

DUNEDIN CASINOS LIMITED
APPLICATION FOR RENEWAL OF CASINO VENUE LICENCE
under section 134 of the Gambling Act 2003

16 June 2023



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SECTION 1: LIST OF APPENDICES ATTACHED TO APPLICATION

The following Appendices form part of and are referred to throughout this application:

1.	Current Venue Licence
2.	Casino Impact Report (CIR)
3.	Casino Operator's Licence
4.	DIA audit letters
5.	Host Responsibility Programme
6.	Gambling Commission decision to approve CIR authors
7.	Gambling Commission decision on matters to be included in CIR

**SECTION 2: APPLICATION FOR RENEWAL OF CASINO VENUE LICENCE
UNDER SECTION 134 OF THE GAMBLING ACT 2003**

**APPLICATION FOR RENEWAL OF CASINO VENUE LICENCE UNDER SECTION
134 OF THE GAMBLING ACT 2003**

1 Applicant's Name: Dunedin Casinos Limited
2 Postal Address: 118 High Street, Central Dunedin, Dunedin 9016
3 Contact Phone Number: 03 447 4545
4 Facsimile Number: 03 474 6981
5 Email Address: domd@grandcasino.co.nz

6 Details of Casino Venue Licence sought to be renewed:

Casino Premises Licence held by Dunedin Casinos Limited, issued 17 February 1999.

7 Date of expiry of Casino Venue Licence: midnight on 5 October 2024

8 Please list below the names of persons who have a significant influence in the casino and provide an explanation of the basis for that significant influence:

(The definition of "significant influence" is set out in section 7 of the Gambling Act 2003. Section 7 is printed at the end of this application form.)

- (a) Skyline Enterprises Limited – as 100% shareholders of Christchurch Casinos Limited;
- (b) Christchurch Casinos Limited – as 33% shareholders of Dunedin Casinos Limited;
- (c) Grant Hensman – Director of Skyline Enterprises Limited;
- (d) Sarah Ottrey – Director of Skyline Enterprises Limited;
- (e) Richard Thomas – Director of Skyline Enterprises Limited;
- (f) Bruce Thomassen – Director of Skyline Enterprises Limited;
- (g) Donald Jackson – Director of Skyline Enterprises Limited and Christchurch Casinos Limited;
- (h) Peter Treacy – Director of Skyline Enterprises Limited, Christchurch Casinos Limited, and Dunedin Casinos Limited;
- (i) Graham Dockrill – Director of Christchurch Casinos Limited;
- (j) Bruce Robertson – Director of Christchurch Casinos Limited;
- (k) Lianna-merie Hagaman – Director of Dunedin Casinos Limited;

- (l) Warren Leslie – Director of Dunedin Casinos Limited;
- (m) Stuart McLauchlan – Director of Dunedin Casinos Limited;
- (n) Geoffrey Thomas – Director of Dunedin Casinos Limited;
- (o) Dominique Dowding – Chief Executive Officer of Dunedin Casinos Limited;
- (p) Derek Matheson – Chief Financial Officer of Dunedin Casinos Limited;
- (q) Stacey Murray – AML Compliance Officer at Dunedin Casinos Limited;
- (r) Geoff Purdon – Security and Surveillance Manager at Dunedin Casinos Limited; and
- (s) Gerard Bolger – Gaming Operations Manager at Dunedin Casinos Limited.

9 Please submit with this application:

- (a) a completed Applicant Information Form;
- (b) a completed Personal Information Form or Company Information Form for each person named at 8 above;
- (c) a copy of the casino impact report;
- (d) a draft statement of conditions for the proposed casino venue licence; and
- (e) a cheque made out to the Gambling Commission for the specified amount.

Date:

15/06/23

Signature:

Name of Signatory:

Dominique Dowding

Designation of Signatory:

CEO of Dunedin Casinos Limited

7 Meaning of significant influence in casino

- (1) A person has a **significant influence in a casino** if the person—
- (a) is or will be a director of the holder of, or applicant for, or proposed transferee or alienee of, a casino licence for the casino; or
 - (b) is or will be employed or engaged by the holder of, or applicant for, or proposed transferee or alienee of, a casino licence for the casino as the chief executive or a senior manager of the casino; or
 - (c) owns or will own shares, directly or indirectly, in the holder of, or applicant for, or proposed transferee or alienee of, a casino licence for the casino that confer control of 20% or more of the voting rights of

shareholders of any class in the holder, applicant, or proposed transferee or alienee.

- (2) A significant influence in a casino includes any influence that the Secretary or the Gambling Commission (as the case may be) considers to be a significant interest in the management, ownership, or operation of a casino, however acquired or to be acquired.
- (3) Subsection (1) does not limit what the Secretary or the Gambling Commission, as the case may be, considers to be a significant influence under subsection (2).
- (4) In subsection (1)(a), the term **director** includes a person described in section 126(1) of the Companies Act 1993.

SECTION 3: EXECUTIVE SUMMARY

- 1 Dunedin Casinos Limited (*DCL*) was granted a Casino Premises Licence (*Licence*) under the Casino Control Act 1990 on 17 February 1999. The Dunedin Casino (*Casino*) opened its doors to the public on 6 October 1999.
- 2 The Licence expires at midnight on 6 October 2024, being 25 years after the Casino commenced public operation. In accordance with section 134 of the Gambling Act 2003 (*Act*) DCL is now applying to have the Licence renewed. The current Licence is attached at **Appendix 1**.
- 3 This application is for the renewal of DCL's Casino Venue Licence. It sets out the how DCL and the persons of significant influence meet the statutory test under section 137 of the Act in order to satisfy the Gambling Commission that it is appropriate to renew the Licence.

