



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

Proposals document

2024

Citation: Ministry of Health. 2024. *Strategy to Prevent and Minimise Gambling Harm 2025/26 to 2027/28: Proposals document*. Wellington: Ministry of Health.

Published in December 2024 by the Ministry of Health
PO Box 5013, Wellington 6140, New Zealand

ISBN 978-1-991324-17-7 (online)
HP 9111



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Introduction

The Gambling Act 2003 (the Act) sets out requirements for an ‘integrated problem gambling strategy focused on public health’. The Ministry of Health (the Ministry) is responsible for developing and refreshing this strategy at three-yearly intervals, and for implementing it. The Act specifies a two-stage consultation process to develop the strategy and the rates of the problem gambling levy, which funds all activity under the strategy.

Earlier this year, the Ministry produced a draft *Strategy to Prevent and Minimise Gambling Harm for 2025/26 to 2027/28 Consultation Document*, including a draft service plan and draft levy rates. The Ministry undertook public consultation on the document, holding 15 information and consultation meetings in person and online, and inviting submissions. The Ministry engaged Allen + Clarke, an independent consultancy firm, to analyse written submissions and those made at consultation meetings, who provided a report analysing these (the submissions analysis report).

This proposals document sets out the Ministry’s response to the initial consultation phase, developed in collaboration with Health New Zealand – Te Whatu Ora (Health NZ), which is responsible for delivering the treatment and public health components of the Strategy, having considered:

- the submissions on the consultation document, including those received at consultation meetings in person and online
- the Allen + Clarke independent report analysing these submissions¹
- the 2024 *Gambling Harm Needs Assessment*² and available research.

The Ministry recognises that the many stories reflected in the submissions received represent a range of differing points of view about gambling and gambling harm minimisation. The analysis revealed several common themes, varying according to the point of view of the submitter. Overall themes included the following:

- Submissions across the board supported the overall direction of the Strategy and the mental health and addiction priorities as applied to gambling harm, but expressed diverse views on the best way to achieve this
- Submissions from individuals with personal lived experience of gambling harm focused on the need to reduce the potential for harm and to improve access to services and support, so people who gamble and affected others can access the right help and support as they need it
- Submissions from the non-casino gaming machines (NCGM) sector and the gambling industry (other) sector presented a perspective from the view of legitimate businesses operating in the entertainment space

¹ Allen + Clarke. 2024. *Draft Strategy to Prevent and Minimise Gambling Harm 2025/26 to 2027/28: Summary of submissions*. Wellington: Ministry of Health.

² Malatest International, Sapere. 2024. *Gambling Harm Needs Assessment 2024*. Wellington: Ministry of Health: URL: health.govt.nz/publications/draft-strategy-to-prevent-and-minimise-gambling-harm-202526-to-202728 (accessed 11 December 2024). The Gambling Act requires the Ministry to obtain a needs assessment as part of the strategy development.

- Submissions from service providers and the health and local government sectors, and some individual submissions, reflected their views about what is needed to help people whose gambling is causing harm.

While at times some of these different points of view came close together or even intersected, they were often shaped by very different aims and objectives. For example, the view of a small business that hosts a gambling venue generally had relatively little in common with the perspective of someone whose gambling had resulted in them seeking help, or of an affected family member – although all of these submitters agreed on the need to reduce gambling harm.

The Ministry acknowledges that all these perspectives are real and valid, and that the goals and outcomes of the Strategy matter to all submitters. We have tried to ensure that this document reflects that acknowledgement. For example, the commentary on levy weightings for expenditure and presentations takes into consideration that there were opposing points of view which had different concepts of ‘fairness’.

Several submitters wanted to be more involved in service design and delivery for affected stakeholders, to address persistent differences in population health outcomes. Proposals ranged from requesting more joined up commissioning approaches to improve the range and quality of services, to ensuring that these services are age and culturally appropriate and meet the varied needs of at-risk, vulnerable and priority populations.

We also observed that, as in previous consultations, several submitters sought changes to the broader legal and policy framework to address gambling harm; for example, in regard to the prevalence and location of electronic gaming machines (pokies), the advertising of gambling products and the regulation of online gambling.

Online gambling continues to be a matter of significant concern to many of the diverse groups of submitters, with participation and risks growing steadily over the past decade or so, as internet access and smart devices have become ubiquitous. Many submissions expressed concerns about the ease of access to online gambling, and the steady growth of gambling-like elements in videogames and online, including gambling through online offshore sites. Many submissions were concerned about the targeting of young people, and widespread exposure to gambling advertising through a range of media and a range of other harms in the digital environment that is blurring traditional boundaries between gambling and other types of harm that can be facilitated by the online environment.

We acknowledge these concerns but note the strategy’s mandate is to address gambling harm. The Department of Internal Affairs (DIA) administers the Gambling Act 2003 and the strategy recognises the Government is developing new legislation to regulate online offshore casinos from 2026, with the details of that regime under development. The Strategy includes specific actions to help address harm from online gambling, for example with proposals to develop self-exclusion and through broader public health measures to raise awareness of the harms that may occur and how to mitigate them.

In addition, some submissions argued the Act and its definition of gambling were no longer fit for purpose and needed to be reviewed to address the reality of gambling in the modern, often digital, environment.

The Ministry and Health NZ will continue to work with the Department of Internal Affairs to identify potential improvements to the legal and regulatory framework to reduce gambling-related harm. We have referred the gambling legislative related and other digital harm matters to DIA as the department responsible for regulating the Act and associated harms, for example through the Film Videos and Publications Classifications Act 1993.

In the meantime, the strategy will continue to provide for services to respond to harm from any form of gambling, as well as research and evaluation to improve our understanding of gambling behaviour, the associated harms and the effectiveness of particular interventions.

