



# Supplementary Analysis Report: Online Casino Gambling Community Returns

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| <b>Purpose</b>             | To provide a supplementary impact analysis in support of Cabinet's decision on how community returns are collected and allocated from the online casino gambling regulated system. This document has been provided due to insufficient time to produce a full Regulatory Impact Assessment |
| <b>Decision sought</b>     | Analysis produced for the purpose of informing: Cabinet paper - Online Casino Gambling Bill: Community returns                                                                                                                                                                             |
| <b>Agency responsible</b>  | Department of Internal Affairs                                                                                                                                                                                                                                                             |
| <b>Proposing Ministers</b> | Minister of Internal Affairs                                                                                                                                                                                                                                                               |
| <b>Date finalised</b>      | 7 November 2025                                                                                                                                                                                                                                                                            |

## Description of the option Cabinet has chosen

The Online Casino Gambling Bill (the Bill) is silent on funding to the community in accordance with Cabinet's previous decision. During the select committee process, significant public and sector feedback was received, with nearly 4,000 submissions advocating for community returns to be included in the Bill.

In response to this feedback, Cabinet has agreed to rescind its previous decision that there would be no requirement to make returns to the community under the licensed online casino gambling system.

Cabinet has agreed to increase the Offshore Gambling Duty (OGD) which applies to online casinos from 12% to 16% of Gross Gambling Revenue (GGR), with an amount equivalent to 4% of GGR to be ring-fenced for community returns from 1 January 2027. This increase to the OGD would require amendments to the Gaming Duties Act 1971.

Cabinet has agreed in-principle that the Lottery Grants Board (the Board) is the preferred distribution mechanism for the community returns funding generated from the OGD. This would require amendments to the Gambling Act 2003 (the Act).

## Summary: Problem definition and options

### What is the policy problem?

There are concerns, particularly from individuals, sporting and community groups, that online casino gambling operators would not be required to make community returns under the Bill, unlike other forms of regulated gambling in New Zealand. Further, there is a concern that online casino gambling will increasingly replace other forms of gambling, specifically gambling on pokies and therefore, result in reduced community funding availability.

Stakeholders are divided on the issue of community returns from gambling proceeds. Community and sporting groups and Class 4 gambling providers<sup>1</sup> have indicated strong support for requiring the Bill to provide for community returns in the same way that the Act currently does. The Bill is currently silent on funding to the community unlike the Act which has as one of its purposes to “ensure that money from gambling benefits the community”. In their written and oral submissions on the Bill, some online casino gambling operators indicated that they would be supportive of licensed casinos making contributions. In contrast, gambling treatment providers have called for community returns to be decoupled from land-based gambling, as returns can create upwards pressure to grow or maintain the gambling market and can normalise gambling, which can result in gambling harm. Past research has shown that problem gamblers contribute between 30% - 60% of the amount paid out in community grants.

However, New Zealanders are already able to gamble on thousands of unregulated offshore gambling websites. Class 4 revenues have been broadly resilient and there are multiple factors impacting on Class 4 revenue. Online gambling is likely to be one factor, but it is unclear just how significant a factor it is. There is no clear evidence that online gambling substitutes or “cannibalises” the land-based gambling market. Internationally, evidence tends to lean towards online gambling being complementary to other forms of gambling, rather than resulting in a complete substitution of one form to another.

Requiring the licensed online casino gambling system to provide community returns presents opportunities compared to the status quo by providing additional funding to community groups and sporting organisations, which benefits the wider community.

A range of potential options for collection and distribution of community funds from the proceeds of online casino gambling were provided by the Department of Internal Affairs (the Department) for consideration by the Minister of Internal Affairs. The Minister chose to present one proposal to Cabinet, which was agreed to. The Minister considered that this approach would achieve an appropriate balance between acknowledging public concern and maintaining the primary policy objectives of the new regime.

Non-regulatory options were considered by the Minister. These included the proposal to ring-fence a proportion or all of the OGD, but at its current rate so no legislative amendments would be required.

Non-regulatory options for distribution were also considered by the Minister, such as setting up a new trust or fund managed by the Department.

#### **What is the policy objective?**

The objective is to provide a mechanism to collect and distribute community returns from online casino gambling, while maintaining a competitive licensed market and Cabinet’s objectives to prevent and minimise harm, support tax (GST and gambling duty) collection, and protect consumers. This needs to be achieved in a way that meets the intent and purpose of the Bill, and ensures the Bill can be enacted as agreed by the Government. The impact of community returns will be measured by continuing to monitor the returns from gambling under the Act (Class 4, casinos, the New Zealand Lotteries Commission (‘Lotto NZ’) and TAB New Zealand (‘TAB NZ’)), as well as the proposed distributions provided from online

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<sup>1</sup> Gaming machines (“pokies”) in pubs and clubs (i.e. outside a casino)

casino gambling. Specifically, Cabinet has noted that there will be a review after two years to assess the impacts of online casino gambling on other forms of gambling and community returns.

#### **What consultation has been undertaken?**

- The proposals for community returns collection and distribution that were presented to Cabinet have been subject to some agency consultation, but not public consultation. Agency consultation included the Treasury, Ministry of Health and Inland Revenue (IR).
- IR and the Ministry of Health provided technical feedback, but did not indicate a substantive position for or against the proposal. Their technical feedback has been considered and incorporated into this advice.
- The Treasury has advised that there is a high bar to recommend hypothecating as it is generally inconsistent with the objective of directing the Government's revenue towards its highest value use. Given the lack of evidence that online gambling will substitute the land-based gambling market and reduce existing revenue for community groups, the Treasury recommend progressing with the status quo (no returns) and monitoring the impact on community returns from Class 4 gambling.
- There has been limited time to undertake any further consultation with agencies or impacted/affected stakeholders.
- While the Bill did not include a requirement for community returns, many submissions relating to community funding were received and considered during the select committee process.

### **Summary: Chosen option: Increase the Offshore Gambling Duty from 12% to 16%, with 4% ring-fenced for community returns to be distributed by the Lottery Grants Board**

#### **Costs**

The key costs are:

- **Increase in the total costs incurred by licensed online casino gambling operators** by increasing the OGD from 12% to 16%. Offshore gambling operators are currently required to pay GST and the 12% OGD. Once licensed, online casino operators will also be required to pay 1.24% (excluding GST) of player expenditure to the Problem Gambling Levy [CAB-25-MIN-0220 refers]. They will also be required to pay fees, levies, or charges to enable cost recovery of the direct and indirect costs of the Department as the regulator, which will be set in regulations (likely to be up to 5% of GGR).<sup>2</sup> Altogether, this would make the total cost of taxes and levies approximately 31.28% (maximum), before any community returns requirements. Adding an additional 4% would increase this to 35.28%, which would be higher than the European countries which currently tax online casinos.<sup>3</sup> While the duty would be paid by licensed operators, the cost may be passed on to players. If New Zealand's tax rates are too high, online casinos may focus their resources on overseas markets if

<sup>2</sup> As of writing, Cabinet has not taken policy decisions on cost recovery regulations.

