

**IN THE MATTER** of the Gambling Act 2003

**AND** on an application by **SKYCITY CASINO MANAGEMENT LIMITED** for approval to install two mobile cash-dispensing EFTPOS terminals at the Auckland casino, and the relocation of them, on occasion, to the Gambling Area on a non-cash dispensing basis

**BEFORE THE GAMBLING COMMISSION**

Members: G L Reeves (Chief Gambling Commissioner)  
L M Hansen  
W N Harvey  
S C L Pearson

Date of Application: 21 February 2019

Date of Decision: 12 April 2019

Date of Notification  
of Decision: 8 May 2019

**DECISION ON AN APPLICATION BY SKYCITY CASINO MANAGEMENT LIMITED FOR APPROVAL TO INSTALL TWO MOBILE CASH-DISPENSING EFTPOS TERMINALS AT THE AUCKLAND CASINO, AND THE RELOCATION OF THEM, ON OCCASION, TO THE GAMBLING AREA ON A NON-CASH DISPENSING BASIS**

**Introduction**

1. SKYCITY Casino Management Limited ("**SCML**") applied to the Commission for approval, under conditions 13 and 14 of SCML's operator's licence for the Auckland casino, to install two mobile cash-dispensing EFTPOS terminals in the Main Cashiering Cage at the Auckland casino. The mobile terminals, if approved, would replace two existing "fixed" EFTPOS terminals.
2. SCML also sought Commission approval, under condition 14, to relocate the two mobile EFTPOS terminals from the Main Cage and deploy them in the Gambling Area on a non-cash dispensing basis, only to facilitate the payment of Poker tournament entry fees.
3. The Commission sought submissions on the proposal from the Secretary for Internal Affairs, Problem Gambling Foundation ("**PGF**"), the Salvation Army/Oasis ("**SA**") and Ministry of Health. It received submissions from PGF, SA, and the Secretary.

### **Licence conditions**

4. The relevant licence conditions are as follows:

#### **SCML operator's licence (Auckland)**

13. The Licence Holder is prohibited from dispensing cash from EFTPOS and like devices in the Gambling Area unless approved by the Commission. The approval of the Commission shall be revocable at the discretion of the Commission and may be subject to such conditions as the Commission may from time to time impose.
14. The Licence Holder is prohibited from using mobile EFTPOS terminals (cash or non-cash dispensing) or like devices in the Gambling Area unless approved by the Commission. The approval of the Commission shall be revocable at the discretion of the Commission and may be subject to such conditions as the Commission may from time to time impose.

#### **SCML submissions**

6. SCML submitted, in summary, as follows:

- (a) Condition 13 of SCML's operator's licence provides that the Licence Holder is prohibited from dispensing cash from EFTPOS and like devices in the Gambling Area, unless approved by the Commission. The approval of the Commission shall be revocable at the discretion of the Commission and may be subject to such conditions as the Commission may impose from time to time.
- (b) The Commission has previously approved the deployment of 22 cash-dispensing EFTPOS terminals in Auckland Casino, of which 21 are currently deployed. Pursuant to decision GC03/19, SCML may relocate these EFTPOS terminals from one approved cash-dispensing location to another, subject to notifying the DIA and Commission prior to the relocation taking place.
- (c) Pursuant to condition 14, the Licence Holder is prohibited from using mobile EFTPOS terminals (cash or non-cash dispensing) or like devices in the Gambling Area unless approved by the Commission.
- (d) The Commission has previously approved the limited deployment of non-cash dispensing mobile EFTPOS terminals in Andy's Burger Bar at the Auckland casino. Part of that facility falls within the Gambling Area.
- (e) From time to time, SCML conducts poker tournaments at the casino. Participants are required to pay a tournament entry fee. SCML has a non-cash dispensing EFTPOS terminal deployed in the Poker Room, which can be used for the payment of tournament fees in circumstances where the tournament is being staged in that area. No regulatory approval is required for this EFTPOS terminal.

