

BEFORE THE NEW ZEALAND GAMBLING COMMISSION

under the Gambling Act 2003
in the matter of an application by SkyCity Queenstown
Limited for renewal of its Casino Venue Licence

AFFIDAVIT OF SIMON RICHARD HARRIS

23 October 2025

LeeSalmonLong

Barristers and Solicitors

LEVEL 34 VERO CENTRE 48 SHORTLAND STREET

PO BOX 2026 SHORTLAND STREET AUCKLAND NEW ZEALAND

TELEPHONE 64 9 912 7100

EMAIL: tim.mullins@sl.co.nz SOLICITOR ON RECORD: TIM MULLINS

EMAIL: bella.rollinson@sl.co.nz SOLICITOR ACTING: BELLA ROLLINSON

AFFIDAVIT OF SIMON RICHARD HARRIS

I, **Simon Richard Harris** of Christchurch, Director, solemnly and sincerely affirm—

Introduction

1. I am a Director of LWP Ltd, a consulting company in Christchurch that provides technical support for clients in resource management and planning matters. I have the following qualifications and experience relevant to the evidence in my affidavit:
 - (a) I gained a B.Agr.Sc (Hons) in Farm Management from Lincoln University in 1990, and have 30 years of experience as an economist, including periods with Brown Copeland and Co. and Lincoln University as a research assistant;
 - (b) I have undertaken numerous economic impact and cost benefit analyses for a wide range of industries and in a large number of regions, including work on primary sector environmental policies for Environment Canterbury, Southland Regional Council, Horizons Regional Council, Otago Regional Council, Greater Wellington Regional Council, Taranaki Regional Council, Tasman District Council, Marlborough District Council, Hawke's Bay Regional Council, Environment Bay of Plenty, and Christchurch City Council. I have undertaken impact-related work for stormwater and drainage networks, flood mitigation and other catchment control schemes, hydro infrastructure, irrigation infrastructure, electricity networks, a Super Rugby franchise, residential and industrial developments, and biosecurity incursions;
 - (c) I have appeared as an expert witness on economic impacts and economic efficiency in numerous hearings before councils, commissioners and the Environment Court on Resource Management Act related matters.
 - (d) I prepared and gave evidence in relation to the Casino Impact Report (**CIR**) for Dunedin Casino Limited's application to renew its Casino Venue Licence for the Grand Casino.
2. Together with Carl Davidson, I prepared the CIR for SkyCity Queenstown. My primary role was to prepare the economic impact assessment. In preparing the CIR I worked with Geoffrey Vernon Butcher and am familiar with the analysis/modelling he undertook which informed the economic assessment in the CIR. I hereby confirm my part of the CIR¹ as my evidence, subject to the erratum below.
3. I confirm that I have read the 'Code of Conduct for Expert Witnesses' contained in Schedule 4 of the High Court Rules 2016 as if references to the court were reference to the Gambling Commission. My evidence has been prepared in compliance with that Code in the same way as I would if


¹ Casino Impact Report.

giving evidence in the High Court. The issues I address are within my area of expertise, except where I state that I am relying on what I have been told by another person, and I will not omit to consider material facts known to me that might alter or detract from the opinions I express in my evidence.

4. This affidavit addresses:
 - (a) an overview of the preparation of the CIR;
 - (b) an overview of key findings on economic impacts in the CIR;
 - (c) a brief erratum to the CIR;
 - (d) changes in SkyCity Queenstown's financial performance and associated economic impacts since the completion of the CIR; and
 - (e) some concluding comments about the CIR.

The preparation of the CIR

5. This CIR uses an impact design based on the approach adopted for the Christchurch Casino CIR and for the Dunedin Casino CIR. The assessment also incorporates matters raised by the Gambling Commission as matters it would like to be included in the CIR.
6. For the economic impact assessment component, this report uses an analysis of the Casino to estimate direct benefits from the Casino and uses input-output (I-O) models to estimate the Queenstown and Otago economic impacts of the Casino on employment, household income, and value added, considering the trade diversion effects and the tourism effects of the Casino. The approaches used in the CIR involved the following elements:
 - (a) **Impact metrics:** This study reports on the commonly used metrics of value added (~GDP), household income and employment at the level of the Queenstown Lakes District (QLDC) and regional level. It also estimates profitability and contribution to taxes and community organisations.
 - (b) **Measurement approach:** This study uses appropriate I-O models for quantitative assessment of effects. The results consider the positive impacts of the Casino and the negative impacts of trade diversion away from other businesses when consumers switch spending to the Casino (illustrated by the casino closure scenario in Section 134(3)(ii) of the Gambling Act 2003 (Act)). Impacts on tourism are also considered.
 - (c) **Combining costs and benefits:** This study quantifies financial costs and benefits of market transactions and describes, where possible, social costs and benefits. It does not put a financial value on these social costs and benefits due to the inherent difficulties of such an exercise.

