



Cabinet Social Wellbeing Committee

Minute of Decision

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Strategy to Prevent and Minimise Gambling Harm 2022-23 to 2024-25

Portfolios **Health / Internal Affairs**

On 6 April 2022, the Cabinet Social Wellbeing Committee (SWC):

- 1 **noted** that in August 2021, SWC approved the release of the *Strategy to Prevent and Minimise Gambling Harm 2022/23 – 2024/25: Consultation Document* and invited the Minister of Health and Minister of Internal Affairs to report back following consultation to seek approval for the final Strategy and new problem gambling levy rates [SWC-21-MIN-0123];
- 2 **noted** that the problem gambling levy is intended to recover the cost of developing, managing, and delivering the “integrated problem gambling strategy focused on public health” required by the Gambling Act 2003;
- 3 **noted** that the Ministry of Health and the Gambling Commission have met the consultation requirements in the Gambling Act 2003;
- 4 **noted** that the Strategy meets all the statutory requirements for an integrated problem gambling strategy, and is the integrated problem gambling strategy for the 2022/23 to 2024/25 period;
- 5 **noted** that the revised Strategy provides for a greater focus on equity and services to better meet the needs of people affected by gambling harm, by strengthening:
 - 5.1 the range of, and access to, services, facilitating service co-design and use of people with lived experience and affected communities to develop more targeted and appropriate services;
 - 5.2 enablers that support these including the gambling harm workforce capacity and capability, addressing cultural and language barriers, use of digital services and supports, and action-oriented research and evaluation;
- 6 **approved** the *Strategy to Prevent and Minimise Gambling Harm 2022/23 to 2024/25* attached under SWC-22-SUB-0060, at a cost of \$76.123 million;
- 7 **noted** that an expense transfer of \$4.0 million and an in-principle expense transfer of \$2.7 million from 2021/22 to 2022/23 in the Problem Gambling Services appropriation were approved in the March Baseline Update, which will partially offset the cost of implementing the Strategy;

Decisions on the problem gambling levy

- 8 **noted** that after taking into account forecasting overs and unders from the previous plan period and the in-principle expense transfer in paragraph 7 above, a total of \$70.796 million needs to be recovered in problem gambling levies for the plan period 2022/23 to 2024/25 to fund the \$76.123 million cost of the Strategy in that period;
- 9 **agreed** to increase the rates of the problem gambling levy to recover \$70.796 million (GST exclusive) over the years 2022/23 to 2024/25;
- 10 **agreed** that the four levy-paying sectors remain as non-casino gaming machines, casinos, TAB NZ, and the New Zealand Lotteries Commission;
- 11 **agreed** to apply ‘weightings’ of 30 percent on player expenditure and 70 percent on customer presentations in the problem gambling levy formula for the new levy period;
- 12 **approved** the resulting levy rates (which are percentages of player expenditure in each sector over the period from 1 July 2022 to 30 June 2025 inclusive), as set out in the table below, to take effect on 1 July 2022;

	2022/23 to 2024/25 levy rates (GST excl)
	30/70 Weighting
Non-Casino Gaming Machines	1.08 % of player expenditure
Casinos	0.87 % of player expenditure
TAB NZ	0.76 % of player expenditure
New Zealand Lotteries Commission	0.44 % of player expenditure

Changes to Vote Health appropriations

- 13 **noted** that the current Vote Health baseline for developing, managing and delivering the Strategy to Prevent and Minimise Gambling Harm 2022/23 to 2024/25 is a total of \$33.672 million for those three financial years;
- 14 **approved** the following increase to appropriations to implement the policy decisions in paragraphs 6 and 7 above;

Vote Health Minister of Health	\$m – increase/(decrease)			
	2022/23	2023/24	2024/25	2025/26 & outyears
Non-Departmental Output Expense: Delivering Primary, Community, Public and Population Health Services	0.460	0.460	0.460	-
Problem Gambling Services:	5.990	15.006	13.375	-
Total Operating	6.450	15.466	13.835	-

- 15 **noted** that Inland Revenue forecast the following problem gambling revenue from the current levy rates and from the increase in the rates of the problem gambling levy approved in paragraphs 9 and 12 above:

	2022/23	2023/24	2024/25	Total
	(\$m)	(\$m)	(\$m)	(\$m)
Forecast problem gambling revenue on the basis of current levy rates	16.553	17.127	17.653	51.333
Forecast problem gambling revenue from increase in levy rates	6.276	6.494	6.693	19.463
Total Operating	22.829	23.621	24.346	70.796

- 16 **noted** that the increase in expenditure in paragraph 14 above is fiscally neutral as total forecast problem gambling revenue in paragraph 15 is the amount required to be recovered to meet the cost of implementing the Strategy for the plan period 2022/23 to 2024/25;

Publication of the Ministry's Strategy

- 17 **noted** that the *Strategy to Prevent and Minimise Gambling Harm 2022/23 to 2024/25* will be published after Budget day 2022, and is subject to any necessary editing and formatting changes;

Drafting instructions

- 18 **invited** the Minister of Internal Affairs to issue drafting instructions to the Parliamentary Counsel Office for problem gambling levy regulations to be made under the Gambling Act 2003 for the 2022/23 to 2024/25 period, to give effect to the decisions in paragraphs 8 to 12.

Jenny Vickers
Committee Secretary

Present:

Rt Hon Jacinda Ardern
Hon Grant Robertson
Hon Kelvin Davis
Hon Dr Megan Woods
Hon Chris Hipkins
Hon Carmel Sepuloni (Chair)
Hon Andrew Little
Hon Poto Williams
Hon Kris Faafoi
Hon Peeni Henare
Hon Willie Jackson
Hon Jan Tinetti
Hon Dr Ayesha Verrall
Hon Aupito William Sio
Hon Priyanca Radhakrishnan

Officials present from:

Office of the Prime Minister
Officials Committee for SWC