Statutory test for determining the application

- 4 The Act, under section 137, provides that the Commission must not renew a Casino Venue Licence unless it is satisfied that:
 - 4.1 the applicant and persons with a significant influence are suitable in terms of section 124 of the Act;
 - 4.2 the applicant's compliance record, and that of persons with a significant influence, is satisfactory; and
 - 4.3 renewing the licence will result in a net benefit to:
 - (a) the local and regional communities around the casino; and
 - (b) to New Zealand generally.

- 5 This application addresses each of these requirements and explains how they are met by DCL and all of the persons with significant influence in the Casino.

Section 124 of the Act

- 6 DCL and each of the persons of significant influence have completed the relevant Company/Personal Information Forms which includes all of the relevant information required for the Commission to be satisfied under section 124 of the Act that those persons are suitable. These forms have been provided to the Commission separately and are subject to a confidentiality agreement.
- 7 **Sections 5 and 6** of this application provide additional background information on DCL and the persons of significant influence in the Casino.
- 8 On the basis of this information, DCL and the persons of significant influence in the Casino are 'suitable' in terms of section 124 of the Act.

Compliance record

- 9 DCL's compliance record and that of persons with a significant influence in the Casino is detailed in **Section 8** of this application. DCL has a good working relationship with the Department of Internal Affairs (*DIA*), and a strong compliance history. When minor non-compliances are identified they are dealt with and reported to the DIA. DCL's compliance record, and that of the persons with significant influence in the Casino is therefore excellent.

Net benefit to local and regional communities and New Zealand generally

- 10 DCL has engaged Carl Davidson (of Research First) and Simon Harris (of Land Water People) to complete a Casino Impact Report (*CIR*) which assesses the social and economic impacts of the Casino. The CIR is attached as **Appendix 2** to this application.
- 11 DCL's view is that the positive social benefits associated with the high quality entertainment facilities (through the gaming areas as well as the restaurants and bars), together with the substantial economic impact for the District and Region, and the level of support that DCL provides to community organisations, equate to a clear 'net benefit' to the Otago region and New Zealand generally.
- 12 On the basis of the findings of the CIR, renewing the Licence will result in a net economic benefit to both the local and regional community, as well as to New Zealand generally.

SECTION 4: STATUTORY FRAMEWORK

Licence renewal application framework

- 13 Section 138 of the Act provides that a casino venue licence 25 years after the date the casino commenced operating.
- 14 This application is made under s 134 of the Act.
- 15 Under s 134(2) of the Act, the application must be:
 - 15.1 Made at least 1 year, but no more than 2 years, before the date on which the licence is due to expire.
 - 15.2 On the relevant form; and
 - 15.3 Accompanied by a casino impact report.
- 16 Section 134(3) of the Act requires the casino impact report accompanying the application to:
 - 16.1 Be prepared by a person approved by the Commission as independent; and
 - 16.2 Report on the expected social and economic effects on the local and regional areas affected by the operation of the casino, and on New Zealand generally of:
 - (a) The continued operation of the casino; and
 - (b) The closure of the casino; and
 - 16.3 Report on matters identified by the Gambling Commission.
- 17 The process for determining applications for renewal is set out in section 135. By way of summary, the process is as follows (noting that the Commission may take additional steps if they consider this appropriate):
 - 17.1 Investigate the applicant and persons with a significant influence under section 125 to determine whether they are suitable in terms of section 124 (which is set out in further detail below), and have complied with the Act and previous gaming acts and regulations made under them;
 - 17.2 Give public notice of the application, inviting written submissions on the application, and inviting people who wish to appear and be heard at a public hearing to apply to the Gambling Commission for authorisation;
 - 17.3 Give public notice of the commencement hearings and of how people may find out where and when hearings are to be held;
 - 17.4 Make available for public inspection, subject to any agreement between the applicant and the Gambling Commission regarding confidentiality, copies of the application (including any amendments to it), the casino impact report, and any other relevant documentation;
 - 17.5 Conduct a public hearing of the application at which evidence of the parties is heard and parties may examine and cross-examine witnesses;

- 17.6 Give public notice of the decision of the Gambling Commission and make copies of the decision available to the public.
- 18 Section 136 of the Act sets out the information and matters to be considered by the Gambling Commission.
- 19 Under section 137, the Commission must not renew a casino Venue Licence unless it is satisfied that:
- 19.1 The applicant and persons with a significant influence are suitable in terms of section 124;
- 19.2 The applicant's compliance, and that of persons with a significant, is satisfactory; and
- 19.3 Renewing the licence will result in a net benefit:
- (a) to the local and regional communities around the casino; and
- (b) to New Zealand generally.
- 19.4 In assessing whether there is a net 'benefit' the Gambling Commission must consider:
- (a) the social and economic effects of granting, or refusing to grant, the renewal; and
- (b) the level of support for the application, including the result of any poll conducted by the local authority; and
- (c) the nature and standard of the casino features.
- 20 Under section 138 of the Act:
- 20.1 a casino venue licence to which an application for renewal has been made continues in force until the Commissioner decides whether or not to renew that licence; and
- 20.2 a casino venue licence renewed under section 137 expires 15 years after the date of renewal and may be renewed more than once.
- Persons of significant influence – suitability requirements**
- 21 Section 124 of the Act states that a casino Venue Licence must not be renewed unless the Commission is satisfied that the applicant and persons with significant influence are suitable. In making this determination, the Commission must take into account:
- 21.1 The honesty of the applicant or person with significant influence;
- 21.2 The financial position of the applicant or person with significant influence;
- 21.3 The business skills of the applicant or person with significant influence;
- 21.4 The management structure of the applicant; and
- 21.5 Any other matter the Commission considers relevant.

