

Submission by



to the

Governance and Administration Committee

on the

Online Casino Gambling Bill

15 August 2025

Business New Zealand
PO Box 1925
Wellington

1. Introduction

- 1.1 Many New Zealanders enjoy online casino gambling, but they can't do so using platforms that operate in New Zealand. This exposes the gamblers to risks, and it disadvantages some important New Zealand businesses, to the detriment of the wider economy. The Online Casino Gambling Bill (the Bill) promises to tackle these issues, but Business New Zealand (BusinessNZ) believes that it could be improved.
- 1.2 We, therefore, welcome the opportunity to make this submission to the Governance and Administration Committee (the Committee). We also request the opportunity to appear before the Committee to talk to our submission.
- 1.3 BusinessNZ's membership includes all of the land-based casino operators in New Zealand, and we are aware that they have wished, for a number of years, to see the introduction of legislation to enable lawful and well-regulated online casino gambling in New Zealand.

2. The problems to be addressed

- 2.1. At present, online casino gambling is not legal in New Zealand, but many New Zealanders participate in the activity through offshore sites. Estimates vary, but we understand that the Minister of Internal Affairs has recently suggested that the amount gambled through the offshore sites is somewhere between \$300 million and \$700 million annually. In effect, this amount represents the bill for an import activity and, as such, it diminishes New Zealand's GDP, even though some of the money spent on the offshore sites flows back to New Zealand in the form of a gambling duty.
- 2.2. More importantly, the New Zealanders who gamble online using offshore sites do not necessarily enjoy the consumer protections they would if they were able to gamble using onshore sites operated by licenced and well-regulated casinos. Similarly, they are not necessarily covered by problem gambling measures that would be intrinsic to regulated onshore casino gambling.
- 2.3. New Zealand's land-based casinos are able to provide online casino gambling services through offshore locations, such as in Malta. In doing so, they can generate some additional revenues, but they operate in a crowded supply side that is largely populated by overseas-owned online platforms that target New Zealanders in breach of the current advertising regulations.
- 2.4. If, however, New Zealand's land-based casinos were able to add online casinos to their activities within New Zealand, they could become stronger horizontally integrated businesses, operating more profitably and contributing more to the economy, including employment opportunities and greater tax revenues.

3. Concerns about the Bill

- 3.1. The first regulatory impact statement on the Bill: Online gambling regulatory design (RIS 1) states the Cabinet's objectives of the Bill as being to: prevent and minimise the harm caused by online casino gambling; protect consumers of online casino gambling; and support tax (GST and gaming duty) collection. It also states the Cabinet's goals as being to: maximise channelling of consumers into the regulated market, without aiming to grow gambling activity overall; and ensure that total regulatory costs are reasonable.
- 3.2. We support these objectives and goals. By laying the groundwork for regulated online casino gambling in New Zealand, the Bill represents the opportunity to minimise the downsides

associated with the status quo, and to generate some benefits. We propose, however, that the Bill should be modified to ensure that it does more to ensure that New Zealand captures more of the benefits.

- 3.3. Our principal concern is that the proposed process for licensing up to 15 operators could diminish what the Bill aims to achieve. The justification for granting this many licences is not obvious, although we understand that it might be about maximising licensing revenues.
- 3.4. The second Regulatory Impact Statement: Online gambling regulatory design (RIS 2) acknowledges that there is a risk that gambling operators who are currently operating in New Zealand may miss out on a licence. Accordingly, we would like to see, **at minimum**, measures to reduce the number of licences available and to guarantee the ability of the existing land-based operators in New Zealand to offer online casino gambling services to New Zealanders.
- 3.5. RIS 2 also notes that “all domestic land-based casino operators, who are welcoming the regulation of online gambling but are concerned that licensed operators will not have to be domiciled in New Zealand. In their view, this disadvantages domestic companies who employ New Zealanders, pay 25% companies tax rate, and are required to return a small percentage of profits to the community for their land-based casino operations.” BusinessNZ shares this concern.
- 3.6. The existing land-based casino operators are rooted in their communities. They have strong interests in protecting their customers and minimising gambling harms. They also collaborate, through the use of multiple venue exclusions, to ensure that gamblers who have voluntarily self-excluded themselves from one casino cannot continue to gamble at any of the other casinos in New Zealand. So, for example, someone who self-excludes themselves from the casino in Auckland is also excluded from gambling at the casinos in Hamilton, Christchurch, Queenstown and Dunedin.
- 3.7. The land-based operators also provide a range of non-gambling services, including food, beverages and entertainment, which are valued by their communities. The purchases of inputs to provide these additional services create local business and employment benefits.
- 3.8. In addition, all of the land-based casinos in New Zealand have created trusts to share some of the proceeds of their operations with their local community organisations, and it is possible that enabling them to operate online casinos will enable them to provide further support to their communities.
- 3.9. BusinessNZ wants to ensure that the strengths on the land-based operations are not eroded through a proliferation of offshore operators who may offer little to New Zealand, other than gambling opportunities.

4. The case for making land-based operators the sole providers of online casino gambling

- 4.1. Although we have argued above for measures to reduce the number of licences available and to guarantee the ability of the existing land-based operators in New Zealand to offer online casino gambling services to New Zealanders, our preference is that the Bill should be revised to provide that only land-based casinos should be legally able to operate as online casinos.
- 4.2. Such a provision would be similar to the provisions governing other forms of gambling, in that the laws governing them, in particular sports and racing betting and Lotto, restrict their operation to land-based New Zealand organisations.

