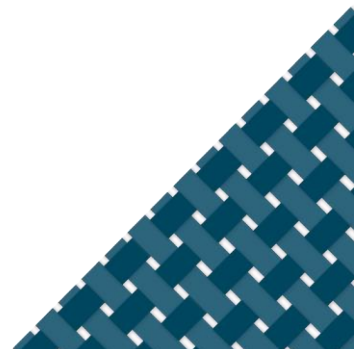




Te Tari Taiwhenua
Internal Affairs

SkyCity Casino Management Limited - Queenstown and Wharf Casinos

Host Responsibility Programme Audit.
May 2019



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DISCLAIMER Whilst our audit is carried out in accordance with Department of Internal Affairs’ standards, it cannot, and should not, be relied upon to detect every instance of misstatement, fraud, irregularity or inefficiency. The responsibility for public accountability and the implementation and monitoring of internal and management controls rests with the casino management.

Auditee	SkyCity Casino Management Limited Queenstown and Wharf
Auditor	Department of Internal Affairs
Audit project team	Sonya Karatau-Neeson Malia Ah Lam
Audit date	May 2019
Audit issue	June 2020

Note: There is a significant period of time between the audit date and the issuance of the interim and final audit reports respectively. This delay was the result of staff resourcing, Covid-19 impacts and the Department of Internal Affairs (the Department)/SkyCity negotiated outcome (the negotiated outcome). The negotiated outcome pertained to a host responsibility/gambling harm matter. This negotiation resulted in uncertainty and delays for formulating the audits final findings

1. Executive summary

An audit of SkyCity Casinos Management Limited's (SCML) implementation of its Host Responsibility Programme (HRP) was initiated to ensure that SCML is meeting its obligations to minimise gambling harm in its Queenstown and Wharf casinos.

This audit assessed SCML as generally meeting the compliance requirements of their HRP. SCML are proactive in ensuring that staff are familiar with their Host Responsibility obligations and in ensuring that the various requirements of the programme are being met.

This audit has also identified areas where the Department believes improvement is required around; Responsible Marketing, the Gambling Limitation Programme, Monitoring and Reporting and the due diligence of assessments for VIP and Junket operators and associated group commission programme patrons. A summary of the findings is in the following table:

Area	Finding
Identification of problem gamblers	Partially achieved
Exclusion	Achieved
Unattended children	Achieved
Underage persons	Achieved
Long hours of play	Achieved
Gambling limitation	Not achieved
Employee gambling-related harm	Achieved
Safe gambling environment	Achieved
Responsible marketing	Not achieved
Display of signage and provision of gaming information	Achieved

Learning and development	Achieved
Monitoring and reporting	Partially achieved

2. Purpose of the audit

The purpose of this audit is to ensure SCML has implemented its Host Responsibility Programme and is meeting its obligations to reduce harm.

SCML is required under its operator licence to ensure that it operates in compliance with its Gambling Commission (the Commission) approved HRP.

The Commission must conduct a review of SCML's HRP at least every two years. The review was required to be submitted to the Commission prior to year-end 2019. The Commission invites interested parties to provide comment. It is the Department's intention to make submissions based on the findings of this audit.

3. Background

SCML operate two casinos in Queenstown known as Wharf Casino and SkyCity Queenstown Casino. SCML is required under conditions 23 and 24 respectively, of its operator's licence to manage its casinos in accordance with the Host Responsibility Programme (HRP).

The two casinos are small and share a combined Host Responsibility Programme and one joint website. Although each casino has its own licence, both sites are run by the same company with the same staff completing many of the functions, such as host responsibility, especially at management level.

The Department conducted its last audit of SCML in 2016. At the time of the audit no significant issues were found.

4. Scope of the audit

This audit is limited to a review of SCML's host responsibility practices. It will focus on the adequacy of SCML's harm minimisation policies and how effectively they are being implemented.

The Department focused this audit on what it considered to be the greatest areas of risk. Therefore, the following sections of the HRP were not assessed as part of this audit:

- Responsible service of alcohol (2.1.2 HRP)
- Standards of dress and behaviour (2.1.5 HRP)
- Host responsibility information to customers (2.2 HRP)
- Stakeholder engagement (2.4 HRP)
- Environmental design (2.5 HRP)

5. Methodology

This audit focussed on assessing SCML's implementation of its Host Responsibility Programme and associated Problem Gambler Identification Policy. SCML was also assessed for its compliance with the Gambling Act 2003 and Gambling (Harm Prevention and Minimisation) Regulations 2004 in relation to harm minimisation.

