



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

Proposals document

November 2024

These appendices provide additional information and should be read in conjunction with the Strategy to Prevent and Minimise Gambling Harm 2025/26 to 2027/28 Proposals document.

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Appendix One: Further detail about gambling in New Zealand

The information in this appendix provides more context about gambling in New Zealand.

Legislation

Gambling in New Zealand is regulated by the Gambling Act 2003 (the Act) and the Racing Industry Act 2020 (the Racing Act), which are both administered by the Department of Internal Affairs (DIA). More information on DIA's role is provided in Appendix Two.

The Act has multiple purposes which are discussed below. The Act also includes the requirement for the government to develop 'an integrated problem gambling strategy'.

The Racing Act is focused on the racing industry and establishes TAB NZ as the sole betting provider for racing and sports in New Zealand.

The four main regulated gambling sectors in New Zealand are Lotto NZ, TAB NZ, casinos and non-casino gaming machines. There are two main areas of gambling-like activity that are not currently captured by legislation – online gambling and gaming convergence. The government recently agreed to regulate online casino gambling 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.

Laws and rules

The Gambling Act 2003 (the Act) is administered by DIA. The purpose of the Act is to:

- control the growth of gambling
- prevent and minimise the harm caused by gambling, including problem gambling
- authorise some gambling and prohibit the rest
- facilitate responsible gambling
- ensure the fairness and integrity of games
- limit opportunities for crime and dishonesty associated with gambling
- ensure that money from gambling benefits the community
- facilitate community involvement in decisions about the provision of gambling.

As well as the requirement to develop an integrated problem gambling strategy (section 317 of the Act), other aspects of the Act designed to prevent and minimise harm include:

- prohibiting some forms of gambling and advertising overseas gambling
- limits on the number of Class 4 gaming machines in a venue and regulations to prevent and minimise harm, age restrictions, exclusion and self-exclusion processes.

Racing and sports betting continues to be administered under the Racing Act 2003 (with some exceptions, such as gaming machine operations in TABs and racing clubs).

The Act also specifies that an integrated problem gambling strategy may be developed (section 317), and if so, must include:

- 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; and
- evaluation.

Types of gambling

Regulated gambling

The four main regulated gambling sectors in New Zealand are: Lotto NZ, TAB NZ, casinos and non-casino gaming machines.

- The New Zealand Lotteries Commission administer a range of games including Lotto, Keno and a variety of online games known as Instant Kiwi (some of which are also available in person). It has both land-based and online offerings.
- As of 30 June 2023, TAB NZ operated 461 retail TAB outlets, offering betting on sports and races.¹ Of these outlets, 40 hosted 468 gaming machines. TAB also has both land-based and online offerings.
- There are five casinos in New Zealand: one each in Auckland, Hamilton, Christchurch and Dunedin, and one in Queenstown. The casinos operate 2,982 gaming machines, 233 table games and 240 fully automated gambling machines (the latter are all in Auckland). The Act prohibits any more casinos opening in New Zealand.
- Data for year ended 30 June 2024 shows there were 991 active licensed non-casino gaming machines (Class 4) venues, operating 14,109 machines. This reflects a decreasing trend since venues peaked at more than 2,200 in the late 1990s and machines peaked at 25,221 in June 2003.

Unregulated outlets

In addition to the regulated and levy paying sectors, there are two related areas that are not currently captured by the Gambling Act: online gambling and gaming.

¹ TAB retail outlets include bars and restaurants; sports and racing clubs; TAB stores and self-service options.

Online gambling

Online gambling is mostly unregulated in New Zealand. Despite not being regulated under the Gambling Act, offshore operators are covered by the same GST rules as all other overseas businesses that sell products to New Zealand residents. Offshore gambling revenues as reported to Inland Revenue have been growing rapidly since 2016/17.² Total reported revenue (that is, spend less winnings paid out) was \$342.5 million in the year to June 2023.³ This is likely to be an underestimate of total gambling losses as not all offshore operators will be registered to pay GST.

The 2020 Health and Lifestyle Survey estimated that 105,000 New Zealanders aged 15 years and over (2.6%) participated in online gambling. The increase in online gambling here and overseas has been attributed to the growth in offshore online operators and products facilitated by rapid changes in technology, increasing ease of access to the internet and the widespread prevalence of digital devices.

Lotto NZ and TAB NZ are the only two New Zealand-based operators providing online gambling under the Act. Lotto NZ provides online lotteries, and TAB NZ provides online sports and race wagering.

In 2024 the Government agreed to regulate online casinos through a licensing system. This system will be designed to minimise harm, support tax collection, and provide consumer protections to New Zealanders. The Ministry and Health New Zealand have been working closely with DIA on this work and will continue to do so as it progresses from legislation to implementation. The regime is expected to come into effect in 2026. Further discussion about online gambling can be found in the Needs Assessment.

Gaming convergence

Gaming convergence is the merging of gambling and gaming elements in a single product. The two main examples are when:

- gambling takes on the visual and aural cues associated with gaming, such as virtual reality-enabled Instant Kiwi tickets (such forms of gambling are also an example of continuous gambling,⁴ which research shows poses an increased risk of harm⁵)
- video games include elements that may have gambling-like characteristics, for example, purchasing loot boxes⁶ and spinning wheels to unlock cosmetic changes and 'power-ups'⁷ or a chance to win a prize.

² Growth rates have been above 20% most years; though a 7% decline in 2022/23 reflected especially high rates of online gambling during the pandemic in 2021/22.

³ This figure includes all forms of offshore gambling, including sports and race betting.

⁴ Continuous gambling is gambling where a person can immediately 'reinvest' their winnings in further gambling, for example, gaming machines (in or separate from a casino), casino table games, 'scratchies' (Instant Kiwi) and sports/race betting. Non-continuous gambling is where there is a delay of many hours or days between placing a stake or buying a ticket and receiving the result of a win or loss (for example, traditional lottery draws and raffles).

⁵ Abbott M. 2006. Do EGMs and problem gambling go together like a horse and carriage? *Gambling Research: Journal of the National Association for Gambling Studies (Australia)* 18(1): 7–38.

⁶ In video gaming, a loot box is a virtual container or prize crate, a bit like a lucky dip, that players buy in a game with real or in-game money and that holds a random virtual item or 'loot' players can use in the game, such as a special ability to add to a player's avatar or equipment like weapons or armour.

⁷ In video gaming, any object that adds temporary benefits or abilities to the player's character or avatar.

Gaming convergence, coupled with associated increased levels of advertising and internet-based payment systems, make it easier to spend money on gambling and gambling-like products. This represents a new level of exposure to high-risk gambling products in New Zealand and the associated probability of related gambling harm.

However, while these games look and feel like gambling, they do not meet the current definition of gambling under the Act (because there is no opportunity to stake, win or lose real money or something that can be converted into money). It is therefore unregulated by the Act (though it may be regulated under other legislation, such as the Films, Videos, and Publications Classification Act 1993).

Participation in different gambling activities

There is some variation in participation rates in different types of gambling activity by ethnicity. According to the Health and Lifestyles Survey (HLS) in 2020, Māori had the highest participation rate for pokies gambling of any ethnicity (18.4%). The New Zealand European / Other category had the highest gambling rates on Lotto (64.1%) and online gambling (29.2%). Asian individuals had the lowest participation rates in all gambling categories (4.6% at pokies, 45% on Lotto NZ, 3.4% on horse and dog races and sports events, and 1.1% via online overseas sites).⁸

Expenditure (net player losses)

DIA data shows that total gambling expenditure (net player losses) on the four main forms of gambling is continuing to trend upwards each year, and that this results from increasing spend rather than an increasing proportion of losses. 2019/20 and 2021/22 were exceptions to this trend, likely due to the COVID-19 lockdown restrictions (which included venue closures and indoor capacity limits that limited access to gaming venues during these periods).⁹

Expenditure for the 2022/23 year shows that there has been a substantial recovery across the four sectors.¹⁰

- Expenditure on Class 4 gambling increased annually from a low of \$806 million in 2013/14 to \$924 million in 2018/19. The years 2019/20–2021/22 saw falls in expenditure, which can be primarily attributed to the COVID-19 restrictions. However, expenditure quickly recovered and reached \$1,070 million in the 2022/23 year, the highest since records began in 2007.
- Expenditure on Lotto NZ products has continued to increase year on year, reaching \$710 million in 2022/23 – the highest player loss to date. This growth is partly attributed to more people using the MyLotto online platform, which was not affected by COVID-19 restrictions. Annual expenditure on Lotto NZ products is volatile, depending on the number and size of Powerball jackpots.

⁸ 2024 Needs Assessment and HLS2020.

⁹ Note these trends change if figures are adjusted for inflation. They can be viewed on the Gambling Expenditure Statistics Report webpage of the Data.govt.nz website at: <https://catalogue.data.govt.nz/dataset/gambling-expenditure-statistics/resource/941f3304-75a7-48b7-8af0-8d6733881a36>

¹⁰ DIA. Gambling expenditure <https://www.dia.govt.nz/gambling-statistics-expenditure>

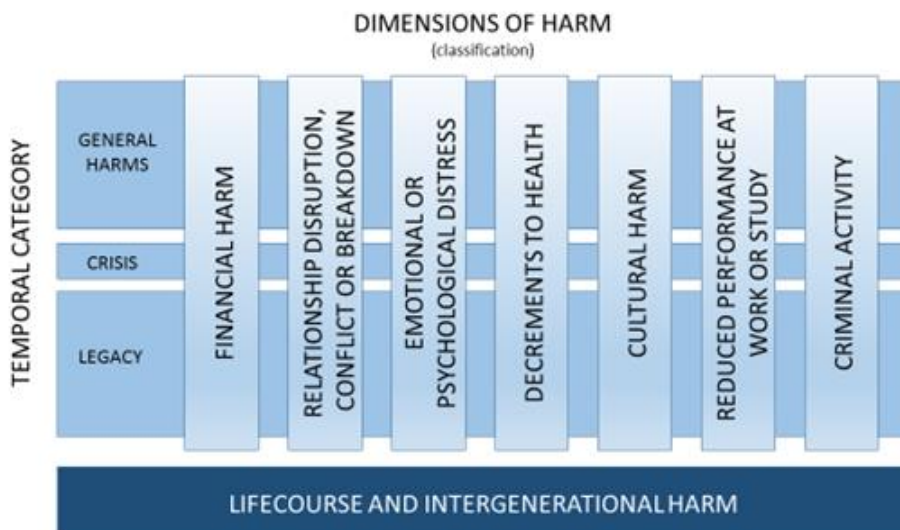
- In contrast, annual expenditure on TAB NZ products remained fairly steady. For 2020/21, expenditure was \$385 million, their highest year on record. It reduced to \$376 million in 2022/23.
- In 2022/23, annual expenditure on casinos increased to \$604 million from \$387 million in 2021/22, and \$559 million in 2020/21. Again, a key contributing factor for the fluctuation was COVID-19 lockdowns, which forced venues to close and later impose social distancing restrictions, as well as continuing restrictions on international travel. These restrictions appear to have been most impactful on the casino sector.

The effects of gambling on people and communities

While most New Zealanders who gamble do so without experiencing harm, a significant minority experience harm from their own gambling, or their gambling negatively impacts the lives of others.

Figure A1.1 below is a conceptual framework, developed by Central Queensland University and Auckland University of Technology, that shows several different dimensions of harm. The framework also shows that harm occurs over different timeframes. 'General harms' are those that arise from the initial engagement with gambling, 'crisis-level harms' are those that motivate help seeking or changes to gambling behaviour and 'legacy harms' are those that continue to occur after the person is no longer gambling or is no longer exposed to gambling.¹¹

Figure A1.1: Life course and intergenerational harm



Most harm affecting a population will occur in the large number of people with low levels of risk, rather than in the very small number of individuals with extremely high risk.

