

# Departmental Disclosure Statement

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Online Casino Gambling Bill
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The departmental disclosure statement for a government Bill seeks to bring together in one place a range of information to support and enhance the Parliamentary and public scrutiny of that Bill.

It identifies:

- the general policy intent of the Bill and other background policy material;
- some of the key quality assurance products and processes used to develop and test the content of the Bill;
- the presence of certain significant powers or features in the Bill that might be of particular Parliamentary or public interest and warrant an explanation.

This disclosure statement was prepared by the Department of Internal Affairs

The Department of Internal Affairs certifies that, to the best of its knowledge and understanding, the information provided is complete and accurate at the date of finalisation below.

18 June 2025

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## Part One: General Policy Statement

### Purposes of Bill

The Online Casino Gambling Bill (the Bill) will establish a licensing regime for online casino gambling to facilitate a safer and compliant regulated online gambling market. It will prohibit the conduct and advertisement of unlicensed online casino gambling, prevent and minimise online gambling harm, limit opportunities for crime and dishonesty, and provide protections for consumers, within the regulated online gambling market.

### How Bill will achieve its purposes

The Bill will achieve its purpose by-

- establishing a three-stage licensing process to enable the Secretary for Internal Affairs (the Secretary) to grant up to 15 licences to allow operators to conduct online casino gambling
- establishing duties and other requirements for licensed operators
- establishing the Secretary as the regulator and providing the Secretary with a set of enforcement tools to drive compliance with legislative requirements
- establishing powers to make secondary legislation including for harm prevention and minimisation, consumer protection and record-keeping, and advertising and marketing.

### Key elements of Bill

#### *Licensing regime for online casino gambling operators*

The Bill establishes a three-stage licensing process to determine who may apply for a licence and the amount payable for a licence. The Secretary may issue up to 15 licences. Licences will be granted for up to 3 years with a right of renewal for up to 5 years.

The Bill permits licensed operators to advertise, subject to restrictions which will be set out in regulations. The purpose of permitting licensed operators to advertise, with restrictions, is to attract customers to regulated online casino platforms, rather than unregulated platforms.

If the Secretary refuses to grant a licence to an applicant, that person may appeal the Secretary's decision to the High Court.

#### *Licence conditions*

The Secretary may impose conditions on a licensed operator, and may also suspend or cancel a licence if the Secretary has reasonable grounds to believe that certain criteria have been met.

The Bill enables a licensed operator to apply to surrender their licence at any time.

#### *Duties and other requirements*

The Bill requires licensed operators to comply with various duties including taking all reasonable steps to ensure that people who use their gambling platform are at least 18 years old, to ensure the risk of harm from gambling is minimised, and to exclude problem gamblers. Other duties include ensuring their gambling platform is operating and available; displaying a registration icon and registration audio mark, collecting and retaining certain information that will be specified in regulations, ensuring that the operator is not part of an arrangement for significant influence over more than 3 licences, and not providing credit for online casino gambling.

The Bill also provides a high-level complaints framework which requires licensed operators to have a complaints process and share information concerning complaints with the Secretary every 3 months. It also provides for complaints to be made directly to the Secretary.

The Secretary will be required to maintain a public register of operators and licences.

#### *Compliance and enforcement*

The Bill provides the Secretary with the power to obtain information from any person if that information is necessary or desirable for the purpose of performing the Secretary's functions, duties or powers under the Act, subject to certain restrictions.

The Bill also empowers active co-operation and information sharing with an equivalent overseas regulator which may assist the Secretary and the overseas regulator in the performance or exercise of their functions, powers, or duties.

Aside from providing for the Secretary with the ability to suspend or cancel a licence, the Bill provides the Secretary with a range of enforcement tools to drive compliance with the Bill, and secondary legislation made under it, including formal warnings, enforceable undertakings, take-down notices, and pecuniary penalties.

#### *Secondary legislation*

The Bill establishes regulation-making powers including for harm prevention and minimisation, consumer protection and record-keeping, advertising and marketing, fees, levies, or charges to enable cost recovery. The Bill also empowers the Secretary to make minimum standards relating to online casino gambling technology.

