

The Department's Strategic Approach to Gambling

12 December 2008

Summary

A strategic approach to regulation confers major benefits, including progress towards strategic goals; the ability to inform future policy; and harmonisation of operational and policy activities.

A strategic approach is inherent in many of the Department's current activities, and this is reflected in indications that progress is being made towards the goals.

The Department will continue to enhance its leadership and strategic approach, especially:

- through improving internal capability, emphasis on good practice, and gathering and analysing information,
- by engaging with, and responding to, communities to address issues and concerns at a community level, and
- by engaging with a wide range of other organisations, ensuring that gambling funds provide sustainable community benefit and preventing and minimising harm and crime.

Purpose of document

1. This document is about how the Department of Internal Affairs is providing leadership and implementing a strategic approach to the regulation of gambling. It covers:
 - Where we want to be - the objectives that the Department seeks to achieve in its gambling regulatory activities
 - Where we are now – what the gambling sector currently looks like; recently emerging risks and themes
 - How far we have got – indicators of progress towards the goals
 - How we will get where we want to be - the work we are undertaking to enhance our strategic leadership role in relation to gambling regulation.
2. Major work streams supporting our strategy are summarised in the main text of the document. The Appendix provides a more detailed description of work currently underway or planned.

Background

3. The Gambling Act 2003 (the Act) represented a major change in public policy relating to gambling. The Act introduced a strongly regulated regime for gambling. At the time decisions were made, Cabinet explicitly acknowledged that such a regime was likely to impose costs on the gambling sector¹ but that cost reduction was not a priority.
4. Among other significant innovations, the Act:
 - Shifted the emphasis from entertainment and commercial benefit to public health, harm prevention, and community involvement in decisions related to gambling;
 - Shifted the onus for licensing gambling – whereas previously the regulators were obliged to license gambling unless they could show that it would not comply, the regulators must now not grant a licence unless applicants can demonstrate that their activity can comply with the legislation;
 - Prevented the establishment of any new casinos and the expansion of existing casinos;

¹ CAB Min(01)29/5B.

- Required transparency, accountability, and regular reporting as a standard component of gambling operations;
 - Contained explicit provisions designed to prevent and minimise gambling related harm.
5. The Act has already significantly changed the “landscape” of gambling in New Zealand. The Department, in addition to focusing on the operational mechanics of the legislation, has started to think more broadly about how well the Act is working and the role of gambling in New Zealand society. We are well positioned to advise government on issues relating to gambling in New Zealand, both from a detailed operational perspective and from a big picture perspective. We are also positioning ourselves to provide advice on alternative scenarios for the future of gambling regulation.
6. In order to do this, we:
- Continue to review and refine the goals and objectives of regulation, together with information and processes required to measure progress towards the goals,
 - Maintain a strategic overview of how the policy settings and legislation are operating,
 - Keep enhancing our understanding of the role of gambling. This means gathering the widest possible range of information about gambling and ensuring we have appropriate processes and systems to analyse, use and disseminate that information,
 - Continue to work with others to establish community networks, educate and inform the gambling sector, address issues of gambling related harm, and prevent or reduce crime, and
 - Continue to develop our internal capability to enable our leadership role and provide a strategic, goal-oriented approach to gambling regulation.

Where are we now? Current and emerging themes and risks

Size of the gambling sector

7. Gambling is a significant economic activity in New Zealand. Following a decade of rapid growth, since 2004 New Zealanders’ total expenditure on the major forms of gambling has remained relatively steady at around \$2 billion per annum. Overall expenditure in 2006/07 on major forms of gambling was made up of:

Gambling product	2006/07 expenditure (Player Losses)	Increase / Decrease from 2005/06
Racing and sports betting	\$269m	+ 4.2%
Lotteries Commission products	\$331m	+ 3.0%
Casinos	\$469m	- 4.7%
Non-casino gaming machines	\$950m	+ 5.0%
Total expenditure	\$2.020 billion*	+ 2.2%

* Total is not the sum of the column due to rounding.

8. The number of gaming machines outside casinos dropped from a peak of over 25,000 in June 2003 and now appears to have stabilised at around 20,000. In the six casinos, which under the Act cannot expand their gambling operations, there are 2,826 gaming machines and 197 table games.