The Ministry is grateful for the passion and compassion evident in submissions from people who shared their personal experiences of gambling harm, using these experiences to constructively contribute to our consultation. While it is impossible for this proposals document to reflect every individual's point of view, the Ministry hopes that submitters can see themselves in these proposed responses.

Structure of this document

The structure of this proposals document is based on the structure of the *Strategy to Prevent and Minimise Gambling Harm 2025/26 to 2027/28: Consultation Document*. Changes have been made where the Ministry considers they were warranted, in consultation with Health NZ. The Ministry has published the submissions analysis report noted above on our website.

This *Strategy to Prevent and Minimise Gambling Harm 2025/26 to 2027/28 proposals document* (the proposals document) is divided into the following sections:

- A strategic overview (Section 2). including relevant background and context about the gambling environment, the nature of gambling in New Zealand, gambling related harms and the public health approach to gambling harm
- A strategic plan 2025/26 to 2027/28 (Section 3) including the strategic framework that sets out the goal, outcomes, priorities and actions for the strategy. This section outlines the strategic context for the proposed three-year service plan
- A three-year service plan 2025/26 to 2027/28 (Section 4) including the amount of funding required for the Ministry and Health New Zealand to deliver the gambling harm prevention and minimisation activities described in the strategy from 1 July 2025 to 30 June 2028
- Draft levy rates for 2025/26 to 2027/28 (Section 5). This section describes the calculation of levy rates and the levy weighting options for the four gambling industry sectors: non-casino gaming machine (NCGM) operators, casinos, TAB New Zealand (TAB NZ) and New Zealand Lotteries Commission (Lotto New Zealand). It also describes the impact of each weighting option each levy paying sector.

There is also additional supporting information in the Appendices.

Next steps

The Ministry has submitted this document to the responsible Ministers (the Minister of Health and the Minister of Internal Affairs) and to the Gambling Commission, as required by Section 318(2) of the Gambling Act 2003.

The Gambling Commission will undertake its own analysis of the proposed Strategy and will convene a meeting to consult invited stakeholders on the Strategy and levy rates. It will subsequently provide advice to the responsible Ministers.

After considering the Gambling Commission's advice, the responsible Ministers will take a paper to Cabinet seeking its endorsement of Ministers' decisions on the final shape of the Strategy and the levy. The Government will make the new Strategy public and promulgate the levy regulations as part of the 2025 Budget process.

The new Strategy and new problem gambling levy regulations will then effect on 1 July 2025, replacing the current levy regulations that expire on 30 June 2025.

A new Strategy to Prevent and Minimise Gambling Harm

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

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

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

Problem definition:

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

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

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

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

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

The Act requires a needs assessment be undertaken to inform each iteration of the Strategy. The 2024 needs assessment highlights a changing environment and gambling harm services under pressure³. Key findings include:

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

³ Malatest International. 2024. *Gambling Harm Needs Assessment 2024*. Wellington: Ministry of Health. The Gambling Act requires the Ministry to obtain a needs assessment as part of the strategy development.

The gambling environment

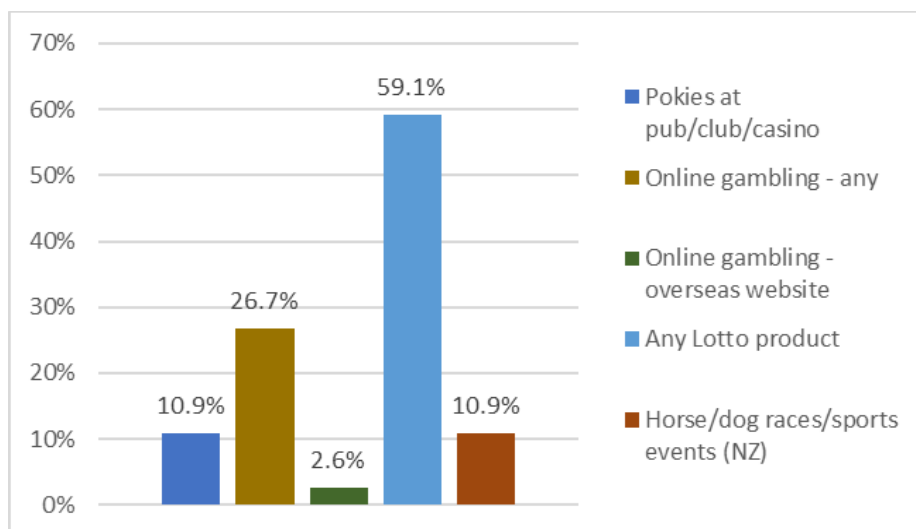
This section briefly covers the current state of gambling in New Zealand, with further detail provided in **Appendix One** in the Appendices document.

Participation and expenditure

Most New Zealanders gamble at least occasionally.

- Estimates suggest that, in 2020 (most recent data available),⁴ **69.3%** (about 2.8 million New Zealanders aged 15 years and older) had **participated in at least one gambling activity in the previous 12 months**. Figure 1 shows the types of gambling people engaged in.
- While there was no statistically significant increase in overall gambling participation between 2018 and 2020, **participation in online gambling doubled to 27% in 2020⁵**.
- **Total gambling expenditure (net player losses)** in 2022/23 was **\$2.76 billion** for the four regulated sectors (Lotto NZ, TAB NZ, casinos and non-casino gambling machines or Class 4 gambling) combined, an increase from \$2.25 billion in 2021/22.⁶

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



⁴ Nielsen I Q. 2023. *2020 Top-line Summary: New Zealand Health and Lifestyles Survey (HLS)*. Wellington: Health New Zealand. URL: www.hpa.org.nz/our-work/research/publications (accessed 31 July 2024).

