



Strategy to Prevent and Minimise Gambling Harm 2025/26 to 2027/28

Consultation document

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Foreword from the Minister for Mental Health

It is a privilege to have been appointed as New Zealand's first Minister for Mental Health, which includes responsibilities for addiction and preventing and minimising gambling-related harm. The Prime Minister's establishment of this portfolio presents a real opportunity to focus our collective attention on an area that has often been considered secondary to physical health.

But I have been very clear that simply creating a portfolio is meaningless unless we achieve results that improve the lives of New Zealanders. That's why in my first few months, I have had a focus on understanding the state of mental health and addiction in this country, setting clear priorities, and establishing targets that will hold the health system to account.

I want to acknowledge that many New Zealanders enjoy gambling as a pastime without issue and that the associated activities make a strong contribution to our economy, for example the horse racing sector.

But the statistics are clear that harm from gambling can have a significant impact, so it is important that we put in place initiatives and interventions that prevent and minimise such harm. This will enable people to support their own wellbeing when it comes to gambling, with access to helplines, guidance and support, as well as specialist services and treatment options for those who require more. Such initiatives and services need to be informed by evidence and best practice, which is why research and evaluation are key areas of investment.

You will see in this consultation document that the Government's mental health and addiction priorities are clearly reflected to ensure this gambling harm support system is in place. In this context, my priorities are to:

- Increase access to gambling harm support
- Grow the gambling harm workforce
- Strengthen the focus on the prevention of and early intervention in gambling harm
- Improve the effectiveness of gambling harm support.

The Ministry of Health (the Ministry) is the government agency responsible for the Strategy to Prevent and Minimise Gambling Harm, and it is important that you have your say on this consultation document to inform its development.

I want to particularly acknowledge those who have lived experience of gambling harm, as your perspectives will give a strong understanding of what works and what doesn't at the community level. I know through my own lived experience that this first-hand knowledge is critical in ensuring our health system meets people's needs.

In talking to people about mental health and addiction, I've become firmly of the view that the ideas we need to solve the issues we face are already in the community, so please make your voice heard.

Hon Matt Doocey
Minister for Mental Health

Foreword from the Director-General of Health

The Gambling Act 2003 (the Act) is world leading in its focus on public health with regard to gambling. It recognises the need to address the risks and harms of gambling by setting out requirements for an integrated problem-gambling strategy focused on public health, containing intervention and public health services, and research and evaluation, alongside specifying a regulatory regime for the gambling industry. The Ministry of Health - Manatū Hauora (the Ministry) is responsible for developing and refreshing a strategy to prevent and minimise gambling harm as required by the Act.

The Act sets out detailed consultation requirements for developing the strategy and setting industry levy rates to pay for it. Consistent with these requirements, the Ministry is now using a consultation process to seek views on its draft *Strategy to Prevent and Minimise Gambling Harm for 2025/2026 to 2027/2028* (the Strategy) and draft levy rates.

The draft Strategy (this consultation document) and levy rates (tax on gambling activities) are the first the Ministry, as strategic lead, has developed in collaboration with Health New Zealand | Te Whatu Ora (Health New Zealand). Health New Zealand commissions and delivers the intervention and public health services contained in the service plan incorporated into the draft Strategy. This service plan includes the activities formerly delivered by Te Hiringa Hauora | Health Promotion Agency, which is now part of Health New Zealand.

This draft Strategy is based on engagement, research and evidence, including engagement with gambling harm prevention and minimisation organisations, health and disability services and workers, and the gambling industry.

The Act sets out the process the Ministry should follow in developing the Strategy. After independent analysis of feedback and submissions, the Ministry will make necessary revisions to the proposals contained in this consultation document and submit its proposed Strategy and levy rates to the New Zealand Gambling Commission (the Gambling Commission). The Gambling Commission will undertake an analysis, convene an independent consultation meeting with stakeholders and provide its own advice to the Minister for Mental Health and the Minister of Internal Affairs. Cabinet will subsequently make decisions on the shape of the Strategy and the levy.

I encourage you to have your say to ensure we take an inclusive and comprehensive approach to preventing and minimising gambling harm.

Dr Diana Sarfati
Director-General of Health
Ministry of Health

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A new Strategy to Prevent and Minimise Gambling Harm

The Government has set a clear direction for mental health and addiction in New Zealand with a priority focus on:

- increasing access to mental health and addiction support
- growing the mental health and addiction workforce
- strengthening the focus on the prevention of and early intervention
- improving the effectiveness of mental health and addiction support.

This direction, supported by available data, research and evidence of what works, has driven the development of this new draft *Strategy to Prevent and Minimise Gambling Harm 2025/26 to 2027/28* (the Strategy).

This document seeks your comment on the proposed direction and content of the draft Strategy. It provides the full proposed Strategy for public consultation, and includes:

- the **problem definition and needs assessment**, which informs the proposed Strategy as required under the Gambling Act 2003 (the Act)¹
- the **strategic plan**, including the strategic framework that sets out the goal, outcomes, priorities and actions for the Strategy
- the **service plan** for the three years from 2025/26 to 2027/28, including the amount of funding required for the Ministry of Health | Manatū Hauora (the Ministry) and Health New Zealand | Te Whatu Ora (Health New Zealand) to deliver the gambling harm prevention and minimisation activities described in the Strategy
- the **problem gambling levy** rates and weighting options per sector for the next three years.

¹ Malatest International & Sapere. *Gambling Harm Needs Assessment 2024*. Wellington: Ministry of Health

Problem definition: Gambling harm is wide-reaching and services are under pressure to respond to a changing gambling environment

About one in five people in New Zealand experience harm as a result of their own or someone else's gambling. Harm is not experienced evenly across our communities, and Māori, Pacific, Asian and young people are at greater risk. Department of Internal Affairs data show that in 2022/23, New Zealanders lost \$2.76 billion gambling on the four regulated gambling sectors (Lotto New Zealand, TAB NZ, casinos and non-casino gambling machines or class 4 gambling).

Most money spent on gambling comes from the relatively small number of people (around 11% of adults in 2020) who play electronic gaming machines ("pokies"). For the first time in 2022/23, New Zealanders lost over \$1 billion on these machines, which are disproportionately located in higher deprivation areas.

