

IN THE MATTER of the Gambling Act 2003

AND of an application by
CHRISTCHURCH CASINOS LIMITED for an approval pursuant to condition 15 of its operator's licence, to trial the deployment of an EFTPOS terminal at a gaming table

BEFORE THE GAMBLING COMMISSION

Members: L M Hansen (Chief Gambling Commissioner)
D C Matahaere-Atariki
W N Harvey
S C L Pearson

Date of Application: 31 March 2021

Date of Decision: 6 August 2021

Date of Notification
of Decision: 1 September 2021

**DECISION ON AN
APPLICATION BY CHRISTCHURCH CASINOS LIMITED FOR AN APPROVAL TO TRIAL THE
DEPLOYMENT OF AN EFTPOS TERMINAL AT A GAMING TABLE**

Application

1. Christchurch Casinos Limited ("**CCL**") applied to the Commission for an approval, pursuant to condition 15 of its operator's licence, to trial the deployment of a mobile EFTPOS terminal at a gaming table at the Christchurch casino. CCL made the application because it wants permission to use the terminal to effect the purchase by casino patrons of gaming chips while at the table.
2. The Commission invited submissions on CCL's proposal from the Secretary for Internal Affairs (the "**Secretary**"), Ministry of Health, PGF Group ("**PGF**"), the Salvation Army/Oasis ("**SA**"), Canterbury DHB, Christchurch City Council, SKYCITY Casinos Management Limited ("**SCML**") and Dunedin Casinos Management Limited. It received submissions from the Secretary, PGF, SA and SKYCITY. CCL filed reply submissions.

Licence conditions

3. The relevant licence conditions are as follows:

CCL's operator's licence

14. Except as approved in writing by the Commission, the Licence Holder is prohibited from dispensing cash from EFTPOS and like devices in the Gambling

Areas (Schedule 1) at all times and Additional Gambling Areas (Schedules 2 or 3) whenever the Additional Gambling Areas are activated pursuant to condition 9B. 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.

15. The Licence Holder is prohibited from using mobile EFTPOS terminals (cash or non-cash dispensing) or like devices in the Gambling Area (Schedule 1) at all times and in the Additional Gambling Areas (Schedules 2 or 3) whenever the additional Gambling Areas are activated pursuant to condition 9B 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.
16. Except for any approval granted pursuant to condition 14 the Licence Holder is prohibited from dispensing more than \$50 cash per transaction from EFTPOS terminals or like devices within the Casino Venue and must ensure that any cash withdrawals are contemporaneous with a purchase.
17. Subject to the restrictions specified in conditions 14, 15 and 16 above, EFTPOS terminals or like devices may be installed and removed by the Licence Holder within the Casino Venue.
18. The Licence Holder is required to notify the Commission if it moves ATMs in the Casino Venue or if it installs or moves EFTPOS terminals or like devices in the Gambling Area (Schedule 1) and Additional Gambling Areas (Schedules 2 or 3).

Submissions by CCL

4. CCL submitted, in summary, as follows:
 - (a) It wants to trial the use of a mobile EFTPOS terminal at one gaming table, with a longer-term view to consider the deployment of EFTPOS terminals across other gaming tables. It seeks the Commission's approval to conduct the trial pursuant to condition 15 of its operator's licence.
 - (b) Having an EFTPOS terminal available at a single live gaming table for a period of up to six months will enable the recording of the statistics required to consider a more permanent approval across more table games. Trial data would include the uptake, transaction value, impact on game speed and customer experience, for both those that might chose to use the facility, and those that do not.
 - (c) No cash will be dispensed back to a customer from the gaming table and any chips the customer leaves the table with would need to be cashed in at the Cash Desk. EFTPOS at the table would be used only to purchase chips, not to make cash withdrawals.
 - (d) Conditions 14 and 16 of its operator's licence have no application. Customers can already purchase chips at a gaming table with cash. If they do not have cash, they can already use EFTPOS at a Cash Desk located on the same Gambling Area. The use of EFTPOS at a gaming table would simply be an alternative option, with

both a purchase at the Cash Desk or at the table involving a face-to-face transaction.

- (e) Historically, access to cash on the gaming floor has been very tightly controlled as it had been linked to potential gambling harm. However, times have changed, as has society's reliance on cash. In New Zealand, cash transactions are becoming far less the norm, with people moving to the convenience and relative safety of cashless and even contactless transactions. Preferences for electronic payment methods have accelerated significantly because of the COVID-19 pandemic. The use of digital wallets has doubled in comparable jurisdictions and is expected to be the leading point of sale payment method globally by 2023. At the same time, Host Responsibility practices have grown more robust and more effective. It is well placed to adopt this payment trend and the information available as an output of the electronic transactions can further support and strengthen Host Responsibility processes.
- (f) This proposal will bring the Christchurch casino into line with general consumer trends towards secure, streamlined digital payments. Arguably, casino gaming table games are the only common, legal consumer product which still require the use of cash. For many customers, the only exception to navigating their world cash-free is when they must produce cash at a gaming table.
- (g) A contrast can be drawn between other gambling products, such as Lotto and online TAB products which sees consumers engaging with and purchasing gambling products using cashless technology.
- (h) As well as consumer payment preferences changing, the industry is also changing to meet customer preferences and to address recognised risks, such as money laundering. For these reasons, operators in Australia have recently been moving towards becoming cashless. Crown Perth has deployed EFTPOS facilities to 160 (or more) of its gaming tables. This proposal allows the casino to move forward along with these positive trends within the industry regionally.
- (i) The current process to obtain chips at a gaming table has been in place since the casino opened in 1994 and involves one of two scenarios. First, if customers have cash on them, they can use it to purchase chips at the table. Secondly, if they do not have cash and wish to purchase chips, they must go to an ATM or the Cash Desk to withdraw cash. In the second scenario, the Cashier can complete the transaction on the gaming floor using the existing approved EFTPOS terminals. The customer will then receive either cash, chips, or both.