It is the responsibility of SCML to provide evidence of compliance with the HRP and other requirements.

In order to obtain the information required for the review, the Department conducted the following activities:

- Reviewed documents/reports/information supplied by SCML
- Visited and inspected locations within Wharf Casino and Queenstown Casino
- Interviewed relevant SCML managers
- Interviewed front-line staff and observed them at work

This audit report will outline the Department's findings and note where SCML are performing well and where they require improvement. The report will include recommendations for how the Department considers SCML can improve its performance.

6. Strong areas

This audit found that SCML is performing well in the following areas:

- Strong policy in place to identify potential gambling harm.
- Good policy and procedures around tracking long hours and continuous presence of carded and un-carded play in their main gaming area.
- SCML has robust policy and processes around unattended children and are vigilant in their application.
- Adequate display of signage and provision of gaming information to customers.
- Effective in screening potential underage customers and excluded gamblers.
- Collaborative working relationship between casinos and no confusion over roles when it comes to host responsibility.

In addition, SCML should be commended on;

- The un-carded tracking and ratings systems, which includes aspects of the;
 - The daily POI/GOI visit log and recording of the number of ATM visits.
 - Cashier recording of EFTPOS withdrawals and receipt tracking identifiers.
- Monitoring for any behaviour change in their loyalty card patrons.
- Engaged and enthusiastic staff

7. Weak areas

The Department found that SCML is not meeting its host responsibility obligations in the following ways:

- Minimal reporting of Problem Gambling Identifiers (PGIs)
- Staff are not promoting or encouraging use of the pre-commitment system.
- Spikes in spend and visitation during promotions is not assessed.
- Staff are not producing post-promotional assessment to ensure their marketing initiatives are not increasing harmful gambling.
- Staff are not proactively tracking and monitoring international VIP Group Commission and junket play especially those junket participants who leave the Horizon room to gamble on the main floor.
- Staff are not proactively assessing the risk associated with group commission programme patrons.

8. Audit findings

Identification of problem gamblers

Host Responsibility Programme, clause 3.1.4	Partially achieved
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Criteria

Section 4 of the Act defines a problem gambler as a person whose gambling causes harm or may cause harm. Harm means harm or distress of any kind arising from, or caused or exacerbated by, a person’s gambling; and includes personal, social, or economic harm.

Section 308 of the Act states that the holder of a casino operator’s licence must develop a policy for identifying problem gamblers. Staff at the casino must take all reasonable steps to ensure that the policy is used to identify actual or potential problem gamblers.

Section 309 of the Act states that a person acting on behalf of the holder of a casino operator’s licence (i.e. staff) must after identifying a potential problem gambler, approach the person and offer information on self-exclusion. Staff may also exclude a gambler for a period of up to two years under this provision.

Section 309A of the Act states that casino staff must take all reasonable steps to assist a person including if appropriate, issue the person with an exclusion order.

Clause 2.0 of the HRP outlines SCML’s obligations under the Act as above. It has as an appendix to this clause, its *Problem Gambler Identification Policy* (PGIP).

The PGIP outlines how SCML is going to fulfil their legal obligation of taking reasonable steps to identify actual or potential problem gamblers and to act on that information.

Finding

The Department is not satisfied that SCML is meeting all its obligations to effectively identify problem gamblers under clause 2.0 of the HRP.

- SCML proactively use data and observations from multiple sources including staff and third-party concerns to collect Problem Gambler Indicators (PGI’s).
- SCML have a robust un-carded tracking and ratings system.
- There is a daily POI/GOI visit log and security staff at entrance record the number of ATM visits.
- Cashier staff record EFTPOS withdrawals and receipt tracking identifiers as part of their tracking and rating system.
- Data and information on un-carded players are sourced mainly from staff observations.

- SCML inform that loyalty card player data including expenditure is collected and recorded against patron profile and tracked.
- SCML report on the Top 5 Electronic Gaming Machine (EGM) and Table Game play and produce a \$2000+ win/loss report.
- PGI and player information forms part of the 'Clarity' report which covers player information collected from both Table Games and Electronic Gaming Machines (EGMs).
- Data from the Clarity report is exported to a working document which is used to form the basis of a risk and harm assessment¹ which determines whether HR monitor, interact² or intervene³ with a patron.
- A review of the notifications found a significantly low number of PGIs entered into the iTrack system by Auckland surveillance staff.
- SCML use 'the Group' located at SkyCity Auckland to monitor all VIP play in the Queenstown Horizon room as part of its VIP Gambling Limitations Programme.
- SCML offer the gambling limitation system of voluntary player pre-commitment to VIP loyalty card patrons only.
- The voluntary gambling limitation system is understood by the SCML management but not actively used as part of an overall risk and harm assessment of patron play.
- Wharf Casino has no Bally system - an email is sent to the Security and Surveillance team at the Queenstown Casino who logs an iTrak entry.

