
GAMBLING COMMISSION



REPORT OF THE GAMBLING COMMISSION FOR THE YEAR ENDED 30 JUNE 2018

Presented to the House of Representatives pursuant to section 229 of the Gambling Act 2003

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The Minister of Internal Affairs

I have the honour to forward the report of the Gambling Commission (the “Commission”) for the year ended 30 June 2018.

Graeme Reeves
Chief Gambling Commissioner

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INTRODUCTION

By the Chief Gambling Commissioner

I am pleased to present to you my annual report for the period 1 July 2017 to 30 June 2018, the Commission's thirteenth full year of operation.

The Commission has a mixture of regulatory, judicial and advisory functions in relation to gambling and the gambling sector. The functions most regularly exercised by the Commission involve determining applications for approval under casino licence conditions, amending casino licence conditions and considering appeals from gaming machine operators against decisions made by the Department of Internal Affairs (the "**Department**").

In the last year the Commission determined 150 applications to amend casino licence conditions or grant approvals under casino licence conditions.

Graeme Reeves

Chief Gambling Commissioner

REPORT ON ACTIVITIES

Establishment of the Commission

The Commission was established in March 2004 by section 220 of the Gambling Act 2003 (the “Act”). The Act provides that the Commission shall comprise up to five Commissioners.

The Chief Gambling Commissioner is Graeme Reeves, a barrister and solicitor based in Wellington. Graeme was a Gambling Commissioner from 2004 to December 2010, when he was appointed as the Chief Gambling Commissioner. The other Commissioners are:

- Lisa Hansen, who is a Wellington barrister;
- Russell Bell, who is a chartered accountant and business consultant with a background in corporate risk management and assurance. Russell lives in Whanganui;
- Donna Matahaere-Atariki, who is a consultant and lives in Dunedin;
- Wendie Harvey, who is a professional director and business consultant, and lives in Hawke’s Bay.

The Commission is serviced by an Auckland-based Secretariat.

The duties and functions of the Commission are set out in Appendix 1 to this report.

Casinos

The Commission is responsible for casino licensing, with the Department being responsible for operating and equipment standards, game rules and compliance. Casinos can appeal the Commission’s decisions on licensing matters to the High Court.

In the year ending 30 June 2018, the Commission made 150 decisions on applications to amend licence conditions, or obtain approvals under licence conditions. Applications related mainly to approval of new signage around the casinos, revised floor layouts and new game mixes. This compares with 157 decisions made last year.

New Zealand has six casinos (new ones being prohibited under the Act), varying considerably in size, as shown below:

Casino	No. of tables	No. of gaming machines	Fully automated gaming machines
Auckland	150	1,877	240
Christchurch	36	500	-
Hamilton	23	339	-
Dunedin	12	180	-
Queenstown (Beach Street)	12	86	-
Queenstown (Steamers Wharf)	6	74	-

SKYCITY is the dominant operator in New Zealand, operating four of the six casinos; one in Auckland, one in Hamilton and two in Queenstown. The Auckland casino is by far the largest, with approval to operate up to 150 table games, 1,877 gaming machines and 240 fully automated table games. The Auckland casino previously operated up to 110 gaming tables and 1,647 gaming machines but can now deploy additional gambling products up to the abovementioned levels pursuant to the New Zealand International Convention Centre Act 2013, which gives effect to the New Zealand International Convention Centre Project and Licensing Agreement between SKYCITY and the Crown.

Christchurch Casinos Limited (“CCL”) – Application to renew its casino venue licence

In December 2017, the Gambling Commission received an application by CCL to renew the casino venue licence for the Christchurch casino, located at 30-38 Victoria Street, Christchurch. If granted, the application would permit the casino to operate at this location for another 15 years.

The application was made under section 134 of the Act, and is the first application of its kind made in New Zealand.

The Commission is undertaking the work required of it by the Act in order to determine the application. As part of this process, the Commission will hold a public hearing in December 2018. The Commission expects to issue a written decision on CCL's application in the first quarter of 2019. The licence will continue in force pursuant to section 138(4) of the Act until the Commission decides whether or not to renew it.

Appeals to the Commission

The Department exercises primary licensing and enforcement functions in relation to non-casino gambling (gaming machines and large-scale lotteries). As at 30 June 2018, there were 253 licensed Class 4 gambling operators, 1,140 gaming machine venues and 15,420 gaming machines in New Zealand (down from 273, 1,180 and 15,858 respectively in 2017, and down significantly from the 25,221 gaming machines that were in place in June 2003).

