer protection point of view.

One potential way to improve this outcome would be for the register operator to provide WSPs with ‘close but not quite’ matches to action, enabling WSPs to interrogate their customer records.

As outlined previously, in our view, consultation between ACMA, the Register operator and WSPs would be the optimal way to consider ways to improve processes. In this instance, WSPs could work closely with the register operator so the best solution on fuzzy matching could be achieved, through understanding the data held by WSPs about their customers (i.e. ID verification levels and processes, using ‘Nick’ to sign up to an account with their ID stating ‘Nicholas’ as their name).

Recommendation 4: The Government reform BetStop cost recovery arrangements with the objective of removing current perverse incentives against register checking. We recommend a model where WSPs are charged based on market share, with unlimited register checks permitted.

Sportsbet is supportive of the underlying principle that BetStop costs be recovered from WSPs. As industry is the sole user of the register, and our customers drive engagement with the register, it is appropriate that industry covers BetStop’s reasonable operating costs.

We note however that the current cost recovery arrangements do not support the underlying harm prevention and consumer protection intent of BetStop. In fact, the current model creates perverse incentives for operators to not check their customer database against the register as often – that is, the more frequently a WSP washes customer data against BetStop, the more they are required to pay.

A more equitable approach, which would also better support harm prevention, may be to allow washing of customer data against BetStop at an unlimited level for WSPs, with the costs for WSPs instead allocated relative to their market share. This would encourage more frequent washing of customer data against the register, as WSPs would not pay per-wash, and allow for an unlimited and consistent frequency of washes. It would also not require strict regulation or setting of wash frequencies by ACMA or the register operator, as WSPs could retain the ability to set their frequencies according to their risk appetite, but would not be disincentivised to check more often.

Allocation of costs based on market share (though a flexible model to allocate based on any market share movements) would also equitably reflect the competitive operating environment of the industry. It would also offer budget certainty to the register operator, compared to the current system which would require

forecasting of total annual checks by all operators (and therefore is subject to material fluctuations based on individual WSPs changing their wash frequency).

Recommendation 5: ACMA and the BetStop operator to share detailed costs with WSPs, with the objective of providing transparency and reducing the overall cost of BetStop operations.

We note the amendment of the Cost Recovery Implementation Statement (**CRIS**) in 2023 to recover the entirety of the upfront costs from WSPs over three years, instead of four as originally planned, increases the financial impact on WSPs over a shorter timeframe than originally proposed. ACMA's forecast at the time of the release of the updated CRIS was for an increase in costs for 2026-2027 of \$7.33m, or 18 per cent. No information was made available to industry about what proportion of the increase was demand related, as opposed to costs associated with the new/novated contract with the register operator.

Without this information, industry has little to no assurance that the contract represents value for money. While these concerns were raised at the time by industry, no further information was provided about the estimates and assumptions underpinning the increase in costs. Provision of this information would provide industry with some comfort in understanding the increase, or the ability to challenge the assumptions. We would argue that this lack of transparency is unreasonable, given that industry is required to pay the costs.

Under the current cost recovery arrangements, based on the number of people registered up to 30 June 2024, the average cost per annum to industry would currently be approximately \$500 per registrant. With no information provided to industry on the cost drivers behind these figures, industry cannot assess the cost effectiveness of the current BetStop arrangements.

We note that as of April 2025, over 20 months since the launch of BetStop, industry is yet to receive any payments notice or any final details on operational costs for even the first year of operation. Industry also has no clarity on when any payments notice or final details should be expected, hampering any ability for industry to forward plan or forecast costs.

Recommendation 6: ACMA and the BetStop operator regularly consult and work with WSPs. We recommend the establishment of an ongoing working group on information sharing and issues management.

The regulatory framework underpinning the BetStop register is broadly correct, and provides sufficient flexibility to the governance framework of BetStop. For example, the Act and the Register Rules clearly outline the key prohibitions and requirements of the BetStop register (such as exclusions on opening accounts for customers on BetStop, cessation of marketing etc), but without providing intricate details of implementation or other requirements within those documents. This, in theory, allows for those practical details to be housed in other regulatory or practical artefacts (such as regulatory guidance documents) or through agreements and discussions/forums with WSPs, with appropriate flexibility for amendment between ACMA, the BetStop operator, and industry.