Conclusion

SCML has robust policy and some good processes in place to proactively use data to identify actual or potential problem gamblers. SkyCity Queenstown and Wharf casinos are unique in that over 80% of patrons located in the casino are visitors with 15-20% locals. Of those locals most are known to the casino staff, the majority of which are loyalty card members.

The PGIP refers to international research which shows that problem gamblers are more likely to increase expenditure, chase losses and spend significantly more than other players. Using this information, the Department considers that only reporting on the top five carded turnover and SQC win/loss of over \$2000 on both EGM and tables does not adequately monitor for signs of problem gambling.

Both sites have a secure surveillance suite, but most of the proactive surveillance is carried out by the Auckland unit. Any issues identified should then be communicated back to the gaming staff on site. However, a review of notifications found very little in the way of reported PGI's including frequency and intensity of play in either carded or un-carded patrons received from surveillance.

¹ Risk and Harm Assessment is carried out under s309 of the Gambling Act 2003

² Interact- A general conversation between venue staff and the patron to establish rapport.

³ Intervene- A targeted conversation or action between venue staff and the patron whereby staff specifically offer help-seeking options or gambling harm resources.

Casino staff advised the Department that Auckland do all VIP room surveillance and most of the EGM surveillance. Auckland supply little in the way of reporting back on EGM's and no notifications on any potential problem gamblers or PGI's in the Horizon room, except those where a cheque is held. Stating further that "over the last 6 months nothing has been received".

Recommendations

SCML to introduce a more robust reporting regime in relation to frequency and spend and embed this data as indicators of problem gambling.

Consideration is given to full venue surveillance being undertaken by Queenstown casino staff, or, Auckland introduce a robust self-reporting system back to SCML on the nature and behaviour of its EGM, Horizon VIP and Junket patrons.

Exclusion

Host Responsibility Programme, clause 2.1.1

Achieved

Criteria

Clause 2.1.1 of the HRP states that SCML must provide the facility for self-exclusion of gamblers from the gaming area of the casino.

Exclusion is for a period of up to two years and the gambler must meet re-entry conditions imposed by SCML or made by regulations under section 316(1)(e) of the Act.

SCML can issue an exclusion where a problem gambler does not take up the offer of self-exclusion. Whether they are considered a problem gambler (as defined by the Act) is assessed by SCML.

Only Host Responsibility Level 3 trained staff may undertake exclusions with customers.

SCML are required to enforce exclusion and be vigilant for any excluded customers who attempt to re-enter the gambling areas.

Finding

The Department is satisfied that SCML is meeting its obligations providing the facility for self-exclusions and is excluding customers who they have assessed as problem gamblers under the Act.

- The exclusion process is understood by SCML staff, why it is important and were able to clarify the exclusion identification and re-entry processes.
- Staff who undertake exclusions are trained in accordance with the HRP. The Department reviewed training records to ensure that staff identified as being able to process exclusions have been trained to HR Level 3.

- SCML share information on their exclusions with both Christchurch and Dunedin casinos, any Christchurch or Dunedin excluded patron found on site is interviewed and a decision on whether to RTLP is made - this is a reciprocal agreement.
- SCML state that there have been around 50 notifications of breach or trespass notifications across all four casinos, of those 6 breaches have occurred in Queenstown.

The Department is satisfied that SCML is managing its obligations in enforcing exclusions and preventing re-entry into the casino.

- SCML advised that to ensure excluded customers do not re-enter the casino:
 - SCML's security staff have been trained in HR3.
 - Casino management have introduced a trespass/excluded photo folder. Security staff are required to familiarise themselves with these trespassed or excluded patrons regularly.
 - SCML's re-entry process for returned excluded gamblers requires patrons to complete a re-entry application accompanied by a seven-day stand-down period before re-entry.
 - Third party or venue-initiated returned excluded patrons must have attended counselling, self-excluded returning patrons are not required to attend counselling, but the casino must be satisfied based on their assessment of the patron's answers and demeanour as to whether they still have any problem gambling issues.

Conclusion

SCML's systems to manage exclusions are relatively robust given its reliance on visual identification of excluded gamblers by staff members. Identification is helped by the comparatively low numbers of locals, shared reciprocal arrangement with Christchurch and Dunedin and relatively small size and layout of both casinos.