9. Another possibly significant factor is that a large and growing number of New Zealanders (about 20 per cent in 2005) *do not gamble at all*. About 80 per cent of adults gamble at least occasionally, the majority on forms of gambling such as Lotto².
10. Internet gambling: The New Zealand Racing Board is the monopoly provider of internet racing and sports betting services in New Zealand. The Lotteries Commission sells a range of New Zealand lottery tickets online under the MyLotto brand. Conducting internet gambling is otherwise illegal under the Act, as is the advertising of overseas gambling. It is not, however, illegal for people to *participate* in internet or overseas gambling. Reported participation by New Zealand based gamblers in internet gambling services remains less than 1%³ of adults. Around 2%⁴ of those approaching problem gambling service providers cite internet gambling as the primary mode of problem gambling. While this form of gambling has remained stable in New Zealand, other jurisdictions have seen growth⁵ and a greater association with problem gambling. The Racing Board has expressed concern about New Zealanders' use of overseas internet gambling, from the perspective of protecting its commercial interests. It has recently carried out a survey which provides valuable information on the characteristics and habits of internet gamblers. The survey's conclusions on the number of internet gamblers in the general population, however, may need to be tested because the sample used is drawn from two population groups that might be more likely to use the internet for a range of activities, including gambling.

Gambling related harm and problem gambling

11. This continues to be a major focus for the Department and the Ministry of Health, and receives a lot of media coverage – including current events⁶ and T.V. drama series⁷. While only a small minority of the population gamble in problematic ways at any given time, this fact in isolation does not give a true picture of the issue. In particular:
- Problem gambling is overwhelmingly associated with certain forms of gambling, especially gaming machines and casino table games. Around 20 per cent of regular gaming machine players are likely to have a gambling problem;⁸
 - Negative social impacts are out of proportion to the numbers of problem gamblers. For example, gamblers may commit crimes to finance their gambling, causing harm to their victims and their families as well as themselves, and incurring costs in the criminal justice sector;

² People's Participation in, and Attitudes to, Gambling, 1985-2005 – DIA 2008

³ Op cit pg172

⁴ Problem Gambling Intervention Services in New Zealand 2007 Service-user statistics, Ministry of Health 2008 New clients citing "other and multiple" as the primary mode of problem gambling: 2.5% (internet gambling not given in statistics) while 2.4% of "significant others" approaching problem gambling service providers cite "internet" as the primary mode of problem gambling.

⁵ British Gambling Prevalence Survey 2007 Gambling Commission (London, 2008) and Internet gambling: a secondary analysis of findings from the 2007 British Gambling Prevalence Survey October 2008 Gambling Commission (Nottingham Trent University) 2008

⁶ E.g. TV One "Close Up" 2 Dec. 08

⁷ E.g. TV One "Whanau"

⁸ For example, New Zealand's 1999 *National Prevalence Survey* estimated that 18.9% of those who played non-casino gaming machines once a week or more were current probable pathological or problem gamblers [M.W.Abbott and R.A.Volberg, (2000), *Taking the Pulse on Gambling and Problem Gambling in New Zealand: A Report on Phase One of the 1999 National Prevalence Survey*, Wellington, Department of Internal Affairs]. At around the same time, the Australian Productivity Commission estimated that 22.6% of weekly gaming machine players were problem gamblers [Productivity Commission, (1999), *Australia's Gambling Industries*, Canberra, Report No. 10, AusInfo]. A recent Victorian survey [ANU Centre for Gambling Research, (2004), *2003 Victorian Longitudinal Community Attitudes Survey*, Melbourne, Gambling Research Panel] estimated that 27.8% of those regular gamblers for whom gaming machines were the favourite form of gambling, were problem gamblers. Other recent surveys (Queensland 2006/7, Adelaide 2008) give similar results.

