REVIEW OF MINISTRY OF HEALTH STRATEGY TO PREVENT AND MINIMISE GAMBLING HARM, SERVICE PLAN AND FORMULA FOR LEVY CALCULATION 2025/26 TO 2027/28

SYNERGIA

Report for the Gambling Commission

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ABBREVIATIONS

EGM	Electronic Gaming Machines
HLS	New Zealand Health and Lifestyles Survey
NCGMS	Non-Casino Gaming Machines
NZLC	New Zealand Lottery Commission
NZRB	New Zealand Racing Board
TAB	Totaliser Agency Board

1. Executive Summary and Recommendations

1.1 Strategic context

During 2024, the Ministry of Health consulted on its proposal for a Strategy to Prevent and Minimise Gambling Harm (2025/26 to 2027/28). The Strategy reflects the shift of gambling services into the Mental Health and Addiction unit within the Ministry of Health, with the Minister's priorities for the sector being the basis for the goals and actions within the Strategy. This Strategy also sees Health New Zealand | Te Whatu Ora taking over responsibility for the implementation.

This report, from Synergia, provides advice to the Gambling Commission on the Ministry's Proposal, based on a consideration of the overall Strategy, and the Service Plan for the period 2025/26 to 2027/28, the Needs assessment commissioned by the Ministry, and a brief review of relevant literature. We also talked to staff at the Ministry to clarify some key points.

The Strategy sets the overall direction of activity to prevent and minimise gambling harm, and to reduce related health inequities, based on a public health approach. The Service Plan details the services that will be funded and the apportionment of funding to services via the Problem Gambling Levy.

1.2 Trends in gambling and related harm

Participation in gambling in New Zealand remains high. In 2020 (latest available data), over two-thirds (69%) of New Zealand adults aged 15 and over reported engaging in some form of gambling.

While Lotto participation has remained constant, EGMs, Casinos and TAB have declined considerably. This has been offset, however, by the rise in the online gambling, which includes a significant rise in the use of offshore sites.

While the prevalence of low-risk, moderate-risk and non-problem gambling has decreased, the most recent gambling harm data captured in the Health and Lifestyle Survey shows no statistically significant changes in harmful gambling between 2018 and 2020. However, the long-standing inequities in harmful gambling between ethnicities still persist. These inequities have undergone very little change with Māori over 3.13 times more likely to be moderate-risk or problem gamblers than non-Māori and non-Pacific, and Pacific peoples are 2.56 times more likely to be moderate-risk or problem gamblers than non-Māori and non-Pacific peoples.

1.3 Trends in gambling expenditure

The Department of Internal Affairs (DIA) monitors expenditure in all four gambling sectors. 'Expenditure' is classified as the gross amount wagered minus the amount paid out or credited as prizes or dividends. Expenditure is therefore the amount lost by players. It is also the gross profit of the gaming operators.

Gambling expenditure is now increasing, across all forms of gambling rising from $2,254 million in 2021/22 to $2,761 million in 2022/23. Of concern, is that in the period 2021/22 to 2022/23, the biggest rises have been in NCGMs and Casinos, which have grown by 28 percent and 56 percent, respectively. In addition, the spend

per capita on these two gambling activities has also increased. NCGMs have increased from $171 to $202, and casinos have increased from $79 to $114.

We originally noted the rise of online and offshore gambling in our 2012 report, stating that, 'should offshore gambling grow significantly in the future, there may be a need to review if, and how, these other sectors can be brought within the ambit of the levy." This growth is now well underway, and the rising presence of online and offshore gambling will have a significant part to play in gambling expenditure over the next few years. Online gambling, particularly that provided by offshore gambling sites, is experiencing major growth, with expenditure rising from $139.3 million in 2014 to $332.6 million in 2022. Research indicates that this could grow to $600 million by 2025.

1.4 Trends in gambling presentations

The total number of presentations attributable to the four main gambling sectors has continued to decline. From 6,525 in 2013/14 to 3,615 presentations in 2023/24. While the total number has declined considerably, the percentage attributable to each sector has only changed a little. The biggest changes have been in NCGMs, which have dropped from 59 percent to 54 percent and in Lotto NZ which has increased from 9 percent to 14 percent. The share of presentation attributed to Casinos and TAB NZ have remained constant over this period.

When presentations attributable to other gambling activities are included, it is clear that the most significant change has been the rise in online gambling, especially gambling sites run by offshore operators.

1.5 Key directions in Strategy, Service Plan and investment

The Strategy for the period 2025/26 to 2027/28 reflects the integration of gambling into the broader Mental Health and Addiction sector and the role of Health New Zealand | Te What Ora in implementing it. Previously, the Ministry was responsible for both developing and implementing the Strategy.

While the language has changed, the overall intent and direction of the Strategy remains unchanged. The Strategy emphasizes a public health approach, and a continued focus on supporting population groups who experience inequitable outcomes and gambling harm, in particular Māori, Pacific, Asian and young people.

We welcome the continued focus on the most vulnerable groups, with two of the 12 action areas specifically focused on the most vulnerable groups, Māori, Pacific peoples. We also welcome an increased focus on people with lived experience, ensuring their involvement in the development of services.

While we continue to support the focus on a public health approach, recent research and the growth of offshore gambling operators means it needs to be reviewed to ensure that it is still 'fit for purpose'. Research is showing that the application of a public health approach to gambling has some unique challenges, and the growth of offshore gambling creates new dynamics that need to be considered more closely.

For many years we have called for a review of the Strategy, and we are still in a position that, despite the increasing costs of the Strategy and Service Plan, we are no closer to knowing whether they are

achieving the outcomes of preventing and reducing gambling harm. We welcome therefore, the commitment in the Strategy to undertake an impact evaluation of the Strategy itself. However, this support is tempered by the ongoing reduction in funding for research and evaluation, as we are not confident that the review of the Strategy will have the funds available to be undertaken in enough depth. We would recommend therefore, that some independent oversight is put in place to ensure that the process of designing, contracting for, and delivering the evaluation happens in a timely manner. This is important given that it is expected that the Strategy will be folded into the forthcoming 'Mental Health and Wellbeing Strategy' within the next 12 months.

1.6 Review of funding requirements and the levy formula

1.6.1 Overall funding requirements

The budget for this levy period is $91.805 million, which is an increase of $15.682 (20.6%) million over the current levy period. This budget includes the estimated $5,260 million underspend created by delays in implementing activities because of the shift of responsibility of implementation to Te What Ora. This is on top of the $15 million increase that occurred in the previous levy period for the Strategy 2022/23 to 2024/25.

This increase has been driven by increased services and workforce costs, and Ministry operating costs. Ministry operating costs, now referred to as 'Agency costs', to incorporate the role of Health New Zealand | Te Whatu Ora, have more than doubled from $3.471 million in the 2022/23 to 2024/25 levy period, to $6.958 million.

In the 12 years we have been writing these reports, we have been supportive of the Ministry's direction, including the requirements to increase the cost of the Service Plan. That support is now harder to provide. There is little evidence that the Strategy is achieving its goals, presentations to harm reduction services continue to decline, and operating costs have increased considerably, largely due to internal reorganisation, rather than any increased workload.

In our last report we stated that while the overall levy was justified, our key issue was that funding should to be based on need and the actions needed to address that need. It is clear that the current approach, while containing much that is of value, needs not just a refocus but a rethink. A rethink that is done in close collaboration with providers and the gambling industry.

That need for the rethink is even more imperative given major changes occurring in the nature of gambling, the uncertainty that the strategy is still 'fit for purpose' and the rapidly rising costs of delivering it.

In the Ministry's letter to the Commission they state, "…there is evidence that gambling harm is becoming more concentrated in some of our communities." Our 2012 report stated that "Māori, Pacific, Asian, and high deprivation populations are at highest risk of gambling problems, and Māori and Pacific people are also at higher risk of broader familial or community harm from gambling."

It is clear that the Ministry has been aware, for at least 12 years, of the disproportional impact of gambling harm in vulnerable communities. But, there is no evidence that the strategy has had any impact on reducing that harm. We find it hard to support a continuing increase in the levy when we do not know if the money

raised through the levy is having the effect of preventing and, or minimising gambling harm.

1.6.2 Levy and weightings

Our comments on the macro trends of decreasing presentations and increasing expenditure support a weighting of between 30:70 and 40:60. Expenditure continues to increase, and we need to ensure that this is acknowledged in the weighting. As the Ministry points out, "Nearly 50% of all gambling harm is experienced by people who participate in low-risk gambling." Given that the highest participation in gambling activities are by those least able to afford them, gambling expenditure is a significant factor increasing stress and harm, even if it not labelled 'gambling harm'.

Until we know what is driving the continuing increase in gambling expenditure, and until we know more about the harm that is being created by this expenditure, we cannot support any move to decrease the weighting given to expenditure.

2. INTRODUCTION AND METHOD

2.1 Background

This is the first strategy from the Ministry of Health that reflects the shift of gambling services into the broader Mental Health and Addiction Services portfolio.

In 2024, the Ministry consulted on and presented its Strategy to Prevent and Minimise Gambling Harm (2025/26 to 2027/28) (The Strategy).[1] The Strategic Plan sets out the overarching approach to preventing and minimising gambling harm, high-level objectives, and priorities for action; whilst the Service Plan sets out the service priorities and budgets, to prevent and minimise gambling harm in the three-year period.

