IFHA Council on Anti-Illegal Betting and Related Crime

Quarterly Bulletin
November 2026

Public Policy on Betting on Sport: An English Perspective

- Louis Weston

Australia's National Match-Fixing Offences and the Path to the Macolin Convention

- Catherine Ordway

The Australian Anti-Illegal Betting Story: Progress, a Cautionary Tale, Ongoing Challenges and Opportunities

- Pete Sweney

Public Policy on Betting on Sport: An English Perspective

By Louis Weston, Barrister, Outer Temple Chambers

Introduction

England, then Great Britain and in more recent times the United Kingdom has hardly been consistent in policy towards and its regulation of betting and sport. The historical position has been to oppose both as improper pastimes.

In 1388, the Merciless Parliament, under the guidance of King Richard II, took the step, by the Statute of Cambridge, of making unlawful the playing of all games and gambling, save for the practise of Archery each Sunday and Holiday. The plan being such focus might better prepare the nation for the potential threats of France and Scotland.

Whilst some sports were legalised in 1541, gambling games of dice and the like remained unlawful. In a nod to liberalism, the staff of Masters were allowed to engage in a list of specified sports in their Master's House at Christmas under his supervision. This socially unequal balance was maintained in a variety of forms. Some limited reform arrived from 1738 when cards and dice games were permitted in royal palaces.

Gaming debts remained unenforceable under statute in various sums and the target of legislation was to prevent houses, particularly public houses and inns being used for gambling but limited to games of chance rather than games of skill. However, the effect of targeting specified premises drove gambling onto the streets and members' clubs depending, no doubt, on where one's membership application resulted.

Not until the Betting and Gaming Act 1960 did betting shops and gaming houses become capable of being lawfully conducted under licence with further liberalism of betting and gaming rules in 1960s and then again at the turn of the millennium.

Final statutory reform came in the Gambling Act 2005 which created a structured licensing mechanism, with protection for some gamblers by age and incapacity, and created some offences related to cheating.

Alongside the statutory regime the common law took an apparently more liberal position, so that gambling debts of some sorts were enforceable. The courts however were bound by statute and took upon themselves the prohibition of bets on unsavoury outcomes, for example Gilbert v Sykes (1812) 16 East 150 explained that betting on the gender of a particular celebrity, and the wagering on the prospects of an assassination were unlawful because respectively they had a mischievous and pernicious consequence and were not altogether innoxious so as to merit being lawful.

The common law position was ousted by §335 of the Gambling Act 2005 which permitted enforceability of wagering contracts.

Since that Act the legislative progress has come to a halt. The United Kingdom has enacted no law directed expressly to the prevention of match manipulation in sport. Whilst the United Kingdom signed the Macolin Convention on 6 December 2018, it has not ratified the treaty but intends to do so in 2026.[1]

His Majesty's Government's position is that the United Kingdom has:

- By the Gambling Act 2005, the Fraud Act 2006, the Bribery Act 2010, and the Proceeds of Crime Act 2002 the existing criminal law to tackle corruption in sport.
- By the Gambling Commission, the Sports Betting Integrity Forum and Sports Betting Integrity Forum, the government fulfils the requirements of the Convention.

That position is not seen as acceptable. The House of Lords International Agreements Committee reviewed the Government's position and the responses from the sports sector, concluded that the existing legislative and regulatory frameworks would "not solve the issue of the manipulation of sports competitions and that the convention will not address the existence of unregulated betting markets in third party states".[2]

The net position is that the United Kingdom now:

- Regulates gambling, but only domestically, by licensing.
- Oversees manipulation of sport but not overseas, without any dedicated police unit, and
- Has no legislation which directly prohibits the manipulation of sport.

That is a public policy that might reasonably be described as complacent and which echoes the effects of the past to drive betting to illegal markets, abroad and makes harder the regulation of sport.

What though in practice is the outcome of that position?

Regulation in Practice

Where a sporting contest is thought to have been manipulated, the general position is that an external betting monitoring organisation or internal monitoring unit within a sport's regulator will report the abnormal activity to a sport or the sport itself might report abnormal performance to the betting monitoring organisation to check against abnormal betting activity. Those reports may, and typically do, find their way to the Gambling Commission who may investigate or consider that the case is not strong enough to meet the

criminal standard of proof before a jury and return the case to the sport to prosecute before an internal disciplinary tribunal.

Failures of betting companies to comply with their licences are met with by administrative fine administered by the Gambling Commission, but prosecutions of bettors or corruptors of sport are very few and very far between. The remedies of individuals before the civil courts are hampered and restricted by the court's decisions that the Gambling Act 2005 and the Gambling Commission are the regulator of bets and betting.

Bets placed, and corruption planned outside of the United Kingdom is not easily prosecuted within the United Kingdom and left unregulated by the Gambling Commission.

In practice therefore where a sport recognises or detects a corrupt action in a domestic sporting contest, the normal remedy is for disciplinary proceedings to be conducted before a private tribunal governed by the rules of the sport. The activities of offshore betting companies are left undisturbed.

The question is whether that public policy approach works for sport.

The Autonomy of Sport

There are of course two sides to the coin. At least a part of the Government's hands off approach to the regulation of sport, is the belief that sport is autonomous and best able to regulate itself. There is, on both sides, much to be said for that.

For the Government it plainly is a cost-effective decision to not create, fund, and populate an organisation that can police manipulation of sport across the board or control gambling on it operated offshore. Sport is seen as being of the people and not of the state, there is no political appetite or social movement for greater regulation of sport generally.