- Specific populations such as Māori⁹, Pacific peoples, young people, migrant Chinese and Koreans, and Chinese students bear a disproportionate negative social impact.
 - Problem gamblers contribute a disproportionate amount of gambling profits.
12. Recent developments include a high level of public awareness around problem gambling, and an increase in the number of people who regard certain forms of gambling as “socially undesirable”. A significant and increasing number of people strongly agree that there is a growing problem with people being heavily involved in gambling. More than 50% of participants in the 2005 survey strongly agreed that this was so. There has been a marked increase in the proportion of people who think that internet gambling and non-casino gaming machines are socially undesirable. 68% of people think that internet gambling is undesirable. 64% think that non-casino gaming machines are undesirable, 59% casinos, 53% telephone and text games/competitions.¹⁰

Gambling related crime and criminality

13. There is a renewed focus on the potential for crime associated with gambling. This covers a broad spectrum including (but not limited to) cheating, theft of gambling profits, grant fraud, theft from employers and crimes such as drug trafficking or money laundering that are associated with an organised crime presence at gambling venues.
14. Ancillary or “fringe” activities with a potential criminal dimension such as loan-sharking, domestic violence and child abuse have been associated in the media with problem gambling. There is often a cultural and/or international dimension to gambling-related crime and there are strong links to other Government initiatives, such as the reviews of anti-money laundering and organised crime legislation.

Debate on the distribution of gambling funds

15. The public, local authorities, funding agencies, and the media are becoming more aware of issues related to how funds are distributed to community purposes. While Lotteries Commission profits are distributed by an independent board (the New Zealand Lottery Grants Board) in line with criteria based on analysis of community needs and benefits, gaming machine operators can make their own decisions about how funds are distributed. The Act was not intended to tell gaming machine societies where, or to what authorised purposes, they should make grants. However, there is increasing pressure for gaming machine operators to distribute funds on what some see as a more “equitable” basis, e.g. to a wider variety of social causes, and/or returning funds to the community in which they are raised.
16. In relation to sports grants, questions have been raised in the media about the large proportion of funds which some societies grant to certain sports (the racing industry in particular). There is concern that gambling funding for sport should create a *lasting benefit* for the community; and that grants should clearly have integrity. Concerns raised include:
- Some grants are for purposes of very limited or short-term value;
 - Some practices, such as the provision of “naming rights” to societies that make grants, are legally questionable;
 - The existence of gambling funding may undermine the ability of sports organisations to attract corporate sponsorship;
 - Grants should be made to the community in which the gaming machines operate.

⁹ The impact of gaming machines on Māori is the subject of a claim recently lodged with the Waitangi Tribunal. The registration, hearing and resolution of this claim could take some time. We will keep you updated on any significant developments.

¹⁰ People’s Participation in, and Attitudes to, Gambling, 1985-2005 – DIA 2008

17. The recent economic downturn is likely to reduce the pool of money available to communities from philanthropic and charitable givers, giving added impetus to the idea that grants should be “smart”, effective and address identified areas of need in the community.

Technological developments

18. There are two aspects to the rapid evolution of gambling related technologies:

- Gambling operators (especially casinos and the Lotteries Commission) want to make use of the new technologies to increase their customer base and profits. The Department has a role in ensuring that the introduction of such products does not carry an increased risk of harm.
- There is growing interest in utilising technology for harm prevention and minimisation purposes. This can take the form of altering existing features so that gambling products are less potentially harmful (e.g. reducing the limit for note acceptors on gaming machines) or introducing technologies specifically aimed at harm minimisation (e.g. a pre-commitment system allowing players to limit the amount they spend).

Where do we want to be? The purpose and objectives of regulating gambling

Why we regulate gambling

19. Gambling can be a harmless, enjoyable entertainment activity which provides positive social effects. The proceeds from non-commercial gambling, including New Zealand lotteries, gaming machines and “minor” forms of gambling such as raffles and housie, provide significant funding for a wide variety of community purposes. However, there is also some concern about the potential downside of relying on gambling funding to support community activities - a concern that this undermines community capability in traditional and/or developing innovative methods of raising funding.

20. “Commercial” gambling, arguably, provides economic benefits such as dividends for shareholders, tax revenue and employment (although the evidence for this is beginning to appear equivocal¹¹).

21. Gambling regulation can also contribute to the strength and sustainability of communities, e.g. through ensuring that community purposes are funded by the proceeds of NZ lotteries and non-casino gambling.

22. However, gambling also has adverse effects on many individuals, their families and their communities. The community has an interest in ensuring that the benefits of gambling outweigh its negative social and economic impacts. The potential for gambling-related crime and the sophisticated nature of some gambling products also mean that consumers and the wider community are subject to significant risk unless there is effective regulation and enforcement.