<sup>3</sup> Malta (5%), Belgium (11%), Spain (20%), UK (21%), Sweden (22%), Portugal (25%), Italy (25.5%), Denmark (28%), Netherlands (34%). Online casinos cannot legally operate in Australia and many other countries.

those markets become relatively more profitable compared to New Zealand. This could pose a risk to establishing and maintaining a competitive licensed market.

- **Opportunity cost of funding other Government priorities.** The proposal will ring-fence the 4% increase to the duty to fund community grants. While ring-fencing the increase is revenue-neutral for the Government, it means that the increase cannot be used to fund an alternative proposal, which could align more strongly with Government priorities or deliver better value for money. Decision making as to where funding is prioritised and distributed would sit with the Board and its Lottery Distribution Committees as directed by s227 of the Act, and the Board's Statement of Intent and Outcomes Framework.
- **Increase in administration costs for the Board to distribute funds to the community.** We consider this additional cost is likely to be relatively small as the Board should be able to leverage its existing systems and processes. We estimate that the additional funding derived from the OGD would amount to approximately \$10-\$20 million annually. This would be a relatively small addition compared to the \$434 million transferred to the Board from Lotto NZ in 2023/24.
- **Risk of impacts on Lotto NZ.** Lotto NZ returns 100% of its profits through the Board and often mentions this in their advertising. Having other entities who are paying a significantly smaller amount through this channel but can also capitalise on its community benefits may impact on Lotto NZ's commercial advantage.
- **Risk of increased costs of gambling harm in society.** Connecting gambling proceeds to community returns may create upwards pressure and perverse incentives to grow online gambling revenue to further grow the funding available for community returns. This may see an increase of gambling advertisements encouraging people to gamble due to the added social licence from community benefit. This could in turn increase the number of medium to high-risk problem gamblers, requiring an increase in demand of health treatment services and support to people experiencing gambling harm. We note that this risk could be mitigated by limiting the advertising of community returns under regulations set under Clause 77 of the Bill. At a high level, harms caused by gambling includes financial harm; relationship disruption; conflict and breakdown; psychological distress; damage to health; cultural harm; reduced involvement at work or study; and criminal activity.

## Benefits

The key benefits are:

- **Collecting community returns through the OGD provides additional community benefits.** This proposal would provide an additional funding source to community groups (approximately \$10 to \$20 million annually). Many community groups noted in their submissions on the Bill that they were experiencing funding pressures and that demand for community grants outstrips supply. Sustainability of community funding is an issue beyond the scope of this Bill and the wider gambling regime, however providing this funding will alleviate some cost pressures. Collecting this revenue through a duty streamlines compliance for operators because it is not a separate requirement and is a flexible approach that can be adjusted in the future as required.
- **Distributing community funding through the Board provides certainty and accountability:** The Lottery distribution system works and has withstood the test of time. The Board has allocated over \$5 billion since Lotto NZ started in 1987 and has relatively low administration costs. The system has robust oversight of grant decision-making, strong transparency and accountability mechanisms. The Board provides funding to a range of Lottery Distribution Committees and statutory bodies. Lastly, community groups will be familiar with lottery grants applications – utilising an

existing funding mechanism means that community groups don't need to navigate a new application process.

### Balance of benefits and costs

- **Given the uncertainty of the available evidence, we consider there is a risk that the costs of collecting returns via a duty and ring-fencing them for community returns may outweigh the benefits:** While this proposal creates benefits for community groups and these groups highly value grants, the benefits cannot be monetised easily as the value of them is unknown. The proposal incurs direct costs to operators and administrative costs for the Government. The proposal also incurs unquantifiable opportunity costs, risk to Lotto NZ, and a low risk of increased gambling harm. On balance therefore, we consider that there is a risk that these costs may outweigh community benefits. The proposed two-year review of the impacts of online casino gambling on other forms of gambling and community returns will provide an opportunity to reassess the evidence and overall costs and benefits.

### Implementation

- Cabinet has agreed that the increase in the duty to 16% and the ring-fencing of 4% for community returns would commence from 1 January 2027. This should provide adequate time for operators to make any necessary adjustments to their systems and commercial practices to comply with the increase in the OGD.
- Inland Revenue is responsible for the implementation and ongoing administration of the tax from online casino operators. Inland Revenue will provide information to increase awareness and support taxpayers to comply with the increase in the OGD. This will include producing a relevant Tax Information Bulletin item and updating guidance on Inland Revenue's website.
- Decision making as to where funding is prioritised and distributed to sits with the Board and its Lottery Distribution Committees as directed by s277 of the Act, and the Board's Statement of Intent and Outcomes Framework.<sup>4</sup> There are already established structures and processes in place to allow for the collection and distribution of funding. This proposal would be an increase to the amount of funding to be distributed through the current processes.
- The Department administers funds on behalf of the Board. The Department operates the bank account into which all lottery profits are paid and is responsible for the investment of undistributed lottery profits in line with the Board's investment policy. All allocations, grants, administration costs and other miscellaneous expenditure specified in the Act are paid for from this account. This would also be the case for the additional funding generated from the OGD.

### Monitoring evaluation and review

- Cabinet also noted that there will be an additional review after two years to assess the impacts of online casino gambling on other forms of gambling and community returns [CAB-25-MIN-0382 refers].
- The Department has regular contact with key gambling sector stakeholders, including licenced operators, prospective operators and interested community groups as part of its regulation of the sector. These contacts will be used to inform the review.
- Once the system is operating, the Department will have access to data on how much money is being provided for community returns.

<sup>4</sup> <https://www.communitymatters.govt.nz/lottery-grants-board>

- The Department will work with the Ministry of Health as part of its 3 yearly problem gambling strategy work on research and monitoring of gambling behaviour to assess if there is any substitution impact on other forms of gambling.
- Inland Revenue regularly reviews tax settings on an ongoing basis and provides advice to the Government accordingly. Government officials maintain strong communication channels with stakeholders in the tax advisory community and these stakeholders will be able to correspond with officials about the operation of the new rules at any time. If problems emerge, they can be dealt with either operationally, or by way of legislative amendment if agreed by Parliament.

## **Limitations and Constraints on Analysis**

### **Cabinet has made decisions on the scope of the collection amount and distribution mechanism.**

On 28 October 2025, Cabinet agreed to rescind its previous decision from July 2024 that there would be no requirement to make funding returns to the community under the licensed online casino gambling system. Cabinet agreed to increase the OGD which applies to online casinos from 12% to 16%, with an amount equivalent to 4% of GGR to be ring-fenced for community returns.

