



SocialLink

Tūhono Pāpori

Building a Thriving Social Sector

**Western
Bay of Plenty**

SocialLink – Tūhono Pāpori is the umbrella peak body for the social and community sector and represents over 1500 organisations and individuals working in the Western Bay of Plenty

SocialLink walks alongside social service providers, community and Māori organisations to strengthen their capability as they deliver services to their communities, as well as advocates for the sectors interests, social justice and equity of opportunity for all people living in the WBOP.

www.sociallink.org.nz

Submission on the Online Casino Gambling Bill

To: Governance and Administration Select Committee

Date: 15 August 2025

SocialLink supports the intent of the Bill to regulate currently unregulated online casino gambling and to reduce gambling harm. However, without the inclusion of a core safeguard — returning a fixed share of gambling revenue to the community — the Bill will undermine a long-standing social contract that has benefited communities across Aotearoa, including here in Tauranga and the Western Bay of Plenty (WBOP)

Without this safeguard, the Bill risks accelerating the decline of Class 4 funding, which is currently essential to sustaining sport, arts, culture, heritage, environmental, and community initiatives across Aotearoa. The work of these groups strengthens the social fabric and supports the wellbeing of communities, creating the connections, opportunities, and positive environments that help protect against the conditions in which gambling harm can take root.

SocialLink also fully supports the joint submission from Community Waikato, Creative Waikato and Sports Waikato.

Summary of Recommendations:

We recommend the Bill be amended to

1. State a clear purpose (aligned with the Gambling Act 2003) that includes:
“... to ensure that money from gambling benefits the community.”

2. Require a fixed percentage of OCG licensee gross revenue to be quarantined for distribution to community, including sport, arts, culture, heritage, and other charitable purposes, comparable to the Class 4 requirement (currently 40%).
3. Review the percentage periodically (e.g., every three years) to maintain real value against inflation and sector cost increases.
4. Identify a fair, accessible distribution mechanism that preserves the flexibility of the Class 4 model, allowing both large and small organisations to apply directly. Consider using the existing Class 4 distribution system to minimise cost and complexity.
5. Align advertising rules for OCG licensees with those for Class 4 operators to ensure a level playing field.

Rationale for Change

a. Preserving New Zealand’s “social contract” on gambling

Since the 1977 Gaming and Lotteries Act, through to the Gambling Act 2003, New Zealand law has recognised that while gambling causes harm, it should also provide a counterbalancing community benefit. This principle has underpinned public acceptance of gambling regulation and has delivered enormous value to grassroots sport, arts, and community development.

The OCG Bill, in its current form, breaks that social contract. It will result in community-facing sectors, particularly sport, arts, and culture, losing a critical funding stream without any replacement.

b. The scale of the risk

Evidence from NZIER, international markets, and domestic consumer behaviour shows that gambling activity is shifting rapidly from land-based to online formats. This means:

- Class 4 revenues will continue to decline.
- The funds currently distributed to the community will shrink.
- Arts, culture, sport and community organisations, already facing flat or reduced income, will face further cuts.

Without a mandated community-return requirement in the OCG Bill, there is no taxpayer-neutral replacement mechanism for this funding.

The OCG Bill provides a Government Opportunity to Future-Proof Community Funding by:

- Maintaining fairness between in-person and online gambling operators.
- Protecting a major source of community funding without new taxpayer costs.
- Directing the benefits of gambling into activities that strengthen wellbeing and offset harm.

Local Significance

In Tauranga and the WBOP, Class 4 gambling proceeds are a critical lifeline for grassroots sport, arts, culture, heritage, environmental protection, and social service initiatives. These funds:

- Keep community sports clubs in from Waihi Beach to Maketu, including Tauranga, running — from junior rugby to waka ama.
- Support local arts initiatives like the Tauranga Arts Festival and community theatre productions.
- Fund marae-based projects and kaupapa Māori organisations that strengthen whānau wellbeing.
- Sustain youth services, environmental restoration projects around the harbour and Kaimai ranges, and heritage initiatives such as The Elms | Te Papa Tauranga.

The decline of Class 4 funding, already visible as gambling shifts online, will hit our rohe hard. Many of our local organisations are already stretched thin, with flat or shrinking incomes and rising costs. If OCG operators are not required to return revenue to the community, our region risks losing vital programmes that keep people connected, active, and resilient.

Conclusion

We urge the Select Committee to amend the Bill to:

📌 **State a clear purpose** (aligned with the Gambling Act 2003) that includes:

“... to ensure that money from gambling benefits the community.”

📌 **Require a fixed percentage** of OCG licensee gross revenue to be quarantined for distribution to community purposes — including sport, arts, culture, heritage, environmental and other charitable activities — comparable to the Class 4 requirement (currently 40%).

📌 **Review the percentage periodically** (e.g., every three years) to maintain real value against inflation and sector cost increases.

📌 **Use a fair, accessible distribution mechanism** that preserves the flexibility of the Class 4 model, allowing both large and small organisations to apply directly.

📌 **Align advertising rules** for OCG licensees with those for Class 4 operators, to ensure a level playing field

These changes will protect wellbeing, sustain grassroots infrastructure, and honour the principles that have guided gambling regulation in New Zealand for nearly fifty years.