TS 

- (d) **Time frame:** The study takes a long-term operating perspective and uses four-year average data when modelling the Casino's operations. The period modelled is 2019/20 to 2022/23.
- (e) **Geographic focus:** The study looks at the Casino's impacts on the town and region. The analysis indicates the likely magnitude of any national impacts based on its size relative to Christchurch Casino and its associated national impacts.

Overview of key findings on economic effects

- 7. The CIR shows that SkyCity Queenstown contributes to the economy in a number of ways.

Expenditure

- 8. The Casino spent an average of \$3.35 million per annum with suppliers in the period 2019-20 to 2022-23, (\$2.98 million in 2020 to \$3.89 million in 2023) (excluding wages and salaries). Of this \$3.35 million, 41% was spent in Queenstown, 4% in the rest of Otago, and 54% elsewhere (including some overseas). In addition, the Casino has an annual capital expenditure budget which averaged \$0.73 million per annum over the 2020 to 2023 period, with \$0.015 million (2%) in Queenstown and \$0.6 million elsewhere in New Zealand.

Employment


- 9. As at the end of FY23 the Casino had a payroll of 53 FTE, which is a decrease from pre-Covid staffing levels of 71 (FY20). The total staff wages and salaries averaged \$3.48 million over the FY20 to FY23 period.

Charitable Trust distributions and sponsorships

- 10. The SkyCity Queenstown Casino Community Trust (**Casino Trust**) at the time of the CIR had distributed \$2.37 million in approximately 680 grants. This distribution averaged \$144,000 per financial year during FY2020 to FY2023. Of this 94% is to organisations located in Queenstown Lakes, and the remainder to elsewhere in New Zealand as part of SkyCity group National Community Trust initiatives.
- 11. The Casino contributed \$44,000 per annum to organisations directly as sponsorship at the time of the CIR. For several of the recipients the sponsorship extends beyond the funding and includes promotion of the entities, and assistance through media and charity events.

Qualitative insights into other business benefits of the casino

- 12. In addition to these impacts, the stakeholders in this research identified additional business benefits of the Casino's operation, including that it adds to the appeal of Queenstown as a tourist destination by adding value to the overall tourism offering, providing entertainment and a cosmopolitan element. The Casino is viewed as a responsible employer, offering training and potential career development for staff.

TS  3

Wider economic effects

13. When the expenditure, employment, and other activities of the Casino are included in a model of the QLDC, the Casino generates a total of 60 full-time employees (FTEs), \$9.18 million in value added, and \$4.50 million in household income.

Effects of non renewal

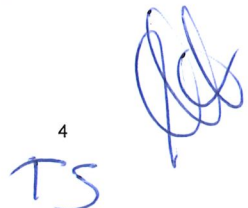
14. When the gross impacts associated with the Casino expenditure were aggregated with the tourism generation impacts associated with visitors to the town, and the likely impacts of continued expenditure in the QLDC area in the absence of the Casino were subtracted, the net impact of the Casino is an estimated -10 FTEs in employment, \$3.73 million per annum in value added, and \$1.07 million per annum in household income.
15. The decline in employment suggests that in the absence of the Casino more people would need to be employed to service the alternative spending generated in the Queenstown Lakes District. The effect of increasing employment if the casino licence were not renewed is unusual, and is a result of the casino paying higher wages than the industries into which the expenditure would be diverted. This is demonstrated by the result that the lower employment with the casino is accompanied by higher household income, which suggests that the greater number of employees without the casino would still not be paid in aggregate as much as the current employees at the casino. The negative employment impact is also due in part to the tourism impacts being relatively small, because the Casino is not the prime attraction for many of its out-of-district patrons.
16. In the context of the wider Queenstown Lakes District employment of 30,000 jobs and GDP of nearly \$3.6 billion per annum, both the direct and net impact of the Casino are a small fraction of the district's economy. This generally tallies with the information from stakeholders and the neighbourhood survey: that the Casino is valued but is not a major player in the district economy and few businesses are highly reliant on it.

Table 1: Comparison of With vs Without scenarios for SkyCity Queenstown

Impact Category	Employment (FTE)	Value Added (\$m/year)	Household Income (\$m/year)
Trade Diversion Impacts	-80.8	-6.36	-3.96
Tourism Generation Impacts	10.9	0.91	0.53
Casino Gross Impacts	60.0	9.18	4.50
Net Impacts of Casino	-10.0	3.73	1.07

Erratum

17. Table 7.5 in the CIR misstates the amount of casino duty and DIA levy/Gaming tax. Associated with this the first sentence on page 109 of the CIR should read "There are \$4.3 million per year in taxes and levies ..."



