



SkyCity Hamilton Limited

Application for Renewal of a Casino Venue Licence Under Section 134
of the Gambling Act 2003

30 June 2026

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SECTION 1: APPLICATION FOR RENEWAL OF A CASINO VENUE LICENCE UNDER SECTION 134 OF THE GAMBLING ACT 2003

1. **Applicant's Name:** SkyCity Hamilton Limited
2. **Postal Address:** 346 Victoria Street
Hamilton
New Zealand
3. **Contact Phone Number:** James Chapman
09 363 7173
4. **Facsimile Number:** N/A
5. **Email Address:** james.chapman@skycity.co.nz
6. **Details of Casino Venue Licence sought to be renewed:**

The casino premises licence held by SkyCity Hamilton Limited dated 10 December 1999 (which commenced on 19 September 2002) in respect of the SkyCity Hamilton Casino.
7. **Date of expiry of Casino Venue Licence:** Midnight on 18 September 2027
8. **Please list below the names of any persons who have a significant influence in the casino and provide an explanation of the basis for that significant influence:**

(The definition of "significant influence" is set out in section 7 of the Gambling Act 2003. Section 7 is printed at the end of this application form).
 - (a) **Jason Walbridge** – as a Director of SkyCity Hamilton Limited, Director of SkyCity Casino Management Limited and the Chief Executive Officer of SkyCity Entertainment Group Limited
 - (b) **Blair Woodbury** – as a Director of SkyCity Hamilton Limited, Director of SkyCity Casino Management Limited and the Chief Financial Officer of SkyCity Entertainment Group Limited
 - (c) **Julian Cook** – as a Director of SkyCity Entertainment Group Limited
 - (d) **Chadwick Barton** – as a Director of SkyCity Entertainment Group Limited
 - (e) **Katherine Hughes** – as a Director of SkyCity Entertainment Group Limited
 - (f) **Glenn Davis** – as a Director of SkyCity Entertainment Group Limited
 - (g) **David Attenborough** – as a Director of SkyCity Entertainment Group Limited
 - (h) **Donna Cooper** – as a Director of SkyCity Entertainment Group Limited
 - (i) **Shaun Philp** – as the Chief People and Culture Officer of SkyCity Entertainment Group Limited
 - (j) **Elaine Campbell** – as the Chief Risk and Corporate Officer of SkyCity Entertainment Group Limited

- (k) **Callum Mallett** – as the Chief Operating Officer, of SkyCity Entertainment Group Limited
- (l) **Christina Katsibouba** – as the Chief Digital and Transformation Officer of SkyCity Entertainment Group Limited
- (m) **Michelle Baillie** – as the General Manager of SkyCity Hamilton
- (n) **SkyCity Entertainment Group Limited** – as the parent company of SkyCity Hamilton Limited
- (o) **SkyCity Casino Management Limited** – as the holder of a casino operator's licence for, and the operator of, the SkyCity Hamilton Casino

9. Please submit with this application:

- (a) a completed Applicant Information Form;
- (b) a completed Personal Information Form or Company Information Form for each person named at 8 above;
- (c) a copy of the casino impact report;
- (d) a draft statement of conditions for the proposed casino venue licence; and
- (e) a cheque made out to the Gambling Commission for the specified amount.

Date: 30 June 2026

Signature:



Name of Signatory: Michelle Baillie

Designation of Signatory: General Manager – SkyCity Hamilton

7 Meaning of significant influence in casino

- (1) *A person has a significant influence in a casino if the person—*

 - (a) *is or will be a director of the holder of, or applicant for, or proposed transferee or alienee of, a casino licence for the casino; or*
 - (b) *is or will be employed or engaged by the holder of, or applicant for, or proposed transferee or alienee of, a casino licence for the casino as the chief executive or a senior manager of the casino; or*
 - (c) *owns or will own shares, directly or indirectly, in the holder of, or applicant for, or proposed transferee or alienee of, a casino licence for the casino that confer control of 20% or more of the voting rights of shareholders of any class in the holder, applicant, or proposed transferee or alienee.*
- (2) *A significant influence in a casino includes any influence that the Secretary or the Gambling Commission (as the case may be) considers to be a significant interest in the management, ownership, or operation of a casino, however acquired or to be acquired.*
- (3) *Subsection (1) does not limit what the Secretary or the Gambling Commission, as the case may be, considers to be a significant influence under subsection (2).*
- (4) *In subsection (1)(a), the term director includes a person described in section 126(1) of the Companies Act 1993.*

SECTION 2: EXECUTIVE SUMMARY

Background

1. SkyCity Hamilton Limited (at the time named Riverside Casino Limited) (**SCH**) was granted a casino premises licence (**Licence**) by the former Casino Control Authority under the former Casino Control Act 1990 (**Casino Control Act**) on 10 December 1999.
2. SCH opened Sky Riverside Casino (**Casino**) on 19 September 2002. The name used for the Casino evolved over time, reflecting SkyCity's increasing ownership (moving incrementally from a joint-venture to SCH being wholly-owned, as summarised in Section 4 of this Application). Around 2005, the Casino and associated entertainment complex was formally integrated into the SkyCity group of companies as "SkyCity Hamilton".
3. The Licence is treated as a casino venue licence pursuant to section 122(2) of the Gambling Act 2003 (**Act**). In accordance with section 138 of the Act, the Licence expires at midnight on 18 September 2027, being 25 years after the Casino commenced operating, and can be renewed for a further period(s) of 15 years.
4. SCH is applying to have the Licence renewed in accordance with section 134 of the Act.
5. This application sets out how SCH and the persons with a significant influence in the Casino meet the statutory test under section 137 of the Act in order to satisfy the Gambling Commission (**Commission**) that it is appropriate to renew the Licence.

The SkyCity Entertainment Group

6. SCH is a wholly-owned New Zealand subsidiary of SkyCity Entertainment Group Limited (**SCEG**).
7. SCEG is dual-listed on the New Zealand and Australian stock exchanges and the parent company of the SkyCity group of companies (**SkyCity** and the **SkyCity Group**), New Zealand's largest tourism, leisure and entertainment group.
8. As one of two major publicly listed casino operators in Australasia, SCEG currently operates integrated entertainment complexes in:
 - a. Auckland, Hamilton and Queenstown (New Zealand); and
 - b. Adelaide (Australia),each featuring casino gaming facilities and premium restaurants and bars, which appeal to both domestic and international visitors alike. Section 3 of this Application includes further details of the offerings available at SkyCity Hamilton. The SkyCity Auckland complex is also home to some of New Zealand's premier tourism attractions – the iconic Sky Tower, the All Blacks Experience, and Wētā Workshop Unleashed.
9. SkyCity also offers leading hotel accommodation at its integrated entertainment complexes:
 - a. **The Grand by SkyCity**, a 312-room 5-star hotel, in the Auckland CBD (opened in April 2005);
 - b. **SkyCity Hotel**, a 323-room 4.5-star hotel, in the Auckland CBD (opened in February 1996);

- c. **Eos by SkyCity**, a 120-room 5-star hotel, in the Adelaide CBD (opened in December 2020); and
 - d. **Horizon by SkyCity**, a 303-room 5-star hotel in the Auckland CBD (opened in August 2024).
10. In addition to SkyCity's land-based casinos, the SkyCity Online Casino (based out of Malta) has offered an offshore online gaming experience for New Zealanders since August 2019.
11. SkyCity has invested around \$750 million within the SkyCity Auckland precinct to develop the New Zealand International Convention Centre (**NZICC**), an adjacent laneway, over 1,250 additional car parking spaces and a hotel, Horizon by SkyCity. Horizon by SkyCity has been fully operational since August 2024 and is connected to the NZICC via an airbridge. The NZICC, adjacent laneway and additional car parks have been open since February 2026. The NZICC is New Zealand's largest convention centre, with capacity for over 4,000 delegates. It will enable New Zealand to attract major international conferences as well as having capability for sporting events, theatre and musical performances and is projected to generate more than \$90 million annually for the economy. The NZICC is designed to be a welcoming, open building complemented by a fresh new streetscape for local, national and international visitors to enjoy.
12. As a member of the SkyCity Group, SCH has access to and benefits from the collective capital, expertise, capability, resources and support of the wider group. This includes leveraging 'hub' support from key corporate services including from Group Host Responsibility, Financial Crime and Legal teams.