In addition, online gambling, which has the potential to cause significant harm, is expanding into New Zealand. The unregulated offshore online gambling market has grown significantly in recent years, with higher participation, higher spend, and greater harm being reported by New Zealanders. The Government has agreed to regulate online casinos through a licensing system, which will be designed to minimise harm, support tax collection, and provide consumer protections to New Zealanders. This regime is expected to come into effect in 2026.

Whether an individual experiences harm from their own or someone else's gambling, and how this harm is experienced at a whānau and community level, results from many factors. This includes the wider determinants of health and wellbeing and the nature of the gambling environment. The Gambling Act 2003 and associated regulations, as administered by the Dept of Internal Affairs, set the framework for legal gambling in New Zealand.

The Act requires a needs assessment be undertaken to inform each iteration of the Strategy. The 2024 needs assessment highlights a changing environment and gambling harm services under pressure². Key findings include:

- Gambling activity has remained relatively constant in New Zealand, with data indicating that most adults engage in gambling at some stage in their lives.
- While there has been a reduction in the number of pokies the distribution and availability of these machines remains disproportionately high in areas of high-deprivation. Expenditure on pokies has continued to increase.
- Online gambling, particularly with unregulated providers based overseas, continues to grow. This is revealing inconsistencies with the current levy funding regime and service provisions.
- The gambling harm minimisation sector is under pressure and has found the health reforms challenging. It seeks stronger government leadership and coordination.

² Malatest International & Sapere, Gambling Harm Needs Assessment 2024.

- There is a need to grow and support the gambling harm workforce – both clinical and peer.

Strategic plan: A focus on access, workforce, prevention and early intervention, and effectiveness

To address changes to the gambling environment and respond to gambling harm, we must:

- increase access to gambling harm support
- grow the gambling harm workforce
- strengthen the focus on the prevention of and early intervention in gambling harm
- improve the effectiveness of gambling harm support.

These priorities align with the priorities of the Minister for Mental Health and underpin the proposed three-year strategic plan and outcomes sought for preventing and minimising gambling harm, as follows:

- There is a spectrum of effective services and supports to prevent and minimise gambling harm - from prevention to early intervention to specialist support.
- Social and cultural norms prevent and minimise harm from gambling.
- Strong leadership and accountability of the gambling harm prevention system supports decision making as close to communities as possible.
- The system focuses on those who are most at risk of harm from gambling.

The Strategy proposes a continued focus on supporting population groups who experience inequitable outcomes and gambling harm, in particular Māori, Pacific, Asian and young people. The harm and risk experienced by these groups has not reduced to the level where prioritisation is not required.

Service Plan: Delivering a continuum of public health and clinical services supported by robust research and evaluation

A new three-year service plan for the period to 30 June 2028 will see expanded provision of clinical and public health approaches to gambling harm minimisation and prevention, as well as a prioritised research programme. The plan will maintain investment in high quality public health and clinical services to deliver on the Government's priorities.

The proposed service plan includes proposals to:

- **increase access** by expanding clinical service provision, both in terms of the type of service/population served (for example additional high-intensity support) and of location (filling some areas that do not currently have face-to-face services)
- **grow the workforce** by supporting new entrants to the workforce and retain existing workers (for both the peer and clinical workforces)

- **prevent harm and intervene early** by delivering a range of community-focused health promotion activities to prevent gambling harm
- **improve effectiveness** by commissioning of a suite of research and evaluation projects, including evaluation of all clinical services and an impact evaluation of the Strategy itself.

The package of investment has been costed at \$87.718 million over the three years from 2025/26 to 2027/28, an increase of \$11.595 million on the 2022/23 to 2024/25 budget. The increase includes a proposed transfer of \$3.412 million forecast cumulative underspend from the current levy period ending on 30 June 2025, so the proposed net additional funding is \$8.183 million.

Of this, approximately half is for new services and interventions required in response to changes in the gambling environment (such as service promotion, workforce development and an online gambling exclusion system) and half will be used to address a range of cost and volume pressures (including service expansion and responses to wage pressures).

Problem Gambling Levy: Funding to support gambling harm prevention and minimisation

This document contains a range of options for setting the problem gambling levy. The levy's formula is prescribed in the Act. The Act also requires the Ministry to apply appropriate weightings within the formula to help determine each sector's share of the cost that it is required to pay in levy.

Four possible weighting options for the proposed levy rates for each sector (Lotto NZ , TAB NZ, casinos and non-casino gambling machines known as class 4 gambling) are included for consultation.

The proposed levy rates for each gambling sector, except the TAB NZ, would be higher under any weighting option for 2025/26 to 2027/28 than they are for the current levy period. This is due to a combination of the proposed increase in funding for services for 2025/26 to 2027/28 and sector payments received to date being less than predicted for the current levy period to 30 June 2025 when they were originally forecast in setting the levy in 2022. Details of these figures are discussed in this consultation document.

Public consultation and next steps

Your feedback on our proposals is important. It will inform the *Strategy to Prevent and Minimise Gambling Harm for 2025/26 to 2027/28* and levy rates.

You can provide feedback by:

- making an online submission at <https://consult.health.govt.nz>
- using the '**Making a submission**' form at the end of this document and emailing it to gamblingharm@health.govt.nz.

- attending a consultation meeting – meeting details will be made available at <https://consult.health.govt.nz>.
- emailing your thoughts to gamblingharm@health.govt.nz.

All submissions are due with the Ministry by **5pm 6 October 2024**.

Once consultation has closed, the submissions will be analysed and the Ministry will make any adjustments to the Strategy and proposed levy rates before referring the proposals to the New Zealand Gambling Commission, as required under the Act (section 318).

The Gambling Commission will then conduct its own consultation and provide advice to the responsible Ministers under the Act (the Ministers for Mental Health and Internal Affairs) on the Strategy and proposed levy rates.

Ministers will then finalise the Strategy and seek Cabinet's agreement to the strategy, funding and levy rates. The new Strategy and levy rates will come into effect on **1 July 2025**.

Problem definition

Gambling harm is wide-reaching and services are under pressure to respond to a changing gambling environment.