18. At the time of the CIR we were unaware that the SkyCity Entertainment Group Ltd accounts provided for Queenstown Casino excluded revenue and expenses that were routed through their International Business (IB) unit. The IB unit facilitates high stakes international players to gamble at the SkyCity casino network in New Zealand. At periods this IB unit contributions could have made a significant difference to the revenue and levy/tax expenses that was sourced from gambling undertaken at Queenstown casino. For example revenue including the IB was 18% higher during the CIR 2020 – 2023 period than is indicated in the CIR, and Gaming Duty/DIA levy was 31% higher including the IB contribution. The average is significantly affected by the FY2020 year when IB players more than doubled the Queenstown Casino revenue adding an additional 123% to the total. However because these IB players are a relatively small number of people and so would not have materially altered the expenditure profile for the casino, and because staff were brought down from Auckland to assist while they were in Queenstown, I do not believe that the differences brought about by the exclusion of the IB are material in terms of the economic impacts of the casino. The key difference regarding inclusion or exclusion of the IB will be that the figures in Table 7.5 (reproduced as Table 2 below) understate the GST, income tax, DIA levy and Problem Gambling Levy that would occur if the IB were included within the Queenstown Casino accounts.

Table 2: Replacement for CIR report Table 7.5: Taxes and levies paid by the Casino

Tax or Levy	2019/20	202/21	2021/22	2022/23	Average
PAYE	\$838	\$564	\$625	\$663	\$672
GST	\$2,168	\$1,202	\$762	\$1,221	\$1,338
Income tax	\$2,937	\$1,212	\$674	\$1,198	\$1,505
Casino Duty	\$290	\$276	\$304	\$304	\$294
DIA Levy	\$330	\$424	\$360	\$437	\$388
Problem Gambling Levy	\$63	\$59	\$50	\$95	\$67
Other licences and levies	\$30	\$47	\$40	\$42	\$40
Total	\$6,625	\$3,737	\$2,774	\$3,918	\$4,304

Changes since the CIR was completed

19. I have analysed the Profit and Loss statements excluding IB for SkyCity Queenstown for the two years since the CIR was completed. average revenue over FY2024 and FY2025 is 18% higher than the average revenue used in the CIR. Staff expenses are 20% higher and total expenses are 13% higher. EBIT as a measure of profit has increased by 56% compared with figures used in the CIR. There has been an impact of inflation which is significant given the CIR uses data which is up to five years old now.
20. Picking a mid point for the CIR of December 2021 and comparing it with December 2024, CPI has increased by 15% and wages by 20%. Given that most of the local economic impact is generated by the casino expenditure on suppliers and by staff, it seems reasonable to estimate that the economic impact of the casino is approximately the same now as it was during the period analysed by the CIR. Without doing a detailed analysis, in my opinion the estimate of the impacts of the casino contained in the

CIR continue to be representative of the overall impacts of SkyCity Queenstown on the economy.

Conclusion

21. The economic impact assessment contained in the CIR concludes that the Queenstown and Otago-wide economic impacts of non renewal would be minor because of the modest size of the Casino operation and its flow on effects in relation to the local economy. This is because the direct and net economic impact of the Casino are a small fraction of the district's and the region's economies. This conclusion generally tallies with the information from stakeholders and from the neighbourhood survey showing that the Casino is a valued, but not a major, player in the district's economy. This relatively low impact is not unexpected given the small size of the Casino.
22. This should not be seen as discounting the Casino's value. The analysis has indicated the following points:
- (a) SkyCity Queenstown Casino is a source of employment that appears to be more highly paid than is typical for other hospitality type businesses. Its closure would cause disruption to these staff and it seems likely that any replacement employment would be at lower salary.
 - (b) SkyCity Queenstown Casino provides an entertainment option in Queenstown, and its removal decrease the vibrancy of the town and the range of entertainment offerings available to visitors, as the alternative use of the space is likely to be accommodation.
 - (c) SkyCity Queenstown Casino is obviously valued by its patrons, who have indicated high levels of satisfaction with its facilities, and who would be expected to generate consumer surplus from their use of the Casino that is additional to the quantified impacts estimated here
 - (d) Non-renewal would also impact negatively on the Casino's landlord and the owners of the Casino business, would deprive the community of funding for a range of organisations that contribute to the wellbeing of the QLDC area, and would reduce the national tax taken from personal and gambling related taxes.

Christchurch
AFFIRMED at this 23 day of
October 2025 before me:


Simon Richard Harris


A solicitor of the High Court of New Zealand

T Scanlan
Deputy Registrar
Christchurch District Court