



A GUIDE TO AUSTRALASIA'S GAMBLING INDUSTRIES

Facts, Figures and Statistics

CHAPTER EIGHT

The Contribution of New Zealand's Gambling
Industries 2019/20

A Guide to Australasia's Gambling Industries

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Chapter 8

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Version	Date	Explanation
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2015-16 (2.0)	July 2018	2015-16 Edition updated with further industry data as available.
2017-18	August 2020	2017-18 Edition updated with further industry data as available.
2018-19	August 2021	2018-19 Edition with further industry data as available.
2019-20	February 2023	2019-20 Edition with further industry data as available

CONTRIBUTION TO THE NEW ZEALAND ECONOMY

The size of the New Zealand economy is usually described in terms of gross domestic product (GDP). GDP can be defined as the total value of all final goods and services produced in an economy in a given year.

GDP figures relating to the gambling sector in New Zealand are categorised under the *Arts and Recreation Services* sector, including the New Zealand Lotteries Commission, SKYCITY Entertainment and the New Zealand Racing Board, amongst others.

The GDP of the *Arts and Recreation Services* industry remained fairly consistent since 2014.¹ The GDP of this sector in New Zealand amounted to around NZ\$ 7.5 billion for the year ending June 2020.²

COMMUNITY CONTRIBUTIONS

Casinos

New Zealand casinos play an active role in promoting the cities and regions where they operate as international visitor destinations. In addition to money channelled to the community through rates, taxes, spending on salaries and wages, goods and services, casinos also contribute funds directly via donations, fundraising, sponsorships and Community Trust grants to benefit a wide range of community groups and activities.

*SKYCITY Community Trusts*³

Community Trusts were established by SKYCITY in Auckland, Hamilton and Queenstown (including Queenstown Wharf) to help local and regional organisations carry out community assistance and development work, focussing on projects related to health, education, community welfare, arts and culture.

To date, SKYCITY Community Trusts have granted over NZ \$66.2 million to more than 5,000 organisations that have undertaken community and charitable purposes.⁴

SkyCity contributed a total of \$3.7 million to the SkyCity Community Trusts for distribution to community groups and organisations of which \$1.9 million was distributed by the Trusts in the financial year ended 30 June 2020.⁵ This includes \$1 million in an extraordinary grant round by the SkyCity Auckland Community Trust to four organisations focused on reducing the impact of the COVID-19 pandemic in their communities.⁶

¹ <https://www.statista.com/statistics/1026553/new-zealand-arts-and-recreation-industry-gross-domestic-product/#statisticContainer> (accessed March 2023).

² Stats New Zealand (2020) *Gross domestic product by industry – year ended June values (Table 26)gross-domestic-product-june-2020-quarter.xlsx* (live.com).

³ *SkyCity Community Trusts: SkyCity Auckland Community Trust; SkyCity Hamilton Community Trust; SkyCity Queenstown Casino Community Trust; and SkyCity Wharf Casino Community Trust.*

⁴ <https://www.skycityentertainmentgroup.com/our-commitment/community-trusts> (accessed March 2023).

⁵ SkyCity Entertainment Group (2020) *SkyCity Annual Report year ended 30 June 2020.*

⁶ *Ibid.*

SKYCITY Auckland

SKYCITY is a major sponsor of sports teams and events in Auckland, including the Sky Sport Breakers basketball team and Vodafone Warriors rugby team.

In addition, SKYCITY works in partnership with a number of charitable organisations to help raise funds to support their work, including Leukaemia and Blood Cancer New Zealand and Variety – the Children's Charity.

SkyCity Auckland's Community Trust has distributed over \$53.54 million to more than 2,585 charitable Organisations since its inception in 1996.⁷

SKYCITY Hamilton

The SkyCity Hamilton Trust's vision is "Thriving whaanau and communities".⁸

Since its inception in 2003, the SKYCITY Hamilton Community Trust has granted over NZ\$ 10.49 million to more than 1,797 charitable organisations that have undertaken community assistance and development work in the greater Waikato region.⁹

SkyCity Hamilton provides to local sports and charitable events such as the Chiefs Manawa rugby team, Wanderers Football team, the Hamilton Charitable Christmas Tree Trust and the Chinese Moon Festival.

SKYCITY Queenstown

The SKYCITY Queenstown Casino Community Trust has granted NZ\$2.22 million to more than 680 community organisations to date.¹⁰

SKYCITY Queenstown is also a major sponsor of local events and sporting teams to help the community, including the SkyCity Stampede, Winter Pride Queenstown and Queenstown Colour Burst.

