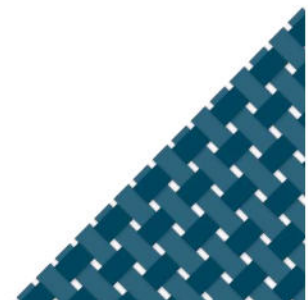


SkyCity Queenstown

Audit Report

Exclusion process Audit 2025



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1. Purpose of the audit

The purpose of this audit is to ensure that SkyCity Queenstown is meeting its Host Responsibility Programme (HRP) and Gambling Act 2003 (Act) requirements for:

- Dealing with player self-exclusion and casino-initiated exclusion orders, by following Standard Operating Procedures (SOP) which align with the Act.
- Removing players in a sufficient timeframe who commit a breach of exclusion (BOE).
- Implementing robust post-exclusion re-entry conditions, and ensuring they are adhered to in-line with their Problem Gambler Identification Policy and the purposes of the Act.
- Ensuring training provided to staff involved in the exclusion process is in line with the requirements of the HRP.

These audits will also help determine whether SkyCity Queenstown is meeting their exclusion record keeping and reporting obligations required under the Minimum Operating Standards for Casinos (MOS).

2. Executive summary

SkyCity Queenstown has policies and procedures in place to ensure exclusion orders are promptly issued to customers who request self-exclusion or to those identified by staff as problem gamblers who refuse self-exclusion. Interviews with key SkyCity personnel and an analysis of exclusion records from the audit period indicate that these practices are generally followed consistently. However, some instances were noted where the paperwork issued to customers and certain staff guidance documents could potentially cause confusion regarding the legal status of an exclusion under the Gambling Act 2003, particularly concerning re-entry conditions. Additionally, opportunities exist to remind staff of best practices for accurate and consistent record-keeping.

SkyCity Queenstown primarily uses facial recognition technology to identify patrons breaching or attempting to breach exclusion orders. Surveillance coverage is provided by SkyCity Auckland when required. It is a priority for staff to approach and remove an excluded individuals from the gaming floor as quickly as possible. The audit sample analysis confirms this is effectively carried out in practice.

SkyCity Queenstown has a clearly structured and documented process for evaluating re-entry applications after an exclusion period and for on-going monitoring of customers who are approved for re-entry. Third-party concerns are taken into consideration throughout this process. An analysis of sample records shows that staff generally follow these procedures. Training for staff involved in the exclusion process at SkyCity Queenstown aligns with the requirements outlined in the Host Responsibility Program (HRP).

The audit findings are summarised below:

Area	DIA finding/conclusion
Exclusions	Satisfied
Breaches of Exclusion	Satisfied
Re-Entry	Satisfied
Training	Satisfied

3. Background

SkyCity Queenstown Casino was licenced under section 37 of the Casino Control Act 1990 on 7 May 1998. The holder of the Operator’s licence was Sky City Casino Management Limited (Now SkyCity Casino Management Limited).

The casino’s venue (premises) licence is held by Queenstown Casinos Ltd. (formerly known as Sky Alpine Queenstown Casino).

The most recent audit conducted at SkyCity Queenstown was a cashiering audit and the casino was found compliant in all three areas assessed.

4. Scope

An audit period of one year, 1 January 2024 to 31 December 2024, was selected for consideration.

Matters considered in scope for the audit were:

- SOP and policies that SkyCity Queenstown has in place in relation to exclusion orders, breaches of exclusions and re-entry requirements.
- Targeted training and training records for staff involved in relation to exclusion orders, breaches of exclusions and re-entry requirements.
- Any records relating to instances of exclusion, breaches of exclusions and re-entry considered during the audit period.

Matters considered out of scope were:

- Host Responsibility requirements not related to the audit topic.
- Data outside of the prescribed audit timeframe outlined above.