Many sports bodies too would not welcome state interference in the oversight of the sports that they govern. The concept of a police force that monitored betting and sporting performance and made some effort to link abnormalities in both is distant. There appears also no strong appetite for the United Kingdom to follow the models of Australia, New Zealand, France, Belgium or Spain to dedicate a particular resource to sports governance.

Autonomy is though not universal; the state can step in when public opinion swings towards its control. The flurry of concern that arose from a series of football clubs collapsing led to the domestic creation of the Independent Football Regulator which is charged with protecting the financial stability and heritage of football, certain sports have powers of sharing information under the Gambling Act 2005, and Sport England and the other national funding bodies have the power to enforce principles of good governance against funding commitments.

Sports themselves are content, to varying degrees, with the power to self-regulate. Substantially because they are in principle able to move quicker, more cost effectively and with more knowledgeable tribunals to protect their sports. However, the growing costs of litigation, and of operating effective investigative teams are a significant deterrence to some. There is though no apparent appetite for a private law sports regulator covering corruption across sport or safeguarding across sport domestically.

As for gambling, horse racing's funding in Great Britain is tied to betting revenues by the betting industry by the Horserace Betting Levy. The revenue is calculated by a fixed percentage on gross gambling yield on those companies with a revenue above £500,000, with some of that sum allocated to prize money calculated to be about 3%.[3] Whilst the Government notes and records the cultural, social and economic benefits of the sport of horse racing, it has not moved to increase or amend the levy. The failure to prevent offshore and unregulated gambling, and the imposition of greater affordability checks have led to a steady decrease in revenues for racing.

Which leads to the question: Can a sport properly protect itself with diminishing resources?

Can Sport Protect itself?

There is no single or simple answer to the question.

In some matters a sport necessarily must be allowed to regulate the performance of the sport itself and must be allowed to do so. The concept of a state official, officiating at a race meeting or a state veterinary body taking samples on race day would not be well received. Public policy has no place in that function, and race day operations are well and properly governed by the sport.

A sport and in particular racing, can draw on international support. Domestic racing authorities can draw on the well of knowledge across the world of racing when combatting anti-doping, and at least a part of the mission of the IFHA is to bring combined wisdom to each racing authority.

The limits on what any sport can do however are obvious and substantial when tackling more complex match manipulation and betting scams.

The state enjoys significant investigative powers. It can surveil, it can monitor communications, it can arrest, it can seize evidence, and it can detain during investigation. The domestic sport regulator can ask questions, and ask to seize mobile phones, but its powers of coercion are limited to sanction for non-compliance with investigations.

The state can act against anyone within the jurisdiction and seek the aid and assistance of police forces around the world. The domestic sport regulator can only move against the persons bound by its rules (at least before its own disciplinary tribunals).

The state can demand and obtain materials from third parties to aid and assist with investigations. The domestic sport regulator can only invite, for example, telephone operators and betting companies to provide betting data under memoranda of understanding, or if the betting company is regulated by the Gambling Commission.

Those limitations are real in their effect. An obvious limitation is that whilst the state can act against the same person for corrupting tennis, golf and cricket, the individual sports would have no power in relation to the other and may have no power over the corrupt person if not a member of the sport.

Such investigations as a sport can mount often are labour intensive and expensive and have become increasingly so in the last 5 to 10 years. For example, mobile phone downloads are plainly an intelligence and evidential gift, but take significant and intelligent analysis to interpret, manage and present. The increase in wealth of athletes and the sophistication of manipulation have made cases longer, harder fought and better resourced. Obtaining the data that demonstrates which bettor bet is complicated and tortuous, few corruption cases involve a single bettor, and the use of proxy accounts and bets placed overseas are extremely difficult to trace and evidence.

All those problems however pale into the real difficulty that confronts sports in seeking to detect and investigate overseas betting on unregulated markets. Its best attempts to do so are to monitor the movements in legitimate markets, or to hope for laying off into the regulated markets of bets elsewhere and market movements then to be detected which demonstrate the fixed outcomes.

Those difficulties are compounded by the actions of the state in making it more expensive to gamble in regulated markets; by imposition of tax and making it less attractive to do so; by imposing affordability checks. The effect is to drive more betting away from the regulated markets and towards markets where a sport has no rights of cooperation or access. When betting is conducted on a smart phone, the mobile phone user is indifferent in their action to a bet being placed in Auckland, Co Durham or Auckland, New Zealand. There is no different user experience, and the unregulated companies operating in Curacao or Asia are as easy to access as a Betfair exchange.

The strong cases based more heavily on performance and communications will of course still be capable of prosecution, but the risk of betting evidence being lost abroad is real and difficult to manage, resolve or confront.

Would the state ever change its policy to facilitate more powers to a private law regulator? With overloaded courts, a busy domestic legislative agenda, and the government's to-do list which involves spending on Defence and a stagnating economy, sport sits towards the lowest part of a deep pile. It is doubtful in the crossfire of the current political climate that any consensus could be found.

Is there a better way?

There are short- and long-term answers.

Public policy can be changed, but its movement is slow and hampered by inertia. Plainly by concerted effort and action across sport, policy can change. However, history indicates change is more likely to come by reaction to crisis, as with the Football Regulator, or with the slow shifts of cultural change.