- (j) A Chip Purchase Voucher, which can be purchased at the Cash Desk using cash or EFTPOS and redeemed for chips at a gaming table, is another form of currency on the gaming floor. The current proposal simply seeks to extend the ability to purchase chips for customers who are already situated at a gaming table and do not have cash on them.
- (k) There is no material difference, nor increased risk of harm, in conducting the transaction at the gaming table as opposed to at the Cash Desk. The only difference is the current requirement to leave the gaming table. This is consistent with findings internationally, showing that problem gambling prevalence rates have either remained unchanged or declined, despite the exponential increase in the use of electronic payments for gambling.
- (l) As part of its Host Responsibility training, all staff, including Dealers and Cashiers, are trained to look for behaviours of concern. Completing the transaction with the Dealer at the gaming table allows the Dealer, who is aware of the customer's previous play, to identify any indicators of problem gambling, which is a significant advantage over Cashiers who do not have the overview of the customers play.
- (m) Breaks in play are encouraged for all customers via messages, resources and physical approaches.
- (n) Any purchase or change in denomination of chips at a gaming table, whether in cash or otherwise, causes a break in play for all those at the table while the transaction is completed.
- (o) Breaks in play, to enable another player at the gaming table to purchase chips, provide an opportunity for all other players to reconsider their gambling and whether to continue to play or not. Players are more likely to 'cash out' during such breaks in play (particularly those breaks focused on transactions) than while the game is in action.
- (p) As stipulated in its HRP, it actively encourages and requires players to take a break involving physically leaving the gaming table.
- (q) Its Host Responsibility processes and procedures already mitigate any potential additional risks to customers of having the convenience of an EFTPOS terminal at the gaming table. Additionally, there will be an electronic alert button on the table, to enable the dealer to signal the Surveillance Team that an EFTPOS transaction is about to be completed and to assist monitoring and gathering statistics on the use and nature of the proposed EFTPOS terminal. As with all EFTPOS terminals

in the casino, the terminal and all transactions conducted through it will be uniquely identifiable.

- (r) An EFTPOS terminal at a gaming table has advantages over ATM use in terms of Host Responsibility. Face-to-face transactions, such as proposed at the gambling table, enable the Dealer to monitor customers for concerning behaviours, including any comments the customer may make in relation to a transaction.
- (s) One of the most likely issues is the potential for a customer's transactions to be declined. There can be many reasons for a decline, including insufficient funds. Should a transaction decline more than twice, a customer would be issued with a help-seeking pamphlet and, as is the current practice for when this happens at the Cash Desk, followed up with a brief intervention by a Security and Customer Care Officer. The Dealer is therefore equipped to escalate immediately and effectively any concerns about the customer from their transaction(s) or otherwise using a Host Responsibility call button.
- (t) If approved, the use of EFTPOS at gaming tables would assist in anti-money laundering efforts by removing the anonymity often inherent with particularly small cash transactions.
- (u) Another potential benefit of having fewer bank notes would be that it would become increasingly difficult to use counterfeit notes, because as cash becomes more obsolete, bank notes and their users would be noticed more.
- (v) Since the Commission and DIA developed their approach to cash access, it has totally reformed and improved Host Responsibility practices. It has been innovative with the use of technologies as they have emerged, with two key examples being:
 - (i) facial recognition, which is particularly useful to help identify gamblers of interest or those who have been banned from the Casino.
 - (ii) 'Servizio', which assists in tracking individuals who have long periods or high levels of play (both carded and uncarded).
- (w) Host Responsibility is deeply embedded as a part of its culture and is a consideration in all that it does. Systems are vastly superior to those in place when the current rules were developed over 10 years ago.
- (x) It noted the Commission's comments in decision GC02/20, that it:
 - (i) has historically had concerns re access to cash in the Gambling Area and the link to problem gambling behaviours;