⁵ <https://www.hpa.org.nz/sites/default/files/2020%20Health%20and%20Lifestyles%20Survey%20Top%20line%20report.pdf>

⁶ DIA. Gambling expenditure webpage on the DIA website at URL: www.dia.govt.nz/gambling-statistics-expenditure

Gambling harm

- Research shows that **one in five** New Zealand adults (22%) are **affected at some time in their lives by their own or others' gambling**.⁷ This includes financial harm; relationship disruption; conflict and breakdown; psychological distress; damage to health; cultural harm; reduced involvement at work or study; and criminal activity.
- **Nearly 50%** of all **gambling harm is experienced by people who participate in low-risk gambling** (harms include damage to relationships, emotional distress, financial impacts and disruptions to work or study).⁸ This suggests we need to focus on reducing gambling harm at the whole-of-population level.
- **183,000 adults** reported **second-hand gambling harm** in their wider families or households in the past year, for example, arguments or 'going without' because of gambling^{9, 10}.

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

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

- **Māori** were 3.13 times more likely to be moderate-risk or problem gamblers than non-Māori and non-Pacific peoples.
- **Pacific peoples** were 2.56 times more likely to be moderate-risk or problem gamblers than non-Māori and non-Pacific peoples.
- While the proportion of **Asian peoples** who gamble is relatively low when compared other population groups, those who do gamble have historically been more likely to experience gambling harm compared with the European/Other population group.
- About 45.7% of **youth** aged 16–24 had gambled in the past year. Young people make up approximately 14% (9,000 people) of moderate- and high-risk gamblers (1.6% of all adults or 65,000 people).

Some forms of gambling are also higher risk than others, with evidence showing that harm is far more likely to be associated with continuous forms of gambling (those in which a gambler can immediately 'reinvest' their winnings in further gambling) than other modes of

⁷ Thimasarn-Anwar T, Squire H, Trowland H, et al. 2017. *Gambling Report: Results from the 2016 Health and Lifestyles Survey*. Wellington: Te Hīringa Hauora. URL: www.hpa.org.nz/research-library/research-publications/new-zealanders-participation-in-gambling-results-from-the-2016-health-and-lifestyles-survey (accessed 31 July 2024).

⁸ Central Queensland University and Auckland University of Technology. 2017. *Measuring the Burden of Gambling Harm in New Zealand*. Wellington: Ministry of Health. URL: www.health.govt.nz/publication/measuring-burden-gambling-harm-new-zealand (accessed 18 July 2021). The research found that, while some of this 'burden of harm' was concentrated in problem gamblers, at a population level, the majority of harm is accruing to those who are not necessarily problem gamblers.

⁹ Te Hīringa Hauora. 2021. Results from the Health and Lifestyles Survey 2020.

¹⁰ <https://kupe.healthpromotion.govt.nz/#!/gambling/gambling-harm/hls-household-level-gambling-harm>

gambling. The common forms of continuous gambling are gaming machines or 'pokies' (in or out of a casino), casino table games, scratchies (Instant Kiwi) and sports/race betting.

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

Government's current responses

Refer to **Appendix Three** in the Appendices document for more information about current services and activity under the current strategy.

Several submissions called for a greater role and emphasis on public health and prevention. These revised proposals include more information about the range of activities covered by the public health approach, noting these include regulatory activities, targeted community activities to address the full range of harms experienced by people who gamble, including problem gamblers as well as low risk gamblers, and the general population.

Public health approach to addressing gambling harm

The Act (section 317) requires an integrated gambling harm prevention and minimisation strategy focussed on public health. It further specifies the strategy must contain measures to promote public health by preventing and minimising harm from gambling.

Our public health approach consists of prevention at population and targeted levels, as well as health promotion and service delivery. The prevention work includes regulations that specify the gambling harm minimisation requirements for operators and venues. These are implemented through regulations administered by the Department of Internal Affairs and supported by Health New Zealand-funded public health services working with communities to encourage local authorities to adopt healthy gambling policies and to reduce gambling related harms. These activities increase community awareness and resilience.

Public health services also support other preventative measures such as working with gambling venues to support gambling harm minimisation practices and providing a wide range of health promotion and awareness raising activities. These may for example aim to raise awareness of general or specific risks of gambling harm, how to prevent or mitigate harm or where to seek help and treatment. This work is complemented by national health promotion campaigns and resources that primarily target the general population and low-risk gamblers.

Public health activity is also delivered by the Department of Internal Affairs. Its regulation of gambling in New Zealand is an important harm prevention approach, and harm prevention is a core purpose of the Act which guides all gambling activity in New Zealand.

More information about the public health approach is in **Appendix 3**.

Intervention service delivery

The Act (section 317) also requires the strategy to contain services to treat and assist gamblers and their families and whānau. Health New Zealand commissions a range of providers to deliver a variety of services. Current services are under pressure and needing to adapt to a changing gambling environment. Service access is also lower than expected based on known levels of gambling harm. The number of gamblers seeking treatment has remained static¹¹, despite the increase in real numbers of people experiencing gambling harm.

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

¹¹ For more information, see the Gambling harm intervention services data webpage on the Ministry's website at URL: www.health.govt.nz/our-work/mental-health-and-addiction/addiction/gambling/service-user-data/intervention-client-data

Strategic plan

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

Priorities for the mental health and addiction sector

Over the next three years, we will work towards our target outcomes by focussing on the Government's priorities for the mental health and addiction system:

- **Increasing access to gambling harm support:** In New Zealand, as internationally, a relatively small proportion of people who are suffering from gambling harm seek formal help. Increasing access to gambling harm services will require multiple approaches including de-stigmatisation, digital tools, access to gambling harm support in primary care, and service promotion.
- **Growing the gambling harm workforce:** There is a need to grow both clinical and consumer, peer and lived experience workforces. Measures are needed both to train and recruit new workers and also to retain current workers, and to ensure the cultural competence of the workforce.
- **Strengthening the focus on the prevention of and early intervention in gambling harm:** Investment into health promotion, de-stigmatisation, awareness, and education activities are important to prevent harm at the population level and can also minimise harm by equipping people to support their own wellbeing and to seek help when needed.
- **Improving the effectiveness of gambling harm support:** There will be a strong focus on research and evaluation to ensure we are taking an evidence-based and effective approach. Effectiveness also covers the tailoring of services for at-risk groups, such as Māori, Pacific, Asian and young people, and supporting community leadership in service design and delivery, because we know that a one-size-fits all, top down, approach is ineffective.