In previous levy periods, the responsibility for developing, refreshing at three-yearly intervals, and implementing the strategy lay with the Ministry of Health. With the restructuring of the Health sector, those responsibilities are now split between the Ministry and Health New Zealand | Te Whatu Ora. The Ministry is responsible for developing the problem gambling strategy, monitoring progress against the strategy, providing policy advice on preventing and minimising gambling harm, and conducting research about gambling to learn more and identify approaches that will work best to address gambling harm. Health New Zealand | Te Whatu Ora is responsible for implementation, through commissioning and co-ordination of services. Heath New Zealand | Te Whatu Ora is also the deliverer of some of the services mandated by the Strategy. The Department of Internal Affairs remains as the main gambling regulator and provider of policy advice on gambling regulatory issues.

As part of its responsibility for ensuring that the Strategy is reviewed every three years, the Ministry commissioned Malatest International and Sapere(Malatest & Sapere, 2024) to undertake a needs assessment.[2]

Within the Service Plan is an assessment of the investment required to fulfil the service plan, funded through a problem gambling levy on four key sectors within the gambling industry:

- Non Casino Gambling Machines (NCGM)
- Casinos
- New Zealand Racing Board (NZRB)
- New Zealand Lotteries Commission (NZLC)

The plan includes the total quantum required through the gambling levy, and recommendations for how the levy should be apportioned through its weighting formula.

The Gambling Commission is tasked with consulting on the Strategy and rates, and making recommendations on the total annual amount of the problem gambling levy, and the levy rate for each gambling sector. In doing so, the review offers an opportunity to

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

[2] Malatest International & Sapere, 2024. *Gambling Harm Needs Assessment*.

explore the underlying assumptions of the Service Plan and the broad approach proposed.

2.2 Focus of this report

This report, by Synergia, provides an independent analysis of the 2025/26 to 2027/28 Strategy and Service Plan, to inform the Gambling Commission's review and recommendations to ministers. The report explores:

- The overall directions of the Strategy and Service Plan.
- Trends in gambling and gambling-related harm.
- The focus of services and their performance to date.
- A review of the overall Gambling Levy, the allocation of the levy to service areas, and the weightings applied.
- Conclusions and recommendations to the Gambling Commission.

2.3 Scope and context

Under section 318 of the Gambling Act 2003 (the "Act"), the Ministry is responsible for developing and implementing[3] a problem gambling strategy, including undertaking a needs assessment, developing costings and funding requirements, and estimating, using the formula in section 320 of the Act, the levy rates for each gambling sector liable to pay the levy.

The Gambling Commission reviews the Service Plan and the levy rates set out in the plan. This report supports the Gambling Commission's review.

2.4 Method

The following approach was undertaken for the review:

- Analysis of gambling statistics from a variety of sources (including presentation data, expenditure data, NZ Health Survey, National Gambling Study and NZ Health and Lifestyles Survey).
- Review of the trends in expenditure across the Service Plan, dating back to 2010/11.
- Review of Ministry of Health documentation related to the Strategy and the 2025/26 to 2027/28 Service Plan.
- Review of submissions made to the Ministry of Health's Strategy and 2025/26 to 2027/28 Service Plan.
- Meetings with Ministry of Health staff to discuss the Strategy and Service Plan.
- Meeting with the Gambling Commission on emerging findings and potential directions.

The review occurred over the period October 2024 to December 2024.

[3] As noted above the responsibility of implementing the Strategy now lies with Health New Zealand | Te Whatu Ora

3. Overview of key directions in Ministry Strategy

3.1 Strategic Plan 2025/26 to 2027/28

This Strategy reflects the Government's direction for mental health and addiction in New Zealand, prioritising:

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

In relation to gambling harm, these Government priorities for the broader mental health and addiction sector have been translated to:

- increase access to gambling harm support
- grow the gambling harm workforce
- strengthen the focus on the prevention of and early intervention in gambling harm
- improve the effectiveness of gambling harm support.

Underpinning these priorities is a Strategic Framework outlining 12 action areas.

While the language has changed, the overall intent and direction of the Strategy remains unchanged. The Strategy emphasizes a public health approach, and a continued focus on equity by supporting population groups who experience inequitable outcomes and gambling harm, in particular Māori, Pacific, Asian and young people.

The Service Plan, which describes the investment priorities and budgets for the period 1 July 2025 to 30 June 2028, proposes to:

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

This is essentially a continuation of the previous Service Plan, which emphasized the need to "create of a full spectrum of services and supports", "develop a skilled, enabled, culturally safe and responsive workforce that includes expertise from clinical and lived experience", and ensure a focus on "harm prevention and early

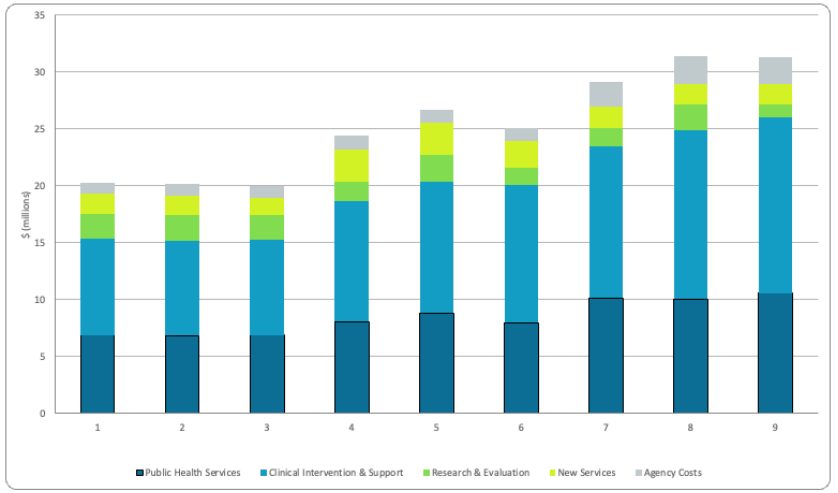
intervention". Effectiveness was addressed by a commitment to develop a set of service and system-level indicators[4].

The fact that, despite significant language changes, this is a continuation of a long-term approach to tackling gambling harm is seen as a positive aspect of the Strategy and Service Plan. Our view has always been that the focus and intent of the Strategy is the correct one. Our concerns have been, and continue to be, with how the Strategy has been implemented, and the lack of research to assess whether the Strategy is, in fact, making a difference. Those concerns remain.

3.2 Services Expenditure: Overview

Figure 1 shows the budgeted per annum expenditure in the Service Plan from 2025/26 to 2027/28.

Figure 1: Total expenditure 2019/20 to 2027/28



This chart highlights the significant increase in costs over the last two levy periods. After many years of minimal growth in expenditure, it has grown considerably over the last two levy periods. The Ministry's expenditure for the coming levy period is $91.805 million. Taking into account a $5.260 million underspend, this is an increase of$15,682 (20.6%) million over the previous levy period. This is on top of the $15 million increase that occurred in the previous levy period for the Strategy 2022/23 to 2024/25.

This increase has been driven by increased services and workforce costs, and Ministry operating costs.

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

Service and workforce costs for Public Health have risen from $20.53 million to $24.84 million to $30.7 million over the last two levy periods (a 49 percent increase).

Clinical services have risen from $25.243 to $34.213 to $43.604 over the same two levy periods (a 73 percent increase).

Operating costs have risen even more sharply. From operating costs of $2.937 in the 2019/20 to 2021/22 levy period, to $3.471 million in the 2022/23 to 2024/25 levy period, to $6.958 million for the levy period 2025/26 to 2027/28 levy period[5]. This is a 137 percent increase. This is hard to justify and, as the Strategy acknowledges, has been driven largely by the changes in responsibility resulting from health sector restructuring.

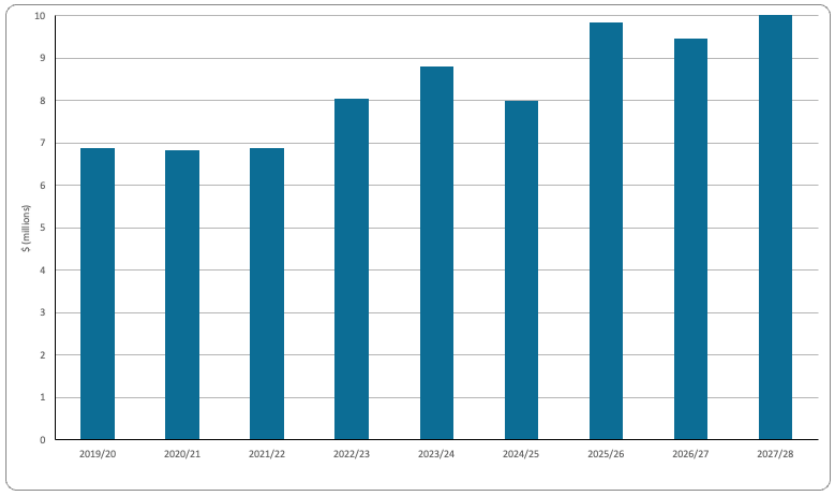
Despite these large increases in operating costs, there does not seem to be an accompanying improvement in services. As noted in the Needs Assessment, "Most participants perceived that systems change has not been well executed."…resulting in "delayed provider and research contracting and commissioning."[6] The commissioning process was described by most participants interviewed as part of the Needs Assessment as 'litigious and transactional', 'resource and time expensive' and 'informed by agency representatives with limited gambling sector knowledge/engagement and relationships with providers'[7].

