# Updated levy rate tables

The Ministry of Health published its *Strategy to Prevent and Minimise Gambling Harm 2016/17 to 2018/19: Consultation Document* on its website on 31 July 2015.

That document said that the figures used in the four alternative levy calculation options should be considered indicative, and would be updated before the Gambling Commission’s meeting. To assist those wishing to make submissions on the consultation document, the figures have now been updated.

The tables below reflect presentation figures and non-casino gaming machine expenditure figures for the full 1 July 2014 to 30 June 2015 year, and reflect eleven months of that year’s expenditure figures for the other three levy-paying gambling sectors.

The Ministry does not currently intend to issue any further updates before the Strategy and new levy are finalised in early-2016.

Other than a dip in 2010/11, the club share of NCGM presentations has been rising since the Ministry first required the psychosocial intervention services it funds to separately record presentation figures for club and non-club NCGMs (see Table 19 below).

Table 19: Club share of all presentations attributed to NCGMs, 2007/08 to 2014/15

|  |  |
| --- | --- |
| **Year from 1 July to 30 June** | **%** |
| 2007/08 | 8.07 |
| 2008/09 | 10.06 |
| 2009/10 | 10.86 |
| 2010/11 | 9.71 |
| 2011/12 | 12.78 |
| 2012/13 | 14.81 |
| 2013/14 | 15.11 |
| 2014/15 | 17.12 |

There are two qualifications to the figures in Table 19.

First, in 2007/08 only around one-half of all NCGM presentations were specifically attributed to either club or non-club NCGMs (or both).

Second, from 1 October 2011, the Ministry simplified its Client Information Collection (CLIC) database by removing a facility to record secondary modes of problem gambling and by changing the criterion for a primary mode from whether the mode was causing ‘significant harm’ to whether the mode was causing ‘harm’ (to align with the wording in the Act). Some have argued that this led to an increase in the club share of NCGM presentations that was not fully reflected in the annual figures until 2012/13.

Table 20 sets out presentations attributed to each of the four levy-paying sectors from 2004/05.

Table 20: Presentations attributed to the four main sectors, 2004/05 to 2014/15

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **NCGMs** | | **Casinos** | | **NZRB** | | **NZLC** | | **Total** |
| **n** | **%** | **n** | **%** | **n** | **%** | **n** | **%** | **n** |
| 2004/05 | 2386 | 75 | 505 | 16 | 237 | 7 | 52 | 2 | 3179 |
| 2005/06 | 2307 | 71 | 641 | 20 | 243 | 7 | 64 | 2 | 3255 |
| 2006/07 | 2981 | 71 | 814 | 19 | 311 | 7 | 76 | 2 | 4182 |
| 2007/08 | 3063 | 71 | 849 | 20 | 328 | 8 | 97 | 2 | 4337 |
| 2008/09 | 3933 | 69 | 1050 | 18 | 413 | 7 | 304 | 5 | 5700 |
| 2009/10 | 4160 | 69 | 1131 | 19 | 449 | 7 | 332 | 5 | 6072 |
| 2010/11 | 3945 | 68 | 1073 | 18 | 476 | 8 | 332 | 6 | 5825 |
| 2011/12 | 3708 | 64 | 1188 | 21 | 548 | 9 | 339 | 6 | 5783 |
| 2012/13 | 3721 | 59 | 1403 | 22 | 568 | 9 | 652 | 10 | 6344 |
| 2013/14 | 3871 | 59 | 1413 | 22 | 651 | 10 | 590 | 9 | 6525 |
| 2014/15 | 3674 | 57 | 1448 | 22 | 730 | 11 | 624 | 10 | 6476 |

Source: Service user data, Ministry of Health (downloaded May 2015) and 2014/15 CLIC data. The sum of the row entries may not be exactly the same as the relevant total, because of rounding.

There are two qualifications to bear in mind when considering the figures in Table 20.