- (ii) last had a detailed look at cash access in the Gambling Areas in 2005/06;
 - (iii) recognises that cash use in society has changed and that there is increasing use of electronic payments and decreasing reliance on cash;
 - (iv) recognises that casino operations are much safer now with current HRP requirements than they were in 2005;
 - (v) wants to maintain oversight of cash and EFTPOS facilities in the Gambling Area;
 - (vi) envisages “that there may be value, at a future date, in commencing a comprehensive review of the value of the practice of restricting cash in casinos”.
- (y) It supported new initiatives in reducing potential harm. There is an increasing call for more cross-industry collaboration to reduce gambling-related harms. Banks in New Zealand and overseas are now providing gambling-limiting facilities to customers. It sees its role in such a direction as providing customers and banks with the ability to utilise such harm prevention tools within the casino. Directing customers away from anonymous cash transactions and towards traceable electronic ones is a key aspect of supporting such external initiatives and it views this as part of the future of Host Responsibility.
- (z) It is prepared to share the results and findings of its trial at its Problem Gambling Liaison Meetings, where feedback from attendees would be sought for consideration. It is willing to host visits with demonstrations of harm-prevention tools and processes for interested stakeholders.
- (aa) Its Harm/Host Responsibility response (gaming table/Dealer) matrix is as follows:
- Problem Gambling Indicators observed - Call button.
 - Decline (twice, second for lower amount) - Call button + issue help seeking leaflet.
 - “Trust” or company bank card presented - Refuse transaction.
- (bb) Before being deployed to the gaming table where the proposed facility is available, all Dealers will receive additional, dedicated training to process transactions according to policies outlined in the above matrix. This training would ensure consistency in Host Responsibility responses to events which occur at the Cash Desk.

- (cc) There would be minimal risk in allowing the trial to proceed as proposed, as any transaction would be face-to-face just as if it were completed at the Main Cash Desk. Further, the Dealer would arguably have useful knowledge about the individual and their current spend, further mitigating risks to players. The use of traceable, electronic transactions fits in well with its increasingly data-driven Host Responsibility model and allows for better identification of at-risk gamblers, rather than the anonymity afforded by cash transaction. The table transaction would be under increased scrutiny as trial data is gathered, and all of its Host Responsibility practices would also be in operation.

Submissions by the Secretary

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

- (a) Even the trial introduction of cash-dispensing mobile EFTPOS at casino table would be a significant departure from the current policy. In the absence of data to support a change of this magnitude, he does not support CCL's proposal.
- (b) In decision GC02/20, the Commission stated that at a future date, it could conduct a comprehensive review of the value of restricting the access to cash in casinos. Due to its potential impact and strong public interest in gambling harm, changing access to cash within casinos should be the subject of a comprehensive review.
- (c) He is concerned that CCL's proposal would result in fewer breaks from gambling and lead to increased gambling harm. The Commission has previously acknowledged (most recently in decision GC02/20) that breaks serve a harm mitigation purpose and has preserved the current prohibition on cash-dispensing EFTPOS terminals in the Gambling Area for that reason.
- (d) The Act also recognises that the availability of cash and breaks in play have an important role in harm mitigation. Two examples from the Gambling (Harm Prevention and Minimisation) Regulations 2004 are:
- (i) the prohibition of automatic teller machines in the Gambling Area; and
 - (ii) the requirement that all electronic gaming machines include a feature that interrupts play and informs players of the duration of their session, the amount spent and the net wins or losses.
- (e) Excessive access to money and the intensity of play are also included in the general indicators of troubling behaviours by problem gamblers. CCL's Problem Gambler Identification Policy recognises that the following factors are general indicators of problem gambling:

- (i) very few breaks in gaming – almost continuous play; and
 - (ii) repeated ATM or Cash Desk visits and/or multiple declined transactions.
- (f) Permitting casino tables to have mobile EFTPOS terminals for the purchase of chips may undermine the effectiveness of the above general indicators of problem gambling and increase the potential for gambling harm.
- (g) A comprehensive review conducted by the Commission could consider if easier access to cash would increase rates of play for a number of casino table games.

Submissions by PGF

6. PGF submitted, in summary, as follows:

- (a) It is strongly opposed to this application. Approving it will not align with previous Commission decisions GC08/20 and GC14/20, which conditionally approved the use of mobile EFTPOS terminals, with the exception that gaming chips are not to be paid for by a patron while they are sitting at a gaming table.
- (b) CCL's proposed trial will encourage continuous play by patrons, which is associated with increased risks of harmful gambling.
- (c) CCL's application is a clear and specific example of what is required of the Commission, and of casinos, to give effect to the purposes and requirements of the Gambling Act. In Section 3, the first two purposes are to control the growth of gambling and to prevent and minimise the harm cause by gambling, including problem gambling.
- (d) The Commission provided conditional approval to two applications regarding the deployment of mobile EFTPOS terminals in the Gambling Area for the purchase of gaming machine tickets and chips. In paragraph 14 of decision GC08/20 and paragraph 18(b) of decision GC14/20, it outlined that:

The approval is granted upon the conditions that the mobile terminals are not to be used to dispense cash, and that the gaming machine tickets or chips are not to be paid for by a patron while that patron is sitting at a gaming machine or a gaming table.
- (e) If CCL's application were approved, it would directly contradict the Commission's decisions regarding mobile EFTPOS terminals in the Gambling Area. Given that the Commission has specifically excluded EFTPOS machines at gaming tables for the purpose of purchasing gaming chips, this application should be rejected to maintain precedent.