These rising costs of the Service Plan only increase our concern that despite more and more dollars being spent on gambling harm services, there is no research to indicate if all that expenditure is making a difference. The last increase included $6.796 million to increase the FTE rate for gambling harm service providers to align with other Ministry-funded mental health and addiction clinical FTE rates. Despite that significant amount, half of the increase proposed for this levy round is driven by cost and volume pressures, including service expansion and responses to **wage pressures** [our emphasis]. One has to ask what happened to the nearly $7 million allocated to ease wage pressures during the last levy round.

[5] NOTE: These are now referred to as 'Agency Costs', reflecting the distributed responsibilities under the new structure.
[6] Malatest International & Sapere, 2024. *Gambling Harm Needs Assessment*. P 60.
[7] Ibid p 63-64.

3.3 Public Health Expenditure

Figure 2: Public Health expenditure 2019/20 to 2027/28



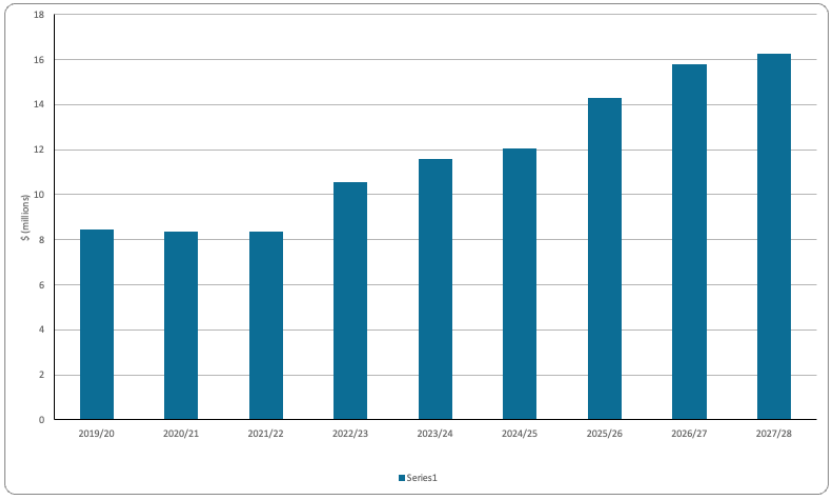
Public health expenditure was relatively static during the period 2017/18 to 2021/22, but has risen significantly since then, with annual expenditure of just under $7 million rising to over $10 million per year in 2027/28.

Within public health expenditure, primary prevention services remain the largest expenditure item, at approximately 54% of the total public health expenditure planned for coming levy period. This work continues the health promotion and de-stigmatisation initiatives, the development of a public health approach in schools, service promotion and support in primary care, and work to support self-exclusion including scoping a national system to allow individuals to block themselves from regulated online gambling sites. Given the inequities that continue to persist in the gambling harm statistics, the continued focus on a public health approach and primary prevention continues to be important.

The most significant increase in Public Health expenditure is in a National Health Promotion initiative. $7.56 million is being invested in this programme which the Ministry describes as a "*refreshed national public health promotion and de-stigmatisation initiatives alongside new local/regional public health services to empower communities, build awareness and resilience, address stigma and barriers to help seeking.*"

3.4 Clinical Intervention Services Expenditure

Figure 3: Intervention services expenditure 2019/20 to 2027/28



The $46.385 million budget for expenditure on intervention services over the next three years has increased by $12.172 million, from $34.213 million in the previous service plan (2022/23 to 2024/25).

By far the biggest item is the $34.358 million expenditure on 'clinical intervention', making up 74 percent of the budget. There is also a significant investment of $6.253 million in 'remote' services, either phone, web or digital.

In addition $4.099 million has been allocated for new services, including expansion of the peer workforce, clinical service promotion, clinical internships and the development of an online gambling exclusion system.

In our last report, we noted that, "*…the previous service plan gambling has now been integrated into the unit focusing on alcohol and drug addiction the Ministry, and has adopted comparable standards across the broader addiction workforce, providing greater career mobility and pathways and help to build a more resilient and sustainable workforce. This is a major contributor to the increased budget for clinical and support services in this review period.*"

However, as discussed later, rather than resulting in 'greater career mobility and pathways', there is a concern amongst participants interviewed for the Needs Assessment that there has been increased fragmentation.

3.5 Research Contracts Expenditure

This is the third levy period in a row where research funding has decreased. From $6.7 million in the levy period 2019/20 to 2021/22, to $5.5 million in the last levy period to $5.044 million in the current Service Plan.

The continuing decrease in research is an ongoing concern. We have highlighted this several times and can only repeat the fact that there is no long-term data, other than the DIA policies that have resulted in a reduction of class 4 machines, that can speak to the effectiveness of services and interventions over the last ten years.

To their credit, the Ministry has taken up our concern about the lack of long-term research and has, as part of their research budget, a plan to "Invest in research and evaluation to inform policies and

service improvement." This "will include an impact evaluation of the Strategy itself, and all services commissioned under it."

While this is to be commended, it will take place within a continually decreasing research budget. This new and significant research stream will result in even more drastic reductions in other research areas. So, we are now in a situation whereby the Ministry is proposing significant increases in service expenditure, including an extra $5.895 in primary prevention and an extra $12.712 million in clinical intervention services, but have significantly reduced the research budget. While we support the move to undertake research that will evaluate the strategy, the reduced research and evaluation budget likely means that there will be little or no monitoring or evaluation of new services.

Figure 4: Research contracts expenditure 2015/16 to 2024/25

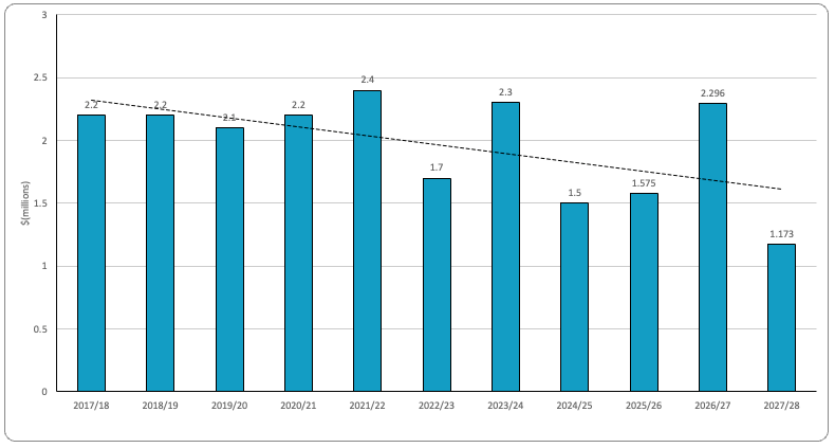
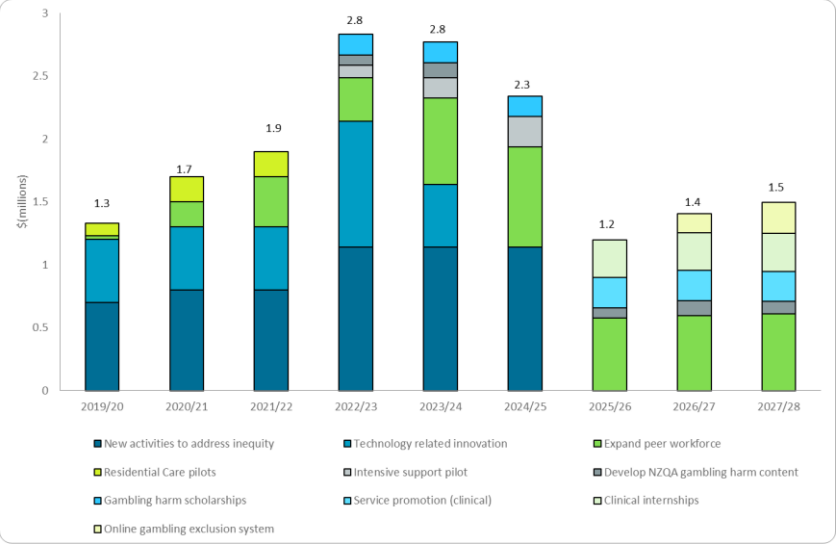


Figure 5: New service and innovation pilots expenditure



The most significant change in this Service Plan is that fact that there is no longer a line item related to 'new activities to address inequity'. However, we see this as largely a cosmetic change. Two of the 12 action items in the Strategic Framework address inequities. Namely:

'*Māori, Pacific peoples, Asian people, young people and people with lived experience are actively involved in harm prevention and minimisation efforts.*'

'*There are kaupapa Māori, Pacific, Asian and youth-centric services and supports available to those who want them*.'

The other change that is worth mentioning is the increased focus on 'lived experience'. Having people with lived experience involved in the planning and delivery of services is standard practice in the broader mental and addiction sector, so it is good to see this being picked up, we assume, because of gambling harm services, being integrated into the broader sector.

