

## The Department of Internal Affairs' Gambling Compliance Group

The Department of Internal Affairs undertakes a wide range of regulatory roles - one of which is gambling. The Gambling Compliance Group (GCG) is the business group within the Department responsible for achieving compliance with New Zealand's gambling laws (see page 2 of this Fact Sheet for the GCG's structure).

### What does the Gambling Compliance Group do? How do we do this?

The GCG's role is to ensure that gambling conducted in New Zealand complies with the Gambling Act 2003.

The Group contributes to the Government's strategic objectives of 'safer communities' and 'sustainable communities' by ensuring that gambling is conducted in a way that is consistent with the purposes of the Gambling Act (e.g. gambling activities are fair and lawful, gambling harm is prevented and minimised, and money raised from Class 4 gambling benefits the community).

See Fact Sheet 1 'Gambling Regulation in New Zealand' for more details on the purposes of the Act.

A primary focus of the GCG is to assist the gambling sector in meeting the requirements of the Gambling Act, and to ensure that appropriate enforcement action is taken in cases of non-compliance.

### What are our specific objectives?

- Facilitate responsible gambling and ensure harm is minimised
- Ensure that returns to the community from non-casino gambling are maximised
- Investigate and prosecute dishonesty and crime associated with gambling
- Ensure the gambling sector operates transparently to promote sound decision-making
- Maximise compliance within the gambling sector
- Provide clear guidance and support for the gambling sector to ensure compliance is as simple and easy as possible
- Facilitate efficient two-way communication between the gambling sector and the Department.

In order to help us achieve compliance we use the tools represented in the Regulatory Pyramid below.



The pyramid shape illustrates where the majority of our resource is dedicated. For example, sanctions and prosecutions are at the top of the pyramid because they are undertaken only when necessary.

**Coherent legislative framework** - Is the foundation of the pyramid and the basis for all the work we do. It consists of the Gambling Act and other instruments under the Act including regulations, game rules and standards.

**Information, evidence and intelligence** - Is used to inform our regulatory activities, assist our decision-making, help us to identify risks and contribute to the strategic direction of compliance activities.

**Education and persuasion** - Is used to ensure that gambling operators are supported in compliance in a helpful and collaborative manner. The majority of licensed gambling operators want to comply with the legislation, and are trying to do the right thing. Accordingly, most of our efforts are focussed on ensuring licensed gambling operators know how to comply with the laws under which they operate.

**Licensing** - Is used to ensure that only operators that are fully compliant with the Gambling Act are given permission to run gambling activities, while also ensuring that records of operators' details are accurate and up-to-date.

**Audits and inspections** - Are interventions that may contain elements of education and persuasion, but could also lead to enforcement activity if deliberate non-compliance is found.

**Investigations** - Flow from audits and inspections or the identification of problems by other means such as complaints. When an investigation is conducted and non-compliance is found, there is a likelihood that it will result in some form of sanction.

**Sanctions** - Are regulatory tools that promote compliance by punishing non-compliance. Sanctions range in seriousness from infringement notices to the revoking of licences.

**Prosecutions** - May arise from an offence against the Gambling Act.

## Gambling Compliance Group structure

The business units detailed below make up the GCG. These units and the Department's Intelligence Unit use various tools in the Regulatory Pyramid, as outlined below.

**Licensing** has prime responsibility for non-casino gambling, including: gaming machines, prize competitions, housie, lotteries and other games of chance. The unit's core function is the processing of licence applications and the probity checking of people involved in the gambling sector. It is responsible for certifying all gambling-related casino employees. It responds to queries from stakeholders and the general public. The unit champions a new electronic licensing regime and has management oversight of the Electronic Monitoring System (EMS) contract with Intralot.

**Compliance** undertakes activities primarily related to Class 4 gambling and casino operators' compliance with regulatory requirements. Its key responsibilities include: inspecting gambling equipment, monitoring and auditing the conduct of gambling; detecting, investigating, and prosecuting offences against the Gambling Act; investigating complaints from members of the public; and liaising and cooperating with the New Zealand Police and other enforcement agencies. The unit has an educative role within the sector and encourages voluntary compliance and contributes to harm minimisation initiatives.

**Investigations** undertakes significant, complex, cross-group, lengthy and sensitive investigation projects involving criminal, legal and financial issues related to the operation of gambling organisations. It also provides expertise and support to investigations and audits across the group, working closely with the Compliance and Intelligence unit.

**Gaming Technology** oversees the technical integrity of gambling issues across casino and all other classes of gambling. It makes gaming machine approvals and sets standards to ensure gambling equipment in New Zealand can be operated legally and is secure from tampering or manipulation. It ensures that the EMS functions in a way that benefits all users, and monitors overseas trends and developments to identify potential risks and / or benefits.

**Operational Policy** contributes to policy development in the gambling sector generally, develops licence conditions, game rules and minimum operating standards. The unit has the lead role in policy development around technical standards for gaming equipment. It provides operational policy support and advice to the rest of the GCG and stakeholders. In broad terms, its role is to develop the Department's policies about how the law will be turned into the work done in the field.

**Performance Assurance** focuses on ensuring that the GCG achieves both its strategic objectives (short and long-term) and its business goals. It coordinates strategic and business planning for the group as well as providing robust analysis, monitoring and reporting around performance.