A sporting utopia would involve a sport with full investigative powers, and the power to act against those not involved in the sport, a completely regulated betting market which was transparent to oversight, and able to establish the identity of each bettor.

That is a pipe dream, not least because extraterritorial policing is not the way of the United Kingdom where the recent experience of international cooperation has not been successful and empowering private bodies with full investigative powers is not attractive. The more likely and more attractive solution would be for the United Kingdom to cooperate with other jurisdictions to enforce regulation of gambling, and to seek to prohibit the provision of websites and betting facilities in the United Kingdom operated offshore. Both are some way off, but the government has shown a willingness in the protection of children to, at least, try to regulate the internet.

A shorter-term approach might be considered. There is a potential error in viewing private and state regulation as oil and water; there is a way for the two to mix. Sports can themselves take some action.

The civil courts are equipped with very significant powers. Those powers are enforceable through reciprocal treaties across the globe. So it is that a court in London can freeze assets in France or Australia, and seek production of evidence from across the globe. Its stick is the court's contempt jurisdiction and the power to impose detention and fines on those who do not obey its lawful orders and penalise in costs those who do not litigate realistically or proportionately. Decisions of arbitrations are enforceable before the Courts. Parties to arbitrations are bound by their outcome. Those powers demonstrate that the Courts have the power to respect decisions made by lawfully constituted bodies, or established wrongs under the civil laws.

Those remedies afford some prospect to sport regulators and others involved in sports betting. Both by direct application: a body of bettors who lose bets to a fixed outcome, could in principle bring suit for that wrong and by indirect action of using the civil courts to empower the regulation of sport.

A court might come to the aid of a sport in the investigation and disciplinary functions, by lending assistance to the sport. If, for example, a particular sport was able to demonstrate that its decision was reached fairly and with a right of appeal, before an arbitrator in arbitration or by a process that afforded the same protections, then the parallel between the court's willingness to enforce decisions of arbitrators or to enforce performance of obligations on the suit of one party may allow the Courts to offer the same support to a sports regulator.

The breadth of that assistance could be significant. Allowing the civil courts to demand production of material, evidence and betting records, and to prohibit betting on fixed outcomes on identified platforms.

The immediate downsides are however daunting. The powers of a sport to regulate non-members are severely limited and the cost and complexity of civil litigation are substantial.

There perhaps lies hope in a combined approach. Were public policy to move away from ambivalence and complacency to an active recognition of the risk sport faces from illegal betting and corruption there is room for original thought. Government is more likely to empower a third party to use civil remedies to protect itself than to grant it powers of the state directly. That would allow the power of the state to act for and on behalf of the regulators whom public opinion recognises as the proper guardians of sport and its integrity.

[1] Eve Collyer Merritt, 'Convention on the Manipulation of Sports Competitions (Macolin Convention): UK Ratification', *House of Lords Library*, 11 September 2026 (https://lordslibrary.parliament.uk/convention-on-the-manipulation-of-sports-competitions-macolin-convention-uk-ratification/).

[2] *Scrutiny of International Agreements: Council of Europe Convention on the Manipulation of Sports Competitions*, House of Lords International Agreements Committee, HL Paper 54, Session 2026–27, 11 September 2026 (https://publications.parliament.uk/pa/ld5902/ldselect/ldintagr/54/54.pdf)

[3] 'Statement from BHA CEO Brant Dunshea Following Government Update on Levy Review', *British Horseracing Authority*, 25 March 2026 (https://www.britishhorseracing.com/press_releases/statement-from-bha-ceo-brant-dunshea-following-government-update-on-levy-review/).

Australia's National Match-Fixing Offences and the Path to the Macolin Convention

By Dr Catherine Ordway, Associate Professor (Sport Management), University of Canberra

This article reproduces the statement Dr Ordway gave as a public hearing witness to the Australian Senate Legal and Constitutional Affairs Legislation Committee on 21 September 2026, in its inquiry into the Criminal Code Amendment (National Sport Integrity Offences) Bill 2026, together with her answers to the Committee's questions on notice.

Executive Summary

- Australia has waited a long time for national legislation to provide a standardised and harmonised response to match-fixing. The Bill gives effect to the Government's undertaking to develop nationally consistent criminal legislation.
- Ratification is not the end point. It is the enabling step that allows Australia to regulate the commercial exploitation of community sport and protect children from being drawn into global betting ecosystems.
- Yes, whistleblowing protections are crucially important, as identified in the Wood Review. The Bill creates new federal crimes, but without resourcing the agencies responsible for detecting, investigating, and building briefs of evidence, the CDPP will not have the cases to prosecute.

Introduction

In September 2026, I appeared at the Senate Legal and Constitutional Affairs Legislation Committee to give evidence and to provide my support for the Criminal Code Amendment (National Sport Integrity Offences) Bill 2026.[1]

Australia has waited a long time for national legislation to provide a standardised and harmonised response to match-fixing. Australia led the way in 2011. Those of us working in sport integrity held high hopes that when the State, Territory and Commonwealth Governments adopted the National Policy on Match-Fixing in Sport (known as the 'NPOMFIS') that they would each actively pursue a "consistent approach" to criminal offences.[2] However, as was thoroughly set out in the Wood Review seven years later, this did not come to pass.