- 22 Section 125 of the Act requires the Commission to investigate the applicant and persons with significant influence, and may require the applicant or any persons with a significant influence to provide further information (including, but not limited to, having their photos and fingerprints taken).

SECTION 5: OVERVIEW OF THE CASINO AND FACILITIES

Background

- 23 The Casino is located in the Scenic Circle Southern Cross Hotel, a Heritage 1 status building built in 1883 and located in the heart of Dunedin.
- 24 The site had originally been the site of the Empire Hotel established in 1862. This was replaced in 1883 with the existing building designed by the prominent Italian architect Louis Boldini, and named the 'Grand Hotel'. At the time it was considered to be the most luxurious hotel in the southern hemisphere, within fittings including the first Otis lift in New Zealand.
- 25 The building contains original pieces of architecture, such as the mosaic floor of the foyer and the dome roof. The gaming tables are located in the Gainsborough room, originally a ballroom.



The Grand Hotel circa 1883-1885 (source: <https://collections.tepapa.govt.nz/object/24125>)

- 26 The Casino opened its doors for the first time on 6 October 1999 on the first floor of the Southern Cross hotel building, and has proudly become an integral part of the community in Dunedin and Otago over the past 23 years. The Casino continuously contributes to making Dunedin a thriving and vibrant place for locals and visitors alike.
- 27 The original Venue Licence was granted for 25 years and expires at midnight on 6 October 2024. DCL's operating success is a testament to the professionalism and dedication of the Casino's employees, management and board of directors, and demonstrates DCL's underlying desire to provide a safe and compliant venue for the benefit of both visitors and stakeholders.

The recent rebrand

- 28 In April 2021, the Casino rebranded to the “Grand Casino” a name based on the original name of the building, the Grand Hotel. The intention being to reposition itself to be more authentically involved with the community.
- 29 Accompanying the rebrand was a state-of-the-art refurbishment of the Casino and bar and restaurant areas designed by Annie Simpson-King of Simpson-King Design in Dunedin.
- 30 The rebrand and refurbishment was award winning, with:
- 30.1 Annie Simpson-King won the Heritage Colour Maestro Award at the Resene Total Colour Awards in 2021.
 - 30.2 Dunedin marketing company Challenge Marketing gained the Open Category award at the 2022 New Zealand Australasian Promotional Products Association Awards for its work on the Casino’s rebranding.
- 31 DCL has a fundamental part to play in helping Dunedin City Council achieve its vision for the city as “one of the world’s great small cities.” It provides a high-class entertainment venue for locals and visitors alike.

Hours of operation

- 32 The Casino currently operates 14 hours a day Friday and Saturday (from 12pm to 2am), and 12 hours a day Sunday to Thursday (from 12pm to 12am). Hours may vary in holiday seasons, with the Casino being closed Anzac Day until 1pm, Good Friday and Christmas Day.

Gaming facilities

- 33 The Casino typically offers 180 electronic gaming machines, and 12 gaming tables. The tables have a variety of game mixes approved for use including Black Jack, Roulette, Mini and Midi Baccarat, Caribbean Stud Poker, 3 Card Poker, Poker, Casino War, and Ultimate Texas Hold’em.
- 34 Since the COVID-19 pandemic, the Casino has reduced the number of electronic gaming machines it offers down to 150, and gaming tables to 10 tables in total as shown in the floor plan below. This is increased from time to time for special events. The Casino expects to revert back to pre-COVID numbers in the near future now that we are largely past the economic uncertainties of the pandemic.



Current (post COVID-19) Floorplan of the Casino Gaming Area

Other entertainment facilities

35 In addition to its gaming spaces, the Casino offers the following entertainment facilities:

35.1 The Grand Bar and Restaurant – the Casino’s bar and restaurant, catering for up to 55 guests at any one time.

35.2 Room118 – a lounge and tapas bar that doubles as the Casino’s principal function space that can accommodate party sizes of up to 25 guests. The venue is used for cocktail-making, gin or whisky masterclasses, parties and other events.

36 The wide range of entertainment facilities cater to a broad range of customers. The Casino is an important social hub for older people, who enjoy visiting the Casino for reasonably priced, high quality meals.

Rewards and membership programme

37 The Casino also offers a membership and rewards programme to its patrons.

38 Sign up is free to any patron and allows them to accumulate points which in turn provide exclusive offers on food and beverages at the Casino, hotels, events, and carparking.¹

¹ 25 carparks available to members.

39 The membership programme also allows the Casino to monitor, as appropriate, the gambling activities of its members to ensure that it is being a responsible host.

Staffing

40 DCL is proud of its diverse and multi-skilled workforce and believes in developing its employees and providing them with a transferable skillset, not just within the business, but to other businesses.

41 As at March 2023, the Casino employed 104 people (mixed fulltime, parttime, and casual) including 28 in the Gaming division and 32 in the Food and Beverage division. A full breakdown of staff is included in the figure shown at the end of **Section 6**.

