



LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

No. 307

WRITTEN QUESTION

J Davis to the Treasurer, Hon William Yan MLA:

Betting Tax Cap

The answer to Written Question No. 125 of the 15th Assembly advised that 11 of 29 licensees reached the tax cap in 2024–25; that for the nine licensees projected to reach the cap in 2025–26, five per cent of commission or profit would be \$278.6 million; that an uncapped regime would theoretically raise \$287.2 million against a forecast \$35.5 million; and that removal of the cap “would almost certainly drive licensees out of the Territory”.

1. **The answer to Written Question No. 125 stated that in 2024–25, 11 of 29 bookmakers and betting exchanges had a tax liability of \$1.41 million in total against a cap of 1,000,000 revenue units; that five of those licensees ceased operations and are not trading in 2025–26; and that Treasury projected 9 of the remaining 24 would pay at the increased cap of 2,000,000 revenue units, being \$2.9 million, in 2025–26. It further projected that 5 per cent of those licensees’ commission and profit would be \$278.6 million, and that removing the cap would generate \$287.2 million, an increase of \$251.7 million on the Budget 2025–26 forecast. The 2025–26 financial year has since closed.**

- a. **How many licensees paid tax at the cap in 2025–26, and what was the total bookmaker and betting exchange taxation collected?**

In 2025-26, 9 sports bookmaker and betting exchange licensees ('licensees') paid tax at the cap of 2,000,000 revenue units. The total bookmaker and betting exchange taxation collected from licensees paying tax at the cap was approximately \$26.1 million.

The total tax collected from all licensees in 2025-26 was approximately \$34.9 million.

- b. **On actual rather than projected 2025–26 performance, what was 5 per cent of those licensees’ commission and profit?**

For the 9 licensees paying tax at the cap, 5 per cent of actual profit for 2025-26 is approximately \$280 million. This aligns with the forecasted values as presented in the answer to Written Question No. 125.

- c. **How many bookmakers and betting exchanges were licensed by the Territory at 30 June 2026, against 29 at the start of 2024–25?**

In the 2025-26 financial year, Licensing NT confirms that 27 sports bookmakers and betting exchanges were licensed by the Territory.

- d. **Where a figure would identify an individual licensee, please provide the aggregate across licensees rather than withholding the figure.**

Not applicable.

2. **The answer to Written Question No. 125 stated that an uncapped taxation regime “would almost certainly drive licensees out of the Territory, to seek to become licensed in another jurisdiction with more favourable conditions”, and that an uncapped regime “may in fact reduce aggregate tax revenue”.**

- a. **What modelling, analysis or evidence supports that assessment, on what date was it prepared, and by whom?**

The Department of Treasury and Finance (DTF) has not conducted modelling in this regard. However, in July 2026, sports bookmaker Betr Entertainment Limited (Betr) moved its operations from the Northern Territory to Tasmania.¹ It would not be unreasonable to assume that an uncapped tax regime would prompt other licensees to explore alternative jurisdictions.

- b. **Can that modelling be tabled?**

No modelling has been conducted.

- c. **How many licensees have relocated out of the Territory since 1 July 2020, and how many have become licensed in the Territory over the same period?**

Between 1 July 2020 and 30 June 2026, Licensing NT data confirms that 33 licenses have been issued, and 4 licensees have relocated outside the Northern Territory.

3. **The answer to Written Question No. 125 records that the point of consumption tax levied by all other states and territories varies between 15 and 25 per cent and is in addition to the tax imposed by the Northern Territory. That answer addressed full removal of the cap.**

- a. **Has the Government modelled aligning the Territory’s effective rate with other Australian jurisdictions — removing the incentive to relocate while collecting a comparable return?**

As part of the 2025-26 Budget, the Government introduced a package of gambling taxation reforms. These reforms included maintaining the headline tax rate of 5 per cent and doubling the annual tax cap for bookmakers and betting exchanges from 1,000,000 to 2,000,000 revenue units from 1 July 2025.

¹ Betr ASX announcement dated 6 July 2026.

The Territory's 5 per cent headline tax rate applies to the Australia wide profits/commissions of Territory-licensed sports bookmakers and betting exchanges, subject to the annual cap (see table below). By comparison, other Australian jurisdictions impose a point of consumption (POC) tax at rates ranging from 15 to 25 per cent. A POC tax applies only to profits or commissions attributable to customers located in the taxing jurisdiction.

	NSW	VIC	QLD	WA	SA	TAS	NT	ACT
Annual licence fees	Nil	Nil	Nil	Nil	Nil	\$382k - \$859.5k ²	\$29k	Nil
Taxes (applied to profits / commissions)	POC	POC	POC	POC	POC	POC	Australia wide	POC
Tax rate	15%	15%	20%	15%	15%	15%	5%	25%
Tax-free threshold	\$1m	\$1m	\$0.3m	\$0.15m	\$0.15	\$0.15m	Nil	\$0.15m
Tax cap	Nil	Nil	Nil	Nil	Nil	Nil	\$2.9m ³	Nil

The table below compares Territory revenue under the existing regime with the revenue that may be collected under a hypothetical POC tax. A POC tax is likely to be significantly less than what is collected under the existing regime. This is principally because the existing regime applies to licensees' Australia-wide profits or commissions, whereas a POC tax would apply only to profits or commissions attributable to NT customers. Given the Territory's relatively small share of Australia's adult population, the NT customer base is also expected to represent a relatively small share of Australia-wide sports bookmaker and betting exchange activity.

These preliminary estimates are indicative only and have been derived from publicly available data using various assumptions.

Tax regime	Estimated tax revenue
Existing NT tax regime	\$34.9 million
15% POC tax with no tax-free threshold	\$9.0 million
20% POC tax with no tax-free threshold	\$12.0 million
25% POC tax with no tax-free threshold	\$15.0 million

b. If not, why not, and will it be modelled?

See response to question 3(b) above.

² In 2025-26, the sports bookmaker licence fee is 200, 000 fee units (\$382,000), a betting exchange licence fee is 300,000 fee units (\$573,000) and a dual licence is 450,000 fee units (\$859,500).

³ From 1 July 2025, annual tax cap was increased from 1 million revenue units (\$1,410,000 in 2024-25) to 2 million revenue units (\$2.9 million in 2025-26).

4. What revenue would be collected at intermediate cap settings — for example 4,000,000, 8,000,000 and 16,000,000 revenue units — on 2025–26 licensee performance?

a. Please provide as a table by cap setting.

The hypothetical tax collections in 2025-26 from sports bookmaker and betting exchange licensees at annual tax caps of 4,000,000, 8,000,000 and 16,000,000 revenue units are presented in the table below.

The calculations are based on actual licensee financial performance data for 2025-26.

Cap in revenue units	Tax revenue to government
4,000,000	\$58.0 million
8,000,000	\$89.8 million
16,000,000	\$128.7 million

b. If modelling at intermediate cap settings has not been undertaken, will it be undertaken and, if not, what data would be required to undertake it?

Not applicable – see response to question 4(a) above.

5. What licence conditions, minimum-presence requirements or other mechanisms are available to reduce the relocation risk relied on to justify the cap, and has the Government assessed any of them?

The response to this query is provided by Licensing NT, the government agency responsible for developing and administering such requirements and conditions in existing licensing agreements. The Government considers the Territory's wagering taxation settings in the context of the broader regulatory framework. That framework includes licensing assessment processes, licence conditions, requirements relating to business premises, tax obligations, wagering system security requirements and ongoing regulatory oversight.