Cabinet agreed that the Departmental Report on the Bill recommend the inclusion of amendments to amend the OGD in section 12U of the Gaming Duties Act 1971.

Cabinet has agreed in-principle that the Board is the preferred distribution mechanism for the community returns funding generated from the OGD. This would require amendments to the Act.

Cabinet has invited the Minister of Internal Affairs to report back to the Cabinet Legislative Committee on 20 November with further analysis (supported by this SAR) confirming Cabinet's in-principle decision on the Board and to issue drafting instructions to PCO to enable the Board to act as the preferred distribution mechanism. [CAB-25-MIN-0382 refers].

### **The timeframes have meant that policy proposals have been analysed at pace and with limited consultation.**

While the timing of Cabinet's decisions enabled consideration to be given to written and oral submissions to select committee, this has meant a limited ability for officials to further analyse or test any risks or issues of the preferred approach with the Board as the distribution mechanism. We have however engaged with internal Department officials who support and administer the funding work.

The opportunity to amend the Act for the Board to act as a distribution mechanism and to address concerns raised in submissions means the policy proposals need to be resolved before the Bill receives Royal Assent.

These timeframes are constrained to allow Cabinet to make decisions on the collection and distribution of community returns, before the Departmental Report on the Bill was finalised to enable advice on this matter to be provided to the select committee.

The report was submitted to the Governance and Administration Committee (the Committee) on 3 November, and presented by officials on 5 November 2025. The report included the recommendation from Cabinet to amend section 12U of the Gaming Duties Act 1971 to

increase the Offshore Gaming Duty from 12% to 16% of Gross Gambling Revenue, from 1 January 2027.

To enable the Board to be the distribution mechanism for the community returns funding generated from the OGD, an Amendment Paper is proposed to be presented by the Minister for consideration during the Committee of the whole House debate on the Online Casino Gambling Bill.

These timeframes would enable the amendments to be progressed through the Committee of the whole House stage, scheduled for the second week of December.

Because of the time constraints, we were unable to complete a full Regulatory Impact Statement.

**There is still significant uncertainty around the future Gross Gambling Revenue that will be generated by licensed online casino gambling operators in New Zealand.**

\$520.8 million Gross Gambling Revenue (GGR) was reported by offshore online casino gambling operators to Inland Revenue in the 2024/25 fiscal year. While 15 entities generate 99.8% of total gross revenue reported to Inland Revenue, the Department does not have definitive information on how many of these entities may be operating multiple brands.

Inland Revenue is unable to provide information that would identify the entities. It is uncertain how successful any multi-brand operators who win one or more licences in the New Zealand market will be in channelling their customers from unlicensed to licensed platforms.

The introduction of advertising (with restrictions) for a limited number of licensed operators will also impact on operators' future GGR. GGR is likely to increase in future years as the online casino market continues to grow. However, the GGR may vary depending on the total tax and duty requirement.

If New Zealand's tax rates are too high, online casinos may focus their resources on overseas markets if those markets become relatively more profitable compared to New Zealand, which could reduce the GGR in the New Zealand market.

**I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the chosen option.**

**Responsible Manager(s) signature:**



**Kelly Miller**  
**Policy Manager Gambling**  
**7 November 2025**

| Quality Assurance Statement                             |                                   |
|---------------------------------------------------------|-----------------------------------|
| <b>Reviewing Agency:</b> Department of Internal Affairs | <b>QA rating:</b> partially meets |
| <b>Panel Comment:</b>                                   |                                   |

The Department of Internal Affairs Regulatory Impact Analysis panel (the panel) has reviewed the Online Casino Gambling Community Returns Supplementary Analysis Report (SAR) in accordance with the quality assurance criteria set out on the Ministry for Regulation website. The panel considers that the information and analysis contained in the SAR partially meets the quality assurance criteria.

Overall, the SAR is clearly and concisely written, containing the necessary information to inform decisions. It sets out that the analysis has been prepared with external limitations and constraints, including a lack of available empirical data and within tight timeframes.

As noted in the SAR, there is a lack of available empirical evidence to support the analysis, as identified benefits cannot be easily monetised as the value of them is unknown and there are unquantifiable opportunity costs. The commitment by the Department of Internal Affairs to consult with key stakeholders to determine the effectiveness and any issues arising under the proposed option, as well as the Cabinet decision to review after two years the impacts of online casino gambling on other forms of gambling and community returns, will be important to assess impact of the regulatory proposal.

Given time constraints, there has been limited consultation with other agencies and no public consultation. The 'consulted criteria' is therefore partially met. The inclusion of the Overview of public submissions on the Online Casino Gambling Bill in the SAR's appendix is useful context in support of community returns.

## Section 1: Diagnosing the policy problem

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**What is the context behind the policy problem and how is the status quo expected to develop?**

**The Government previously agreed to a licensing system approach to regulate online casino gambling, with no requirement to make community returns**

1. In March 2024, Cabinet agreed in-principle to regulate online casino gambling to support tax collection, minimise harm and provide consumer protections to New Zealanders. Cabinet also agreed to the introduction of a 12 per cent Offshore Gambling Duty (OGD) on gross betting revenue for offshore operators from 1 July 2024 to provide additional tax revenues [CAB-24-MIN-0072 refers]. These decisions were supported by a Regulatory Impact Statement from Inland Revenue.<sup>5</sup> The duty is collected quarterly and excludes amounts from betting on sports and racing.
2. In July 2024, Cabinet agreed to the high-level design of the licensed online casino regulatory system. This included agreeing there would be no requirement to make funding returns to the community [CAB-24-MIN-0277 refers]. Key reasons for this decision were that:
  - it creates a level of dependency on funding which can be difficult to sustain;
  - it creates perverse incentives to increase gambling activity to increase revenue streams for community organisations;
  - it makes it harder to make policy changes to reduce gambling and gambling harm, because this may result in less funding for community groups; and
  - high tax rates make licences unattractive to commercial operators.
3. Cabinet agreed to further details of the design in November 2024 [CAB-24-MIN-0435 refers], and approved the introduction of the Online Casino Gambling Bill (the Bill) in June 2025 [CAB-25-MIN-0220 refers].
4. These Cabinet decisions were supported by two previous Regulatory Impact Statements. The first was considered by Cabinet in July 2024, and the second was considered by Cabinet in November 2024. For further information on the wider policy considerations for the online casino gambling regulatory system and its context, please refer to these previous RISs.<sup>6</sup>
5. Cabinet's previous decision meant that the Bill is currently silent on funding to the community. This is different from the Gambling Act 2003 (the Act) which has as one of its purposes to "ensure that money from gambling benefits the community".
6. The Bill is currently with select committee with their report due on 4 December 2025.<sup>7</sup> Under the status quo, the auction process for the online gambling regulated system is anticipated to commence in 2026 with licences issued in 2027.