First, from 1 April 2008, the Ministry formalised a requirement for service providers to enter as PPGMs all forms of gambling that were causing a client ‘significant harm’, and to enter as secondary modes of problem gambling all forms of gambling that were causing a client ‘harm’, up to a maximum of five in each case. Second, that system was changed from 1 October 2011, as described previously.

Table 21 shows the proportion of presentations attributed to each levy-paying sector for the 12‑month period from 1 July 2014 to 30 June 2015 and an estimate of each levy paying sector’s proportion of expenditure for the 2014/15 year.

Table 21: Share of presentations and expenditure by sector, 2014/15

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **NCGMs** | | **Casinos** | | **NZRB** | | **NZLC** | |
| **Presentations** | **Expenditure** | **Presentations** | **Expenditure** | **Presentations** | **Expenditure** | **Presentations** | **Expenditure** |
| 0.567 | 0.398 | 0.224 | 0.259 | 0.113 | 0.158 | 0.096 | 0.186 |

Table 22 shows DIA’s estimates of the under-recovery or over-recovery for each sector for the 12-year period, using IRD figures for levy actually collected until late in the 2014/15 year.

Table 22: Estimated under-collection or over-collection of problem gambling levy, 2004/05 to 2015/16, by sector

|  |  |
| --- | --- |
| **Sector** | **$m (GST inclusive)** |
| NCGMs | -1.797 |
| Casinos | -1.605 |
| NZRB | 1.720 |
| NZLC | 0.875 |

A negative figure indicates under-collection and a positive figure indicates over-collection.

The under-recoveries are added to the amounts required from NCGMs and the casinos in the 2016/17 to 2018/19 period. Similarly, the over-recoveries are deducted from the amounts required from the NZRB and the NZLC.

Table 23 shows the player expenditure forecast for each levy-paying gambling sector for each year of the new three-year levy period that starts on 1 July 2016.

Table 23: Forecast expenditure by sector (GST inclusive), 2016/17 to 2018/19

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Forecast expenditure** | **NCGMs** | **Casinos** | **NZRB** | **NZLC** |
| 2016/17 ($m) | 818.113 | 536.999 | 330.512 | 410.865 |
| 2017/18 ($m) | 818.113 | 542.369 | 333.817 | 423.191 |
| 2018/19 ($m) | 818.113 | 550.504 | 337.155 | 433.771 |

The tables that follow set out the effect of each of four alternative weightings on the estimated levy rates for the four levy-paying sectors.

Table 24: Estimated levy rates: 5/95 weighting

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Collection period starts 1 July 2016 (all GST exclusive)** | **NCGMs** | **Casinos** | **NZRB** | **NZLC** |
| Sector levy rates (%) | 1.32 | 0.85 | 0.49 | 0.38 |
| Expected levy ($m) | 32.397 | 13.854 | 4.907 | 4.818 |

Table 25: Estimated levy rates: 10/90 weighting

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Collection period starts 1 July 2016 (all GST exclusive)** | **NCGMs** | **Casinos** | **NZRB** | **NZLC** |
| Sector levy rates (%) | 1.30 | 0.86 | 0.50 | 0.40 |
| Expected levy ($m) | 31.906 | 14.017 | 5.007 | 5.071 |

Table 26: Estimated levy rates: 20/80 weighting

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Collection period starts 1 July 2016 (all GST exclusive)** | **NCGMs** | **Casinos** | **NZRB** | **NZLC** |
| Sector levy rates (%) | 1.27 | 0.87 | 0.52 | 0.44 |
| Expected levy ($m) | 31.170 | 14.180 | 5.208 | 5.578 |

Table 27: Estimated levy rates: 30/70 weighting

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Collection period starts 1 July 2016 (all GST exclusive)** | **NCGMs** | **Casinos** | **NZRB** | **NZLC** |
| Sector levy rates (%) | 1.23 | 0.88 | 0.55 | 0.48 |
| Expected levy ($m) | 30.188 | 14.343 | 5.508 | 6.086 |