¹¹ Central Queensland University and Auckland University of Technology. 2017. *Measuring the Burden of Gambling Harm in New Zealand*. Wellington: Ministry of Health, p 58. URL: www.health.govt.nz/publication/measuring-burden-gambling-harm-new-zealand (accessed 2 August 2024).

Defining and measuring harm: point in time

We can measure gambling harm at both the individual and population level. The HLS is our main source of information about individuals' gambling risk. The most recent HLS data we have is from 2020, and the Ministry of Health (the Ministry) has commissioned a new gambling survey whose results are forthcoming.

The HLS uses the internationally validated Problem Gambling Severity Index (PGSI).¹² The PGSI identifies levels of gambling risk as reported by individuals. In 2020, of the 70% of New Zealanders who gambled in the past 12 months:

- 93.5% were non-problem gamblers
- 4.2% (119,000 people) were at low risk of harm from gambling
- 2.3% (65,000 people) were at moderate or high risk of harm from gambling.¹³

These percentages have been stable for some years. However, this does not mean that the extent of gambling harm in communities is static, because although *percentages* have not changed significantly, the adult population *has grown*. This means that the *actual number* of people who are experiencing gambling-related harm has increased.¹⁴

There is an extremely strong social gradient seen in PGSI data: according to the HLS 2020, while only 0.8% of people living in the least deprived areas have moderate or problem PGSI levels, 2.4% of those in the most deprived areas do. This demonstrates how gambling harm affects communities, not just individuals.

Defining and measuring harm: broader perspectives

However, not everybody who will experience gambling risk or harm experiences it in a specific 12-month period. Data from the 2016 HLS shows that about 22% of New Zealanders had been affected by their own or others gambling at some time in their lives. In the 2020 HLS, about 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.¹⁵

Other ways of looking at the broader impact of gambling harm include considering the burden-of-harm impact on health-related quality of life and considering how long effects last.

A 2017 study found that the total burden of harm experienced by people who gamble, in terms of the reduction in health-related quality of life years, is greater than the harm they experience from common health conditions, such as diabetes and arthritis, reaching about

¹² Ferris JA, Wynne HJ. 2001. The Canadian Problem Gambling Index. Ottawa, ON: Canadian Centre on Substance Abuse, pp. 1–59.

¹³ Te Hīringa Hauora. 2020. *Health and Lifestyles Survey: Gambling harm*. URL: <https://kupe.healthpromotion.govt.nz>

¹⁴ Te Hīringa Hauora. 2020. *Health and Lifestyles Survey Gambling harm*. URL: <https://kupe.healthpromotion.govt.nz>

¹⁵ Te Hīringa Hauora. 2021. Results from the Health and Lifestyles Survey 2020.

two-thirds of the impacts of anxiety and depressive disorders.¹⁶ Additionally, it is known that people with gambling disorder (especially younger people) have an elevated risk of death from any cause, in a given time period, compared with the general population.¹⁷ Suicide is one of the key issues that has been studied in relation to gambling, especially gambling disorder, and the association between the two has been known for some years.¹⁸

Harm from gambling does not only occur at the point when the person is gambling but extends into the future. The half-life of gambling harm (that is, the point in time where it is 50% likely that the original harm is no longer being experienced) is around four years from most types of gambling harm. However, some types of gambling harm last much longer, such as financial harm.¹⁹ One study found that about one-quarter of total gambling harm experienced by individuals who gamble happens after most of their gambling problems have ended.²⁰

Who is experiencing gambling harm?

Māori

Māori are more likely to be affected by gambling harm compared to non-Māori. They are also more likely to have other risk factors for gambling harm, such as low incomes and living in low socioeconomic communities where some forms of gambling, particularly Class 4, are more accessible. The 2020 HLS found that:

- In the Māori adult population, approximately 3.7% were moderate-risk or problem gamblers, and 5.7% were low-risk gamblers.
- After adjusting for deprivation level, Māori were over 3.39 times more likely to report either gambling-related arguments or money problems related to gambling compared with non-Māori and non-Pacific people.
- Māori are significantly more likely to gamble more than they intended compared with other population groups and were more likely than other groups to have participated in four or more forms of gambling.
- Māori are more likely to be concerned about the level of gambling in the community compared with Asian and New Zealand European people.

¹⁶ The 2017 study *Measuring the Burden of Gambling Harm in New Zealand* estimated that, in 2012, there were 161,928 years of life lost to incapacity as a result of harms from gambling (Central Queensland University and Auckland University of Technology. 2017. *Measuring the Burden of Gambling Harm in New Zealand*. Wellington: Ministry of Health. URL: <https://www.health.govt.nz/publications/measuring-the-burden-of-gambling-harm-in-new-zealand>

¹⁷ Gov.UK. 2023. Research and analysis: Gambling-related harms evidence review: Summary. URL: www.gov.uk/government/publications/gambling-related-harms-evidence-review/gambling-related-harms-evidence-review-summary--2

¹⁸ Andreeva M, Audette-Chapdelaine S, Brodeur M. 2022. Gambling-related completed suicides: a scoping review. *Addiction Research & Theory*, 30(6), 391–402.

¹⁹ Rockloff M., Armstrong, T., Hing, N., Browne, M., Russell, A. M., Bellringer, M., ... & Lowe, G. (2022). Legacy gambling harms: what happens once the gambling stops? *Current Addiction Reports*, 9(4), 392–399.

²⁰ Rockloff, M., Bellringer, M. E., Lowe, G., Armstrong, T., Brown, M., Palmer Du Preez, K., Russel, A., Hing, N., & Greer, N. (2022). *Life Course and Legacy Gambling Harms in New Zealand*. Queensland: Central Queensland University, Experimental Gambling Research Laboratory and Auckland: Auckland University of Technology, Gambling and Addictions Research Centre.

Pacific peoples

Pacific peoples are also at high risk of gambling harm. Like Māori, they are also more likely to have other risk factors from gambling harm, such as low incomes and living in communities where some forms of gambling, particularly Class 4 machines, are more accessible. The 2020 HLS found the following.

- An estimated 3.0% of Pacific adults were moderate-risk or problem gamblers, and 4.4% were low-risk gamblers. In all, 8.7% reported experiencing household-level gambling harm (for example, going without because of someone's gambling).
- After adjusting for deprivation level, Pacific peoples were over 2.67 times more likely to report either gambling-related arguments or money problems related to gambling compared with non-Māori and non-Pacific people.
- Pacific peoples are more likely to be concerned about the level of gambling in the community compared with Asian and New Zealand European people.

Asian peoples

Past HLS results show²¹ that while the proportion of Asian peoples who gamble is relatively low when compared with Māori, Pacific peoples and New Zealand European / Other, those who do gamble have historically been more likely to experience gambling harm compared with New Zealand European / Other.

The 2020 HLS shows approximately 1.0% of Asian adults in 2020 were moderate-risk or problem gamblers, and 3.2% were low-risk gamblers compared with 1.6% and 2.9% respectively in the total population. However, Asian peoples were almost twice as likely as the total population to gamble more than they intended (12.7% compared with 6.8%).

Young people

According to the 2020 HLS about 45.7% of youth aged 16–24 years 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).

Research has identified specific harms from some kinds of gambling to children and young people. Preliminary findings from research examining video games and Pacific youth gambling suggests some parallels between problem gaming and problem gambling behaviour.²² This research found that 28% of Pacific survey respondents spend more than \$20 a month on loot boxes.

New Zealand research into secondary school students' gambling found that about one in three students had participated in gambling at some point. Of this subgroup, 13% wanted to reduce their gambling, and 11% were worried about their gambling. Both these latter groups were more likely to be in low-decile schools (deciles 1–3) than in high-decile schools (deciles 8–10).²³

²¹ Past HLS years information is available at kupe.healthpromotion.govt.nz/#/

²² PGF Group. 2020. *Report to Stakeholders 2020. Te Pūrongo Ā-Tau*. Auckland: PGF Group. URL: www.pgf.nz/downloads/assets/13448/1/pgf0033 (accessed 2 August 2024).

²³ Archer D, et al. 2021. *Youth 19 – Gambling Brief*. The Youth19 Researchers and The Adolescent Health Research Group, Auckland and Wellington. URL: www.youth19.ac.nz/publications/gambling (accessed 2 August 2024).

Forms of gambling associated with gambling harm

Some features and/or modes of gambling are particularly associated with harm. Evidence shows 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 (in or separate from a casino), casino table games, scratchies (Instant Kiwi) and sports/race betting. Non-continuous forms include traditional lottery draws and raffles, as there is a delay of many hours or days between placing a stake or buying a ticket and receiving the result of a win or loss.

Class 4 gambling (non-casino gaming machines)

A particularly harmful form of gambling in terms of player expenditure and presentations for harm is non-casino gaming machines at pubs/clubs (defined in the Act as Class 4 gambling). A large amount of the money spent on gambling in New Zealand comes from the relatively small number of people who play gaming machines.²⁴ Most people accessing gambling-harm intervention services cite pub or club pokies as the primary problem gambling mode. Around one in five people who have played pokies in a public pub or club at least once in the past 12 months are at-risk gamblers. However, half of people who play pokies every month or almost every month are at-risk gamblers.²⁵

The number of Class 4 machines and venues in New Zealand has been declining for some time; however, we are not seeing a commensurate drop in harm from Class 4 gambling, and such machines and venues are more likely to be located in the most deprived communities, indicating that the harm is now more concentrated. As noted above, Māori have the highest rates of Class 4 gambling, and there is a higher (although falling) prevalence of Class 4 venues in high-deprivation areas.²⁶ These factors combine to substantially increase risk and harm to Māori.

Online gambling

In the 2020 HLS, of the 105,000 adults estimated to gamble with offshore providers, approximately 16,000 (15%) were classified as moderate-risk or problem gamblers, while a further 25,000 (23.8%) were classified as low-risk gamblers. Compared with other forms of gambling surveyed, overseas online gamblers were more likely to experience harm from their gambling. This is in line with evidence from the United Kingdom, which found that at-risk gamblers participated in online gambling at double the rate of the general population.²⁷

²⁴ That is, 11% of New Zealand adults, according to results from the 2020 HLS.

²⁵ Te Hīringa Hauora. 2020. *Health and Lifestyles Survey: Gambling harm*. URL: <https://kupe.healthpromotion.govt.nz>

²⁶ DIA. 31 May 2024. Gaming Machine Profits (GMP dashboard). URL: www.dia.govt.nz/gambling-statistics-gmp-dashboard

²⁷ Gov.UK. 2023. Research and analysis: Gambling-related harms evidence review: Summary. URL: www.gov.uk/government/publications/gambling-related-harms-evidence-review/gambling-related-harms-evidence-review-summary--2

Appendix Two: Roles and responsibilities

The Ministry of Health | Manatū Hauora

The Ministry of Health (the Ministry) is responsible for developing the integrated problem gambling strategy - the Strategy to Prevent and Minimise Gambling Harm (the Strategy). The Ministry monitors progress against the Strategy, provides policy advice on preventing and minimising gambling harm, and conducts research about gambling to learn more and identify approaches that will work best to address gambling harm.

The annual and three-year funding requirements to deliver the Strategy are outlined in the service plan incorporated in the Strategy, which has been developed with input by Health New Zealand - Te Whatu Ora on the public health, treatment and evaluation components of the service plan for the first time this year. The cost estimates for developing and implementing the Strategy are used to calculate the problem gambling levy rates.

The Ministry and Health New Zealand - Te Whatu Ora receive funding through Vote Health to develop and implement the Strategy. The Crown then recovers the cost of this appropriation through a problem gambling levy set on four types of gambling: Lotto NZ, TAB NZ, casinos and non-casino gambling machines (Class 4).

Health New Zealand Te Whatu Ora

Health New Zealand was established under the Pae Ora (Healthy Futures) Act 2022 as the national organisation to lead and coordinate delivery of health services across the country. It is the commissioner and in some cases the deliverer of the services mandated by the Strategy and funded by the levy.

