



A GUIDE TO AUSTRALASIA'S GAMBLING INDUSTRIES

Facts, Figures and Statistics

CHAPTER SIX

Gambling Taxation in New Zealand

2015/16

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 2018	2015-16 Edition updated with current data from New Zealand Inland Revenue Department and Statistics New Zealand.

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 (2015-16)

Gaming duty (\$m NZ)	Gaming duty per adult (\$NZ) ¹
275.5	79.78

Source: Extrapolated from New Zealand Inland Revenue Department (2017) Revenue Collected 2007 to 2016 and Statistics New Zealand (2017) National Population Estimates: as at 30 June 2016.

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

2014-15	2015-16
0.44%	0.43%

Source: Extrapolated from New Zealand Inland Revenue Department (2017) Revenue Collected 2007 to 2016.

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 12.0% 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 expenditure as a percentage of gambling tax revenue in New Zealand (2015-2016)

Expenditure (\$NZm)	Gaming duty (\$NZm)	%
2,209	275.5	12.5

Source: Extrapolated from New Zealand Inland Revenue Department (2017) Revenue Collected 2007 to 2016.

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 2015-16, 12.5% was collected as Gaming Duty by the New Zealand government.

¹ Statistics New Zealand (2018) National Population Estimates: as at 30 June 2016. Please note that this figure relates to adults 20+ and are provisional only.

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 win.
- Problem Gambling Levy payable on casino wins at 0.87 per cent plus GST.
- 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 payable on gaming machine profits 1.30 per cent plus GST.

Gaming machines - Hotels

- Gaming Machine Duty 20 per cent of gaming machine profits.
- Problem Gambling Levy payable on gaming machine profits at 1.30 per cent plus GST.

Lotteries

- Lottery Duty³ 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 payable on lottery turnover less prizes paid and payable at 0.40 per cent plus GST.

Wagering

- Totalisator Duty³ payable at the rate of 4% of betting profits.
- Problem Gambling Levy payable on betting profits at 0.52 per cent plus GST.

² New Zealand Inland Revenue Department (2017), <http://www.ird.govt.nz/duties-levies/gaming-casino/gaming-machine-casino-operators-duty.html> (accessed July 2017).

³ New Zealand Government, *Gaming Duties Act 1971*.