Unattended children

Host Responsibility Programme, clause 2.1.3

Achieved

Criteria

Clause 2.1.3 of the HRP states that SCML does not allow children to be left unattended on any part of its premises. SCML's approach is that:

- SkyCity Queenstown/Wharf take active steps to prevent children being without adult supervision.
- Employees must report to Security any incident where it is apparent that a child has been left unattended.

- Security Officers must intervene and take all practicable steps to locate an adult responsible for an unattended child.
- Security must contact the Police and trespass the customer in every case where there is an absence of a reasonable explanation for the child being left unattended.
- In all instances of unattended children, the Host Responsibility team must be notified as soon as practicable to follow up potential problem gambling issues.

Finding

The Department is satisfied that SCML is meeting its obligations under the HRP in respect of unattended children.

- Any incidences of an unattended child around their premises would require employees to instantly notify the Security, Surveillance, Host Responsibility Manager so they can observe footage to confirm if there has been an unattended child incident.
- If confirmed, they will locate and approach the parent or caregiver in the casino, discuss the incident, obtain identification and personal details and trespass the parent or caregiver. They will phone the police if they continue to play.
- Every security officer is responsible for checking all doors, floors and all entrances in the casino building for unattended children.
- There have been no incidences of unattended children during the audit period.

Conclusion

SCML have in place robust policies and processes around unattended children and are vigilant in their application.

Underage persons

Host Responsibility Programme, clause 2.1.4

Achieved

Criteria

Section 303 of the Act states that every holder of a casino operator's licence commits an offence who allows a person under 20 years to participate in gambling or to enter or remain in the gambling area of a casino.

Clause 2.1.4 of the HRP states that SCML will rigorously enforce the prevention of underage gambling in its casinos. It will do this by:

- Taking all reasonable steps to restrict gambling activities only to those persons legally permitted by age to enter the gambling facilities (currently 20 and over).
- Asking for verification of identify and proof of age for anyone who appears under the age of 25.

- taking all reasonable steps to restrict access to ‘supervised areas’ (i.e. the bar) only to those persons legally permitted by age to enter (currently 18 and over), unless accompanied by a parent or guardian.
- Training for security and gaming staff must include the need to be particularly vigilant for the presence of underage persons.
- Having authority to approach suspected underage persons and seek identification for proof of age.

Finding

The Department is satisfied that SCML have directed staff to request proof of age from those seeking entry who appear to be under the age of 25.

- Security staff undertake checks at the casino entrance and any customer that looks to be under the age of 25 must have their identity and age verified before admission.
- SCML have a ‘birth date check-sheet’ on the security podium outlining the minimum birthdate for entry into the casino to help security officers at the time of checking ID. The birth date check-sheet changes daily at midnight.
- Contractors are informed of the age restrictions before work commences and have their identification and age verified before they can access the gaming floor.
- If an underage person presents false identification to gain access to the casino, the identification is confiscated. The identification is released to the true owner after an interview with the Security shift manager.
- If an underage person manages to enter the gaming area it is considered a Security breach and the Department is advised.

The Department is satisfied that SCML has taken all reasonable steps to restrict access to gambling facilities to only those 20 years and over.

- Due to the transient community in which SCML operate, it can be difficult to retain staff. Given this, SCML have contracted security company, October Security, to cover any shortages of security staff.
- SCML supplied information of three incidents of underaged patrons entering the casino. Two patrons were found gambling on the casino floor both due to incorrect identification checks at entry points. The other person found on site was a contractor, the process around which, has been amended to ensure that there are clear guidelines around contractor obligations on under 20’s working at the casino.
- Since these incidences the casino has reviewed the induction training provided to security personnel to ensure adequate emphasis is given to the age restriction and the action required if a minor is found in the gambling area. The casino has also implemented a more structured training regime around checking identification, including a birth date check sheet.

- All current and new security officers supplied by October Security are required to complete the reviewed induction training programme on site and sign an acknowledgement that they have done so.
- Clarification was sought from SCML in regard to their application for redefinition of the defined gambling area to accommodate potential under 20 attendances at the Rotary functions in the restaurant area. This has been completed.

Conclusion

SCML have current and effective protocols in place to restrict the access of minors to the gambling areas. In particular, the audit identified both casino's clear reporting mechanisms to support staff carrying out their duties.

Security staff spoken to were engaged and enthusiastic about their role and professional in their approach. They had a clear understanding of what is required and stated that the changes introduced after the last few incidences of underage patrons found in the casino and the support mechanisms put in place around those incidents are a positive step in ensuring they continue to meet their requirements under the HRP moving forward.