- (f) However, when poker tournaments are staged on the Main Gaming Floor, customers who wish to pay the tournament fee via EFTPOS are either directed to the Main Cage, or a temporary EFTPOS terminal may be set up in the immediate vicinity of the tournament area. The temporary terminal must be sourced and patched to the network before it can be used. No regulatory approval is required for the temporary terminal as it is neither mobile nor cash dispensing. Neither of these approaches is ideal.
- (g) Where patrons have been directed to the Main Cage, SCML has experienced queuing issues, which have had an adverse impact on customers using the Main Cage facility for more general purposes. In addition, the one-off nature of these tournament transactions, in the context of the wider transactions cashiers perform on a day-to-day basis, has led to coding errors which has caused subsequent inefficiencies in Cage reconciliation processes. On the other hand, setting up a temporary EFTPOS terminal in the tournament area requires it support to source, patch and install the terminal to the network. SCML believes there is a more efficient way to manage these processes which would not undermine the regulatory objectives which form the basis for the conditions.
- (h) To solve these difficulties it seeks Commission approval for the following:
- (i) To install two mobile cash-dispensing EFTPOS terminals in the Main Cage in place of two existing "fixed" EFTPOS terminals. The approval sought would have no effect on EFTPOS operations in the Main Cage from the customer's perspective; a customer seeking to conduct a cash transaction would continue to do so at one of the 8 cashiering stations, the only difference being that at two of the cashiering stations the EFTPOS terminals would be "mobile" rather than hard-wired. Any Commission approval could be made subject to a condition that the mobile terminals may only be used for cash-dispensing purposes while housed in the Main Cage or one of the other approved Cashiering locations. The approval sought would have no implications for condition 13, as there would be no change to the number of cash dispensing EFTPOS terminals in the Gambling Area approved by the Commission.
  - (ii) To install up to two mobile non-cash dispensing EFTPOS terminals in the Gambling Area from time to time, to facilitate the payment of poker tournament entry fees. The mobile terminals in question would be relocated from the Main Cage when needed and would be used solely for accepting payment for tournament entry fees. No cash-dispensing would be permitted. As the location of the poker tournaments (outside of

the Poker Room) is never certain, it is not possible to pinpoint the area in which the mobile terminal(s) might be deployed. However, to address any concern that a patron could use a mobile terminal to pay for their tournament entry fees while playing on a gaming machine or table game, the Commission could impose a condition that a transaction could not be conducted while a customer was sitting at a gaming machine or gaming table.

- (i) Neither of the approvals sought would have any adverse impact on what SCML believes to be the underlying rationale for the restrictions on EFTPOS terminals – that deployment might encourage continuous play by removing any need for patrons to leave their gaming machine or table while undertaking EFTPOS related transactions. In fact, it should not be necessary to prohibit mobile EFTPOS terminals from being deployed in cashiering locations if their deployment is subject to a condition that the cash-dispensing function may only be performed from those locations. Whether the cash-dispensing function is performed from a fixed terminal or a mobile terminal is irrelevant.
- (j) It recognises that the use of mobile technology would create an opportunity for non-compliance, by virtue of its mobility and the need to rely on staff to adhere to the location-specific requirement. Any risks in this respect are no different to a host of other areas where compliance is reliant on process. It is satisfied that it would have no difficulty in managing that risk.
- (k) Mobile terminals have the advantage of being easily relocated to other areas where the need arises and this obviates the need to source additional terminals temporarily and secure IT support for installation. Relocating a mobile EFTPOS terminal would simply require a notification to its Finance team to ensure the transactions associated with the relocated terminal were accorded to the appropriate source.

#### **PGF's submission**

- 7. PGF stated that it had no comment on this application.

#### **SA's submission**

- 8. SA submitted, in summary, as follows:
  - (a) The replacement of two "fixed" EFTPOS terminals in the Main Cage with two mobile terminals would be inconsequential with regard to gambling harm.

- (b) It supports the application to relocate, occasionally, these two mobile EFTPOS terminals to the Gambling Area to facilitate payment of poker tournament entry fees, provided that the terminals are strictly non cash-dispensing, and are used only for this purpose.