Health New Zealand Health Promotion (previously Te Hiringa Hauora | Health Promotion Agency) is now part of the National Public Health Service, which is part of Health New Zealand - Te Whatu Ora. Health Promotion delivers national health promotion activities.

Department of Internal Affairs

The Department of Internal Affairs (DIA) is the main gambling regulator and policy advisor to the government on gambling regulatory issues. DIA administers the Gambling Act 2003 (the Act) and its regulations. DIA's role includes key regulatory aspects of gambling harm prevention and minimisation, including:

- issuing Class 3 and Class 4 licences for gambling activities

- regulating gambling operators to ensure that they comply with the law, for example inspecting gambling venues to assess whether the required harm minimisation provisions are being implemented
- working with the gambling sector to encourage best practice
- publishing gambling data, for example on expenditure.

Examples of the harm prevention and minimisation activities required by regulation include:

- restrictions on venues, including ATM machine location
- stake and prize limits
- restrictions on jackpot advertising and branding
- requirements for venues to provide information about problem gambling
- gambling area sweep requirements
- identification of signs of harm and record keeping
- list of the signs of harm
- player information displays and pop-up message requirements for Class 4 electronic gaming machines (EGM)s
- requirements to provide problem gambling awareness training for Class 4 and casino staff
- regulations that set the problem gambling levy rates.

Additionally, all Class 4 (non-casino gaming machine) operators must be licenced by DIA, and their licences must be renewed every year.

- Before issuing a licence, DIA must be satisfied that the applicant will minimise the risks of problem gambling and the possibility of underage gambling.
- Class 4 licence holders must have a harm minimisation policy (HMP) that includes a policy for identifying problem gamblers and contains a statement about how harm will be minimised at the Class 4 venue. These documents must be approved by the Department of Internal Affairs as part of the licencing process.

Class 3 gambling must also be licensed by DIA.

Compliance, Enforcement, Investigation and Audits

- DIA conducts venue inspections and audits of Class 4 operators and venues to check whether they are meeting their obligations, including their harm minimisation obligations.
- A range of penalties can result if operators are found to be in breach of their obligations, including infringement offences. DIA's Enforcement Policy sets out the principles DIA follows.²⁸ It outlines the regulatory model that informs DIA's decision-making, from providing education and assistance to support compliance, to pursuing legal action.

²⁸ **Compliance-and-Enforcement- Policy-Final-design**

Territorial authorities

Under the Gambling Act 2003 and the Racing Industry Act 2020, territorial authorities are required to develop, review and apply policies on Class 4 venues and TAB venues in their area.²⁹

Gambling Commission

The Gambling Commission also hears casino licensing renewal applications (which include harm minimisation plans)³⁰ and appeals on licensing and enforcement decisions made by the Secretary of Internal Affairs in relation to gaming machines and other non-casino gambling activities. While no new casinos are allowed under the Gambling Act (section 10), existing casino venue licences may be renewed.

²⁹ Gambling Act 2003, sections 98 to 103 and Racing Industry Act 2002, sections 96 and 97.

³⁰ The Gambling Commission approves a casino operator's Host Responsibility Programme (HRP), which the operator must comply with as part of their licence conditions. Casino operators report to the Gambling Commission annually about the implementation of their HRP. DIA may also provide input into the HRP when it is periodically reviewed by the Gambling Commission.

Appendix Three: Public health approach and activity during 2022/23 – 2024/25

The public health approach to addressing gambling harm

As noted in Appendix One, section 317 of the Gambling Act 2003 (the Act) requires an integrated harm prevention and minimisation strategy and further requires it to have a public health focus. A public health approach aims to keep people well and focuses on groups of people rather than individuals. Core concepts integral to public health are a focus on whole population-health and the importance of including both promotion and prevention activities applied collectively.

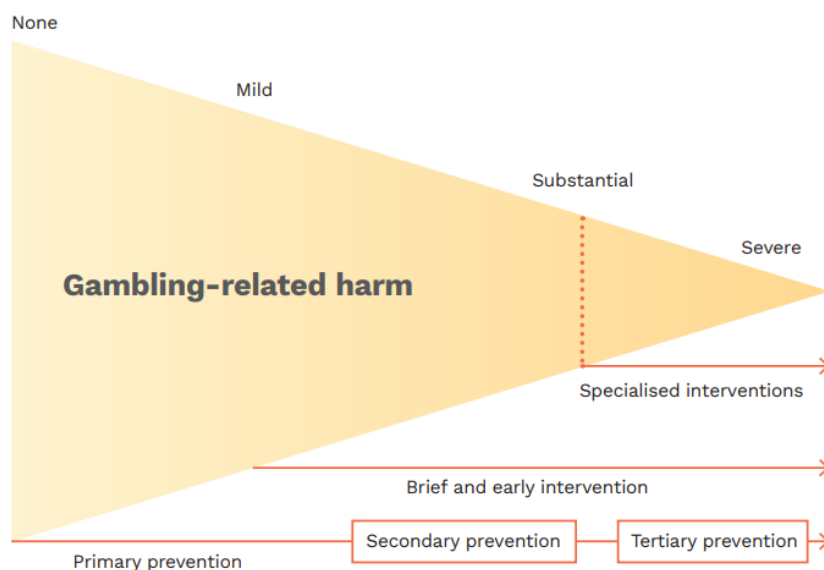
A public health approach recognises that people experience varying levels of harm from gambling, so a spectrum of responses is needed across population-level promotion and prevention, as well as specialised interventions for individuals experiencing harm.

Gambling harm public health approaches therefore recognise the need for treatment services, but emphasise harm minimisation, harm prevention and early intervention and seek to address the role social, environmental, and commercial determinants of health play in the development and impact of gambling harm.

The Strategy to Prevent and Minimise Gambling Harm (the Strategy) follows a continuum-of-harm approach to health that aligns the spectrum of gambling behaviour with a harm-reduction framework (Figure A2.1 below refers).³¹ For example, as the majority of people do not have a high risk of harm from gambling, primary prevention (including via policy and legislation) and health promotion at the community or group level is appropriate. Specialised intervention is, however, appropriate for individuals experiencing harm.

³¹ Korn DA, Shaffer HJ. 1999. Gambling and the health of the public: adopting a public health perspective. *Journal of Gambling Studies* 15: 289–365. DOI: doi.org/10.1023/A:1023005115932 (accessed 15 July 2021).

Figure A2.1: Continuum of gambling behaviour and responses (based on Korn and Shaffer 1999)



Activity under the current Strategy 2022/23 to 2024/25

The 2022/23 to 2024/25 levy period was the first since the health reforms that occurred in response to the Pae Ora (Healthy Futures) Act 2022 (Pae Ora Act).³² As a result of the reforms, in the period 2022/23 to 2024/25, health services were managed by both Health New Zealand - Te Whatu Ora (Health New Zealand) and the Māori Health Authority | Te Aka Whai Ora. The Māori Health Authority was disestablished on 30 June 2024, and its service provision responsibilities have transferred to Health New Zealand. This appendix highlights relevant work that has occurred to date within the 2022/23 to 2024/25 period.

Service Commissioning

2023 service procurement

The Strategy to Prevent and Minimise Gambling Harm 2022/23–2024/25 included measures:

- strengthening partnership approaches to design and delivery of services
- increasing awareness and engagement for those at risk of gambling harm, with a greater focus on targeted public health initiatives developed in collaboration with priority populations, particularly young people
- developing and expanding digital services and supports to improve the range of gambling harm prevention and support services and service access

³² For more information about the Pae Ora Act, see the health system reforms webpage on the Ministry of Health's website at URL: www.health.govt.nz/new-zealand-health-system/health-system-reforms

- developing and evaluating new services to increase choice and strengthen evidenced-based service improvements, using more action research methods with affected communities.

To deliver on these measures, in 2023, Health New Zealand ran an open competitive procurement process to commission new services to prevent and minimise gambling harm across the entire country. The procurement process sought to purchase new prevention, clinical intervention and digital services; utilising funding allocated through the 2022/23 to 2024/25 Strategy. Before the 2023 procurement process, 21 service providers had been delivering services in this area for many years.

Three service providers (mainstream, Asian, Pacific) were successful in obtaining new contracts with Health New Zealand. Health New Zealand will invest \$37.45 million over three and half years (1 January 2024 to 30 June 2027) into these new services.

Alongside Health New Zealand's procurement process, the Māori Health Authority ran a parallel process to commission new kaupapa Māori services to prevent and minimise gambling harm. Through that process 15 new kaupapa Māori service providers were selected (a total investment of around \$18.33 million over three and a half years). These contracts have since been transferred to Health New Zealand for ongoing management, giving a total of 19 providers.

In the 2022/23 year, 6,516 'gambler' clients and 3,870 'family/affected other' clients received gambling harm treatment from a provider or partner funded by the Strategy. Of these,

- 32% identified as European/Other
- 33% identified as Māori
- 21% identified as Pacific peoples
- 14% identified as Asian
- 49% identified as female
- 51% identified as male
- 7% were 65 years or older
- 11% were 24 years or younger.

New funding formula

To support the aims and objectives of the 2022/23 to 2024/25 Strategy, Health New Zealand commissioned Auckland University of Technology (AUT) to create a funding allocation formula to help apportion funding for services. The formula apportioned funding available by geography and ethnicity, while accounting for prevalence of gambling harm. This was used to inform the gambling harm request for proposals (RFPs) for public health and intervention services (including digital services and supports and new ways to address inequity). The Māori Health Authority used the same formula to help apportion funding for Māori services.

Multi-venue exclusion

Funding for the national multi-venue exclusion (MVE) administration service continued and a national framework and standardised process were developed. MVE enables

gamblers to self-exclude from multiple venues without having to visit each individual site. MVE is now available across the country. Health New Zealand also procured an electronic gambling exclusions database, which is being trialled to support the exclusion application process and collect the exclusion data.

Scholarships

Health New Zealand contracted the Pacific peoples support organisation Le Va to administer an addiction scholarship and mentoring programme. The programme aims to enhance the effectiveness of the gambling harm workforce by increasing its capacity and capability and enabling individuals from priority population groups (including those with lived experience of gambling harm) to successfully complete qualifications/training programmes on time. There are 33 gambling harm scholarships available for the 2023/24 and 2024/25 years.

Focus on young people

The 2022/23–2024/25 iteration of the Strategy added young people as a priority population. In 2022, Health New Zealand entered a three-year agreement with the New Zealand Drug Foundation to expand their school-focused programme Tūturu. The funding Health New Zealand provided has allowed the employment of dedicated gambling harm staff to support the Tūturu programme and work across the education and gambling harm sectors.

Public health activities

Nan's Song

Health New Zealand's Safer Gambling Aotearoa launched Nan's Song in 2022. The long-term behaviour-change campaign's aim is to encourage early identification gambling harm to avoid serious harm developing. There were two campaign phases across 21 weeks over 2022 and 2023. The campaign consists of a 60-second and five 15-second early warning signs videos. These were aired across various channels, including television and digital channels such as YouTube, Facebook, display advertising and remarketing.

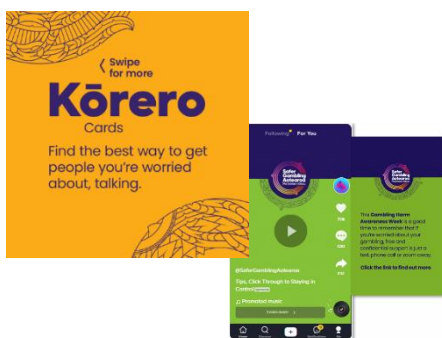


Overall, the evaluation of Nan's Song has shown it is effective, well liked and the education message is reaching the priority audience for early intervention.

Public Health Service Providers

Public health services develop annual work plans that outline how they will deliver and monitor public health activities. During the current Strategy period, public health services worked with communities and priority populations to reduce gambling-related harm and inequities. They enabled whānau, communities/hapori and iwi to take action and improve the health of the population by supporting them to have greater say in policies at both the local and national level. They work with gambling venues/operators to improve harm minimisation practices and provide safer environments for people who gamble.