Strategic framework for preventing and minimising gambling harm

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

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

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

- There is a full spectrum of accessible services and support to prevent and minimise gambling harm - from prevention to early intervention to specialist support.
- Environments and social and cultural norms prevent and minimise harm from gambling.
- There is strong leadership and accountability of the gambling harm prevention system, with decision-making as close to communities as possible.
- There is a system focus on those who are most at risk of harm from gambling.

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

Appendix Four in the Appendices document provides further details on the different components of the proposed strategic framework, which is shown in summary form at **figure 2**.

Note: While most of this framework is implemented by the Ministry and Health New Zealand, some of the actions sit with the Department of Internal Affairs in its regulatory role, for example the action the *legislative and regulatory framework for preventing and minimising harm from gambling is strong and effective*. The regulation of gambling is itself a harm prevention and minimisation act, as is the content of much of the regulation (for example, regulating how close ATMs can be to gaming machines).

Priority populations

The strategy proposes a continued focus on supporting population groups who experience inequitable outcomes and gambling harm, in particular Māori, Pacific, Asian and young people. The harm and risk experienced by these groups has not reduced to the level where prioritisation is not required. The priority populations and activity geared towards them is embedded in all layers of the strategic document.

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

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

	Strategic Outcomes			
Mental Health and Addiction System Priorities	There is a full spectrum of accessible services and support to prevent and minimise gambling harm - from prevention to early intervention to specialist support	Environments and social and cultural norms prevent and minimise harm from gambling	There is strong leadership and accountability in the gambling harm prevention system, with decision-making as close to communities as possible	There is a system focus on those who are most at risk of harm from gambling
Increase access to gambling harm support	Action: Barriers to accessing services and supports are identified and addressed systematically (NZ Health Strategy shift 1) (MOH, HNZ)	Action: Māori, Pacific peoples, Asian people, young people and people with lived experience are actively involved in harm prevention and minimisation efforts (shift 1) (MOH, HNZ, DIA)		Action: There are kaupapa Māori, Pacific, Asian and youth-centric services and supports available to those who want them (shift 2) (HNZ)
	Action: Quality, accessible and effective services are designed and delivered (shift 2) (HNZ)			
	Action: Gambling operators are supported to prevent and minimise harm (shift 2) (HNZ, DIA)			
Grow the gambling harm workforce	Action: There is a skilled gambling harm prevention and minimisation workforce that includes lived experience and clinical expertise (shift 3) (HNZ)			
Strengthen the focus on the prevention and early intervention of gambling harm	Action: People have the information and support to make healthy choices about gambling (shift 1) (HNZ)	Action: Stigma about gambling harm is addressed (shift 2) (HNZ)	Action: There are policies at national, regional and local levels that prevent and minimise gambling harm (shift 6) (HNZ, DIA, Local authorities)	
Improve the effectiveness of gambling harm support	Action: People are supported to participate in decisions about gambling in their communities (shift 1) (HNZ)			
	Action: The legislative and regulatory framework for preventing and minimising harm from gambling is strong and effective (shift 6) (DIA)			
	Action: Technology, research and evidence inform policy and service design and delivery (shift 4) (MOH, HNZ)			

Links to other strategic documents

This strategy does not work to prevent and minimisation harm from gambling alone. It is an element in a strategic network made up of a number of strategies and other directional documents that all work towards Pae Ora – healthy futures. The main documents that the strategy is linked to are the New Zealand Health Strategy, Pae Tū: Hauora Māori Strategy; and the Oranga Hinengaro Systems and Service Framework.

New Zealand Health Strategy

This strategy is a contributor to the goals and vision of the New Zealand Health Strategy's vision of pae ora, which is made up of mauri ora (healthy individuals), whānau ora (healthy families) and wai ora (healthy environments).

The Health Strategy presents six shifts that are required to move towards its goals and vision:

1. Voice at the heart of the system: Giving people, whānau and communities greater control and influence over decisions about their health and the design of services, and embedding their voices in how the system plans, delivers and reports on care.
2. Flexible, appropriate care: Developing services that adapt to people's health needs and expectations, that are focused on preventing ill health and delivered closer to our homes and communities, supporting access for all.
3. Valuing our workforce: Recognising our health workforce as our most valuable asset and supporting the development of the sustainable, diverse, skilled and confident workers of the future.
4. A learning culture: Creating a culture of continuous learning and quality improvement, supported by research, evaluation and innovation.
5. A resilient and sustainable system: Ensuring preparedness for future shocks and the best use of resources to manage demand and affordability over the long-term.
6. Partnerships for health and wellbeing: Building cross-sector and cross-government relationships to drive collaborative action on health and wellbeing and the factors that determine health outcomes.

Each of these shifts is supported by the Strategic framework, and then one or more actions in the service plan, as is shown in figure 2 above.

Oranga Hinengaro System and Services Framework (SSF)

The Oranga Hinengaro System and Service Framework identifies the core components of a contemporary mental health and addiction system with a 10-year view. It provides guidance for those responsible for publicly funded health system policy, design, service commissioning, and delivery. It sets out:

- core principles identified by Māori and people with lived experience that should underpin the system and services
- critical shifts required to move towards a future system that supports pae ora (healthy futures)
- the types of services that should be accessible and available to individuals, whānau and communities.