**Community returns have been a prominent issue during select committee consideration of the Bill**

7. There have been nearly 4,000 submissions on the Bill from individuals, sporting and community groups relating to the need for community returns to be included, as well as media coverage.

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<sup>5</sup> [Regulatory Impact Statement - Online Casino Taxes](#) Inland Revenue, 21 February 2024.

<sup>6</sup> [Proactive release of Cabinet material on online casino gambling phase 2 decisions](#)

<sup>7</sup> Online Casino Gambling Bill <https://bills.parliament.nz/v/6/15af0468-fab5-4bfd-ab1d-08ddb77ff1e9>

8. At a high-level, submitter concerns are that online casino gambling operators would not be required to make community returns under the Bill, which is seen as inconsistent with the current approach and purposes under the Act. Further, there is a concern that online casino gambling will increasingly replace other forms of gambling, specifically gambling on pokies and result in reduced community funding availability. A summary of submissions is attached as **Appendix A**.

**In response to submissions, Cabinet has agreed to rescind its previous decision**

9. In response to this feedback, Cabinet has agreed to rescind its previous decision that there would be no requirement to make funding returns to the community under the licensed online casino gambling system [CAB-25-MIN-0382 refers].
10. Cabinet agreed to increase the OGD which applies to online casinos from 12% to 16%, with an amount equivalent to 4% of GGR to be ring-fenced for community returns.
11. Cabinet agreed that the departmental report on the Bill recommend the inclusion of amendments to amend the OGD in section 12U of the Gaming Duties Act 1971.
12. Cabinet has agreed in-principle that the Lottery Grants Board (the Board) is the preferred distribution mechanism for the community returns funding generated from the OGD. This would require amendments to subpart 3 of the Act.

**Evidence on the impact on community returns from other types of gambling is mixed**

13. New Zealanders are already able to gamble on thousands of unregulated offshore gambling websites, with notable growth in the online market during the COVID-19 lockdown. Class 4 revenues have been broadly resilient through economic downturns, local policies to limit Class 4 venue numbers, and the pandemic. There are multiple factors impacting on Class 4 revenue. Online gambling is likely to be one factor, but it is unclear just how significant a factor it is.
14. Actual expenditure (player losses) on Class 4 gambling has increased in recent years. However, inflation adjusted or per-capita expenditure has remained static or decreased.<sup>8</sup> There is no clear evidence that online gambling substitutes or “cannibalises” the land-based gambling market. Internationally, evidence tends to lean towards online gambling being complementary to other forms of gambling, rather than resulting in a complete substitution of one form to another.
15. NZIER’s 2025 report commissioned by Sport NZ, and referenced by sports organisations, suggests that impacts on revenues could range from a 2% increase on the underlying growth trend in revenues<sup>9</sup> to a 15.8% decrease in addition to the underlying growth trend in revenues after five years. However, the 15.8% decrease statistic is based on a single, non-peer reviewed study funded by a group of land-based casinos in the United States who are against the legalisation of online gambling<sup>10</sup>.

**There is limited evidence available on the size of the online casino gambling market and what future revenue will be**

16. The OGD has applied to online gambling provided by offshore operators to New Zealand residents since July 2024. The OGD is calculated based on an operator’s gross gambling

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<sup>8</sup> <https://catalogue.data.govt.nz/dataset/gambling-expenditure-statistics>

<sup>9</sup> Ferri, Mickey A, and Laura O’Laughlin. 2024. The Potential Economic Impact of Legalizing iGaming on Casino Revenues in Five States (New York, Illinois, Louisiana, Maryland, and Virginia). Analysis Group.

<sup>10</sup> The Innovation Group. 2025. *Economic Impacts of iGaming Expansion: US, Nationwide*. Prepared for National Association Against iGaming.

revenue (the total amount of money bet/gambled minus the total amount of prizes) and currently is set at 12% of gross gambling revenue (GGR).

17. For the 12 months to 30 June 2025:
  - the gross gambling revenue which was liable for OGD was \$520.8m;
  - total OGD paid was \$62.5m;
  - 26 entities are registered for OGD (as well as GST);
  - the top 15 entities generated 99.8% of the total gross gambling revenue; and
  - the top five entities generated 89.6% of the total gross gambling revenue.
18. This is a useful guide, however there are an unknown number of operators who are not paying the OGD.
19. Industry sources have indicated that the market is larger than Inland Revenue data indicates. A domestic industry source has estimated the marketed generated \$700m - \$800m in annual consumer losses (turn-over less prizes).<sup>11</sup>
20. There is also uncertainty around what the future gross gambling revenue (GGR) generated by licensed operators will be. Factors that will influence future revenue, especially during the market establishment phase, include:
  - whether the top 15 entities currently paying the duty will be successful in obtaining an online casino gambling license;
  - how many of the top 15 entities are currently operating multiple brands;<sup>12</sup> and
  - how regulatory settings (e.g. restrictions on advertising) will influence revenue and market growth. Cabinet decisions on these settings have not yet been made.
21. With those factors in mind, we have assumed that licensed operators' GGR is likely to fall within the range of \$330 million to \$440 million in the year ending June 2027 during the market's establishment phase. Our colleagues from Inland Revenue think that a \$520 million estimate is more likely, which is closer to the current GGR in an unregulated market. Therefore, we have considered a wide range to account for this.
22. We also consider that GGR is likely to increase in future years as the online casino market continues to grow and New Zealand licenced operators establish market share. The Department estimates growth of approximately 3% year-over-year.

### **What is the policy problem or opportunity?**

23. There are concerns from individuals, sporting and community groups, that online casino gambling operators would not be required to make community returns under the Bill, unlike other forms of regulated gambling. Further, there is a concern that online casino gambling will increasingly replace other forms of gambling, specifically gambling on pokies and therefore, result in reduced community funding availability. This new regulated market is seen by many stakeholders as presenting an opportunity to provide additional funding to the community.
24. Requiring the licensed online casino gambling system to provide community returns presents opportunities compared to the status quo by providing additional funding to community groups and sporting organisations, which benefits the wider community.
25. The key stakeholders for this policy issue are:
  - Players who gamble on online casinos;

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<sup>11</sup> [Regulatory Impact Statement: Online gambling regulatory design – RIS 2](#), Department of Internal Affairs, 30 October 2024.

<sup>12</sup> Per the Bill, each licence allows an operator to run one brand. It is uncertain how successful any multi-brand operators who win one or more licences would be at channelling their consumers to a single brand.