Gambling Harm Awareness Week

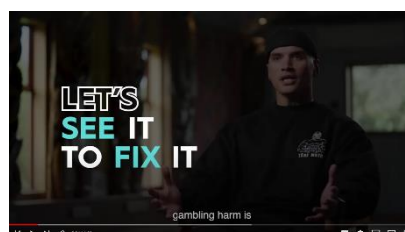


This event occurs annually on the first week of September. Activities are delivered by public health service providers across the country that aim to raise awareness of gambling harm within communities. In 2023, Health New Zealand's Health Promotion team delivered a social media campaign that was designed around the Kōrero Cards resource and aimed to help people start difficult conversations about harmful gambling, reach out for support and promote local

services and free counselling available across the country. The campaign ran on Facebook, Instagram and TikTok, reaching over 400,000 people.

Destigmatisation work

The Let's Kōrero series was the first stage of the destigmatisation project Health Promotion is working on. The strategic direction was to use Māori influencers to drive engagement and discussion about gambling harm and associated stigmas for Māori. Promotional activities ran for eight weeks across TikTok, Instagram and LinkedIn and reached 1.2 million people. In all, 9.6 million impressions were delivered, with 105,071 engagements (likes, shares, reactions, comments).



Overall, the campaign performed strongly, reaching and engaging the priority audience. It sparked reflection and conversation about the evolution of culture/mātauranga to address current challenges, such as addiction, stigma and discrimination.

Research

During the 2022/23 to 2024/25 levy period, the Ministry of Health (the Ministry) commissioned 18 research projects, a needs assessment and a service evaluation as part of the gambling harm research programme. The research included a longitudinal study of Pacific young adults, a gambling survey, research into children's exposure to gambling and the gambling experience of young people, older people and Asian people, and research on relapse, complementary therapies, the financial and social costs of gambling to New Zealand, and so on.

Together, these projects address the research priorities identified in the Strategy and support the strategic objectives. Once completed, their findings will provide needed evidence for decision making.

You can read more about the commissioned research on the Current research projects webpage on the Ministry's website:

<https://www.health.govt.nz/statistics-research/research/gambling-harm-research-and-evaluation/current-research-projects>

The Ministry has also published several research reports that were commissioned during the 2019/20 to 2021/22 Strategy period. These reports provide insights into:

- the adequacy of Gamgard³³ as a preliminary screen of risk of gambling harm associated with games (Frith B, et al. 2021. *Gamgard Evaluation*. Lower Hutt: WSP. URL: www.health.govt.nz/publication/gamgard-evaluation)
- potential links between online gaming and gambling for Pacific youth (Taufa S, et al. 2021. *Pasifika Youth Online Gaming and Gambling Research: Are online video games a gateway to problem gambling among Pasifika youth?* Auckland: Mapu Maia. URL: www.health.govt.nz/publication/pasifika-youth-online-gaming-and-gambling-research-are-online-video-games-gateway-problem-gambling)
- the estimated lengths and sizes of categories of gambling harm on individuals and affected others overtime (even after the cessation of problem gambling) (Palmer du Preez K, et al. 2020. *Enhancing Support Provided to Family and Affected Others in New Zealand Gambling Services: An exploratory mixed methods study*. Auckland: Auckland University of Technology, Gambling and Addictions Research Centre. URL: www.health.govt.nz/publication/enhancing-support-provided-family-and-affected-others-new-zealand-gambling-services-exploratory)
- how services can be more tailored to support family and friends affected by someone's problem gambling behaviour, which include a combination of cognitive and cue exposure therapy (CBT), motivational interviewing, workbooks, follow-up calls, peer support and residential programmes^{34,35}
- a literature review of peer worker roles in preventing and minimising gambling harm³⁶
- a literature review of the provision and effectiveness of residential treatment programmes³⁷
- the burden of life course, legacy and intergenerational gambling harms in New Zealand (Rockloff M, et al. 2021. *Life Course and Legacy Gambling Harms in New Zealand*. Queensland: Central Queensland University, Experimental Gambling Research Laboratory and Auckland: Auckland University of Technology, Gambling and Addictions Research Centre. URL: www.health.govt.nz/publication/life-course-and-legacy-gambling-harms-new-zealand).

³³ Gamgard is part of an international initiative to promote healthy playing behaviour and guide responsible game design. It identifies how risky a game is likely to be for vulnerable players. For more information, see the website Gamgard at URL: www.gamgard.com

³⁴ (Bellringer ME, et al. 2021. Effectiveness of Face-to-face Gambling Interventions: A randomised controlled trial. Auckland: Auckland University of Technology, Gambling and Addictions Research Centre. URL: www.health.govt.nz/publication/effectiveness-face-face-gambling-interventions-randomised-controlled-trial)

³⁵ Bellringer ME, et al. 2022. Effectiveness of Face-to-face Gambling Interventions: Two years later. Auckland: Auckland University of Technology, Gambling and Addictions Research Centre. URL: www.health.govt.nz/publication/effectiveness-face-face-gambling-interventions-two-years-later

³⁶ Te Pou. 2022. Peer Worker Roles for the Preventing and Minimising Gambling Harm Sector: Literature review. Wellington: Ministry of Health. URL: www.health.govt.nz/publication/peer-worker-roles-preventing-and-minimising-gambling-harm-sector-literature-review

³⁷ Sullivan S, et al. 2020. *Literature Review of the Provision and Effectiveness of Residential Programmes for Gambling Harm Treatment*. Auckland: ABACUS Counselling Training & Supervision Ltd. URL: www.health.govt.nz/publication/literature-review-provision-and-effectiveness-residential-programmes-gambling-harm-treatment)

Appendix Four: Further detail about the strategic framework

In setting out the direction of travel for the next three years, we have considered:

- the Government's priorities for the mental health and addiction sector
- the statutory requirement that the Strategy to Prevent and Minimise Gambling Harm (the Strategy) have a public health focus and the relevance of the current strategic outcomes in the 2022/23 to 2024/25 Strategy
- the findings of the needs assessment and the experiences of 2022/23 to 2024/25 Strategy, including the pressures in the current gambling environment.

The goal

The system goal is

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

This is a population or people-centred goal, reflecting the notion that health is not merely the absence of disease or illness but the presence of positives, such as quality of life.

The priorities

Increasing access to gambling harm support

Reducing barriers to accessing gambling harm intervention services is a priority and an ongoing challenge. In New Zealand, as internationally³⁸, a relatively small proportion of people who are suffering from gambling harm seek formal help. This is for a range of reasons, but for many people, we believe it is related to stigma as well as reasons common to all health services, such as accessibility and knowing about what services can offer.

Increasing access to gambling harm services will therefore require multiple approaches to be taken and persisted with, for example, focuses on destigmatisation, digital tools, access to gambling harm support in primary health care services and gambling harm support service promotion.

³⁸ Around 10% of Australian problem gamblers seek treatment (Delfabbro P. 2008. A report prepared for the Independent Gambling Authority of South Australia. *Australasian Gambling Review*).

Growing the gambling harm support workforce

During the 2022/23 to 2024/25 levy period, the Ministry of Health (the Ministry) commissioned a needs assessment, which identified a need to grow the gambling harm support workforce – both clinical and lived experience/peer. Inflation has been running high for a couple of years, and wage costs have increased across many sectors, leading to strong competition for skilled and qualified workers.

We need to take steps to both train and recruit new workers and retain current workers.

Approaches to workforce support will require focusing in a targeted way on the different workforce segments, such as clinical and peer workers and early and late career professionals; increasing entry to the workforce while reducing early departures; and ensuring equity of remuneration between different part of the mental health and addiction sector.

Strengthening the focus on prevention and early intervention in gambling harm

The harm prevention focus of the Strategy means that prevention and early intervention will always be a strong feature of its service delivery. We know that preventing gambling harm requires public health approaches that enhance healthy public policy and regulatory frameworks of gambling systems, products and environments; strengthens community action; delivers health promotion initiatives that raise awareness, provides education and promotes gambling harm destigmatisation, at the population level.

These activities can minimise harm by improving the environments in which people gamble, enabling community involvement in decisions about gambling in their communities and strengthening personal knowledge, including how to identify gambling harm at an early stage, and promote help-seeking behaviours.

Public health approaches will need to respond to the changing gambling environment. Two areas of note and highlighted throughout the consultation process are the convergence of gambling and gaming and increased access to online gambling. Effective harm prevention and early intervention initiatives will need to be developed to address these evolving trends.

Public health is a key approach to preventing harm from gambling from occurring. If harm does occur, an important way to intervene early is to maximise opportunities to promote integration and collaboration between the gambling harm sector, mental health and addiction services and primary and secondary health services.

Improving the effectiveness of gambling harm support

The Gambling Act 2003 requires the Strategy to include scientific research. This is essential – both to evaluate services and approaches to preventing and minimising gambling harm and to better understand the causes and nature of gambling behaviour and gambling harm.

Strategic outcomes

The strategic framework contains a set of four outcomes to guide policy and services.

Outcome 1 – There is a full spectrum of accessible services and supports to prevent and minimise gambling harm – from prevention to early intervention to specialist support

This outcome acknowledges the importance of services and supports that prevent and minimise gambling-related harm. It interprets the public health concept of the continuum of harms discussed in the consultation document³⁹ to mean that since the needs and strengths of a population lie along a continuum or spectrum, support should do the same.

This outcome will maintain momentum to address gaps in the spectrum of services and supports that are currently provided, particularly in the areas of clinical intervention, online services and peer support.

The proposed service plan sets out intentions to deliver a range of clinical services for different population groups and those experiencing different levels of harm (that is, from intensive support to light-touch/brief interventions in primary health care settings).

Outcome 2 – Environment and social and cultural norms prevent and minimise harm from gambling

This outcome reflects a core aspect of the public health approach: a focus on building healthy environments through a range of methods, including public policy, health promotion and direct engagement with individuals, families/whānau and communities. This outcome is also informed by research findings that gambling behaviour, help-seeking behaviour and the concept of harm are all influenced by cultural and social norms, attitudes and beliefs.

³⁹ Under Service plan: Delivering a continuum of public health and clinical services supported by robust research and evaluation.

The outcome will support activities to make gambling environments safer as well as increase public awareness about the nature of harmful gambling and how to provide support for people experiencing gambling harm and related problems, including destigmatisation.

The service plan contains a range of initiatives, including a focus on individual and community education about gambling harm and healthy choices, and on building healthy environments through a range of methods including public policy, destigmatisation and supporting help-seeking.

Outcome 3 – There is strong leadership and accountability in the gambling harm prevention system, with decision-making as close to communities as possible

This outcome acknowledges that all systems require leadership, especially complex systems such as harm prevention and minimisation. Without leadership, any system tends to decay into disorganisation, leading to confusion, duplication and gaps; lost opportunities; and increased risks and reduced benefits. The system to prevent and minimise gambling harm is part of the broader mental health and addiction and wellbeing sectors, adding further complexity.

This outcome recognises the importance of strong system leadership to improve outcomes and complements Department of Internal Affairs' (DIA's) role as regulator of the gambling regulatory system. Working towards this outcome will also respond to the call from the needs assessment for better coordination across government. Health New Zealand - Te Whatu Ora (Health New Zealand) and the Ministry will play a strong leadership role in preventing and minimising gambling harm at the national level by engaging with and developing respectful partnerships and relationships with gambling harm services, gambling operators, researchers and communities. We will also continue to support communities to engage in decision-making about gambling at the local level and to support DIA as it develops gambling policy, and to commission research to inform all Strategy activity.

Outcome 4 – There is a system focus on those who are most at risk of harm from gambling

This outcome addresses the evidence that gambling harm disproportionately affect some population groups more than others. Māori, Pacific peoples, Asian peoples and young people were priority populations for the 2022/23 to 2024/25 Strategy. We are not proposing any change to these priority populations because their needs and risks have not lessened to the point where active prioritisation is no longer required.