Statutory test for determining the application

13. Section 137 of the Act provides that the Commission must not renew a casino venue licence unless it is satisfied that:
- a. the applicant and persons with a significant influence are suitable in terms of section 124 of the Act;
 - b. the applicant's compliance record, and that of persons with a significant influence, is satisfactory; and
 - c. renewing the licence will result in a net benefit to the local and regional communities around the casino and to New Zealand generally.
14. This application addresses each of these requirements and explains how they are met by SCH and all of the persons with a significant influence in the Casino.

Suitability in terms of section 124 of the Act

15. In support of this application:
- a. SCH has completed an Applicant Information Form; and
 - b. each person with a significant influence has completed a Personal Information Form or Company Information Form (as applicable), addressing the suitability requirements of section 124 of the Act.
16. Sections 3 and 4 of this application provide additional background information on SCH and the persons with a significant influence in the Casino.

17. On the basis of this information, SCH and the persons with significant influence in the Casino are 'suitable' in accordance with section 124 of the Act.

Compliance record

18. Section 5 of this application sets out:
- SCH's compliance record; and
 - the compliance record for each person with a significant influence in the Casino.
19. SCH has a good working relationship with the Department of Internal Affairs (**DIA**) and a strong compliance history for over 23 years.
20. SCH and the wider SkyCity Group maintain frequent and transparent engagement with the DIA to ensure that its expectations are met and high standards of compliance are maintained. SCH and the wider SkyCity Group support a robust compliance culture to ensure licence conditions are adhered to and applicable legislation and regulations are complied with.

Net benefit to local and regional communities and New Zealand generally

21. SCH has engaged Carl Davidson, Simon Harris and Geoff Butcher to complete a Casino Impact Report (**CIR**), which assesses, as required by section 134(3)(a) of the Act, the expected social and economic effects on the local and regional areas affected by the operation of the Casino, and on New Zealand generally, of the continued operation of the Casino and the closure of the Casino. The CIR is attached as Appendix One to this application.
22. The CIR shows that the net economic impact of the Casino is an estimated:
- 96 FTEs in employment;
 - \$40.7 million per annum in valued added; and
 - \$10.1 million per annum in household income.
23. The combination of a decline in employment and a rise in household income occurs because the wages paid by the Casino are substantially higher than in the sectors to which spending would transfer in the event of non-renewal. Closure of the Casino would cause disruption to the Casino employees, and it is likely that replacement employment would be at a lower salary than that paid by the Casino.
24. It is SCH's opinion that the renewal of the Licence for a further period of 15 years will result in a net benefit to the local and regional communities around the Casino and to New Zealand in general. In addition to the economic benefits stated above:
- the Casino provides entertainment options for Hamilton residents through its gaming areas and associated entertainment complex (see further Section 3 of this Application).
 - for visitors, the Casino adds significantly to the selection of attractions Hamilton has to offer and can be regarded as a tourism asset for the area.
 - the Casino is a highly regarded employer offering an array of benefits to its staff that are not commonly found in the Hamilton employment market. This includes the benefits summarised under the heading "Employees" in Section 3 of this Application.

Draft statement of conditions for the proposed casino venue licence

25. A draft statement of conditions for the renewed Casino venue licence is attached as Appendix Six to this application.

SECTION 3: OVERVIEW OF THE CASINO AND SKYCITY HAMILTON

Background

1. The Casino is located as part of the wider SkyCity Hamilton entertainment complex at 346 Victoria Street in the heart of the Hamilton CBD. The Casino commenced operating on 19 September 2002.
2. SkyCity Hamilton offers market-leading casino gambling products and entertainment within its medium sized Casino, a range of food and beverage and events' venues, tenpin bowling, and on-site car parking, in a central city location spanning two buildings next to the mighty Waikato River.



SkyCity Hamilton

Hours of operation

3. The Casino is currently open 24 hours over the weekend and between 10:00am and 4:00am on weekdays (excluding Christmas Day, Good Friday and between 3am and 1pm on Anzac Day), as follows:
 - a. **Monday to Thursday:** open from 10:00am to 4:00am (closing daily between 4:00am (with final entry to the Casino floor at 3:20am) and 10:00am)
 - b. **Friday:** open from 10:00am and remaining open straight through the weekend
 - c. **Saturday:** open 24 hours
 - d. **Sunday:** open 24 hours until closing at 4:00am Monday morning

Hours may vary (including being extended for other public holidays).

Gaming products

4. The Casino is licensed to operate up to 23 gaming tables and 339 electronic gaming machines in its gaming spaces.
5. A variety of table game mixes have been approved for use at the Casino, including Blackjack, Roulette, Midi Baccarat and various styles of Poker.
6. A floor plan showing the location of the Casino's approved gaming areas is included in the Licence and is attached in Appendix Two.
7. Details of the Casino's approved table game mixes are included in Annex A of the casino operator's licence issued to SkyCity Casino Management Limited in relation to the Casino and are attached as Appendix Three.

Other entertainment facilities

8. In addition to gaming products, the following (R20) facilities also operate within the gambling area:
 - a. **Amuse Bar and Kitchen:** Amuse Bar and Kitchen is highly regarded by locals and visitors, catering to both gaming and non-gaming customers. The restaurant and bar area complements the Casino business, including by providing food and live music every Friday and Saturday night; and
 - b. **Number 8 Bar:** serving beverages in the heart of the main gaming floor and located next to a lounge with a promotional stage for customers to relax and participate in promotional draws.
9. Outside of the gambling area (as part of the associated entertainment complex), SkyCity Hamilton features the following:
 - a. **Eat Burger and The Local Taphouse:** operating for over ten years, Eat Burger is known for quality burgers with local ingredients, and the local theme continues at The Local Taphouse, a craft beer bar featuring Hamilton brewers Good George.
 - b. **Conferences and Events:** SkyCity Hamilton offers a range of conference and event spaces which are available for private hire but are also used to support key partners, Casino events, and community groups. Spaces include the Waikato Rooms which can cater for up to 300 people for a plated dinner and 600 people for cocktail-style; the Garden Room for up to 100 people; Zone Sports Bar which includes regular comedy events; and the Marble Room, an elegant cocktail bar.
 - c. **Bowl and Social:** Hamilton's only full-sized tenpin bowling alley. With 20-lanes, modern technology, a bar and restaurant, party rooms and arcade games, the venue offers entertainment for people of all ages and abilities, attracting locals and tourists alike.
 - d. **Tenancies:** there is a small amount of space leased to non-associated third parties, including two popular restaurants, Shanghai Chinese Restaurant and Cuisine-Award winner Palate by Chef Mat McLean, and an IT tenancy, The Instillery.
 - e. **Car Parking:** offering 310 car parks for tenants, staff, and customers.
10. As New Zealand's largest tourism, leisure and entertainment group, SkyCity is focused on creating vibrant places for gaming, entertainment and hospitality in New Zealand and Australia - delivered responsibly. SkyCity proudly launched mandatory carded play

under the brand SHOW by SkyCity in July 2025, further supporting the company's commitment to customer care.

11. To ensure SkyCity's precincts remain relevant to customer demand, SkyCity continuously explores opportunities for new food and beverage, gaming and entertainment offerings. SkyCity has invested extensively in the property since opening the Casino, including refurbishment and upgrades of the entry experience, restaurant/bar, gaming floor and back of house staff areas. Ongoing refurbishment and investment in new gaming product, product management and changes to floor layout remain key focuses for the business.



Amuse Bar and Kitchen

Employees

12. As at the end of FY25 (30 June 2025), the SkyCity Hamilton complex had a payroll of 315 people and 228 FTE. It is estimated that over the 2022 – 2025 years, the Casino-only portion of this employment was approximately 276 people and 200 FTEs, with approximately 39 staff involved in other business units.
13. Key areas with employees involved in the day-to-day operations of the Casino include the Gaming department, the Casino Hospitality department, Cashiering, Host Responsibility, Security and Surveillance. Various other teams including cleaning services, building services, marketing and management functions support the running of the Casino and broader entertainment complex on site, and additional support is provided by Group roles within the Auckland-based team. A full breakdown of staff is included in Figure 1 in Section 3 of this application.
14. SkyCity aims to create an environment where its people are at the centre of its operations, ensuring that staff can work safely, are motivated, can progress in their

careers and have access to the tools and knowledge they need to look after both themselves and customers. SkyCity is committed to providing employees with sustainable career paths and opportunities for staff to grow their careers internally. In addition to SkyCity's core, enterprise-wide online e-learning training programme, employees are offered a number of tailored development programmes. One example is the Rise Leadership programme which is designed to assist leaders to develop personal leadership skills to become an effective leader and influencer.