5. Methodology

On 7 March 2025 an engagement letter was sent to SkyCity Queenstown advising of the purpose and scope of the audit. A request for the number of exclusions, breaches of exclusions and patrons assessed for re-entry during the audit period broken down by month was also included in this letter. Once received the audit lead decided on a representative sample of this information for analysis.

Documentation was then requested from SkyCity Queenstown for analysis for the audit period. The initial document request was issued on 21 March 2025 to SkyCity Queenstown for the following:

The issuing of exclusions:

- Any policies, procedures or guides SkyCity Queenstown has for issuing self-exclusion orders, casino-initiated exclusions or multi venue exclusions (MVE).
- All documents relating to exclusion orders issued by SkyCity Queenstown staff from 1 January 2024 to 31 December 2024. (Please include any iTRAK records and associated paperwork).

Breaches of Exclusion orders:

- Any policies, procedures or guides SkyCity Queenstown has for breaches of exclusion orders.
- All documents relating to breaches of exclusion at SkyCity Queenstown from 1 January 2024 to 31 December 2024.

The re-entry process for previously excluded patrons.

- Any policies, procedures or guides SkyCity Queenstown has for the re-entry process.
- All documents relating to approved and declined re-entries from 1 January 2024 to 31 December 2024. Please provide all documentation related to the approved re-entry patrons' Gambler of Interest files for the full review period (minimum of 6 months).

Training materials related to the exclusion process.

- Copies of training material for staff specifically relating to issuing exclusions, handling breach of exclusions and the re-entry of previously excluded patrons.
- A list of staff trained in issuing exclusion orders, managing breaches of exclusions and the re-entry of previously excluded patrons.
- The dates these staff last received training or refresher training in issuing exclusions, managing breaches of exclusions and the re-entry of previously excluded patrons.

The documentation was analysed and interview questions were drafted from this information.

An onsite visit was conducted at the SkyCity Queenstown premises at Level 2, Stratton House to conduct interviews with the following SkyCity staff members:

- Robert Nicholls, Security, Surveillance and Host Responsibility Manager.
- ██████████ Security and Host Responsibility Shift Manager.
- ██████████ Security, Surveillance and Host Responsibility Shift Manager.
- ██████████ Security, Surveillance and Host Responsibility Shift Manager.
- ██████████ Security, Surveillance and Host Responsibility Shift Manager.

Amanda Youell, General Manager for SkyCity Queenstown, was present for Rob Nicholls's interview and Rob Nicholls was present for the Security, Surveillance and Host Responsibility Shift Managers and the Security and Host Responsibility Shift Manager's interviews. These interviews were recorded on audio and were later transcribed.

6. Strong areas

- SkyCity Queenstown staff involved in managing exclusions, breaches, and re-entry processes are well-trained and demonstrate knowledge of policies and regulatory expectations. Interviews show staff understand their responsibilities and apply procedures effectively.
- SkyCity staff promptly approach excluded gamblers and remove them from the gaming floor once they are identified.
- Additionally, the casino is proactive by introducing a monthly 'Gambler/Person of Interest Log' at the entrance podium, where security staff monitor and record the entry and exit times, including ATM visits, of all gamblers and persons of interest.
- During interviews with all staff, it was evident that SkyCity Queenstown staff take third-party concerns seriously. If a third party raised concerns about a re-entry applicant's gambling, the application would be declined.
- SkyCity Queenstown promptly informed the Department of Internal Affairs (DIA) of all the breaches of exclusion over the audit period. Notification occurred on the same day if not within hours of the breach on all occasions.

7. Weak areas

- SkyCity staff are not consistently completing all applicable checklist items in iTrak entry for exclusions issued as required by the exclusion SOP.
- Some of the wording in the exclusion orders and explanation of exclusion orders issued by SkyCity Queenstown is misleading; advising customers that they will commit an offence under Section 312 of the Gambling Act if they enter the gaming areas of SkyCity after the exclusion has expired but before the patron has completed the SkyCity imposed re-entry process.