- Community groups and sports organisations that currently apply for and receive community returns from gambling proceeds currently, and may receive funding from online casino gambling in the future;
  - Gambling Treatment Providers who provide support and advocacy for players experiencing harm resulting from online casino gambling;
  - Prospective gambling providers who provide online casino services;
  - Gambling operators currently operating onshore in New Zealand, who currently provide community returns under the Act (New Zealand Lotteries Commission ('Lotto NZ'), TAB New Zealand ('TAB NZ'), Class 1-3 gambling, Class 4 gambling ('pokies') and terrestrial casinos); and
  - The Board.
26. The Bill is currently silent on funding to the community unlike the Act which has as one of its purposes to "ensure that money from gambling benefits the community."
27. Stakeholders are divided on this issue. Community groups and sports organisations and Class 4 gambling providers have indicated strong support for requiring online operators to make community returns through the select committee process. Some online gambling operators indicated that they would be supportive of licensed casinos making contributions.
28. In contrast, gambling treatment providers and some members of the public have called for community returns to be decoupled from gambling, as returns can create upwards pressure to grow or maintain the gambling market and can normalise gambling and increase gambling harm.
29. While stakeholders are divided, there was strong public support to advocate for the regulated system to provide community returns and the Government has agreed to this change in policy direction.

### **Online casino gambling is a high-risk form of gambling that disproportionately attracts people at moderate to high risk of experiencing gambling harm**

30. If community returns are made from online casino gambling proceeds, it is likely that people at moderate to high risk of experiencing harm will disproportionately contribute to the amount paid out in community grants, as they spend a disproportionate amount of money on gambling.
31. Once licensed, online casino operators will also be required to pay 1.24% (excluding GST) of player expenditure to the Problem Gambling Levy [CAB-25-MIN-0220 refers], which is used to recover the cost of developing, managing, and delivering the integrated problem gambling strategy (s319 of the Act).

### **Our analysis is informed by several assumptions**

32. We have made the following assumptions in our analysis. While they are based on the available evidence, there is uncertainty around the online gambling market, particularly its size and the level of unreported harm it may be causing. Our main assumptions are:
- **The number of New Zealanders participating in online gambling (both regulated and unregulated) will continue to increase over time, as will the size of the market.** Global and domestic trends support this assumption;
  - **An increase in participation in online gambling will have a corresponding increase in harm.** Both increasing participation and higher spends on online gambling are likely to lead to a greater proportion of harm as gambling online is an inherently risky activity, for some;

- **A black market will remain in New Zealand.** Many operators will leave the New Zealand market rather than operate illegally due to the risk of losing their license in other jurisdictions. Enforcement tools will assist in driving unlicensed operators out of the market. However, it is likely a black market will remain. As many of these unlicensed operators will already have a well-established New Zealand customer base, it is possible that customers may choose to continue to gamble with them;
- **Advertising will support channelling without unduly increasing gambling harm.** Allowing some advertising by operators will support channelling to regulated markets, keeping players in safer online settings. The higher standards of a regulated market (including rules on advertising and harm reduction on online gambling platforms) will reduce the overall burden of harm.
- **Any community returns made from online casino gambling will be in addition to community returns from other forms of gambling.** As noted above, there is limited evidence that suggests regulating online casino gambling substitutes pokie revenue. Online casinos are also for-profit entities, and Class 4 operators are not-for-profit entities. We have operated on the assumption that the options outlined in this SAR will be an additional source of funding, rather than seeking to replace the level of Class 4 returns.

### What objectives are sought in relation to the policy problem?

33. The objectives are to provide for a mechanism to collect and distribute community returns from online casino gambling, while maintaining a competitive licensed market and maintaining Cabinet's objectives to prevent and minimise harm, support tax (GST and gambling duty) collection, protect consumers. This needs to be achieved in a way that does not change the fundamental design of the Bill, and ensures the Bill can be enacted as agreed by the Government.
34. The success or failure will be measured by continuing to monitor the returns from gambling under the Act (Class 4, casinos, Lotto NZ and TAB NZ), as well as the proposed distributions provided from online casino gambling. Specifically, Cabinet has noted that there will be a review after two years to assess the impacts of online casino gambling on other forms of gambling and community returns.
35. Once the system is operating, we will have access to data on a quarterly basis in terms of how much money is being directed towards community funding. Further, the Department will work with the Ministry of Health to ensure that current and future research and monitoring is completed into gambling behaviour to assess if there is any substitution impact on other forms of gambling.
36. There are risks if the proposed community returns requirements in combination with the costs of other taxes and levies on online casino gambling operators is set at a level that is deemed not financially viable for operators. This may lead to New Zealand customers conducting more gambling activity through unlicensed operators which would reduce tax collection, reduce community returns, result in lower consumer protections and increase gambling harm (as non-compliant operators are less likely to apply the same level of harm minimisation measures). If this happens, this could reduce the GGR in the New Zealand market. If the GGR is lower than anticipated, this would reduce the predicted tax take. It would also impact on the cost recovery for the regulator, as costs will be recovered based on a percentage of GGR.
37. There is also a trade-off between supporting tax collection (including collection for community returns) and preventing harm. As noted earlier, coupling gambling to

community returns can make it harder to make policy changes to reduce gambling and gambling harm, because this may result in less funding for community groups. This is also in conflict with the Minister's intent to not growing gambling activity overall.

38. Finally, there is a trade-off between hypothecating the duty increase for the purpose of funding communities, against using that funding to support other Government priorities. While funding is highly valued by community groups, very little is known about the efficacy of community funding. There is a lack of information and evaluations of community grants are not commonly undertaken. This means that it is difficult to undertake cost-benefit analysis that could compare community funding to other Government priorities or Budget initiatives.

### **What consultation had been undertaken?**

39. The proposal assessed in this report responds to the issues and proposals raised through the select committee process. The Department presented the departmental report to the select committee on 5 November. There has not, therefore, been any opportunity for further public engagement on the specific proposal.
40. The Bill received 3,966 submissions out of 5,007 on community returns. These mostly came from sporting and community organisations, and individuals associated with these organisations. Many expressed concern that the regulation of online casino gambling and the ability for licenced casino operators to advertise will lead to people shifting gambling activity online and funding from Class 4 would be eroded.
41. The proposals for community returns collection and distribution presented to Cabinet have been subject to some agency consultation. These include The Treasury, Ministry of Health and Inland Revenue.
42. IR and the Ministry of Health provided technical feedback, but did not indicate a substantive position for or against the proposal. Their technical feedback has been considered and incorporated into this advice.
43. Given the lack of clear evidence that online gambling will substitute the land-based gambling market and reduce existing revenue for community groups, the Treasury recommends the option of progressing with the status quo and monitoring the impact on community returns from Class 4 gambling.
44. The Treasury considers there is a high bar to recommend hypothecating as it can result in under or over funding of an expenditure item, relative to what might be judged optimal through the budget's prioritisation process. It is generally inconsistent with the objective of directing the Government's revenue towards its highest value use. Ring-fencing an amount equivalent to 4% of GGR therefore creates an opportunity cost as this funding could otherwise be managed against the Budget 2026 operating allowance.