In fact, I understand that it was Türkiye which was the first country to criminalise match manipulation, and introduced explicit prison sentences for it in April 2011 (under Law No. 6222 on the Prevention of Violence and Disorder in Sports).[3]

The Wood Review, in 2018, provided the first comprehensive assessment of Australia's sport integrity system.[4] Its first recommendation was unequivocal: Australia should ratify the Council of Europe Convention on the Manipulation of Sports Competitions (known as

the Macolin Convention). Ratification was identified as essential to modernise Australia's integrity framework, strengthen international cooperation, and address the growing threat of transnational match-fixing and betting-related corruption.

The Government accepted that recommendation in 2019.[5] Australia signed the Convention in February of that year as the first non-European signatory.[6] And yet, despite bipartisan support, Australia has not yet ratified the Convention. The result is that Australia has been exposed to escalating integrity risks for nearly a decade, particularly in community sport, despite clear recommendations and international pressure.

Australia considers itself a leading nation in sport integrity internationally, but the truth is that not having nationally consistent legislation, nor having ratified the Macolin Convention, puts us well behind. The Bill gives effect to the Government's undertaking to develop nationally consistent criminal legislation.

Ratification of the Macolin Convention is Important for a Number of Reasons

The Wood Review identified three structural gaps that made ratification urgent:

1. **Fragmented legal framework.** Australia lacked a national criminal law addressing manipulation of sports competitions. State and territory offences were inconsistent, narrow in scope, and inadequate for transnational threats.
2. **Growing international exposure.** Australian competitions are increasingly targeted by offshore betting markets and organised crime groups. We were warned about that threat by one of the ground-breaking researchers, Dr Declan Hill, in 2009, and the threat has only become more challenging since.[7] Without ratification, Australia technically remains outside the formal, legally binding frameworks established by the Convention on intelligence-sharing, cooperation, and prevention mechanisms.
3. **Leadership and credibility.** As a major sporting nation, Australia's absence from the Convention undermined its international standing and limited its influence in shaping global integrity standards.

The Wood Review emphasised that ratification would only be possible once Australia enacted Commonwealth offences covering manipulation of sports competitions as it is a prerequisite under the Convention's compliance framework.

The New Criminal Code Amendment Enables Ratification

The Bill complies with the requirements under the Macolin Convention as follows:

1. **Meets Australia's treaty obligations.** The National Interest Analysis developed in consultation with Sport Integrity Australia confirms that Australia must demonstrate domestic compliance before depositing its instrument of ratification. This Bill provides that compliance and therefore also provides the nexus to the Constitutional External Affairs Power.

2. **Links commencement to ratification.** Part 2 of the Bill, the operative offences, only comes into force upon Australia's ratification of the Convention. This legislative structure makes ratification the trigger for activating the national framework.
3. **Creates the required national offences.** The Bill introduces seven new Commonwealth offences covering corrupt conduct, inducement, solicitation, concealment, and misuse of inside information. These offences align with the Convention's definitions and scope.
4. **Provides extraterritorial reach.** The offences apply to conduct occurring outside Australia, reflecting the Convention's recognition of transnational manipulation. This is important because we know that much of the betting on Australian sport occurs outside of our borders.
    - Under the NSW legislation, for example, former Australian table tennis player Adam Green was prosecuted when he placed bets from NSW on Ukrainian matches, reportedly funnelling money between Australia, Ukraine, and the United Kingdom.
    - However, many of you would be familiar with the Southern Stars case which involved football (soccer) in Victoria. There the betting occurred overseas, which was a challenge to the Victorian legislation. This Bill stops this regulatory gap.

Addressing Concerns About Over-Broad Definitions

The National Interest Analysis (NIA) presented to the Joint Standing Committee on Treaties (JSCOT) justified moving away from a traditional "wagering nexus" (the requirement that an actual bet must be placed for a crime to occur) by highlighting critical regulatory blind spots and evolving threats to sports integrity.

This is important because of the threat of match manipulation relating to community sport, and sport played by children, which may not have an approved Australian regulated betting markets. Shifting the criminal offence to the act of manipulating the competition itself removes the requirement to follow the money trail through offshore betting accounts to secure a conviction.

Stakeholders have raised legitimate concerns that the new offences, particularly those relating to "corrupt conduct" and "inside information", may be drafted too broadly and could unintentionally capture legitimate sporting behaviour, tactical decisions, or internal team communications.

However, the Macolin Convention requires broad definitional coverage, and the Convention's Explanatory Report makes clear that criminal liability should only attach to conduct involving intentional manipulation designed to improperly alter the course or result of a sporting event.

This highlights the need for detailed regulatory guidance, sport-specific education, and ongoing review once the offences commence.

Ratification is the Foundation for Further Regulatory Action

Ratification does more than activate the new offences. It provides the legal and policy foundation for Australia to take further action in areas the Wood Review identified as emerging risks, particularly in community and junior sport, where vulnerabilities are greatest.

Specifically, ratification enables:

- **Regulation of data-sharing and live scouting at community and low-tier competitions.** The Convention recognises that manipulation often begins in lower-visibility competitions where athletes are young, unpaid, or unprotected. Ratification strengthens Australia's ability to regulate the collection, sale, and offshore transmission of match data — including banning or licensing scouts at junior and amateur events.
- **Restrictions on offshore prediction markets and micro-betting products.** Many offshore operators use community-level data to fuel prediction markets, fantasy platforms, and AI-driven gambling products. Ratification supports stronger cross-border cooperation and provides a basis for domestic regulation of data flows that feed these markets.
- **Protection of children and vulnerable participants.** Ratification reinforces Australia's obligations to safeguard minors, enabling targeted restrictions on data harvesting, athlete profiling, and unauthorised scouting at children's sport.