The SSF sets out a range of critical shifts including lived experience led transformation towards better locally networked services, with earlier intervention. Gambling harm minimisation intervention services are mental health and addiction services and thus fall under the SSF. Accordingly, the commissioning of gambling harm services is part of a broader approach whereby gambling harm services will become progressively more integrated into the wider mental health and addiction system.

Forthcoming Mental health and Wellbeing Strategy

The Pae Ora (Healthy Futures) (Improving Mental Health Outcomes) Amendment Act received Royal Assent on 24 October 2024. The amendment requires the Minister for Mental Health to develop a Mental Health and Wellbeing (MH&W) Strategy to sit alongside the other strategies required in that Act (ie. the New Zealand Health Strategy and five population-focused Pae Ora strategies). The purpose of the MH&W Strategy is “to provide a framework to guide health entities for the long-term improvement of mental health and wellbeing outcomes, including minimising the harm from addiction”.

As an overarching framework, we envisage the MH&W Strategy sitting across all mental health and addiction matters in the health system, including referencing related strategies such as suicide prevention and gambling harm prevention and minimisation. The Pae Ora Act requires the Ministry of Health to publish this Strategy within the next 12 months.

Service plan

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

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

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

As a result of consultation feedback, we have made several changes to the service plan. Changes include expanding further on the new services proposed to fill geographical or other gaps, reinstating scholarships to support the workforce, allocating some research to innovation and scholarships and developing a monitoring framework to monitor the overall impact of the Strategy. We have also ensured a stronger focus on public health is visible in all activities, including this document.

The service proposals are aligned to the priorities and activities of the strategic framework to provide a clear line of sight from the strategic priorities to what we intend to do to achieve them. Together the proposals set out the specific activities and services to be provided to achieve the strategic outcomes and priority actions, and to support the mental health and addiction system priorities outlined in the strategic plan described above.

The proposed service plan includes proposals to:

- **increase access** by expanding treatment service provision, both in terms of the type of service/population served (for example additional high-intensity support) and of location (filling some areas that do not currently have face-to-face services)
- **grow the workforce** by supporting new entrants to the workforce and retain existing workers (for both the peer and clinical workforces)
- **prevent harm and intervene early** by delivering a range of population-focused public health activities to prevent gambling harm
- **improve effectiveness** by commissioning of a suite of research and evaluation projects, including evaluation of all clinical services and an impact evaluation of the Strategy itself and focussing on ensuring service design is community-centred and lived-experience led.

The full package of investment has been costed at \$91.805 million over the three years from 2025/26 to 2027/28, an increase of \$15.682 million on the 2022/23 to 2024/25 budget. The increase includes a proposed transfer of \$5.260 million forecast cumulative underspend from the current levy period ending on 30 June 2025, attributed to delays arising from health sector restructuring, so the proposed net additional funding is \$10.422 million.

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

The public health approach that underlies this Service Plan

The Strategy takes a public health approach, with early and specialist interventions when needed¹². Two key characteristics of the public health approach is that it aims to keep people well and focuses on groups of people rather than individuals.

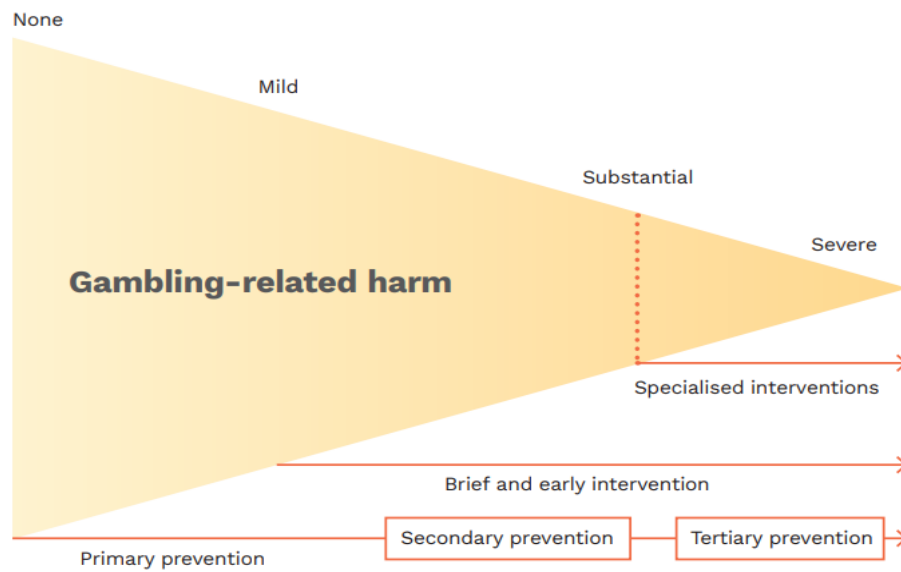
Core concepts integral to public health are a focus on whole population-health and the importance of including both promotion and prevention activities applied collectively. Gambling harm public health approaches emphasise harm minimisation, harm prevention and early intervention and seek to address the role social, environmental and commercial determinants of health play in the development and impact of gambling harm.

The 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.

The Service Plan follows a continuum-of-harm approach to health that aligns the spectrum of gambling behaviour with a harm-reduction framework (Figure 3 below refers). 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.

¹² An outline of public health activities is provided in Figure 2.

Figure 3: Continuum of gambling behaviour and responses (based on Korn and Shaffer 1999)



It is important to note that as described earlier, public health activity is also delivered by the Department of Internal Affairs. Its regulation of gambling in New Zealand is an important harm prevention approach, and harm prevention and minimisation is a core purpose of the Act which guides all gambling activity in New Zealand.

