



A GUIDE TO AUSTRALASIA'S GAMBLING INDUSTRIES

Facts, Figures and Statistics

CHAPTER SIX

Gambling Taxation in New Zealand

2017/18

A Guide to Australasia's Gambling Industries

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Chapter 6

Gambling Taxation in New Zealand

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Version Control

Version	Date	Explanation
2015-16 (1.0)	December 2016	2015-16 Edition.
2015-16 (2.0)	July 2017	2015-16 Edition updated with current data from New Zealand Inland Revenue Department and Statistics New Zealand.
2016-17	July 2019	2016-17 Edition updated with current data from New Zealand Inland Revenue Department and New Zealand Department of Internal Affairs.
2017-18	August 2020	2017-18 Edition updated with current data from New Zealand Inland Revenue Department and New Zealand Department of Internal Affairs.

NEW ZEALAND GAMBLING TAXATION

Revenue from gambling in New Zealand is derived from taxation placed on casino, gaming machine, lottery and racing operators.

Table 6-1 Overview of gambling duty revenue in New Zealand (2017/18)

Gaming duty (\$m NZ)	Gaming duty per adult (\$NZ) ¹
317.1	80.44

Source: Extrapolated from New Zealand Inland Revenue Department (2010) Revenue Collected 2008 to 2017 and New Zealand Department of Internal Affairs (2018) Gambling Operators' Key Financial Statistics.

Table 6-2 Gaming duty as a proportion of total tax revenue in New Zealand

2016-17	2017-18
0.43%	0.32%

Source: Extrapolated from New Zealand Inland Revenue Department (2018) Revenue Collected 2008 to 2017.

Gaming duty as a proportion of total tax revenue in New Zealand is under 1%. This contrasts with Australian jurisdictions which gain between 2.5% and 11.8% of their state/territory own revenue from gambling.

The large differential in figures is partly a reflection of New Zealand having a unitary system of government and gambling duty being viewed as a percentage of total government revenue. When gambling taxes in Australia are viewed as a percentage of total government tax revenue (i.e. Commonwealth, state/territory and local) the difference becomes much reduced.

EFFECTIVE TAXATION

Table 6-3 Gambling tax revenue as a percentage of gambling expenditure in New Zealand (2017-18)

Expenditure (\$NZm)	Gaming duty (\$NZm)	%
2,402	317.1	13.1

Source: Extrapolated from New Zealand Inland Revenue Department (2019) Revenue Collected 2008 to 2018.

The amount of gambling revenue collected in the various Gaming Duties by the New Zealand government as a proportion of expenditure provides a guide to the level of taxation on gambling. Of all gambling expenditure reported in 2017-18, 13.1% was collected as Gaming Duty by the New Zealand government.

¹ New Zealand Department of Internal Affairs (2018) Gambling Operators' Key Financial Statistics.

GAMBLING TAXATION RATES ^{2 3}

Casino

Casinos in New Zealand are subject to three separate duties:

- Casino Duty payable by casino operators at the rate of 4 per cent of the casino wins.
- Problem Gambling Levy 0.56% of player expenditure (GST exclusive).
- Gaming Machine Duty 20 per cent of gaming machine profits.

Gaming machines - Clubs

- Gaming Machine Duty 20 per cent of gaming machine profits.
- Problem Gambling Levy 0.78% of player expenditure (GST exclusive).

Gaming machines - Hotels

- Gaming Machine Duty 20 per cent of gaming machine profits.
- Problem Gambling Levy 0.78% of player expenditure (GST exclusive).

Lotteries

- Lottery Duty 5.5 percent of the nominal value of all tickets represented in the drawing of any lottery, whether the tickets have been disposed of by sale or otherwise.
- Problem Gambling Levy 0.43% of player expenditure (GST exclusive).

Wagering

- Totalisator Duty payable at the rate of 4% of betting profits.
- Problem Gambling Levy 0.52% of player expenditure⁴ (GST exclusive).

² New Zealand Government (2019) *Gaming Duties Act 1971*.

³ New Zealand Government (2019) *Gambling (Problem Gambling Levy) Regulations 2019*. Please note: New Problem Gambling Levy to come in effect on 1 July 2019.

⁴ Payable by the New Zealand Racing Board.