8. Audit Findings

Exclusions

Gambling Act (2003) – Section <u>309</u> , <u>309a</u> and <u>310</u>	Satisfied
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Criteria

- Examination of SkyCity Queenstown’s SOPs in relation to issuing exclusion orders.
- Review of all exclusion records issued by SkyCity Queenstown during the audit period of 1 January 2024 to 31 December 2024.
- Analysis of data provided during the audit timeframe to identify trends and verify compliance with the Host Responsibility SOP’s.
- Conduct interviews with relevant staff members to gather insights and verify their understanding and implementation of the SOP’s.

Findings

The DIA is satisfied that SkyCity Queenstown Casino has implemented a comprehensive Host Responsibility SOP for issuing exclusions, which address both self-exclusions and third-party exclusions in line with sections 309, 309A, and 310 of the Gambling Act 2003. Staff are trained to identify and address problem gambling, taking appropriate further actions as needed.

During the audit period from January 1 to December 31, 2024, SkyCity Queenstown issued a total of thirty exclusion orders. The audit lead selected all thirty exclusions, for analysis to examine the practical implementation of exclusion orders.

The review found that SkyCity Queenstown staff responded appropriately to breaches by issuing Requirement to Leave the Premises (RTLTP) or Trespass Orders as per the SOP, with accompanying explanations and Host Responsibility packs. Minor areas of improvement were identified in the practical implementation of exclusion procedures.

One of the seven self-exclusion records lacked a field in the checklist to indicate whether the MVE was accepted or declined by the customer. Interviews with SkyCity staff suggested that the MVE question was likely asked, but the response was not recorded in the checklist.

Five of the thirty exclusion records did not specifically mention the deactivation of the customer's account.

When reviewing the Exclusion SOP, it was observed that Host Responsibility or a delegated authority may email exclusion details to non-SkyCity casinos in New Zealand, specifically Grand Casino in Dunedin and Christchurch Casino. This procedure was corroborated by the interviewed staff, who confirmed that they do notify other non-SkyCity casino venues. However, the SOP lacks clarity when compared to the operational practices described by the interviewed staff, who indicated that customers are informed their exclusion information may be shared with these other casinos, rather than being explicitly advised that it will be shared.

On the self-exclusion order there is an instance where exclusion is misspelt as 'exclusion.'

Conclusion

SkyCity Queenstown has implemented comprehensive policies and procedures to manage exclusion orders effectively. These measures ensure that exclusion orders are promptly issued to customers requesting self-exclusion and to individuals identified as problem gamblers by staff. Evidence from staff interviews and the 2024 audit period indicates consistent adherence to these practices.

Breach of Exclusion

Gambling Act (2003) – Section <u>311</u> and <u>312a</u> <u>Minimum Operating Standards - (MOS) 14</u>	Satisfied
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Criteria

- Examination of SkyCity Queenstown SOPs in relation to breaches of exclusion.
- Review of breach of exclusion records issued by SkyCity Queenstown during the audit period of 1 January 2024 to 31 December 2024.
- Analysis of data provided during the audit timeframe to identify trends and verify compliance with the Host Responsibility SOPs.
- Conduct interviews with relevant staff members to gather insights and verify their understanding and implementation of the SOPs.

Findings

The DIA is satisfied that SkyCity Queenstown Casino has established thorough SOPs for handling exclusion breaches. These procedures ensure compliance with the Gambling Act 2003 requirements and ensure that staff are well-trained to identify and manage problem gambling, taking necessary actions as needed.

For the audit period (1 January 2024 to 31 December 2024) a total of nineteen breaches of exclusion orders were recorded at SkyCity Queenstown. All nineteen breaches were selected by the audit lead for analysis to check how breaches of exclusion orders were managed in practice. Staff responded as per SOP to breaches by issuing Requirement To Leave the Premises (RTLTP) or Trespass Orders as per the SOP, with accompanying explanations and Host Responsibility packs.

