ALLIANCE FOR GAMBLING REFORM

Submission - Racing and Wagering Amendment Bill 2026

A Reputational Fix, not Regulatory Reform

27 March 2026

Executive Summary

This submission takes the view that the Racing and Wagering Amendment Bill 2026 is not the product of a genuine commitment to reform, but a kneejerk, reputational response to the national scrutiny generated by the ABC *Four Corners* investigation, *Losing Streak*.

That investigation exposed not only persistent enforcement failures, conflicts of interest, weak penalties, and ineffective complaints handling, but also a regulator that is fundamentally under resourced and structurally part-time, tasked with overseeing a national wagering industry worth tens of billions of dollars.

Despite functioning as Australia's de facto national wagering regulator, the Northern Territory Racing and Wagering Commission operates with:

- limited staff support;
- infrequent meeting of commissioners;
- no standing, well-resourced investigative arm; and
- a historical enforcement record in which no wagering licence has ever been revoked.

This lack of capacity and resourcing is particularly difficult to justify given the substantial revenue the Territory derives from wagering operations. Public material indicates that:

- wagering operators licensed in the NT contribute in excess of $150 million per year to the Territory economy through wagering taxes, licence fees, levies and associated charges;
- NT wagering tax receipts alone are forecast to exceed $35 million annually, even under a capped tax regime; and
- an additional Racing and Wagering Fund levy raises around $2 million per year, expressly to fund regulatory and enforcement activity.

Rather than addressing the mismatch between regulatory responsibility, revenue and resourcing, the Bill:

- restructures oversight from an Act made less than two years ago to distance the Commission from scrutiny around racing and hospitality conflicts;
- narrows visible conflicts while leaving deeper integrity risks untouched;
- expands opaque delegation powers instead of building enforcement capacity;
- preserves weak penalty settings;
- avoids mandatory escalation or licence cancellation;
- and continues to treat consumer harm as an administrative issue rather than a legal one.

In our view, the Bill's principal purpose is to manage reputational damage and mitigate future scrutiny, not to restore public confidence or deliver meaningful consumer protection.

Context: A Crisis of Credibility

The Bill must be assessed in the context in which it arose.

Losing Streak revealed a regulatory model characterised by:

- chronic under-resourcing;
- reliance on part-time commissioners to police an industry operating nationally;
- prolonged delays and dismissals in complaints handling;
- penalties that function as a cost of doing business;
- and the complete absence of licence cancellation as a regulatory outcome.

These were not marginal failures, nor unforeseeable ones. They were the predictable result of the Territory positioning itself as a global wagering licensing hub and assigning what amounts to a national regulatory role to a small, lightly resourced body, even as they extracted growing fiscal returns from that role.

The timing of the Bill - introduced shortly after this public exposure and so soon after it was reviewed in 2024 - strongly suggests a response driven by optics rather than by a serious reassessment of regulatory adequacy.

Substantive Failures in the Bill

1. Structural Separation: Reputational Shielding, Not Accountability

The Bill removes racing related responsibilities from the Northern Territory Racing and Wagering Commission.

While framed as an accountability reform, this restructuring appears designed to quarantine the Commission from conflicts that had already become publicly embarrassing, rather than to strengthen regulatory outcomes.

Racing and wagering are not separable in practice. Racing - particularly fast turnover greyhound and harness racing - is deliberately used by wagering platforms to:

- keep sports bettors engaged between matches;
- extend gambling sessions;
- and maximise turnover.

By redefining racing as “out of scope,” the Bill narrows what qualifies as a conflict of interest for Commissioners without addressing the commercial reality of wagering operations.

This is conflict management by reclassification, not reform.

2. Expanded Delegation Powers: Less Oversight, Not More Enforcement

The Bill allows the Commission to delegate any of its powers to a Director or a “suitably qualified” public servant.

Rather than confronting under-resourcing directly - despite significant industry derived revenue intended to fund regulation - the Bill facilitates a shift of enforcement activity out of sight, with:

- no transparency obligations;
- no reporting thresholds; and
- no safeguards against over delegation.

This weakens, rather than strengthens, public accountability.

3. Licence Conditions Without Teeth

Clarified licence conditions are no substitute for enforceable escalation.

The Bill provides no mandatory pathway from repeated breaches to licence suspension or cancellation, allowing licensees with long histories of complaints to remain licensed indefinitely.