15. SkyCity also offers the following benefits to Casino employees:

- a. Fully subsidised health insurance for permanent full-time employees through the RegularCare plan offered by healthcare provider Southern Cross Healthcare. Employees are also able to add their family members to their insurance plan at a reduced rate.
- b. Free flu vaccinations and health checks each year.
- c. Uniforms supplied and laundered for some positions.
- d. Discounts at SkyCity restaurants, hotels and attractions, as well as discounts on gym memberships, healthcare, and selected goods and furnishings.
- e. An Employee Assistance Programme (delivered via Vitae) provides supportive and confidential assistance to employees with support available 24 hours a day, seven days a week from trained professional counsellors.
- f. Emergency financial assistance for employees suffering financial hardship, including budgeting advice and last resort financial help through a 'SMILE' loan to employees who qualify for support.
- g. A range of heavily subsidised meal options for employees during working hours.
- h. Subsidised or free onsite car parking.

16. Feedback from a 'MyVoice' annual full employee engagement survey conducted across the SkyCity Group in June 2026 resulted in overall employee engagement for the SkyCity Hamilton complex (not just Casino) being at 78% (ahead of Global average of 77%). Key highlights were as follows:

- a. 80% of staff are proud to work for SkyCity.
- b. 77% of staff would recommend SkyCity as a great place to work.
- c. 76% of staff are extremely satisfied with SkyCity as an employer.
- d. 76% of staff feel like they belong at SkyCity.
- e. 91% of staff agree that people are encouraged to do the right thing.

Contributions to communities within Hamilton and the Waikato region:

17. The Casino has a significant positive impact on the Hamilton and Waikato communities both through the direct operations of the Casino, which provides employment opportunities and high-quality dining and entertainment facilities, and through the support (both financial and non-financial) that SCH and the wider SkyCity Group provide to community organisations and events.

SkyCity Hamilton Community Trust

18. Established in accordance with the Licence, the SkyCity Hamilton Community Trust (**Trust**) is a vehicle that allows SCH to invest in the community in which the Casino operates.
19. The vision for the Trust is "Thriving whanau and communities". We want our grants to support services and programmes that focus on community wellbeing, inclusive of rangatahi.
20. The Trust funds programmes and services that focus on locally determined solutions with outcomes and impact that grows the community's capability and resilience and enables:
 - a. community connection, including relevant programmes and support delivered in community spaces;
 - b. community resilience, including programmes focusing on well-being such as mentoring and advocacy; and
 - c. Kai solutions, for example maara kai, cooking classes and food regeneration.
21. As at 30 June 2025, the Trust had awarded 1,929 grants totalling more than \$13.6 million to charitable organisations, both large and small, that have undertaken community assistance and development work in the greater Waikato area since 2003.

Community focused activity

22. SCH is involved in a number of community sponsorship initiatives, including the following activities in the Hamilton and wider Waikato Region community:
 - a. **Hamilton Christmas Charitable Trust:** SkyCity Hamilton has been a proud supporter of the Hamilton Christmas Charitable Trust since at least 2015. The Trust brings Christmas to life in various aspects across Hamilton – providing a Christmas parade, NZ's largest Christmas Tree in Garden Place in Central Hamilton and other related activities. In 2025, SkyCity Hamilton became the naming rights sponsor of the 'SkyCity Hamilton Christmas Tree' and associated lighting festival which takes place in November.
 - b. **Waikato Rugby:** Waikato Rugby is the provincial professional rugby union team based in Hamilton. SkyCity Hamilton has been a sponsor of the franchise since at least 2015, supporting both the men's and women's teams at various levels throughout this time. SkyCity Hamilton's support of Waikato Rugby filters right down to providing Player of the Day certificates and vouchers for junior rugby teams across the region.
 - c. **Chiefs Rugby Club:** SkyCity Hamilton has been a proud supporter of the Chief's Rugby Club since 2002. Throughout this period, SkyCity Hamilton has supported both the men's and women's franchise teams at various levels.
 - d. **Tieke Golf Estate:** Tieke Golf Estate is New Zealand's largest golf experience and has quickly earned a place in New Zealand's Top 20 Golf Courses. SkyCity Hamilton has been a Gold Partner since the course opened in 2021.
 - e. **Northern Districts Cricket:** SkyCity Hamilton have been a major partner of the Northern Districts Cricket Association since at least 2015.

- f. **New Zealand Thoroughbred Racing:** SkyCity Hamilton has worked in partnership with New Zealand Thoroughbred Racing since 2015 as a key sponsor of Waikato Racing Club's feature event, the SkyCity Hamilton Waikato Cup which is held in December each year.
 - g. **Balloons Over Waikato Trust:** Held every year, the Balloons Over Waikato festival has become one of the most loved events by families in Hamilton and beyond. The festival runs for four weeks throughout March, with various activities happening around the city in that time. The festival is run by the Balloons Over Waikato Trust who are a non-profit organisation and rely on the support of local businesses to bring this iconic event to life each year. SkyCity Hamilton is the naming rights sponsor of the 'SkyCity Hamilton Fireworks Display' which takes place at the ZURU Night Glow event during the festival. SkyCity Hamilton has been a supporter of Balloons Over Waikato since 2015.
 - h. **Waikato Bay of Plenty Magic:** Waikato Bay of Plenty Magic are the region's representative netball team in the New Zealand netball league. SkyCity Hamilton has been an official partner of Waikato Bay of Plenty Magic netball since 2016.
 - i. **Volunteering Waikato:** SkyCity Hamilton supports the Volunteering Waikato Annual Volunteer Awards by way of an award category sponsorship. This event celebrates the hundreds of volunteers who make an outstanding contribution to various causes throughout the Waikato Region.
 - j. **Waikato Chamber of Commerce:** SkyCity Hamilton has recently partnered with the Waikato Chamber of Commerce as a venue sponsor – providing venue space for a series of events throughout the year for local businesspeople to attend, and was previously a sponsor of the Waikato Business Awards.
 - k. **Bowl & Social Player of the Day:** Through the Bowl & Social business (tenpin bowling), SkyCity Hamilton provides close to 5,000 Player of the Day certificates each year to junior sports clubs and groups across the region. These certificates recognise the effort and commitment that junior sportspeople make during their season and provide them with bowling vouchers as a small recognition of their efforts.
 - l. **Chinese Lantern Festival:** The Chinese Lantern Festival is an annual festival held in Garden Place in Central Hamilton, as part of local celebrations for Chinese New Year. SkyCity Hamilton has been a major sponsor of this event since 2020.
 - m. **Hospice Waikato:** Hospice Waikato Trust delivers specialist community palliative care, looking after those who have terminal or life limiting illnesses. The Trust is only partially government funded, relying heavily on support from local businesses and donors to carry out its mission. One of their largest fundraisers of the year is their annual Hospice Waikato Bucket List Banquet. SkyCity Hamilton supports each year by way of donation of an auction item, as well as purchasing tables for the event.
24. The CIR includes two sponsorship case studies which illustrate the importance of these sponsorships, the genuine partnership between SCH, the organisations and the strong local connections.



Orange Sky Kirikiriroa Hamilton service focusing on whānau in the community experiencing homelessness and hardship by providing access to clean laundry, warm showers, and genuine, non-judgmental kōrero. Proudly supported by the SkyCity Hamilton Community Trust.



Te Whakaruruhau (Waikato Women's Refuge) – one of the recipients of sponsorship and grant support from the SkyCity Hamilton Community Trust.