Ratification is not the end point. It is the enabling step that allows Australia to regulate the commercial exploitation of community sport and protect children from being drawn into global betting ecosystems.

Conclusion

The Wood Review's first recommendation remains as relevant today as it was in 2018. Ratifying the Macolin Convention is essential to protect Australian sport from manipulation, strengthen international cooperation, and modernise the national integrity framework. The new Commonwealth offences represent the long-awaited legislative foundation required to proceed.

Ratification will also enable Australia to take further regulatory action to protect community sport, restrict unauthorised data-sharing and scouting, and address offshore prediction markets, areas where children and vulnerable participants are currently exposed.

Australia now has a clear pathway to ratification. I commend this Bill to be passed, to lay the foundation for future integrity reforms to be progressed with greater urgency.

Further Reading

Hall, K., Masters, A. & Ordway, C., (2021). Sport Integrity and Corruption: Best Practice Australian and International Policy & Program Delivery Approaches http://dx.doi.org/10.2139/ssrn.3945196

Masters, A., Ordway, C. and Kihl, L. A., (2027). Ch 16, Corruption in International Sport, in Eric W. MacIntosh, Gonzalo A. Bravo, Carrie LeCrom (Eds.) International Sport Management, (3rd Ed.). Human Kinetics ISBN: 9781718227958

Opie, H., & Lim, G. (2017). The Australian legal framework for countering match-fixing. In Match-Fixing in Sport: Comparative Studies from Australia, Japan, Korea and Beyond (pp. 59-74). Routledge.

Ordway, C. (2017). Police and investigative cooperation on match-fixing: An Australian experience. In Match-Fixing in Sport: Comparative Studies from Australia, Japan, Korea and Beyond (pp. 171-186). Routledge.

Ordway, C. (ed). (2021) Restoring Trust in Sport: Corruption Cases and Solutions. Routledge. https://doi.org/10.4324/9781003034780

Ordway, C., and Kihl, L. A., (2022). Sport Integrity Australia and match-fixing. In Understanding Match-Fixing in Sport: Theory and Practice, (pp. 181-208). Routledge. https://doi.org/10.4324/9781003162681

Pender, K. (2025). 'Whistleblower Protections in Sport: The Missing Element in Australia's Sports Integrity Framework?' 47 Sydney Law Review 20339: 1–36 https://doi.org/10.30722/slr.20339

Smith, A. (2023). Criminal offences for match-fixing: Observations on the current framework and suggestions for future national legislation. Sports Law and Governance Journal, 1(1).

[1] Criminal Code Amendment (National Sport Integrity Offences) Bill 2026 (Cth); see Angelica Dino, 'Government Introduces Bill to Criminalise Match-Fixing with Penalties of up to 10 Years', Australasian Lawyer, 29 August 2026 (https://www.thelawyermag.com/au/news/general/government-introduces-bill-to-criminalise-match-fixing-with-penalties-of-up-to-10-years/587870).

[2] 'Match-fixing: the Australian Legislative Response', FlagPost (Parliamentary Library, Parliament of Australia), 14 March 2013.

[3] Law No. 6222 on the Prevention of Violence and Disorder in Sports (Türkiye), enacted 31 March 2011, published in Official Gazette No. 27905, 14 April 2011.

[4] James Wood AO QC, David Howman CNZM and Robyn Murrihy, *Report of the Review of Australia's Sports Integrity Arrangements* (Commonwealth of Australia, 2018) (https://www.acsep.org.au/content/Document/Wood%20report%20on%20Sports%20Integrity%202018.pdf)

[5] Australian Government, *Safeguarding the Integrity of Sport: the Government Response to the Wood Review*, 12 February 2019 (https://www.infrastructure.gov.au/department/media/publications/safeguarding-integrity-sport).

[6] 'Australia Signs the Convention on the Manipulation of Sports Competitions', Council of Europe, 1 February 2019 (https://www.coe.int/en/web/portal/-/australia-signs-the-convention-on-the-manipulation-of-sports-competitions).

[7] Declan Hill, The Fix: Soccer and Organized Crime (McClelland & Stewart, 2008).

The Australian Anti-Illegal Betting Story: Progress, a Cautionary Tale, Ongoing Challenges and Opportunities

By Pete Sweney, General Counsel, Racing New South Wales

The recent gambling reforms enacted by the Australian Commonwealth Government in August 2026 included some legislative progress in combatting illegal offshore wagering operators. At the same time, it highlighted the cautionary tale of the thriving and dominant black market for illegal tobacco in Australia as well as the ongoing challenges in educating and informing policy makers of the very real risk of illegal betting and the opportunities to achieve further reform.