- (f) Mobile EFTPOS terminals at the gaming tables will increase the risk of gambling harm. They would provide convenient access to patrons, which would encourage continuous playing. This consequence would be contrary to Section 3 of the Act.
- (g) Research shows that those who engage in continuous play are more likely to be problem and at-risk gamblers than those who participate less frequently in non-continuous forms of playing. An effective harm minimisation tool includes enforcing breaks in play. Allowing mobile EFTPOS terminals at gaming tables to purchase chips will remove the ability for patrons to take a break. Instead, further continuous play would be encouraged which would prevent patrons from having the time to reflect on the time and money they had spent at a table game. Thus, this trial would increase gambling harm.
- (h) It supports the SA's submission, which is concerned about the gambling harm that this trial could cause. It also concurs with SA that if this application were to be approved, transactions at EFTPOS terminals should be limited to \$50 per transaction. This would align with condition 16 of CCL's operator's licence.
- (i) Payment options in casinos are already too convenient so there is no need to improve accessibility. Increasing accessibility would be detrimental and increase gambling harm.

Submissions by SA

7. SA submitted, in summary, as follows:

- (a) It is opposed to CCL's application. Deploying an EFTPOS terminal at a gaming table, with the view to deploying additional terminals at other gaming tables in the future, removes the opportunity for a natural break in play where gamblers can reflect on the time and money that they have spent in a session. This break can prevent excessive gambling.
- (b) It appreciated that cashless transactions are a preferred and expected method of purchase in 2021, particularly in the context of the Covid-19 pandemic. However, gambling is no ordinary industry and as such, it is subject to stricter regulations that may occasionally affect player convenience.
- (c) Obstructing a gambler's ability to replenish their funds without leaving the machine or table increases the time between the gambler's impulse to continue playing and the means to continue playing, creating an opportunity to pause, reflect, and end the session if wished. The ease, speed and convenience of purchasing chips at a

table through EFTPOS removes this chance to break out of the “zone” and obscures the amount spent, compared to gambling with cash.

- (d) There are already several existing payment options for table games, including cash at tables, ATMs and cash, EFTPOS and chip purchase vouchers at the Cash Desk. These current processes are more than sufficient and border on excessive.
- (e) It recognises that with technological advances, international trends, consumer preferences and concerns regarding money laundering, digital payments will eventually replace cash in casinos. However, this change needs to be accompanied by harm prevention measures that replicate the natural breaks in play that cash gambling facilitates. For example, an e-wallet or ticket system could be implemented, which enforces mandatory (or at least ‘opt-out’) time and spending limits, delays between deposit and spend, and automatic withdrawals of large wins, to prevent re-gambling. Digital payments could also be tracked at the player level, and personal notifications given to players, for example, if risk indicators are observed. In Christchurch Casino, this could build upon the existing measures like the Servizio system and pre-commitment cards.
- (f) It acknowledges that CCL has a thorough HRP but as its effectiveness has not been evaluated, it does not believe there is enough evidence to suggest that the HRP will mitigate the potential risks of its proposed change. Additional, existing gambling research has not yet explored how cashless gambling impacts gambling behaviour and which communities are more at risk. Still more research is needed to inform optimal harm minimisation approaches.
- (g) If this application were approved, transactions at EFTPOS terminals should be limited to \$50 per transaction (in alignment with condition 16 of CCL’s operator’s licence).
- (h) As noted in a separate submission to the Commission regarding the Dunedin Casino, it is concerned with the deterioration of harm prevention and minimisation measures in New Zealand casinos. In CCL’s application, it sees how the gradual streamlining of gamblers’ access to money (e.g. via the expansion of ticket-in/ticket-out facilities, loyalty card gambling, and gaming machines that access bank notes greater than \$20), has reduced opportunities for breaks in play once necessitated by things like breaking bank notes for smaller currency. These changes have been, in part, driven by technological advances and changing social norms, but they are also driven by the industry’s aim to encourage non-stop gambling. Payment options are already far too convenient, and it does not support making them more so.

Submissions by SKYCITY

8. SKYCITY submitted, in summary, as follows:

- (a) It supports the deployment of EFTPOS terminals at gaming tables to facilitate the purchase of chips, but questions whether the trial proposed by CCL is necessary to determine whether further terminals may be deployed.

EFTPOS conditions

- (b) All casino operators are subject to broadly consistent licence conditions in relation to the deployment and use of EFTPOS terminals. These licence conditions were first developed in 2005/06 and have remained largely unchanged since that time.
- (c) The licence conditions, and the approvals granted by the Commission pursuant to those conditions, have:
 - (i) restricted the number and location of cash-dispensing EFTPOS terminals at each casino; and
 - (ii) allowed the deployment of non-cash dispensing mobile EFTPOS devices in the gambling area for limited purposes.

Commission approvals

- (d) Casinos have traditionally been prohibited from using mobile EFTPOS terminals (cash or non-cash dispensing) or like devices in gambling areas. In more recent years, the Commission exercised its discretion and approved the deployment of mobile terminals at Auckland (decisions GC23/15, GC22/17, GC03/18, GC09/19 and GC08/20) and Hamilton Casinos (decision GC15/17) for the limited purposes specified in those decisions. In decision GC02/20, the Commission also approved an application from CCL to deploy mobile EFTPOS devices in the Gambling Area of the Christchurch Casino on the condition that the terminals be used only to pay for the purchase of food and beverages. The Commission's approval in respect of CCL's application was the catalyst for a similar application from SCML in respect of the four casinos it operates, which was approved by the Commission in decision GC14/20.
- (e) The basis for the Commission's approval in decisions GC02/20 and GC14/20, as set out in those respective decisions, includes:
 - (i) changing societal trends and increasing consumer expectations of being able to pay for products or services with a minimum of difficulty;

- (ii) New Zealand casinos offering safer environments in 2020 than they did in 2005/06, because host responsibility experiences continue to develop and associated systems are continually improving; and
- (iii) the logical inconsistency in allowing casino patrons to purchase F&B from their gaming location when paying with cash or chips, but refusing the same purchases using mobile EFTPOS terminals.