#### **The Secretary's submissions**

9. The Secretary submitted that he had no regulatory concerns with the proposal.

#### **Analysis**

10. SCML sought Commission approval of two matters. First, to replace two "fixed" EFTPOS terminals at the Main Cashiering Cage with two mobile terminals. These terminals would be capable of dispensing cash while at the Main Cage. As the Commission has previously permitted SCML to relocate its cash-dispensing EFTPOS terminals between the seven existing approved locations within the Gambling Area (see decision GC03/19), SCML's application is effectively to deploy the two mobile terminals at any of these seven approved locations, rather than solely at the main cage. Secondly, to relocate these mobile terminals to the Gambling Area, on occasion, to be used only for a non-cash dispensing function; namely to accept payment for poker tournament entry fees.
11. The proposal to replace the fixed EFTPOS terminals with mobile EFTPOS terminals at the Main Cage (or at any other approved cash-dispensing location) raised no issues of regulatory concern for the Commission. As SCML noted, the underlying rationale behind the Commission's general prohibition of mobile EFTPOS terminals in the Gambling Area is to prevent patrons from gambling continuously and withdrawing cash while continuing to gamble. The deployment of mobile terminals into an approved cashiering area would still require a patron to leave his or her gambling and go to a cashiering desk to interact with a trained staff member before cash could be withdrawn. In this context it is immaterial whether the terminals at an approved location are fixed or mobile.
12. In order to ensure that the mobile terminals are cash-dispensing only at the approved locations, SCML proposed that a condition be attached to the approval; namely that the mobile terminals may only be used for cash-dispensing purposes while housed in the Main Cage, or one of the other approved cashiering locations. The Commission agreed that this condition is appropriate and added it to the approval.

13. SCML's second application also raised no issues of regulatory concern, provided that the mobile terminals are used only for their proposed purpose. The Commission considered it appropriate to add a condition to this approval as well; namely that the mobile terminals are to be used only to pay for poker tournament fees when used away from one of the approved cashiering locations, and that the tournament fees are not to be paid for by a patron while the patron is sitting at a gaming machine or a gaming table.
14. In its application SCML noted that the introduction of mobile EFTPOS terminals to the Gambling Area creates an opportunity for non-compliance while they are deployed away from a cashiering desk. SCML is confident that it can manage that risk, as it manages many operational risks within the casino. The Commission notes that SCML is well aware of the risk and that licence conditions 13 and 14 both explicitly state that any approval "shall be revocable at the discretion of the Commission". Revocation of the approvals would be the likely outcome if SCML's use of the mobile EFTPOS terminals was in any way non-compliant.
15. None of the submitters objected to SCML's proposal.

#### **Decision**

16. The Commission:
  - (a) approved, under conditions 13 and 14 of SCML's operator's licence, the installation of two mobile cash-dispensing EFTPOS terminals, initially in the Main Cage, in place of two existing "fixed" EFTPOS terminals. The approval is granted on the condition that the mobile terminals may only be used for cash-dispensing purposes while housed in the Main Cage, or in one of the other approved cashiering locations should SCML relocate them to one of those approved locations.
  - (b) approved, under condition 14 of SCML's operator's licence, the relocation of the two mobile EFTPOS terminals from an approved cash-dispensing location, for deployment in the Gambling Area. The approval is granted on the condition that the mobile terminals are to be used only to pay for poker tournament fees when they are deployed away from one of the approved cash-dispensing locations, and that the tournament fees are not to be paid for by a patron while that patron is sitting at a gaming machine or a gaming table.

**Right of appeal**

17. Pursuant to section 235 of the Act, a person affected by this decision may appeal that decision to the High Court: An appeal must be made within 15 working days of the date of notice of the Commission's decision, or any longer period that the High Court may allow.



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Graeme Reeves  
Chief Gambling Commissioner

for and on behalf of the  
Gambling Commission

8 May 2019