SECTION 4: BACKGROUND TO THE APPLICANT AND PERSONS WITH A SIGNIFICANT INFLUENCE

Background to SCH

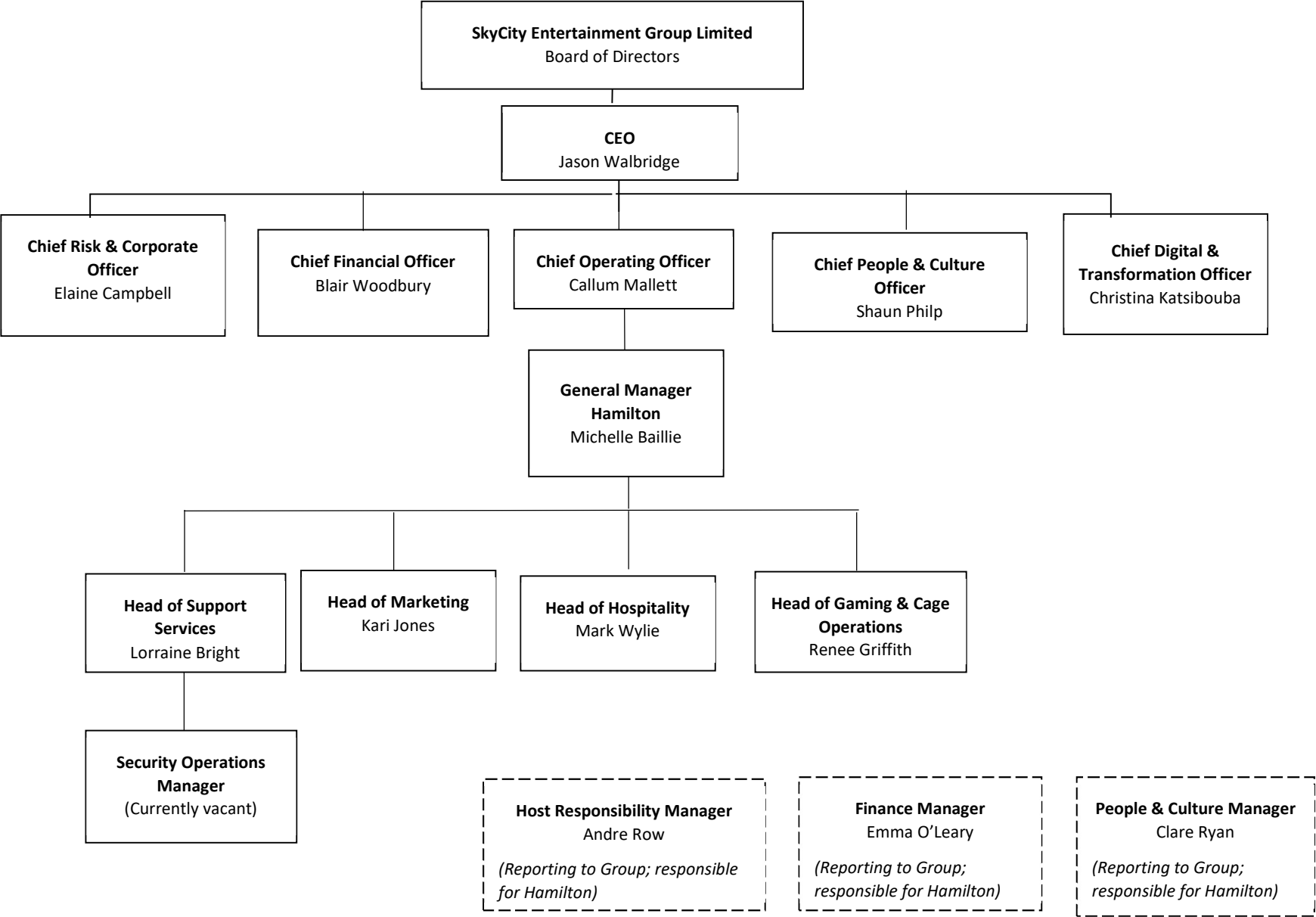
1. SCH was incorporated on 9 June 1997 under the name Riverside Casino Limited. On 13 October 2004, the company changed its name to SkyCity Hamilton Limited.
2. The Licence was granted to SCH on 10 December 1999 and the Casino commenced operating on 19 September 2002.
3. At the time the Licence was granted, SCH was a joint venture between SCEG, Perry Developments Limited (a Hamilton-based private investment company) (**Perry**) and Tainui Group Holdings (**Tainui**), with SCEG holding 55% of the shares in SCH and Perry and Tainui holding 30% and 15% respectively. In 2004, SCEG acquired Tainui's shareholding in SCH and in 2005 it bought the remaining 30% stake from Perry, giving it full ownership of SCH. SCEG continues to own all of the shares in SCH as at the date of this application.
4. On 2 September 2002, SCH entered into a Management Agreement with SkyCity Casino Management Limited (**SCML**) and SkyCity Management Limited (**SML**) pursuant to which SCH has appointed SCML as the operator of the Casino and gives authority to SCML to undertake certain actions in respect of the management of the Casino (**Management Agreement**). Amongst other things, the Management Agreement sets out the circumstances in which SCML must consult with SCH.
5. In respect of SCML and SML:
 - a. SCML and SML are wholly-owned New Zealand subsidiaries of SCEG.
 - b. SML is a wholly-owned subsidiary of SCML.
 - c. Each of SCML and SML is a related company of SCH.
 - d. SCML holds a casino operator's licence, issued under the former Casino Control Act 1990 on 7 May 1998 (which is treated as if it were a casino operator's licence granted under section 130 of the Act), in respect of the Casino, the SkyCity Auckland casino and the SkyCity Queenstown casino.
 - e. SML employs all the staff involved in the operations of SCH and SCML at the Casino.
6. SCH (together with SCML and SML) has operated successfully in Hamilton for over 23 years, during which time the companies and their employees have accumulated the business and casino management skills and experience necessary to operate the Casino in a socially and economically responsible manner, supported by the wider skills and experience of the SkyCity Group – New Zealand's largest tourism, leisure and entertainment group.

'Suitability' under section 124 of the Act

7. Section 124(2)(d) of the Act requires the Commission to consider the management structure of the applicant to be suitably arranged for effective compliance with the Act. The management structure of SCH is shown in **Figure 1** in this Section 4.

8. SCH's compliance history is outlined in Section 5 of this application and illustrates that SCH has a strong compliance history, which has been facilitated through the management structure shown in **Figure 1** in this Section 4.
9. The Applicant Information Form establishes that SCH satisfies the 'suitability' requirements under section 124 of the Act.
10. The Personal Information Forms and Company Information Forms for each person with a significant influence in the Casino establish that each person with a significant influence has the required honesty, financial position and business skills to satisfy the 'suitability' requirements under section 124 of the Act.
11. The Commission can therefore be satisfied in terms of sections 137(1)(a) and (b) of the Act that the applicant and persons with a significant influence in the Casino are 'suitable' and have satisfactory compliance records.

Figure 1: Effective 29 June 2026 - Organisational Structure of SkyCity Entertainment Group Limited (in respect of the Casino)



SECTION 5: COMPLIANCE

Compliance history

1. SCH has a good working relationship with the DIA and a strong compliance history over 23 years. SCH and the wider SkyCity Group maintain frequent and transparent engagement with the DIA to ensure that its expectations are met and high standards of compliance are maintained. SkyCity also supports a robust compliance culture to ensure that licence conditions are adhered to and applicable legislation and regulations are complied with.

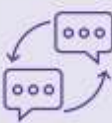
Results of recent DIA audits of the Casino

2. In late 2016, the DIA conducted a 'mystery shopping' exercise across all casinos and 120 class 4 venues around New Zealand. SkyCity's four casinos, including the Casino, came out top in the exercise with the DIA noting that "the results from SkyCity casinos show what can be done when more dedicated resource is directed at minimising harmful gambling within a culture that puts a clear focus on a high standard of harm minimisation practice" and that "the overall results also show that SkyCity casinos have cultivated a culture of care within their casinos".
3. In 2020, the DIA conducted a desk-based breach of exclusion (**BOE**) notification audit in relation to the Casino. The purpose of the audit was to ensure that the Casino was adhering to its BOE requirements and was operating in accordance with the Act, associated regulations, Licence conditions and the Minimum Operating Standards (**MOS**). The audit also assessed whether the Casino was identifying actual or potential problem gamblers in accordance with the Host Responsibility Programme and Standard Operating Procedures. The audit concluded that the Casino had "... processes in place that follow the requirements of the Act and the MOS."
4. In 2022, the DIA conducted an audit of the Casino's cashiering processes. The purpose of the audit was to ensure that the Casino's processes follow the relevant MOS for security of funds and surveillance and monitoring. The audit also addressed whether the Casino's cashiering processes were meeting harm minimisation obligations regarding the cashiering function. In summary, the DIA found that the Casino had "... processes in place that follow the requirements of the Gambling Act 2003 and MOS in all areas assessed" and that "[t]he Department is satisfied with the results and there were no adverse findings."
5. In 2025, the DIA conducted an audit of the Casino's exclusion processes (along with those of SkyCity's other casinos). The purpose of the audit was to assess compliance with the MOS and the Act in this regard. In summary, the DIA found that processes were in place for the Casino that meet the minimum requirements of the MOS and the Act across the assessed areas.