Long hours of play

Host Responsibility Programme, clause 2.1.6

Achieved

Criteria

Clause 2.1.6 of the HRP states that *continuous presence* is where a customer is present at the casino for a period of 12 hours or more:

- All reasonable endeavours must be made to interact promptly with the customer
- The customer should be encouraged to take breaks by SCML staff
- If any concern arises about the customer in relation to problem gambling, Host Responsibility must proceed as required by the Act, the Policy and the HRP.
- If at the casino for more than 24 hours, non-international VIP customers must be requested to leave for at least 24 hours; and
- International VIP customers must be assessed by the International Business Management team to determine whether their play should be permitted to continue or not.

Clause 2.1.6 of the HRP states that *continuous play* is where a customer is gaming continuously for five hours or more:

- All reasonable endeavours must be made to interact promptly with a customer who has been gaming continuously without a break of at least 30 minutes.

- The customer must be encouraged to take breaks and staff must continue to monitor the customer.
- If any concern arises about the customer in relation to problem gambling, Host Responsibility must proceed as required by the Act and the HRP.
- Customers with a loyalty card who have been gaming continuously for 10 hours without breaks, must be requested to leave the casino for at least 24 hours

SCML staff must report uncarded players for *continuous play* and *continuous presence* so that they are treated as set out above.

Finding

The Department is satisfied that SCML is meeting its obligations under 2.1.6 of the HRP.

- Identifying continuous play of un-carded customers is reliant solely on staff observations.
- When SCML staff have concerns regarding continuous play, they will verbally pass on their observation to their gaming supervisors.
- Gaming supervisors are located in the Pit, supervisors will verbally pass on information to their shift managers who will advise surveillance.
- The surveillance team can check on their cameras to see how long someone has been on site and will continue monitoring if concern exists.
- The Bally system records length of play on carded players. The system is also accessible to Cashier Supervisors and Gaming Shift Managers.
- When a patron has been gambling for four hours an assessment is undertaken to ascertain whether there is a need to interact with them.
- When a patron is observed as gaming for at least 5.5 hours then an interaction occurs, and they are closely monitored by HR.
- SCML's general rule of monitoring and approaching players are:
 - 2hours of continuous play = have an interaction,
 - 4hours of continuous play = start to get involved,
 - 5hours = interact with the patron and encourage them to take a break within 30minutes,
 - If they continue to play and don't take a break, then it is reported to the shift manager who escalates it to the Host Responsibility team for action.
- Both casinos have limited opening hours which means people 'stick out' if they gamble for over 5 hours, take a break and then return to gambling or are continuously present.
- Communication occurs verbally between staff and via phone from Wharf on any concerns relating to continuous presence and their photo is pulled (via file or video) and their details are passed on for ongoing monitoring.

Conclusion

SCML has good policy and procedure around tracking long hours and continuous presence of carded and un-carded play in their main gaming areas. The tracking system used for un-carded patron for long hours and continuous presence is helped by the hours of operation, size and layout of the casinos and the un-carded tracing system they employ.

Gambling limitation

Host Responsibility Programme, clause 2.1.7⁴

Not achieved

Criteria

Clause 2.1.7 of the HRP states that SCML offer a voluntary pre-commitment system that is available to all casino customers and allows them voluntarily to set limits on how much they spend and how long they play for on gaming machines.

SCML staff must proactively encourage the use of the voluntary pre-commitment system where appropriate during interactions with customers.

Finding

The Department is not satisfied that SCML is meeting its obligations under 2.1.7 of the HRP.

- SCML do not offer the Pre-Commitment system to its patrons below VIP level (refer **Appendix A**, interview (iv) – loyalty tier members, point 4). The VIP system is run by the ‘Group’ out of the Auckland Casino office (refer **Appendix A**, interview (i) - paragraph 2).
- The HRP states that the Wharf Casino will offer Pre-Commitment once a Bally system is installed (refer **Appendix B**). In the meantime, they will offer a VIP Agreed Limitation Programme.

SCML response

SCML disagreed with this finding and its associated rationale (refer **Attachment 1**).

Conclusion

The HRP states that staff will proactively encourage the use of the voluntary pre-commitment system, however the system does not appear to be promoted or proactively used outside of the VIP level.

⁴ Table of contents within the HRP has recorded Gambling Limitation under clause 2.1.7. In the body of the HRP, Gambling Limitation has been listed under clause 2.1.6, immediately after Long Hours of Play which is also recorded as 2.1.6. All references of the Gambling Limitation clause have been listed as 2.1.7 for simpler reference of the clause.