#### *Consequential amendments*

The Bill makes a number of consequential amendments including to the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (the Act) to make licensed operators "Reporting Entities" under that Act and to amend the definition of "transaction" to include online gambling transactions. This will allow for better identification of suspicious activity and support anti-money laundering outcomes.

The Bill also includes consequential amendments to the Gambling Act 2003, the Gaming Duties Act 1971, the Tax Administration Act 1994, and the Gambling (Problem Gambling Levy) Regulations 2025.

## Part Two: Background Material and Policy Information

### Published reviews or evaluations

<b>2.1. Are there any publicly available inquiry, review or evaluation reports that have informed, or are relevant to, the policy to be given effect by this Bill?</b>	<b>NO</b>

### Relevant international treaties

<b>2.2. Does this Bill seek to give effect to New Zealand action in relation to an international treaty?</b>	<b>NO</b>

<b>2.2.1. If so, was a National Interest Analysis report prepared to inform a Parliamentary examination of the proposed New Zealand action in relation to the treaty?</b>	<b>NO</b>

### Regulatory impact analysis

<b>2.3. Were any regulatory impact statements provided to inform the policy decisions that led to this Bill?</b>	<b>YES</b>
<p>Two Regulatory Impact Assessments dated 18 July 2024 and 30 October 2024 were prepared by the Department of Internal Affairs accompanying the policy decisions taken by Cabinet in 2024 prior to the issuing of drafting instructions.</p> <p>These can be found on the Department of Internal Affairs website at the following URL: <a href="https://www.dia.govt.nz/diawebsite.nsf/Files/Proactive-Releases-2024-25/\$file/Cabinet-material-on-Online-Casino-Gambling-Phase-2-Decisions-13-Dec-24.pdf">https://www.dia.govt.nz/diawebsite.nsf/Files/Proactive-Releases-2024-25/\$file/Cabinet-material-on-Online-Casino-Gambling-Phase-2-Decisions-13-Dec-24.pdf</a></p>	

<b>2.3.1. If so, did the RIA Team in the Treasury provide an independent opinion on the quality of any of these regulatory impact statements?</b>	<b>NO</b>
<p>Quality assurance of the regulatory impact assessments was delegated to, and undertaken by, the Department of Internal Affairs.</p>	

<b>2.3.2. Are there aspects of the policy to be given effect by this Bill that were not addressed by, or that now vary materially from, the policy options analysed in these regulatory impact statements?</b>	<b>NO</b>

### Extent of impact analysis available

<b>2.4. Has further impact analysis become available for any aspects of the policy to be given effect by this Bill?</b>	<b>NO</b>

<b>2.5. For the policy to be given effect by this Bill, is there analysis available on:</b>	
<b>(a) the size of the potential costs and benefits?</b>	<b>YES</b>
<b>(b) the potential for any group of persons to suffer a substantial unavoidable loss of income or wealth?</b>	<b>YES</b>
Both are covered as part of the cost recovery impact analyses in the regulatory impact assessments dated 18 July 2024 (pp32 to 34) and 30 October 2024 (pp34 to 41) , found at the following URL: <a href="https://www.dia.govt.nz/diawebsite.nsf/Files/Proactive-Releases-2024-25/\$file/Cabinet-material-on-Online-Casino-Gambling-Phase-2-Decisions-13-Dec-24.pdf">https://www.dia.govt.nz/diawebsite.nsf/Files/Proactive-Releases-2024-25/\$file/Cabinet-material-on-Online-Casino-Gambling-Phase-2-Decisions-13-Dec-24.pdf</a>	

<b>2.6. For the policy to be given effect by this Bill, are the potential costs or benefits likely to be impacted by:</b>	
<b>(a) the level of effective compliance or non-compliance with applicable obligations or standards?</b>	<b>YES</b>
<b>(b) the nature and level of regulator effort put into encouraging or securing compliance?</b>	<b>YES</b>
A policy logic model, and the Cost Benefit Analyses and Options Analyses contained in both Regulatory Impact Assessments describe the anticipated impact of compliance and regulatory options.	