Operators have rights of appeal to the Commission against decisions made by the Department in circumstances including loss of licence, enforcement action and in relation to the imposition of licence conditions by the Department.

An appeal is heard on a *de novo* basis, meaning that the Commission considers the matter afresh.

The Commission determined no appeals in the year ending 30 June 2018, the first year this has happened since the Commission has been in operation.

In the year ended 30 June 2018, the Commission completed its review of the Host Responsibility Programme for the Christchurch casino. The Commission also conducted a "mini review" of the HRP for the SKYCITY Auckland casino and in doing so, the Commission ensured that future reviews of the Auckland HRP would align with the HRP reviews for the Hamilton, Queenstown and Wharf casinos, which are also operated by SKYCITY.

The Commission maintained regular contact with stakeholders throughout the year, including representatives from all six casinos, the Class 4 sector, the Department, the Ministry of Health, researchers and treatment providers. The Commission also met with gambling regulators in Australian jurisdictions and briefed them on the Commission's work.

The Commission continues to keep abreast of relevant gambling issues at both governance and management levels.

Procedures

In exercising its functions, the Commission has wide powers to determine its own procedures, to engage experts and to receive evidence. The policies and procedures developed by the Commission, and the decisions which it makes, are all published on its website.

Appeal proceedings are run along judicial lines. Procedures involve filing of submissions and affidavit evidence by the appellant, submissions and evidence in response by the respondent Secretary, and submissions and evidence in reply from the appellant.

The Commission consults on applications to amend licence conditions with the casino licence holder, the Secretary and affected persons.

The Commission can, and does, obtain independent legal advice in relation to matters under consideration – both casino applications and appeals.

Apart from its decisions, the Commission (mainly through the Commission Secretariat) communicates on an ongoing basis with stakeholders.

Administration

Under the Act, the Commission has no power to acquire, hold or alienate property, or to employ staff. Instead, the Act requires the Department to service the Commission, by arranging the administrative services necessary for the Commission to perform its functions.

The Act also requires the Commission to make decisions independently of the Minister and the Secretary, and to have a stand-alone office. This is located in Auckland.

The Commission is funded from the Department's Vote, but as noted above, is functionally independent. The Commission's annual expenditure is variable, depending upon the volume of applications and appeals before it, and any litigation with which it is involved.

Commission Meetings

The Commission met 12 times during the year under review: 14 July, 10 August, 8 September, 22 September, 6 October, 3 November, 8 December 2017, and 14 February, 16 March, 12 April, 17 May and 8 June 2018.

Two Gambling Commissioners attended the International Association of Gaming Regulators Conference in South Africa in October 2017.

The Chief Gambling Commissioner attended the Annual Conference of the National Association for Gambling Studies in Melbourne in November 2017.

Gambling Commissioners and the Executive Director attended the International Gambling Conference held in Auckland in February 2018.

Gambling Commissioners and the Executive Director attended a conference of Australasian Gambling Regulators in Queensland in May 2018.

Future Directions

The primary focus of the Commission in 2018/2019 will be the following activities:

- The major piece of work for the Commission for the next year will be to determine the application by CCL to renew its casino venue licence. As noted previously, this will involve holding a public hearing and issuing a full written decision.
- Another major piece of work will be making recommendations to responsible Ministers on the total amount of the proposed Problem Gambling Levy for the period 1 July 2019 – 31 June 2022, and the proposed Levy rate for each gambling sector. This is a task undertaken by the Commission every three years pursuant to section 318 of the Act.
- The ongoing effective discharge of its licensing and appeal functions.
- Continue to meet with the sector.
- Review the Host Responsibility Programmes for the casinos in Auckland, Hamilton and Queenstown.
- Keep the Minister informed of developments relating to the Commission's functions.

COMMISSION MEMBERS

Graeme Leonard Reeves

Chief Gambling Commissioner
Barrister and Solicitor
Wellington
Appointed June 2004
Term expiring August 2018

Lisa Mary Hansen

Barrister
Wellington
Appointed January 2011
Term expiring December 2019

Russell Duncan Bell

Chartered Accountant and Business Consultant
Whanganui
Appointed July 2011
Term expiring August 2018

Donna Matahaere-Atariki

Consultant
Dunedin
Appointed June 2014
Term expiring June 2020

Wendie Harvey

Professional Director and Business Consultant
Napier
Appointed July 2014
Term expiring August 2018

CONTACT DETAILS FOR COMMISSION

Level 2
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Parnell
Auckland 1052
Tel: (09) 353 7223

