



LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

No. 125

WRITTEN QUESTION

J Davis to the Treasurer, Hon William Yan MLA:

Racing and wagering

In relation to amendments to the *Racing and Wagering Act 2024* contained in the Revenue Legislation Amendment Bill 2025 (Serial 26):

1. How many of the betting exchange licensee or sports bookmaker licence holders pay the capped amount?

In the 2024-25 financial year, 11 of the 29 bookmakers and betting exchanges ('licensees') had a tax liability of \$1.41 million in total across the nine entities, (the tax cap amount for that year being 1,000,000 revenue units).

Five of those 29 licensees ceased operations and are not trading in 2025-26.

The Department of Treasury and Finance projects that 9 of the 24 remaining licensees will pay tax at the increased cap of 2,000,000 revenue units (\$2.9 million) in the 2025-26 financial year.

2. What would 5% of their commission or profit be if there was no cap?

For the nine licensees projected to reach the current tax cap (\$2.9m), 5% of their commission/profit would be \$278.6 million (based on projected 2025-26 financial performance data).

3. How much additional tax revenue would removal, not doubling, of the cap provide for the NT?

Theoretically, removing the tax cap and applying a 5% tax on profits and commissions derived by licensees would generate a projected bookmaker and betting exchange taxation revenue of \$287.2 million for 2025-26, an increase of \$251.7 million compared to the Budget 2025-26 forecast (i.e. operating with a 2,000,000 revenue unit tax cap).

However, the Territory's ability to levy bookmaker and betting exchange taxation on a licensee's Australia-wide profit or commission is dependent on licensees being licensed by the Territory. 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. This would likely result in a loss of revenue compared to the projected \$35.5 million the Northern Territory expects to collect from betting exchange licensees and sports bookmaker licence holders in 2025-26.

Therefore, while an uncapped tax regime would theoretically raise more tax, this is unlikely to eventuate in practice (and may in fact reduce aggregate tax revenue) as licensees would seek to become licensed elsewhere.

In determining its tax settings, the Territory also has to consider the point of consumption tax levied by all other states and territories, on sports bets taken in their jurisdiction. They vary between 15% - 25% and are in addition to the tax imposed by the Northern Territory.