Host Responsibility

Harm Minimisation Framework

6. The SkyCity Group, including SCH, places great importance on host responsibility throughout every part of its organisation as illustrated in the Harm Minimisation Framework below:

 Senior Management Governance & Oversight A Host Responsibility Governance Group meets regularly to discuss host responsibility matters	 Board Governance & Oversight SkyCity Board and Risk and Compliance Committee governance and oversight of performance of harm minimisation framework	 Host Responsibility Programmes Site-specific programmes outlining SkyCity's host responsibility obligations (approved by the regulator)	 Host Responsibility Roles & Duties Roles and activities focused on customer care and host responsibility monitoring
 Software and Algorithms to Monitor Gaming Machine Play Blended software for analysis and insight into player behaviour and spend/visitation traits, including real time monitoring of continuous use of gaming machines	 Independent Assurance - An independent audit is carried out every two years at each land-based casino to monitor compliance with its Host Responsibility Programme - Internal independent assurance programme (internal audit and continuous improvement) - Mystery shopping programme	 iTrak Monitoring & Reporting A record management tool for host responsibility incidents and assessments, including reports for ongoing oversight	 Learning & Development Framework A suite of host responsibility modules for staff, including online courses, in-person courses, and annual refresher courses
 Facial Recognition Technology Use of facial recognition and alert technology to detect excluded patrons	 Communications & Brand An internal brand communications campaign to promote awareness of host responsibility	 Reports to the Regulator Annual reporting to the regulator on the effectiveness of SkyCity's Host Responsibility Programmes	 Stakeholder Engagement Regular engagement with community gaming organisations and academics

- The SCEG Board is the governing board of the SkyCity Group, and is responsible for monitoring compliance by each company within the SkyCity Group, including SCH, with their respective obligations. The SCEG Board is ultimately responsible for the affairs and activities of the SkyCity Group, including (as outlined in the SCEG Board Charter) the review and ratification of appropriate systems of risk management and internal compliance and control, codes of conduct, and legal compliance. The SCEG Board's

Risk and Compliance Committee is responsible for overseeing and monitoring the SkyCity Group's host responsibility and responsible gambling programmes and initiatives and monitoring licensing and regulatory compliance, and assists the SCEG Board in fulfilling its responsibilities relating to risk management and compliance.

8. A SkyCity senior management-led Host Responsibility Governance Group meets regularly to discuss and review host responsibility matters that have arisen or may arise in the future across SkyCity's properties. The General Manager of SkyCity Hamilton is a member of the Governance Group. The key objectives of the Governance Group are to:
 - a. provide collective guidance to management on host responsibility matters of interest;
 - b. oversee delivery and implementation of major host responsibility projects, including technology-related projects, and monitor progress of host responsibility strategic and operational plans; and
 - c. develop initiatives that will collectively benefit customers and shareholders by way of discussion, provision or endorsement of responsible gambling and/or harm prevention components.
9. A dedicated team of experienced host responsibility specialists is employed at each of SkyCity's land-based casinos. At the Casino, the Host Responsibility function is led and managed by the Host Responsibility Manager. The Host Responsibility function is responsible for the ongoing monitoring and management of Gambler of Interest (**GOI**) files, feedback and review of new information on GOI files and the provision of host responsibility advice and support to customers, supported as relevant by the Security, Surveillance and Gaming teams (among others). Senior Management at the Casino meet weekly to discuss matters relating to the operation of SkyCity Hamilton and host responsibility matters are discussed when required.
10. Additionally, all staff, regardless of position, are trained to identify indicators of harm. Staff are expected to refer the observation of indicators to a supervisor /manager. Staff who have contact with gambling customers are required to be trained in problem gambling awareness and how to offer information and assistance about problem gambling.
11. Each of SkyCity's land-based casinos has a robust Host Responsibility Programme (**HRP**) in place to prevent and minimise harm from problem gambling. The Casino's current HRP is attached as Appendix Four.
12. SkyCity is proud of the culture of care it has developed within its casinos and continues to focus on ways to ensure that this culture of care is maintained and that it has the highest standard of host responsibility practice.
13. In a dynamic casino environment, maintaining effectiveness, relevancy and consistency in harm minimisation best practice is an ongoing challenge. In response to that challenge, SkyCity continues to explore available technology solutions, seek expert advice, consult stakeholder groups and source a range of research material.

Assurance and Audit

14. As part of SkyCity's assurance activities, independent audit activities are carried out at each land-based casino, including the Casino, to monitor compliance with that casino's HRP.
15. SkyCity also has an internal independent assurance programme in place to monitor and improve compliance with SkyCity's land-based harm minimisation framework and undertakes internal mystery shopping training exercises across its land-based casinos, including the Casino, to test the robustness of its host responsibility practices.
16. In addition to SkyCity's own internal independent assurance programme and the independent audits, the DIA also undertakes regular audits at each of SkyCity's land-based casinos, including the Casino, to monitor compliance with that casino's HRP.

Embracing Technology

17. Since 2019, SkyCity has operated a full facial recognition technology solution across all its land-based casinos using cameras positioned at all entry points to the gambling areas to assist in identifying customers excluded from re-entering its casinos. An automated alert is triggered notifying SkyCity personnel when an individual matching an image from SkyCity's database of excluded patrons re-enters a SkyCity gambling area. Prior to the introduction of this technology, staff recall was the primary mechanism for identifying excluded persons returning to a casino in breach of their exclusion orders.
18. In 2023, SkyCity introduced facial recognition monitoring in its SkyCity Auckland and SkyCity Hamilton ATMs to monitor repeat withdrawals and declined transactions for indicators of problem gambling.
19. The introduction of facial recognition technology and other technological solutions significantly bolsters and assists SkyCity's ongoing efforts to detect and prevent excluded customers from re-entering its casinos. However, despite SkyCity's best efforts and host responsibility measures and initiatives, there is no guarantee that facial recognition technology will be effective in each and every case and some individuals may nonetheless find ways to elude staff.

Customer Experience and Engagement

20. SkyCity promotes a range of tools to support responsible gambling. Exclusion is an important host responsibility offering for those that may be vulnerable to problem gambling. SkyCity's land-based casinos offer extensive information to customers about exclusion options and referral details to problem gambling support services, including gambling helplines and face-to-face counselling organisations. Appendix A of the Casino's HRP sets out the current host responsibility resources available for customers of the Casino.
21. In New Zealand, customers can choose to exclude themselves from all SkyCity land-based casinos in New Zealand for a period of up to two years. In some cases, SkyCity itself makes the decision to exclude a customer as a means to prevent risk of harm occurring, or as a means to stop further harm through a customer's gambling at SkyCity's casinos.

Training

22. All SkyCity Board members and staff receive training in problem gambling awareness.

23. All permanent staff, whether or not in direct contact with customers, will complete three compliance e-learning modules within one month of commencement of employment. The three compliance e-learning modules are:
- Play Safe – Health and Safety;
 - Responsible Service of Alcohol; and
 - Responsible Gaming, which includes:
 - responsible service of gambling and alcohol;
 - identification of problem gamblers;
 - reporting and recording procedures for observations;
 - approaching and providing information about problem gambling to patrons including how to access local problem gambling services; and
 - awareness of employee gambling-related harm.
24. For all staff in whose work involves the gaming side of SkyCity's business, SkyCity will work to supplement the induction training by ensuring that these staff also complete a "Host Responsibility Level 1 (HR1)" e-learning module after three-months' employment. This module will also be compulsory annual refresher training for those staff.
25. Training for staff in direct contact with customers will be further supplemented by on-the-job coaching and support.
26. Advanced training, supplementary to training for Host Responsibility Level 1, is provided to staff that work within the gaming areas and whose roles require them to interact with customers.
27. The Advanced Host Responsibility training module includes both theoretical and practical components. The training includes:
- SkyCity's legal and regulatory requirements;
 - identification of problem gamblers;
 - initial action with respect to customers requesting problem gambling assistance;
 - identification and intervention with respect to excessive alcohol consumption;
 - support of staff who have intervened and debrief;
 - importance of reporting;
 - intervention, including brief interventions, de-escalation and motivational interviewing;
 - breaches of exclusion;
 - the use of pre-commitment;
 - debriefing and staff support;
 - problem gambling treatment processes;
 - cultural awareness;
 - advanced Responsible Service of Alcohol – intervention and slowing service; and
 - awareness of employee gambling-related harm.