The service proposals include a focus on young people as the most recent addition to the priority populations of the Strategy, as well as continuing support for kaupapa Māori services nationwide.

Actions

The framework contains 12 action areas, which map to both the strategic outcomes and the system priorities. All activity under the Strategy aims to progress these actions. The action areas are used to frame the service plan (see Appendix Four for more details on the service plan). This approach provides transparency and a line of sight from our strategic goals to the services and supports that are purchased. The action areas are as follows.

- Barriers to accessing services and supports are identified and addressed systematically.
- Māori, Pacific peoples, Asian people, young people and people with lived experience are actively involved in harm prevention and minimisation efforts.
- There are kaupapa Māori, Pacific, Asian and youth-centric services and supports available to those who want them.
- Quality, accessible and effective services are designed and delivered.
- Gambling operators are supported to prevent and minimise harm.⁴⁰
- There is a skilled gambling harm prevention and minimisation workforce that includes lived experience and clinical expertise.
- People have the information and support to make healthy choices about gambling.
- There are policies at national, regional and local levels that prevent and minimise gambling harm.
- Stigma about gambling harm is addressed.
- People are supported to participate in decisions about gambling in their communities.
- The legislative and regulatory framework for preventing and minimising harm from gambling is strong and effective.
- Technology, research and evidence inform policy and service design and delivery.

The action areas, taken together, describe an effective gambling harm prevention and minimisation system. Activity in some action areas is shared with the DIA, which (for example) sets policies at the national level that prevent and minimise gambling harm and requires and supports gambling operators to prevent and minimise harm.

The action areas support the New Zealand Health Strategy's system shifts. Alignment is shown in Figure Two in the Strategy Proposals document.

⁴⁰ Gambling operators all have duties to minimise gambling harm and be responsible hosts. The government and other third parties can work with operators (for example, providing guidance etc.), but most are well resourced and required to minimise gambling harm anyway.

Appendix Five: Further detail about the service plan

This section should be read in conjunction with the service plan. It provides additional detail about the proposed service plan including alignment with strategic and statutory requirements. The tables show current levels of funding where a comparable item is provided in the current Strategy. Even in cases where, for operational reasons (for example, the transfer of budgets between agencies), it has not been possible to provide direct line-item comparisons to an individual activity level, the overall level of detail is still greater than in previous service plans.

Indicative budget compared with the budget for the current levy period

Table A5.1 shows the indicative budget for the 2025/26 to 2027/28 period by service category, which is the format used in previous strategies. This allows comparison of the funding allocated for the activity in the current levy period (to 30 June 2025) where comparable services are being provided.

Table A5.1: Proposed budget to prevent and minimise gambling harm (NZ\$m, GST exclusive), 2025/26 to 2027/28 compared with 2022/23 to 2024/25 total budget

Activity area	2025/26	2026/27	2027/28	Total 2025/25- 2027/28	Current Budget 2022/23– 2024/25	Percent change
Primary prevention (public health)	9.838	9.461	10.020	29.319	24.840	+18.03%
Intervention services	14.313	15.791	16.280	46.385	34.213	+35.58%
Research and evaluation	1.575	2.296	1.173	5.044	5.658	-10.85%
New services	1.198	1.405	1.497	4.099	7.941	-48.38%
Ministry/Health New Zealand Agency operating	2.181	2.475	2.302	6.958	3.471	+100.46%
Total	29.105	31.429	31.272	91.805	76.123	+20.60%

Notes: The service areas are discussed in more detail at Summary tables by service area below. Budget sums may not total due to rounding.

Detailed service plan priority tables

The following service plan priority tables provide further detail about and the rationale for the services proposed in the plan.

To support comparison with the current services, these tables show the service activity area. They also include a column 'Statutory type' that notes which of the categories the Act specifies the Strategy must include that each activity aligns with. This shows that all the required statutory categories are covered by the proposals.

Priority One: Increase access to gambling harm support

Proposal	Description	Rationale	NZ\$m proposed for 25/26–27/28	NZ\$m for 22/23–24/25	Outcome area	Statutory type
Clinical interventions	This proposal encompasses all locally delivered clinical intervention services. All clinical services were recommissioned in 2023 and are under contract until at least 30 June 2027.	<p>The Gambling Act 2003 requires the Strategy to provide for intervention services, and these services have been delivered for many years. The budget increase sought for these services is made up of two components.</p> <ul style="list-style-type: none"> Addressing gaps in service coverage: A small amount of additional funding (over three years) is included to address gaps in service coverage. Wage pressures: Annual increases from year two for wage cost pressures, and to help with workforce retention, are included, up to \$2.137m over three years. 	34.358	27.768	1	Treatment services
Intensive support	Proposed expansion of the intensive support coordination service for people experiencing severe gambling harm. Services will likely be provided in a residential service setting.	Additional funding is required to expand services' capacity and capability to provide additional support to this population (including people with co-existing mental health or addiction problems).	1.369	0.500	1	Treatment services
National gambling helpline	The national gambling helpline will continue to provide a free 24/7 service and be a first contact point for people needing support with gambling related harm for themselves, whānau or friends. It will also provide a back-up for other services, such as when face-to-face services are not available outside working hours.	<p>There is strong evidence for the effectiveness of helplines as part of a comprehensive gambling harm treatment and support system.</p> <p>Helplines provide a consistent access point (day or night) for support and early intervention and can be an important pathway to further treatment.</p>	3.300	3.300	1	Treatment services

Proposal	Description	Rationale	NZ\$m proposed for 25/26–27/28	NZ\$m for 22/23–24/25	Outcome area	Statutory type
	The helpline provides important coverage in areas where there are no face-to-face services and can identify callers at immediate risk of harm and respond appropriately.					
Total			39.028			

Note: Budget sums may not total due to rounding.

Priority Two: Growing the gambling harm workforce

Proposal	Description	Rationale	NZ\$m proposed for 25/26–27/28	NZ\$m for 22/23–24/25	Outcome area	Statutory type
Workforce development (clinical)	Service providers and clinicians will be supported to access training and development opportunities.	Growing the capability of the current workforce will support the delivery of effective services. This is particularly important with the recent changes in providers and service delivery models. The funding will support career progression and help retain the workforce.	0.753	0.600	1	Treatment services
Workforce development (public health)			0.424	0.390		Public health
Expand the peer support workforce – NEW	Peer support specialists (also called peer support workers) are employed alongside other roles to directly support people through mental health and addiction challenges and play a key role in delivering accessible and effective services and supports.	Supporting the existing peer support workforce was a focus of the 2022/23 to 2024/25 Strategy. Now resources and guidance have been created and development requirements have been agreed in preparation for expanding the peer workforce. This preparation means Health New Zealand is ready to increase the number of peer support specialists employed within	1.779	Nil	1	Public health

Proposal	Description	Rationale	NZ\$m proposed for 25/26–27/28	NZ\$m for 22/23–24/25	Outcome area	Statutory type
		gambling harm prevention services, an area that required additional investment.				
Developing New Zealand Qualifications Authority (NZQA) gambling harm content	This investment will support the inclusion of content specific to gambling harm as part of one or more NZQA level 7 qualifications. This proposal was included in the 2022/24 to 2024/25 Strategy but was not able to be completed in that period.	Current addictions qualifications do not include any content about preventing and minimising gambling harm. New content will support health practitioners to understand gambling harm, including the interventions available, the pathways to gambling harm support and the ways in which families, whānau and others can identify if someone has a gambling problem.	0.300	0.200	1	Treatment services
Gambling harm scholarships	Targeted scholarships and support to grow the diversity, capability and capacity of the gambling harm workforce. Scholarships will be available for NZQA level 7 addiction and public health qualifications and lower NZQA qualifications relevant to gambling and/or the peer workforce.	The scholarships have been developed specifically to support people from priority populations for gambling harm and those with lived experience to undertake tertiary study to help them enter the gambling harm workforce or support the current gambling harm workforce gain a relevant qualification.	0.420	0.489	1	
Clinical internships – NEW	Internships will help people, who would otherwise struggle to meet the requirements, to fully complete the required supervised addiction practice to become a fully registered clinician. Further operational detail for this proposal is yet to be developed as it relies on securing additional funding.	This project is intended to grow the diversity, capability and capacity of the gambling harm clinical workforce.	0.900	Nil.	1	Treatment services
Total			4.576			

Note: Budget sums may not total due to rounding.

Priority Three: Strengthen the focus on the prevention of and early intervention in gambling harm

Proposal	Description	Rationale	NZ\$m proposed for 25/26–27/28	NZ\$m for 22/23–24/25	Outcome area	Statutory type
Primary prevention	Primary prevention services empower people and communities to prevent and/or reduce gambling-related harm and inequities in gambling harm outcomes at a population level. Services work in partnership with priority communities and system partners to lead, facilitate and/or support collective and comprehensive prevention efforts.	These services were recommissioned in 2023 and are under contract until at least 30 June 2027. An increased budget compared with the prior period (\$0.545 over three years) will enable wage uplifts in response to cost-of-living pressures and will assist with workforce retention.	15.863	14.10	2	Public health
National health promotion: supportive environments stigma	Health New Zealand will contribute to supportive environments where people do not experience stigma related to their gambling. Ongoing destigmatisation initiatives will challenge negative perceptions and stereotypes and convey positive images of people who gamble. This area of work is an extension of the work developed under the 2022/23–2024/25 levy period.	The destigmatisation initiative will continue and be embedded throughout Health New Zealand’s health promotion work programme. Ongoing destigmatisation initiatives and campaigns will be developed based on recommendations and learnings from work delivered during the current Strategy period to 30 June 2025. This will include the re-development of the Safer Gambling Aotearoa Real Life stories video series.	Total health promotion programme budget 7.560	Education and awareness: 5.040 Destigmatisation: 3.0	2	Public health
National health promotion: Supportive environments promotion	Health New Zealand will contribute to supportive environments where people who gamble know how to get help. Creative digital media channels will promote help seeking, gambling harm	The promotion of help-seeking messages, the 0800 number and support services from a national level can complement localised service promotion and will be developed with service providers/partners. HNZ Health Promotion will increase promotion activity in	From health promotion budget (above)		2	Public health

Proposal	Description	Rationale	NZ\$m proposed for 25/26–27/28	NZ\$m for 22/23–24/25	Outcome area	Statutory type
	support services and the gambling helpline at a national level.	response to the needs assessment findings, which highlighted service promotion as an issue.				
National health promotion: Education and personal skills	<p>Health New Zealand will support (healthy lifestyles) by developing education and personal skills. This will include:</p> <ul style="list-style-type: none"> continuing national campaigns that raise awareness of gambling harm continuing to provide and develop tools and resources that educate the public about gambling harm, reflecting diverse communities and responding to the changing gambling environment – particularly the expansion of online gambling maintaining and reviewing the Safer Gambling Aotearoa website as a source for gambling harm education and information. 	<p>Health New Zealand will increase campaign delivery during the Strategy period and will develop new campaigns targeted at people who gamble within priority population groups identified by this Strategy (Māori, Pacific peoples, Asian peoples and young people).</p> <p>Campaign messages will be targeted at a prevention level to low-risk people who gamble as this is where we have had effective results based on the evaluation of the Safer Gambling Aotearoa Nan’s Song campaign.</p> <p>Safer Gambling Aotearoa will develop a range of resources for the Minimising Gambling Harm sector to use. The Safer Gambling Aotearoa website serves as a national tool for gambling harm information as well as a signposting site for support services through the ‘services near you’ webpage.</p>	From health promotion budget (above)		2	Public health
National health promotion: Supportive environments Gamble Host	Gamble Host responsibility materials to create safe gambling environments will continue to be developed. “These resources are developed by HNZ with DIA to ensure they meet regulatory requirements	Gamble Host is a legacy project that provides resources to support harm minimisation training and tools for in-venue use. Gamble Host resources are printed and supplied to the Class 4 gambling sector.	From health promotion budget (above)		3	Public health