3.6 Expenditure Summary

This is the second levy period in a row where the Ministry has significantly increased expenditure. While most of the increase has gone to services, there is a very large increase in operating costs, 136 percent, over the last two levy periods. There has also been a continuing declining in the budget for research, evaluation and monitoring.

So, once again, we repeat our ongoing concern the Ministry is increasing expenditure, spending less on evaluating and monitoring that expenditure and, is still in a position where it cannot answer the very important question; is the Strategy effective in reducing gambling harm.

So, when the Ministry states that there will be a focus on the Minister for Mental Health's Government priorities, one of which is, 'a strong focus on research and evaluation to ensure we are taking an evidence-based and effective approach.' we remain sceptical that it will in fact occur.

4. TRENDS IN GAMBLING AND RELATED HARM

4.1 Gambling participation

There has been no further data since our last report. Participation in gambling in New Zealand remains high. In 2020 (latest available data), over two-thirds (69%) of New Zealand adults aged 15 and over reported engaging in some form of gambling.

Figure 6: Participation in gambling activities 2020

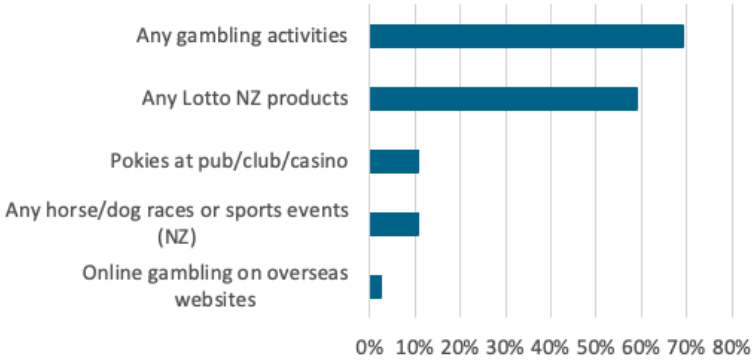
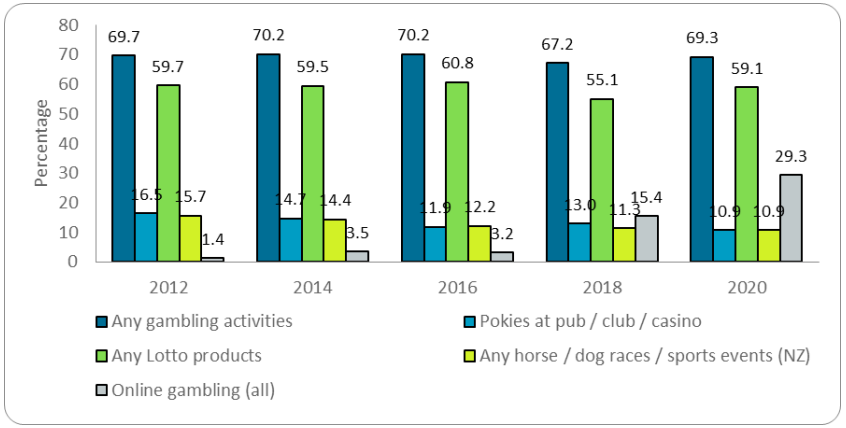


Figure 4 shows the main gambling subgroups. Purchasing Lotto NZ products continues to be the most reported form of gambling in New Zealand, with over half (59%) of New Zealand adults having purchased a Lotto NZ product in the past year.

As shown in figure 5 gambling activity has remained largely unchanged over the last decade. While Lotto has remained constant, EGMS, Casinos and TAB have declined considerably.

This has been offset however, by the rise in the online gambling, which includes a significant rise in the use of offshore sites. Anecdotal evidence indicates that this form of gambling is continuing to rise at a rapid rate.

Figure 7: Participation in gambling activities 2012 to 2020



Lotto, for example, despite reducing its outlets by around 20 percent, following criticism of having too many in low-income areas, increased its sales by 4.3 percent between 2021/22 to 2022/23. This resulted from a shift to online gambling. The proportion of online sales to total revenue has increased from 31 per cent in 2019/20 (Lotto New Zealand, 2020), to 44 percent in 2022/23 (Lotto New Zealand, 2023)[8].

In our 2012 report, we noted,

"…the continued growth of other gambling sectors (such as overseas-based internet gambling), which are outside the scope of the levy and weighting formulas. The overall contribution to expenditure and harm is currently small and can be absorbed by the four sectors mandated by legislation. Should this grow significantly in the future, there may be a need to review if and how these other sectors can be brought within the ambit of the levy."[8]

As shown in figure 5, gambling using sites run by offshore-based operators has risen significantly. These operators are unregulated in New Zealand, do not contribute to the levy (discussed more below) and have few harm-minimisation practices in place. According to the Needs Assessment, the unregulated gambling sector in New Zealand is projected to reach $600 million by 2025[9].

4.2 Trends in gambling expenditure

The Department of Internal Affairs (DIA) monitors expenditure in all four gambling sectors. 'Expenditure' is classified as the gross amount wagered minus the amount paid out or credited as prizes or dividends. Expenditure is therefore the amount lost by players. It is also the gross profits of the gaming operators.

Between 2011 and 2015, gambling expenditure remained relatively stable at around $2 billion. Since 2015, gambling expenditure has increased, reaching $2.4 billion in 2019 and dropping to $2.25 billion in 2020, likely because of the COVID-19 pandemic and the effect this had had on access to gambling.

Gambling expenditure is now increasing, across all forms of gambling reaching $2.761 million in 2022/23, despite TAB expenditure data not being available currently. Not known is whether this results from more people gambling, higher average bets or people playing for longer. Of concern is that in the period 2021/22 to 2022/23, the biggest rises have been in NCGMs and Casinos, which have grown by 28 percent and 56 percent, respectively. In addition, the spend per capita on these two gambling activities has also increased. NCGMs has increased from $171 to $202 and casinos have increased from $79 to $114.

Online gambling, particularly that provided by offshore gambling sites, is experiencing major growth, with expenditure rising from $139.3 million in 2014 to $332.6 million in 2022[10]. The Needs Assessment argued "…that if the government doesn't intervene against the 'aggressive targeting' from offshore-based providers, the unregulated gambling sector in New Zealand is projected to reach $600 million by 2025.[11]"

While the government plans to pass legislation to regulate offshore gambling providers, the opportunities for increased harm are going to be harder to manage. Online gambling provides easy,

[8] Synergia 2012. *Review Of Ministry of Health Strategy To Prevent And Minimise Gambling Harm, Service Plan And Formula For Levy Calculation.*
[9] ibid. P29
[10] Bevin, A. (2022, October 10). *Online gambling products 'aggressively' targeting NZ*. Newsroom. http://newsroom.co.nz/2022/10/10/online-gambling-aggressively-targeting-new-zealand/

[11] Malatest International and Sapere 2024. *Gambling Harm Needs Assessment*.

unsupervised gambling using multiple payment opportunities. This often involves gamblers using money they do not have through the multiple credit card options[12]. We raised this in our last report and the continuing rise of online gambling, and the free use of credit cards is something that needs to be closely reviewed.

[12] *Protecting consumer safety is at the heart of credit card gambling ban*. Gambling Commission. URL: https://www.gamblingcommission.gov.uk/news/article/protectingconsumer-safety-is-at-the-heart-of-credit-card-gambling-ban.

4.3 Prevalence of Gambling Harm

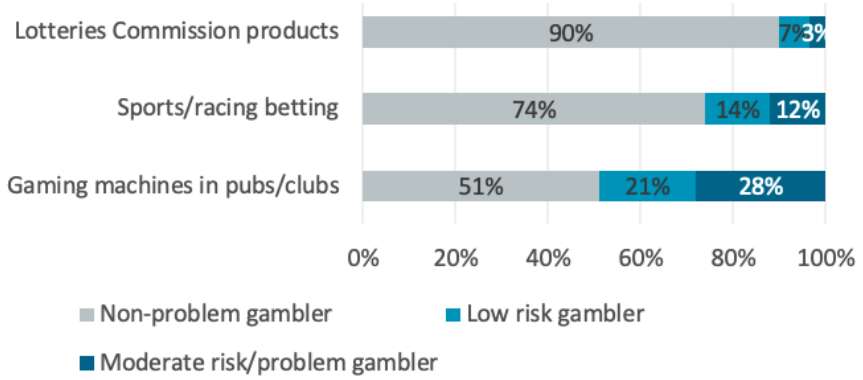
While the prevalence of low-risk, moderate-risk and non-problem gambling has decreased, the most recent gambling harm data captured in the Health and Lifestyle Survey shows no statistically significant changes in harmful gambling between 2018 and 2020[13]. However, the long-standing inequities in harmful gambling between ethnicities still persist. These inequities have undergone very little change with Māori over 3.13 times more likely to be moderate-risk or problem gamblers than non-Māori and non-Pacific, and Pacific peoples are 2.56 times more likely to be moderate-risk or problem gamblers than non-Māori and non-Pacific peoples.

In addition, research by the Problem Gambling Foundation expresses concern about youth gambling[14] and there is evidence of increased gambling harm for women[15].