Indicative budget for 2025/26 to 2027/28

Submissions on the proposed service plan and funding requirements were divided. NCGM and some industry submissions did not support further investment arguing the Strategy had been ineffective in reducing harm and required bold change, not “more of the same”. Some of these submissions argued funding should be reduced as presentations were continuing to decline while others qualified support for additional spending if steps were taken to monitor performance and assess service impacts towards reducing gambling harm. Conversely, submissions from other sectors either supported the proposed funding and mix of services, argued for additional services or funding, (eg. to address gaps in access), or argued that much more funding would be required to effect real change or to compensate for increased operating costs.

The Ministry has worked with Health NZ to consider these submissions in detailing a revised three-year service plan below based on the strategic framework above and aligned with the strategic priority areas. The service plan describes the services and activities required to make further progress towards preventing and minimising gambling harm.

Table 1 below shows the indicative total budget investment proposed, costed at \$91.805 million for the three years from 2025/26 to 2027/28. This is a \$15.682 million (20.6%) increase on the current budget to 30 June 2025.

This level of funding will maintain investment in high quality public health and treatment services, research and evaluation. including:

- Expanding clinical services, both in terms of the type of service and population served (for example additional intensive support options) and by location (filling service gaps in areas that currently do not offer face-to-face services). In response to submissions additional funding has been allocated to address gaps in service coverage.
- Supporting workforce capacity and capability, to encourage new entrants to the gambling harm workforce and help retain existing workers (for both the peer and clinical workforces). In response to submissions, we have included additional funding to reinstate scholarships.
- Delivering a range of population-focused public health activities including health promotion, awareness and prevention activities aimed at addressing the full range of harms experienced by people who gamble, including low risk gamblers and problem gamblers, as well as the general population. In response to submissions, we have included some additional funding to develop the interface between facial recognition technology and the MVE database.
- Building system effectiveness through research and evaluation, including evaluation of all treatment and public health services, updating data collection systems and an impact evaluation of the Strategy. In response to submissions, we have included additional funding to development a monitoring framework for gambling harm, update practitioners' guidelines, and boost conference support.

Proposed budget changes

Of the \$15.682 million new funding sought, around half is directed to new services and interventions required in response to changes in the gambling environment and the other half is to address a range of cost and volume pressures.

Funding directed at new or expanded services includes service promotion, building the gambling harm workforce including support for lived experience, extending treatment services, developing online gambling exclusion system and the strategic review to evaluate the Strategy and develop a sector monitoring framework. Further details are listed in the Service Plan tables in Appendix 5, which show a comparison with current funding levels where relevant.

Service plan for 2025/26 to 2027/28

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

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

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

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

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

Priority	2025/26	2026/27	2027/28	Total	Summary of service plan commitments
Increase access to gambling harm support	11.978	13.224	13.825	39.028	<ul style="list-style-type: none"> Invest in ongoing delivery and improvement of treatment services including filling regional gaps. Services offerings include dedicated hauora Māori intervention services, as well as services based on Pacific and Asian world views and expertise, as well as expansion of the intensive support coordination service.
Grow the gambling harm workforce	1.394	1.594	1.589	4.576	<ul style="list-style-type: none"> Expand the peer workforce to improve access to broad spectrum of effective services. This investment will further embed lived experience into gambling harm service provision and planning. Develop gambling-harm content for a New Zealand Qualification Authority (NZQA) Level 7 qualification. Invest in clinical internships to support students to complete practicum requirements to become fully registered addiction practitioners. Ongoing professional development for the existing workforce.
Strengthen the focus on the prevention of and early intervention in gambling harm	10.128	10.050	10.557	30.735	<ul style="list-style-type: none"> Invest in refreshed national public health promotion and de-stigmatisation initiatives alongside local and regional public health services that empower communities, build awareness and resilience, and address stigma and barriers to help seeking. This work will be informed by lived experience. Subject to the new online gambling regulations, scope and develop a national system to allow individuals to block themselves from accessing regulated online/mobile gambling outlets. Continue to develop the public health approach in schools to address and prevent gambling harm amongst young people/rangatahi. Invest in service promotion and support in primary health care. Enhanced work to support self-exclusion.
Improve the effectiveness of gambling harm support	3.424	4.086	2.999	10.509	<ul style="list-style-type: none"> Ongoing investment in a lived experience advisory group. Develop and roll-out a modern client data management system. This will assist service with day-to-day client information management activities, continuous quality improvement, and reporting. It will also enable and enhance contract monitoring. This will reduce the amount of effort and resource required for data processing, thus allowing more resource to be put towards front line service delivery. Invest in research and evaluation to inform policies and service improvement. Ensure research and evaluation is informed by affected communities, service providers, and those with lived experience. This will include an impact evaluation of the strategy itself, and all services commissioned under it and development of a monitoring framework covering activities funded by the strategy.
Agency costs	2.181	2.475	2.302	6.958	
Total	29.105	31.429	31.272	91.805	

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

Research and evaluation

Research funding is managed by the Ministry, and service evaluation is managed by Health New Zealand.

The Ministry has developed the following research and evaluation framework to guide the planning of gambling harm research programme within and beyond the three-year Strategy period. This framework addresses comments in the Gambling Commission's 2022 report on levy funding that the research programme should extend beyond the three-year levy cycle¹³.

Table 2: Gambling harm research and evaluation framework

Functions	Description
Monitoring of gambling harm	Monitoring and analysis of gambling harm, risks, service use, and the changing environment through a range of studies, such as longitudinal studies, prevalence surveys, and other intelligence gathering for up-to-date data and analysis on gambling harm in New Zealand.
Research to strengthen knowledge base	Research in areas where knowledge gaps exist, such as the impact of online gambling and eSport, alternative intervention and treatment options, and the use of administrative data to inform action and support gambling harm research capability in the sector.
Evaluation to understand what works	Evaluation to understand what works to prevent harm from gambling and to minimise its impacts on individuals, families, and society including reviews of strategies, policies, services, and other related initiatives.
Dissemination to support evidence-based decisions	Dissemination of commissioned gambling harm research findings through a range of platforms and tools, such as a centralised online platform, evidence briefs, and presentations to raise awareness of and support the use of evidence.