Proposal	Description	Rationale	NZ\$m proposed for 25/26–27/28	NZ\$m for 22/23–24/25	Outcome area	Statutory type
National health promotion: Healthy public policy	This work supports healthy public policy setting that prevents and minimises gambling harm, as envisaged by the Gambling Act 2003. Health New Zealand will engage with territorial local authorities) on their gambling policy review processes and work with regional National Public Health Service teams. s.	Health New Zealand will work with regional National Public Health Service teams to increase their engagement in policy reviews and opportunities to support work led by PMGH service providers.	From health promotion budget (above)		3	Public health
National health promotion: Supportive environments Digital tools	Digital tools that aid health promotion efforts need to be developed to support wellbeing and respond to the changing gambling environment. Digital tool development will focus on promoting gambling harm minimisation messages, enabling help seeking, and supporting broader public health activities.	An increase in activity is proposed to cover scoping, development work and the promotion of a new digital tool in addition to maintenance of the existing tools. Scoping will include mapping of digital tools provided in the gambling harm prevention and minimisation sector to ensure there is no duplication and development of new tools fill a gap or serve a need that is identified. Digital tools are particularly relevant in the response to increased access to online gambling as they can engage with people where they are (the online/digital space).	From health promotion budget (above)		3	Public health
National health promotion: Community activation	Health New Zealand will strengthen community actions to address gambling harm through: <ul style="list-style-type: none"> • Gambling Harm Awareness Week • providing funds to support innovative approaches to 	Health New Zealand will consult with the PMGH sector to develop a three-year plan to revitalise Gambling Harm Awareness Week. Its aim will be to develop common messages and enhance community actions.	From health promotion budget (above)		2	Public health

Proposal	Description	Rationale	NZ\$m proposed for 25/26–27/28	NZ\$m for 22/23–24/25	Outcome area	Statutory type
	addressing gambling harm within communities.	Community funds support community groups and gambling harm providers to deliver initiatives that address gambling harm within their communities throughout the year.				
Public health in schools	The 2022/23–2024/25 levy period first allocated funding to preventing and minimising gambling harm for young people utilising Tūturu, a school-based approach that brings health and education services together to address student wellbeing.	Tūturu supports student engagement and learning about gambling harm and associated issues. The approach also enables schools to put systems in place to ensure gambling harm issues are identified early and students receive help when needed. Ongoing investment is sought to ensure that system changes are embedded, and further development of the approach can continue.	0.600	0.650	Prevention and early intervention	Public health
Youth-specific model	A co-designed 'by-youth, for-youth' social media campaign will be developed to increase awareness of gambling harm, reduce stigma associated with gambling harm and encourage young people who have gambling harm issues to seek help.	By-youth for-youth approaches are recognised as best practice in the youth development and addictions sectors. This campaign will be supported by the development of youth-specific self-help tools and referral pathways to increase access to gambling harm services.	0.744	\$1.12 ⁴¹	4	Public health
Service promotion (treatment) – NEW	Investment will help targeted service promotions raise awareness of treatment services and improve service access, earlier intervention and awareness. Funding will go directly to providers.	Lack of promotion of treatment services has been identified as a barrier to help seeking, particularly amongst those who could be helped at an earlier stage of experiencing harm. This proposal directly responds to	0.720	Nil	1	Treatment services

⁴¹ This is a portion of the total budget allocated for a service line in the prior service plan titled 'New ways to address inequity (public health and intervention services)' (it excludes the budget for equivalent Hauora Māori services, and services related to clinical intervention).

Proposal	Description	Rationale	NZ\$m proposed for 25/26–27/28	NZ\$m for 22/23–24/25	Outcome area	Statutory type
		stakeholder feedback and the needs assessment.				
Primary health care initiative	This funding is to continue an initiative to integrate screening, brief intervention and referral for gambling harm support within the primary health care setting.	Primary health care is often the first point of contact for many people seeking help with their gambling issues, providing an opportunity for early intervention. While a significant proportion of primary health care physicians support the idea of inquiring about their patients' gambling habits, lack of confidence and knowledge impedes effective intervention in cases of problem gambling.	1.470	2.25 ⁴²	1	Treatment services
Online gambling exclusion system – NEW	Exploring operational solutions or options to help users self-exclude from online sites.	The government recently agreed to regulate online casino gambling 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 this Strategy period.	0.400	Nil	2	Public health
Multi-venue exclusion	Multi-venue exclusion (MVE) has been used as an intervention tool in New Zealand since 2011 to enable gamblers to self-exclude from multiple venues without having to visit each individual site to do so. Local/regional MVE coordinators perform key tasks in the venue exclusion process. Historically, local/regional MVE coordinators	This proposal includes additional funding to boost MVE coordination capacity within Hauora Māori services.	2.167	0	2	Public health
		National MVE administrative service.	0.468		2	Public health

⁴² This is a portion of the total budget allocated for a service line in the prior service plan titled 'New ways to address inequity (public health and intervention services)' (it excludes the budget for equivalent Hauora Māori services, and services related to public health).

Proposal	Description	Rationale	NZ\$m proposed for 25/26–27/28	NZ\$m for 22/23–24/25	Outcome area	Statutory type
	employed by service provider organisations delivered the required work as part of their day-to-day role, and the required functions/tasks were not explicitly specified in contracts. Following a procurement process in 2024, these functions are now specified and funded as a distinct service.			0.800		
	The national venue exclusion database (CONCERN database) serves as a central repository for all venue exclusion information. In future, CONCERN may be used to support the use of facial recognition technology to better support venue exclusions.	Additional funding is proposed to support the evolution of CONCERN, including enabling facial recognition technology plus further customisation, security testing, moving data to a server located in New Zealand and creation of an end-user licence agreement.	0.741		1	Public health
Total			30.735			

Note: Budget sums may not total due to rounding.

Priority Four: Improve the effectiveness of gambling harm support

Proposal	Description	Rationale	NZ\$m proposed for 25/26–27/28	NZ\$m for 22/23–24/25	Outcome area	Statutory type
Data management solution	This proposal aims to identify and implement a sustainable, modern data management solution to replace the Client Information Collection (CLIC) database, which has been used	The data collected through CLIC is crucial for monitoring service use and understanding gambling harm intervention services. Service use data (in the form of presentations) is also a key input into the problem gambling levy	1.611	0.045	3	Treatment services

Proposal	Description	Rationale	NZ\$m proposed for 25/6–27/8	NZ\$m for 22/3–24/5	Outcome area	Statutory type
	for collecting gambling harm treatment data since the 1990s.	formula, required under the Gambling Act 2003 to calculate gambling sector levy rates. CLIC has reached the end of its useful life, and a more modern data management solution will provide benefits for service users, service providers and funding agencies.				
Evaluation	Health New Zealand will commission a services outcomes evaluation to assess the effectiveness of all public health and intervention services (including new initiatives) that commenced from 1 January 2024. The Ministry of Health will commission an evaluation of the impact of the Strategy.	The proposed services outcomes evaluation will determine if the services have met expected goals and objectives, and if any service or system improvements are needed. The proposal for an evaluation of the Strategy itself responds to recommendations from the New Zealand Gambling Commission to better understand the impact of the Strategy on gambling harm in New Zealand and how such harm can be more effectively monitored.	0.999	0.970	3	Evaluation
Monitoring NEW	The Ministry and Health New Zealand will develop a common framework to monitor performance to prevent and minimise gambling harm	The framework will identify performance and impact measures specific to gambling harms, but in line with Mental Health and Addiction priorities and informed by findings from the above evaluation of the Strategy and the outcomes framework HNZ has developed for its gambling harm activities. This will be timed to be available for the next cycle of the Strategy in 2028.	0.275	4.688		
Research	The Ministry of Health will commission a range of research	Proposed research priorities are: <ul style="list-style-type: none"> obtaining longitudinal prevalence data about gambling 	3.770		3	Research

Proposal	Description	Rationale	NZ\$m proposed for 25/6–27/8	NZ\$m for 22/3–24/5	Outcome area	Statutory type
	to inform policy and service design and development.	<ul style="list-style-type: none"> studying patterns and impacts of gambling and the intersection between gambling and gaming, especially in relation to young people studying the harm and impact of different forms of gambling and comorbidities of gambling harm (for example, using existing administrative data) exploring factors supporting and hindering service access, quality and outcomes. exploring platforms and tools that will improve dissemination of research findings and support research use. supporting Māori, Pacific, Asian and youth researchers to develop research capacity and capability in these communities as well as community-led solutions for harm minimisation and recovery 				
Conference support	Health New Zealand proposes to continue funding a biennial international gambling conference and an associated international think tank. The next event is planned for 2026.	The international conference and think tank promote New Zealand as a world leader in preventing and minimising gambling harm. It also enables practitioners, researchers, industry representatives and government officials from around the world to meet and exchange ideas and provides opportunities to strengthen leadership, communication and collaboration. Most of the costs associated with planning and organising the conference occur in the 12 months prior. The proposed budget increase recognises that this Strategy period covers the	0.360	0.080	3	Public health

Proposal	Description	Rationale	NZ\$m proposed for 25/6–27/8	NZ\$m for 22/3–24/5	Outcome area	Statutory type
		organisation of both the 2026 and 2028 conferences and associated think tanks, as well as increases in costs associated with providing these events				
Lived experience advisory group	Health New Zealand is committed to continuing to support lived-experience participation and involvement at all levels. The lived experience advisory group will continue to be supported to participate in service design, research and evaluation and engagement with other agencies and stakeholders.	Lived experience input improves the quality and effectiveness of services and policies. Having a standing group provides officials with easy access to this expertise, with appropriate support and compensation for the group members.	0.390	0.390	4	Public health
Digital services and supports	Digital services that supplement intervention services delivered by clinical staff are currently available. They provide user-friendly, interactive self-help tools and information resources.	A comprehensive gambling harm treatment and support system should include a variety of treatment and support methods that are backed by evidence. This includes online self-help for delivering psychological therapy and sharing information. This work includes development of multilingual supports, culturally relevant resources, and live chat aimed at Asian populations.	2.953	2.500	1	Treatment services
Practitioner Guide Refresh - NEW	Review clinical guidelines	The review will address significant changes in sector treatment practices and learnings have occurred since the current guidelines were published in 2019.	0.150	0		Treatment Services
Total			10.509			

Note: Budget sums may not total due to rounding.

Summary tables by service area

Tables A5.2–A5.5 list the activities from the four detailed service plan priority tables above in the service area format used for the 2022/23 to 2024/25 service plan.

Due to changes in how services have been organised, the line items may not correspond directly with those in the 2022/23 to 2024/25 service plan. For example, the section formerly headed as 'public health' is now 'primary prevention (public health services)'.

Table A5.2: Primary prevention (public health) services, NZ\$m

Service area	2025/26	2026/27	2027/28	Total
Primary prevention (public health services)	5.132	5.286	5.445	15.863
Youth focused service	0.248	0.248	0.248	0.744
MVE coordination	0.702	0.723	0.745	2.170
Workforce development (public health)	0.140	0.141	0.142	0.424
National health promotion	2.670	2.320	2.570	7.560
Public health in schools	0.200	0.200	0.200	0.600
Gambling Harm Lived Experience Advisory Panel	0.130	0.130	0.130	0.390
National MVE administration service	0.150	0.156	0.162	0.468
National venue exclusion database	0.296	0.237	0.208	0.741
Conference support	0.170	0.020	0.170	0.360
Total	9.838	9.461	10.020	29.319

Note: Budget sums may not total due to rounding.

Table A5.3: Treatment services, NZ\$m

Service area	2025/26	2026/27	2027/28	Total
Clinical intervention	10.435	11.668	12.255	34.358
Primary health care initiative	0.490	0.490	0.490	1.470
Helpline and web-based services	1.100	1.100	1.100	3.300
Digital services and supports	0.968	0.984	1.001	2.953
Data management solutions	0.581	0.605	0.425	1.611
Intensive support	0.443	0.456	0.470	1.369
Workforce development (clinical)	0.156	0.298	0.299	0.753
Gambling harm scholarships	0.140	0.140	0.140	0.420
Practitioner Guideline Refresh	0.000	0.050	0.100	0.150
Total	14.293	15.771	16.260	46.385

Note: Budget sums may not total due to rounding.