Overall, the level of gambling harm has not changed significantly in the period from 2018 to 2020 (latest available data), with 64.8 percent of New Zealanders engaging in non-problem gambling, 2.9 percent in low-risk gambling while 1.6 percent are moderate or problem gamblers.

Unfortunately, there is no new data from the Health and Lifestyles Survey on the risks of gambling harm, so the following charts are taken from our last report.

Figure 8: Risk of problem gambling by monthly participation in specific gambling activities 2016 (updated data not available)

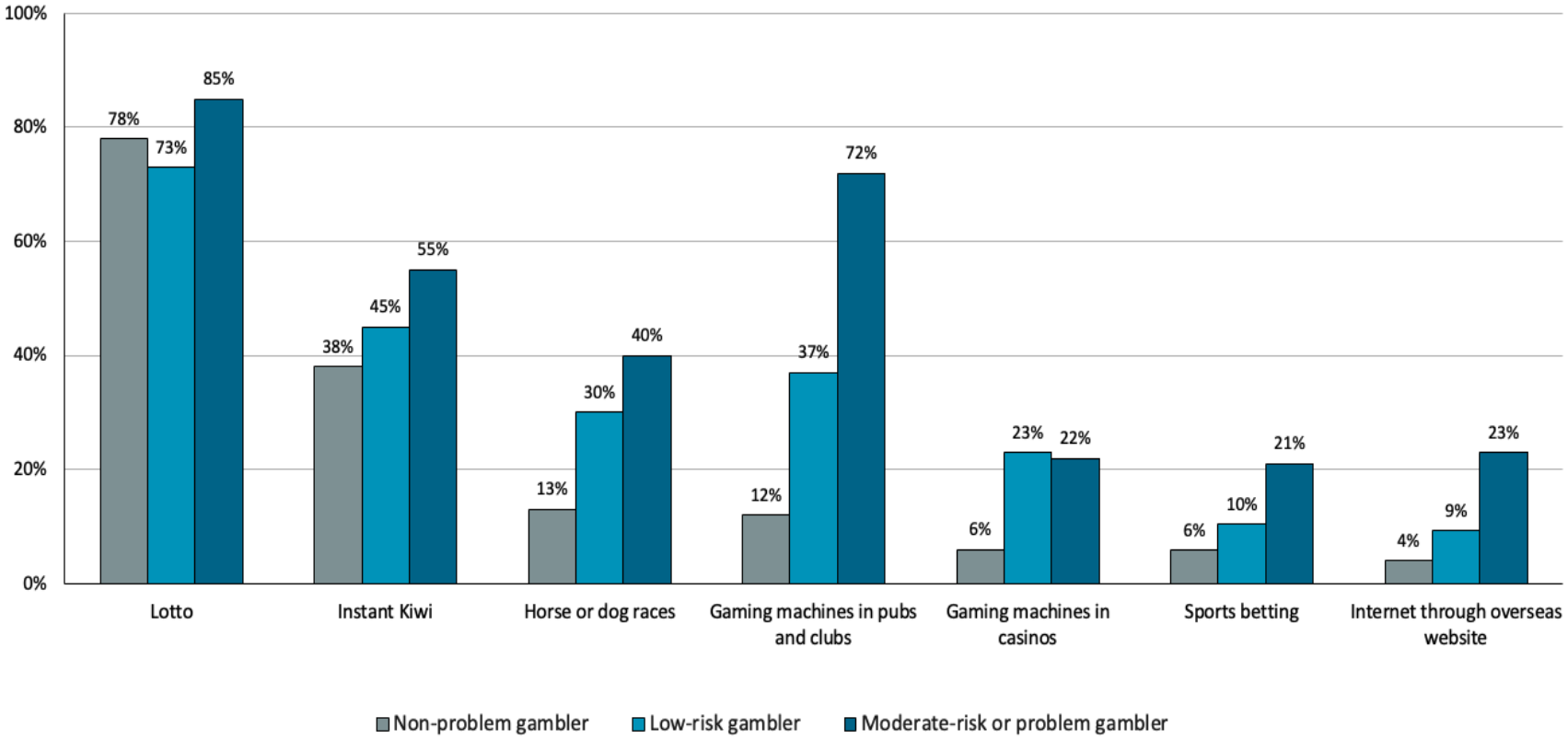


As figure 6 shows, the most risky form of gambling is the NCGMs. As shown later, despite the reduction in the number of Class 4 gaming machines, they still account for the greatest number of people seeking help for their problem gambling.

People at risk and moderate gamblers do, however, engage in a wide range of gambling activities. As figure 7 shows, while 72 percent of moderate risk/problem gamblers gamble on NCGMs, 85 percent play Lotto, 55 percent play Instant Kiwi and 40 percent bet on horse and dog races.

[13] Te Whatu Ora. (2020). Health and Lifestyle Survey gambling data [dataset].
[14] Problem Gambling Foundation. (2023b). PR: Concern over young people gambling prompts awareness campaign.
[15] Te Whatu Ora. (2020). Health and Lifestyle Survey gambling data [dataset].

Figure 9: Participation in specific gambling activities by risk of problem gambling 2020



4.4 Scale of effect

Intervention client data from the Ministry of Health's website has data on the number of gamblers and households affected by problem gambling in 2019/20.[16] The 2019/20 client intervention data shows that just over half (52.0%) clients receiving support for their own or someone else's gambling is related to non-casino gaming machine gambling.

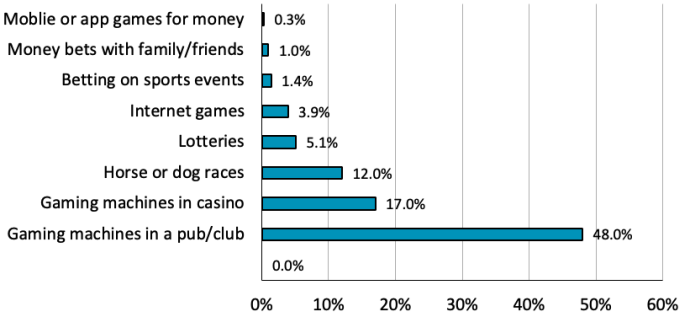
The 2020 Health and Lifestyles survey found that 4.5% of New Zealand adults (aged 15 years and over) had experienced an argument or 'going without' due to themselves or someone in their wider family or household's gambling (in the last 12 months). This equates to 183,000 adults. A higher proportion of adults of Māori and Pacific ethnicities reported experiencing this harm compared to adults of European/Other or Asian ethnicities (Table 1).

Figure 10: Experience of household-level gambling harm

	Prevalence (%)
Total population	**4.5**
Male	3.9
Female	5.0
Māori	11.0
Pacific	8.7
Asian	2.6
European/Other	4.1

The main gambling activities associated with this harm are, as shown below, NCGMS.

Figure 11: Gambling modes related to household harm



4.4.1 Harm is not restricted to problem gamblers

A key point that needs to be made about gambling harm is that it is not restricted to those classified as problem gamblers. At a population level, most harm, which manifests itself in damage to relationships, emotional/psychological distress, disruptions to work/study and financial affects, is accruing to those who are not necessarily problem gamblers[17]. This data serves to emphasize the importance of taking a public health approach across the total population and not just focusing on those at the acute end of the continuum.

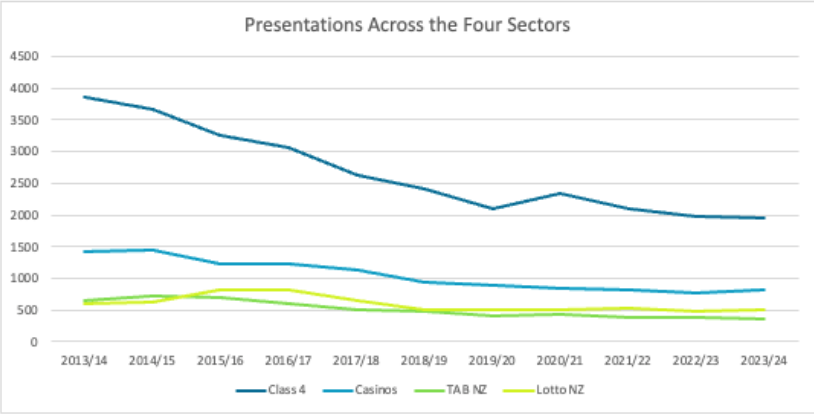
[16] Ministry of Health. Client Service Data: https://www.health.govt.nz/our-work/mental-health-and-addiction/addiction/gambling/service-user-data/intervention-client-data

[17] Central Queensland University and Auckland University of Technology. 2017. Measuring the Burden of Gambling Harm in New Zealand. Wellington: Ministry of Health.

4.5 Gambling presentations over time

The total number of presentations attributable to the four main gambling sectors has continued to decline. From 6,525 in 2013/14 to 3,615 presentations in 2023/24.