Employee gambling-related harm

Host Responsibility Programme, clause 2.3

Achieved

Criteria

Clause 2.3 of the HRP states that SCML will undertake a range of measures that aim to prevent and minimise gambling-related harm amongst employees as a result of their own or someone else's own or someone else's gambling.

As a requirement of the Certificate of Approval (COA), employees are prohibited from gambling at the SkyCity casinos in New Zealand and Australia but are permitted to gamble elsewhere.

Finding

The Department is satisfied that SCML is meeting its obligations under 2.3 of the HRP.

- SCML have an Employee Problem Gambling Policy this is provided to employees as part of their induction.
- SCML staff are made aware of the pin board in the staff area that holds resources and information on gambling related harm which include self-help and support services available to them.
- Employee-gambling-related harm is covered in the HR1 training that all staff members (regardless of their roles) must complete annually.
- The Christchurch and Dunedin Casino are familiar with SCML staff and there is an agreement in place for the Christchurch and Dunedin Casino to pass on any information relating to gambling harm concerning SCML staff to the Security, Surveillance and Host Responsibility Manager.
- Any concerns raised by a staff member can be reported in a number of ways including: directly to their shift managers, managers or to the Security, Surveillance and Host Responsibility Manager and the staff intranet that includes an anonymous reporting line known as 'Safe2tell' where staff can report any concerns they have with other staff.

Conclusion

SCML has a good practice and policy in place to deal with staff problem gambling. They take employee-gambling related harm seriously and offer self-help resources and confidential services to staff.

There were no reported incidences of employee-gambling related harm during the audit period. The Security, Surveillance and Host Responsibility Manager confirmed he has never received any concerns from the Christchurch and Dunedin Casino regarding SCML staff.

The HRP states that SCML is to work with class 4 organisations to maximise the effectiveness of their Host Responsibility Programmes however the Department did not assess them in whether they do this. This area may be assessed in future Host Responsibility Audits.

Safe gambling environment

Host Responsibility Programme, clause 2.6, 2.6.1 and 2.6.2

Achieved

Criteria

Clause 2.6 of the HRP states that SCML will take all reasonable and practicable steps to ensure a customer plays no more than one gaming machine at a time.

Clause 2.6.1 of the HRP states that SCML does not permit loan transactions by third parties for financial gain at the casino venues, except as approved by the CCA or the Gambling Commission.

Clause 2.6.2 of the HRP states that SCML staff will monitor and record the activities of any customer whose cheque it is holding unbanked by arrangement for indicators of potential gambling harm.

Finding

The Department is satisfied that SCML is meeting its obligations under clauses 2.6 & 2.6.1 & 2.6.2

- SCML are not aware of any instances where there has been a patron playing on more than one machine at a time. There is adequate signage displayed around the gaming area advising players they're only permitted to play one machine.
- There is clear signage displayed at the cashiering desk prohibiting people from offering loans for financial gain.
- If there are people suspected of loan sharking, they are required to leave the premises and are trespassed for two years.
- HR staff are informed of all instances of cheques held on site. These cheques are from International Business patrons and will be held for a maximum period of one week or/before being couriered to Auckland.
- The activities of these international business patrons are monitored and recorded for potential gambling harm. SCML state that there have been six observation reports of international patrons where cheques were held.
- All surveillance and reporting functions in relation to the HRP and PGIP in the Horizon room (Queenstown VIP room) is performed by Auckland. Patrons are only monitored by Queenstown if they come on to the main gaming floor from the Horizon room.

Conclusion

There is sufficient signage displayed around the gaming area advising players they're only permitted to play one machine at a time at both sites.

Queenstown and Wharf casino display information in appropriate areas on loan sharking that advise that loan sharks will be excluded. This information is clearly visible to patrons.

SCML advise that there have been no instances of loan sharking during the period audited.

The Cheque Cashing Facility (CCF) process has not changed since the last audit. All CCF checks and arrangements are undertaken by SkyCity Auckland staff.

SCML is unable to offer or provide credit for gambling except where permission is given by the Gambling Commission. SCML state that currently the casino only offers credit arrangements for international VIP and Junket play. Auckland set up and arranged the local deposit account.

A discussion was held around past notifications to the Department that have shown instances where VIP and junket patrons have left the Horizon room and gambled on the main gaming floor. When asked if SCML carry out any due diligence around this behaviour given the patron has payed/arranged to play in the VIP room, SCML stated that they do not believe that there are any potential issues with this behaviour they are just bored with the Horizon room. The Department may assess this area in a separate piece of work.