¹¹ For example, a recent study in Tasmania found no clear evidence that the gambling industry had significantly contributed to economic growth in the aggregate economy, or generated a net positive impact on employment or tourism [The South Australian Centre for Economic Studies, (2008) *Social and Economic Impact Study into Gambling in Tasmania, Vol. 1*, Adelaide].

<p>Long term Outcome</p>	<p><i>The benefits of gambling outweigh the costs</i></p>				
<p>Intermediate Outcome</p>	<p>Gambling related harm is prevented and minimised</p>	<p>Community benefits from non-casino gaming machines are maximised</p>	<p>Communities are engaged, empowered and informed in relation to gambling</p>	<p>Gambling is operated with integrity</p>	<p>Gambling related crime is prevented and minimised</p>
<p>Objectives</p>	<p>There is a reduction in the prevalence and incidence of gambling related harm</p>	<p>Funds from gambling go to appropriate community benefits (where applicable).</p>	<p>Communities are well informed about gambling and gambling regulation,</p>	<p>Gambling operators behave with integrity</p>	<p>Gambling operators and their associates are not involved in crime</p>
	<p>Government, gambling industry, communities whanau & individuals acknowledge & understand gambling harm is a public health issue</p>	<p>The community is accurately informed about where gambling profits go</p>	<p>People participate in decision-making about local activities that prevent and minimise gambling harm in their communities</p>	<p>Gambling is run fairly</p>	<p>Gambling operators take action to make gambling venues safe from crime</p>
	<p>Gambling operators are responsible corporate citizens who voluntarily act to prevent and minimise harm</p>	<p>Returns to community purposes are maximised</p>	<p>Communities have confidence in gambling regulation</p>		
	<p>Gambling environments support healthy choices to prevent and minimise gambling harm</p>	<p>Communities influence informed, accountable choices about where gambling profits go</p>			
	<p>Gambling products and technologies are designed to prevent and minimise harm</p>				

23. Ensuring that *the benefits of gambling outweigh the costs* through effective regulation and enforcement contributes directly to a safer community.

Major goals

24. Five major goals reflect the principal areas of focus for the Department in relation to regulating gambling. These are reflected as the intermediate outcomes we report in the Statement of Intent.

25. The proposed intermediate outcomes we are developing for the 2009/12 Statement of Intent are tabled on the previous page with key objectives for achieving them.

How we will get to where we want to be?

Strategic work streams

26. We have a number of strategic work streams under way which can be broadly divided into five thematic areas:

- Working with others - community based approaches
- Working with others – national approaches
- Assessing whether gambling funds provide sustainable benefit
- Intelligence-led regulation
- Gathering and analysing information.

27. The Appendix provides a detailed description of planned or existing initiatives under each heading. A summary, with examples of initiatives, is given below.

28. Working with others – community based approaches

- We are building networks within local communities, taking a collaborative approach to addressing gambling-related issues at a local level.
- We are piloting a community engagement model for some of our front-line compliance work. In this programme, gambling inspectors engage with a variety of governmental and non-governmental organisations, (e.g. Police, territorial authorities, liquor licensing officials, iwi, Pacific and migrant Chinese and Korean community representatives, problem gambling service providers, and Maori wardens) in order to assess local needs and concerns and take targeted action. A pilot in Christchurch is underway. Pre-planning for community engagement in Porirua has begun and the work will commence in January. This is resource-intensive work and careful consideration is being given to the engagement methodology and issues such as follow-up with communities.

29. Working with others – national approaches

- We work with the gambling sector in order to increase voluntary compliance, integrity and good practice in gambling operations. We want to encourage gambling operators not only to comply with rules, but increasingly to adopt practices that exceed the minimum requirements. While our objective is to achieve voluntary compliance with statutory requirements, we also focus strongly on detecting non-compliance and applying proportionate sanctions.
- We collaborate with the Ministry of Health, problem gambling service providers, and researchers, to monitor and address issues related to preventing and minimising gambling related harm. An example is the Stakeholder Reference Group on Preventing and Minimising Gambling Harm (previously known as the Expert Advisory Group), which brings together representatives from the gambling, problem gambling, research, and community sectors to discuss relevant issues with the Department and the Ministry of Health.
- The Department will hold a Gambling Conference in May 2009. This conference is designed to be of interest to a wide variety of stakeholders and will focus on achieving the five major gambling-related outcomes set out in the Department's Statement of Intent.
- We work in conjunction with the Office of Ethnic Affairs to engage with ethnic communities on gambling issues.
- We work with other agencies, internationally, nationally and locally, to prevent, reduce, and investigate crime and related issues associated with gambling.