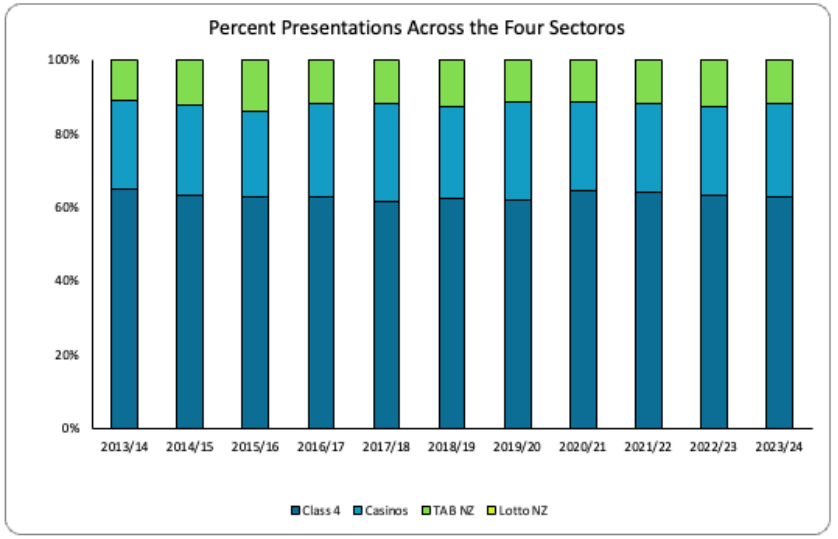
Figure 12: Presentations and proportions attributed to the four main gambling sectors, 2013/14 to 2023[18]



While the total number has declined considerably, the percentage attributable to each sector has only changed a little. The biggest changes being in NCGMs, which have dropped from 59 percent to 54 percent and Lotto NZ which has increased from 9 percent to 14 percent. Casinos and TAB have remained constant over this period. These percentages are used in the calculation of the Levy.

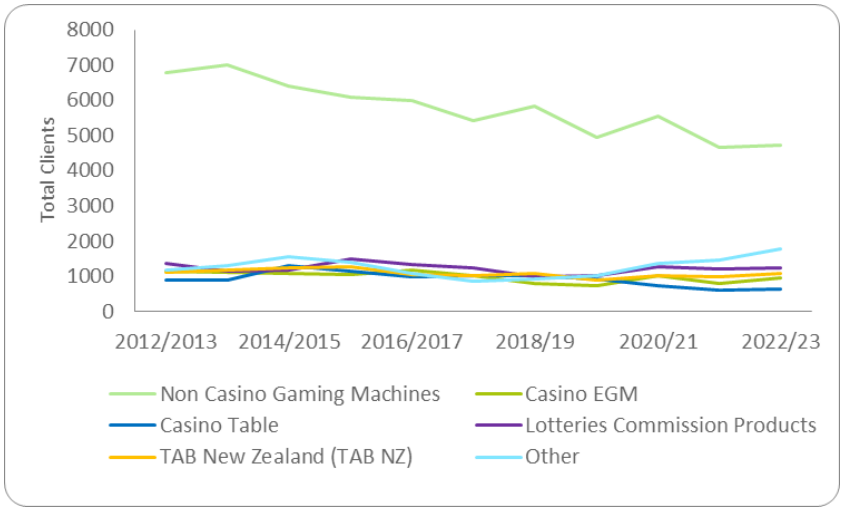
[18] NOTE: these presentations exclude brief interventions. Brief Intervention services are aimed at people who are at risk of gambling harm but are not actively seeking help.

Figure 13: percentage attributable to each sector



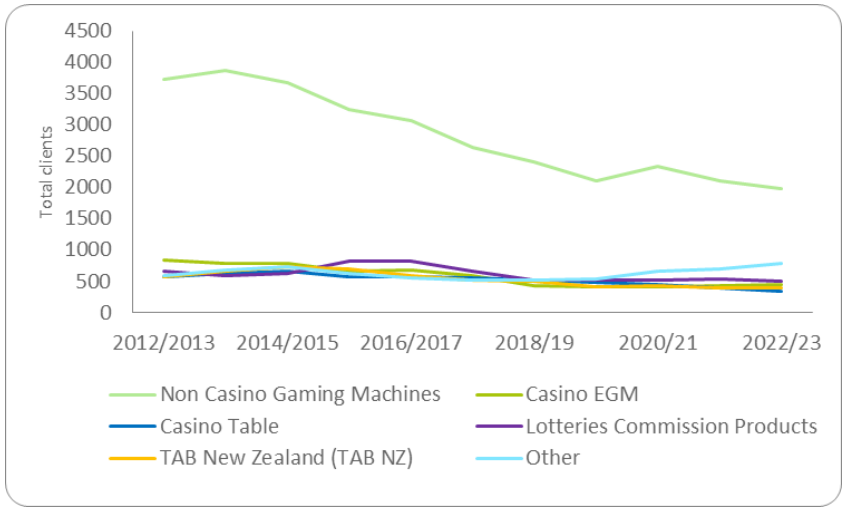
When presentations attributable to other gambling activities are included, while the trend remains unchanged, the rise of presentations due to online gambling becomes clear.

Figure 14: Total client presentations (including brief interventions) by gambling sector 2012/13 to 2022/23[19]



This is the case whether one is looking at data the includes brief interventions or excludes brief interventions.

Figure 15: Client presentations (excluding brief interventions) by gambling sector 2012/13 to 2022/23

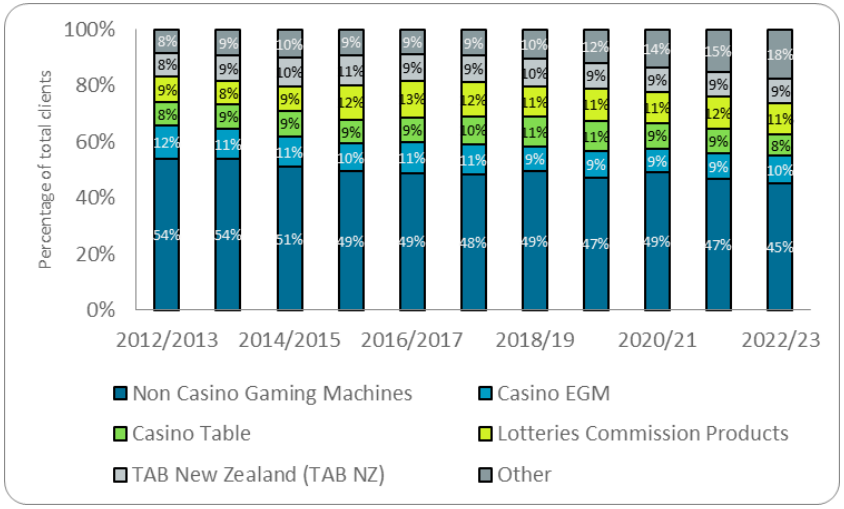


As shown in figures 14 and 15, most presentations by people seeking help (i.e. exclude brief interventions) are attributed to NCGMs (1,987 or 45 percent in 2022/23). However, presentations from this sector have declined significantly over the years. In 2012/13 there were 3,721 presentations attributable to NCGMS, comprising 54 percent of the total. Thus, presentations attributable to NCGMS are decreasing in number and decreasing as a percentage of the total.

[19] Note: 'other' is dominated by offshore online gambling

The other shift that needs to be acknowledged is that of online gambling. In 2012/13, when we first raised the issue, presentations attributable to online gambling were very small. In 2012/13, there were 210 presentations attributable to online gambling, making up 8 percent of the total. In 2022/23, that number had risen to 692, making up 18 percent of the total. Of that number, 69 percent was from people using offshore gambling sites. This is likely to be an underestimate given the unregulated nature of offshore gambling and the difficulties of obtaining accurate data.

Figure 16: Share of client presentations (excluding brief interventions) by gambling sector 2012/13 to 2022/23

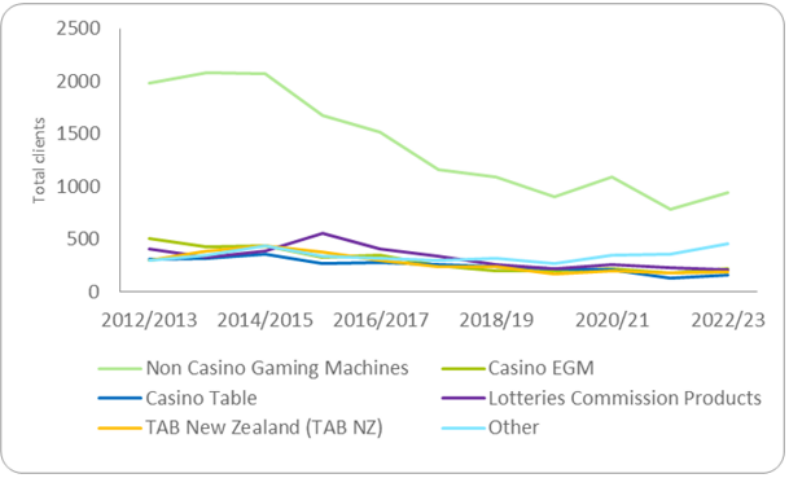


4.6 New client presentations over time

New clients point to the rate of growth of presentations; if there are fewer new clients, we can expect a declining number of overall clients over time. As figure 17 shows, new presentations have been on a steady decline since 2014/15. Whether the rise in new presentations attributable to NCGMS seen in 2022/23 will continue is not clear. What is clear, however, is the ongoing rise in new presentations due to online gambling.

New client presentation has fallen from 3,796 in 2012/13 to 2,171 in 2022/23. The percentage of new presentation attributable to NCGMS has declined from 52 percent to 44 percentage. Again, the other significant change is in online gambling rise from 3 percent to 19 percent.