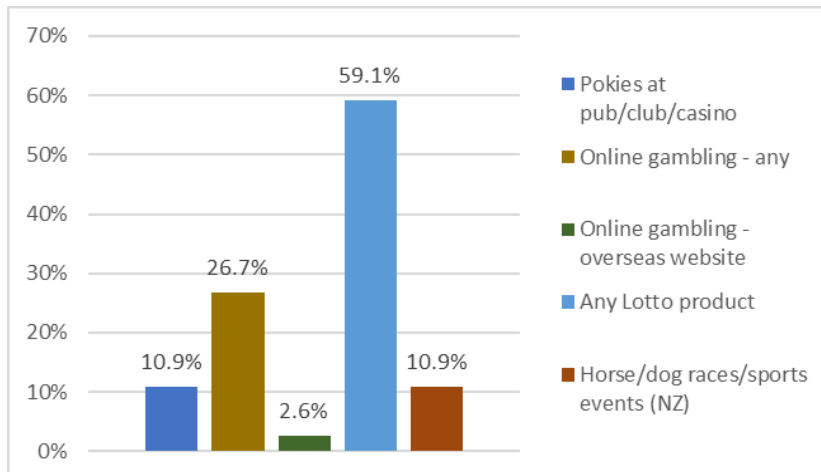
This section briefly covers the current state of gambling in New Zealand, with further detail provided in **Appendix One** in the Appendices document.

Participation and expenditure

Most New Zealanders gamble at least occasionally.

- Estimates suggest that, in 2020 (most recent data available),³ **69.3%** (about 2.8 million New Zealanders aged 15 years and older) had **participated in at least one gambling activity in the previous 12 months**. Figure 1 shows the types of gambling people engaged in.
- While there was no statistically significant increase in overall gambling participation between 2018 and 2020, **participation in online gambling doubled to 27% in 2020⁴**.
- **Total gambling expenditure (net player losses)** in 2022/23 was **\$2.76 billion** for the four regulated sectors (Lotto NZ, TAB NZ, casinos and non-casino gambling machines or class 4 gambling) combined, an increase from \$2.25 billion in 2021/22.⁵

Figure 1: Gambling by type, 2020 (% of population aged 15+)



³ NielsenIQ. 2023. *2020 Top-line Summary: New Zealand Health and Lifestyles Survey (HLS)*. Wellington: Health New Zealand. URL: www.hpa.org.nz/our-work/research/publications (accessed 31 July 2024).

⁴ <https://www.hpa.org.nz/sites/default/files/2020%20Health%20and%20Lifestyles%20Survey%20Top%20line%20report.pdf>

⁵ DIA. Gambling expenditure webpage on the DIA website at URL: www.dia.govt.nz/gambling-statistics-expenditure

Gambling harm

- Research shows that **one in five** New Zealand adults (22%) are **affected at some time in their lives by their own or others' gambling**.⁶ This includes financial harm; relationship disruption; conflict and breakdown; psychological distress; damage to health; cultural harm; reduced involvement at work or study; and criminal activity.
- **Nearly 50%** of all **gambling harm is experienced by people who participate in low-risk gambling** (harms include damage to relationships, emotional distress, financial impacts and disruptions to work or study).⁷ This suggests we need to focus on reducing gambling harm at the whole-of-population level.
- **183,000 adults** reported **second-hand gambling harm** in their wider families or households in the past year, for example, arguments or 'going without' because of gambling.^{8,9}

Although the latest survey data available (Healthy Lifestyles Survey 2020 - HLS) shows that the proportion of New Zealanders at risk of harm in the past 12 months has remained relatively stable, with 4.2% at low risk of harm and 2.3% at moderate or high risk of harm; the numbers of New Zealanders experiencing gambling-related harm has increased in line with population growth.

Some population groups are experiencing more gambling harm than others. For example, the HLS found, asking about the past 12 months, that:

- **Māori** were 3.13 times more likely to be moderate-risk or problem gamblers than non-Māori and non-Pacific peoples.
- **Pacific peoples** were 2.56 times more likely to be moderate-risk or problem gamblers than non-Māori and non-Pacific peoples.
- While the proportion of **Asian peoples** who gamble is relatively low when compared other population groups, those who do gamble are more likely to experience gambling harm compared with the European/Other population group.

⁶ Thimasarn-Anwar T, Squire H, Trowland H, et al. 2017. *Gambling Report: Results from the 2016 Health and Lifestyles Survey*. Wellington: Te Hiringa Hauora. URL: www.hpa.org.nz/research-library/research-publications/new-zealanders-participation-in-gambling-results-from-the-2016-health-and-lifestyles-survey (accessed 31 July 2024).

⁷ Central Queensland University and Auckland University of Technology. 2017. *Measuring the Burden of Gambling Harm in New Zealand*. Wellington: Ministry of Health. URL: www.health.govt.nz/publication/measuring-burden-gambling-harm-new-zealand (accessed 18 July 2021). The research found that, while some of this 'burden of harm' was concentrated in problem gamblers, at a population level, the majority of harm is accruing to those who are not necessarily problem gamblers.

⁸ Te Hiringa Hauora. 2021. Results from the Health and Lifestyles Survey 2020.

⁹ <https://kupe.healthpromotion.govt.nz/#!/gambling/gambling-harm/hls-household-level-gambling-harm>

- About 45.7% of **youth** aged 16–24 had gambled in the past year. Young people make up approximately 14% (9,000 people) of moderate- and high-risk gamblers (1.6% of all adults or 65,000 people).

Some forms of gambling are also higher risk than others, with evidence showing that harm is far more likely to be associated with continuous forms of gambling (those in which a gambler can immediately ‘reinvest’ their winnings in further gambling) than other modes of gambling. The common forms of continuous gambling are gaming machines or ‘pokies’ (in or out of a casino), casino table games, scratchies (Instant Kiwi) and sports/race betting.

A large amount of the money spent on gambling in New Zealand comes from the relatively small number of people who play gaming machines. Most people accessing gambling-harm intervention services cite pub or club pokies as the primary problem gambling mode. The offshore online gambling market has grown significantly in recent years, with higher participation, higher spend, and greater harm being reported by New Zealanders.

