

Draft Strategy to Prevent and Minimise Gambling Harm 2025/26 to 2027/28



New Zealand Council Of
Christian Social Services

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Tirohanga Whānui | Overview

The New Zealand Council of Christian Social Services (NZCCSS) welcomes the opportunity to provide feedback on the Draft Strategy to Prevent and Minimise Gambling Harm 2025/26 to 2027/28. We support the kaupapa to update the Strategy to Prevent and Minimise Gambling Harm and the intentions to increase funding to reduce harmful gambling. However, we would like to raise some concerns regarding calculation of the levy, and whether the total budget is sufficient for to account for need. Additionally, we would like to raise suggestions regarding the impact on youth and the establishment of a database for gambling harm.

Our main points are:

Item One

We suggest that the strategy considers implementing a bigger budget to allow for consideration of the ongoing increase in online gambling and likely increase in harm.

Item Two

We suggest that the budget includes coverage of an online database of support services and areas of harmful gambling so that service providers can target their support to regions who need it most.

Item Three

Further clarity is needed regarding how the levy is calculated in respect to total presentations to problem gambling services.

Item Four

Further clarity is needed regarding how the levy is calculated in respect to underspend and to ensure that underspend does not factor in funding that has been cut to much needed gambling harm services.

Item Five

Consideration is needed for youth in New Zealand who may be at risk of problem gambling in future, with consideration for the impacts of “gateway” gambling in the form of loot boxes.

Taunakitanga | Recommendations

We raise the following points and recommendations for consideration:

Item One: Increasing the budget to allow for consideration of the current economic situation in Aotearoa

Although the proposals covered by this strategy include some explanation of how the budget will be split across the priority areas, the overall proposal is very high level and lacks detail of how this will be spent within each priority area. The strategy indicates that there will be an increase of \$11.595 million

over three years, compared to the previous budget. However, given that \$3.412 million of this is provided by an underspend from the previous budget this increase does not appear adequate to support the growing need. Further to this, when considering the distribution of these funds, with half of the proposed budget allocated to increased costs of existing services, it is not clear that enough funding has been budgeted to a problem which continues to grow year on year.

With the current cost of living crisis in New Zealand expected to continue, there are additional concerns for problem gamblers. Research indicates that problem gamblers are more likely to gamble to help their financial situation (GamCare, 2023). Additionally, gamblers are more likely to participate in problematic gambling behaviours when experiencing financial stress (Sullivan, n.d.).

Given the ease of access to gambling services and the current economic situation in Aotearoa, further research is needed to ensure that the increase in budget is sufficient to both assist those already practising harmful gambling, and to prevent others from becoming problem gamblers.

Recommendation Item 1: We suggest further research is needed to determine whether the budget is sufficient to account for the current economic situation

Item Two: Establishment of an online database of gambling support services and harmful gambling practices.

Currently there is a clear absence of publicly available information regarding regional distribution of gambling support services. Additionally, although there are existing data published by the Problem Gambling Foundation around gambling losses through electronic gambling (pokie) machines (Problem Gambling Foundation, 2024), there is a lack of available data regarding regional gambling losses from other forms of gambling. In particular this is a concern in terms of online gambling which has increased considerably in the past 15 years and is predicted to continue to climb.

In 2022 Invercargill had the third highest loss for any South Island district on pokies (14th highest for the country), with upwards of \$17 million lost in a single year (Problem Gambling Foundation, 2024). However, despite this there appear to currently be no gambling support clinics available in Invercargill. There is an estimated per capita total spend on gaming machines in New Zealand of \$171-202 (Malatest International & Sapere, 2024), however, with a population of only 57,000 people in 2022, the 2022 figures from Invercargill represent a \$298.25 per capita loss. Invercargill is not alone, with other isolated regions like the Far North and Whangarei also reported to have extremely high levels of gambling loss in 2022 (\$17.1+ million and \$19+ million respectively) and a distinct lack of regional support services.

Establishing a database to map the distribution of gambling across the motu as well as existing services to support gambling harm, would allow for interdisciplinary support and ensure that social services are more able to target their support services to areas of need and to areas which lack existing services. To allow for a database that can be easily utilised for future research we recommend that a selection of data points is established and provided to all service providers who receive funding to ensure that data can be compared across regions. This database should include a clear guide on what areas are covered by each region as well as the minimum datapoints that should be collected from those presenting for support (age, gender etc.).

Recommendation Item 2: We suggest establishing an online database that considers regional distribution of gambling services and problem gambling to allow support services to target areas of need.

Item Three: Clarity surrounding how total number of presentations to problem gambling services is recorded.

Clarity is needed regarding how total number of presentations to problem gambling services is calculated for the levy.