Figure 17: New client presentations (excluding brief interventions) by gambling sector 2012/13 to 2022/23



5. Reviewing Performance and Focus

5.1 Strategic Framework

The 2025/26 to 2027/28 Strategy to Prevent and Minimise Gambling Harm has more changes in language than in substance. A continuum of harm approach to health that aligns the spectrum of gambling behaviour within a harm-reduction framework still underpins the strategy. This has influenced the development of the strategy for over a decade. This continuum is still appropriate and provides that theoretical basis for the public health approach.

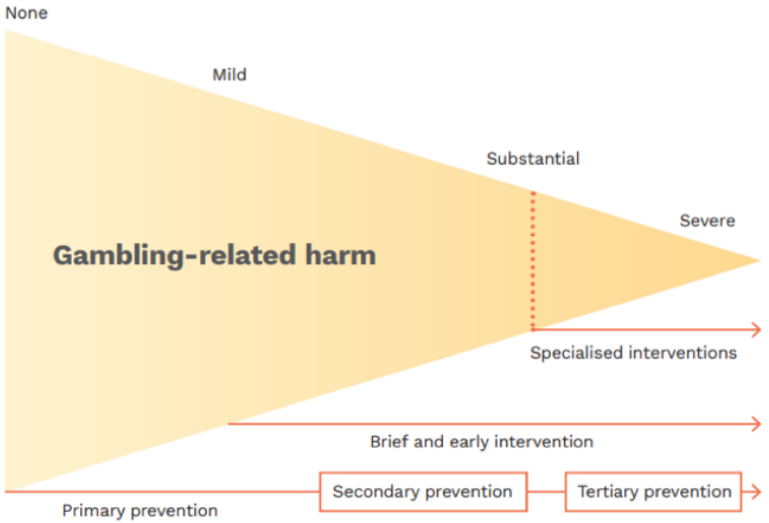
The Ministry needs to be commended for adopting and continuing to adopt a public health approach over a long period. While researchers and academics have increasingly called for a public health approach to gambling harm, a recent global review of approaches to reducing gambling harm showed, that in most jurisdictions in the Western world, the focus is still on the individual, while a 'system framing of gambling-related harms was almost absent[20]'.

In the 2025/25 to 2027/28 strategy the four priority areas are:

- Increase access to gambling harm support
- Grow the gambling harm workforce
- Strengthen the focus on the prevention and early intervention of gambling harm
- Improve the effectiveness of gambling harm support

[20] Ukhova, D., Marionneau, V., Nikkinen, J., & Wardle, H. (2024). Public health approaches to gambling: a global review of legislative trends. *The Lancet*, 9

Figure 17: Continuum of gambling behaviour and responses (based on Korn and Shaffer 1999)



These priority areas have the overall goal of ensuring that "New Zealanders' quality of life and life expectancy are not affected by gambling harm." The four strategic outcomes under that overarching goal are that:

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

5.2 Challenges to the Current Approach

While we are supportive of this as an overall direction, strategy and strategic framework, our concern, as it has been for many years, is not the direction, or the strategy, but the lack of information that can tell us whether the strategy has, over the last decade had any substantial impact on the level of gambling harm in New Zealand. This concern is heightened by that fact that the approach does have challenges that are being exacerbated by the rise in offshore gambling.

One set of challenges comes from researchers who argue that a public health approach has significant constraints when applied to gambling. As one group of researchers put it, "*gambling is a difficult activity to address because of the highly skewed distribution of severity that makes PH interventions seem less relevant for the majority and difficult to apply to the complex minority.*[21]"

A second set of challenges comes from the impact of online gambling. Online gambling is accessible from almost anywhere 24/7, and the technology of online gambling has created an ecosystem in which gambling ties together aggressive marketing, technology and financial services, not only making it very accessible, but also opening up a multitude of payment options. Online gambling operators have developed strong relationships with media and social media and strong partnerships with professional sports organisations, who have a very large audience. As pointed out by The Lancet Commission on Gambling:

"*This far-reaching and interdependent corporate ecosystem collectively wields substantial influence over policy and has multiple points-of-contact through which to leverage the behaviour of consumers*[22]."

This context, and the large amounts of money being spent by online gambling operators on aggressive marketing across national borders, leads The Lancet Commission to point out that:

"*Given the increasingly global and boundary-spanning nature of the industry, international coordination on regulatory approaches will be necessary.*[23]"

These challenges only emphasize that reducing gambling harm is an increasingly challenging endeavour. The Ministry needs to ensure that their Strategy and Service Plan is supported by a strong research and evaluation plan that will provide evidence on whether

[21] Delfabbro, P., & King, D. L. (2020). On the Limits and Challenges of Public Health Approaches in Addressing Gambling-Related Problems. International Journal of Mental Health and Addiction, 18(3)

[22] Wardle, H., Degenhardt, L., Marionneau, V., Reith, G., & al, E. (2024). The Lancet Public Health Commission on gambling. The Lancet, 9. P e950

[23] ibid

the strategy is making a difference. Further details on this notion are discussed in the next section.

5.3 Evidence of Effectiveness

In our 2012 report, we concurred with the recommendations from the 2010 'Value For Money' review by KPMG, calling for the development of a robust outcomes framework to monitor performance of gambling intervention services[24].

In our 2019 report, we used the outcomes framework developed by the Ministry to make the point that:

"*While it is not possible to be definitive, the current data raises serious questions about whether progress is being made [as measured by the outcomes framework] and therefore whether the country is getting value for the $55 million, per levy period, being spent on minimising gambling harm. Unlike our previous reviews, we are now questioning whether the money is in fact being well spent*[25]."

We noted that gambling harm had not reduced, the inequities persisted and not only had presentations not risen in line with population growth, they had in fact declined considerably. This situation continues with the most significant change being an increase in the Strategy's cost from the $55 million noted above to the current budget of $91.808 million.

In 2022, we called for a review of the strategy itself and research that would help to answer the question, "how will we know if we have made a difference?[26]." We therefore support the Ministry's commitment to conduct "an impact evaluation of the Strategy itself", with the proviso that this evaluation is coupled with a significant rethink of the strategy itself and is done so in collaboration with the gambling industry and gambling harm providers. Unless this occurs, it is hard to see the key questions being answered and even harder to justify the ongoing increases in the costs of the Strategy and Service Plan.

Our concern, however, is that the research and evaluation budget has decreased yet again. Despite the commitment to review the strategy, which will not be a small undertaking, there is less money available. Reducing the research budget when the nature of the gambling industry is undergoing significant change and the Ministry is asking for increasing amounts of money to implement a strategy, the effect of which is largely unknown, is not sensible.

5.4 Online Gambling

As noted above, we raised the issue of online gambling, especially that provided by offshore operators, in our 2012 report. Our concern at the time was, and still is, twofold.

First, online gambling is a high-risk gambling activity. A recent systematic review of online gambling showed online gamblers

[24] KPMG Ltd. 2011. Value for Money Review of Problem Gambling Services. Auckland: KPMG Ltd

[25] Synergia 2019. Review Of Ministry of Health Strategy To Prevent And Minimise Gambling Harm, Service Plan And Formula For Levy Calculation

[26] Synergia 2022. Review Of Ministry of Health Strategy To Prevent And Minimise Gambling Harm, Service Plan And Formula For Levy Calculation

gamble more frequently, for longer periods, spend more and have higher levels of indebtedness than 'land-based gamblers[27]' In addition, online gamblers are more likely to be at risk of problem gambling, scoring higher on the Problem Gambling Severity Index (PGSI) than land-based gamblers[28]. As noted in the Te Hiringa Hauora report:

"*After controlling for demographics (such as gender and ethnicity), online gamblers were over twice as likely to be at-risk gamblers compared to gamblers who did not gamble online*[29]"

In relation to online gambling, a major concern is the use of credit cards and other new payment options, as they are the prime means of 'making a bet' using online gambling products. The United Kingdom recently reviewed online gambling that led to the use of credit cards for online gambling being banned in April 2020. Using credit cards and other electronic payment options that allow the gamble to spend money that they do not have is something that needs to be looked at. As highlighted by the UK Gambling Commission:

"*Research shows that 22% of online gamblers using credit cards are problem gamblers, with even more suffering some form of gambling harm. We also know that there are examples of consumers who have accumulated tens of thousands of pounds of debt through gambling because of credit card availability. There is also evidence that the fees charged by credit cards can exacerbate the situation because the consumer can try to chase losses to a greater extent….Mr McArthur…[Gambling Commission CE]… said although he understood that some consumers used credit cards because they were convenient, the risk of harm to others was too high to allow the use of credit cards to continue.*[30]"

Second, as highlighted in the Needs Assessment, '*there has been a significant growth in the use of online forms of gambling in recent years, most of which sit outside of the New Zealand gambling regulatory system*[31]'. As we have mentioned before, this will require regulation that requires offshore operators to contribute to the levy.

As the use of online gambling grows, unless there are changes to the funding regime for the harm minimisation levy, more and more of those seeking help will be people who are gambling using offshore operators who do not contribute to gambling harm minimisation services.