Current service delivery

Current services are under pressure and needing to adapt to a changing gambling environment. Service access is also lower than expected based on known levels of gambling harm. Refer to **Appendix Three** in the Appendices document for more information about current services and activity under the current Strategy.

Public health approach to addressing gambling harm

The Act (section 317) requires an integrated harm prevention and minimisation strategy and a public health focus. Public health service providers work within communities to encourage adoption of healthy gambling policies by local authorities; increase awareness and resiliency; and engage with gambling venues to support gambling harm minimisation practices. They also deliver a wide range of health promotion and awareness raising activities.

Clinical intervention service delivery

The number of gamblers seeking treatment has remained static¹⁰, despite the increase in real numbers of people experiencing gambling harm.

- In the 2022/23 year, **6,516 ‘gambler’ clients received gambling harm treatment services** from a provider funded by the Strategy.

¹⁰ For more information, see the Gambling harm intervention services data webpage on the Ministry’s website at URL: www.health.govt.nz/our-work/mental-health-and-addiction/addiction/gambling/service-user-data/intervention-client-data

- In the 2022/23 year, **3,870** 'family / affected other' clients received gambling harm treatment services from a provider funded by the Strategy.
- In addition to the **6,516** people who sought help for their own gambling in 2022/23, the national Gambling Helpline reported a total of 2,706 people accessing support from the telehealth service in the same year.

Needs assessment

Under the Act, the Ministry is required to undertake a Needs Assessment to inform the development of the Strategy. The Needs Assessment for the 2025/26 to 2027/28 Strategy is available on the **Consultation page on the Ministry website**.

Key findings and views from the Needs Assessment are outlined below.

- **Service provision:** Strong communication and coordination is needed across the mental health and addiction service sector and related government agencies, led by government. Time is needed to bid in new services procured in 2023. The clinical response to online gambling needs to be improved.
- **Lived experience:** Lived experience voices need to be integrated across the mental health and addiction workforce and research, clinical and specialist services, and collaboration needs to be strengthened. Lived experience voices should inform harm minimisation training and service design and enhance gambling venue staff's understanding of gambling harm, harm reduction and support services.
- **Workforce:** The gambling harm clinical workforce needs to grow, but there are persistent issues in recruitment, retention and pay disparity. There is the potential to increase peer support services, but care is needed to ensure this is not at the cost of the clinical workforce capacity. Clinical supervision and oversight are needed. Clinical capacity is not meeting the level of need, which is impacting timely access.
- **Other:** The prevalence of online gambling promotion is impossible to restrain, and there is an urgent need to regulate online gambling. There is mixed understanding about the quality and availability of prevalence data. Research and data need to be translated into policy and action.

Strategic plan

A focus on access, workforce, prevention and early intervention, and effectiveness.

Priorities for the mental health and addiction sector

Over the next three years, there will be a focus on the Minister for Mental Health's Government priorities of:

- **Increasing access to gambling harm support:** In New Zealand, as internationally, a relatively small proportion of people who are suffering from gambling harm seek formal help. Increasing access to gambling harm services will require multiple approaches including de-stigmatisation, digital tools, access to gambling harm support in primary care, and service promotion.
- **Growing the gambling harm workforce:** There is a need to grow both clinical and consumer, peer and lived experience workforces. Measures are needed both to train and recruit new workers and also to retain current workers.
- **Strengthening the focus on the prevention of and early intervention in gambling harm:** Investment into health promotion, de-stigmatisation, awareness, and education activities are important to prevent harm at the population level and can also minimise harm by equipping people to support their own wellbeing and to seek help when needed.
- **Improving the effectiveness of gambling harm support:** There will be a strong focus on research and evaluation to ensure we are taking an evidence-based and effective approach.

Strategic framework for preventing and minimising gambling harm

Figure 2 sets out the proposed strategic framework that will drive progress against these **four priorities**.

The framework outlines **12 action areas** across the priorities – taken together, these action areas describe a well-functioning gambling harm prevention and minimisation system.

Delivery of these actions against the priorities will shift us closer to the **four strategic outcomes**:

- There is a full spectrum of services and support to prevent and minimise gambling harm - from prevention to early intervention to specialist support.
- Social and cultural norms prevent and minimise harm from gambling.

- Strong leadership and accountability of the gambling harm prevention system, with decision-making as close to communities as possible.
- There is a system focus on those who are most at risk of harm from gambling.

The framework sets a strong direction of travel towards a **goal** where New Zealanders' quality of life and mental health outcomes are not affected by gambling harm.

Appendix Four in the Appendices document provides further details on the different components of the proposed strategic framework, which is shown in summary form below.

Figure 2: Strategic framework for preventing and minimising gambling harm in New Zealand

GOAL: New Zealanders' quality of life and life expectancy are not affected by gambling harm

	Strategic Outcomes			
Mental Health and Addiction System Priorities	There is a full spectrum of services and support to prevent and minimise gambling harm - from prevention to early intervention to specialist support	Social and cultural norms prevent and minimise harm from gambling	There is strong leadership and accountability in the gambling harm prevention system, with decision-making as close to communities as possible	There is a system focus on those who are most at risk of harm from gambling
Increase access to gambling harm support	Action: Barriers to accessing services and supports are identified and addressed systematically	Action: Māori, Pacific peoples, Asian people, young people and people with lived experience are actively involved in harm prevention and minimisation efforts		Action: There are kaupapa Māori, Pacific, Asian and youth-centric services and supports available to those who want them
	Action: Quality, accessible and effective services are designed and delivered			
	Action: Gambling operators are supported to prevent and minimise harm			
Grow the gambling harm workforce	Action: There is a skilled gambling harm prevention and minimisation workforce that includes lived experience and clinical expertise			
Strengthen the focus on the prevention and early intervention of gambling harm	Action: People have the information and support to make healthy choices about gambling	Action: Stigma about gambling harm is addressed	Action: There are policies at national, regional and local levels that prevent and minimise gambling harm	
Improve the effectiveness of gambling harm support	Action: People are supported to participate in decisions about gambling in their communities			
	Action: The legislative and regulatory framework for preventing and minimising harm from gambling is strong and effective			
	Action: Technology, research and evidence inform policy and service design and delivery			

Service plan

Delivering a continuum of public health and clinical services supported by robust research and evaluation.