- 4.3. Section 7AAA of the recently amended Racing Industry Act 2020 states that “No person other than TAB NZ may offer racing betting, sports betting, or other racing or sports betting (or any combination of those forms of betting) to a person in New Zealand.” Likewise, Section 243 of the Gambling Act 2003 makes LottoNZ the sole legal operator of nationwide lotteries, and it grants the New Zealand Lotteries Commission the exclusive authority to establish and operate New Zealand lotteries.
- 4.4. For the avoidance of any confusion, we do not propose that there should be a monopoly provider of online casino gambling in New Zealand in the same way that there is a monopoly provider of race betting and the national lottery. We believe that competition between land-based online casino operators would be good. Furthermore, we do not believe that overseas-owned casinos should be prohibited from establishing a land-based presence and operating in New Zealand, even though the current legislation would prohibit this. We simply wish to avoid the proliferation of online casino operators that have no real stake in the country.
- 4.5. A further advantage of confining licences to the current land-based operators is that it would result in a simple and low-cost regulatory regime. The existing land-based casinos in NZ already have an effective working relationship with the Department of Internal Affairs and the Gambling Commission. By contrast, dealing with as many as 15 online casino operators that might not have any physical presence in New Zealand would be complex and challenging for the regulator.

5. How funding of community organisations and sporting bodies might be affected

- 5.1 We are aware a number of sports organisations in New Zealand have expressed opposition to the Bill, based on their concerns that legalisation of online casino gambling in NZ could dilute the flow funds to community organisations resulting from the proceeds of Class 4 (pokie) gambling.
- 5.2 It is uncertain, however, that this would happen. And, even if it happened, the diminution would not necessarily be significant.
- 5.3. Online casino gambling already happens through offshore sites, and it is likely that the main effect of the Bill will be to divert gambling from offshore sites onto onshore sites. Data from the Department of Internal Affairs also suggest that growth in online gambling offshore has not reduced the proceeds from Class 4 gambling. On the contrary, the proceeds from Class 4 gambling were \$1,023 million in 2024, which was up by 9% compared to 5 years earlier and up by 26% compared to 10 years earlier.
- 5.3 It appears, therefore, that Class 4 and online casino gambling are largely different products, with their own consumer groups. Some people enjoy pokie gambling at pubs and clubs, while others prefer to gamble online in the comfort of their homes.

6 Conclusions and recommendations

- 6.1. Given that the Bill, as it currently stands, envisages up to 15 licences could be granted to allow the operation of online gambling casinos in New Zealand, without any requirement for the licencees to have a physical presence in the country, it is difficult to have confidence that its aims and goals will be fully met.
- 6.2. Trying to regulate up to 15 offshore entities, instead of just the existing New Zealand-based casino businesses, would create an unnecessary administrative burden. It would also make it avoidably difficult to minimize actual and potential harms to gamblers.

- 6.3. Furthermore, the Bill lacks provisions to safeguard New Zealand's business and wider economic interests in a similar fashion to the laws protecting Lotto and the TAB. If it is enacted as it currently stands, it could result in no licences being granted to any of the existing land-based casinos, with the result that their businesses would be weakened.
- 6.4. By contrast, if it is revised before it passes into law, the Online Casino Gambling Bill would help to minimise the exposure to harms and risks facing New Zealanders who participate in the activity through offshore sites. It would also support the New Zealander economy.
- 6.5. Accordingly, we recommend the Bill should be revised to make it more certain that its aims and goals will be met. Specifically, **we recommend that:**
 - i. The issuing of licences to operate online casino gambling should be restricted to businesses that have a physical presence in New Zealand and
 - ii. Failing that, the number of licences to be auctioned should be reduced, and that land-based casinos already operating in New Zealand should each be guaranteed a licence.
- 6.6. We look forward to presenting this submission to the Committee.

BusinessNZ contact for any comments or questions:

Mark Cox, Economist
mcox@businessnz.org.nz
021 428 435

The BusinessNZ Network is New Zealand’s largest business organisation, representing:

- Business groups [EMA](#), [Business Central](#), [Business Canterbury](#), and [Business South](#)
- [BusinessNZ](#) policy and advocacy services
- [Major Companies Group](#) of New Zealand’s largest businesses
- [Gold Group](#) of medium-sized businesses
- [Affiliated Industries Group](#) of national industry associations
- [ExportNZ](#) representing New Zealand exporting enterprises
- [ManufacturingNZ](#) representing New Zealand manufacturing enterprises
- [Sustainable Business Council](#) of enterprises leading sustainable business practice
- [BusinessNZ Energy Council](#) of enterprises leading sustainable energy production and use
- [Buy NZ Made](#) - country of origin licensing organisation for NZ-made products, NZ-grown ingredients, and NZ-coded software services

The BusinessNZ Network is able to tap into the views of over 76,000 employers and businesses, ranging from the smallest to the largest and reflecting the make-up of the New Zealand economy.

The BusinessNZ Network contributes to Government, tripartite working parties and international bodies including the International Labour Organisation ([ILO](#)), the International Organisation of Employers ([IOE](#)) and Business at OECD ([BIAC](#)).