In practice however, Sportsbet (and the broader industry) have found it difficult to meaningfully engage with the register operator and with ACMA on material issues. Often questions on an issue going to either the register operator or to ACMA would be referred to the other, without adequately resolving the issue or without any greater transparency for industry on the issue. By way of example, we understand the register

operator is working through improving algorithms to ensure matching accuracy, yet we have no visibility on that work or what could be required from industry in relation to data or process changes.

A permanent, frequent working group between ACMA, the register operator and WSPs would be the optimal way to rectify these and future issues, and go some way to improve transparency and collaboration to ensure the best outcomes for customers from a safer gambling perspective.

Recommendation 7: ACMA provide clarity on what actions would satisfy the “reasonable precautions” and “due diligence” tests through the development and publication of a regulatory guidance document.

Section 51KA(5) the Act provides that it is not an offence to provide licensed interactive wagering services to an individual registered on BetStop if the licensed interactive wagering service provider took “reasonable precautions” and “exercised due diligence” to avoid the contravention. This exception is similarly repeated in relation to offences of sending regulated electronic messages, making regulated telemarketing calls or sending regulated direct marketing material to a registered individual; disclosing information about a registered individual for marketing purposes; opening an account for a registered individual; and promptly closing the account of a registered individual.

As previously outlined, the regulatory framework underpinning the BetStop register is broadly correct, and provides sufficient flexibility to the governance framework of BetStop. However, there is a lack of clarity in the legislation as to what actions might satisfy these tests. Whilst the existing framework (in theory) allows for such practical details to be housed in other regulatory or practical artefacts (such as regulatory guidance documents), ACMA has not issued any such guidance, direction or advice which offers any assurance on what measures would satisfy the tests of “reasonable precautions” and “exercising due diligence”. This lack of clarity has led to differing approaches by WSPs in relation to issues that could contravene these requirements.

We recommend ACMA provide WSPs with a guidance document that clearly sets out baseline expectations from the regulator on what would satisfy these tests. This would enable a clear set of regulatory expectations for industry to follow, ensuring WSPs understand their base obligations and how to ensure compliance with those obligations. It would further permit those WSPs who wish to go above and beyond those baseline expectations to do so (for example, to meet their own risk appetite), but with the understanding they were meeting baseline requirements.

A practical example of this would be the treatment of inactive accounts (those with no transaction activity in the preceding 12 months). These accounts are, by definition, inactive and not in use however regulatory requirements on checking these accounts against the Register are unclear. The costs associated with checking these accounts against the Register can compound over time, despite no activity having been undertaken on those accounts. Regulatory clarity on the checking requirements of such accounts would increase compliance across industry, provide uniform baseline requirements across operators, and could reduce costs for WSPs.

Recommendation 8: The requirements in section 61MB be amended to allow an account to be reopened, reactivated or reinstated to ensure that relevant historical customer information in relation to safer gambling and AML/CTF is maintained, in cases where a customer chooses to re-join an operator following a period of exclusion on the BetStop register.

Once an individual has registered with BetStop, WSPs are required to close any accounts held by the individual. Section 61MB requires that a WSP must not reopen, reactivate or reinstate an account that has been closed in this way and makes this an offence punishable by a 120-penalty unit fine.

This requirement is problematic from both a safer gambling and an anti-money laundering perspective, as when a new account is required to be created for an individual returning from BetStop, then all historical data relating to that customer's gambling history may be lost. Sportsbet have addressed this by instituting a duplicate creation process whereby key data is recreated and a link between the previous and new account is created using a unique identifier. Therefore any internal data relating to safer gambling and/or AML/CTF notes, restrictions or flags are copied over to the new account. No transaction data or payment information however is copied across to the new account. While Sportsbet has developed the above process for our own requirements, the use of duplicate processes is not ideal practice from a technological point of view, as it creates the risk of errors across complex technological systems. The ability to reopen an account would remove this risk.

The practical impact of this requirement on WSPs which have not developed similar systems to duplicate historical data is that it limits the ability of an operator to properly analyse data, risk patterns, or previously implemented safer gambling interventions or monitors for that customer.