\$4.099 million is proposed for new services to respond to changes in the gambling environment and issues raised by the needs assessment, as outlined in Table A4.4.

Table A5.4: Budget for new services (NZ\$m, GST exclusive), 2025/26 to 2027/28

Service area	2025/26	2026/27	2027/28	Total
Expand peer workforce	0.578	0.595	0.607	1.779
Service promotion (clinical)	0.240	0.240	0.240	0.720
Develop NZQA gambling harm content	0.080	0.120	0.100	0.300
Clinical internships	0.300	0.300	0.300	0.900
Online gambling exclusion system	0.000	0.150	0.250	0.400
Total	1.198	1.405	1.497	4.099

Note: Budget sums may not total due to rounding.

Research and evaluation priorities

This section should be read in conjunction with the Research and Evaluation component in the service plan, which describes the Ministry’s research framework developed to guide the planning of the gambling harm research programme within and beyond the three-year Strategy period (the framework). The framework includes the following functions.

- Monitoring of gambling harm
- Research to build knowledge base
- Evaluation to understand what works
- Dissemination to support evidence-based decision-making

Please refer to page 27 in the Strategy for more details on the research framework.

Using this framework the Ministry will commission a research programme targeting strategic priority areas described below. The proposed budget for research and evaluation is \$5.044 million. This budget takes account of the need to fund the gambling prevalence survey due to the cessation of the Health and Lifestyles Survey. It also includes funding for the strategic evaluation of the Strategy to understand its impact and to develop a sector monitoring framework to monitor gambling harm.

Strategic priorities for 2025/26 to 2027/28

The research priorities for this Strategy period sit within the research framework outlined above and take into account feedback from the needs assessment. These priorities reflect a commitment to grow the evidence base that supports all our work; inform policy and operational decisions to prevent and minimise gambling harm; evaluate gambling harm strategy, services and initiatives; and better disseminate research and strengthen research capacity and capability.

- **Research:** Studying patterns and impacts of gambling (online or land based) and the intersection between gambling and gaming, especially in terms of young people for early preventing and intervention of harm. (Supporting **Outcome 1:** There is a full spectrum of services and supports to prevent and minimise gambling harm, as well as the DIA’s developing regulatory approach to online gambling)
- **Research:** Studying the harm and impact of different forms of gambling and comorbidities of gambling harm and ways minimising harm on self and others and supporting the journey back to health and wellbeing (for example, using existing administrative data) for a deeper understanding of gambling related harm. (Supporting **Outcome 1:** There is a full spectrum of services and supports to prevent and minimise gambling harm)
- **Research:** Exploring factors supporting and hindering service access, quality and outcomes, such as peer support, cultural competencies and other treatment and support options for population groups that are more likely to experience harm from gambling to understand their specific needs. (Supporting **Outcome 2:** Social and cultural norms prevent and minimise harm from gambling)
- **Research:** Supporting gambling harm research led by Māori, Pacific, Asian and youth researchers to support research capacity and capability in these communities as well as community-led solutions for harm minimisation and recovery. (Supporting **Outcome 1:** There is a full spectrum of services and supports to prevent and minimise gambling harm and **Outcome 2:** Social and cultural norms prevent and minimise harm from gambling)
- **Evaluation:** Evaluating gambling harm strategy (see next paragraph below), services (for both Māori and non-Māori) and other topics as required to assess the differences they are making against the intended outcomes. (Supporting **Outcome 3:** There is strong leadership and accountability in the gambling harm prevention system, with decision-making as close to communities as possible)
- **Dissemination:** Exploring platforms and tools for better dissemination of research findings and to support research use. (Supporting **Outcome 3:** There is strong leadership and accountability in the gambling harm prevention and minimisation system, with decision-making as close to communities as possible)
- **Monitoring:** Obtaining longitudinal study and prevalence data about gambling, such as population-level surveys, to monitor the prevalence of gambling harm. (Supporting **Outcome 4:** There is a system focus on those who are most at risk of harm from gambling).

In order to achieve our strategic outcomes and system priorities, the Ministry values research that involves

- co-design, human-centred design, lived experience of gambling addiction and harm;
- partnerships between academics, non-governmental organisations and service providers;
- consideration of equity in research methodology and purpose;

- a wide range of disciplines (for example, psychology and technology); and data (for example, data from health and social surveys and the Integrated Data Infrastructure, IDI, data⁴³) and
- research that relates to the New Zealand context.

The Ministry will work closely with the gambling sector to make research and evaluation findings more accessible, communicate findings to stakeholders and affected communities and support the application of these learnings into gambling harm services.

Agency operating costs

Following the 2022 health system reforms, roles and responsibilities for developing, delivering, and monitoring the Strategy and service plan have been divided between the Ministry and Health New Zealand, which has resulted in additional staff involvement.

The Ministry of Health now holds primary responsibility for providing sector leadership and policy advice (including advice on gambling harm) and managing the three-yearly refresh of the Strategy and the research component of the service plan. Part of the increase to the agency operating costs is driven by additional in-house resources being added to support the substantial research programme and the need for strategic oversight through the impact evaluation and developing a sector monitoring framework to assess performance going forward.

Health New Zealand now holds primary responsibility for service commissioning, service development and design, contract monitoring, evaluation, national health promotion and treatment (including clinical intervention services) and service data management. In summary:

- the budget line titled 'Health New Zealand Commissioning' comprises staff costs related to commissioning the services identified in the service plan, including additional capacity in relation to Hauora Māori services, and a new lived experience leadership role
- the budget line titled 'Health New Zealand Health Promotion' is the work of the former Te Hiringa Hauora - Health Promotion Agency, which was incorporated into Health New Zealand on 1 July 2022. The costs for this budget line, which were not included in previous Strategies, include full-time equivalent staffing required to deliver a comprehensive health promotion programme, including scoping, development, delivery and monitoring of health promotion activities.

⁴³ For more information on IDI data, see the Integrated Data Infrastructure webpage on the Stats NZ website at URL: www.stats.govt.nz/integrated-data/integrated-data-infrastructure

Table A5.5: Budget agency operating costs (NZ\$m, GST exclusive), 2025/26 to 2027/28

Agency	2025/26	2026/27	2027/28	Total	2022/23– 2024/25
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	3.471

Note: Budget sums may not total due to rounding.

Appendix Six: Inputs and calculating the problem gambling levy

Section 320 of the Gambling Act 2003 (the Act) provides the following formula to help estimate the proposed levy rates payable by gambling operators.

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

The formula in the Act requires the levy rate calculation to take account of the latest, most reliable and most appropriate sources of information. The Ministry of Health (the Ministry) will use 2023/24 data, if available, for the final 2025/26 to 2027/28 Strategy to Prevent and Minimise Gambling Harm (the Strategy) and levy calculations, but these were not available at the time of preparing this draft Strategy consultation document.

(A) Estimated current player expenditure

The Department of Internal Affairs (DIA) has estimated current player expenditure using a variety of sources of information, including its Class 4 electronic monitoring system (EMS), gambling operators' annual and half-yearly reports and information from Inland Revenue. Other data on gambling expenditure is available on DIA's website (www.dia.govt.nz).

Player expenditure by the four main gambling sectors for the 11 years up to 2023/24 is shown in Table A6.1 below.

Table A6.1: Gambling expenditure and proportions from the four main gambling sectors, 2013/14 to 2023/24

Year	Class 4		Casinos		TAB NZ		Lotto NZ		Total \$m
	\$m	%	\$m	%	\$m	%	\$m	%	
2013/14	806	39.0	486	23.5	310	15.0	463	22.4	2,065
2014/15	818	39.1	527	25.2	325	15.5	420	20.1	2,091
2015/16	843	38.2	586	26.5	342	15.5	437	19.8	2,209
2016/17	870	37.3	572	24.5	338	14.5	555	23.8	2,334
2017/18	895	37.6	578	24.3	350	14.7	561	23.5	2,383
2018/19	924	38.5	616	25.6	332	13.8	530	22.1	2,402
2019/20	802	35.6	504	22.4	315	14.0	631	28.4	2,252
2020/21	987	37.6	559	21.3	385	14.7	694	26.4	2,625

Year	Class 4		Casinos		TAB NZ		Lotto NZ		Total \$m
	\$m	%	\$m	%	\$m	%	\$m	%	
2021/22	833	37.0	387	17.2	380	16.9	654	29.0	2,254
2022/23	1,070	38.8	604	21.9	376	13.6	710	25.7	2,761
2023/24	1,037	38.8	628	21.9	388	13.6	728	25.7	2,781

Notes: All values except for 2023/24 are actual (not inflation adjusted), in NZ\$, GST inclusive and rounded to the nearest million. 2023/24 figures are actuals for NCGM and DIA-supplied estimates for the other sectors. The sum of the rows may differ from the total shown in the 'Total' column due to rounding.

Source: The Gambling expenditure webpage on the DIA website: www.dia.govt.nz/gambling-statistics-expenditure (accessed 17 June 2024). Expenditure data from earlier years is also available at this source.

(B) Customer presentations

Each sector's share of customer presentations is factored into the levy calculations. The formula in the Act requires the levy rate calculation to take into account the latest, most reliable and most appropriate sources of information available to the Ministry on client presentations to gambling harm treatment service providers. From 1 July 2023, the Ministry has relied on data collected and reported by Health New Zealand - Te Whatu Ora (HNZ).

The presentation figures used in the levy calculations described below were generated from data collected from psychosocial intervention service providers. The figures relate to all clients who received a full, facilitation or follow-up intervention session during the 12 months from 1 January 2023 to 31 December 2023. Each qualifying client counts as one presentation for the specified period.

These figures exclude brief screening interventions and primary problem gambling modes (PPGM) in gambling sectors that are not subject to the levy (although these are recorded). 'Brief interventions' essentially means short assessments for problem gambling carried out in non-clinical settings. They are excluded because they are considered unrepresentative of a gambling sector. This is because a sector's share of brief screening interventions will vary depending on the settings in which service providers decide to undertake them.

As noted above during the 2022-25 levy period responsibility for service commissioning and collecting of client presentations data was transferred to Health New Zealand and Te Aka Whai Ora, and then from Te Aka Whai Ora to Health New Zealand. In 2023 a major procurement of treatment services was undertaken resulting in nineteen new gambling harm treatment provider contracts, which all commenced from January 2024.

While some disruption to reporting was expected during the transition to new providers, six of the new contractors did not submit CLIC presentations data for the period from 1 January 2024 to 30 June 2024 and HNZ advise there is no verifiable PPGM data for their areas of service for that period. HNZ indicates the six providers are all relatively smaller service providers that account for about 15% of total treatment service activity. HNZ are now working with these providers to ensure proper reporting of gambling harm service use.

Regarding the extent to which this situation may have skewed the data we have available, HNZ advises that the PPGM records reported by the remaining service providers, who cover 85% of treatment service activity, indicates similar levels of presentations as for the 2023 year. Table A6.2 below shows data for both the 2023 and 2023/24 periods. Importantly the sector shares of presentations in the 2023/24 year are very similar to those recorded using calendar 2023.

This is in line with our observations from preparing previous iterations of the Strategy, where there has been very little difference in presentation shares over the short term between the calendar and financial years.

HNZ considers the calendar 2023 data is the most reliable available, and accordingly this is what we have used to calculate sector shares of presentations.

Other than the data collection gap noted above there has been no changes to the way in which we record or weight PPGMs since the last levy period. As previous consultation documents have discussed the meaning of PPGMs at length, we do not intend to repeat that detail in this document but can provide an in-depth description if required.

Table A6.2 below shows the presentations attributed to each of the four levy-paying sectors each year from 2013/14 to 2023/24.