Progress

The Australian Thoroughbred Racing Industry provided extensive feedback to the Commonwealth Government during the consultation and exposure draft process and in the Senate Inquiry in respect of combatting illegal betting. The *Interactive Gambling Amendment (Gambling Reform) Act 2026*, which received Royal Assent on 26 August 2026, contained the following legislative measures to combat illegal betting[1]:

- **Blocking Payments:** Banks and payment system participants are required to, so far as reasonably practicable, prevent gambling-related transfers from Australian accounts to illegal operators, their associates, related companies and intermediaries, including transfers using digital currency (sections 15H and 15J).[2]
- **Disrupting Access to Illegal Operators:** Internet providers, domain name providers, app stores and search engines are required to take reasonably practicable steps to prevent their services facilitating illegal gambling (section 15AB).[3]
- **Removing Illegal Content:** Greater powers for the Australian Communications and Media Authority (ACMA) to enforce the removal of advertisements, search links and apps, and to order the cessation of hosting illegal gambling services (sections 61EH-61EO).[4]
- **Strengthening Advertising Prohibitions:** Capturing online advertisements accessible in Australia, including those published offshore, and introducing specific penalties for social media providers publishing illegal gambling advertisements (sections 61AB and 61EA(4)-(5)).[5]
- **Strengthening Enforcement Powers:** Expanding ACMA's information-gathering powers (section 22A), increasing advertising penalties (sections 61DA and 61EA) and introducing civil penalties for breaches of the new obligations (sections 15J(2), 15AB(2), 61EK, 61EM and 61EO). These changes enable ACMA to share information with banks and payment system participants to support payment blocking (Schedule 2, Part 1, item 1 of the Amendment Act).[6] [7]

A Cautionary Tale

During the consultation process, the Australian thoroughbred racing industry endeavoured to demonstrate that the real threat of illegal offshore wagering operators can be demonstrated by the cautionary tale of the explosion of the illegal tobacco industry in Australia. In this respect, the well-intended imposition of increased taxes on legal tobacco to drive down smoking in Australia has resulted in a thriving black market in illegal tobacco. The Illicit Tobacco and E-cigarette Commissioner estimated that illegal tobacco makes up approximately 50-60% of the Australian tobacco market, and there is an annual AUD 7.7-11.8 billion dollar hole in the Federal Budget, due to the migration to the black market.[8]

In an article earlier this year by former NSW Police Minister, the Hon David Elliott, he expressed his great regret at ignoring warnings from the tobacco industry in respect of the creation of that black market, writing as below:

> *After the niceties were over the tobacco executive in my office offer a grim forecast.*
>
> *If the government didn't crack down on the illegal supply of what they called "chop chop" and reduce tobacco excise we were at risk of creating a black market that would certainly finance criminal gangs, terrorist groups and money launderers.*
>
> *Self-interest on their part?*
>
> *Of course, but I agreed to meet them again when they had further evidence.*
>
> *They did, but I was too scared to act.*
>
> *Now every prediction they made about illicit use has been realized.*
>
> *Please Prime Minister, learn from my great political regret.* [9]

Similarly, the current NSW Health Minister, the Hon Ryan Park, was quoted on 15 October 2026:

> *It's clear that the federal tobacco excise is at such a rate that people are turning to illegal tobacco with illegal tobacconists flourishing in our suburbs and communities.*
>
> *So long as the excise continues to remain high, the black market will continue, and we will have to keep playing whack-a-mole with bad actors.*[10]

The August 2026 report of The Senate Legal and Constitutional Affairs References Committee's inquiry into the Illegal Tobacco crisis in Australia labelled the current crisis as an "unprecedented market failure and an historic failure of public policy"[11]. In its submission to that Inquiry, The Centre for Independent Studies identified split

Governmental responsibilities and high excise as creating Australia's tobacco wars submitted that:

> *Australia's tobacco control policy has lost its way. Excise has kept rising, while legal sales have shrunk, and a large illicit market has emerged. Excise revenue once treated as a reliable cash stream has collapsed and now falls well short of Budget forecasts.*
>
> *Violent crime tied to illicit tobacco is now constantly in the headlines. This is not the result of bad luck. It is the predictable consequence of fragmented governance and responsibility where the Commonwealth sets the tax rate and pockets the money, states carry the health and policing bills, and local communities pay for arson, insurance shocks, and lost trade.*[12]

In November 2025, the Queensland Government commenced a crackdown on illegal tobacco through the introduction of legislation allowing authorities to close offending stores for 90 days without a court order. The initial ten-day operation, completed by 7 December 2025, closed 148 stores and seized illegal products valued at more than AUD 15.7 million, with more than 300 closure orders issued by October 2026.[13]

Commonwealth figures released in October 2026 showed legal tobacco sales at major Queensland retailers increased by 55% above baseline in the first month following the reforms and remained 40–45% higher over the following six months, while national sales remained largely flat illustrating that tobacco usage was not increasing, rather the reforms were working.[14] The Commonwealth projected additional revenue of AUD 100 million for the economy over the next two years (AUD 89 million in tobacco excise and AUD 11 million in GST), illustrating the potential for sustained enforcement to redirect consumers towards the legal market.[15]

In response to the efforts by the Queensland Government, on 5 October 2026, the Commonwealth Government announced a AUD 2.7 million funding boost to support the Queensland Government's illicit tobacco compliance and enforcement capabilities, bringing the Commonwealth's total investment in the State to more than AUD 18 million.[16]

Ongoing Challenges

Despite the submissions and evidence provided by the Australian thoroughbred racing industry during the consultation and exposure draft process and in the Senate Inquiry, there is still a lack of awareness (and in some cases, open cynicism) of the very real threat posed by offshore illegal operators.

A number of the measures proposed to strengthen the Bill's illegal offshore wagering provisions were ultimately not adopted. The most critical of these from a practical

perspective was the industry's proposal to restrict the transfer of inward or inbound funds into Australian bank accounts coming from an illegal offshore wagering operator. In our view, it would be far more effective to block such transfers than the blocking of outbound funds to illegal offshore wagering operators. In practical terms, if punters face the risk of their winnings not being paid to them, then they will be less likely to place bets with illegal operators.[17]

This reason proffered for the non-adoption of this measure was that, whilst it is illegal in New South Wales (NSW) for a person to bet with an unlicensed wagering operator[18], such prohibition is yet to be adopted in other major Australian States and Territories.