## **Section 2: Assessing the option chosen to address the policy problem**

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### **What scope was the chosen option considered within?**

#### ***Cabinet has made decisions on the online casino gambling regulatory system***

45. Cabinet has considered aspects of the online casino gambling regulatory system on four occasions (March 2024, July 2024, November 2024 and June 2025). We have assumed that the primary policy objectives of the Bill would be preserved. The purpose of the Bill is to establish a licensing regime for online casino gambling to facilitate a safer and

compliant regulated online casino gambling market that minimises harm and provides consumer protections.

46. As noted above, the auction process for the online gambling regulated system is anticipated to commence in 2026 with licences issued in 2027. This creates significant time and resource constraints if an option that requires community returns is pursued. Therefore, any options that would require an extensive re-design of the Bill were not preferred.

***Scope of collection and distribution options have been informed by official advice***

47. After considering options provided by Department officials for both the collection and distribution of funding and consulting with Ministerial colleagues, the Minister of Internal Affairs invited the Department to develop a Cabinet paper outlining that the preferred approach to collect the community funding would be through the existing OGD rather than establishing separate 'community returns levy'. The Minister also confirmed the amount to be collected. These decisions were made to inform the departmental report and to reflect public submissions on the Bill through the select committee process.
48. The Minister of Internal Affairs has recommended that the Board be the preferred distribution mechanism for the community funding generated by the OGD.

**What options were considered by Cabinet?**

49. On 28 October 2025, Cabinet agreed to the Minister's preferred option for community returns [CAB-25-MIN-0382]. That was:
- to rescind Cabinet's decision on community returns;
  - to increase the OGD from 12% to 16% of GGR, with an amount equivalent to 4% of GGR ring-fenced for community funding. This option would require amendments to the Gaming Duties Act 1971 where the OGD rates are set; and
  - in-principle for the Board to be the preferred distribution mechanism. This would require amendments to the Act as providing non-lottery funding to the Board would significantly change their legislative function, purpose and remit.
50. This is a change from Cabinet's previous decision where there would be that there is no community return requirement. Offshore online casino operators are currently required to pay GST<sup>13</sup> and the 12% OGD from 1 July 2024.<sup>14</sup>

**Is the chosen option likely to address the problem, meet the policy objectives, and deliver a positive net benefit?**

***Collection: Increasing the OGD from 12% to 16%, with 4% ring-fenced for community returns***

51. The chosen option is likely to address the problem by achieving an appropriate balance between providing a level of returns to communities and maintaining the primary policy objectives of the new regime.
52. Increasing the current OGD from 12% to 16% of Gross Gambling Revenue (GGR), with an amount equivalent to 4% of GGR to be ring-fenced for community returns offers an efficient approach to provide community returns without needing to create a new levy or collection mechanism.

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<sup>13</sup> 3/23rds of Gross Gambling Revenue.

<sup>14</sup> <https://www.ird.govt.nz/duties/offshore-gambling-duty>

53. The 4% funding returns to the community will be fully offset by the increase in the OGD, making it fiscally neutral with no impact on the operating balance and net core Crown debt.
54. While the 4% provides a level of returns that is comparable to other for-profit gambling operators (for example, New Zealand land-based casinos), it does not seek to replicate the not-for-profit Class 4 model. The Department advised that it does not expect increasing the OGD from 12% to 16% will significantly impact the future size of the licensed online casino market.

***Distribution: The Board***

55. The Board has strong transparency and accountability mechanisms, including annual reporting to the House of Representatives via the Minister of Internal Affairs on its operations and the operations of each Lottery Distribution Committee. The Board provides funding to a range of Lottery Distribution Committees that distribute to applicants and statutory bodies as directed by s277 of the Act, and the Board's Statement of Intent and Outcomes Framework. The Board would also incur less administrative cost than setting up a new entity. Further information on the Board and Lottery Distribution Committees is attached as **Appendix B**.
56. However, we note a potential risk of impacts on Lotto NZ. Lotto NZ return 100% of its profits through the Board and often mentions this in their advertising. Having other entities who are paying a significantly smaller amount through this channel but can also capitalise on its community benefits may impact on Lotto NZ's commercial advantage.

***Overall approach***

57. Overall, there is still a risk that the chosen option may not deliver a positive net benefit. While this proposal creates benefits for community groups and these groups highly value grants, the benefits cannot be monetised easily as the value of them is unknown. The proposal incurs direct costs to operators and administrative costs for the Government. The proposal also incurs unquantifiable opportunity costs, risk to Lotto NZ, and a low risk of increased gambling harm. On balance given the uncertainty of the available evidence, we consider there is a risk that the costs may outweigh community benefits. The proposed two-year review of the impacts of online casino gambling on other forms of gambling and community returns will provide an opportunity to reassess the evidence and overall costs and benefits.

## What are the marginal costs and benefits of the chosen option?

| Affected groups                                                           | Comment                                                                                                                                                                                                                                                                                         | Impact                                                                                                                                                                                                                                                                                                                                                 | Evidence Certainty |
|---------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| <b>Additional costs of the chosen option compared to taking no action</b> |                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                        |                    |
| Regulated online casino gambling providers                                | <p>Increase the OGD which applies to online casinos by an additional 4% of GGR.</p> <p>As of 30 June 2025, 26 entities are registered for OGD (as well as GST); After licensing, this would apply to 15 gambling platforms. These costs may be passed on to players.</p>                        | <p>Increasing the OGD from 12% to 16% of GGR. \$ impact would vary depending on GGR of each platform, but the total additional duty collected from all is estimated to be in the range of \$10 million to \$20 million per annum.</p> <p>The distribution mechanism (the Board) would have no impact on licensed online casino gambling operators.</p> | High               |
| Regulators                                                                | <p>The Department is currently budgeted to provide support for grant funding bodies, including the Board.<sup>15</sup></p>                                                                                                                                                                      | <p>Low - Given the relative increase in potential funding to be distributed, this is unlikely to have a substantial impact on administration overall.</p>                                                                                                                                                                                              | High               |
| Players                                                                   | <p>Players may experience increased costs passed on by operators. This may incentivise some players to move to the unregulated market, where they would not be subject to the same level of harm minimisation requirements.</p> <p>Risk that returns can create upwards pressure to grow or</p> | <p>Low - This cost is difficult to quantify, as the demand elasticity (how sensitive players will be to an increase in regulated gambling prices) of players is unknown.</p>                                                                                                                                                                           | Medium             |