28. Staff who have completed Advanced Host Responsibility training will undergo an annual online recall test. Those who fail the test will be required to re-take Advanced Host Responsibility training. In addition, role specific training will be offered where learning needs are identified.

Problem gambling liaison meetings

29. In order to improve information sharing and collaboration between problem gambling stakeholders, SCH hosts a Hamilton Host Responsibility Liaison Group meeting at the Casino to discuss host responsibility issues. This meeting is scheduled to occur bi-annually. This collaborative approach ensures that knowledge about problem gambling is shared between the Casino and the relevant stakeholders, who will work together to minimise harm. Complementing this, key SCH host responsibility staff members have visited relevant service provider offices with a view to further bolstering open communication and an enhanced appreciation of harm minimisation priorities, including having been invited to, and attended, the opening of the PGF Services Hamilton office.
30. SCH invites representatives from the following stakeholder groups to attend the Hamilton Host Responsibility Liaison Group meetings:
- a. treatment service providers, including for problem gambling, alcohol and other drugs;
 - b. public health providers; and
 - c. Government agencies, including the Police, DIA and the local Licensing Inspector from Hamilton City Council

Where local treatment service provider representatives are not available, SCH extends the invitation to National representatives.

31. In addition to the regular Hamilton Host Responsibility Liaison Group meetings, SCH enables key providers to have an on-floor presence during Gambling Harm Awareness week (since 2019) and also provides tours of its facilities and literature to treatment providers in order to foster good relationships with problem gambling stakeholders and assist them in understanding the Casino environment and the Casino's HRP.

Mandatory Carded Play

32. In January 2024, upon the introduction of the new HRP for the Casino, SCML committed to the implementation of mandatory carded play across SkyCity's land-based New Zealand casinos by July 2025.
33. SkyCity worked closely with the DIA and with its technology vendors and equipment suppliers to successfully meet the July 2025 timeframe.
34. Since then, all customers who wish to gamble at the Casino (and at any other SkyCity land-based New Zealand casino) have been required to use a unique identifier when gambling.
35. Carded play represents a significant uplift in SkyCity's ability to proactively support both harm minimisation and financial crime prevention outcomes. By ensuring all player gaming activity is identifiable, SkyCity is able to develop a more complete and accurate view of individual play behaviour, including time on device, spend, and patterns of activity. This enables more timely, consistent, and evidence-based interventions where

indicators of harm are present, as well as supporting the effective enforcement of player protections such as breaks in play.

36. In addition, the integration of player identity with gaming and financial transactions enhances transparency and traceability, strengthening compliance with anti-money laundering and counter-terrorism financing obligations. The richer and more reliable data generated through carded play supports improved transaction monitoring and customer due diligence controls, while enabling more informed decision-making and reporting. Collectively, these benefits contribute to a more controlled, consistent and risk-responsive operating environment, aligned with both regulatory expectations and SkyCity's broader host responsibility objectives.

Financial Crime

AML/CFT Control Framework

37. SkyCity takes its anti-money laundering and countering financing of terrorism (**AML/CFT**) obligations very seriously and is committed to ensuring that it provides entertaining and profitable, yet safe and responsible, experiences and environments.
38. SkyCity's AML/CFT Control Framework is set out below:



39. The Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (**NZ AML/CFT Act**) places obligations on certain organisations (including financial institutions and casinos) to detect and deter money laundering and terrorism financing and take appropriate measures to guard against money laundering and terrorism financing. As a casino operator and reporting entity for the purposes of the NZ AML/CFT Act, SCML has the following measures in place across its land-based casinos:
- a. an assessment of the money laundering and financing of terrorism risks that SCML could face in the course of running its business;
 - b. an AML/CFT Programme that includes procedures to detect, deter, manage and mitigate money laundering and the financing of terrorism;
 - c. an AML Compliance Officer to administer and maintain the AML/CFT Programme;
 - d. customer due diligence processes, including customer identification and verification of identity;
 - e. suspicious activity reporting, threshold transaction reporting, auditing and annual reporting of systems and processes; and
 - f. regular internal and external audits and reviews of AML/CFT compliance.
40. The SCEG Board's Risk and Compliance Committee discusses, as a standing agenda item at each scheduled meeting, matters relating to the SkyCity Group's AML/CFT obligations and other key compliance obligations.
41. Within the business, a specialist Financial Crime team oversees SCML's compliance with AML/CFT requirements.

Assurance and Audit

42. As part of SkyCity's assurance activities, an independent review is conducted on a regular basis of SCML's AML/CFT Programme to assess the effectiveness of the Programme.
43. An internal assurance function is responsible for monitoring the outcomes of the independent reviews and ensuring that any issues are appropriately addressed.
44. In addition to SkyCity's own internal assurance activities and the independent audits, the DIA also undertakes regular audits at each of SkyCity's land-based New Zealand casinos, including the Casino, to monitor compliance with the SCML's AML/CFT Programme and the NZ AML/CFT Act.

Training

45. Senior managers and employees engaged in AML/CFT related duties receive training on AML/CFT matters.

Current regulatory matters relevant to the SkyCity Group

46. Section 137(1)(b) of the Act provides that the Gambling Commission must not renew a casino venue licence unless it is satisfied that the compliance record of persons with a significant influence is satisfactory. The following regulatory matters relating to members of the SkyCity Group may be relevant to the Gambling Commission's assessment.

Notice of Proceedings – SkyCity Online

47. In March 2026 a NZ High Court proceeding concerning the operation of the SkyCity Online Casino was commenced against SkyCity Entertainment Group Limited, SkyCity Auckland Holdings Limited and Silvereye Entertainment Limited (a third party based in Malta and licensed by the Malta Gaming Authority) (**Silvereye**). The claim seeks to test the lawfulness of the online gaming operations operated by Silvereye on behalf of an overseas subsidiary of SkyCity (**SkyCity Online**). The proceedings include an application for leave to bring the proceedings as a funded class action in respect of gambling monies lost to SkyCity Online between February 2020 and February 2026.

AUSTRAC civil proceedings against SkyCity Adelaide

48. In June 2021, SkyCity Adelaide Pty Limited (**SkyCity Adelaide**), a wholly-owned Australian subsidiary of SCEG, was informed by the Australian Transaction Reports and Analysis Centre (**AUSTRAC**) that it had identified potential serious and systematic non-compliance by SkyCity Adelaide with the Australian Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (**Australian AML/CTF Act**) and it had initiated a formal enforcement investigation into SkyCity Adelaide's compliance with the Australian AML/CTF Act. The concerns relating to SkyCity Adelaide's compliance with its AML/CTF obligations were identified in the course of a compliance assessment which AUSTRAC commenced in September 2019 focusing on SkyCity Adelaide's management of customers identified as high risk and politically exposed persons.
49. Following the investigation, on 7 December 2022, AUSTRAC commenced civil penalty proceedings in the Federal Court of Australia (**Court**) against SkyCity Adelaide for alleged serious and systemic non-compliance with the Australian AML/CTF Act. AUSTRAC's allegations are extensive and include that SkyCity Adelaide:
- a. failed to appropriately assess the money laundering and terrorism financing risks it faced, including the likelihood and impact of those risks, and to identify and respond to changes in risk over time;
 - b. did not include in its AML/CTF Programmes appropriate risk-based systems and controls to mitigate and manage the risks to which SkyCity Adelaide was reasonably exposed;
 - c. failed to establish an appropriate framework for Board and senior management oversight of the AML/CTF Programmes;
 - d. did not have a transaction monitoring program to monitor transactions and identify suspicious activity that was appropriately risk-based or appropriate to the nature, size and complexity of SkyCity Adelaide;
 - e. did not have an appropriate enhanced customer due diligence programme to carry out additional checks on higher risk customers;
 - f. did not have appropriate systems and controls designed to ensure that reports required under Part 3 of the Australian AML/CTF Act were given to AUSTRAC, namely suspicious matter reports, threshold transaction reports and international funds transfer instructions;
 - g. did not have an appropriate enhanced customer due diligence programme that applied to customers who posed a higher money laundering or terrorism finance risk;
 - h. did not include appropriate risk-based systems and controls in its Part B AML/CTF Programmes to enable SkyCity Adelaide to appropriately verify and collect know

your customer (**KYC**) information, or consider whether additional KYC information was required to be collected or verified from a customer; and