Salvation Army Oasis provided gambling support for 31 years in New Zealand, supporting over 60,000 patients. With Salvation Army Oasis losing their funding at the start of 2024 and subsequently shutting their services, there is a concern that there are now insufficient social services to provide for need (Almeida, 2023). As such it is possible that presentation to problem gambling services may not reflect actual need for these services. It is unclear from the information provided about how the levy is calculated how this may impact the levy paid by gambling providers and whether total presentations could be artificially reduced as a result. This may indicate an improvement in problem gambling rather than an inevitable outcome of reducing the services available.

In respect to this point further clarity is needed regarding whether problem gambling is also recognised if it is not the gambler themselves presenting to services and whether presentation by friends/whanau are also considered in the calculation of this levy.

Additionally, consideration is needed for how the levy will be calculated for problem gambling due to online gambling. With the impending inclusion of online gambling in New Zealand regulations, research is urgently needed to determine how problem gambling from this form of gambling presents in New Zealand and whether the current levy calculations would fairly calculate this. Research indicates that those who take part in online gambling are less likely to seek assistance if their gambling becomes harmful (Hing et al, 2015). As a result, it is possible that the current calculations would undervalue the levy which should be paid by online gambling organisations due to this underreporting of presentations to problem gambling services.

Recommendation Item 3: We suggest providing further clarity regarding how presentation to problem gambling services is recorded and consideration of lower presentation rates for online gamblers.

Item Four: Clarity surrounding how total under/overspend is calculated

Clarity is also needed regarding how the under/overspend is considered in the calculation of the levy. As mentioned in point three, there were significant funding cuts to Salvation Army Oasis at the start of 2024. To our knowledge none of this funding was reinvested into gambling support for 2024. As a result, this may appear like an underspend, despite a continued need for these services in Aotearoa. Calculation of the budget should continue based on the current and predicted needs and not past underspend as a result of much needed services being cut.

Recommendation Item 4: We suggest providing further clarity regarding how presentation of under/overspend is calculated and consideration of why this under/overspend has occurred in respect to whether each instance should be considered as part of the levy.

Item Five: Consideration of “gateway” gambling in youth and whether this should be regulated and included in the levy calculations

Although the Department of Internal Affairs currently does not recognise loot boxes under its definition of gambling, loot boxes are increasingly recognised as a form of gambling internationally, with many countries introducing them to their gambling legislation (Xiao, 2023a). A clear link between traditional gambling and the purchase of loot boxes has been established; these work on the same psychological principles of intermittent reinforcement. The effects of these relatively new additions

to online gaming have been compared by experts to electronic gaming (pokie) machines (Garret et al, 2023). The use of loot boxes in games has increased markedly over the last 15 years, with the online gaming platform Steam reporting an increase from 5.3% of games using these in 2010 to 71.2% by 2019 (Zendle et al, 2020). The international spend in 2025 is estimated to be upwards of \$32 billion NZD (Clement, 2021).

Although there has been relatively little research on the use of loot boxes in New Zealand, international research indicates that purchases of loot boxes can be a gateway to subsequent participation in more traditional gambling, particularly in those who purchase their first loot box before they are 18 (Spicer et al, 2022). This is of particular concern as it suggests they could play a key role in initiating interest in more traditional forms of gambling and therefore increase the incidence of gambling harm in younger generations. The UK Gambling Health Alliance (2020) report supports these concerns, finding that roughly one quarter of 11–16-year-olds spend money on loot boxes, with 24% reporting they felt addicted to buying loot boxes and 9% borrowing money they were unable to repay.

As a relatively new form of gambling, it is unclear if the purchase of loot boxes will result in an increase in gambling harm in the future. However, with a clear correlation with problem gambling (Etchells et al, 2022), the ease of access and lack of regulation means that this form of gambling poses a potential and significant risk to youth.

Many countries have implemented regulations on loot boxes in games or banned their use completely. There have been no examples of success for the latter option, with the recent Belgian ban proving unsuccessful due to lack of enforcement and the use of loot boxes remaining high (Xiao, 2023b). However, introduction of regulation to minimise harm such as the United Kingdom's recent implementation of regulations including banning loot boxes for under 18s without parental consent has been suggested as a suitable approach to take in New Zealand; one that the Problem Gambling Foundation supports (Saafrin, 2023).

With the sharp increase in their use research is urgently needed in New Zealand regarding the potential harms of loot boxes and how best to implement regulation to minimise this harm.

Recommendation Item 5: We suggest a need for research to investigate how loot boxes could be regulated in New Zealand, with consideration for possible long-term impacts on gambling harm in youth and whether this should be part of the problem gambling levy.

Tohutoro kua tohua | Selected references

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Ko wai tātou | Who we are

NZCCSS has six foundation members; the Anglican Care Network, Baptist Churches of New Zealand, Catholic Social Services, Presbyterian Support and the Methodist and Salvation Army Churches.

Through this membership, NZCCSS represents over 230 organisations providing a range of social support services across Aotearoa. We believe in working to achieve a just and compassionate society for all, through our commitment to our faith and Te Tiriti o Waitangi. Further details on NZCCSS can be found on our website www.nzccss.org.nz.

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