30. Assessing whether gambling funds provide sustainable benefit.

- To make informed policy decisions, Ministers require information on whether (and how) this funding is distributed equitably. For example, are grants processes transparent and honest and does funding contribute to the strength and economic well-being of communities in the long term?

- The Gambling Funding Engagement Initiative seeks to link the charitable and philanthropic sector, funders such as SPARC, and Departmental staff who work on community capability issues (in the Local Government and Community Branch) with gambling trusts, to assist in issues relating to community capability around grant applications and evaluation of the quality of expenditure. This initiative combines a number of work streams and is now being managed on a formal basis with regular reporting to the Minister.
 - A related issue is assessing the impact of the economic downturn on community funding from gambling operators and other sources. The Department has recently initiated a stream of work aimed at progressing such an assessment.
 - The Deputy Secretary, Regulation and Compliance, gave a speech to SPARC in June 2008 which emphasised the importance of integrity, transparency and sustainability in grant making.
 - Grants database: We are establishing a system to routinely gather information on funding allocations to authorised purposes. This will provide comprehensive, up-to-date data on the uses to which gaming machine grants are put.
31. *Intelligence-led regulation.* Our strategic approach is based on the use of intelligence to improve our approach to regulation. In this area, our strategy includes applying methodologies and resources to gain an understanding of key characteristics and drivers of the gambling environment, how that environment may develop in the future, and how the Department can influence the future of gambling.
- The C4 Project is aimed at gaining an improved and systemic understanding of key aspects of the class 4 (non-casino gaming machines) environment.
 - Under the review of anti-money laundering and counter-terrorist financing (AML/CTF) legislation currently being undertaken by the Ministry of Justice, the Department is the proposed supervisor for a variety of entities (including casinos and the NZ Racing Board). Our role will be informed by intelligence-based risk analysis and we have already begun the analysis of money laundering and terrorist financing (ML/TF) risks in “our” sectors. Our Intelligence staff have also led an assessment of ML/TF risks and vulnerabilities in casinos worldwide, undertaken by the international AML/CTF bodies APG and FATF (to be ratified and published by those bodies early next year).
32. *Gathering and analysing information.* We currently utilise a wide range of information sources which provide important data to help us plan strategically – for example, the five-yearly Participation in and Attitudes to Gambling Survey provides a wealth of information on the general public’s perception of gambling and gambling policy. In addition to the information we already gather, we have identified a number of important information gaps without which achievement of goals cannot be comprehensively measured. Over the next one to two years we intend to:
- Enhance outcome frameworks, business reporting capability and processes;
 - Introduce the Integrated Gambling Platform (IGP) – enhancements to the gambling compliance IT platform, intended to complement the Electronic Monitoring System (EMS) with the objective of improving operational efficiency and effectiveness and supporting enhanced information gathering, analysis, and reporting;
 - Enhance our audit models to gather not only information on compliance with the minimum requirements of the Act, but also qualitative information on good practice and operator responsibility. This will enable us to identify and encourage practice that exceeds the minimum requirements of the Act;
 - Explore (with other agencies such as the Ministry of Justice) the feasibility of developing a framework for describing and measuring gambling related crime and criminality;
 - Analyse information available to the public about gambling, both from the Department and other sources (e.g. gambling operators, problem gambling service providers, and

the media), to assess whether information is readily accessible, accurate, complete and up-to-date, and take appropriate action if it is not.