This section sets out the proposed gambling harm prevention and minimisation service and investment priorities and budgets for the three years from 1 July 2025 to 30 June 2028. They respond to the needs and pressures discussed throughout this document.

Together these proposals illustrate how government health agencies, and their partners, will deliver the strategic goal, outcomes and priority actions, and support the mental health and addiction system priorities outlined in the strategic section of this consultation document.

The service proposals are aligned to the priorities and activities of the strategic framework to provide a clear line of sight from the strategic priorities to what we intend to do to achieve them.

Indicative budget for 2025/26 to 2027/28

A new three-year service plan has been developed and costed based on the strategic framework above. The plan will maintain investment in high quality public health and clinical services, focusing on Government's priorities. The plan includes proposals to:

- expand clinical service provision, both in terms of the type of service and population served (for example additional high-intensity support) and by location (filling some areas that currently do not offer face-to-face services)
- support new entrants to the workforce and retain existing workers (for both the peer and clinical workforces)
- deliver a range of community-focused health promotion activity to prevent gambling harm
- commission a suite of research and evaluation projects, including evaluation of all clinical services and an impact evaluation of the Strategy itself.

The package of investment has been costed at \$87.718 million over the three years from 2025/26 to 2027/28, an increase of \$11.595 million (16%) on the 2022/23 to 2024/25 budget. The increase includes a proposed transfer of \$3.412 million forecast cumulative underspend from the current levy period ending on 30 June 2025, so the proposed net additional funding is \$8.183 million.

Of this, approximately half is for new services and interventions required in response to changes in the gambling environment (such as service promotion, workforce development and an online gambling exclusion system) and half to address a range of cost and volume pressures (including service expansion and responses to wage pressures).

Service plan for 2025/26 to 2027/28

The Gambling Act requires the Strategy to have a focus on public health, and contain:

- measures to promote public health by preventing and minimising the harm from gambling
- services to treat and assist problem gamblers and their families and whānau
- independent scientific research associated with gambling, including (for example) longitudinal research on the social and economic impacts of gambling, particularly the impacts on different cultural groups
- evaluation.

Table 1 shows the indicative cost of services and activities by strategic priority for the 2025/26 to 2027/28 levy period, along with a summary of the service plan proposals.

Further information about the service plan and budget, including detailed descriptions of the proposed services and rationale, is included in **Appendix Five** in the Appendices document.

Table 1: Summary of service plan and budget to prevent and minimise gambling harm (in \$ millions – GST exclusive), 2025/26 to 2027/28

Priority	2025/26	2026/27	2027/28	Total	Summary of service plan commitments
Increase access to gambling harm support	11.258	12.023	12.588	35.868	<ul style="list-style-type: none"> Invest in ongoing delivery and improvement of clinical intervention services including filling regional gaps. Services offerings include dedicated hauora Māori intervention services, as well as services based on Pacific and Asian world views and expertise, as well as expansion of the intensive support coordination service.
Grow the gambling harm workforce	1.154	1.504	1.499	4.156	<ul style="list-style-type: none"> Expand the peer workforce to improve access to broad spectrum of effective services. This investment will further embed lived experience into gambling harm service provision and planning. Develop gambling-harm content for a New Zealand Qualification Authority (NZQA) Level 7 qualification. Invest in clinical internships to support students to complete practicum requirements to become fully registered addiction practitioners. Ongoing professional development for the existing workforce.
Strengthen the focus on the prevention of and early intervention in gambling harm	10.082	10.049	10.556	30.687	<ul style="list-style-type: none"> Invest in refreshed national public health promotion and de-stigmatisation initiatives alongside new local/regional public health services to empower communities, build awareness and resilience, address stigma and barriers to help seeking. This work will be informed by lived experience. Subject to the new online gambling regulations, scope and develop a national system to allow individuals to block themselves from accessing regulated online/mobile gambling outlets. Continue to develop public health approach in schools to address and prevent gambling harm amongst young people/rangatahi. Invest in service promotion and support in primary health care. Enhanced work to support self-exclusion.
Improve the effectiveness of gambling harm support	3.789	3.654	2.604	10.047	<ul style="list-style-type: none"> Ongoing investment in a lived experience advisory group. Develop and roll-out a modern client data management system. This will assist service with day-to-day client information management activities, continuous quality improvement, and reporting. It will also enable and enhance contract monitoring. This will reduce the amount of effort and resource required for data processing, thus allowing more resource to be put towards front line service delivery. Invest in research and evaluation to inform policies and service improvement. Ensure research and evaluation is informed by affected communities, service providers, and those with lived experience. This will include an impact evaluation of the Strategy itself, and all services commissioned under it.
Agency costs	2.181	2.475	2.302	6.958	
Total	28.464	29.705	29.549	87.718	

Notes: Proposed services are discussed later in this section. Budget sums may not total due to rounding.

Research and evaluation

Research funding is managed by the Ministry, and service evaluation is managed by Health New Zealand. The Ministry has developed the following research and evaluation framework to guide the planning of gambling harm research programme within and beyond the three-year strategy period.

Table 2: Gambling harm research and evaluation framework

Functions	Description
Monitoring of gambling harm	Monitoring and analysis of gambling harm, risks, service use, and the changing environment through a range of studies, such as large-cohort longitudinal studies, surveys, and other intelligence gathering for up-to-date data and analysis on gambling harm in New Zealand.
Research to build base	Research in areas where knowledge gaps exist, such as the impact of online gambling and eSport, alternative intervention and treatment options, and the use of administrative data to inform action and support gambling harm research capability in the sector.
Evaluation to understand what works	Evaluation to understand what works to prevent harm and minimise impacts on individuals, society and sub-population groups, including at the system level (eg, strategies and policies), operational level (eg, services and initiatives), and of other influencing factors (eg, culture).
Dissemination of research	Dissemination of commissioned gambling harm research findings through a range of easy-access websites and tools, such as a centralised online platform, evidence briefs, and presentations to enhance the use of evidence in policy, service delivery, and action.