Of the 19 exclusion breaches recorded at SkyCity Queenstown in 2024, records indicate that staff typically identified and approached the excluded patrons within ten minutes of entry. In all instances, patrons were engaged by staff prior to initiating any gaming activities.

Upon reviewing the standard operating procedures, it was noted that revision is required at two points in the SOP. On Page 12, the SOP '*advises staff to notify the Department of Internal Affairs (DIA) of the breach, as this notification provides the opportunity for an Inspector to attend the interview*'. However, DIA has not attended Breach of Exclusion interviews in Queenstown. Additionally, on Page 15, the policy instructs '*staff to notify DIA of the breach of exclusion via telephone*'. It should be noted that DIA has not provided a phone number for notifications from SkyCity for some time. Staff interviewed were aware that DIA should be notified by email, and none of the staff referred to notification via telephone.

Conclusion

In conclusion, SkyCity Queenstown has established clear procedures for managing breaches of exclusion orders, breach management processes show good alignment with policy and legislative requirements.

The casino utilises facial recognition technology and receives regular surveillance support from SkyCity Auckland to identify and promptly address breaches of exclusion orders. Analysis of breach records from 2024 confirms that staff typically act quickly in these situations.

The Security, Surveillance, and Host Responsibility Management team at SkyCity Queenstown comprises personnel with long tenure and extensive experience in their respective roles. All interviewed team members consistently provided aligned responses, reflecting a shared understanding of roles, procedures, and expectations. This suggests that internal communication and regular meetings are contributing to a unified and consistent approach across the team. Overall, the evidence indicates that SkyCity Queenstown effectively manages exclusion breaches, ensuring compliance with regulatory requirements and promoting responsible gambling practices.

Re-Entry

Satisfied

Criteria

- Examination of SkyCity Queenstown's SOPs and staff guidelines in relation to assessing re-entry applications and monitoring customers who have been approved.
- Review of all re-entry applications (seven approved records and six declined records for the audit period (1 January 2024 to 31 December 2024) and Gambler of Interest (GOI) files after a customer has been approved.
- Analysis of data provided during the audit timeframe to identify trends and verify compliance with the Host Responsibility SOPs.
- Conduct interviews with relevant staff members to gather insights and verify their understanding and implementation of the SOPs.

Findings

SkyCity Queenstown has established comprehensive SOPs and a Best Practice Guide for managing re-entry applications following periods of exclusion. These procedures outline eligibility criteria, the application and assessment process, mandatory safe gambling plans, and ongoing monitoring requirements as a Gambler of Interest (GOI) for approved re-entries.

During the audit period from 1 January 2024 to 31 December 2024, SkyCity Queenstown assessed a total of thirteen re-entry applications. Of these, seven were approved and six were declined. The audit lead selected all approved and declined re-entry cases for analysis to evaluate how breaches of exclusion orders were managed in practice.

The audit found that re-entry interviews were conducted in all cases, enabling effective risk assessments and thorough discussions around safe gambling plans. Safe gambling plans were consistently established and monitored for all approved applicants, with relevant third-party consultations carried out when necessary to address ongoing concerns.

GOI monitoring was found to be comprehensive and thorough. For two GOIs, deviations in spend were promptly identified by the Shift Manager but assessed as low risk. Both instances were managed in accordance with the guidelines outlined in the best practice guide. Overall, the evidence indicates that staff adhered to documented policies and procedures.

Conclusion

SkyCity Queenstown follows the Standard Operating Procedures (SOPs) and a Best Practice Guide to effectively manage re-entry applications following exclusion periods. An audit of the seven approved and six declined applications in 2024 indicates that staff are adhering to these procedures, conducting re-entry interviews and developing safe gambling plans for all approved applicants. Third parties involved in the exclusion process, if applicable, are contacted by staff to identify any current concerns regarding the customer's gambling.