Website

www.gamblingcom.govt.nz

Email

info@gamblingcom.govt.nz

APPENDIX 1

Duties and Functions of the Commission under the Act

The Commission is an independent decision-making body with the powers of a Commission of Inquiry. Its functions are wide-ranging, and include the following:

- specifying, varying and revoking casino licence conditions
- considering and determining applications for casino operators' licences and the renewal of casino venue licences (the first of the existing six venue licences expires in 2019)
- approving agreements and changes to agreements between casino operators and casino venue licence holders
- considering and determining appeals against regulatory and licensing decisions made by the Department in respect of Class 3 and Class 4 gambling. Class 3 gambling involves prizes of more than \$5,000, but does not take place at a casino or involve gaming machines. Class 4 gambling relates to non-casino gaming machine operations
- considering and dealing with complaints about the way the Department has handled complaints in relation to Class 4 gambling
- advising the Minister for Internal Affairs on matters relating to the performance of the Commission's functions and the administration of the Act, either at the Minister's request or on its own initiative
- advising Ministers and facilitating consultation on the setting of the Problem Gambling Levy.

APPENDIX 2

Decisions of the Commission: 2017/2018

Decision		Status
GC11/17	Amendment by the Gambling Commission of the Responsible Gambling Programme for the Auckland Casino	Approved
GC12/17	Application by SCML for approval of a new game mix annex for the Hamilton Casino	Approved
GC13/17	Application by SCML for approval of new game mixes for the Auckland casino	Approved
GC14/17	Application by SCML for approval to amend licence condition 6A of its operator's licence for the Auckland casino	Approved
GC15/17	Application by SCML to deploy mobile EFTPOS terminals at the Hamilton casino	Approved
GC16/17	Proposal by the Gambling Commission to vary a licence condition attached to the operators' licences for the Christchurch and Dunedin casinos	Approved
GC17/17	Application by SCAL to redesignate the Gambling Area at the Auckland casino	Approved
GC18/17	Application by SCML to deploy a cash-dispensing EFTPOS facility at the Wharf casino	Approved
GC19/17	Application by CCL for approval of new game mixes	Approved
GC20/17	Decision on the amendment by the Gambling Commission of the Host Responsibility Programme for the Christchurch casino	Approved
GC21/17	Application by Christchurch Casinos Limited for approval to open an overseas bank account	Approved
GC22/17	Application by SCML for approval to install new non-cash dispensing mobile scanners at Auckland casino	Approved
GC23/17	Application by SCAL and SCML for approval to open overseas bank accounts	Approved
GC01/18	Application by SCML for approval to vary the game mix annex for the Queenstown casino	Approved
GC02/18	Application by SCML for approval to exceed, temporarily, the ratio of gaming machines to gaming tables at the Hamilton casino	Approved
GC03/18	Application by SCML for approval to install new non-cash dispensing mobile scanners at the Auckland casino	Approved
GC04/18	Application by SCML for approval of a new game mix annex for the Hamilton casino	Approved
GC05/18	Application by SCAL to vary licence condition/s for the Auckland casino	Approved
GC06/18	Application by SCAL to vary the designated Gambling Area, and for approval of construction and design changes to the Auckland casino	Approved
GC07/18	Application by SCML for approval of new game mixes for the Auckland casino	Approved
GC08/18	Application by SCML for an approval under condition 8 of SCML's operator's licence for the Wharf casino	Approved
GC09/18	Application by SCAL to redesignate the Gambling Area on level 3 of the Auckland casino	Approved
GC10/18	Application by SCML for approval of new game mixes for the Auckland casino	Approved
GC11/18	Application by SHL to vary the designated Gambling Area, to vary licence conditions, and for approval of construction and design changes to the Hamilton casino	Approved