A key priority of the research programme for the forthcoming three years will be an independent evaluation of the approach to preventing and minimising harm in New Zealand. Further detail about research and evaluation priorities is set out in **Appendix Five** in the Appendices document.

Table 3: Research and evaluation budget in millions (GST-exclusive), 2025/26 to 2027/28

Service area	2025/26	2026/27	2027/28	Total
Research	2.000	1.500	0.500	4.000
Evaluation	0.075	0.451	0.473	0.999
Total	2.075	1.951	0.973	4.999

Note: Budget sums may not total due to rounding

Agency operating costs

Agencies' operating costs cover various responsibilities under the Act to be fulfilled, including the development, implementation and oversight of this Strategy and reporting on gambling harm prevention and minimisation activities. Further detail about operating costs is set out in **Appendix Five** in the Appendices document.

Table 4: Budget agency operating costs in \$ millions (GST exclusive), 2025/26 to 2027/28

Agency	2025/26	2026/27	2027/28	Total
Health New Zealand Commissioning	0.815	0.815	0.815	2.445
Health New Zealand Health Promotion	0.747	0.747	0.747	2.241
Ministry of Health	0.619	0.913	0.741	2.273
Total	2.181	2.475	2.302	6.958

Note: Budget sums may not total due to rounding.

Problem gambling levy

Funding to support gambling harm prevention and minimisation.

Setting the Problem Gambling Levy

Section 319(2) of the Act states that the purpose of the problem gambling levy is to 'recover the cost of developing, managing, and delivering the integrated problem gambling strategy'. The levy rates are set by regulation at least every three years. The next levy period is from 1 July 2025 to 30 June 2028.

Since the levy was first set in 2004, it has applied to gambling operators in four sectors: class 4, casinos, TAB NZ and Lotto New Zealand (Lotto NZ).

Process for setting the levy rates

The Act sets out the process for developing and setting the levy rates needed to recover the cost of the strategy (see sections 318–320 of the Act). As part of this process, the Ministry is now consulting on its estimated annual funding requirements and four alternative sets of estimated levy rates for 1 July 2025 to 30 June 2028.

The figures in the four alternative levy calculation options discussed below should be considered indicative at this stage. They will be updated before the Gambling Commission's consultation meeting referred to below.

Following consultation, updated proposed levy rates will be submitted to the responsible ministers, the Minister for Mental Health (responsible for problem gambling) and the Minister of Internal Affairs and to the Gambling Commission. The Gambling Commission may then obtain its own advice around the proposed levy rates and will convene a consultation meeting. It will subsequently make recommendations to the responsible Ministers with its view on the total amount of the levy for the next three years and the levy rates that should apply for each sector required to pay the levy.

Cabinet will approve the strategy, including the Vote Health appropriation, which allocates funding to the Ministry and Health New Zealand to implement the strategy, and endorse the problem gambling levy regulations, which specifies the sectors that will pay the levy and the decided relevant levy rates.

The levy formula

The formula listed in section 320 of the Act 'provides a mechanism for allocating among gambling operators, and collecting from them, the approximate cost' of the strategy.

The formula is:

$$\text{Levy rate for each sector} = \frac{\{(A \times W1) + (B \times W2)\} \times C}{D} \text{ plus or minus } R$$

where:

- A** = the estimated current player expenditure in a sector divided by the total estimated current player expenditure in all sectors that are subject to the levy
- B** = the number of customer presentations to problem gambling services that can be attributed to gambling in a sector divided by the total number of customer presentations to problem gambling services in which a sector that is subject to the levy can be identified
- C** = the funding requirement for the period for which the levy is payable
- D** = the forecast player expenditure in a sector for the period during which the levy is payable
- R** = the estimated under- or over-recovery of levy from a sector in the previous levy periods^[1]
- W1** and **W2** are weights, the sum of which is 1.

The top line of the formula determines the dollar amount to be paid by each sector as its share of the total levy amount, taking into account any over- or under-recovery in previous levy periods.

The bottom line of the formula (**D**, forecast player expenditure in the sector) determines the levy rate that is necessary for a sector to pay its required contribution (the dollar amount) determined by the top line of the formula.

All other things being equal, the higher the forecast player expenditure for a sector, the lower that sector's levy rate will be. Player expenditure for each sector is defined in section 320(3) of the Act. For example, each levy rate is the amount per dollar of player expenditure a sector must pay. A rate of 0.85 means a sector must pay 0.85 cents for every dollar of player expenditure in the levy period to which the rate applies.

Appendix Six in the Appendices document steps through the detailed inputs into the formula and the underpinning data and calculations.

The following section summarises the options for setting the levy.

Weightings

The Act requires the Ministry to apply a weighting between current player expenditure (**W1**) and presentations (**W2**) to help determine the cost (**C**) that each sector is required to pay in levy.

Table 5 shows the proportion of expenditure (**A**) from each levy-paying sector's proportion of expenditure for the 2022/23 financial year (to be updated when 2023/24 data become available), and presentations (**B**) attributed to each levy-paying sector for the 12-month period from 1 January to 31 to December 2023.

Table 5: Share of expenditure (2022/23) and presentations (2023) by levy-paying sector

Class 4		Casinos		TAB NZ		Lotto NZ	
Expenditure	Presentations	Expenditure	Presentations	Expenditure	Presentations	Expenditure	Presentations
0.388	0.543	0.219	0.204	0.136	0.102	0.257	0.150

The top line of the levy formula determines the amount each sector shall pay. When a sector's proportion of expenditure is substantially different from its proportion of presentations (W1 and W2 respectively), the weighting between expenditure and presentations is critical to determine how much each sector will be required to pay.

Options and levy calculations

Tables 6–9 set out the implications for each of the four alternative levy weightings 5/95, 10/90, 20/80 and 30/70 respectively, based on an appropriation of \$87.718 million to the health sector to cover costs to the Ministry and Health New Zealand, for problem gambling activities for 2025/26 to 2027/28.

Each table shows the levy rate per sector and the expected amount of levy payments over the three-year period and compares these with each sector's levy payments for the current levy period to 30 June 2025. A positive figure indicates that the sector is expected to pay more in the next levy period, and a negative figure indicates that the sector is expected to pay less.

