
GAMBLING COMMISSION



REPORT OF THE GAMBLING COMMISSION FOR THE YEAR ENDED 30 JUNE 2024

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 2024 .

Susan Hughes KC

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 2023 to 30 June 2024, the Commission's eighteenth full year of operation, and my second as Chief Gambling Commissioner.

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**").

Two unusual events took place this year. First, the Commission received an application from the Secretary for Internal Affairs (the "**Secretary**") to suspend SkyCity from operating for a period of time and secondly, one casino closed its doors permanently, meaning that there are now five, rather than six, casinos operating in New Zealand.

Susan Hughes KC

Chief Gambling Commissioner

REPORT ON ACTIVITIES

Role and function of Commission

The Commission was established under the Gambling Act 2003 (the “Act”). It is an independent decision-making body with the powers of a Commission of Inquiry. The duties and functions of the Commission, which are set out in Appendix 1 to this report, include specifying, varying and revoking casino licence conditions, and considering and determining appeals against regulatory and licensing decisions made by the Department in respect of Class 3 and Class 4 gambling.

The Commission must make decisions independently of the Minister and the Secretary for Internal Affairs.

Membership

The Act provides that the Commission shall comprise up to five Commissioners.

The Chief Gambling Commissioner is Susan Hughes KC, a Barrister based in New Plymouth.

The other four Commissioners are:

- Scott Pearson, a Business Consultant based in Auckland;
- William (Bill) Acton, a Barrister based in Wellington;
- Sarah Shaw, a Barrister based in Whangarei; and
- Carolyn Risk, a Barrister and Public Sector Consultant based in Christchurch.

Casino Sector

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

There are five casinos in New Zealand. There was a sixth casino until March 2024, when Otago Casinos Limited surrendered the venue licence for the casino located on the Steamer Wharf in Queenstown.

Details of the five casinos are set out below, including the gambling product deployed at each. New casinos are prohibited under the Act.

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	-

SKYCITY is the dominant operator, operating casinos in Hamilton, Queenstown and the country’s largest casino in Auckland.

In the year ending 30 June 2024, the Commission made 107 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 113 decisions made last year.

Application to suspend SkyCity

In August 2023, the Secretary applied to the Commission under section 144 of the Act for an order suspending the casino operator’s licence held by SkyCity Casino Management Limited for a period in the range of 10 days. The Secretary alleges that SkyCity did not comply with the requirements of its Host Responsibility Programme for the Auckland casino in that SkyCity did not detect incidences of continuous play by a gambling patron.

The Commission is required to conduct a hearing to consider the Secretary’s application. The Commission’s hearings are run along judicial lines, with parties filing evidence and submissions in the usual manner.

The application was not resolved within this reporting year. The outcome of the Secretary’s application will be reported on in 2025.

Application to renew casino venue licence for Dunedin Casino

In June 2023, Dunedin Casinos Limited applied to the Commission under section 134 of the Act to renew its casino venue licence for the Dunedin Casino located at 118 High Street, Dunedin. The process for determining a licence renewal application is set out in section 135 of the Act, which the Commission is following.

The Commission is advancing the renewal application to a public hearing in Dunedin. The Commission will be required to decide whether to renew the licence for a further 15 years.

The public hearing will take place in the year 2024/25 and will be reported on in next year's annual report.

Review of Cash Access Licence Conditions

In 2022, the Commission commenced a review of the cash access licence conditions attached to the operator's licences for all casinos. The review was commenced because the current cash access licence conditions were imposed in 2005 and in light of submissions received at that time which saw cash access as being linked to the facilitation of continuous gambling and resulting in harm. The Commission wanted to investigate whether these licence conditions remain appropriate in light of consumer behaviour away from cash and towards cashless transactions.

The Commission decided to undertake the review in two stages. In the first stage, the Commission considered whether amendment of the current cash access licence conditions is potentially warranted and the second stage involving the Commission proposing specific licence condition amendments, in the event that it considered that amendment was potentially warranted.

In May 2024, after considering the material it received, the Commission concluded that amendment of the cash access licence conditions is potentially warranted and that it should move to stage two of the review. In reaching this decision, the Commission noted the general trend away from the use of cash and the increasingly ubiquitous use of card and electronic forms of payment in society.

The Commission's review will continue into the year 2024/25 and will be reported on further in next year's annual report.