Delegated Approvals allowed by the Commission: 2017/2018

3-Jul-17	SCML	Application for approval of new floor plan for the Auckland casino
4-Jul-17	CCL	Application for approval of signage at the Christchurch casino
4-Jul-17	CCL	Application for approval of signage at the Christchurch casino
5-Jul-17	CCL	Application for approval of signage at the Christchurch casino
10-Jul-17	SCAL	Application for approval of signage at the Auckland casino
12-Jul-17	SHL	Application for approval of signage at the Hamilton casino
17-Jul-17	SHL	Application for approval of signage at the Hamilton casino
17-Jul-17	QCL	Application for approval of signage at the Queenstown casino
17-Jul-17	SCAL	Application for approval of signage at the Auckland casino
18-Jul-17	CCL	Application for approval of signage at the Christchurch casino
25-Jul-17	SCAL	Application for approval of signage at the Auckland casino
25-Jul-17	SHL	Application for approval of signage at the Hamilton casino
28-Jul-17	SCML	Application for approval of new floor plan for the Auckland casino
28-Jul-17	SCML	Application for approval of new floor plan for the Auckland casino
3-Aug-17	SHL	Application for approval of signage at the Hamilton casino
8-Aug-17	SCAL	Application for approval of signage at the Auckland casino
11-Aug-17	SCAL	Application for approval of signage at the Auckland casino
15-Aug-17	CCL	Application for approval of signage at the Christchurch casino
18-Aug-17	SHL	Application for approval of signage at the Hamilton casino
18-Aug-17	SCAL	Application for approval of signage at the Auckland casino
23-Aug-17	SCAL	Application for approval of signage at the Auckland casino
24-Aug-17	SHL	Application for approval of signage at the Hamilton casino
25-Aug-17	SCML	Application for approval of a new floor plan for the Hamilton casino
29-Aug-17	SCML	Application for approval of new floor plan for the Auckland casino
1-Sep-17	SHL	Application for approval of signage at the Hamilton casino
5-Sep-17	SHL	Application for approval of signage at the Hamilton casino
13-Sep-17	SHL	Application for approval of signage at the Hamilton casino
21-Sep-17	SHL	Application for approval of signage at the Hamilton casino
22-Sep-17	CCL	Application for approval of signage at the Christchurch casino
2-Oct-17	SCAL	Application for approval of signage at the Auckland casino
3-Oct-17	SHL	Application for approval of signage at the Hamilton casino
3-Oct-17	SCAL	Application for approval of signage at the Auckland casino
5-Oct-17	SCAL	Application for approval of signage at the Auckland casino
16-Oct-17	CCL	Application for approval of construction and design change to the Christchurch casino
17-Oct-17	SCAL	Application for approval of signage at the Auckland casino
18-Oct-17	SHL	Application for approval of signage at the Hamilton casino

18-Oct-17	SCAL	Application for approval of signage at the Auckland casino
25-Oct-17	CCL	Application for approval of signage at the Christchurch casino
1-Nov-17	CCL	Application for approval of a new floor plan for the Christchurch casino
3-Nov-17	SHL	Application for approval of signage at the Hamilton casino
3-Nov-17	CCL	Application for approval of signage at the Christchurch casino
7-Nov-17	SCAL	Application for approval of signage at the Auckland casino
9-Nov-17	CCL	Application for approval of signage at the Christchurch casino
10-Nov-17	SHL	Application for approval of signage at the Hamilton casino
14-Nov-17	SCAL	Application for approval of signage at the Auckland casino
14-Nov-17	SCAL	Application for approval of construction and design changes to the Auckland casino
16-Nov-17	SCAL	Application for approval of signage at the Auckland casino
16-Nov-17	SHL	Application for approval of signage at the Hamilton casino
24-Nov-17	SHL	Application for approval of signage at the Hamilton casino
24-Nov-17	CCL	Application for approval of signage at the Christchurch casino
27-Nov-17	CCL	Application for approval of signage at the Christchurch casino
27-Nov-17	SCML	Application for approval of new floor plan for the Auckland casino
6-Dec-17	SCAL	Application for approval of signage at the Auckland casino
6-Dec-17	SHL	Application for approval of signage at the Hamilton casino
11-Dec-17	CCL	Application for approval of signage at the Christchurch casino
12-Dec-17	SCAL	Application for approval of signage at the Auckland casino
14-Dec-17	SCAL	Application for approval of signage at the Auckland casino
14-Dec-17	SCAL	Application for approval of signage at the Auckland casino
14-Dec-17	CCL	Application for approval of signage at the Christchurch casino
19-Dec-17	SHL	Application for approval of signage at the Hamilton casino
18-Jan-18	SHL	Application for approval of signage at the Hamilton casino
18-Jan-18	CCL	Application for approval of signage at the Christchurch casino
19-Jan-18	SCML	Application for approval of new floor plan for the Auckland casino
19-Jan-18	CCL	Application for approval of new floor plan for the Christchurch casino
23-Jan-18	CCL	Application for approval of signage at the Christchurch casino
24-Jan-18	CCL	Application for approval of construction and design change to the Christchurch casino
25-Jan-18	SHL	Application for approval of signage at the Hamilton casino
30-Jan-18	CCL	Application for approval of signage at the Christchurch casino
31-Jan-18	SCAL	Application for approval of signage at the Auckland casino
5-Feb-18	CCL	Application for approval of signage at the Christchurch casino
8-Feb-18	SHL	Application for approval of signage at the Hamilton casino
9-Feb-18	SCML	Application for approval of new floor plan for the Auckland casino