This reproduces the exact regulatory culture exposed by *Losing Streak*.

4. Disciplinary Powers That Remain Theoretical

Although licence revocation technically remains available, the Bill does nothing to address the central fact that the NT regulator has never used it.

Retaining unused powers while avoiding the conditions required to activate them confirms inertia, not resolve.

5. Complaints Handling Still Unaccountable

Increased time limits do nothing to address deficiencies in how complaints are handled, finalised, or reported.

Consumers still have no independent oversight mechanism and no means to challenge regulatory inaction.

6. Governance Reforms That Stop Where It Matters Most

The Bill tightens a narrow category of visible conflicts but leaves structural and relational conflicts unaddressed, without public disclosure or scrutiny.

7. Penalties That Remain Too Low to Matter

Even with recent adjustments, NT wagering penalties remain far below national comparators and trivial relative to operator turnover.

The Bill avoids minimum penalties and mandatory escalation, sustaining a low deterrence environment.

8. No Duty of Care, No Restitution

The Act still imposes:

- no statutory duty of care owed to customers; and
- no obligation to return stolen or criminally derived funds.

Serious consumer harm protections remain unmentioned and at best discretionary, not enforceable.

Recommendations

The failures exposed by Losing Streak were not the result of missing legal powers.

They were the result of **under-resourcing, weak governance and integrity measures, opacity, and the absence of credible consequences.**

Any reform package that does not address all four will fail.

Accordingly, the following recommendations should be treated as a **necessary reform framework**, not optional enhancements.

1. Resource the regulator to do the role it already performs

The Northern Territory has chosen to act as the default regulator for Australia's online wagering industry. That role cannot be performed on a part-time basis.

- The Commission must be resourced as a **full-time regulator**, with staffing, investigative capacity and analytical capability proportionate to:
    - the number of licensed operators;
    - the national footprint of those operators;
    - the turnover of those operators; and
    - the volume and seriousness of complaints received.
- This resourcing must be **fully funded from existing wagering revenue streams**, including wagering taxes, licence fees and the Racing and Wagering Fund levy.

A regulator overseeing a national industry generating tens of billions of dollars annually cannot credibly operate as a lightly resourced, part-time body, as *Losing Streak* highlighted.

2. Make enforcement activity visible and measurable

Public confidence cannot be restored without transparency.

The Act should require **mandatory public reporting**, at a minimum, on:

- the number of complaints received, accepted, rejected and closed;
- average time to investigation and resolution;
- how many complaints are resolved through informal remediation;
- the enforcement outcome for each complaint category;
- enforcement action taken by licensee (with narrow, justified redaction).

Where serious complaints do not result in enforcement action, **published reasons should be required**.

Enforcement that cannot be seen cannot be trusted.

3. Constrain and disclose delegation of enforcement powers

Delegation must support enforcement, not obscure it.

- All delegations of Commission powers should be:
    - formally recorded;
    - published; and
    - reported annually.
- Decisions involving:
    - licence suspension;
    - licence cancellation;
    - major penalties; or
    - systemic compliance failures

    should remain the responsibility of the Commission itself.
- Annual reporting must disclose:
    - how many matters are handled by delegation;
    - what categories of matters are delegated.

Delegation should improve efficiency, not reduce accountability.

4. Establish enforceable complaint handling standards

Extending the time to lodge a complaint is futile if complaints disappear once lodged.

The Act should prescribe **minimum complaint handling standards**, including:

- acknowledgement timeframes;
- investigation obligations once a complaint is accepted;
- reasons based closure requirements;
- communication obligations to complainants.

Complaints involving criminal conduct, systemic harm, or repeated breaches **must not be resolved through informal settlement without formal findings**.

Regulatory complaint processes must protect consumers, not exhaust them.

5. Introduce independent oversight of complaint handling

There is currently no effective mechanism to scrutinise how the regulator handles complaints.

- An independent review or oversight mechanism should be established to examine:
    - complaint handling practices;
    - delays;
    - consistency of outcomes; and
    - use of informal resolution.
- This function does not require a new regulator and can sit with an existing well-resourced and credible integrity or oversight body.

A regulator that is not reviewed will not improve.

6. Strengthen governance integrity and public confidence

Current conflict of interest provisions address only the most visible risks.