Reviews of Host Responsibility Programmes

The Commission completed its reviews of the Host Responsibility Programmes ("HRPs") for the SkyCity, Christchurch and Dunedin Casinos. The HRPs set out how casino operators must undertake activities aimed at preventing and minimising harm to its patrons in a manner that complies with the Act, regulations and licence conditions.

The review of the SkyCity HRPs was significant because SkyCity proposed to introduce mandatory carded play ("MCP") to its venues within 18 months, and that it would work closely with the Christchurch and Dunedin Casinos with a view to making a universal MCP system available across New Zealand. The introduction of MCP is expected to have a significant impact on the oversight of casino gambling in New Zealand because once introduced, uncarded play is expected to cease to exist.

The Commission reviews the HRPs every three years but expects to review the SkyCity HRPs much sooner in order to accommodate the introduction of MCP.

Appeals to the Commission

The Department exercises primary licensing and enforcement functions in relation to non-casino gambling (gaming machines and large-scale lotteries).

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 one appeal in the year ending 30 June 2024, by Royal Oak Bowls Inc. The Royal Oak Bowls Club appealed against a decision by the Secretary to cancel its Class 4 operator's licence due to the Club's failure to comply with a licence condition. On appeal, the Commission reversed the Secretary's cancellation decision because he failed to follow the stipulated statutory process before issuing his decision to cancel the licence. The Secretary notified a proposal to refuse to *renew* the licence but having received submissions in response to the proposal, issued a decision to *cancel* the licence. The Commission determined that the Secretary's processes concerning the Club's licence should be recommenced and should proceed in accordance with the statutory procedural requirements. The Secretary's errors were capable of causing genuine confusion to the Club.

Sector Engagement

In the year ended 30 June 2024, the Commission maintained regular contact with stakeholders, including representatives from the Casinos, the Class 4 sector, the Department, the Ministry of Health, and treatment providers. The Secretariat met with gambling regulators in Australian jurisdictions on a broad range of issues including cashless gambling. The Secretariat also briefed Australian gambling regulators 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 (Department), 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's decisions on casino licensing matters are subject to appeal to the High Court.

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

In addition to its decisions, the Commission (mainly through the Secretariat) communicates on an ongoing basis with stakeholders.

Administration

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, where the Secretariat is based.

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 11 times during the year under review: 7 July, 11 August, 6 September, 6 October, 3 November, 8 December 2023, and 9 February, 8 March, 12 April, 10 May and 7 June 2024.

Future Work Programme

The focus of the Commission in 2024/2025 will be the following activities:

- Determine the Secretary's application to suspend SkyCity.
- Consider the application by Dunedin Casinos Ltd to renew its venue licence.
- Consider a forthcoming application by Queenstown Casinos Ltd to renew its venue licence.
- Continuing with its review of the cash access licence conditions.
- Making recommendations on the next Problem Gambling Levy.
- The ongoing effective discharge of its licensing and appeal functions.
- Continuing to meet with the interested parties and participants in the sector.
- Keeping the Minister informed of developments relating to the Commission's functions.

COMMISSION MEMBERS

Susan Hughes KC

Barrister
New Plymouth
Appointed 14 February 2022
Term expiring 11 June 2026

Scott Pearson

Business Consultant
Auckland
Appointed December 2018
Term expiring 31 January 2025

William (Bill) Acton

Barrister
Wellington
Appointed 14 February 2022
Term expiring 31 January 2025

Sarah Shaw

Barrister
Whangarei
Appointed 14 February 2022
Term expiring 31 January 2025

Carolyn Risk

Barrister and Consultant
Christchurch
Appointed 12 June 2023
Term expiring 11 June 2026

CONTACT DETAILS FOR COMMISSION

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41 Bath Street
Parnell
Auckland 1052

Tel: (09) 353 7223

Website

www.gamblingcommission.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
- 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 of 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: 2023/2024