- i. did not conduct appropriate ongoing customer due diligence on a range of customers who presented higher money laundering risks.
50. AUSTRAC alleges that SkyCity Adelaide contravened section 81 of the Australian AML/CTF Act (which relates to the requirement to adopt and maintain an AML/CFT Programme) on an innumerable number of occasions on and from 7 December 2016 and section 36 of the Australian AML/CTF Act (which relates to the requirement to undertake customer due diligence) on 124 occasions in the period on and from 7 December 2016.
51. SkyCity took the concerns raised by AUSTRAC in June 2021 very seriously and took immediate steps to investigate and seek to address AUSTRAC's concerns. Those steps included establishing a Steering Committee to oversee SkyCity Adelaide's engagement with AUSTRAC throughout the investigation process and its response to addressing the concerns raised by AUSTRAC and engaging an independent expert to conduct a comprehensive review of SkyCity Adelaide's AML/CFT Programme and broader AML function to assist SkyCity Adelaide where appropriate to enhance and improve its AML/CFT Programme and AML function. These reviews were not limited to matters specifically raised by AUSTRAC - they were also directed to identifying areas where SkyCity Adelaide's AML/CFT Programme and AML function could be enhanced or uplifted more generally.
52. On 7 June 2024, the Federal Court of Australia approved an agreement reached between SkyCity Adelaide and AUSTRAC in relation to the civil penalty proceedings. Pursuant to the agreement, SkyCity Adelaide agreed to pay a civil penalty of A\$67 million in relation to admitted historical contraventions of the Australian AML/CTF Act and Rules during the period from 7 December 2017 to 14 December 2022.

Independent review by Consumer and Business Services

53. On 1 July 2022, Consumer and Business Services (**CBS**) (the South Australian gaming regulator) advised that the South Australian Liquor and Gambling Commissioner (**Commissioner**) had appointed the Honourable Brian Martin AO KC to undertake an independent review of SkyCity Adelaide in accordance with Part 3 of the *Casino Act 1997 (SA)* to consider, amongst other things, whether SkyCity Adelaide is a suitable person to continue to hold the casino licence in South Australia, whether SCEG is a suitable person to continue to be a close associate of SkyCity Adelaide, and, if SkyCity Adelaide or SCEG is not a suitable person, what changes (if any) are required for that party to become a suitable person.
54. On 6 February 2023, CBS advised that Mr Martin was of the view that it was not possible to reliably determine the question of suitability until the resolution of the civil penalty proceedings filed by AUSTRAC against SkyCity Adelaide on 7 December 2022 and, accordingly, the Commissioner had decided to put the independent review on hold until after the conclusion of those proceedings.
55. On 26 May 2023, the Commissioner issued a direction notice under section 10 of the *Gambling Administration Act 2019 (SA)*, requiring SkyCity Adelaide to appoint a suitably qualified independent expert approved by the Commissioner to, amongst other things, review SkyCity Adelaide's AML/CFT and host responsibility enhancement programmes (together the **enhancement programmes**) and, if required, make amendments to those enhancement programmes, and monitor the implementation of those enhancement

programmes by SkyCity Adelaide and SkyCity Adelaide's compliance with its AML/CFT and gambling harm minimisation obligations. On 25 August 2023, Kroll Australia Pty Limited (**Kroll**) was appointed as the independent expert by SkyCity Adelaide.

56. Since its appointment, Kroll has reviewed SkyCity Adelaide's enhancement programmes and engaged with SkyCity Adelaide in the development of a new Building a Better Business Programme of Work, a comprehensive multi-year programme designed to uplift SkyCity Adelaide's structure and processes across the key pillars of risk management, culture and governance to ensure sustainable compliance across its financial crime and gambling harm minimisation functions.
57. Mr Martin's report was released on 12 August 2025. The report concludes that (i) SkyCity Adelaide is suitable to hold the SkyCity Adelaide casino licence and (ii) SCEG is suitable to be a close associate of SkyCity Adelaide.
58. SkyCity Adelaide and SCEG are continuing to work cooperatively with the Commissioner and CBS to implement the Building a Better Business Programme (B3). B3 is a comprehensive, multi-year programme of work developed by SkyCity Adelaide in conjunction with Kroll, and approved by the Commissioner on 11 September 2024. B3 focuses on AML/CFT capability, gambling related harm minimisation and cultural transformation and is expected to be completed by 30 June 2027.
59. In June 2026, SCEG and SkyCity Adelaide entered into a non-binding heads of agreement with the Commissioner to record a basis to fully and finally resolve all outstanding regulatory matters arising from the independent review Mr Martin's report. The heads of agreement provides for a total fine of A\$21 million payable in three equal instalments, together with enhanced governance, compliance and operational commitments for the Adelaide Casino. The key terms are as follows:
 - Non-binding heads of agreement in advance of a formal binding tripartite agreement between SkyCity Adelaide, SCEG and the State of South Australia.
 - Full and final settlement of all matters known to CBS arising from the independent review / Martin Report as well as several other matters.
 - Total fine of A\$21 million payable by SkyCity Adelaide in three instalments
 - By 1 January 2028:
 - the SkyCity Adelaide Board to comprise a majority of non-executive directors who (including the chair) are independent of SCEG and related entities;
 - SkyCity Adelaide is prohibited from delegating functions and responsibilities to SCEG without the Commissioner's approval;
 - appointment of a SkyCity Adelaide CEO who reports to the SkyCity Adelaide Board (with a dotted line to the SkyCity CEO), and with all general managers reporting to that SkyCity Adelaide CEO (unless approved by the Commissioner otherwise).
 - An obligation to appoint an independent compliance auditor to report annually on compliance under the regulatory regime (to apply 12 months after completion of the B3 Programme)
 - SkyCity Adelaide to phase out the use of cash for transactions over A\$4,999
 - A prohibition on junkets at the Adelaide Casino (an activity SCEG ceased in April 2021)

- A number of compliance measures are to be agreed by 1 January 2028 by a working group comprising representatives of SkyCity Adelaide and CBS
- The Commissioner be conferred powers to issue legally binding directions to SkyCity regarding operations carried on under the South Australian Casino licence that depend on SkyCity's provision of services, personnel, licences, systems or similar matters (with commercially reasonable steps to locate such matters in Adelaide)
- An obligation on SkyCity Adelaide and SkyCity to notify certain compliance breaches to CBS

Suspension application against SCML

60. In September 2023, the Secretary for the Department of Internal Affairs (**Secretary**) made an application to the Commission to temporarily suspend SCML's New Zealand casino operator's licence for a period "in the range of 10 days" pursuant to section 144(a) of the Act.
61. The application was made by the Secretary following a complaint made in February 2022 to the Department by a former customer who gambled at the SkyCity Auckland casino over the period from August 2017 to February 2021. The Secretary stated in the application that SCML did not comply with requirements in its SkyCity Auckland Host Responsibility Programme relating to the detection of incidents of continuous play by the customer.
62. On 17 July 2024, SCML reached an agreement with the Secretary to resolve the Secretary's application. Under the agreement:
- SCML has acknowledged that it did not meet the requirement in the SkyCity Auckland Host Responsibility Programme (**HRP**), and therefore SCML's casino operator licence, relating to the detection of some incidents of continuous play by the customer due to a design error in a technology system developed by SkyCity to monitor continuous play by carded customers (which has since been rectified);
 - SCML has also acknowledged that it failed to exercise the level of vigilance required by the HRP to use staff observation and intervention independently and alongside that technology to identify those incidents of continuous play by the customer and then act appropriately – such vigilance being especially relevant for customers like the complainant whose problematic behaviour was silent or hidden; and
 - SCML has formally apologised to the Secretary for these failures and agreed to close the gambling area of the SkyCity Auckland casino for five consecutive days from 9 to 13 September 2024 in an effort to resolve the matter in an expedient manner and without undue delay.

DIA civil proceedings against SCML

63. On 16 February 2024, the DIA filed civil penalty proceedings in the New Zealand High Court against SCML for non-compliance by SCML with the NZ AML/CFT Act. The DIA's enforcement response followed a review of SCML's compliance with the NZ AML/CFT Act.