How far have we got? Current indicators of progress

33. The stable state of gambling in recent years can largely be attributed to the Act's aim of controlling the growth of gambling – for instance by prohibiting the establishment of new casinos and allowing communities, through territorial authorities, some control over gaming machine and venue numbers. It is also likely that the Smoke-Free Environments Act has had a limiting effect on gambling.
34. Increased public awareness about the potential harm associated with gambling, and the high media profile given to issues of gambling related harm and crime, are indicators of public support for the direction taken by the Act, and may encourage community involvement in crime prevention and harm prevention initiatives. There is very clear demand from some sections of the community for increased community involvement in gambling issues, including the location and nature of gambling, crime prevention, and harm prevention initiatives. This is associated with a number of influences, including:
 - The Act's requirement for public consultation on territorial authority gambling policies;
 - Publicity campaigns and community action by problem gambling service providers and lobby groups;
 - The Ministry of Health's contracting of providers at a local level.
35. The Department itself has taken a number of steps that reinforce its strategy in relation to harm prevention and minimisation. A few examples are:
 - Adopting a "precautionary approach" when assessing applications for new gambling products or technologies, to ensure that harm will not be increased by the product's introduction;
 - A successful campaign to enforce the legislative requirement eliminating "gambling shops" – gaming machine venues whose main purpose was the operation of gaming machines;
 - Targeted law enforcement actions, such as the temporary suspension of Dunedin Casino for failing to comply with its own host responsibility policy by allowing a problem gambler to continue gambling;
 - Consistently emphasising harm prevention and minimisation requirements in submissions to the Gambling Commission.
36. There are indications that the Act's emphasis on transparency and accountability is starting to work for all involved parties. For example:
 - The Department, the Ministry of Health and problem gambling treatment providers are providing better quality gambling statistics to the public on a more regular basis.
 - The 2005 gaming machine profits survey shows that some gaming machine societies are starting to take community needs and priorities into account and distributing funds more broadly to community purposes (rather than, for example, concentrating on particular sports). There are encouraging signs that the sector is beginning to consider formal assessment of community needs and the long-term value of funding.
 - Breaches and criminal offences are, overall, less severe than abuses of previous legislation. For example, in the area of misappropriation and fraud we are now generally seeing offences amounting to tens of thousands of dollars, rather than the hundreds of thousands, or millions, sometimes seen under the Gaming and Lotteries Act 1977.
 - EMS has enabled rapid detection and elimination of insufficient or late bankings or failure to bank by venues, which accounted for an estimated 5 per cent of gaming machine profit under the previous legislation.

APPENDIX. Strategic work streams

Work stream	Initiative	Description	Progress since April 2008
Working with others – community based approaches	Building networks within local communities.	<ul style="list-style-type: none"> • Taking a collaborative approach to addressing gambling-related issues at a local level • Establishing cooperative relationships between gambling operators, community groups, problem gambling service providers, local government, and other government agencies. 	Established Compliance and Community Outcomes manager to progress this approach within the Gambling Compliance Group.
	Community engagement model (compliance) – formerly “community audit model”.	<ul style="list-style-type: none"> • Engaging community interests in the gambling compliance assessment of a specific community or region • Exchange of information with a variety of organisations, e.g. Police, territorial authorities, liquor licensing officials, iwi, Pacific and Asian representatives, problem gambling service providers, Maori wardens • Information from these organisations will be combined with intelligence and EMS information to assess and target particular venues or activities for audit • Compliance with harm prevention and minimisation requirements will be a specific focus • A sample of local grant recipients will be checked • Facilitating contact between societies/venues and problem gambling service providers, with the objective of both parties gaining a better understanding of each other’s roles and concerns. 	A pilot is planned in Christchurch and planning is under way for further exercises in other communities.

Work stream	Initiative	Description	Progress since April 2008
Working with others – national approaches	Educating and informing the gambling sector in order to increase voluntary compliance, integrity and good practice in gambling operations.	This takes several forms including: <ul style="list-style-type: none"> • Information and education imparted to societies and venues during audits and “educational visits” • Provision of information via publications and the website • Responses to requests for information (via phone, letter or email) • Roadshows or educational campaigns on specific topics. 	For non-casino gaming machines, this has recently shifted focus from a more venue-based approach to an approach aimed at ensuring society governance understands the requirements. The number of venue-based education and information visits has been decreased in favour of education and information provided during society audits.
	Collaborating with the Ministry of Health, problem gambling service providers, and researchers, to monitor and address issues related to preventing and minimising gambling related harm.	Primarily managed via our Gambling, Racing and Censorship Policy team.	Ongoing
	Working in conjunction with the Office of Ethnic Affairs to engage with ethnic communities on gambling issues.	An example is engagement earlier in 2008 with Chinese and Korean communities in Auckland.	Ongoing
	Preventing, reducing, and investigating crime and related issues associated with gambling.	Working with other government agencies, nationally and internationally, to prevent, reduce, detect and investigate crime associated with gambling, and address other legislative and social issues such as community funding and gambling-related debt.	Work on preventing gambling-related crime has been devolved to local STRATAC (strategic and tactical) teams informed by intelligence analysis.
Assessing whether gambling funds provide sustainable benefit	Gambling funding engagement initiative.	Engaging with the community and the gambling sector on issues relating to the quality and integrity of gaming machine funding. The scope of the initiative includes non-profit philanthropic and other funding organisations, local government, and the Office of the Community and Voluntary Sector.	This has become a formal engagement initiative and is being reported on quarterly to the Minister.