In response to recommendations made by the Gambling Commission in their 2019 and 2022 reports on the problem gambling levy and endorsed by several submissions, the research programme will include a review of the Strategy which will be an impact evaluation. The Ministry will also develop a monitoring framework with performance and impact measures of progress in preventing and minimising gambling harm in New Zealand.

There is also funding for innovative research in gambling harm and for scholarships for emerging researchers. Further detail about research and evaluation priorities is set out in **Appendix Five** in the Appendices document.

¹³ [https://www.gamblingcommission.govt.nz/GCwebsite.nsf/Files/Problem-Gambling-Levy-Report-2022/\\$file/Problem-Gambling-Levy-Report-2022.pdf](https://www.gamblingcommission.govt.nz/GCwebsite.nsf/Files/Problem-Gambling-Levy-Report-2022/$file/Problem-Gambling-Levy-Report-2022.pdf)

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

Service area	2025/26	2026/27	2027/28	Total
Research	1.200	1.670	0.900	3.770
Evaluation	0.375	0.626	0.273	1.274
Total	1.575	2.296	1.173	5.044

Note: Budget sums may not total due to rounding

Agency operating costs

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

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

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

Note: Budget sums may not total due to rounding.

Problem gambling levy

Funding to support gambling harm prevention and minimisation.

Setting the Problem Gambling Levy

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

Since the levy was first set in 2004, it has applied to gambling operators in four sectors: non-casino gambling machines (NCGM) also known as Class 4, casinos, TAB NZ and Lotto New Zealand (Lotto NZ).

The Government has indicated it intends to introduce legislation to regulate online offshore casino providers and for them to contribute to the problem gambling levy in due course. The Government has yet to make detailed decisions about the regulatory regime and implementation (expected in 2026), including how the new legislation will interact with the Act, so it is too early to predict what impact this may have on the current levy paying sectors. We note however the Act has mechanisms to adjust levy payments by each sector for changes in forecast expenditure compared with actual expenditure.

Accordingly, the Ministry has prepared these levy estimates and options using the current four levied sectors.

Funding to support gambling harm prevention and minimisation

This document contains a range of weighting options for setting the problem gambling levy. The levy formula is prescribed in the Act. The Act also requires the Ministry to apply appropriate weightings within the formula to help determine each sector's share of the cost that it is required to pay in levy. The tables below outline for each weighting option the proposed levy rates and payment amounts for each sector (Lotto NZ, TAB NZ, casinos and Class 4 gambling).

The proposed levy rates for each gambling sector would be higher under any weighting option for 2025/26 to 2027/28 than they are for the current levy period. This is due to a combination of the proposed increase in funding for services for 2025/26 to 2027/28 and sector payments received to date being less than predicted for the current levy period to 30 June 2025 when they were originally forecast in setting the levy in 2022. The levy formula includes provision R that adjusts for changes between forecast and actual levy payments and also adjusts for changes between forecast and

actual expenditure in a levy period (refer to discussion of R in Appendix 6). Details of these figures are discussed in this proposals document.

Process for setting the levy rates

The Act sets out the process for developing and setting the levy rates needed to recover the cost of the strategy (see sections 318–320 of the Act).

As part of this process, the Ministry consulted on its estimated annual funding requirements and four alternative sets of estimated levy rates for 1 July 2025 to 30 June 2028. The figures in the alternative levy options discussed below should be considered indicative at this stage. Further details of costs and the overall indicative budget are discussed in the relevant sections of the service plan and associated appendices.

The Ministry's consultation period ran from 23 August 2024 until 6 October 2024. About half of the submissions received commented on the levy and weighting options, with most of these coming from the gambling industry. Each industry sector supported an option that would minimise their levy payment. Few service providers commented or indicated a preferred levy weighting, and where a preference was indicated it was spread across the four options. Twelve submissions from the NCGM sector did not prefer any of the proposed weighting options and asked for a 50/50 weighting to be considered. Five submissions supported the current 30/70 option and nine preferred increasing the weighting on presentations (to between 80% and 95%). Non-industry submissions that supported an increase in presentations weighting reasoned this would mean NCGM providers paying a larger share of the levy, in line with the share of gambling harm they considered should be attributed to them.

The Ministry has considered these submissions when it developed this proposals document. It has now submitted this proposals document to the responsible Ministers (the Minister for Mental Health (responsible for gambling harm) and the Minister of Internal Affairs) and the Gambling Commission.

The Gambling Commission may then obtain its own advice around the proposed levy rates and will convene a consultation meeting. It will subsequently make recommendations to the responsible Ministers with its view on the total amount of the levy for the next three years and the levy rates that should apply for each sector required to pay the levy.

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

The levy formula

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

The formula is:

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

where:

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

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

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

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

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

The following section summarises the options for setting the levy.

Weightings

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

The levy is intended to recover the cost of developing and implementing a strategy to prevent and minimise gambling harm. The definition of ‘harm’ in the Act is broad. Presentations represent only a small subset of gambling harm, and one that tends to be at the acute end of the continuum. Those who seek help represent only a small proportion of those who experience harm. There can be no assurance that gambling sectors are associated with harm across the continuum of harm in precisely the same proportions as they are associated with presentations to intervention services.

The Act specifies that, in addition to treatment services, the Strategy must include measures to promote public health by preventing and minimising the harm from problem gambling. It must also encourage gambling research (not just problem gambling research) and evaluation. The proportion of presentations to intervention services attributable to a particular gambling sector is not necessarily an appropriate indicator for determining the share that sector should bear of public health, research and evaluation costs. The levy formula includes these weightings as a way to adjust the share of the total levy paid by each of the levied sectors (see discussion below).

