



## **Submission to the Governance and Administration Select Committee on the Online Casino Gambling Bill (178-1)**

Prepared by: Melissa Gibson, CEO

For: Len Reynolds Trust

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### **About the Len Reynolds Trust**

The Len Reynolds Trust is a philanthropic trust based in the Waikato, dedicated to advancing equity and long-term wellbeing across our region. We work in close partnership with Māori and rural communities, recognising their strengths and the disproportionate impact that deprivation, underinvestment, and addiction harms have on them.

Our funding prioritises initiatives that reduce harm, build capability, and create genuine opportunities for whānau and tamariki to thrive. We take a long-term, intergenerational view, supporting solutions that are locally led, culturally grounded, and designed to dismantle systemic barriers.

### **Executive Summary**

We welcome overdue regulation of online casino gambling to ensure it operates within a legal, enforceable framework that reduces harm and protects consumers. However, as Philanthropy New Zealand has outlined in its submission, the Bill in its current form contains a significant gap: it fails to require licensed operators to contribute to community funding. This omission will remove tens of millions of dollars from grassroots sport, community groups, and harm-prevention services - at the very time the not-for-profit sector, and the philanthropic sector that supports it, are under unprecedented pressure.

Devastating government cuts and the closure of essential services - including many that held up society during the COVID-19 lockdowns - have already eroded the safety net. Removing this gambling-derived funding without a replacement mechanism will deepen the crisis.

We therefore endorse the Philanthropy New Zealand submission and strongly recommend that the Bill be amended to:

- Require licensed online operators to contribute a percentage of profits to community funding, consistent with requirements for casinos and other gambling operators.



- Ensure that this funding is predictable, transparent, independently allocated, and ring-fenced for public benefit.

## Why This Matters

- The Bill could allow up to 15 licensed online casino operators, yet imposes no obligation for them to return any share of profits to the community.
- This is inconsistent with the Gambling Act 2003's purpose to ensure money from gambling benefits the community.
- Without change, the philanthropic sector will face even greater demand from community organisations that have lost both government and gambling-based funding.

The Regulatory Impact Statement assumes online gambling will only increase over time - which could mean a significant ongoing diversion of funds away from community use and into private profit.

## Our Position

We support regulation that is:

- Health-first – with strong harm minimisation, advertising restrictions, and consumer protections.
- Community-positive – ensuring funding flows back into grassroots initiatives and harm-reduction work.
- Equity-driven – recognising the disproportionate impact of gambling harm on Māori, Pasifika, and low-income communities, and meeting our Te Tiriti o Waitangi obligations.

We urge that licensed online operators be subject to a community funding requirement aligned with the obligations placed on terrestrial casinos and Class 4 operators.

## Recommendations

- 1. Ring-Fenced Community Funding**
  - Require a fixed percentage of gross gambling revenue from licensed online operators to be allocated to community grants, harm prevention, and sport.
  - Align this contribution rate with that required of casinos, ensuring no competitive advantage for online operators.
- 2. Harm Minimisation**
  - Default deposit and loss limits, with clear steps required to raise them.
  - National self-exclusion register mandatory for all operators.
  - Ban on gambling with borrowed money, including “buy now, pay later.”
- 3. Advertising Restrictions**
  - Ban inducements that encourage high-risk play (e.g. “loss-back” deals).
  - Limit advertising reach, particularly to protect children and vulnerable communities.



#### 4. **Equity and Te Tiriti o Waitangi**

- Fund kaupapa Māori and Pasifika-led harm prevention and treatment services.
- Require the regulator to co-design a harm minimisation strategy with Māori partners.

#### 5. **Strong Enforcement**

- Penalties linked to revenue so they are not simply “a cost of doing business.”
- Requirement for licensed operators to have a NZ-domiciled representative.

### **Conclusion**

The current funding system is already under immense strain. The combination of government service cuts, an economic downturn, and growing demand means philanthropic funders are stretched further than ever. This Bill, without a community funding requirement, risks eroding one of the last significant funding streams for grassroots initiatives.

We call on the Committee to:

- Embed a ring-fenced community levy.
- Protect and strengthen harm-prevention rules.
- Ensure online operators meet the same funding obligations as existing gambling operators.

Licences are a privilege, not a right. Regulation must not come at the expense of the communities it should serve.