<sup>15</sup> <https://budget.govt.nz/budget/pdfs/estimates/v4/est25-v4-intaff.pdf>

|                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                            |        |
|------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
|                                                                              | maintain the gambling market and can normalise gambling, Moderate-risk and problem gamblers would likely contribute a greater share. <sup>16</sup>                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                            |        |
| The Government                                                               | <p>The Government experiences opportunity cost because the increase has been increased to fund community returns. This means the duty increase cannot be used to fund alternative priorities. Increasing taxes beyond 16% could impact the future size of the market and lead to a reduction in tax revenue.</p> <p>IR would incur administrative costs to channel the duty increase through to the Board.</p> | Medium - This cost is difficult to quantify as it is unknown how the tax collected would be used if it was managed through the Budget 2026 operating allowance. We expect administrative costs incurred by IR to be minor. | High   |
| <b>Total monetised costs</b>                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                | \$10 – 20 million per annum                                                                                                                                                                                                |        |
| <b>Non-monetised costs</b>                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                | Low - medium                                                                                                                                                                                                               |        |
| <b>Additional benefits of the chosen option compared to taking no action</b> |                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                            |        |
| Regulated Online Casino Gambling Operators                                   | Improved social license arising from contribution to community returns                                                                                                                                                                                                                                                                                                                                         | Medium                                                                                                                                                                                                                     | Medium |
| Regulators                                                                   | Consistency between the purposes of the online casino gambling system and the Act.                                                                                                                                                                                                                                                                                                                             | Low                                                                                                                                                                                                                        | High   |
| Community                                                                    | If an amount equivalent to 4% of GGR is ring-fenced for                                                                                                                                                                                                                                                                                                                                                        | Estimated additional community returns of                                                                                                                                                                                  | Medium |

<sup>16</sup> Past research has shown that problem gamblers contribute between 30% - 60% of the amount paid out in community grants.

|                                 |                                                                                       |                                         |               |
|---------------------------------|---------------------------------------------------------------------------------------|-----------------------------------------|---------------|
|                                 | community purposes, the community benefits by receiving a greater \$ value of grants. | \$10 million to \$20 million per annum. |               |
| <b>Total monetised benefits</b> |                                                                                       | \$10 million to \$20 million per annum. |               |
| <b>Non-monetised benefits</b>   |                                                                                       | <i>Low</i>                              | <i>Medium</i> |

58. On balance, given the uncertainty of the available evidence, officials consider there is a risk that the marginal costs of this proposal may outweigh the marginal benefits.
59. Requiring the online casino gambling regulatory system to provide community returns would provide an additional funding source which community groups could access. This cost would be fully offset by the increase in the OGD.
60. Increasing the OGD from 12% to 16% of GGR will have a reasonable impact on online casino gambling operators. As noted previously, increasing taxes any more than this could risk impacting on the future size of the licensed online casino market, which could lead to a reduction in tax revenue.
61. While there will be a level of administrative costs involved with distributing funding through any mechanism, we anticipate that these would be reasonably limited under this proposal. The Board already distributes a significantly greater amount of funding that what is proposed to be added. That said, the costs involved would be greater than the counterfactual if no community returns were required.
62. Opportunity costs are difficult to quantify as the alternative measures the increase in the duty could be put to is unknown. While community returns are highly valued by the groups that access them, it is difficult to assess the value of those benefits as there is very little monitoring and evaluation undertaken of the efficacy of these grants. Furthermore, the ability to measure community outcomes is difficult, as many outcomes are intangible and/or subjective in nature. Often a multitude of interconnected factors directly and indirectly influence community activities and the outcomes achieved.
63. It is also difficult to assess whether funding decisions align with Government priorities. However, decisions about the distribution of funds would be made independently of the Government by Lottery Distribution Committees, which means that the Government has little influence over how funds are distributed.
64. In contrast, Budget initiatives and/or other Government priorities undergo rigorous analysis to determine whether they align with Government priorities and deliver value-for-money. As a result, if the 4% increase was *not* ring-fenced for community returns, it may have been able to deliver stronger benefits. This creates an unknown opportunity cost for the Government. If the duty was increased and the increase was not hypothecated for community returns, this cost would be lessened, as the Government would have more flexibility to determine where the funding should best be allocated.
65. As noted above, coupling online gambling proceeds with community returns may increase the risk of people experiencing gambling harm. We have assessed that this impact is low, as the Bill enables regulations to be set to prevent and minimise harm and provides for advertising restrictions to prevent targeting through community benefits.
66. The proposed two-year review of the impacts of online casino gambling on other forms of gambling and community returns will provide an opportunity to reassess the evidence and overall costs and benefits.

## Section 3: Delivering the chosen option

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### How will the proposal be implemented?

67. IR is responsible for the implementation and ongoing administration of the online casino OGD and GST from online casino operators.
68. IR will provide information to increase awareness and support taxpayers to comply with the increase in the OGD. This will include producing a relevant Tax Information Bulletin item and updating guidance on IR's website.
69. Operators will need some time to adjust their systems and commercial practices to comply with the increase in the OGD. Cabinet has agreed that the increase in the OGD would start from 1 January 2027, which should provide adequate time to increase the OGD paid.
70. Clause 28 of the Bill provides for the suspension and cancellation of licences. It provides that the Secretary may suspend or cancel a licence if the Secretary has reasonable grounds to believe that the operator no longer meets the criteria to hold a licence, has failed to comply with a duty or requirement under the Bill, or has provided materially false or misleading information to the Secretary.
71. The Department administers funds on behalf of the Board. The Department operates the bank account into which all lottery profits are paid and is responsible for the investment of undistributed lottery profits in line with the Board's investment policy. All allocations, grants, administration costs and other miscellaneous expenditure specified in the Act are paid for from this account.
72. Decision making as to where funding is prioritised and distributed to sits with the Board and Lottery Distribution Committees<sup>17</sup> as directed by s277 of the Act, and the Board's Statement of Intent and Outcomes Framework.<sup>18</sup> There are already robust measures in place to allow for the collection and distribution of funding. This proposal would simply be increasing the amount of funding to be distributed. These processes would also apply to any additional funding provided from the ring-fenced proceeds of online casino gambling.