Decision		Status
GC04/23	Decision on an application by SCAL to redesignate the Gambling Areas on Level 3 of the Auckland Casino	Approved
GC05/23	Decision on an application by CCL for approval of new game mixes	Approved
GC06/23	Decision on an application by SCML for approval to deploy electronic enhancements on the Baccarat and Roulette tables at the Auckland, Hamilton and Queenstown Casinos	Approved
GC07/23	Decision on an appeal by Royal Oak Bowls Incorporated against a decision to cancel its class 4 operator's licence	Approved
GC08/23	Directions from pre-hearing conference re an application by the Secretary for Internal Affairs to suspend a casino licence	Approved
GC09/23	Amendment by the Gambling Commission of the Host Responsibility Programmes for the Auckland, Hamilton, Queenstown and Wharf Casinos	Approved
GC01/24	Directions from pre-hearing conference re an application by the Secretary for Internal Affairs to suspend a casino licence	Approved
GC02/24	Decision on an application by SCML for approval of a new game mix Annex, Annex B, for the Auckland casino	Approved
GC03/24	Decision on an application by SCML for approval of a new game mix Annex for the Hamilton casino	Approved
GC04/24	Amendment by the Gambling Commission of the Host Responsibility Programme for the Christchurch Casino	Approved
GC05/24	Amendment by the Gambling Commission of the Host Responsibility Programme for the Dunedin Casino	Approved

Delegated Approvals allowed by the Commission: 2023/2024

3-Jul-23	SCAL	Application for approval of signage at the Auckland casino
5-Jul-23	DCML	Application for approval of signage at the Grand Casino
7-Jul-23	SCAL	Application for approval of signage at the Auckland casino
12-Jul-23	SHL	Application for approval of construction and design changes and a new floor plan at the Hamilton casino
17-Jul-23	SCAL	Application for approval of signage at the Auckland casino
18-Jul-23	SCML	Application for approval of new floor plans for the Auckland casino
24-Jul-23	CCL	Application for approval of signage at the Christchurch casino
24-Jul-23	CCL	Application for approval of construction and design changes
24-Jul-23	SCAL	Application for approval of signage at the Auckland casino
26-Jul-23	DCML/DCL	Application for approval of new floor plans for the Dunedin Casino, and for construction and design changes
28-Jul-23	SHL	Application for approval of signage at the Hamilton casino
1-Aug-23	CCL	Application for approval of construction and design changes for the Christchurch casino
14-Aug-23	SCAL	Application for approval of construction and design changes for the Auckland casino
15-Aug-23	SCML	Application for approval of a new floor plan for the Auckland casino
16-Aug-23	SCAL	Application for approval of signage at the Auckland casino
17-Aug-23	SCAL	Application for approval of construction and design changes for the Auckland casino
24-Aug-23	SCAL	Application for approval of signage at the Auckland casino
28-Aug-23	SHL	Application for approval of signage at the Hamilton casino
30-Aug-23	CCL	Application for approval of signage at the Christchurch casino
31-Aug-23	SCAL	Application for approval of signage at the Auckland casino
1-Sep-23	SCAL	Application for approval of signage at the Auckland casino
1-Sep-23	SHL	Application for approval of signage at the Hamilton casino
7-Sep-23	SCAL	Application for approval of signage at the Auckland casino
8-Sep-23	SCML	Application for approval of a new floor plan for the Auckland casino
13-Sep-23	CCL	Application for approval of signage at the Christchurch casino
21-Sep-23	CCL	Application for approval of construction and design changes for the Christchurch casino
29-Sep-23	SHL	Application for approval of signage at the Hamilton casino
29-Sep-23	CCL	Application for approval of signage at the Christchurch casino

3-Oct-23	SHL	Application for approval of signage at the Hamilton casino
4-Oct-23	CCL	Application for approval of a new floor plan for the Christchurch Casino, and for construction and design changes
11-Oct-23	SHL	Application for approval of signage at the Hamilton casino
12-Oct-23	SCAL	Application for approval of signage at the Auckland casino
24-Oct-23	SCAL	Application for approval to broadcast gambling activity from the Auckland casino
30-Oct-23	SHL	Application for approval of signage at the Hamilton casino
7-Nov-23	SCAL	Application for approval of signage at the Auckland casino
9-Nov-23	SCAL	Application for approval of signage at the Auckland casino
9-Nov-23	CCL	Application for approval of signage at the Christchurch casino
16-Nov-23	SCAL	Application for approval of signage at the Auckland casino
28-Nov-23	CCL	Application for approval of signage at the Christchurch casino
28-Nov-23	CCL	Application for approval of signage at the Christchurch casino
29-Nov-23	SHL	Application for approval of signage at the Hamilton casino
30-Nov-23	SCAL	Application for approval of signage at the Auckland casino
30-Nov-23	SHL	Application for approval of signage at the Hamilton casino
30-Nov-23	SCAL	Application for approval of construction and design changes for the Auckland casino
13-Dec-23	SCAL	Application for approval of signage at the Auckland casino
13-Dec-23	SHL	Application for approval of signage at the Hamilton casino
13-Dec-23	SCML	Application for approval of a new floor plan for the Auckland casino
18-Dec-23	DCL	Application for approval of construction and design changes for the Dunedin casino
19-Dec-23	SCAL	Application for approval of signage at the Auckland casino
20-Dec-23	SCAL	Application for approval of construction and design changes for the Auckland casino
20-Dec-23	SHL	Application for approval of signage at the Hamilton casino
21-Dec-23	SCAL	Application for approval of signage at the Auckland casino
21-Dec-23	SCAL	Application for approval to broadcast gambling activity from the Auckland casino
22-Dec-23	DCML	Application for approval of a new floor plan for the Grand Casino
15-Jan-24	SCAL	Application for approval of signage at the Auckland casino
25-Jan-24	SCAL	Application for approval of signage at the Auckland casino