Dunedin Casino Charitable Trust

The Dunedin Casino Charitable Trust distributed \$66,513 to 39 recipients in the December 2020 funding round. Recipients included the Cancer Society of Otago, Southland Victim Support and the Otago Community Hospice.¹¹

Christchurch Casino Charitable Trust

The Christchurch Casino Charitable Trust has granted over \$5.5 million since its inception in 1994 to help fund organisations who provide treatment for people with addictive and compulsive behavioural problems.

For 2020, \$317,000 was paid to the Christchurch Casino Charitable Trust to assist various support and counselling services.¹²

7 Skycity Entertainment Group (2023) Skycity Auckland Community Trust: Our funding policy.

8 <https://skycityhamilton.co.nz/about-us/community-trust/grants/> (accessed March 2023).

9 Skycity Entertainment Group (2023) Skycity Hamilton Community Trust: Our funding policy.

10 Skycity Entertainment Group (2023) Skycity Queenstown Community Trust: Our funding policy.

11 <https://grandcasino.co.nz/grand-gestures/community-news/over-65000-granted-in-latest-round-of-dunedin-casino-charitable-trust-funding/>.

12 Syline Enterprises (2020) Annual Report 2020.

EGMs in Hotels and Clubs

New Zealand is one of only a few countries in the world where electronic gaming machines (EGMs) in hotels and clubs operate under a community gaming model.

Established under the *2003 Gambling Act*, the community gaming model returns funds to the community for charitable, non-commercial purposes.

Non-club gaming societies contribute, by law, a minimum of 40% of gaming machine proceeds to the community by way of grants.

In 2020, non-casino gaming machine trusts raised an estimated \$215.7 million for authorised community purposes from 16,338 grants.¹³

The New Zealand Department of Internal Affairs has set up a new website to provide data on how gaming grant funding is distributed in the community – [Granted.govt.nz](https://granted.govt.nz)

The website allows the user to break down and filter the data as required, including by region, district or the local level, and details the value of grants distributed per year, by whom and, which organisations are receiving them.¹⁴

Lotteries

Lotto New Zealand

The New Zealand Lotteries Commission (known as Lotto New Zealand) was established in 1987 and operates as a Crown Entity under the *Gambling Act 2003*.

Profits from Lotto New Zealand are transferred to the Lottery Grants Board which funds a wide range of social, community arts, heritage, sports, recreation, health and research activities across New Zealand.

Among the more than 3000 organisations and projects to benefit from funding each year, the Lottery Grants Board is also a major contributor of funding to Creative New Zealand, Sport New Zealand and the New Zealand Film Commission.

Approximately NZ \$313 million was transferred to the New Zealand Lottery Grants Board for distribution to the community in the 2019-20 financial year.¹⁵

¹³ Te Tari Taiwhenua (2023) <https://granted.govt.nz/> (accessed March 2023).

¹⁴ [Granted.govt.nz](https://granted.govt.nz/) (accessed March 2023).

¹⁵ Lotto New Zealand (2020) Annual Report 2019/20. <https://assets.mylotto.co.nz/assets/uploads/4763d7e0-1f13-11eb-928a-937a1d7ded1d.pdf>.

New Zealand Lottery Grants Board¹⁶

The New Zealand Lottery Grants Board is a unit of the Department of Internal Affairs in New Zealand that is governed by the *Gambling Act 2003*.

The New Zealand Lottery Grants Board allocates a guaranteed minimum percentage of 42% of its annual income from the Lotteries Commission to the following statutory bodies:

- New Zealand Film Commission 6.5%
- Sport New Zealand 20%
- Creative New Zealand 15%
- Nga Taonga Sound & Vision 0.5%

The Lottery Grants Board also distributes funding through a series of specialist and community distribution committees that consider applications for grants in the following areas:

- Community facilities
- Community sector research
- Environment and Heritage
- Fund for Community Benefit Related to the 2021 America's Cup
- Health research
- Individuals with disabilities
- Orange Marae
- Outdoor safety
- Significant projects fund
- Minister's discretionary fund

