

Before Hearing Commissioners

under: the s134 of the Gambling Act 2003

in the matter of: Application for renewal of casino venue licence

between: **Christchurch Casinos Limited**
Applicant

and: **Gambling Commission**
Respondent

Statement of Evidence of Stuart Dean Anderson (Christchurch
Casinos Limited)

Dated:

5 November 2018

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STATEMENT OF EVIDENCE OF STUART DEAN ANDERSON

INTRODUCTION

- 1 My full name is Stuart Dean Anderson.
- 2 I am the Gaming Manager for Christchurch Casinos Limited (CCL). I have worked for CCL for the past 11 years.
- 3 I have worked in the casino operations industry for just under 30 years. I have had a number of roles in casino operations but prior to my current role I was a Table Games Operations Manager at Skycity, Auckland.
- 4 I am familiar with the application to which these proceedings relate and I am authorised to give this evidence for CCL.

SCOPE OF EVIDENCE

- 5 My evidence will deal with the following:
 - 5.1 A description of my role at CCL;
 - 5.2 A brief background on Host Responsibility development;
 - 5.3 Why technology is part of the answer to Host Responsibility;
 - 5.4 The customer-centric approach CCL adopts; and
 - 5.5 The changing face of Gambling in New Zealand.

MY ROLE AT CCL

- 6 As the Gaming Manager my role oversees all gaming related activities in Christchurch Casino. I also perform the functions as necessary of the CEO should he be temporarily absent.
- 7 I see my key role at CCL as making sure our products and services are delivered with integrity, fairness and with a high degree of social responsibility. That is to say, ensuring our Casino is a fun yet safe venue for all our customers and staff.
- 8 As a key revenue manager I am also very interested and involved in the social policies of our business.
- 9 I am one of a number of senior staff members who actively help develop, manage and implement our Host Responsibility obligations at the casino.

BACKGROUND ON HOST RESPONSIBILITY DEVELOPMENT

- 10 Post-earthquake, key executive managers¹ reviewed the long-term sustainability of our business. We reviewed the business direction through the lens of a traditional 3-pillar model of Economic, Environmental and Social.
- 11 We identified that Social Responsibility was the key to the business success. We have a licence to operate in a community and our primary business deals with people. To put this in raw business terms, our primary resource is our customers.
- 12 To ensure the long-term sustainability of CCL we identified that we had to operate in a very responsible manner. Following this, we considered the economic factor would fall into place. After all, profit is just an outcome of a business being operated correctly.
- 13 I strongly believe one of the key tasks of senior managers is to filter the day to day and focus on the big ticket items that will ensure organisational growth and success. While Gross Gaming Revenues make up 87% of Gross CCL revenues, gross gaming machine revenue makes up 73% of this 87% (i.e. nearly 61%). Therefore, if CCL do not have the right systems in place to look after the primary resource, which is its customers, the business model would not be sustainable.
- 14 As part of our review, we tackled a few operational aspects. One was looking at the regulations we operated within. We took the approach that these were minimum standards and they did not stop the business taking a more proactive response for the right outcome.
- 15 An example of this approach by CCL is the pre-commitment model. Current New Zealand regulations state that when a customer exceeds 100% of their "pre-committed" levels the only required punitive outcome is that the customer would stop earning loyalty points and would not earn any entries into electronic promotions.
- 16 CCL took this a step further, so that when our customers reach their "pre-committed" levels we intervene and when it is a genuine enrolment² we ask the customer to leave for the day. We felt this approach was much more in the customers' interests and the right thing to do. The customer has "pre-committed" to a certain spend or time in our business and for CCL to ignore this would be irresponsible. We felt using this early warning system to proactively intervene was more beneficial.

¹ Including myself, Ken Matthews, Brett Anderson, and Darren Henderson.

² As opposed to a non-genuine enrolment, for example where a customer signs up and accidentally puts their date of birth as their pre-commitment limit.

TECHNOLOGY IS PART OF THE ANSWER

- 17 The other aspect we wanted to achieve was being an industry leader in harm minimisation systems. To do so required a foundation investment in technology focusing on harm minimisation.
- 18 We approached our Systems provider and outlined that all casino software systems were focusing on accounting and marketing modules. We felt there was a gap in the market that should be focused on harm minimisation and if they worked with us to achieve these outcomes, they would have a commercial point of difference in their systems.
- 19 From these initial discussions we developed Servizio. My colleagues can speak to the finer workings of this system, however overall it has put CCL at the forefront of harm minimisation development.
- 20 The CCL Host Responsibility Executive has been asked to present Servizio at global conventions focused on harm minimisation initiatives. Servizio is now also in demand in other jurisdictions in Australasia via our systems provider. We recently had an Australian club visit us to view Servizio in practice.
- 21 Another ongoing development with our system provider includes a "live floor view" on screens using harm minimisation indicators generated by Servizio which will allow better visualization of any harm minimisation related indicators occurring on our floor.
- 22 CCL has also installed Facial Recognition and invested in the development of a data analytics algorithm to assist in the early identification of potential problem gamblers.
- 23 In an objective statement, the interest and feedback from the New Zealand regulator (the Department of Internal Affairs) with regards to Servizio, Facial Recognition and other CCL initiatives has been very positive. Something we are proud of.

A CUSTOMER-CENTRIC APPROACH

- 24 My role oversees some 87% of CCL revenues. Given this, I consider that CCL's approach to business to be heavily customer-centric. The welfare of our customers is at the forefront of our business.
- 25 For our business to be sustainable we need to build long term relationships with our customers. Short term outcomes provide no long term benefit for either party. There is also no single customer who is bigger than the business.
- 26 CCL's reputation, its integrity, and its licence to operate are far more important than any single customer. Let me be clear, the loss

of any one customer in CCL does not outweigh these principles. No one is bigger than the integrity of the business.

- 27 Good, solid training empowers staff to do the right thing in any particular situation. It allows the ethos of the business to be customer-centric. This is the heart of CCL social responsibility and we take this very seriously.

THE CHANGING FACE OF GAMBLING IN NEW ZEALAND

- 28 When CCL opened in 1994, the casino was a destination. You have to be 20 years of age or older, you have to get dressed up, you have to make your way to the CBD, you have to make the conscious decision to go to a casino and you have to pass by numerous employees to interact with the core product of CCL.
- 29 Essentially, the gambling products which CCL offers are not available on impulse. This is still the fact today, 24 years later.
- 30 Whereas overall gambling in New Zealand has changed dramatically, I am not sure the general public see the correlation that non-gaming machine gambling is still gambling.
- 31 Gambling is now everywhere – at the local dairy, at the supermarket through Lotto outlets, and at almost all sporting events through TAB. Gambling has, to an extent, become normalised in New Zealand, and not necessarily through the use of casinos.
- 32 As a manager responsible for the future product offerings of CCL, I believe that now and in the coming years casinos will continue to be a safer place for customers to gamble compared to the other alternatives that are now and will be available in the future.
- 33 Our business model does not survive if customers do not walk through our front door, and for this to occur our business reputation needs to meet the expectations of the community and its customer base. This is why we do not wait to be regulated, we regulate ourselves and take our social licence to operate extremely seriously.

Dated: 5 November 2018

Stuart Dean Anderson