The governance framework should require:

- a **public register of interests** for Commissioners, including:
  - prior industry employment;
  - board and advisory roles;
  - close family or personal connections to industry or related industries, including potential interests;
  - reasons for conflicts being declared;
- timely updates to that register;
- minimum quorum requirements ensuring that enforcement decisions are made by **unconflicted members**.

Integrity that operates behind closed doors is not integrity.

7. Make escalation unavoidable for repeat misconduct

The absence of licence revocation in the NT is not evidence of universal compliance — it is evidence of an escalation vacuum.

The regulatory framework must:

- require enforcement decisionmakers to explicitly consider:
  - prior breaches;
  - historical complaint patterns;
  - relevant findings in other jurisdictions;
- mandate formal licence review processes after defined compliance thresholds are reached;
- require published reasons where suspension or cancellation is not pursued following repeated serious breaches.

Discretion without escalation is regulatory paralysis.

8. Recalibrate penalties to deter, not accommodate

Current penalty settings remain absorbable by large wagering operators.

Reform must include:

- minimum penalties for defined categories of serious breach;
- indexed penalties aligned with national regulatory benchmarks;
- penalties that scale with operator size and turnover.

Penalties that do not change behaviour are not penalties — they are operating costs.

9. Codify basic consumer protection obligations

The Act should be amended to reflect baseline standards of responsibility already applied in other regulated sectors.

This includes:

- a **narrow, clearly scoped statutory duty of care**, limited to:
    - compliance with harm minimisation obligations; and
    - prevention of foreseeable, systemic consumer harm;
- an express obligation to **return or disgorge stolen or criminally derived funds** once identified.

Regulation that permits retention of stolen funds fails its most basic purpose.

10. Lock in accountability through review

Given the scale of reform required, the Act should mandate an **independent postimplementation review**, tabled in Parliament, examining:

- enforcement outcomes;
- resourcing adequacy;
- complaints handling;
- use of delegation powers;
- public confidence indicators.

Reform without review isn't truly focused on delivering its objectives.

Conclusion

The Racing and Wagering Amendment Bill 2026 reads not as a serious reform agenda, but as a damage control exercise - introduced after national scrutiny exposed a regulator that is part-time, under resourced, and structurally unsuited to the role it performs.

The fact that we are providing a submission is a near-miracle. Giving a not-for-profit organisation who is the only organisation working solely to reform gambling across the country a week to submit to consultation on nationally significant and critical legislation does not scream genuine consultation. And we would not be surprised if there is not piles of submissions to be considered, or at least not from community groups, academics, financial counsellors, or people with lived experience.

Genuine consultation would have seen the Alliance engaged at a far earlier point to give our feedback a fighting chance of being considered in the eventual Act. Our inclusion at this stage feels tokenistic, and what we have provided you here is a trimmed down version of what we would have sought to provide with a respectful period of time to consider and draft a response.

There is little to no recognition in the drafted Bill of the devastating impact this industry and the lax oversight and enforcement from the Northern Territory regulators has on individuals, families and communities across Australia. Indeed, the word 'harm' is not mentioned at all in the Explanatory Statement, with the purpose of the Bill centred around making those technical revisions to address the harm experienced by the Commission in having its governance failures revealed.

Redrawing governance boundaries and expanding discretion does not repair a credibility breach created by years of weak oversight from the Commission and regulation by the government. Nor does it justify a regulatory model in which the Territory collects tens of millions of dollars a year from wagering operators while failing to resource the oversight needed to regulate them to a reasonable standard.

Reputation management is not regulation.

Unless this Bill is fundamentally strengthened, it will stand as confirmation that Australia's most powerful wagering regulator chose to protect appearances rather than deliver accountability.

Alliance for Gambling Reform

The Alliance is the only national peak body working to reduce gambling harm. We have over 60 supporting organisations in our network and 23 leadership local councils in Victoria who have an interest in reducing the exponential level of gambling harm in Australia.

We are a registered health promotion charity and are 100% funded by donations from individuals, foundations, trusts, local government and other sources that do not have ties to the gambling industry. We are not affiliated with any political party.

The Alliance for Gambling Reform has long advocated for public health reforms that are evidence-based and community-backed with the sole purpose of reducing and preventing gambling harm in Australia. Online gambling is increasingly becoming one of the biggest health issues we are facing as a country.

ALLIANCE FOR GAMBLING REFORM

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