42 During the COVID-19 pandemic, the Casino was closed for approximately 6 weeks. Staff were held until around week 5 when it became clear that the Casino would not be re-opening at its full pre-COVID capacity. A total of 45 employees were made redundant at this time, with most of these being re-employed when business picked back up, or as other staff left.

43 Throughout the past 23 years of operation, DCL has employed and trained more than 1,620 people. During this time, employee welfare has been paramount; providing support, training and ensuring employee safety at all times is what has made the Casino an attractive and inviting place to work. DCL prides itself on offering a diverse range of opportunities to help employees grow and develop.

44 DCL offers a wide range of benefits to its employees, including for example:

44.1 Fully paid breaks;

44.2 Free staff meal;

44.3 Uniforms supplied and laundered;

44.4 Annual \$150 Christmas food voucher;

44.5 Staff social events;

44.6 Employee assistance through Organisational Counselling Programmes (OCP);

44.7 Internal wellbeing committee "CasinoCARE" which staff are encouraged to join and contribute to;

44.8 Financial advice from BNZ;

44.9 Discounts on gym memberships, cinemas, cafes, hotel accommodation, electrical goods and furnishings, and health insurance;

44.10 Safe and equitable work environment with opportunities for training and advancement.

Community focus

45 DCL is committed to supporting the community in which it operates. There are two mechanisms by which DCL does this (over and above the compulsory problem gambling levy that must be paid by all gambling operators on gambling profits).

46 With limited government funding for not-for-profit organisations, many of these organisations do not have the necessary means to deliver programmes most urgently required in the community. DCL is proud to support these organisations, some of which are not well known, yet play a critical role in maintaining and developing our community.

The Dunedin Casino Charitable Trust

47 As with every casino in New Zealand, the Casino's current venue licence requires it to establish and fund a charitable trust, known as the Dunedin Casino Charitable Trust.

48 The objective of the Dunedin Casino Charitable Trust is to assist charitable organisation in:

48.1 The relief of poverty;

48.2 The advancement of education;

48.3 The advancement of religion;

48.4 The advancement of sports for the benefit of the wider community; or

48.5 Any other charitable purpose deemed beneficial to the community by the Trustees.

49 In order to be eligible for funding, the organisation applying for any grant must be registered with the Charities Commission.

50 The Dunedin Casino Charitable Trust opens applications for granted from charitable organisations in Dunedin and also wider Otago twice a year.

51 In 2022, the Dunedin Casino Charitable Trust donated over \$160,000 to 54 charities.

52 To date, the Dunedin Casino Charitable Trust has given back around \$2.2 million to the community.

Other Casino grants and sponsorships

53 DCL, in addition to the funds it is required to provide the Dunedin Casino Charitable Trust, also has its own discretionary grants and sponsorship programs.

54 The amount given by the Casino to sponsorship recipients has increased significantly since 2020. In 2022, the Casino granted close to \$130,000 in sponsorships distributed across sport, cultural and community entities. Recent affiliated partners receiving sponsorship includes the Wildlife Hospital Dunedin, Orokonui Ecosanctuary, the Prostate Cancer Foundation of New Zealand and Blue September, Foster Hope Otago, the Breast Cancer Foundation of New Zealand and Pink Ribbon, Otago Cricket, Otago Nuggets, Otago Medical Research Foundation, I Am Hope, Business South Events, Otago Racing Club Inc, and Otago Cricket Association Inc.

55 However, is not just about donating money. DCL's contribution goes beyond financial assistance. It extends to providing services, venues, and resources where required. For example:

55.1 DCL holds a yearly charity golf tournament (first started in 2018) to raise funds for Blue September and the Prostate Cancer Foundation;

- 55.2 Is a Principal Sponsor of the biennial The Grand Business South Awards which recognises Otago businesses and provides them with opportunities to grow;
- 55.3 Sponsors performances by the Rock Tenors; and
- 55.4 Generally makes its restaurant facilities available for charity events.

SECTION 6: BACKGROUND TO APPLICANT AND PERSONS WITH SIGNIFICANT INFLUENCE

Background to DCL

56 DCL was incorporated on 6 December 1996. The Licence was granted on 17 February 1999 under the Casino Control Act 1990, and on 6 October 1999, Dunedin's first licenced casino opened.

57 DCL is held by a range of shareholders, the majority shareholders being:

57.1 Lianna-merie Hagaman holding a 42% shareholding; and

57.2 Christchurch Casinos Limited (*CCL*) holding a 33% shareholding.

58 In turn, CCL is held solely by Skyline Enterprises Limited.

Management structure of DCL and 'suitability' under section 124 of the Act

59 The management structure of DCL is shown in the figure over the page. Section 124(d) of the Act requires the management structure of the applicant to be suitably arranged for effective compliance with the Act.

60 DCL's compliance history is discussed in **Section 8** of this application, which illustrates that DCL has a reputation for honesty, and has a strong compliance history, which has been facilitated through its management structure.

61 The Applicant Information Form provided as part of this application (noting that this form are subject to a confidentiality agreement between the Gambling Commission and DCL) establishes that DCL satisfies the 'suitability' requirements under section 124 of the Act. DCL has operated successfully in Dunedin for the past 23 years, during which time the company and its employees have accumulated the business skills necessary to operate the Casino in a socially and economically responsible manner that provides many benefits to local and regional communities.