Table 5 shows the proportion of expenditure (**A**) from each levy-paying sector’s proportion of expenditure for the 2023/24 financial year (estimates for all apart from Class 4, to be updated when 2023/24 data become available), and presentations (**B**) attributed to each levy-paying sector for the 12-month period from 1 January to 31 to December 2023.

Table 5: Share of expenditure (2023/24) and presentations (2023) by levy-paying sector

Class 4		Casinos		TAB NZ		Lotto NZ	
Expenditure	Presentations	Expenditure	Presentations	Expenditure	Presentations	Expenditure	Presentations
0.373	0.543	0.226	0.204	0.139	0.102	0.262	0.150

Levy weightings discussion

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

The Strategy is intended to prevent and minimise gambling *harm*; it is not intended to address the amount spent by people who gamble per se. Previously the Ministry has indicated it considered any weighting of more than 30 percent on expenditure would be inappropriate, because it would unfairly penalise operators of relatively benign forms of gambling with high expenditure. A weighting of 30 percent or less on expenditure necessarily implies a weighting of 70 percent or more on presentations.

Each 'presentation' represents a person who is seeking help because they have been harmed, either by their own or by someone else's gambling. Each client presentation is attributed a primary gambling mode which is reflected in the share of presentations in Table 2 above. Therefore, the Ministry has considered that presentations, as one indicator of harm, albeit harm at the acute end of the continuum, should be allocated a substantially heavier weighting than expenditure. This also tends to support a weighting of at least 70 percent on presentations and no more than 30 percent on expenditure. That said, the Ministry also recognises that too high a weighting on presentations alone does not adequately attribute to each sector its fair share of costs for low to moderate harm, or of Strategy activities such as public health not covered by presentations to intervention services. The NCGM submissions proposed reducing the presentations weighting from 70% to 50% for a 50/50 weighting. The Ministry considers this option would negate the effect of using weightings for presentations and expenditure. For the reasons stated above we do not support the 50/50 weighting, but we have included a table showing the impact of this option for transparency.

The Gambling Commission's 2022 report¹⁴ recommended a 30/70 weighting for the reasons summarised above, which was recommended to the Government. The 30/70 weighting has applied since the 2019/20 to 2021/22 period. Previous levy periods applied the 10/90 weighting.

The Ministry considers that any weighting from 30/70 to 5/95 would comply with the rationale for including weighting provisions in the Act. We have previously recommended a 30/70 weighting but have not yet concluded whether we will make a similar recommendation this time to inform Ministers' decision-making.

We are not aware of any factors that might suggest an alternative weighting should be considered this time but would be interested in the Gambling Commission's views on the appropriate levy weighting that should apply for the next levy period.

Weighting options and levy calculations

Tables 6-10 below set out the implications for each of the five alternative levy weightings 5/95, 10/90, 20/80, 30/70 and 50/50 respectively, based on an appropriation of \$91.805 million to the health sector to cover costs to the Ministry and Health New Zealand, for problem gambling activities for 2025/26 to 2027/28.

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

¹⁴ Gambling Levy Main Report 2022 Hon Jan Tinetti and Hon Andrew Little – 10 February 2022
[https://www.gamblingcommission.govt.nz/GCwebsite.nsf/Files/Problem-Gambling-Levy-Report-2022/\\$file/Problem-Gambling-Levy-Report-](https://www.gamblingcommission.govt.nz/GCwebsite.nsf/Files/Problem-Gambling-Levy-Report-2022/$file/Problem-Gambling-Levy-Report-)

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

Collection period starts 1 July 2025 (all GST exclusive)	Class 4	Casinos	TAB NZ	Lotto NZ
Sector levy rates (%)	1.51	0.91	0.72	0.61
Expected levy payment (\$m)	50.297	19.294	9.223	14.883
(\$m) Comparison with current levy payments (negative = less)	15.371	3.334	0.473	3.867

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

Collection period starts 1 July 2025 (all GST exclusive)	4Class 4	Casinos	TAB NZ	Lotto NZ
Sector levy rates (%)	1.49	0.91	0.73	0.63
Expected levy payment (\$m)	49.631	19.294	9.351	15.371
(\$m) Comparison with current levy payments (negative = less)	14.705	3.334	0.601	4.355

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

Collection period starts 1 July 2025 (all GST exclusive)	Class 4	Casinos	TAB NZ	Lotto NZ
Sector levy rates (%)	1.44	0.92	0.76	0.67
Expected levy payment (\$m)	47.966	19.506	9.736	16.347
(\$m) Comparison with current levy payments (negative = less)	13.040	3.546	0.986	5.331

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

Collection period starts 1 July 2025 (all GST exclusive)	Class 4	Casinos	TAB NZ	Lotto NZ
Sector levy rates (%)	1.39	0.93	0.78	0.71
Expected levy payment (\$m)	46.300	19.718	9.992	17.323
(\$m) Comparison with current levy payments (negative = less)	11.374	3.758	1.242	6.307

Table 10: Estimated levy rates and payments (\$m) per sector, 50/50 weighting

Collection period starts 1 July 2025 (all GST exclusive)	s 4Class 4	Casinos	TAB NZ	Lotto NZ
Sector levy rates (%)	1.30	0.95	0.84	0.80
Expected levy payment (\$m)	43.302	20.142	10.761	19.518
(\$m) Comparison with current levy payments (negative = less)	8.376	4.182	8.75	11.016

Comment on weighting options

Tables 6-10 show that, under each scenario:

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

The proposed levy rates for each gambling sector, would be higher under any weighting option for 2025/26 to 2027/28 than they are for the current levy period; based on levy payments received, forecast expenditure for the remainder of the three-year period to 30 June 2025 and the proposed budget appropriations.

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