CCL's application to deploy a mobile terminal on a gaming table

- (f) CCL's application to deploy a non-cash dispensing mobile terminal on a table to facilitate chip purchases is the first of its kind. While the Commission has previously allowed mobile terminals to be used for the purchase of poker tournament fees (decision GC09/19) and gaming machine tickets and chips (decisions GC08/20 and GC14/20), those approvals were conditional on the purchases not being made while the relevant patron is sitting at a gaming machine or gaming table.
- (g) The underlying rationale for the Commission's longstanding prohibition in this respect was to prevent patrons from gambling continuously. Customers who exhaust their funds at a gaming table and wish to withdraw funds with an EFTPOS card must leave the table and visit a cashiering facility to do so in order to purchase further chips (either at the cashiering facility or upon return to the table). The perceived benefits that may attach to such interruptions (which only apply to persons who are reliant on electronic payment systems for cash access) have to be balanced against the same considerations highlighted in above. The logical inconsistency cited by the Commission in decisions GC02/20 and GC14/20 relating to F&B purchases would seem to apply equally to casino patrons who may purchase unlimited chips at a table when paying with cash but are denied such purchases using EFTPOS cards.
- (h) While inconveniencing a segment of customers may, on occasion, discourage further gambling, requiring persons to leave the table to withdraw funds has wider ramifications. For instance, a staff member processing an EFTPOS transaction at a cashiering facility is denied any behavioural context to assess the suitability of the customer's transaction which would otherwise be available to a dealer processing the same transaction at the table from which the customer had been playing.
- (i) The historical restrictions in this area are not conducive to good host responsibility practice, are inconsistent with a societal trend away from cash, and do not take into account the significant progress the casino sector has made over time to create safer environments for its customers.

Proposed Trial

- (j) CCL is proposing a trial of up to six months to enable it to measure and record the relevant statistics needed to consider this for a more permanent approval across more table games. While there may be commercial considerations a casino operator would want to assess (by way of a limited trial) before determining whether to deploy EFTPOS terminals on a greater number of tables, the regulatory benefits arising from a trial are much less clear.
- (k) In terms of the criteria specified in CCL's application, game speed is the only issue that is likely to be of specific regulatory interest as it may have a bearing on casino gambling opportunities. It appears clear that allowing EFTPOS transactions at tables will slow, rather than quicken, a game (as the game would be interrupted while each such transaction is processed), meaning there would be no increase in casino gambling opportunities consistent with the prohibition set out in section 11 of the Act.
- (l) While not opposed to CCL's proposal to trial EFTPOS on tables, it does not believe a trial should be a pre-requisite for deploying EFTPOS facilities in the manner sought.

Cashless Gambling

- (m) The general societal trend towards digital payment technologies is likely to have been given added impetus by the COVID-19 pandemic which has exposed risk associated with handling currency.
- (n) The risks are not just physical. It is well documented that cash intensive industries like casinos are exposed to financial crime risks. SCML has a range of strategies in place to mitigate those risks. A shift towards the greater utilisation of digital networks to manage transaction activity is expected to provide further benefit in that regard.
- (o) The American Gaming Association, which represents the United States casino industry, has been active in promoting payment choices which allow casino customers the ability to supplement cash with safe and secure digital payment options on the casino floor. It has identified a series of principles designed to modernise casino gaming payments, protect consumers and keep pace with consumer expectations.
- (p) That development is clearly of interest to the New Zealand casino sector and is far broader than CCL's proposal to deploy a mobile EFTPOS facility on a table. Nonetheless, the wider deployment of EFTPOS facilities in New Zealand casinos

in the short term is expected to provide a more suitable platform for expanding into other cashless payment options in the medium to longer term.

- (q) The Commission will be aware of the growing body of evidence to suggest that a significant online gambling market has emerged in New Zealand, comprising domestic operators (New Zealand Lotteries Commission and TAB) as well as a vast array of offshore operators. All rely on digital payments to facilitate the use of their products. The restrictions adopted by the Commission in 2005/06, when the online market was still in its infancy, are more difficult to reconcile now with these wider developments which have arguably normalised the use of digital products for gambling purposes.
- (r) The deployment of EFTPOS facilities on gaming tables to facilitate chip purchases would be a natural progression of the Commission's earlier decisions GC02/20 and GC14/20. There is, however, a broader array of cashless technologies that might be used in a casino environment to enhance payment choices and convenience while equipping customers and operators with digital tools to help analyse patterns of gambling behaviour to manage risk. These too require consideration.
- (s) The Commission has earlier indicated that, in light of the general trend towards electronic payments, there may be value, at a future date, in commencing a comprehensive review of the practice of restricting access to cash in casinos. There is value in undertaking such a review in conjunction with the Secretary who is responsible for prescribing minimum standards for the design, manufacture and performance of gambling equipment pursuant to section 327 of the Act. The Secretary released cashless minimum standards in June 2017 and it would be timely to revisit those standards in the context of any review of cash access restrictions in casinos.
- (t) Pending a wider review, it fully supports the immediate deployment of EFTPOS facilities on tables to facilitate chip purchases.