### How will the proposal be monitored, evaluated, and reviewed?

73. The Department has regular contact with key gambling sector stakeholders, including licenced operators, prospective operators and interested community groups as part of its regulation of the sector. These contacts will be used to seek and receive input on the effectiveness and any issues arising under the proposed option. This will inform the 2-year review into the impact of online gambling on other forms of gambling and community returns.
74. Inland Revenue regularly reviews tax settings on an ongoing basis and provides advice and updates to the Government accordingly. Government officials maintain strong communication channels with stakeholders in the tax advisory community and these stakeholders will be able to correspond with officials about the operation of the new rules at any time. If problems emerge, they will be dealt with either operationally, or by way of legislative amendment if agreed by Parliament.

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<sup>17</sup> Current Lottery Distribution Committees include Lottery Community, Lottery Environment and Heritage, Lottery Community Facilities, Oranga Marae, Lottery Health Research, Lottery Outdoor Safety, Lottery Individuals with Disabilities, and Lottery Minister's Discretionary Fund.

<sup>18</sup> <https://www.communitymatters.govt.nz/lottery-grants-board>

75. Cabinet has previously noted that a review of the online casino gambling regulatory system will be conducted within three years of operation to ensure it is supporting tax collection, minimising harm, and providing consumer protections [ECO-24-MIN-0130 refers].
76. Cabinet has noted that an additional 2-year review will include an assessment of the impacts of online casino gambling on other forms of gambling and community returns [CAB-25-MIN-0382 refers].
77. Once the system is operating, the Department will have access to data on a quarterly basis in terms of how much money is being directed towards community funding.
78. Further, the Department will work with the Ministry of Health to ensure that current and future research and monitoring is completed into gambling behaviour to assess if there is any substitution impact on other forms of gambling.

Proactively released by the Minister of Internal Affairs

## Appendix A - Overview of public submissions on the Online Casino Gambling Bill

1. The Governance and Administration Committee ('the Committee') received 5007 submissions from 4837 unique submitters. Of these, 2528 were from organisations and 2309 from individuals. An additional 170 supplementary submissions were provided as attachments. The Committee heard oral submissions in Wellington on 8 and 10 September 2025, and Auckland on 24 September 2025.
2. **Table 1** below summarises the types of submissions received.

**Table 1: Overview of submission types on the Online Casino Gambling Bill**

| Submission type                                                                                                                                                                                                | Number of submissions |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Written submissions<br>These include: <ul style="list-style-type: none"> <li>• 170 supplementary submissions</li> <li>• 2528 organisations</li> <li>• 2309 individuals</li> </ul>                              | 5007 (net total 4837) |
| Oral submissions <ul style="list-style-type: none"> <li>• 8 September 2025: 67 oral submissions</li> <li>• 10 September 2025: 52 oral submissions</li> <li>• 24 September 2025: 29 oral submissions</li> </ul> | 148                   |

3. A breakdown of submissions by submitter category is provided below in **Table 2**.

**Table 2: Categories of submitters**

| Submitter category                                 | Number of submitters |
|----------------------------------------------------|----------------------|
| Individual                                         | 2309 submitters      |
| Sports organisation                                | 1741 submitters      |
| Non-sports community organisation                  | 603 submitters       |
| Other (industry bodies, schools, local boards)     | 142 submitters       |
| Class 4 operator and representatives <sup>19</sup> | 18 submitters        |
| Gambling harm organisation                         | 10 submitters        |
| Online casino operator                             | 8 submitters         |

<sup>19</sup> Class 4 operators and representatives - Gaming machines in pubs and clubs (i.e. outside a casino) represents Class 4 gambling). Class 4 gambling may only be conducted by a corporate society to raise money for an authorised purpose.

|                                                  |              |
|--------------------------------------------------|--------------|
| NZ gambling operator (casinos, TAB NZ, Lotto NZ) | 6 submitters |
|--------------------------------------------------|--------------|

4. **Table 3** summarises submitters' positions on the Bill.

**Table 3: Overview of all submitters' positions on the Bill**

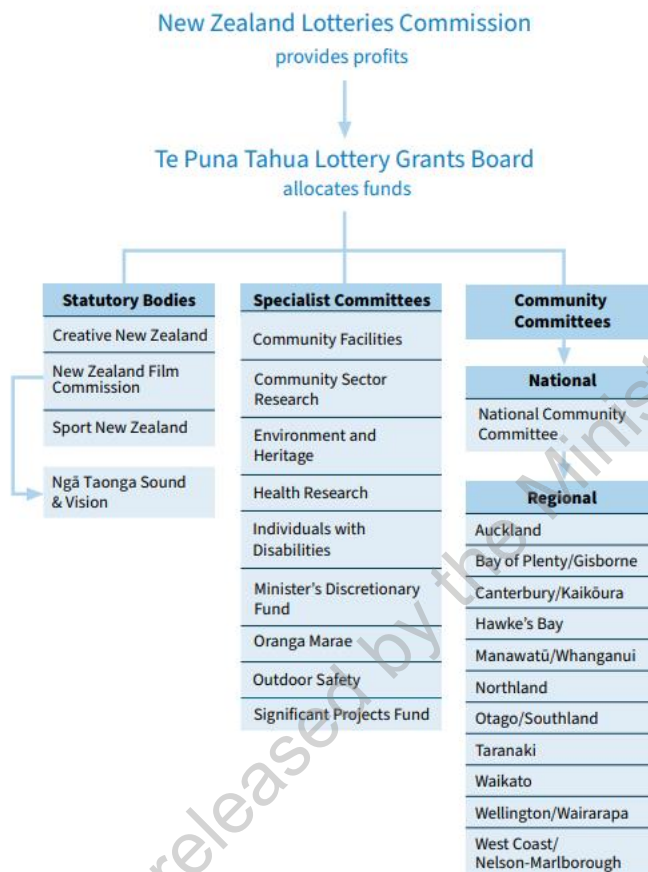
| Submitter position on the Bill                                                                            | Number of submissions |
|-----------------------------------------------------------------------------------------------------------|-----------------------|
| Supports the Bill                                                                                         | 53                    |
| Opposes the Bill                                                                                          | 617                   |
| Partially supports the Bill                                                                               | 51                    |
| Unclear/position not specified                                                                            | 573                   |
| Submissions that indicated support for community returns (no recorded position on the Bill) <sup>20</sup> | 3543                  |

<sup>20</sup> As this issue was out of scope we have recorded it differently to get a better indication of the support for the in-scope proposals of the Bill

## Appendix B: Te Puna Tahua Lottery Grants Board distribution of funds 2023/24

Te Puna Tahua Lottery Grants Board Annual Report for the year ended 30 June 2024

### Te Puna Tahua Lottery Grants Board distribution of funds 2023/24



A full list of grants made is available on the Community Matters website at [www.communitymatters.govt.nz](http://www.communitymatters.govt.nz)

\* Community Sector Research and Significant Projects Fund were in recess in 2023/24.