The lack of awareness and open scepticism concerning the threat posed by illegal offshore wagering were evident in comments made by a crossbench member during the Senate Inquiry, including:

- In response to concerns about wagering shifting to illegal offshore operators - "When you say that people go offshore, that's just anecdotal—that's just from *conversations"*[19]
- When presented with findings from a United Nations study[20] estimating that the volume of wagering through illegal offshore operators was in the hundreds of billions, potentially trillions - "I know that there'll be many experts listening to this who are very dubious about what you've said, particularly about the UN study".[21]

Opportunities

As much as the growth in illegal tobacco sales is a cautionary tale, it also provides guidance for the way forward and the opportunity to demonstrate by actual experience the pitfalls ahead. Lawmakers like the Hon David Elliott were entitled to treat the predictions by big tobacco that increasing excises would fuel a black market with a degree of skepticism.

However, as the saying goes (often incorrectly attributed to Albert Einstein), "the definition of insanity is doing the same thing over and over again and expecting different results."

Thoroughbred racing in Australia can point to the cautionary tale of illegal tobacco as a warning to lawmakers. Over-regulation of legal operators, coupled with inadequate enforcement against illegal offshore operators, risks repeating the same mistakes. The consequences could be equally damaging, with increased harm to consumers and reduced government revenue.

Further, unlike tobacco excise, the Commonwealth, State and Territory Governments all have a real financial incentive to stem the flow of the wagering dollar offshore. The

Commonwealth Government benefits in GST and income tax, and the State and Territories share in Point of Consumption Tax and Wagering Tax.

There are potential opportunities that have been identified. Governments have an opportunity to act before illegal offshore wagering becomes as entrenched as illicit tobacco. Former NSW Police Minister, the Hon David Elliott, has acknowledged his regret at failing to act on the tobacco industry's warnings. His experience should give lawmakers a compelling reason to examine the wagering industry's concerns now, while there is still an opportunity to prevent a similar outcome. Queensland's tobacco crackdown also demonstrates the opportunity: sustained enforcement can redirect spending into the legal market and restore government revenue.

In addition, a national response offers Governments a positive budget opportunity. Bringing existing offshore wagering back into the regulated market can generate additional tax revenue while restoring Australian consumer protections. That gives Commonwealth, State and Territory Governments a shared financial incentive to act. Treasuries should assess a jointly funded enforcement program against the revenue it could recover, alongside its consumer protection benefits. The opportunity is to capture revenue currently lost offshore by making enforcement more effective.

Current industry estimates indicate that redirecting illegal offshore wagering into the regulated market could deliver a 15% uplift in NSW Point of Consumption Tax revenue. Applied to the AUD 301 million in NSW receipts,[22] that would represent approximately AUD 45 million in additional annual revenue. This is a tangible incentive for government action. Commonwealth, State and Territory Treasuries should work with the industry to assess the national revenue opportunity and use it to inform a coordinated enforcement program. The NSW estimate provides a starting point; national projections should reflect each jurisdiction's wagering market and tax settings.

The response must be national because offshore operators can exploit gaps between jurisdictions. States and Territories should agree on a consistent prohibition on betting with unlicensed wagering operators, supported by a coordinated Commonwealth approach to payments and online access. This should include extending payment restrictions to funds received from illegal operators, with clear identification rules, review rights and safeguards for wrongly blocked transactions. A national agreement should assign responsibility for each measure, commit funding and establish shared intelligence arrangements. Governments have a common interest in recovering this revenue; their enforcement response should reflect it.

Lastly, there must be disruption of access as well as payments to illegal betting. Government should bring banks, payment providers and digital platforms together around practical enforcement protocols, current intelligence and clear response timeframes.

Engagement with VPN providers should test what restrictions are technically feasible and how readily they can be circumvented. Voluntary cooperation should support an enforceable response, with results measured by reduced access to illegal operators.

By building on progress made in past years, by heeding the cautionary tale of the growth of illegal tobacco, by facing up to the legal challenges, and by grasping the opportunities, Australia can be a leader in anti-illegal betting and protect racing and other sports.

[1] *Interactive Gambling Amendment (Gambling Reform) Act 2026* (Cth), No. 72, assent 26 August 2026. (https://www.legislation.gov.au/C2026A00072/asmade). See also Senate Environment and Communications Legislation Committee, 'Interactive Gambling Amendment (Gambling Reform) Bill 2026 [Provisions] and related bill', report, August 2026, Chapter 2, para.2.57.
(https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Environment_and_Communications/GamblingReform48P/Report/Chapter_2_-_Key_concerns)

[2] *Interactive Gambling Amendment (Gambling Reform) Act 2026* (Cth), Schedule 2, Part 1, item 3, inserting ss 15H and 15J into the Interactive Gambling Act 2001 (https://www.legislation.gov.au/C2026A00072/asmade).

[3] Ibid., Schedule 2, Part 3, item 13 (new s 15AB).

[4] Ibid., Schedule 2, Part 4, item 22 (new ss 61EH–61EO, including s 61EJA on hosting gambling services).

[5] Ibid., Schedule 2, Part 2, items 4–11 (including amendments to ss 61AB and 61EA).