Table 6: Estimated levy rates and payments (\$m) per sector, 5/95 weighting

Collection period starts 1 July 2025 (all GST exclusive)	Class 4	Casinos	TAB NZ	Lotto NZ
Sector levy rates (%)	1.33	0.87	0.67	0.62
Expected levy payment (\$m)	47.713	18.446	8.583	15.127
(\$m) Comparison with current levy payments (negative = less)	12.787	2.486	-0.167	4.111

Table 7: Estimated levy rates and payments (\$m) per sector, 10/90 weighting

Collection period starts 1 July 2025 (all GST exclusive)	Class 4	Casinos	TAB NZ	Lotto NZ
Sector levy rates (%)	1.31	0.88	0.68	0.64
Expected levy payment (\$m)	46.996	18.658	8.711	15.615
(\$m) Comparison with current levy payments (negative = less)	12.070	2.698	-0.039	4.599

Table 8: Estimated levy rates and payments (\$m) per sector, 20/80 weighting

Collection period starts 1 July 2025 (all GST exclusive)	Class 4	Casinos	TAB NZ	Lotto NZ
Sector levy rates (%)	1.27	0.88	0.70	0.68
Expected levy payment (\$m)	45.561	18.658	8.967	16.591
(\$m) Comparison with current levy payments (negative = less)	10.635	2.698	0.217	5.575

Table 9: Estimated levy rates and payments (\$m) per sector, 30/70 weighting

Collection period starts 1 July 2025 (all GST exclusive)	Class 4	Casinos	TAB NZ	Lotto NZ
Sector levy rates (%)	1.23	0.89	0.73	0.72
Expected levy payment (\$m)	44.126	18.870	9.351	17.567
(\$m) Comparison with current levy payments (negative = less)	9.200	2.910	0.601	6.551

Comment on weighting options

Tables 6–9 show that, under each scenario:

- the higher the weighting on expenditure:
 - the higher the share of the levy to be paid by Lotto NZ because that sector’s proportion of expenditure is much higher than its proportion of presentations
 - the higher the share to be paid by the TAB NZ
- the higher the weighting on presentations:
 - the higher the share to be paid by the class 4 sector (because 54% presentations are attributed to that sector, but its proportion of expenditure is much lower)
 - the lower the share to be paid by Lotto NZ and the TAB NZ
- the share of the levy to be paid by casinos is not very sensitive to any weighting changes because that sector’s proportion of expenditure is relatively close to its proportion of presentations.

The proposed levy rates for each gambling sector, except the TAB NZ, would be higher under any weighting option for 2025/26 to 2027/28 than they are for the current levy period; based on levy payments received, forecast expenditure for the remainder of the three-year period to 30 June 2025 and the proposed budget appropriations. Sector payments would also increase compared with what they pay now, except for the TAB NZ under weighting options 5/95 and 10/90.

Because some underpayments are predicted for the levy period to 30 June 2025, and the proposed cost of services for the 2025/26 to 2027/28 levy period is higher, the proposed levy rates and expected levy payments for each sector are also higher than for the period to 30 June 2025. The levy formula calculation adjusts for these factors in generating levy rates for the next levy period.

Making a submission

Your feedback

The Ministry of Health (the Ministry) welcomes your thoughts and feedback on this draft strategy, which outlines the proposed strategic direction and services to prevent and minimise gambling harm, and the associated gambling levy rates, to apply from 1 July 2025 to 30 June 2028.

Your feedback is vital to help us develop the final strategy.

How to provide feedback

You can provide feedback by:

- making an online submission at <https://consult.health.govt.nz>
- filling in this form and emailing it to gamblingharm@health.govt.nz
- attending a consultation meeting (meeting details will be made available at <https://consult.health.govt.nz>).
- emailing your thoughts to gamblingharm@health.govt.nz.

Closing date for submissions

The Ministry must receive your submission by 5pm on **6 October 2024**. Any submissions received after this due date may not be included in the analysis of submissions, even if they were posted earlier. You might prefer to email your submission to ensure that the Ministry receives it on time.

Information about the person/organisation providing feedback

We encourage you to fill in this section. The information you provide will help us analyse your feedback. However, your submission will still be accepted if you do not fill in this section.

This submission was completed by: *(name)* _____

Address: *(street/box number)* _____

(town/city and postcode) _____

Email: _____

Organisation *(if applicable)*: _____

Position *(if applicable)*: _____

This submission *(tick one box only)*:

- is made by an individual or individuals (not on behalf of an organisation nor in their professional capacity)
- is made on behalf of a group or organisation(s).

What ethnic group/s do you belong to? *(you may tick more than one box)*

- Māori
- NZ European/Pakeha
- Samoan
- Tongan
- Niuean
- Cook Islands Māori
- Chinese
- Indian
- European
- Middle Eastern, African, Latin American
- Other *(please specify)* _____

Please indicate which perspectives your submission represents *(you may tick more than one box)*:

- | | | | |
|--------------------------------|--------------------------|----------------------------------|--------------------------|
| Māori | <input type="checkbox"/> | Family/whānau | <input type="checkbox"/> |
| Pacific | <input type="checkbox"/> | Lived experience/Tangata Whaiora | <input type="checkbox"/> |
| Asian | <input type="checkbox"/> | Local government | <input type="checkbox"/> |
| Service provider | <input type="checkbox"/> | Central government | <input type="checkbox"/> |
| Gambling industry (levy payer) | <input type="checkbox"/> | Researcher | <input type="checkbox"/> |
| Children / Young people | <input type="checkbox"/> | Disability | <input type="checkbox"/> |

Other *(please specify)* _____

Summary of submissions

If you wish to be notified when a summary of submissions is available, please ensure your contact details are provided above and tick the box below.

- I wish to be informed when the summary of submissions is available.

Publishing submissions

We may publish all submissions or a summary of submissions on the Ministry's website, unless you ask us not to include details from your submission.

If you are submitting as an individual, we will automatically remove your personal details and any identifiable information. You can also choose to have your personal details withheld if your submission is requested under the Official Information Act 1982.