CCL's submissions in reply

9. In reply, CCL submitted, in summary, as follows:

- (a) It noted that there are a number of common themes in relation to some areas; namely:
- a potential reduction in breaks in play;
 - encouraging continuous play;
 - increased opportunities for gambling harm;
 - convenience versus restricted access to cash;

- a lack of evidence to support the introduction of EFTPOS at a gaming table.
- (b) Some submissions are disappointing in that they rely on historical indicators rather than looking to the future.
- (c) No-one can shy away from the decline of cash in favour of cashless transactions. The purpose of its proposed trial is to allow stakeholders to be better informed about the effects of the technological and societal changes that are happening.

SA's submission

- (d) While being opposed to the application, SA at least acknowledged that cashless transactions are a preferred and expected method of purchase in 2021. SA also acknowledged that, with time, digital payments will eventually replace cash in casinos.
- (e) In response to SA's opposition, it noted that the purpose of the trial is to gather empirical evidence so that all parties can make a more informed decision about the relative pros and cons of an EFTPOS terminal at a gaming table. Doing nothing will not avoid the inevitable.
- (f) Its proposal is driven by increased customer expectation. Casinos do not wish to cause harm. It respects its customers and wants to have systems in place that cater for the vast majority for whom gambling is not problematic.
- (g) In response to SA's concerns regarding "the progressive and unnoticed deterioration of the harm prevention and minimisation measures in New Zealand Casinos", it has been continuously strengthening its measures with significant investment in technology and reduced thresholds for interventions. It has also won external awards in many consecutive years for its Host Responsibility practices, so for SA to say that the effectiveness of CCL's HRP has not been evaluated is inaccurate.

PGF's submission

- (h) PGF shares many of the concerns expressed by SA. Further, PGF states that the "proposed trial will encourage continuous play" but it does not provide any evidence to support this proposition. This may be because there has been no study or trial in New Zealand to provide evidence that would confirm the relative merits of EFTPOS at a gambling table. Ironically, its proposal is intended to commence the gathering of exactly this information.

- (i) PGF regularly attends the Casino Liaison meetings and at its December 2020 meeting, the subject of cashless gambling was discussed and received support from PGF because the data that it could provide could be beneficial to Host Responsibility outcomes.
- (j) It reiterates that no cash will be dispensed using the EFTPOS terminal; the transactions would be the same as those already take place when a customer wishes to purchase chips at the table (using cash). A small break in play would take place with payment by either cash or EFTPOS, with the only difference being that an EFTPOS payment would be digital and with an auditable record.

The Secretary's submission

- (k) The Secretary's submission stated that "In the absence of data to support a change of this magnitude, the CCL proposal is not supported at this time." As noted above, the purpose of its proposed trial is to commence the gathering of such data.
- (l) The Secretary stated that "[he] is concerned that the proposal would result in fewer breaks from gambling and lead to increased harm." Again, it does not believe there is any evidence to support this claim; any purchase of casino chips using EFTPOS at a gaming table would still result in a break in play, just as it does for cash purchases.
- (m) The Secretary also referred to Commission decision GC02/20; that it "has preserved the current prohibition on cash dispensing EFTPOS terminal in the gambling area." Again, no cash will be dispensed from the EFTPOS terminals; they will be used only for the purchase of casino chips.
- (n) The Secretary noted that the Commission said that it would conduct a comprehensive review into cash access because of the changes taking place within society. These changes are happening now so as a responsive regulator, the DIA needs to take supportive actions.
- (o) The DIA's website notes that society is becoming increasingly digitised and that it is committed to taking a stewardship approach. CCL is of the view that its proposal is an opportunity for the DIA to do this.

SKYCITY's submission

- (p) SKYCITY supports the proposal and goes further than CCL suggested by submitting that a trial is not needed as a prerequisite for deploying EFTPOS facilities in the manner sought. It would be very happy if the Gambling Commission were to make such a determination.

Summary

- (q) Cashless systems are inevitable and new technology will need to be introduced at some point. Its view is that the time is right now.
- (r) The increased use of digital payments, including EFTPOS, has the potential to make its environment safer as all transactions are auditable, unlike cash which is anonymous. It has very robust host responsibility practices and from CCL's perspective, none of the submissions in opposition make a good argument to delay the introduction of cashless payment systems.
- (s) The Commission has signalled a review of this entire area and it supports the SKYCITY suggestion that it is timely to do this work now. It wants to work with the Commission, the DIA, problem gambling service providers and SKYCITY in such a review. It seems logical for the review to start with, and be informed by, the approval of the current application.

Analysis

10. CCL has sought Commission approval to trial the deployment of a mobile EFTPOS terminal at a gaming table at the Christchurch Casino. CCL's proposal, if approved, would allow casino patrons to purchase gaming chips using an EFTPOS terminal while actively playing a table game. Eventually, CCL wants to be able to deploy EFTPOS terminals for this purpose at all of its gaming tables. While CCL is not seeking approval to dispense cash from the mobile EFTPOS terminal, as the Secretary appears to have assumed, if cash access restrictions were intended to force breaks in play on the assumption that cash would be required to continue gambling activity, the use of mobile EFTPOS devices to remove the need for cash might frustrate the purpose of the original restrictions.
11. CCL's application is significant because this is the first occasion in which a casino operator has applied to deploy an EFTPOS terminal at a gaming table to facilitate continuation of their gambling activity by its patrons, rather than for a non-gambling purpose, such as for the purchase of food or beverages. Patrons can presently purchase chips at the table with either cash or Chip Purchase Vouchers obtained from the Cashier's Desk, but not by electronic means.