Table 1 – Lottery Grants Board funding allocation for 2019-20

Funding Category	2019-20 NZ\$
Community Committees	
Regional	\$40,349,025
National	\$14,514,574
Specialist Committees	
Community facilities	\$16,915,089
Community Sector Research	\$500,000
Environment and Heritage	\$11,903,095
Health research	-
Individuals with disabilities	\$6,745,037
Oranga Marae	\$11,958,501
Minister's discretionary fund	\$409,865
Outdoor safety	\$8,293,616
Significant Projects Fund	\$16,000,000
Community Benefit Related to the 2021 America's Cup	-
Statutory Bodies	
Creative New Zealand	\$47,007,000
New Zealand Film Commission	\$20,369,700
Sport New Zealand	\$62,676,000
Nga Taonga Sound & Vision	\$1,566,900
Sport NZ for Water Safety Sector	\$2,477,314
Total	\$265,832,120

Source: New Zealand Lottery Grants Board (2020) New Zealand Lotteries Grants Board: Annual Report for the Year Ended 30/6/2020

¹⁶ New Zealand Lottery Grants Board (2020) New Zealand Lotteries Grants Board: Annual Report for the Year Ended 30/6/2020.

Racing

New Zealand Racing Board - TAB NZ

The New Zealand Racing Board was established in 2003 under the *Racing Act* to administer all racing and sports wagering in New Zealand. After operating costs and expenses are accounted for, profit is distributed to support the racing industry and its three racing codes: New Zealand Thoroughbred Racing, Harness Racing New Zealand and Greyhound Racing New Zealand. A levy is also paid to national sporting bodies for sports on which bets are taken.

Under the *Racing Reform Act 2019*, the New Zealand Racing Board was reconstituted as the Racing Industry Transition Agency (RITA), as of 1 July 2019, to manage day to day operations of the industry until the end of the transition period created by the *Act*.¹⁷

In 2019-20 NZ\$152.3 million was distributed to industry and the community. NZ\$14.7 million was distributed to the sporting community.

For the 2019-20 financial year, \$15.2 million was distributed to racing and sports from RITA’s own gaming machines.

TAB NZ was established as the successor to RITA with the passage of the *Racing Industry Act 2020* on 1 August 2020.¹⁸

EMPLOYMENT

Casinos - SKYCITY

SKYCITY employed 3,817 (FY 2020) - full-time, part-time and casual - across their sites in New Zealand and Australia.¹⁹ SKYCITY is New Zealand’s largest entertainment provider, the single largest employer of hospitality staff. SKYCITY Auckland is the biggest single-site employer, with over 2,400 staff working at its facilities (FY 2020).

Lotteries

Lotto New Zealand employs approximately 138 staff (as of June 2019) and 178 (as of June 2020) based largely in Auckland, as well as a small number distributed regionally to service the retail network. There were 1,564 lottery outlets across the country in 2019-20. More than 5,000 people were employed, making it the single largest retail network in New Zealand.²⁰

¹⁷ New Zealand Department of Internal Affairs, <https://www.dia.govt.nz/resource-material-our-policy-advice-areas-racing-policy> (accessed August 2021).

¹⁸ Racing Industry Transition Agency (2020) *Annual Report 2020*.

¹⁹ SKYCITY Entertainment Group (2019) *Annual Report Year Ended 30 June 2019*; SKYCITY Entertainment Group (2020) *Annual Report Year Ended June 2020*.

²⁰ Lotto New Zealand (2019) *Annual Report 2018/19*; Lotto New Zealand (2020) *Annual Report 2019/20*.

Racing

Racing in New Zealand makes an important contribution to the New Zealand economy. It employs 14,000 people with 50,000 people participating in the industry annually – including employees, trainers, breeders, owners and volunteers with varying levels of engagement.²¹

GOVERNMENT REVENUE

In addition to corporate taxes, GST and licence fees, gambling operators in New Zealand contribute revenue to the government by way of the following industry specific duties and levies:

- Gaming Machine Duty
- Lottery Duty
- Totalisator Duty
- Casino Duty
- Problem Gambling Levy

Gambling Operator Levy

Gambling operators in New Zealand pay a levy from their profits to meet the costs of an integrated problem gambling strategy. The Gambling (Problem Gambling Levy) Regulations 2019 came into force on 1 July 2019.

The levy rates as of 1 July 2019 to 30 June 2022 are (GST exclusive): gaming machine operators (0.78% of EGM profits); casinos (0.56% of casino wins); NZ Lotteries Commission (0.43% of turnover less prizes paid and payable); and New Zealand Racing Industry Transition Agency (0.52% of betting profits).

The rates for the Problem Gambling Levy are reviewed every three years.

For further details, please refer to AGC's A Guide to Australasia's Gambling Industry 2019/20: Chapter 6 – Gambling Taxation in New Zealand.

²¹ NZ DIA (2020) Briefing to the Incoming Minister for Racing.