[6] Ibid., Schedule 1, Part 1, items 14–16 (information gathering and advertising penalties); Schedule 2, Part 1, items 1 and 3; Part 3, item 13; and Part 4, item 22 (information sharing and new civil penalties).

[7] Section references above are to the *Interactive Gambling Act 2001*, as amended by the 2026 Act, unless otherwise stated. These measures commence on 1 January 2027 under section 2 of the Amendment Act. Ibid., s 2(1), commencement table, item 2 (all Schedules except Schedule 5 commence on 1 January 2027).

[8] 'Illicit Tobacco and E-cigarette Commissioner Report 2024–25', Illicit Tobacco and E-cigarette Commissioner, 2025 (https://www.itec.gov.au/sites/default/files/2025-12/ITEC_Commissioner-Report_2024-25.pdf); Senate Legal and Constitutional Affairs References Committee, 'Illegal tobacco crisis in Australia', August 2026, paras 1.23 and 2.6 (https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Legal_and_Constitutional_Affairs/Tobacco2025/Report). See also 'Household consumption of illicit tobacco and nicotine products', Australian Bureau of Statistics, 2026 (https://www.abs.gov.au/articles/household-consumption-illicit-tobacco-and-nicotine-products).

[9] David Elliott, 'A chop chop warning I ignored', The Daily Telegraph, 15 July 2026
(https://www.dailytelegraph.com.au/news/opinion/david-elliott-a-chop-chop-warning-i-ignored/news-story/cbf0fdf66bff297a085fabac87df5a2d).

[10] 'Targeted illicit tobacco and vaping operations close a further ten retailers as total closures near 500', NSW Health, 15 October 2026, quotes attributable to Minister for Health Ryan Park (https://www.health.nsw.gov.au/news/Pages/20261015_00.aspx).

[11] 'Illegal tobacco crisis in Australia', Senate Legal and Constitutional Affairs References Committee, August 2026, p.1, para.1.1 (https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Legal_and_Constitutional_Affairs/Tobacco2025/Report).

[12] Sinclair Davidson, 'Taxing Tobacco into Illegality: How split responsibilities and high excise created Australia's tobacco wars', Centre for Independent Studies, Analysis Paper 95, November 2025 (https://www.cis.org.au/wp-content/uploads/2025/11/AP95-Tobacco-Excise.pdf); attached to Michael Stutchbury, 'Submission to Senate Inquiry into Illegal Tobacco Crisis in Australia', 15 January 2026 (https://www.cis.org.au/submission/submission-to-senate-inquiry-into-illegal-tobacco-crisis-in-australia/).

[13] More than 13,000 days of closure orders issued in nation's biggest illicit tobacco and vapes operation', Queensland Government release reproduced by Dan Purdie MP, 7 December 2025 (https://www.danpurdie.com.au/more-than-13000-days-of-closure-orders-issued-in-nations-biggest-illicit-tobacco-and-vapes-operation/).

[14] Clare Armstrong and Holly Tregenza, 'Legal cigarette sales jump 55 per cent in Queensland after black market crackdown', *ABC News*, 5 October 2026.

[15] Julian Hill, 'Extra Commonwealth funding to support Queensland's tobacco crackdown which new data shows is cutting criminal profits', Australian Government, 5 October 2026.
[16] Ibid.
[17] *Interactive Gambling Amendment (Gambling Reform) Act 2026* (Cth), Schedule 2, Part 1, item 3 (new s 15J(2)(b)) (https://www.legislation.gov.au/C2026A00072/asmade).
[18] *Unlawful Gambling Act 1998* (NSW), ss 7–8 and 10 (https://legislation.nsw.gov.au/view/whole/pdf/inforce/2025-08-10/act-1998-113).
[19] Senate Environment and Communications Legislation Committee, *Proof Committee Hansard: Interactive Gambling Amendment (Gambling Reform) Bill 2026; National Self-exclusion Register (Cost Recovery Levy) Amendment Bill 2026*, 3 August 2026, pp. 53 (Senator David Pocock).
[20] United Nations Office on Drugs and Crime, *Global Report on Corruption in Sport*, 2021.
[21] Ibid, pp.54.
[22] Point of consumption tax', Revenue NSW, updated 11 June 2026 (https://www.revenue.nsw.gov.au/taxes-duties-levies-royalties/gaming-wagering-tax/point-of-consumption-tax).

The views, opinions, findings, analyses and conclusions expressed in this article/report are those of the individual author(s) and contributors and do not necessarily reflect the official policy, position or views of the International Federation of Horseracing Authorities (IFHA), its member organisations, officers, employees or affiliates. This publication is provided for informational, research and discussion purposes only. While reasonable efforts have been made to ensure the accuracy of the information contained herein, the IFHA and the IFHA Council on Anti-Illegal Betting and Related Crime make no representation or warranty, express or implied, regarding the completeness, accuracy, reliability or currency of the information. References to specific jurisdictions, organisations, individuals, companies, criminal groups, betting operators, regulatory systems, technologies or activities are included solely for analytical, academic and public-interest purposes and should not be interpreted as allegations of unlawful conduct unless explicitly supported by publicly available legal findings or judicial determinations. Nothing in this publication constitutes legal advice, regulatory advice, or an accusation against any person or entity. To the fullest extent permitted by law, the IFHA and the IFHA Council on Anti-Illegal Betting and Related Crime disclaim liability for any loss, damage, claim or consequence arising directly or indirectly from reliance on this publication or its contents.