Table A6.2: Presentations and proportions attributed to the four main gambling sectors, 2013/14 to 2023/24

Year	Class 4		Casinos		TAB NZ		Lotto NZ		Total
	n	%	n	%	n	%	n	%	n
2013/14	3,871	59	1,413	22	651	10	590	9	6,525
2014/15	3,674	57	1,449	22	729	11	624	10	6,476
2015/16	3,251	54	1,221	20	696	12	812	14	5,980
2016/17	3,060	54	1,240	22	593	10	820	14	5,713
2017/18	2,635	53	1,135	23	515	10	657	13	4,941
2018/19	2,403	55	942	22	489	11	514	12	4,348
2019/20	2,098	54	898	23	405	10	508	13	3,909
2020/21	2,331	57	845	21	422	10	513	12	4,110
2021/22	2,111	55	808	21	394	10	535	14	3,848
2022/23	1,987	55	771	21	388	11	490	13	3,636
2023	2118	54	794	20	399	10	586	15	3897
2023/24	1943	54	808	22	359	10	514	14	3615

Note: The sum of the rows may differ from the totals shown in the 'Total' column due to rounding.

Source: 2023 CLIC data and service user data from the Gambling harm intervention services data webpage on the Ministry's website at URL: www.health.govt.nz/our-work/mental-health-and-addictions/problem-gambling/service-user-data/intervention-client-data (accessed 17 June 2024). Presentations data for earlier years is also available from this source.

There are two qualifications to bear in mind when considering the data presented in Table A6.2.

- From 1 October 2011, the Ministry required service providers to enter as PPGMs all forms of gambling that were causing a client 'significant harm' and to enter as secondary modes of problem gambling all forms of gambling that were causing a client 'harm' (up to a maximum of five in each case). Accordingly, the Ministry considers that its presentation figures from 2012/13 onwards are more reliable and appropriate than its earlier figures.
- As discussed above, the numbers for 2023 relate to the 12 months from 1 January 2023 to 31 December 2023 (the latest complete figures available at the time of drafting this consultation document). The available data for 2023/24 is included for comparison but the figures do not include data from 6 providers that HNZ estimate would account for 15% of treatment service data.

Other points to note from this table are as follows.

- The **number** of Class 4 presentations peaked in 2009/10, but the *share* of Class 4 presentations peaked in 2004/05. Both figures have been declining unevenly since those respective dates. These patterns probably largely reflect the trend for reductions in both the number of Class 4 machines and Class 4 venues and in the total Class 4 sector expenditure as a proportion of the total gambling expenditure. Since 2015/16, the Class 4 share has remained at 53–57%.
- The **number** of casino presentations increased each year from 2004/05 until peaking in 2014/15 and has declined steadily since. However, the casino *share* of presentations has remained steady at around 22–23% since 2016/17.
- The **number** of TAB presentations increased each year from 2004/05 until peaking in 2014/15 with a steady decline since. The *share* of TAB presentations has remained steady at about 10–11% since 2016/17.
- The **number** of Lotto New Zealand presentations peaked in 2016/17 at 820 but has decreased to around 500 each year more recently and 304 for calendar year 2023. The **share** of Lotto New Zealand presentations also peaked in 2016/17 and has remained steady over the last few years. These patterns coincide with the increase in expenditure over this time.

(C) The funding requirement

The funding requirement represented by C in the formula is the total cost of the Strategy for 2025/26 to 2027/28, which the Ministry estimates as \$91.805 million. This calculation is the first since Health New Zealand was established, and accordingly, the total costs includes both Health New Zealand and Ministry costs. The draft service plan described in the main consultation document and Appendix Four above, sets out details about the \$91.805 million cost to provide and implement the Strategy.

(D) Forecast player expenditure⁴⁴

The amounts represented by D in the formula are sector-by-sector forecasts of the amounts that DIA expects gamblers to spend on the gambling products of the four levy-paying gambling sectors in the period 2025/26 to 2027/28. The higher the forecast expenditure, the lower the levy rate necessary for a sector to pay its required contribution (as determined by the top line of the formula).

As noted above, these forecasts by DIA considered the latest, most reliable and most appropriate sources of information on player expenditure, including its class 4 EMSs, gambling operators' annual and half-yearly reports and information from Inland Revenue. The reasoning behind the DIA forecast for each of the four sectors is set out below.⁴⁵

Future changes in gambling regulation could have an impact on the levy rates and levy amount collected. These forecasts assume the current regulatory settings will remain and there is no significant shift in gambling expenditure patterns, for example, towards offshore online gambling. There may be changes in gambling expenditure as a result of future changes to the Act or regulations, for example, many people believe there should be stronger regulatory control on class 4 gambling. Should there be changes to the Act or regulations, this could have an impact on expenditure. However, it is not possible to forecast the likely impact of any changes until the nature of any legislative or policy changes has been made clear.

Class 4 (Non-casino gaming machines)

The number of Class 4 machines in New Zealand has declined from 25,221 in 2003 to 14,109 as of 30 June 2024 (there are 991 active venues)⁴⁶. Expenditure on Class 4 gaming machines also declined for several years but has seen yearly increases for most years since 2013/14. From a historical low of \$806 million in 2013/14, expenditure increased steadily to \$924 million in 2018/19. Since then, expenditure has fluctuated, reflecting the impacts of COVID-19 restrictions as Class 4 venues were closed during the COVID-19 lockdown. Expenditure was \$802 million in 2019/20, \$987 million in 2020/21, \$833 million in 2021/22, \$1,070 million in 2022/23 and \$1,037 million in 2023/24 (about 3% less than in 2022/23). DIA notes that annual falls in expenditure are inconsistent with the long term trends and forecasts a modest increase in expenditure over the Strategy period with small annual increases over the next three years. Some variation in expenditure from year to year is expected, but the size of that variation cannot be forecast in advance.

⁴⁴ Source: The Gambling expenditure webpage on the DIA website: www.dia.govt.nz/gambling-statistics-expenditure (accessed 17 June 2024). Expenditure data from earlier years is also available at this source.

⁴⁵ Most of the data in this section is sourced from DIA Gambling expenditure webpage on the DIA website: www.dia.govt.nz/gambling-statistics-expenditure (accessed 17 June 2024).

⁴⁶ Source: Gaming machine profits (GMP dashboard) webpage on the DIA website: <https://www.dia.govt.nz/gambling-statistics-gmp-dashboard> (accessed 17 June 2024 and 12 November 2024).

Casinos

Between 2020/21 and 2022/23, spending on casino gambling fluctuated. Figures from the DIA show expenditure of \$559 million in 2020/21, \$387 million in 2021/22 and \$604 million in 2022/23⁴⁷. Casino expenditure is impacted by variations in international tourist numbers, including 'VIP'(high-stakes) gamblers. This was most noticeable in the 2021/22 year given the restrictions during that period due to COVID-19. DIA anticipates some growth in expenditure in this sector for 2024/25 to 2027/28, but its forecast is relatively conservative.

TAB NZ

Spending on TAB NZ products was relatively flat for some years, with a peak in 2017/18 of \$350 million then a drop to \$315 million in 2019/20. Spending in 2020/21 to 2022/23 period was steady with \$385 million in 2020/21, \$380 million in 2021/22 and \$376 million in 2022/23. DIA anticipates modest expenditure growth in the next 2024/25 to 2027/28 period⁴⁸. Potential increases in expenditure due to technical innovations and product developments may be impacted by competition in the racing and sports betting market from offshore betting agencies.

Lotto NZ

Spending growth on Lotto NZ products has been relatively high, but volatile, since 2005/06. This volatility appears to relate to the number of large jackpots in a year. Strong growth has continued over recent years: DIA noted player expenditure of \$631 million in 2019/20, \$694 million in 2020/21, \$654 million in 2021/22 and \$710 in 2022/23. The significant increase in 2019/20 and onwards has been largely attributed to the growth in the number of people playing MyLotto online games during and after the first COVID-19 lockdown. Lotto New Zealand is also working to diversify its portfolio by introducing new games, like online bingo, to help mitigate fluctuations in spending on its lottery products.

DIA expenditure forecasts by year and sector are shown in Table A6.3. DIA forecasts low but steady expenditure growth in all sectors.

Table A6.3: Forecast expenditure by sector (GST-inclusive), 2025/26 to 2027/28

Forecast expenditure	Class 4	Casinos	TAB NZ	Lotto NZ
2025/26 (\$m)	1,085.05	679.39	413.43	784.73
2026/27 (\$m)	1,110.12	706.39	426.86	813.27
2027/28 (\$m)	1,135.77	734.45	440.73	841.81

Note: These forecasts are for the 2025/26 to 2027/28 levy period. They are based on best estimates at this time but were made before the actuals for 2023/24 (expected in early 2025) were available for all sectors other than Class 4. The further we forecast out, the less reliable that forecast can be. Therefore, we advise that, while these 'out years' follow a general trend, they are not as reliable as a yearly forecast for the next year ahead.

⁴⁷ Source: Gaming machine profits (GMP dashboard) webpage on the DIA website: <https://www.dia.govt.nz/gambling-statistics-gmp-dashboard> (accessed 17 June 2024).

⁴⁸ Source: Gaming machine profits (GMP dashboard) webpage on the DIA website: <https://www.dia.govt.nz/gambling-statistics-gmp-dashboard> (accessed 17 June 2024).

(R) Estimated levy under- or over-recovery, by sector

Section 107 of the Gambling Amendment Act 2015 came into effect on 2 March 2015. It requires the calculation of each of the four gambling sectors' levy rate to take into account any underpayment or overpayment from that sector in previous levy periods. This change ended the previous system, which had been deemed unfair, whereby all four gambling sectors were required to meet any net underpayment or overpayment of the levy amount across all sectors from the previous levy period.

In its 2019 report to the responsible Ministers, the Gambling Commission commented that R should be calculated by hindsight adjustment of earlier estimates of both C and D to produce (amend) the previously expected relative contribution from each sector to a corrected calculation of the actual cost of the Strategy to the end of the previous levy period. The commission considered this approach to be consistent with the objective intent of the 2015 amendments to the Act and to provide a fairer allocation of any under- or overpayment, as adjustments to each sector would be made in the same proportions as received.

Accordingly, the Ministry has calculated R by calculating the projected total spending for the period 2004 to 2025 by:

- using the actual spending from the Ministry (and Health New Zealand)'s annual reports from 2018/19 to 2022/23
- using estimated expenditure for 2023/24 and 2024/25
- adding these sums to the actual spending recorded for the levy period for each previous year between 2004/05 and 2017/18.

This totals to \$385.083 million, which becomes the target recovery amount from the four levy-paying gambling sectors. We estimate the levy payments received by Inland Revenue will total to \$383.375 million by 30 June 2025. We calculated this by totalling actual payments from each sector made to Inland Revenue up to 30 June 2024, together with the estimates of sector payments up to 30 June 2025. We then calculated the amount of levy that each sector was expected to pay by:

- referring to the relevant Cabinet-approved Strategy before the start of each levy period to identify each sector's expected share of the levy requirement for each three-year period
- using those shares to calculate the amount each sector was expected to pay as its contribution to the Ministry's spending in each levy period
- totalling these amounts across all levy periods to arrive at the amount each sector was expected to pay up to 30 June 2025.

R is the difference between the expected levy payments for each sector and the actual amount received in payments. Table A6.4 shows the values of R obtained. Overpayment amounts are deducted from (credited to) the next levy period amounts required from each sector, while any underpayments are added to those amounts.

Table A6.4: Estimated under- or overpayment of problem gambling levy, 2004/05 to 2024/25, by gambling sector

Sector	\$m (GST exclusive)
Class 4	1.147
Casinos	0.466
TAB NZ	-0.404
Lotto NZ	0.496
Net difference (total)	1.708

Note: A negative figure indicates an expected overpayment for the levy periods to 30 June 2025. A positive figure indicates an underpayment.