



Response to the NT Racing Industry Review Recommendations

Responsible Wagering Australia (RWA) is the peak body representing more than half, by market share, of the Australian licensed online wagering industry. Our members include Australia's major online wagering service providers (WSPs): bet365, Betfair, Picklebet, PointsBet, Sportsbet, and Unibet; all of whom are licensed in the Northern Territory (NT). RWA members collectively contribute over \$150 million annually to the NT economy through licensing fees, taxes, product fees, direct employment, and investment in infrastructure and racing.

RWA welcomes the opportunity to provide input on the recommendations from the Northern Territory Racing Industry Review (**the Review**). We acknowledge the extensive work that has gone into this Review and share its goal of a thriving, sustainable NT racing sector.

Since lodging our initial submission in April, however, there have been significant changes to the tax settings that fundamentally alter the commercial landscape for NT-licensed WSPs. In light of these developments, we offer additional feedback.

Primarily, RWA and its members **do not support** the major recommendation from the Review proposing a new Racing Industry Contribution Levy. Any additional funds required for the NT racing industry should be drawn from the additional contributions raised from the recent tax increase in the 2025 Budget. The material impacts of the proposed levy on the wagering industry in the NT cannot be understated.

Recommendation	Position
1-2	Support in principle
3	Do not support
4-11	Support in principle
12-15	No comment

Context: A Rapid Escalation in Taxes and Levies

RWA's perspective is grounded in a commitment to sensible, sustainable policy that supports racing without undermining the Territory's competitiveness as Australia's leading online wagering hub. While the intent behind many of the Review's recommendations is understandable, it is critical that proposed changes are considered in the context of the broader regulatory and tax environment.

In the last 12+ months, NT-licensed WSPs have been required to absorb a quick succession of increases in taxation and regulatory costs. This includes:

- **Racing and Wagering Fund (RWF) Levy** - introduced 1 July 2024, expected to raise around \$2 million annually. This new levy was designed to fund the regulator and broader racing initiatives.
- **Doubling of the Wagering Tax Cap** - effective 1 July 2025, the annual cap per operator will jump from \$1.41 million to \$2.9 million, a 106% increase, forecast to raise an additional \$13.1 million per year for the Government. This increase was announced without industry consultation as part of the NT Budget and part of a total gambling tax increase of \$30 million annually for the NT Government arising from recent changes to gambling taxes.
- **Proposed Racing Industry Contribution Levy** - as per Recommendation 3 of this Review, a new Racing NT levy that would extract another \$3.6 million annually from NT licensed operators only. This would effectively act as a third tax layered on NT-licensed WSPs within an 18-month period, placing a disproportionate burden on operators who choose to be licensed in the NT.

As noted in RWA's submission to the Review pointing to examples in other jurisdictions, if tax settings are not correctly balanced, revenue decreases, not increases. The proposed levy, in addition to the other tax and fee changes already put in place, is disproportionately impacting operators who have chosen to be licensed in the NT. ***Those operators are now being forced to actively consider licensing in other jurisdictions*** as the cumulative impact of these taxation changes reduces their viability, particularly in the case of smaller operators.

While our members represent more than half, by market share, of the Australian licensed online wagering industry, the majority of online wagering providers in Australia are not licensed in the NT, suggesting that they see other jurisdictions as more favourable from a commercial perspective. Without a corresponding uplift in revenue or regulatory value, several WSPs are now already reducing headcount in Darwin and actively exploring alternative licensing jurisdictions.

With this context, RWA provides further detail on our position on the Review's draft recommendations below.

Recommendation 1 - Racing Governance

RWA supports Recommendation 1 in principle

Good governance and transparency are essential to the racing industry's future, and we agree that modernised oversight arrangements and a clearer funding framework for Racing NT will help build confidence in the industry's direction.

Given NT racing's heavy reliance on online betting turnover, RWA recommends any new Racing NT board or oversight body should include at least one director with substantial online wagering experience. The wagering industry is a key stakeholder in racing's success, and having an experienced wagering voice on the board will strengthen decision-making and align racing strategies with wagering market realities.

Recommendation 2 - Funding Oversight

RWA supports Recommendation 2 in principle

Recommendation 3 – Proposed Racing Industry Contribution Levy

RWA **does not support** Recommendation 3.

