**Gambling system performance assessment and improvement summary (appendix to regulatory stewardship strategy)**

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| System key performance criteria and DIA rating | DIA self-assessment against key performance criteria | DIA’s view of priority system improvements |
| 1. Effectiveness: to what extent does the system deliver the intended outcomes and impacts?

DIA rating: acceptable | The purposes of the system are set out in the Gambling Act, and recently an objective of ensuring a sustainable source of community funding has emerged. Some of the purposes of the system are in conflict which was a deliberate design feature and requires us to find a balance. Not all the purposes are as clear as they could be, for example the meaning of “controlling the growth of gambling”. Many of the costs and benefits in the system are difficult to quantify and monetise which makes it difficult to assess whether the system delivers a net benefit.We have a reasonable understanding of the level of compliance, and the nature and level of non-compliance, in the class 4 and casino sector. The lower risk classes of gambling, particularly class 1 & 2 do not often come to our attention and we don’t have a good knowledge of the level of compliance in those sectors. Actions that are not technically compliant with the letter of the law but do not create any harm generally do not attract compliance action, whereas systematic, deliberate non-compliance will lead to appropriate sanctions.  | Legislative improvementsnilNon-legislative improvements* Develop a common understanding of the meaning of the purposes of the system
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| 1. Efficiency: to what extent does the system minimise unintended consequences and undue costs and burdens?

DIA rating: acceptable | There is a good understanding of the contribution the system makes to reducing harm in communities, and providing a source of funding for communities. We know where grant money goes but we but not how the grants contribute to stronger communities. The lack of a common understanding of what controlling the growth of gambling means suggests that there is a lower understanding of the system’s contribution to that outcome. There is evidence that the system is contributing to the desired outcomes. However, the difficulty monetising and measuring some of the costs and benefits means that we cannot assess whether the system is achieving a net social benefit. The conflicting purposes of the system mean that we have to achieve a balance between minimising gambling harm, controlling the growth of gambling, and ensuring sustainable funding for communities. It is difficult to determine whether we have achieved the “right” balance.  | Legislative improvementsnilNon-legislative improvements |
| 1. Durability and resilience: how well does the system cope with variation, change and pressures?

DIA rating: acceptable | We have a very good understanding of the class 4 and casino sectors. We have less understanding of the class 3 sector and this is an area that could be improved.   Technology is changing rapidly and we do not have a good understanding of the implications for regulation of changing technology or online gambling. However, we have made changes in response to the changing environment such as new lotto games, and changes to game rules and technical standards.The legislation is prescriptive which limits our ability to change. Gambling tends to generate polarised views and this can make it difficult to achieve political or community consensus. Other barriers are our lack of understanding of the impact of technology on the system and the difficulty monetising some of the costs and benefits which makes it difficult to build a solid case for change.   | Legislative improvementsnilNon-legislative improvements* Develop a better understanding of the policy and regulatory implications of changing technology and online gambling
* Take a more systematic approach to environmental scanning and reviewing our risk assessments and operating models
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| 1. Fairness and accountability: how well does the system respect rights and deliver good process?

DIA rating: acceptable | Casino operators and Class 4 societies are professional operators and have a good understanding of their obligations. Some clubs that operate gaming machines have less understanding and therefore present more of a risk, so we are working to form closer relationships with them to increase their knowledge and capability.  Understanding among “non-professional” operators varies depending on how much involvement they have. For example people running raffles on facebook may not be aware that they have to comply with the Gambling Act, whereas regular housie operators are likely to have more knowledge.  We take a collaborative approach with the sector and recent policy processes have included considerable engagement with the sector (e.g. venue payment regs, C4 review). Our decisions and governance procedures are documented. Where formal compliance action is taken information about the breach and the outcome are communicated to the sector. The Gambling Commission publishes its decisions on its website.    | Legislative improvementsnil Non-legislative improvements |

**Stakeholder feedback in respect of DIA’s gambling system performance and improvement priorities**

Stakeholder group:

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| System key performance criteria and DIA rating | Stakeholder feedback on system performance | Stakeholder feedback on system improvement priorities |
| Effectiveness: to what extent does the system deliver the intended outcomes and impacts?DIA rating: needs improvement |  |  |
| Efficiency: to what extent does the system minimise unintended consequences and undue costs and burdens?DIA rating: needs improvement |  |  |
| Durability and resilience: how well does the system cope with variation, change and pressures?DIA rating: acceptable |  |  |
| Fairness and accountability: how well does the system respect rights and deliver good process?DIA rating: acceptable |  |  |