30-Jan-24	CCL	Application for approval of signage at the Christchurch casino
5-Feb-24	SCAL	Application for approval of signage at the Auckland casino
13-Feb-24	SCAL	Application for approval of signage at the Auckland casino
19-Feb-24	SHL	Application for approval of signage at the Hamilton casino
19-Feb-24	SCAL	Application for approval of signage at the Auckland casino
19-Feb-24	SCAL	Application for approval of construction and design changes for the Auckland casino
21-Feb-24	SCAL	Application for approval of construction and design changes for the Auckland casino
23-Feb-24	CCL	Application for approval of signage at the Christchurch casino
23-Feb-24	DCL	Application for approval of construction and design changes for the Dunedin casino
28-Feb-24	SHL	Application for approval of signage at the Hamilton casino
28-Feb-24	SCML/SCAL	Application for approval of a new floor plan for the Auckland casino, and construction and design changes
4-Mar-24	SCAL	Application for approval of signage at the Auckland casino
4-Mar-24	SCAL	Application for approval of signage at the Auckland casino
14-Mar-24	SCAL	Application for approval of signage at the Auckland casino
20-Mar-24	SCAL	Application for approval of signage at the Auckland casino
25-Mar-24	SCAL	Application for approval of signage at the Auckland casino
26-Mar-24	CCL	Application for approval of signage at the Christchurch casino
27-Mar-24	SCAL	Application for approval of construction and design changes for the Auckland casino
2-Apr-24	SHL	Application for approval of signage at the Hamilton casino
2-Apr-24	SHL	Application for approval of signage at the Hamilton casino
3-Apr-24	CCL	Application for approval of signage at the Christchurch casino
4-Apr-24	SCAL	Application for approval of signage at the Auckland casino
5-Apr-24	SCAL	Application for approval of signage at the Auckland casino
12-Apr-24	SCAL	Application for approval of signage at the Auckland casino
23-Apr-24	SCAL	Application for approval of signage at the Auckland casino
24-Apr-24	SHL	Application for approval of signage at the Hamilton casino
25-Apr-24	SCAL	Application for approval of signage at the Auckland casino
1-May-24	CCL	Application for approval of signage at the Christchurch casino

2-May-24	SCAL	Application for approval of signage at the Auckland casino
8-May-24	SCML/SCAL	Application for approval of a new floor plan for the Auckland casino, and construction and design changes
16-May-24	SCAL	Application for approval of signage at the Auckland casino
16-May-24	SCAL	Application for approval of signage at the Auckland casino
21-May-24	CCL	Application for approval of a new floor plan for the Christchurch Casino
22-May-24	SCAL	Application for approval of signage at the Auckland casino
29-May-24	SCAL	Application for approval of construction and design changes for the Auckland casino
29-May-24	SHL	Application for approval of signage at the Hamilton casino
4-Jun-24	CCL	Application for approval of signage at the Christchurch casino
5-Jun-24	SCAL	Application for approval of signage at the Auckland casino
6-Jun-24	SCAL	Application for approval of signage at the Auckland casino
10-Jun-24	SCAL	Application for approval of signage at the Auckland casino
14-Jun-24	DCML/DCL	Application for approval of new floor plans for the Dunedin casino, and for construction and design changes
19-Jun-24	SHL	Application for approval of signage at the Hamilton casino
21-Jun-24	SCAL	Application for approval of construction and design changes for the Auckland casino
21-Jun-24	SCAL	Application for approval of signage at the Auckland casino