62 Therefore, DCL as the Applicant for this Licence renewal is 'suitable' in terms of section 124 of the Act.

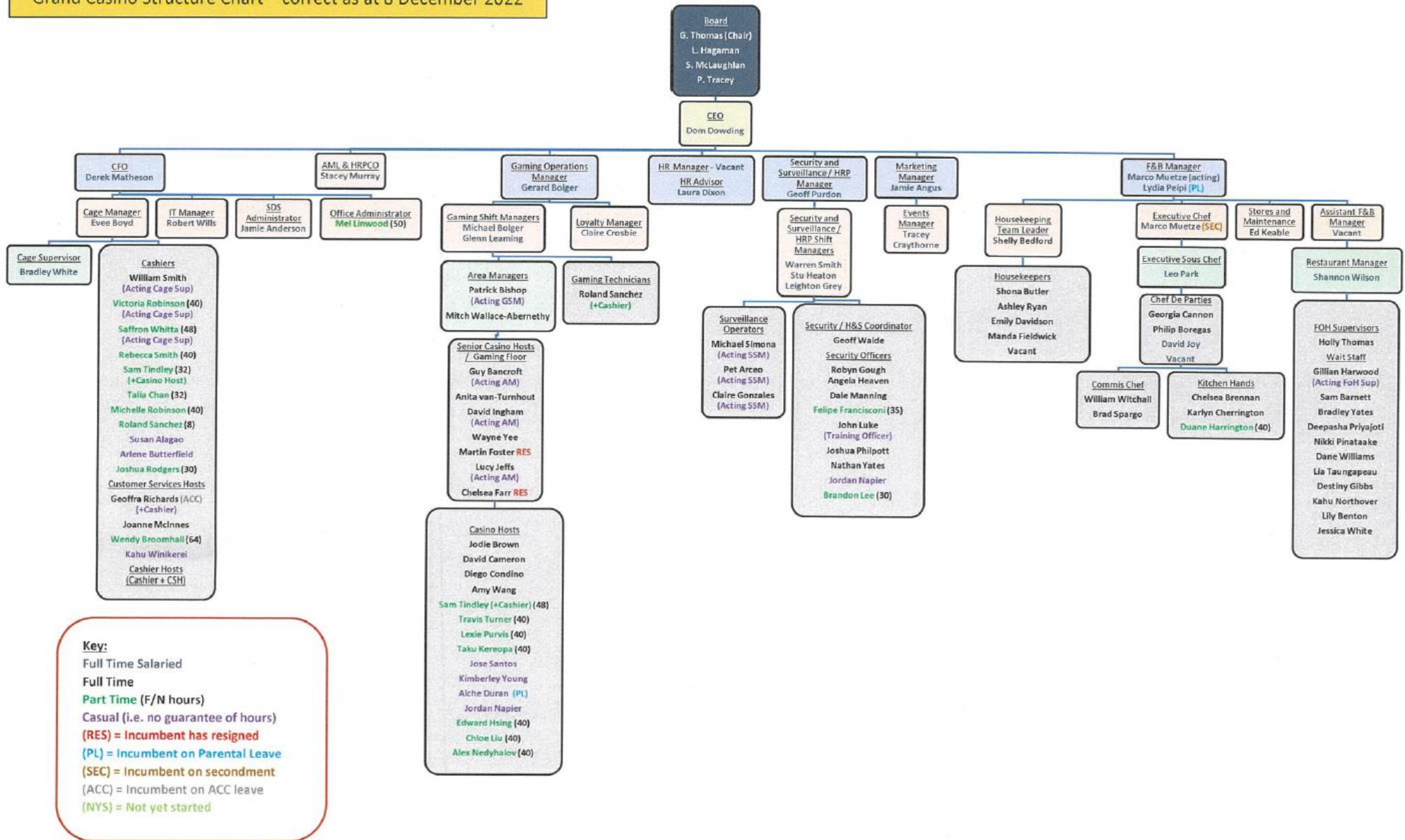
Persons of significant influence and 'suitability' under section 124 of the Act

63 The Personal Information Forms and Company Information Forms provided as part of this application (noting that these are subject to a confidentiality agreement between the Gambling Commission and DCL) have been completed by all persons (including legal persons) with significant influence in the Casino.

64 The information in those forms establishes that all of the persons of significant influence have acceptable compliance histories, stable financial positions and relevant business skills. These persons are 'suitable' to have significant influence in the Casino, as they meet all of the requirements of section 124 of the Act.

65 The Commission can therefore be satisfied in terms of section 137(1)(a) and (b) of the Act that the applicant and persons with a significant influence in the Casino are 'suitable' and have more than satisfactory compliance records.

