



17 February 2025

Dear [REDACTED]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 17 January 2025. You requested the following:

Can you please provide me with the following information for the three most recent years where data is available:

1. *How much is collected from the problem gambling levy?*
2. *How much is collected from the lottery duty?*
3. *How much is collected from the casino duty?*
4. *How much is collected from the gaming machine duty?*
5. *Are any of the duties and levies referred to in 2-4 above hypothecated or returned in any way to the gambling industry?*
6. *On page 12 of the 2024 Tax Expenditure Statement (<https://www.treasury.govt.nz/sites/default/files/2024-05/b24-tax-expenditure-statement.pdf>) the first row states that "turnover is separately taxed" with reference to income from gaming machine gambling. Can you please explain what this means (as income is exempt)?*
7. *On page 18 of the 2024 Tax Expenditure Statement, reference is made to ongoing expenditure being unquantifiable due to the secrecy provisions of the TAA 1994. Can you please advise what this is referring to?*
8. *Are you able to tell me the total "tax" (including any duties or levies) paid by the horse racing industry in NZ? If it is easier to provide, this can also include greyhound racing.*
9. *Can you tell me the total "tax" (including any duties or levies) paid by the gambling industry as a whole in NZ?*

On 17 January 2025, you clarified your request and provided a list of ANZSIC codes you are interested in for questions 8 and 9 on the racing and gambling industries as follows:

With reference to point 8:

- *912140 (Racecourse or track operation (Horse racing))*
- *912130 (Racecourse or track operation – harness racing)*
- *912110 (Horse or dog racing club operation including national controlling bodies)*
- *912930 (Horse racing – harness racing)*
- *912940 (Horse racing not elsewhere classified)*
- *912950 (Racehorse driving – harness racing)*
- *912960 (Racehorse training – harness racing)*
- *912970 (Racehorse training not elsewhere classified)*
- *912980 (Racing 0stables not elsewhere classified)*

With reference to point 9:

- *920110 (Gambling Activities / Casino Operation)*
- *920230 (Lottery Operation)*
- *920910 (Gambling Services Not Elsewhere Classified)*
- *920920 (Totalisator Agency Operation)*

Ideally, it would be helpful if the information could be provided per BIC number. However, if this is not possible and the information will be provided in aggregate, could the one highlighted above please be separated out (912110).

Apologies for the lack of clarity on the type of tax. I am not really looking for GST or PAYE (as that cost is incurred by the consumer / employee) but instead it would be good to have taxes that are incurred by the industry – e.g. any income tax, FBT and any of the levies paid by the industry.

Information being refused

Your request for information relating to questions 2, 3, 4, and the income tax aspect of questions 8 and 9 is refused under section 18(c)(i) of the OIA, as making the requested information available would be contrary to the provisions of a specified enactment, namely Inland Revenue's confidentiality obligation in section 18 of the Tax Administration Act 1994 (TAA). This is because the information requested is reasonably capable of being used to identify an entity and is therefore sensitive revenue information. Inland Revenue can provide aggregate gambling levy and fringe benefit tax (FBT) data across the selected industry codes for questions 8 and 9 combined, but any further disaggregation of this data does not fall under the permitted disclosures of sensitive revenue information as set out in section 18D to 18J and Schedule 7 of the TAA.

Question 1

The following table displays how much revenue has been collected from the problem gambling levy for the years ended 30 June 2021 to 30 June 2024.

Table 1: Total Problem Gambling Levy (\$million) for years ended 30 June.

Year	Problem Gambling Levy(\$m)
2020-21	15.8
2021-22	13.2
2022-23	21.5
2023-24	22.8

Questions 2 through 4

As explained above, Inland Revenue cannot provide these duties separately. However, we can provide the aggregate amount of revenue collected from gaming duties, as published monthly on the Treasury website. This data includes the problem gambling levy.

The table on the following page provides this total for the years ended 30 June 2021 to 30 June 2024.

Table 2: Total Gaming Duties Revenue (\$million) for years ended 30 June.

Year	Revenue(\$m)
2020-21	322
2021-22	273
2022-23	342
2023-24	344

Question 5

The problem gambling levy is used to directly fund problem gambling services provided by the Ministry of Health. The levy is collected from the profits of New Zealand's four main gambling operators: gaming machines in pubs and clubs, casinos, the New Zealand Racing Board, and the New Zealand Lotteries Commission. Other gambling taxation is not hypothecated.

Question 6

This is a reference to gaming machine duty which is a tax on turnover from gaming machines.

Question 7

This is a reference to section 18 of the TAA, as mentioned above, where sensitive revenue information cannot be disclosed by officials.

Tax administrative information which would enable identification of one or more entities is considered sensitive revenue information. While the initial policy estimates were generic and could be based on past averages for the industry, ongoing measurement would be highly likely to apply to only a small number of horses and/or owners in any one period.

Questions 8 and 9

When clarifying your request, you indicated that you did not want GST or PAYE information but are interested in income taxes, FBT, and levies paid by the requested industries.

Under section CW 47 of the Income Tax Act 2007, income derived by racing organisations is exempt income. Similarly, section 264 of the Gambling Act 2003 exempts the Lotteries Commission from the payment of income tax.

Because of these provisions, any income tax data where the taxpayer has identified as being in those industries is likely to reflect their other activity which does not qualify as exempt income and is likely out of scope of your request.

Casinos have income tax payable on their profits, but the number of domestic taxpayers is too small to allow publication, as this would be sensitive revenue information.

The table on the following page shows the total amount of FBT paid by employers with your supplied list of ANZSIC codes on behalf of their employees. Data covers the years ended 31 March 2021 to 31 March 2024 inclusive.

Inland Revenue is only able to supply the aggregate overall total from your requested list of ANZSIC codes. Because of the small number of taxpayers operating in this sector, the split of tax data into industry types is sensitive revenue information and therefore refused.

Table 3: Total FBT paid by the Horse Racing and Gambling industries (supplied by ANZSIC codes) for years ending 30 June.

Year	Fringe Benefit Tax (\$m)
2020-21	1.7
2021-22	1.8
2022-23	2.0
2023-24	2.9

You may additionally be interested in statistics provided in 2022 analysis by the New Zealand Gambling Commission, which can be found via the following link:

https://www.gamblingcommission.govt.nz/GCwebsite.nsf/wpg_URL/Reports-Publications-Index!OpenDocument

Right of review

If you disagree with my decision on your OIA request, you can ask an Inland Revenue review officer to review my decision. To ask for an internal review, please email the Commissioner of Inland Revenue at: commissionerscorrespondence@ird.govt.nz.

Alternatively, under section 28(3) of the OIA, you have the right to ask the Ombudsman to investigate and review my decision. You can contact the office of the Ombudsman by email at: info@ombudsman.parliament.nz.

If you choose to have an internal review, you can still ask the Ombudsman for a review.

Publishing of OIA response

We intend to publish our response to your request on Inland Revenue's website (ird.govt.nz) as this information may be of interest to other members of the public. This letter, with your personal details removed, may be published in its entirety. Publishing responses increases the availability of information to the public and is consistent with the OIA's purpose of enabling more effective participation in the making and administration of laws and policies and promoting the accountability of officials.

Thank you again for your request.

Yours sincerely

Sandra Watson
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