



A GUIDE TO AUSTRALASIA'S GAMBLING INDUSTRIES

Facts, Figures and Statistics

CHAPTER SIX

Gambling Taxation in New Zealand

2018/19

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
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.
2018-19	June 2021	2018-19 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

	2018-19	2019-20
Gaming duty (\$m NZ)	313.579	276.214
Gaming duty per adult (\$NZ) ¹	82.4	70.1

Source: Extrapolated from New Zealand Inland Revenue Annual Reports 2019 & 2020 and New Zealand Department of Internal Affairs (2020) Gambling Expenditure Statistics: Operators' Key Financial Statistics 2011-2020 (total population).

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

	2018-19	2019-20
	0.40%	0.36%

Source: Extrapolated from New Zealand Inland Revenue Annual Reports 2019 & 2020.

Gaming duty as a proportion of total tax revenue in New Zealand is under 1%. This contrasts with Australian jurisdictions which gain between 2.3% and 10.7% of their state/territory own revenue from gambling.

EFFECTIVE TAXATION

Table 6-3 Gambling tax revenue as a percentage of gambling expenditure in New Zealand (2018-19)

Expenditure (\$NZm)	Gaming duty (\$NZm)	%
2,402	313.579	13.1

Source: Extrapolated from Extrapolated from New Zealand Inland Revenue Annual Report 2019 and New Zealand Department of Internal Affairs (2020) Gambling Expenditure Statistics: Operators' Key Financial Statistics 2011-2020.

Table 6-4 Gambling tax revenue as a percentage of gambling expenditure in New Zealand (2019-20)

Expenditure (\$NZm)	Gaming duty (\$NZm)	%
2,252	276.214	12.3

Source: Extrapolated from Extrapolated from New Zealand Inland Revenue Annual Report 2020 and New Zealand Department of Internal Affairs (2020) Gambling Expenditure Statistics: Operators' Key Financial Statistics 2011-2020.

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 2018-19, 13.1% was collected as Gaming Duty by the New Zealand government. In 2019-20 that figure was 12.3%.

¹ Per capita calculations are based upon the Statistics New Zealand medium estimate for the population 18 years and over, as at 30 June of each year: 2019 – 3,806,790; 2020 – 3,938,100.

GAMBLING TAXATION RATES²

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 1 July 2016 – 30 June 2019 0.87% of casino wins.
1 July 2019 onwards 0.56% of casino wins.
- Gaming Machine Duty 20 per cent of gaming machine profits.

Electronic Gaming Machines (EGMs) – Hotels and Clubs

- Gaming Machine Duty 20 per cent of gaming machine profits.
- Problem Gambling Levy 1 July 2016 – 30 June 2019 1.30% of EGM profits.
1 July 2019 onwards 0.78% of EGM profits.

Lotteries (New Zealand Lotteries Commission)

- 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 1 July 2016 – 30 June 2019 0.40% of turnover less prizes payable.
1 July 2019 onwards 0.43% of turnover less prizes payable.

Wagering (Racing Industry Transition Agency)

Totalisator Duty 1.33% on betting profits for all racing and sports betting is payable by the Racing Industry Transition Agency. From 1 July 2021 the totalisator duty will be 0% but the problem gambling levy is still payable.

Problem Gambling Levy 0.52% of betting profits.

² New Zealand Inland Revenue, <https://www.ird.govt.nz/duties/totalisator> (accessed August 2021)