The Government has recognised this, with Ministers Willis and Watts announcing an 'in-principle' decision to regulate online casino gambling.' in March 202432. More recently Minister van Velden announced that 'A new Online Gambling Bill will be drafted with the

[27] Ghelfi, M., Scattola, P., Giudici, G., & Velasco, V. (2024). Online Gambling: A Systematic Review of Risk and Protective Factors in the Adult Population. J Gambl Stud, 40(2).
[28] ibid
[29] Ministry of Health 2020. Health and Lifestyles Survey. https://kupe.healthpromotion.govt.nz/#!/gambling
[30] UK Gambling Commission 2020. Protecting consumer safety is at the heart of credit card gambling ban. Gambling Commission.
[31] Malatest International and Sapere 2024. *Gambling Harm Needs Assessment*. P6
[32] https://www.beehive.govt.nz/release/government-delivering-tax-commitments

purpose to regulate online casino gambling to facilitate a safer and compliant regulated online gambling market.[33]'

Whether that Bill will be effective in ensuring offshore operators contribute their fair share to the levy, or how that will affect the Levy quantum and the formula for how that is allocated is unknown.

However, it indicates that the issue is recognised, and efforts are being made to address it.

[33] https://www.beehive.govt.nz/release/further-decisions-taken-regulating-online-casino-gambling

6. Review of Overall Funding Requirements and Gambling Levy

6.1 Review of Overall Funding

The budget for this levy period is $91.805million, which is an increase of $15.682 million over the current levy period. This budget includes the estimated $5.260 million underspend created by delays in implementing activities due to the shift of responsibility of implementation to Te What Ora. Most of this increase is due to:

- new services and interventions required in response to changes in the gambling environment (such as service promotion, workforce development and an online gambling exclusion system), and
- a range of cost and volume pressures (including service expansion and responses to wage pressures).

Included in these cost increases is a doubling of operating costs from $3,471 in the period 2022/25 to $6,958 million for the period 2025/28.

While, in the 12 years we have been writing these reports, we have been supportive of the Ministry's direction, including the requirements to increase the cost of the Service Plan, we are now finding it harder to support. There is little evidence that the Strategy is achieving its goals, presentations to harm reduction services continue to decline, and operating costs have risen significantly.

In our last report we supported the 18 percent increase in the Ministry's operating costs, which followed many years of no increase. However, the 100 percent increase proposed in the proposed Service Plan is harder to support, given that internal issues created by the health restructuring rather than any needs within the gambling harm sector are driving the increase.

In our last report, we stated that while the overall levy was justified, our key issue was that funding should to be based on need and the actions needed to address that need. The current approach, while containing much that is of value, needs not just a refocus but a rethink. A rethink that is done in close collaboration with providers and the gambling industry.

That need for the rethink is even more imperative given major changes occurring in the gambling sector, the uncertainty that the strategy is still 'fit for purpose' and the rapidly rising costs of delivering it.

We can only repat the questions that we raised in our last report:

- What impact is the nearly $30 million each year having on gambling harm?"
- Which of the strategies that have been implemented over the last 10 years have had the most positive impact?
- If the Ministry cannot answer these questions, why not, and how can we be confident that the increased expenditure planned for the next three years is going to have any positive impact at all?"

6.2 Review of Weighting

Our comments on the macro trends of decreasing presentations and increasing expenditure support a weighting of between 30:70 and 40:60. Expenditure continues to increase, and we need to ensure that this is acknowledged in the weighting.

Until we know what is driving the continuing increase in gambling expenditure, and until we know more about the harm that is being created by this expenditure, we cannot support any move to decrease the weighting given to expenditure.

6.3 Impact of weighting changes

The most significant impact of a shift in the levy's weighting would be on the NCGM sector (reduction in levy) and the New Zealand Lotteries Commission (increase in levy). There would be smaller affects upon casinos and the TAB NZ (Table 7).

A continuation of 30:70 weighting should increase the levy paid by NCGMs by 32.6 percent from $34.93miilion to $46.30 million.

Casinos would have a rise in their levy of 23.5 percent going from $15.96 million to 19.72 million. TAB NZ would have a rise in their levy of 14.1 percent, from $8.75 million to $9.99 million. The levy paid by Lotto New Zealand would rise by 57.3 percent $11.01 million to $17.32 million.

The significant increase of the Levy for Lotto New Zealand reflects their significant growth, i.e. expenditure by gamblers, especially expenditure on their online products.

Figure 18: Expected contribution by sector under different weighting scenarios

	NCGMs	Casinos	TAB	Lotteries NZ
10:90	$49.63m	$19.29m	$9.35m	$15.37m
20:80	$47.97m	$19.51m	$9.74m	$16.35m
30:70	$46.30m	$19.72m	$9.99m	$17.32m
50:50	$43.30m	$20.14m	$10.76m	$19.52

7. CONCLUSIONS

The 2025/26 to 2027/28 Strategy continues the well-established strategic and service plan directions that have been the focus of the last twelve years. While the priorities are more aligned with the overall priorities for the Mental Health and Addiction sector, this has little impact on the strategy and direction already in place. The Plan has four priorities which are organised within a Strategic Framework describing 12 action areas.

While the overall approach is well grounded in research, it is hard to point to specific outcomes that the strategy, over the last 12 years, has achieved. On top of that, we now have researchers questioning the efficacy of a Public Health approach when applied to Gambling and a significant rise in online gambling, including a large increase in offshore gambling operators.

While researchers questioning a public health approach to gambling is something we have only recently become aware of, we have previously flagged the effect of online gambling, especially unregulated offshore gambling operators on gambling harm and the calculation of the gambling levy.

Updating a comment we made in our last report, we are once again in the position of saying that we support the intent and direction of the plan. However, this time we need to emphasise that this is the fifth review we have undertaken and we still cannot point to any indicators, except for the work undertaken by DIA to reduce the number of NCGMs in vulnerable communities, that tell us what is working, and what is not working to reduce gambling harm, especially in vulnerable communities.

In addition, after three levy periods with no rise in the costs of the Strategy and Service Plan, we have now had two Levy periods involving substantial increases. Over the last two Levy periods, the annual levy rates have risen from around $18 million a year to just over $30 million a year. That is very hard to justify.

Over the plans we have reviewed since 2012, there has been a similar approach to preventing and reducing gambling harm, but there is little change to the trends in expenditure and presentation rates. Expenditure continues to go up, presentation rates continue to go down, and the Ministry does not seem to have plans in place to understand the underlying drivers of these trends.

- What is driving these trends?
- Is it even possible to make significant changes to them?
- Which interventions work and which do not?
- How do they compare with trends in other countries?

As we have expressed before, we believe that a major rethink of the strategy needs to be undertaken, and this should be given high priority during the next three-year period.

Some of those points seemed to have been acknowledged in this Strategy, with a commitment to undertake a significant review of the Strategy itself. However, this is occurring when the Ministry continues to reduce the research budget, from $6.7 million in the levy period

2019/20 to 2021/22, to $5.5 million in the last levy period, to $5 million in the current Service Plan. So, while we are happy that a review of the strategy is being planned the continual decreases in research funding make us doubt whether it will be to the scope and depth required. We recommend therefore that there is independent oversight to ensure that the evaluation of the strategy is undertaken within the timeframe outlined in the Strategy.

We also recommend that the evaluation is coupled with a significant rethink of the strategy itself, and is done so in collaboration with the gambling industry and gambling harm providers.

In terms of the increase in the levy, the Ministry has justified it by referring to new services and interventions required in response to changes in the gambling environment and a range of cost and volume pressures.

That the use of gambling harm services continues to decline, not only questions the rising expenditure on such services but also begs the question of what services problem gamblers are reaching out to. Are they simply not presenting to service providers, or are they going to providers in the broader mental health and addiction sector and not recorded in the current presentation data? While we cannot answer that question conclusively, a report in 2017 shows that this may in fact be happening. That report, which looked at the prevalence of problem gambling in the cohort of people seeking mental health services, noted the, 'elevated rates of problem gambling observed in patients attending mental health services,[34]" Other research has also has showed that there is a strong association between problem gambling and a range of co-morbid disorders that include mental health disorders, such as anxiety and mood disorders, substance use and personality disorders[35].

In the coming three years, the Ministry must give top priority to a fundamental, review of the Strategy. This needs to be done in consultation with the sector — the gambling industry, gambling harm providers and people with lived experience — as well as providers in the broader mental and addiction sector. Only when this is done will the Ministry be in a position to defend both the Strategy and the cost of delivering it.

Our recommendation regarding the weightings for the levy reflect a concern that it is becoming increasingly difficult to assess the effect of current and past expenditure on gambling harm. Until we know what is driving the continuing increase in gambling expenditure, and until we know more about the harm that is being created by this expenditure, we cannot support any move to decrease the weighting given to expenditure. We would therefore recommend a weighting between 30:70 and 40:60.

[34] Lubman, D, Manning, V, Dowling, N, Rodda, S, Lee, S, Garde, E, Merkouris, S & Volberg, R 2017, Problem gambling in people seeking treatment for mental illness, Victorian Responsible Gambling Foundation, Melbourne. P 12

[35] Ford, M., & Håkansson, A. (2020). Problem gambling, associations with comorbid health conditions, substance use, and behavioural addictions: Opportunities for pathways to treatment. PLoS One, 15(1)

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