Cash Access Licence Conditions and Commission decisions

12. CCL has made the application under condition 15 of its operator's licence. Condition 15 provides as follows:

The Licence Holder is prohibited from using mobile EFTPOS terminals (cash or non-cash dispensing) or like devices in the Gambling Area (Schedule 1) at all times and in the Additional Gambling Areas (Schedules 2 or 3) whenever the additional Gambling Areas are activated pursuant to condition 9B 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

13. In previous decisions, the Commission has discussed the development of the cash access licence conditions at New Zealand's six casinos, including the Christchurch casino. In decision GC02/20, the Commission set out the history of these conditions, together with details of the approvals provided by it pursuant to those conditions (see paras 25-34 in particular).
14. When the Commission first imposed the cash access licence conditions, it adopted a very strict approach to patrons accessing cash or EFTPOS terminals within Gambling Areas because of submissions made at the time which linked cash access to facilitation of continuous gambling and harm. Indeed, the Commission initially proposed to prohibit all mobile EFTPOS terminals (i.e. cash or non-cash dispensing) from the Gambling Areas before settling on a general prohibition on their use in the Gambling Areas to pay for food and beverages purchases, but subject to the Commission's discretion to grant approval. But even in creating this discretion, the Commission sent a clear signal to casino operators that such approvals would not be easily obtained (see paragraph 10.4 of the Commission's Final Decision dated 27 March 2006).
15. From 2015 onwards, the Commission exercised its discretion and approved the deployment of non-cash dispensing EFTPOS devices within the Gambling Areas for practical non-gambling purposes, such as to allow casinos to offer a better level of non-gambling service or for business continuity reasons.
16. In providing such an approval in decision GC02/20 (an application by CCL to deploy mobile EFTPOS terminals in the Christchurch casino's Gambling Area for the purchase of food and beverages by patrons), the Commission made three observations which were salient to it providing the approval, as follows:
 - (a) changing societal trends and consumer expectations mean that patrons increasingly want to be able to pay for products or services with a minimum of difficulty. As time goes on, these trends will almost certainly continue with an increasing reliance on electronic payment systems and a decreasing reliance on cash;
 - (b) New Zealand casinos offer safer environments today than they did when the cash access licence conditions were developed in 2005/06 because host responsibility experiences continue to develop and associated systems are continually improving; and

(c) there is an existing inconsistency in allowing casino patrons to purchase food and beverages from their gaming location when paying with cash or chips but refusing the same purchases using mobile EFTPOS terminals.

17. Subsequent to decision GC02/20, the Commission permitted the other five casinos to deploy mobile EFTPOS devices in their Gambling Areas for the purchase of food and beverages (see decisions GC14/20 and GC11/21).

Current application

18. While CCL's application was not unexpected in the light of the increasing use of cashless payments in society, it would nevertheless represent a significant departure from the Commission's approach to the regulation of these matters from 2005/06 to date. As a result, the Commission consulted widely on CCL's proposal, including with PGF and MoH, who made detailed submissions on the link between cash access and harm when the casinos' cash access licence conditions were first developed.

19. As it deliberated on the application and the submissions filed, the Commission identified a number of compelling arguments in favour of approving CCL's application, as follows:

(a) The current restrictive approach was developed by the Commission in 2005/06 in a very different operating environment. Societal practices and customer expectations have changed markedly since that time, with consumers generally expecting to be able to make purchases with a card or other form of electronic device. Casino licence conditions which assume widespread use of cash may need revision to reflect this change, lest their effect is to force customers to use cash simply in order to impose restrictions on the use of a practice which otherwise would not be chosen.

(b) Because electronic payments are now so ubiquitous within society, the availability of an EFTPOS terminal at a casino's gaming table would not be unexpected.

(c) Although approving the current application would represent a departure from the Commission's restrictive approach to date, the Gambling Act expressly permits the Commission to reconsider issues and reach a different conclusions. Section 226(3) of the Act provides that "The Gambling Commission may ... reconsider any matter that has been determined by it and issue a fresh determination." The ability to do so does not even depend on a change in circumstances. Significant changes in common payment practices following technology developments certainly justify reconsideration of the Commission's past approach.