## Part Three: Testing of Legislative Content

### Consistency with New Zealand's international obligations

<b>3.1. What steps have been taken to determine whether the policy to be given effect by this Bill is consistent with New Zealand's international obligations?</b>
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Policy development included consultation with the Ministry of Foreign Affairs and Trade (MFAT) to ensure that New Zealand's obligations under various trade agreements are taken into account in the design of the legislation, particularly the licensing regime. MFAT have advised that the Bill is consistent with our obligations under Australia New Zealand Closer Economic Relations Services Protocol (CER). Under CER, New Zealand must provide Australian gambling service providers treatment and access rights no less favourable than those provided to New Zealand providers.
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### Consistency with the government's Treaty of Waitangi obligations

<b>3.2. What steps have been taken to determine whether the policy to be given effect by this Bill is consistent with the principles of the Treaty of Waitangi?</b>
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The July 2024 Cabinet paper included a population implications assessment. Additional proposals agreed to by Cabinet did not change this assessment. The drafting of the Bill was based on these decisions and a separate assessment has not been undertaken. The assessment can be found at: <a href="https://www.dia.govt.nz/diawebsite.nsf/Files/Proactive-releases-2024/\$file/Cabinet-Material-on-design-of-the-online-casino-gambling.pdf">https://www.dia.govt.nz/diawebsite.nsf/Files/Proactive-releases-2024/\$file/Cabinet-Material-on-design-of-the-online-casino-gambling.pdf</a>
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### Consistency with the New Zealand Bill of Rights Act 1990

<b>3.3. Has advice been provided to the Attorney-General on whether any provisions of this Bill appear to limit any of the rights and freedoms affirmed in the New Zealand Bill of Rights Act 1990?</b>	<b>YES</b>
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The advice provided to the Attorney-General by the Ministry of Justice, or a section 7 report by the Attorney-General, is generally expected to be available on the Ministry of Justice website upon introduction of a Bill and such advice, or reports, will be accessible on the Ministry website at: <a href="https://www.justice.govt.nz/justice-sector-policy/constitutional-issues-and-human-rights/the-bill-of-rights-act/compliance-reports/">https://www.justice.govt.nz/justice-sector-policy/constitutional-issues-and-human-rights/the-bill-of-rights-act/compliance-reports/</a>
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### Offences, penalties and court jurisdictions

<b>3.4. Does this Bill create, amend, or remove:</b>	
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<b>(a) offences or penalties (including infringement offences or penalties and civil pecuniary penalty regimes)?</b>	<b>YES</b>
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<b>(b) the jurisdiction of a court or tribunal (including rights to judicial review or rights of appeal)?</b>	<b>YES</b>
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Part 3 of the Bill sets out the compliance and enforcement tools available, including creating a civil penalty pecuniary regime. The Bill also creates an offence for a person to gamble on an online casino platform on behalf of a person under 18 years.
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The Bill also gives jurisdiction over certain matters to the District and High Court. The Secretary can take enforcement proceedings in the District Court if an unlicensed operator does not comply with a take-down notice issued under clause 64.
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The High Court has jurisdiction regarding the rights of judicial review, rights of appeal and pecuniary penalty orders.
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A party to an appeal to the High Court may appeal to the Court of Appeal against a determination of the High Court on a question of law.
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<b>3.4.1. Was the Ministry of Justice consulted about these provisions?</b>	<b>YES</b>
The Ministry of Justice has been consulted throughout the development of the policy and drafting of the Bill. The Ministry's Offences and Penalties team has been consulted on the relevant provisions.	

