

IN THE MATTER of the Gambling Act 2003

AND on an application by **SKYCITY CASINO MANAGEMENT LIMITED** for approval to introduce new surveillance equipment to the Auckland and Queenstown casinos

BEFORE THE GAMBLING COMMISSION

Members: G L Reeves (Chief Gambling Commissioner)
P J Stanley
L M Hansen
R D Bell
A K Foote

Date of Application: 4 February 2013

Date of Decision: March 2013

Date of Notification
of Decision: 21st March 2013

**DECISION ON AN APPLICATION BY SKYCITY CASINO MANAGEMENT LIMITED
FOR APPROVAL TO INTRODUCE NEW SURVEILLANCE EQUIPMENT TO THE
AUCKLAND AND QUEENSTOWN CASINOS**

Introduction

1. SKYCITY Casino Management Limited ("**SCML**") applied to the Commission, under condition 20 of SCML's operator's licence for the Auckland casino and condition 21 of SCML's operator's licence for the Queenstown casino, for approval to introduce new surveillance equipment to SKYCITY's Auckland and Queenstown casinos.
2. The relevant licence conditions are as follows:

SCML operator's licence (Auckland)

20. The Licence Holder shall obtain the approval of the Commission prior to the introduction into the Casino of new surveillance technology of a type not currently in operation in the casino. Camera upgrades that comply with the requirements of the Surveillance Standard do not require prior approval. When applying for approval, the Licence Holder shall supply sufficient information to enable the Commission properly to assess the application under the Surveillance Standard. Information will include details relating to equipment type and operation, and the proposed location of equipment. The Licence Holder shall allow the Commission or staff of the Commission Secretariat, or any other person authorised by the Commission, to test any technology or equipment.



SCML operator's licence (Queenstown)

21. The Licence Holder shall obtain the approval of the Commission prior to the introduction into the Casino of new surveillance technology of a type not currently in operation in the casino. Camera upgrades that comply with the requirements of the Surveillance Standard do not require prior approval. When applying for approval, the Licence Holder shall supply sufficient information to enable the Commission properly to assess the application under the Surveillance Standard. Information will include details relating to equipment type and operation, and the proposed location of equipment. The Licence Holder shall allow the Commission or staff of the Commission Secretariat, or any other person authorised by the Commission, to test any technology or equipment.

Submissions by SCML

3. SCML submitted as follows:
- (a) It wants to introduce new surveillance technology of a type not currently in operation at either Auckland or Queenstown casinos.
 - (b) It wants to introduce the new technology for two reasons. First, it wants to enhance its surveillance capability at the Queenstown casino as it seeks to grow its international business at that location, having recently assumed full ownership of the casino. To do so it wants to establish a link between Auckland and Queenstown casinos which would allow Auckland Surveillance staff to access the Queenstown cameras and assist the Queenstown Surveillance staff to monitor international gaming activity at that site from time to time. The sporadic nature of international business and the transient nature of Queenstown staff suggest that establishing a remote surveillance capability through Auckland is the most appropriate model for the mitigation of gaming risk at the Queenstown casino. Secondly, the introduction of a new type of digital video recorder will support the use of high definition CCTV cameras which will position the business for future migration from analogue to a full digital solution.
 - (c) The link between Auckland and Queenstown casinos will be achieved through the secure wide area network that SCML has already established between the two sites. The network will be managed by SCML's IT Department, and is already used to carry other sensitive data associated with the Bally Gaming System.
 - (d) In terms of the proposal, all current digital video recorders (DVRs) at both sites would be replaced with Dallmeier DVRs. The Dallmeier DVRs will record in 4 CIF resolution as is the case at present, and in real time 25 frames per second. Images will continue to be stored for a minimum of seven days. All video recordings would continue to be stored at the on-site location in the Surveillance Suite.



- (e) The Dallmeier DVRs will be managed by Dallmeier's SeMSyIII (Security Management System) video management software and a Virtual Digital Matrix will replace the current obsolete analogue CCTV matrix system. The SEMSIII software is also required to manage the security of the user login access rights both locally and from remote connections.
- (f) Remote access from SKYCITY Auckland will be managed by Dallmeier's SeMSyIII workstations located in the Surveillance Suite which will allow viewing of both live and recorded streams and PTZ (pan, tilt and zoom) control of the Queenstown cameras.
- (g) There would not appear to be any implications for the Surveillance Minimum Operating Standards at either casino property, but it will liaise with the DIA to ensure that it is comfortable with any changes to the operating practices.

The Secretary's submissions

4. The Secretary submitted, in summary, as follows:

- (a) Licence conditions require SCML to provide sufficient detail to enable the Commission to assess the application under the Surveillance Standard. The Surveillance Standard is more concerned with what is subject to surveillance and the level of that surveillance, as opposed to the technology employed in that surveillance. There appear to be no relevant considerations in this regard.
- (b) He understands the rationale for the proposed remote access and agrees with the Applicant that it is an appropriate model of risk mitigation with the anticipated growth of international business. He is also supportive of the move to digital technology and the consequential better use of data communications infrastructure.
- (c) SCML notes that it does not consider that there are any implications for the Surveillance Minimum Operating Standards but that it will liaise with the Secretary to ensure that he is comfortable.
- (d) On the basis of the information provided, he is unable to comment on the suitability or security of "the secure wide area network" or the system itself. Under licence conditions, the Commission is able to authorise a third party to test the technology should it wish to do so.



SCML's submissions in reply

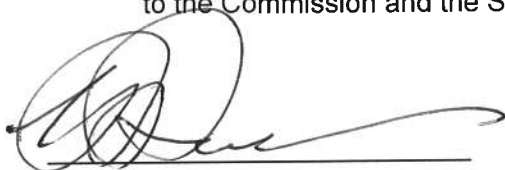
5. In reply SCML submitted that, subject to Commission approval, it will apprise all parties on the implementation of the changes.

Analysis

6. SCML applied to introduce new surveillance equipment to allow its Auckland staff to oversee international gaming activity at the Queenstown casino. Licence conditions for the Auckland and Queenstown casinos provide that SCML must obtain the approval of the Commission prior to the introduction of new surveillance technology of a type not currently in operation. SCML must also provide sufficient information to enable the Commission to assess the application under the Surveillance Standard.
7. The Commission was satisfied that the proposal met the requirements of the Standard. The Commission noted that:
- (a) the technology to be deployed represents an improvement on the technology which is currently in place; and
 - (b) SCML's rationale for introducing the equipment was to improve oversight and mitigate risk at its Queenstown casino; and
 - (c) the Secretary was comfortable with the proposal.
8. For the above reasons, the Commission grants the application. It is a condition of the approval that SCML must apprise the Commission and the Secretary on the implementation of the equipment as SCML offered to do in its submissions in reply.

Decision of the Commission

9. The Commission approved the introduction of the proposed surveillance equipment, under condition 20 of SCML's operator's licence for the Auckland casino and condition 21 of SCML's operator's licence for the Queenstown casino on condition that SCML reports to the Commission and the Secretary on the implementation of the approved changes.



Graeme Reeves
Chief Gambling Commissioner

for and on behalf of the
Gambling Commission

21st

March 2013

**GAMBLING
COMMISSION**