Responsible marketing

Host Responsibility Programme, clause 2.7

Not achieved

Criteria

Clause 2.7 of the HRP states that SCML will not pursue marketing initiatives -

- Which does not target high risk groups, reinforce harmful behaviours or present gambling in an unrealistic or misleading way.
- SCML will ensure internal processes are followed to ensure harm minimisation issues are considered and addressed in the development of marketing initiatives, including those directed to members of SCML's loyalty programme.

Regulations 9 and 10 of the Gambling (Harm Prevention and Minimisation) Regulations 2004 state that a casino must ensure that:

- Advertising relating to gaming machine jackpots is not visible or audible to people outside the casino.

- Advertising relating the word “jackpot” is not published in a way that explicitly or implicitly conveys the impression that there is a gaming machine jackpot at the casino.

Finding

The Department is not satisfied that SCML is meeting all its obligations under clause 2.7

- SCML does not assess spikes in spend and visitation data when running promotions (refer **Appendix A**, interview (v) – point 11). These are indicators of potential harm.
- The promotions plan is drafted and sent to legal team in Auckland who undertake a pre-assessment of the promotion and evaluates risks.
- Legal notify the Marketing and Sponsorship Manager within 48 hours with the outcome of their assessment. Feedback is mostly verbal.
- Tier specific promotions results in a list of loyalty members being sent to the appropriate persons who are responsible for checking the list for any excluded patrons.
- The list is reviewed against the Bally System and all excluded gamblers are marked ‘Do not mail’ to prevent them from receiving any promotional material. The list is then returned to marketing.
- SCML was unable to provide any documentation around pre-assessments and confirmed that no post-assessment of promotional material is undertaken (refer **Appendix A**, interview (v), point 7).

SCML response

SCML disagreed with this finding and its associated rationale (refer **Attachment 1**).

Conclusion

The HRP states that SCML will ensure an internal process is followed to ensure harm minimisation issues are considered and addressed in the development of marketing initiatives, including those directed to members of SCML’s loyalty programme.

Although an internal process is followed, consultation only occurs with Legal in Auckland, not the HR team in Queenstown. The MS Managers assumption is that Legal then consults with HR Queenstown on the pre-assessment process.

Conflicting information around whether or not there are measures in place for SCML to evaluate and analyse their promotions, whether it impacted on visitation or any spikes in frequency or length of play indicates this is not occurring regularly.

Any 'spikes' in the normal expenditure and visitation for cardholders who participate in casino promotions can occur when there are cash prizes and other attractive prize draws available. As such, it would be appropriate for the increase or spike in spend data be included in the post analysis report to be confident that promotions are not encouraging problem gambling.

Display of signage and provision of gaming information to customers

Host Responsibility Programme, clause 2.8

Achieved

Criteria

Clause 2.8 of the HRP states that SCML will ensure that host responsibility material is displayed prominently and are maintained in sufficient quantities so as to be generally available at all times and at all locations.

All gaming machines and gaming tables at the casinos will display Problem Gambling Helpline telephone numbers, with information in a range of languages. The information is also to be displayed on or near all ATM's and public phones.

Finding

The Department is satisfied that SCML is meeting its obligations under clause 2.8

- Both SkyCity Queenstown and Wharf casinos display a variety of different brochures, posters and signage that informs patrons of responsible gambling. Posters and signage are clearly visible to all players including in the bathrooms. Brochures are available in a variety of languages.
- The Queenstown and Wharf casino's combined website contain a section on host responsibility which helps support a range of information resources that are readily available to patrons.

Conclusion

SCML is meeting its HRP obligation in relation to signage and provision of gaming information to its customers both within the casino and via their website.

Learning and Development

Host Responsibility Programme, clause 2.9

Achieved

Criteria

Clause 2.9 of the HRP states that SCML will train all staff to identify indicators of harm and that staff are expected to refer the observation of indicators to a supervisor/manager.

Learning and development are tailored depending on the roles and responsibilities of staff and their required host responsibility customer interactions.