- (d) There is a logical tension between various aspects of the present policy. It allows patrons who carry large amounts of cash to purchase chips at the table but inconveniences patrons with a card/other electronic device by preventing them from purchasing chips at the table. One possible effect of the current cash access restrictions is to encourage patrons to bring large amounts of cash to a table (in order to minimise inconvenience in purchasing chips at a table without having to leave).
 - (e) Other domestic gambling operators (Lotteries, TAB) utilise digital payment methods. The restrictions imposed on casinos in 2005/06 may be more difficult to justify today when digital payments are commonly used elsewhere in the gambling industry.
 - (f) Allowing patrons to purchase chips at a table with an EFTPOS device may reduce the speed of a game. The introduction of an EFTPOS device is unlikely to increase casino gambling opportunities.
 - (g) A table dealer who directly observes a patron's gambling and spending may be better placed than a cashier, who is located away from the table, to consider if that patron requires some form of intervention.
 - (h) There are significant potential benefits from electronic payments, such as the ability to require harm minimisation mechanisms as part of an approval, as electronic transactions can be traced and monitored in a manner that cannot occur with cash.
 - (i) Cash intensive industries like casinos are exposed to financial crime risks, such as money laundering. A shift towards an electronic/digital network would reduce these risks as electronic transactions are traceable in a manner that cannot occur with cash.
 - (j) Electronic transactions do not carry the same potential health risks (germs) associated with cash; a matter that is particularly relevant with the emergence of the Delta variant of COVID-19 in New Zealand society.
20. A number of submitters were opposed to CCL's application with PGF, SA and the Secretary all broadly submitting that the application should be declined because of the connection between access to funds, continuous gambling and harm to patrons. PGF and SA also submitted that, if the Commission were to approve CCL's proposal, each transaction should be limited to \$50 only, with SA additionally submitting that customers expect to be able to make cashless purchases in 2021. The Secretary submitted that the Commission should now undertake the review into cash access at casinos that it proposed in GC02/20.

21. Against the backdrop of the abovementioned submissions, the Commission must also consider the statutory purpose of the governing legislation, the Gambling Act. Section 3 sets out eight aspects of the Act's purpose including, relevantly, purpose 3(b), to prevent and minimise harm from gambling, including problem gambling, purpose 3(d), to facilitate responsible gambling and purpose 3(f), to limit opportunities for crime and dishonesty associated with gambling and the conduct of gambling. All of these considerations have potential application to policy concerning access to cash and cashless purchases for gambling.
22. The Commission expects that evolving changes to common payment practices and public health encouragement to adopt contactless payments will increase pressure to remove restrictions on cashless payments at casinos, including at gaming tables.
23. Notwithstanding those observations, the Commission declines to grant CCL's application. When the Commission imposed the cash access casino licence conditions in 2005/06, it received extensive submissions on the links between access to cash, continuous play and harm, and imposed strict licence conditions accordingly. Prevention and minimisation of harm remains an important consideration but the submissions received on the current application consist of little more than invoking its earlier decisions and contrary assertions about the likely effect of changing the current policy. The Commission does not consider that it presently has sufficient information to persuade it that a change of policy should be made now.
24. The Commission acknowledges that the application was to allow CCL to conduct a limited trial in order to generate information that may be useful in deciding whether to change the policy permanently. However, the application did not contain sufficient information about the proposed trial, including methodology and applicable standards to persuade the Commission that an unsupervised trial by a single casino operator would produce sufficiently valuable information to justify the, as yet unquantified, risks of permitting it.

Commission Review

25. At paragraph 42 of GC02/20, the Commission noted as follows:
 42. In the light of the general trend towards electronic payments, and away from cash payments, the Commission is of the view that there may be value, at a future date, in commencing a comprehensive review of the value of the practice of restricting access to cash in casinos, as it has not considered the matter in detail since 2005. In any such investigation, the Commission would consult widely in order to receive a broad range of views.
26. There have been numerous applications by casino operators to deploy EFTPOS terminals within casinos for non-gambling purposes since 2015 and it seems clear that these will continue. In the light of the continuing trend towards cashless payments, and the lack of current evidence before the Commission on the harm implications of deploying a mobile

EFTPOS terminal on a gaming table at a casino and the relationship to restrictions on access to cash, the Commission determined that it is now timely to commence a review of the type anticipated by decision GC02/20.

27. In addition to re-assessing generally the current and future value of the practice of restricting access to cash in casinos, the Commission intends to consider the appropriateness of patrons in a modern casino environment having greater access to electronic payment methods for gambling purposes within a legislative environment which has the prevention and minimisation of harm as a central tenet. That includes the possible benefits which might be achieved as the result of encouraging forms of payments which produce auditable records and whether there are more effective and direct ways to achieve desirable breaks in play than making gambling purchases generally inconvenient for casino patrons.
28. The Commission will consult widely on its review and will ask participating parties to provide reasoned and evidence-based submissions, rather than bald, unsubstantiated assertions and reliance on decisions made more than 15 years ago. All parties will be expected to provide pertinent and current evidence which will assist the Commission's consideration of the issue and to reflect on how patron convenience and prevention and minimisation of harm from gambling might best be reconciled.
29. The Commission will also likely seek input from an independent expert or experts who can advise it on the review, including testing the veracity of the submissions and evidence filed.
30. The Commission notes that a review was supported by the Secretary, and noted by both CCL and SKYCITY in their submissions.

Decision

31. The Commission declined CCL's application to trial the deployment of a mobile EFTPOS terminal at a gaming table at the Christchurch Casino, pursuant to condition 15 of CCL's operator's licence.
32. The Commission will commence a review into cash access/electronic payments for gambling purposes at New Zealand casinos. The Commission may appoint an external expert or experts to assist it with this review.

Right of appeal

33. 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.



Lisa Hansen
Chief Gambling Commissioner

for and on behalf of the
Gambling Commission

1 September 2021