14-Feb-18	CCL	Application for approval of signage at the Christchurch casino
14-Feb-18	SCAL	Application for approval of signage at the Auckland casino
14-Feb-18	SHL	Application for approval of signage at the Hamilton casino
16-Feb-18	CCL	Application for approval of signage at the Christchurch casino
22-Feb-18	SHL	Application for approval of signage at the Hamilton casino
22-Feb-18	SCAL	Application for approval of construction and design changes to the Auckland casino
5-Mar-18	CCL	Application for approval of signage at the Christchurch casino
6-Mar-18	CCL	Application for approval of signage at the Christchurch casino
12-Mar-18	SCML	Application for approval of new floor plan for the Auckland casino
12-Mar-18	SCAL	Application for approval to broadcast gambling activity from the Auckland casino
13-Mar-18	SCAL	Application for approval to broadcast gambling activity from the Auckland casino
13-Mar-18	CCL	Application for approval of signage at the Christchurch casino
14-Mar-18	SCAL	Application for approval of signage at the Auckland casino
14-Mar-18	CCL	Application for approval of signage at the Christchurch casino
15-Mar-18	SHL	Application for approval of signage at the Hamilton casino
16-Mar-18	SHL	Application for approval of signage at the Hamilton casino
22-Mar-18	SCAL	Application for approval of signage at the Auckland casino
27-Mar-18	CCL	Application for approval of signage at the Christchurch casino
28-Mar-18	DCML	Application for approval of a new floor plan at the Dunedin casino
29-Mar-18	SCAL	Application for approval of signage at the Auckland casino
29-Mar-18	SHL	Application for approval of signage at the Hamilton casino
4-Apr-18	SCAL	Application for approval of signage at the Auckland casino
11-Apr-18	SCAL	Application for approval of signage at the Auckland casino
11-Apr-18	SHL	Application for approval of signage at the Hamilton casino
11-Apr-18	CCL	Application for approval of signage at the Christchurch casino
13-Apr-18	SCML	Application for approval of new floor plan for the Auckland casino
18-Apr-18	SHL	Application for approval of signage at the Hamilton casino
18-Apr-18	SCAL	Application for approval of signage at the Auckland casino
27-Apr-18	SCAL	Application for approval of signage at the Auckland casino
27-Apr-18	SHL	Application for approval of signage at the Hamilton casino
3-May-18	CCL	Application for approval of signage at the Christchurch casino
4-May-18	CCL	Application for approval of signage at the Christchurch casino
4-May-18	SCAL	Application for approval of signage at the Auckland casino
4-May-18	SCAL	Application for approval of signage at the Auckland casino
8-May-18	SCML	Application for approval of new floor plan for the Auckland casino
10-May-18	SCAL	Application for approval of signage at the Auckland casino

11-May-18	SCML	Application for approval of a new floor plan for the Hamilton casino
14-May-18	SCML	Application for approval of new floor plan for the Auckland casino
16-May-18	CCL	Application for approval of signage at the Christchurch casino
16-May-18	SHL	Application for approval of signage at the Hamilton casino
18-May-18	SHL	Application for approval of signage at the Hamilton casino
30-May-18	SHL	Application for approval of signage at the Hamilton casino
30-May-18	CCL	Application for approval of signage at the Christchurch casino
5-Jun-18	CCL	Application for approval of signage at the Christchurch casino
7-Jun-18	SCAL	Application for approval of signage at the Auckland casino
7-Jun-18	SHL	Application for approval of signage at the Hamilton casino
8-Jun-18	SCAL	Application for approval of signage at the Auckland casino
12-Jun-18	SCAL	Application by SkyCity for approval to broadcast gambling activity on its Facebook page
14-Jun-18	SHL	Application for approval of signage at the Hamilton casino
22-Jun-18	OCL	Application for approval of signage at the Wharf casino
26-Jun-18	SHL	Application for approval of signage at the Hamilton casino
26-Jun-18	SCAL	Application for approval of signage at the Auckland casino
26-Jun-18	SHL	Application for approval of signage at the Hamilton casino
29-Jun-18	SCML	Application for approval of a new floor plan for the Hamilton casino