Finding

The Department is satisfied that SCML is meeting its obligations under clause 2.9 of the HRP

- Each new staff member is required to complete a 15-minute e-learning module covering problem gambling regardless of their role. Once the staff member has completed this, they can join their Department.
- There are three levels of Host Responsibility Programme training and each level are completed by staff members depending on their roles.
- Frontline staff are required to complete an Advanced Host Responsibility Level 1 (HR1) 30-minute e-learning module in their first three months, and then once each year as a refresher.
- Staff in supervisory roles are required to complete Host Responsibility Level 2 (HR2) training which is classroom based and provides a more in-depth session on identifying the signs of problem gambling. This includes videos showing demonstrations and recording and reporting in iTrak.
- Selected Senior staff are required to complete Host Responsibility Level 3 (HR3) which is more advanced and includes external speakers.
- The Training and Development Manager provides six monthly refresher trainings for HR2 and HR3.
- Records of training attendance are kept, and staff are required to sign the training log to acknowledge they completed their different levels of training. Staff and their managers are sent reminders if they do not complete their training in the required timeframes.
- SCML also run an internal Mystery Shopper programme to assess understanding and ability to recognise signs of problem gambling. Any staff members who fail to identify the mystery shopper are given additional training.
- SCML provided copies of the e-learning modules, HR1, HR2 and HR3 training materials, as well as a record of staff training logs.

Conclusion

The existing structure of Host Responsibility training and the refresher courses offer effective support to staff to recognise signs of problem gambling. Courses and support are readily available, and staff are encouraged to attend and complete the training.

The training logs showed that 93% of the required staff have completed Advance HR 1, 80% have completed HR 2, and 92% have completed HR 3. The staff members that have not completed their required HR training would have received a notification for them to complete their training as soon as possible. The Training and Development Manager was due to arrive the week after the audit to undertake Host Responsibility training for staff.

The Department commends SCML for the implementation of their own mystery shopper programme. Even though the Department has not sighted the scenarios or the results of their mystery shopper programme, the Gaming and Cage Manager confirmed they have been successful in their results.

It has been recognised that the small size of the two casinos in Queenstown makes it easier for front line staff to implement their training to identify problem gamblers.

Monitoring and reporting

Host Responsibility Programme, clause 3.0

Partially achieved

Criteria

Clause 3.0 of the HRP states that SCML will evaluate its performance against the objectives of the HRP.

The HRP also states that the specifications are SCML minimum requirements and they should be embedded into the business.

SCML is to report annually to the Gambling Commission on the implementation of the HRP.

Finding

The Department is not satisfied that SCML is meeting all its objectives against the objectives of the HRP.

- The surveillance of both Queenstown casinos comes under the control of the SkyCity Auckland Surveillance Department.
- Data specified in the HRP was available, and was reported, as required, to the Gambling Commission. The more pertinent issue is whether the programme is “embedded” into the business.

- What isn't immediately apparent with this data is how the feedback loop is closed. For example, SCML collects a lot of data about Gamblers of Interest (GOIs) such as age, gender, and ethnicity, and also their game preference. This data is clearly useful to understand the impacts of problem gambling and the people who are at the most risk. The following questions remain unanswered:
 - How is this data used to focus training needs?
 - How is this data used when promotions are reviewed for host responsibility issues?

Conclusion

To fully comply with the HRP, SCML needs to ensure that the HRP is 'embedded' into the business. The Department was unable to verify that this has been done effectively. SCML have a number of good procedures but need to follow them through and better utilise their data for proactive and improved outcomes.

8. Required Actions and Recommendations

Area	Action/Recommendation
Identification of problem gamblers	<ul style="list-style-type: none"> • Embed intensity and frequency of play data as indicators of problem gambling. • Auckland introduce a robust self-reporting system back to SCML on the nature and behaviour of its Horizon VIP and Junket patrons. • Consideration is given to full venue surveillance being undertaken by Queenstown casino staff.
Gambling limitation	<ul style="list-style-type: none"> • Encourage and proactively promote the voluntary pre-commitment system as per the requirements of the HRP/PGIP. • SCML management issue regular communications to staff to remind them of the importance of pre-commitment and for it to be treated seriously.
Responsible marketing	<ul style="list-style-type: none"> • Assess spend and visitation data when running promotions to determine whether there are indicators of additional gambling harm. • Initiate post-promotion assessments that consider detailed feedback and considerations of gambling harm. • SCML carry out their own due diligence checks on patrons (commission, international VIP and junket patrons) gambling in their venue or arrange for a robust reporting system back from the 'Group' to ensure they meet their obligations under the HRP. • SCML Host Responsibility Team should be directly involved in the assessments of Direct and Public Marketing promotions.
Monitoring and reporting	<ul style="list-style-type: none"> • Ensure the HRP is 'embedded' into the business.
General	<ul style="list-style-type: none"> • SCML take a more proactive role in the monitoring and reporting of VIP junket play in their premises. • SCML to take a more proactive role in assessing the risk associated with Junkets, VIP international play and credit arrangements and carry out robust due diligence around source of funds and associated credit arrangements at end of play.