Work stream	Initiative	Description	Progress since April 2008
	Gathering information on whether (and how) gambling funding is distributed equitably.	Exploring ways to provide information on a number of questions around this issue - for example, are grants processes transparent and honest, does funding contribute to the strength of communities in the long term? Work includes the establishment of a system to routinely gather information on the allocation of gaming machine funds to authorised purposes.	<ul style="list-style-type: none"> • Planning repeat of the Gaming Machine Profits survey for 2009 • Development of grants database (part of the Integrated Gambling Platform (IGP) programme (see below) – timing dependent on decisions in that programme • Further, specific research on the sustainability of funding will be explored • Information from the engagement strategy (above) will feed into this work.
Intelligence-led regulation	C4 project – aim to gain an improved and systemic understanding of key aspects of the class 4 (non-casino gaming machines) environment.	The project uses systems thinking to describe key factors in the class 4 environment and the influences between these factors. This will improve our understanding of what “levers” to pull if we want to influence the sector in a given way.	A preliminary exercise to describe the C4 environment at a high level has been completed. This work has identified five key factors, which will now be the focus of the project. Through information collection and analysis the project will seek to provide a more detailed understanding of these factors and how they interrelate within the wider C4 system.
Gathering and analysing information	Enhancing outcomes frameworks, business reporting capability and processes.	The aim is to produce comprehensive and accurate information on the impact of the Department’s activities on the gambling environment and the outcomes we want to achieve. The outcomes for gambling were re-framed in 2007.	<ul style="list-style-type: none"> • An exercise is under way to develop meaningful outcome measures for the 2009/12 Statement of Intent • A Performance Assurance Unit has been established within the Gambling Compliance Group to provide enhanced information gathering and performance measurement.
	Integrated gambling IT platform (IGP)	Enhancements to the gambling compliance IT platform, intended to complement the electronic monitoring network, with the objective of improving the efficiency and effectiveness of licensing and compliance activities and supporting enhanced information gathering, analysis, and reporting.	A business case for operational funding for detailed planning has been approved. Next milestone is the development of a business case for capital funding, provisionally timed for March 2009.

	<p>Enhancing our audit models to gather not only information on compliance with the minimum requirements of the Act, but also qualitative information on good practice and operator responsibility.</p>	<p>This will enable us to identify and encourage practice that exceeds the minimum requirements of the Act, and to report on outcomes.</p>	<p>This is a long-term project. The work will be scoped in 2009/10.</p>
	<p>Exploring (with other agencies such as the Ministry of Justice) the feasibility of developing a framework for describing and measuring gambling related crime and criminality.</p>	<p>Information on gambling related crime is scattered across a number of agencies and inconsistently reported. Gambling related crime is not always identified as such, making it difficult to measure crime prevention and minimisation outcomes.</p>	<p>This is a long-term project. A preliminary research project is under way as part of a university post-graduate course. A scoping report will be completed by 30 June 2009.</p>
	<p>Analysis of information available to the public about gambling, both from the Department and other sources (e.g gambling operators, problem gambling service providers, and the media) to assess whether information is readily accessible, accurate, complete and up-to-date.</p>	<p>We scan media and other information sources, issue corrections and/or factual information when this is needed to counter incorrect information, and provide our own continuously updated information e.g. via the DIA website.</p>	<p>Ongoing. As an example, in September 2008 we published information about gambling and problem gambling, to counter frequently quoted incorrect information.</p>