NT-licensed WSPs already play a critical role in supporting the Territory's racing industry. In 2023/24 alone, RWA members contributed over \$2.2 million in product fees to Thoroughbred Racing Northern Territory and the Darwin Greyhound Association, alongside substantial additional and voluntary investment through sponsorships, marketing partnerships, and hospitality linked to NT race meetings. These contributions directly underpin prize money, racing promotion, and broader industry growth.

Introducing an additional racing-specific levy risks undermining this support. Rather than generating new value, it would likely displace existing investment - diverting funds that operators currently channel voluntarily into racing. In an environment of rising costs and tightening margins, further tax pressure will not strengthen the industry; it will discourage the very investment racing depends on.

Moreover, forcing operators to absorb yet another cost inevitably means they must increase customer margins, which ultimately translates to poorer odds and fewer promotions to remain viable. That means worse value for punters, further dampening betting turnover in an already declining racing market. In some cases, it may force WSPs to scale back their NT racing offerings altogether - undermining both consumer choice and wagering activity.

Instead of imposing a new levy, RWA urges the NT Government to consider a more equitable and proven approach: dedicate a share of existing wagering tax revenue to the racing industry. Unlike NT, which currently provides no guaranteed return of wagering tax to racing, other states have formal arrangements to reinvest a significant portion of betting tax revenue into their racing industries. Queensland and Tasmania redirect 80% of betting tax back to racing, while Victoria earmarks 50%.



Bringing NT into line with these jurisdictions - for example, dedicating a fixed percentage of the NT's wagering tax to Thoroughbred Racing Northern Territory and the Darwin Greyhound Association - would bolster racing funding in a fair and transparent way. Importantly, this approach grows racing's income as the wagering market grows, without undermining the NT's tax competitiveness.

NT Budget Paper No.2¹ confirms that the doubling of the annual tax cap applicable to WSPs is expected to generate \$13.1 million per annum, part of a total gambling tax increase of \$30 million annually for the NT Government arising from recent changes to gambling taxes. Redirecting just a fraction of that uplift would more than replace the \$3.6 million sought through the proposed Racing Industry Contribution Levy without undermining customer value, increasing wagering costs, or jeopardising the long-term sustainability of the NT racing industry itself.

Recommendations 4-11

RWA supports Recommendations 4-11 in principle.

These recommendations focus on racing operations and industry development matters beyond wagering-specific issues. We have no specific comments on those items and defer to racing stakeholders on their detailed implementation. We simply note our general support for measures that bolster the sustainability and integrity of NT racing.

On Recommendation 5, we note that scheduling, including the option to move rather than reduce race meetings, can play an important role in maximising visibility and turnover. Experience from other jurisdictions shows that securing clearer air on key Sky Racing channels can deliver significant wagering benefits.

¹ Northern Territory Government, 2025-26 *Budget Paper No. 2 – Budget Strategy and Outlook*, p.59

Recommendations 12-15

RWA notes Recommendations 12-15.

These recommendations appear to concern matters outside the scope of online wagering (such as retail/off-course arrangements, etc.). RWA has no further input on these items.

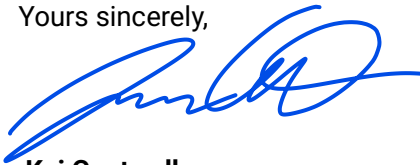
Conclusion

RWA and its members are proud of their longstanding relationship with the Territory and remain committed to contributing to the sustainability of both the local racing and wagering sectors. But that commitment must be met with a stable, transparent, and commercially attractive policy environment. The cumulative impact of multiple new taxes, fees, and regulatory uncertainties is undermining that balance.

We urge the Government to consider the broader implications of these recommendations, and to work constructively with industry to ensure that any new measures strengthen - not jeopardise - the Territory's position as a leading licensing jurisdiction.

We welcome the opportunity to work with the NT Government in the months ahead to ensure the Territory's policy framework remains strong, sustainable, and future-focused. Should you require any further information about these issues, please contact Mr Mike Websdane, Head of Policy and Operations, at mike.websdane@responsiblewagering.com.au.

Yours sincerely,



Kai Cantwell
Chief Executive Officer
24 July 2025