Training

HRP section 3.9

Satisfied

Criteria

- Examination of SkyCity Queenstown training records for staff involved in the exclusion process.
- Conduct interviews with relevant staff members to understand the training provided to them in relation to exclusion process.

Findings

SkyCity's HRP requires that all staff whose work involves the gaming side of SkyCity's operation to have completed the e-learning module Host Responsibility Level 1 (HR1). This module requires an annual refresher. Additionally, staff that work within gaming areas and whose roles require interaction with customers involving the exclusion and re-entry process are required to complete Advanced Host Responsibility Training. This training includes both theoretical and practical components. Staff who complete Advanced Host Responsibility are required to undergo an online recall test annually and those who fail are required to re-take Advanced Host Responsibility training.

A list of staff involved in the exclusion process and their training records was requested.

A review of training records provided for staff who issue exclusion orders, manage breaches of exclusion orders and manage the re-entry of previously excluded patrons found that all had undertaken HR1 training and the knowledge recall test in the last 12 months. Additionally, they had all completed the Advanced Host Responsibility training.

Interviews with Host Responsibility staff confirmed that while this training gives an overview of the exclusion process most of the practical training is done on the job. A new Host Responsibility team member is paired with the Manager or one of the Shift Managers during their first 12 weeks in the role.

Conclusion

Training provided to SkyCity Queenstown staff involved in the exclusion process is consistent with the requirements outlined in the HRP.

9. Recommendations

Area	Recommendation
Issuing Exclusions	Update communications to clearly inform all patrons that their exclusion information will be shared with the Grand Casino in Dunedin and Christchurch Casino. This replaces the current language that suggests this may happen. This clarification will enhance transparency and reduce the risk of excluded patrons attempting to enter other casinos.
Issuing Exclusions	Amend the wording in the 'Exclusion Order (Self-Identified)', the self and third party 'Explanation of Exclusion Order' and 'Exclusion Order (Third Party)' documents to remove the implication that the patron will commit an offence under section 312 of the Gambling Act 2003 if they enter the gambling premises of a SkyCity operated premises after the exclusion order has expired but before the SkyCity imposed re-entry conditions are met.
Issuing Exclusions	Amend the wording in the 'Self-Identified Exclusion Application' which implies that the exclusion order remains in force after it has expired and until re-entry has been approved by SkyCity.
Issuing Exclusions	Correct the spelling error of exclusion being spelt 'exclusion' on the 'Exclusion Order (Self-Identified)' document.
Issuing Exclusions	Remind staff to complete all applicable checklist items when entering self-exclusion details into iTRAK (Exclusion SOP).
Issuing Exclusions	Upon reviewing the standard operating procedures, it was noted that revision is required at two points in the SOP. On Page 12, the SOP <i>'advises staff to notify the Department of Internal Affairs (DIA) of the breach, as this notification provides the opportunity for an Inspector to attend the interview'</i> . However, DIA does not attend Breach of Exclusion interviews in Queenstown. Additionally, on Page 15, the policy instructs <i>'staff to notify DIA of the breach of exclusion via telephone'</i> . It should be noted that DIA has not provided a phone number for notifications from SkyCity for some time. Staff interviewed were aware that DIA should be notified by email, and none of the staff referred to notification via telephone.
Issuing Exclusions	Amend the wording in the 'Self-Exclusion Checklist' document so it does not advise that an exclusion order issued in New Zealand applies to SkyCity Adelaide.
Breaches of Exclusion	Include copies of the exclusion order being breached with email notifications to the DIA in all instances of breaches of exclusion orders.
Re-entry	During the audit, it was unclear whether the patron's current situation was verified through documented evidence or solely through verbal information. It is recommended to consistently reinforce the assessment process by requiring documented proof of the customer's financial status such as income statements or bank statements. This approach ensures a more accurate evaluation of the sustainability of safe gambling plans and helps prevent any potential dishonesty.