Grand Casino Structure Chart – correct as at 8 December 2022



Key:

- Full Time Salaried
- Full Time
- Part Time (F/N hours)
- Casual (i.e. no guarantee of hours)
- (RES) = Incumbent has resigned
- (PL) = Incumbent on Parental Leave
- (SEC) = Incumbent on secondment
- (ACC) = Incumbent on ACC leave
- (NYS) = Not yet started

SECTION 7: HISTORY OF CURRENT VENUE LICENCE

The Casino Venue Licence

- 66 DCL's existing Licence was granted on 17 February 1999 under the Casino Control Act 1990.
- 67 The current version of the Licence is attached as **Appendix 1** of this application.
- 68 In 2008, the Commission its decision on the full review of the Licence (as well as the Venue Licence of a number of other casinos).² This review was initiated by the Commission under section 140 of the Act in response to the review of the SKYCITY Auckland casino venue premises licence conditions in 2005, and in response to the Gambling Act 2003 (which replaced the previous Casino Control Act 1990). The Commission proposed to revoke the conditions of the existing Venue and Operator's Licences, and specify, in substitution, proposed conditions for CCL's licences. The purpose of this review was to:
- 68.1 Remove obsolete conditions relating to initial construction of the Casino and credit wagers (which were by that time addressed in section 15 of the Act);
 - 68.2 Update references to the Casino Control Authority to refer instead to the Commission;
 - 68.3 Allocate conditions more appropriately between Venue and Operator's Licences; and
 - 68.4 Other changes to better reflect the provisions under the Act.
- 69 Other minor changes to the Licence conditions have been made over the years.³
- 70 DCL takes its responsibilities under the Licence very seriously, and has an excellent history of compliance with its current Licence, which is elaborated on in **Section 8** of this application.

Operator's licence

- 71 DCL also holds a Casino Operator's Licence (**Appendix 3** to this application) which sets out the operating requirements that CCL must comply with, such as:
- 71.1 Number of gaming machines (must not exceed 180);
 - 71.2 Number of gaming tables (must not exceed 12);
 - 71.3 Ratio of gaming machines to gaming tables;
 - 71.4 Game types and mixes;
 - 71.5 Floor layouts;
 - 71.6 Number of EFTPOS terminals and ATMs;

² See Gambling Commission decision GC07/08, available at:
http://www.gamblingcommission.govt.nz/GCwebsite.nsf/wpg_URL/Decisions-Index!OpenDocument

³ See Gambling Commission decisions GC26/12, GC05/22, available at:
http://www.gamblingcommission.govt.nz/GCwebsite.nsf/wpg_URL/Decisions-Index!OpenDocument

71.7 Security and Surveillance requirements;

71.8 Host Responsibility Programme requirements;

71.9 Exclusion of intoxicated persons;

71.10 Notification requirements and provision of information to the Commission;

71.11 Audit requirements; and

71.12 Training of staff.

Compliance with Licence conditions

72 DCL has an excellent record of compliance with the conditions of both the Venue Licence and the Operator's Licence. Compliance is discussed further in **Section 8** of this application.

SECTION 8: COMPLIANCE WITH GAMBLING ACT 2003 AND PREVIOUS LEGISLATION

- 73 DCL has a good working relationship with the Department of Internal Affairs (*DIA*), and an excellent history of compliance, as detailed below.
- 74 The *DIA* is responsible for the day-to-day regulatory activities of casinos - such as setting minimum operating standards, game rules, and equipment standards. Within this role, the *DIA* inspects and audits casinos for compliance with their venue and operator's licences and the Act.
- 75 DCL also provides regular reporting to the *DIA*. This includes daily incident reporting as and when required. None of the incidents identified in these compliance reports are particularly noteworthy. DCL takes all practicable steps to ensure that the occurrence of such incidents is minimised, for example through constant improvement of the HRP, as discussed below.

Results of recent *DIA* audits

- 76 Letters from the *DIA* showing the most recent results of these audits (2015-present) are included in **Appendix 4**. These include audits on:
- 76.1 Minors access;
 - 76.2 Chip Stock, Counts, Drops Fills and Credits, including;
 - (a) The internal movement of money and chips;
 - (b) The counting of the contents inside drop boxes, note acceptors, and loose coin;
 - (c) Cashiering and surveillance records.
 - 76.3 Host Responsibility Programme;
 - 76.4 Cashiering;
 - 76.5 Information systems;
 - 76.6 Table games and electronic gaming machines;
 - 76.7 Staff training;
 - 76.8 Premises Licence and Operator's Licence conditions;
 - 76.9 Surveillance department;
 - 76.10 VIP programmes; and
 - 76.11 Breach of exclusions.
- 77 These letters demonstrate that DCL is meeting compliance requirements.
- 78 Some of these audits recommend some improvements, particularly the HRP audits. These recommendations are typical of the ongoing incremental improvements to the HRP that are continuously being implemented by DCL. DCL takes these recommendations very seriously. These recommendations have all either been

completed or are currently under action. It is through the ongoing incremental improvements to the HRP that DCL is able to maintain a high standard of host responsibility, and maintain its excellent compliance record.

- 79 The DIA, as well as DCL itself, also conducts mystery shopper exercises to check whether the Casino is complying with its various obligations.

Host Responsibility Programme

- 80 DCL takes pride in its approach to host responsibility, being at the forefront of providing a safe, secure and responsible entertainment environment. DCL recognises its responsibility as a host and understands that it has an important role to play in preventing and minimising alcohol and gambling related harm.

- 81 This is embodied in the Casino's Host Responsibility Programme. A copy of the current HRP is included in **Appendix 5**.

- 82 As part of the Programme, Casino staff undergo host responsibility training. This training is conducted internally by the Security/Surveillance Manager. All staff, regardless of their position at the Casino are trained to an HRP level 3 standard to identify indicators of harm and refer any observations to a manager or supervisor.