64. On 20 May 2024, SCML reached an agreement with the DIA to resolve the proceedings. That agreement was approved by the High Court of New Zealand on 26 September 2024.

65. Under the agreement:

- a. SCML has admitted that it has breached its obligations under the AML/CFT Act to undertake and review a fully-compliant risk assessment, establish, implement, and maintain a fully-compliant AML/CFT compliance programme, adequately conduct account monitoring, conduct compliant enhanced customer due diligence, and terminate business relationships when required;
- b. the proceedings cover matters noted in DIA or audit reports from 2014 onwards indicating certain deficiencies in SkyCity's AML/CFT risk assessment and programme which were not fully remediated until July 2021;
- c. the breaches which SCML has admitted span from 2018 to 2023 and relate to largely, although not exclusively, historical matters;
- d. SCML and the DIA have agreed to jointly recommend that the Court impose a civil pecuniary penalty of NZ\$4.16 million in respect of SCML's admitted breaches of the Act.

Uplift Programmes

66. Since late 2021, SkyCity has had in place a significant AML/CFT enhancement programme to address compliance systems and correct historical shortcomings. This has involved, and continues to involve, significant investment in people and technology, and various reviews of SkyCity's processes and systems to identify areas which require improvement.

67. This enhancement programme includes:

- a. completing a refresh of the SkyCity Board;
- b. recruitment of directors to the Board with specialist risk expertise;
- c. creation of a dedicated Board Risk and Compliance Committee to oversee SkyCity's AML/CFT, host responsibility, risk management and other compliance obligations;
- d. adopting a three-lines of accountability control framework within the SkyCity Group;
- e. increased internal audit capabilities and enhanced external audit scrutiny with oversight by the Audit Committee and the Risk and Compliance Committee;
- f. appointment of a Group Chief Risk Officer (now part of the Chief Risk & Corporate Officer role);
- g. significant enhancement and investment in SkyCity's internal AML/CFT resourcing and capability, processes and systems, including development of enhanced transactional monitoring capabilities;
- h. applying higher standards of due diligence on customers as appropriate, lowering cash thresholds before enhanced customer due diligence is required, and ceasing to deal with junket operators;
- i. increased capacity in SkyCity's financial crime, risk and compliance and host responsibility teams;

- j. reducing risk and complexity in the business by changing policies in line with a lower risk tolerance, limiting ways in which customers can transact;
 - k. enhancing facial recognition technology at SkyCity's Auckland and Hamilton casinos to monitor continuous play by both carded and uncarded customers;
 - l. increased monitoring of ATMs at SkyCity's Auckland and Hamilton casinos through the use of facial recognition technology to monitor repeat withdrawals and multiple declined transactions for indicators of problem gambling;
 - m. increasing the number of interactions with customers to assess for signs of problem gambling;
 - n. the rollout of a new Advanced Host Responsibility staff training programme for frontline staff; and
 - o. implementation of mandatory carded play across SkyCity's New Zealand properties by July 2025, which has further strengthened SkyCity's ability to manage AML/CFT risks.
68. Additionally, there has been significant focus on, and investment in, the continuous improvement of the SkyCity Adelaide business in the past years, including since AUSTRAC first raised its concerns in mid-2021, including:
- a. appointment of an independent expert in July 2021 to conduct a comprehensive review of SkyCity Adelaide's AML/CTF Programme and broader AML/CTF function to identify areas where SkyCity Adelaide could enhance and improve its systems and processes;
 - b. development and rollout of a comprehensive AML Enhancement Programme for SkyCity Adelaide from November 2021, which took into account the findings and recommendations from the independent expert's review, and SkyCity Adelaide's own internal review, of the SkyCity Adelaide AML/CTF Programme and wider AML/CTF function;
 - c. SkyCity Adelaide has made a number of governance changes to support its focus on compliance systems and processes, including completing a refresh of the SkyCity Adelaide Board;
 - d. significant enhancement and investment in SkyCity Adelaide's internal AML/CTF resourcing and capability, processes and systems, including transactional monitoring capabilities and approach to ongoing customer due diligence;
 - e. renewed focus on SkyCity Adelaide's relationships with law enforcement agencies;
 - f. introduction of an enhanced approach to the identification of money laundering and terrorism financing (**ML/TF**) risk, including a written ML/TF risk assessment methodology, new business unit specific AML/CTF risk assessments, a new enterprise-wide AML/CTF risk assessment, and new standards and standard operating procedures to support the ML/TF risk assessment process;
 - g. adoption of a revised Standard Part A AML/CTF Programme for SkyCity Adelaide in October 2021 and November 2022 and a revised Standard Part B AML/CTF Programme for SkyCity Adelaide in June 2023.
69. SkyCity is committed to continuing to uplift its processes and systems across the SkyCity Group, particularly with respect to AML/CFT and host responsibility matters.

SECTION 6: ASSESSMENT OF ECONOMIC AND SOCIAL IMPACTS

Casino Impact Report

1. The CIR assesses the expected social and economic effects on the local and regional areas affected by the operation of the Casino, and on New Zealand generally, of the continued operation of the Casino and the closure of the Casino.
2. Pursuant to section 134(3) of the Act, the Gambling Commission approved the authors of the CIR, being Carl Davidson, Simon Harris and Geoff Butcher, as being independent of SCH in its decision included at Appendix Five.
3. The CIR establishes that the ongoing operation of the Casino results in a 'net benefit' to the local and regional communities, and to New Zealand generally.
4. When the expenditure, employment, and other activities of the Casino are included in a model of the Hamilton economy, the Casino generates a total of 264 FTEs, \$58.8 million in value added, and \$20.5 million in household income.¹
5. If the Casino were to close, the economic impacts while not insignificant, would be marginal for the local economy.² When the gross impacts of the Casino expenditure are aggregated with the tourism generation impacts associated with visitors to Hamilton, and the likely impacts of continued expenditure in Hamilton in the absence of the Casino are subtracted from the previous two items, the net impact of the Casino is an estimated -96 FTEs in employment, \$40.7 million per annum in value added, and \$10.1 million per annum in household income.³
6. The relatively low impact should not be seen as discounting the Casino's value. The CIR's analysis indicates⁴:
 - a. the Casino is a source of employment that appears to be more highly paid than is typical for other hospitality type businesses in Hamilton. Its closure would cause disruption to its staff and it seems likely that any replacement employment would be at lower salary.
 - b. the Casino provides an entertainment option in the city, and its removal would decrease the range of options available.
 - c. The closure of the Casino would leave a largely empty building in the centre of town, as there appears to be currently no viable alternate uses for the space.
7. The 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 in the CIR.
8. Non-renewal would deprive the community of funding for a range of organisations that are also contributing to the wellbeing of Hamilton and the Waikato region and who receive financial assistance from the Casino through either the SkyCity Hamilton Casino Community Trust or direct corporate sponsorships.⁵

¹ CIR at 7.1.4

² CIR at 1.4

³ CIR at 7.1.4

⁴ CIR at 1.4

⁵ CIR at 7.2

- a. Rather than reducing gambling harm, closure of the Casino might increase the potential for harm if Hamilton and Waikato region residents who wish to keep gambling shift to more dangerous types such as Class 4 gambling.⁶
9. The national impacts of the Casino are also important. The SkyCity Hamilton complex overall generates \$22.55 million in taxes and levies nationally, and in the absence of the Casino the CIR's authors would expect lower contributions to casino duty and DIA levy (a reduction of more than half of these amounts), much lower company tax as well as loss of personal income taxes paid.
10. By comparing the likely effects of SkyCity Hamilton Casino with the estimated national \$70 million real gross national disposable income (**RGNDI**) effects from the Christchurch Casino, the CIR authors have projected that a similar \$70 million per annum RGNDI impact could be expected from its closure (given that the Hamilton Casino has a similar revenue to the Christchurch Casino at the time of its economic impact report).⁷

⁶ CIR at 1.4

⁷ CIR at 7.1.4

APPENDIX ONE: CASINO IMPACT REPORT

APPENDIX TWO: CASINO VENUE LICENCE

APPENDIX THREE: CASINO OPERATOR'S LICENCE

APPENDIX FOUR: HOST RESPONSIBILITY PROGRAMME

APPENDIX FIVE: CIR AUTHORS - COMMISSION APPROVAL

APPENDIX SIX: DRAFT STATEMENT OF CONDITIONS