Privacy

We may publish all submissions, or a summary of submissions, on the Ministry's website. If you are submitting as an individual, we will automatically remove your personal details and any identifiable information.

If you do not want your submission published on the Ministry's website, please tick this box:

Do not publish this submission.

Your submission may be subject to requests made under the Official Information Act 1982. If you want your personal details removed from your submission, please tick this box:

Remove my personal details from Official Information Act responses.

If your submission contains commercially sensitive information, please tick this box:

This submission contains commercially sensitive information.

Consultation questions

The following questions about the *Strategy to Prevent and Minimise Gambling Harm 2025/26 to 2027/28: Consultation document* (the draft Strategy) are designed to help you prepare your feedback. However, you do not have to answer the questions if you prefer to structure your submission in some other way.

Please include or cite relevant supporting evidence in your submission if you can.

You are also welcome to provide any other feedback on the draft strategy or more generally any ideas on preventing or minimising gambling harm in New Zealand.

Note: The Gambling Act 2003 defines harm, the purpose of the strategy (to prevent and minimise gambling harm) and key components that a strategy must include.

Neither these legislative provisions nor the content of the other strategic documents and frameworks with which the proposed strategy is expected to align are under consideration in this consultation.

Questions on the strategic plan (pages 10-12 and Appendix Four refer)

The following questions relate to the strategic direction, outcomes and associated actions.

1. Do you agree with the proposed strategic goal, outcomes, actions and system priorities?

- Yes
 No. If no, please explain why in the space below.

2. Does the draft strategic plan adequately reflect changes in the gambling environment?

- Yes
 No. If no, what else should be included and why? Please explain in the space below.

3. Do you have any comments to make on the work to support priority populations?

- Yes. Please add any comments in the space below.
 No

Questions on the service plan (pages 13-17 and Appendix Five refer)

The Gambling Act 2003 requires the service plan and, by implication, the indicative budget appropriations to have a focus on public health. **Note: The legislation is not under review.**

The following questions relate to the content of the service plan and indicative budgets.

4. Does the draft service plan adequately cover what it needs to cover, for example, does it include the right types of services and activities?

- Yes
 No. If no, what is not adequately covered and why? Please explain in the space below.

5. Do you consider the proposed funding levels, mix of services and service supports appropriate?

- Yes
 No. If no, what changes should be made and why? Please explain in the space below.

6. Do you agree with the proposed new services and investments?

- Yes
 No. If no, what changes should be made and why? Please explain in the space below.

7. Do you agree with the priorities for research and evaluation that have been outlined in the draft service plan?

- Yes
- No. If no, what changes should be made and why? Please explain in the space below.

Questions on the levy formula and levy rates (pages 18-21 and Appendix Six refer)

Note: The levy formula is prescribed in legislation and is not under consideration in this consultation.

The figures for variables A, B and R are derived from data held by the Ministry, Health New Zealand, Te Tari Taiwhenua | Department of Internal Affairs and Inland Revenue and are a matter of record. The variable C (the funding appropriation proposed for the strategy) is discussed in the service plan and funding questions above.

The following questions relate to the other components of the levy formula.

8. Are the player expenditure forecasts for each gambling sector (D) realistic?

- Yes
- No. If no, please explain why not in the space below.

9. Are there realistic pairs of expenditure/presentation weightings (W1 and W2) other than those discussed in this consultation document?

- Yes. If yes, please explain what and why in the space below.
- No

10. Which pair of weighting options for W1 and W2 do you prefer, if any, and why? Please explain in the space below. Please keep in mind that the levy weighting options only affect the proportion of levy to be paid by each gambling sector and do not affect the total amount of the levy.

11. Do you have any comment on the estimated levy rates for each sector, keeping in mind that the levy formula itself is set in legislation and is not under consideration in this consultation? Please add any comments in the space below.

Anything else?

12. Is there anything else you would like to tell us about the draft strategy or preventing and minimising gambling harm more generally? Please add any comments in the space below.

Additional questions about the future Strategy development process under the Gambling Act 2003

This work is separate to consideration of the draft strategy for 2025/26 to 2027/28, but we are using the same consultation process to seek feedback on questions related to two specific proposals below.

The Ministry of Health is considering whether to progress two minor amendments to section 318 of the Gambling Act 2003 (the Act), designed to reduce duplication and administrative costs of developing the strategy in the future. We are not proposing any changes to section 317 of the Act that provides for a public health focus, or to the purpose and required components of the integrated strategy.

Should the Government decide to proceed, these changes would require legislative amendments introduced for Parliament to consider and there would then be an opportunity for further public comment at Select Committee. We estimate that any changes would be unlikely to come into effect until the strategy cycle starting in July 2028.

Proposal 1

Changing the frequency of revising the strategy costs and levy funding from every three to every five years (moving from the current three-year strategy cycle to a five-year strategy cycle).

This would reduce development overheads so more resources could be spent on services and allow more effective management of service delivery, research, and evaluations. The Act's provisions to adjust for over or under recovery of the levy, or due to significant changes to the gambling environment at any time, would not be changed.

13. Do you agree that the strategy should be developed every five years instead of three?

- Yes
- No

If No, do you have another time period you would recommend? If so, please explain what and why in the space below.

Proposal 2

Simplifying the strategy consultation requirements from two phases to one phase (the Gambling Commission would undertake its role as part of the general consultation phase).

A single consultation phase would remove the need to prepare separate strategy proposals for the Gambling Commission and the time and cost of an additional round of consultation. The strategy development and consultation processes are resource and time intensive and duplicating these steps under the current arrangements effectively takes away funds that could be directed to delivering gambling harm services. The Gambling Commission would still be consulted and could provide a report to responsible Ministers as part of a single consultation phase, but it would not be required to consult separately in addition to the initial consultation as occurs now.

14. Do you agree that the legislation should not require separate strategy proposals and further consultation by the Gambling Commission, but it should allow for the Gambling Commission to give its own view on the proposed funding and problem gambling levy as part of the general consultation phase?

- Yes
 No

If No, do you have any comments on simplifying the existing consultation requirements? Please explain in the space below.

Thank you for your submission.