- 83 The objectives of the HRP are: The objectives of the HRP are:

83.1 Preventing the onset of gambling and/or alcohol related harm and minimising gambling-related harm for customers and other persons potentially affected by their gambling behaviour; and

83.2 Facilitating responsible gambling.

- 84 These objectives of the HRP are met by DCL through:

84.1 Providing effective employee learning and development;

84.2 Providing a safe gambling environment;

84.3 Providing responsible marketing and promotional initiatives;

84.4 Promoting the responsible consumption of alcohol; and

84.5 Engaging effectively with stakeholders.

- 85 As identified in the Problem Gambler Identification Policy within the Host Responsibility Programme, the Casino uses a number of indicators to assess whether a customer is a problem gambler. This information is sourced from customer disclosures, behavioural observations, customer data including frequency and level of expenditure, and disclosures from third parties.

- 86 The Host Responsibility Programme otherwise sets out a wide range of tools to provide identified problem gamblers with support and assistance where this is required. It also covers the Responsible Consumption of Alcohol and the monitoring and reporting on a range of indicators to the Commission.

- 87 DCL sees the current compliance requirements of the Department of Internal Affairs as the minimum standard for the industry and believes that DCL is a key contributor to helping develop and improve the governing standards the provision of gaming and service of alcohol in New Zealand.

- 88 DCL's Host Responsibility Programme encapsulates what the industry is capable of in order to minimise possible negative impacts on communities. DCL empowers, encourages and expects all employees to play an active role in this process. DCL's commitment to all its stakeholders is that DCL will continue to work to enhance host responsibility not only at the Casino but within the gaming community at large.
- 89 The Casino provides a safe, secure and welcoming environment for those seeking entertainment and a great place to meet friends, whānau and business colleagues alike.

Monitoring gambling behaviour

- 90 A key part of the HRP is the identification of potentially harmful gambling behaviours, and appropriate responses to such behaviour. DCL utilises a range of techniques for monitoring the gambling behaviours of its patrons including:
- 90.1 "iTrack", reporting and risk management software developed by Omnigo.
- 90.2 Facial recognition software.
- 90.3 "Jade thirdeye", AML and transaction monitoring software.
- 90.4 Gambling and drinking behaviours are observed directly by any of the customer-facing staff at the Casino, including the Surveillance operators. Observations by staff can lead to a range of interventions⁴, as required.
- 91 When potentially harmful gambling behaviours are observed, Casino staff take action as required to prevent gambling harm. In serious cases, this may include initiating self-exclusion or exclusion processes, which are discussed further below.

Staff training

- 92 A key aspect of effectively delivering the HRP is the provision of training to Casino staff. The staff training that is currently delivered by DCL includes:
- 92.1 All employees participate in Host Responsibility induction training (two hours);
- 92.2 Supervisors/Managers from Gaming, Food & Beverage, Security and Surveillance and other employees where it is believed it will be beneficial, participate in supplementary Level 2 training (two hours).
- 92.3 Advanced training is given to employees responsible for conducting interventions with customers;
- 92.4 Refresher training is provided on an on-going basis and is available to all frontline employees and above, either when a learning and development need is identified, or when requested;
- 92.5 Security Shift Managers are trained to respond to customers who are at risk of suicide;
- 92.6 The Licence Controlled Qualification as required under the Sale and Supply of Alcohol Act is facilitated through an external provider for relevant employees;

⁴ For example, issuing warnings for behaviour-related incidents, and trespass notices issued when unacceptable behaviour occurs.

- 92.7 CCL provides a range of additional opportunities for host responsibility learning by sharing information and experiences across the Casino's portfolio, for example through internal communications such as employee newsletters, employee meetings and key performance indicators;
- 92.8 Where possible, training is delivered in-house, which allows for continuous development and improvement of the various training programmes, in response to recent practical experience. It also provides for efficient and targeted delivery of training to more employees.
- 93 The HRP training includes identification of problem gamblers, understanding of the legal framework and HRP, initial action with respect to customers requesting problem gambling assistance, identification and intervention with respect to excessive alcohol consumption, the importance of reporting, cultural awareness, intervention, and problem gambling treatment processes.
- Responsible service of alcohol***
- 94 Responsible service of alcohol is facilitated through the staff training mentioned above, which is designed for all frontline employees, to promote effective team work to ensure customer safety and enjoyment.
- 95 DCL's objectives as a responsible host include (among other things) preventing intoxication, serving and managing alcohol responsibly, promoting and arranging safe transport options, and preventing minors from entering the Casino premises. Persons under the age of 20 are not permitted on the Casino premises (even in the non-gaming areas).
- Exclusion from and re-entry to Casino***
- 96 A fundamental part of mitigating gambling-related harms is the Casino staff's response when harmful gambling behaviours are identified at the Casino. Harmful gambling behaviours are monitored by Casino staff, as well as through the various software DCL employs.
- 97 The Casino offers two types of exclusions for harmful gambling behaviour:
- 97.1 Self-exclusion; and
- 97.2 Casino identified exclusion.
- 98 Customers can self-exclude from the Casino for an appropriate period of up to two years, and until they meet re-entry conditions. The self-exclusion process may be initiated by the customer themselves, or by a problem gambling treatment provider, or other venues under a multi-venue exclusion arrangement.
- 99 Casino exclusion is undertaken when a problem gambler does not take up self-exclusion and DCL considers that the customer or his or her family or wider community is or may be experiencing harm as a consequence of that person's gambling behaviour. This is undertaken in accordance with DCL's obligations under section 309A of the Act.
- 100 Only appropriately trained employees undertake exclusions with customers. To ensure the effectiveness of the exclusion process, the following features are focussed on:

- 100.1 Communication – including provision of materials on problem gambling counselling service providers and provision of translation services and brochures in appropriate languages as necessary;
 - 100.2 Involvement of third parties and service providers – encouraging families and/or friends to accompany the customer, encouraging the customer to utilise counselling services, and arranging for the counselling service to call the excluded customer if the customer agrees;
 - 100.3 Maintaining a database, including full details of all exclusion orders made, which are accessible to Security, Surveillance and Gaming employees to ensure detection of customers breaching an exclusion order; and
 - 100.4 Promoting ongoing dialogue with counselling service providers to continually improve the exclusion process.
- 101 All persons excluded from the Casino must meet re-entry requirements after their exclusion period before they are allowed back on site.
 - 102 Re-entry applications must be made to the Host Responsibility Managers team. All patrons applying for re-entry into Grand Casino must complete at least a meeting with the Host Responsibility Manager and be approved for re-entry.
 - 103 DCL's re-entry procedure/policy is as follows:
 - 103.1 Exclusions for three months or less, the patron must attend a meeting with the Host Responsibility Manager.
 - 103.2 Exclusions for more than three months, the patron must attend a meeting with the Host Responsibility Manager AND must also be required to provide evidence that they have attended counselling with a suitable qualified Problem Gambling Counsellor. Factors that may be taken into consideration for re-entry include:
 - (a) Period of Exclusion has elapsed;
 - (b) No deliberate breaches;
 - (c) Consultation with any 'third party' nominated;
 - (d) A letter from a Problem Gambling Counsellor; and/or
 - (e) Information passed on by an external source
 - 104 Once a re-entry is granted all patrons must:
 - 104.1 Sign up to become a Loyalty member (if not already) and must be use their member card at all times while gambling; and
 - 104.2 Are placed in Gambler of Interest (GOI) file for six months. This is monitored on a monthly basis.
 - 105 For the year ending April 2023 there were 23 self-exclusions and 13 Casino identified exclusions (out of a total of 566 recorded interactions, 44 of which led to interventions).

Reporting to Gambling Commission

106 DCL reports annually to the Commission on the implementation of the HRP. This reporting includes:

106.1 a description of the resources put into the core elements of the HRP and activities undertaken by DCL under the HRP;

106.2 reporting on a range of measures (including staff training, customer exclusions and alcohol-related incidents, among other measures);

106.3 comment on the effectiveness of the HRP and the extent to which the HRP objectives are being achieved; and

106.4 proposed improvements to the HRP.

Community Liaison Group Meetings

107 As required under the Licence, DCL also convenes Community Liaison Group Meetings three times per year. These are usually attended by representatives of the Salvation Army, Problem Gambling Foundation, University of Otago, Asian Family Services, a Service Provider from Te Roopu Tautoko Ki Te Tonga, Dunedin City Council, and the DIA. The function of the group is to represent community views in the course of consultation and liaison activities relating to gambling at the casino.

SECTION 9: ASSESSMENT OF ECONOMIC AND SOCIAL EFFECTS

Casino Impact Report

- 108 DCL engaged Carl Davidson (of Research First) and Simon Harris (of Land Water People) to complete a Casino Impact Report (*CIR*) which assesses the social and economic impacts of the Casino.
- 109 Pursuant to section 134(3) of the Act, the Commission approved the CIR experts as being independent of DCL in its decision included at **Appendix 6**.
- 110 The CIR (**Appendix 2**) assesses the social and economic impacts of the ongoing operation at the Casino at a local, regional and national level.
- 111 There are inherent difficulties with comparing non-quantifiable social benefits and social harms associated with the operation of the Casino in determining whether the continued operation of the Casino results in a 'net benefit' to the Otago region and New Zealand generally. The CIR carefully balances these social benefits and harms.
- 112 The CIR calculates that the Casino directly generated 99 full time equivalent (*FTE*) jobs, \$6.2 million of earned gross household income, and \$12.8 million of value added. At the Otago regional level (accounting for both direct and indirect benefits) these figures are larger, with 133 *FTEs*, \$8.2 million of earned gross household income, and \$17 million of value added.⁵ At a national level, it is expected that the Casino generates \$15 to \$21 million in real gross disposable national income (*RGDNI*) per annum.⁶
- 113 If the Casino were to close, the economic impact of non-renewal to the region would be minimal,⁷ with an estimated total of 119 *FTEs* of employment retained in the city, \$5.82 million in household income in absence of the Casino, and \$10.25 million value added.⁸
- 114 It is noted that under section 134(4) of the Act states that the Gambling Commission may specify the research to be undertaken in preparing a CIR. In its decision dated 25 March 2021 (**Appendix 7**) the Commission specified a number of further matters it wished the CIR authors to consider and report on. This information was included in the CIR.
- 115 It is further noted that the CIR has been peer reviewed (with the approval of the Commission) by Professor Paul Delfabbro of the University of Adelaide who was satisfied with the quality and content of the CIR.
- 116 On this basis, the CIR clearly establishes that the ongoing operation of the Casino (and therefore renewal of the Licence) results in a 'net benefit' to the local and regional communities, and to New Zealand generally in accordance with section 137(1)(c) of the Act, taking into account the factors listed in section 137(2).

⁵ Casino Impact Report at [7.1.4].

⁶ Casino Impact Report at [7.2.5].

⁷ Casino Impact Report at [1.4].

⁸ Casino Impact Report at [7.2.1].