## Privacy issues

<b>3.5. Does this Bill create, amend or remove any provisions relating to the collection, storage, access to, correction of, use or disclosure of personal information?</b>	<b>YES</b>
<p>The Bill creates information-gathering powers to enable the Secretary to require information if the Secretary considers that the information is necessary or desirable for the purposes of performing the Secretary's functions or duties, or exercising the Secretary's powers, under this Act, including (without limitation)—</p> <ul style="list-style-type: none"> <li>• determining if a person is complying with the Bill, any secondary legislation made under it, or any licence conditions;</li> <li>• sharing information with an overseas regulator;</li> <li>• complying with a request by an overseas regulator to inquire into a matter; and</li> <li>• conducting research, or policy analysis and development, associated with the purposes of the Bill.</li> </ul> <p>The information-gathering powers are subject to the following limitations and restrictions:</p> <ul style="list-style-type: none"> <li>• the Secretary must not require a person to provide personal information for the purpose of conducting research, or policy analysis and development associated with the purposes of the Bill;</li> <li>• the Secretary must not use or disclose any information obtained under this power as evidence in proceedings; and</li> <li>• legal professional privilege.</li> </ul> <p>The Bill also places a duty on licenced operators to collect and retain certain information (including personal information). This information will be specified in regulations made under the Bill.</p>	

<b>3.5.1. Was the Privacy Commissioner consulted about these provisions?</b>	<b>YES</b>
The Office of the Privacy Commissioner has been consulted on the development of the Bill and included in consultation on the draft provisions.	

## External consultation

<b>3.6. Has there been any external consultation on the policy to be given effect by this Bill, or on a draft of this Bill?</b>	<b>NO</b>

## Other testing of proposals

<b>3.7. Have the policy details to be given effect by this Bill been otherwise tested or assessed in any way to ensure the Bill's provisions are workable and complete?</b>	<b>YES</b>
The land-based gambling regulator and establishment unit for the online casino gambling regulator have been consulted to ensure the Bill's provisions are workable and complete.	



## Part Four: Significant Legislative Features

### Compulsory acquisition of private property

<b>4.1. Does this Bill contain any provisions that could result in the compulsory acquisition of private property?</b>	<b>NO</b>

### Charges in the nature of a tax

<b>4.2. Does this Bill create or amend a power to impose a fee, levy or charge in the nature of a tax?</b>	<b>YES</b>
The Bill creates an empowering provision for regulations prescribing fees, levies, or changes to enable the recovery of the direct and indirect costs of the Secretary in: publicising and informing people about the requirements of the Act, administering the Act, enforcing and monitoring compliance, and doing anything else authorised or required by the Act.	

### Retrospective effect

<b>4.3. Does this Bill affect rights, freedoms, or impose obligations, retrospectively?</b>	<b>NO</b>

### Strict liability or reversal of the usual burden of proof for offences

<b>4.4. Does this Bill:</b>	
<b>(a) create or amend a strict or absolute liability offence?</b>	<b>NO</b>
<b>(b) reverse or modify the usual burden of proof for an offence or a civil pecuniary penalty proceeding?</b>	<b>NO</b>

### Civil or criminal immunity

<b>4.5. Does this Bill create or amend a civil or criminal immunity for any person?</b>	<b>NO</b>

### Significant decision-making powers

<b>4.6. Does this Bill create or amend a decision-making power to make a determination about a person's rights, obligations, or interests protected or recognised by law, and that could have a significant impact on those rights, obligations, or interests?</b>	<b>NO</b>

## Powers to make delegated legislation

<b>4.7. Does this Bill create or amend a power to make delegated legislation that could amend an Act, define the meaning of a term in an Act, or grant an exemption from an Act or delegated legislation?</b>	<b>YES</b>
The definition of 'online casino gambling' in the Bill excludes gambling that is declared not to be online casino gambling by regulations made under the Bill.	

<b>4.8. Does this Bill create or amend any other powers to make delegated legislation?</b>	<b>YES</b>
Part 4 of the Bill establishes regulation-making powers relating to: harm prevention and minimisation; consumer protection and record-keeping; advertising and marketing; cost-recovery; and other matters required to meet the purposes of the Act. The Bill also delegates the function of making product technology standards to the Secretary for Internal Affairs in clause 82.	

## Any other unusual provisions or features

<b>4.9. Does this Bill contain any provisions (other than those noted above) that are unusual or call for special comment?</b>	<b>NO</b>