

SkyCity response – HRP Audit 2019

Initial assessment

1. Identification of problem gamblers

Finding	SkyCity Response	DIA Response
<p>a. SkyCity are not proactively using customer data and systems to identify actual or potential problem gamblers and to act on that information to minimise harm</p> <p>(Appendix A) (Appendix E) (Appendix Y) (Appendix AJ) (Appendix AN)</p>	<p>The basis for this finding is not made clear in the report. SkyCity really needs further information to understand and respond to the DIA’s specific concerns in this regard.</p> <p>SkyCity uses its customer data and systems to actively identify actual or potential problem gamblers. Pursuant to section 3.1.8 of the SkyCity Auckland Host Responsibility Programme (“HRP”), SkyCity operates an analytical model (“Focal Model”) which uses customer loyalty data to build multi-level algorithms to assist Host Responsibility (“HR”) executives to identify potential problem gambling.</p> <p>In summary, the Focal Model identifies high risk gambling behaviour using a customer’s personal loyalty data. This information is used as the basis for a customer interaction and the results of the interaction are factored into an HR risk and harm assessment.</p> <p>SkyCity utilises the Focal Model diligently in accordance with the HRP.</p> <p>The Focal Model was first implemented in the Auckland casino in 2014 as a SkyCity initiative. SkyCity has, since implementation, worked collaboratively with the Canadian provider, Focal Research, to explore ways in which the Focal Model could be enhanced to improve SkyCity’s ability to identify potential at-risk gamblers.</p> <p>The Focal Model was upgraded in May 2019 to reflect ongoing development and improvement to the algorithms and such enhancements became fully operational at SkyCity in September 2019.</p>	<ul style="list-style-type: none"> • The Department acknowledges that SkyCity have Focal. However, the criteria are around <u>proactively using</u> the data. • In interview on 29 January 2019 and 8 February 2019, ██████████ Host Responsibility Team Leader stated: • He wasn’t concerned with the lack of reporting in relation to tracking a customer’s behaviour • That he considers an appearance on the list generated by Focal to be a single general indicator only. • That he does not consider a patron reappearing on the list after a discontinuity as being high risk. • An interview was conducted with the ██████████ ██████████ Gaming Machine Manager questioning how the Focal report was used. The following information was obtained from the interview: • When the tagged player next uses their card at the casino the system sends a notification through to a manned phone. • The Gaming Machines Area Manager then sends the details to a Gaming Machine Attendant (GMA) who is required to have an interaction with the patron.

		<ul style="list-style-type: none"> • The GMA then enters the results of the interaction into the iTrak system. • If a player is flagged three times consecutively in the system by the Gaming Machines Manager, then an alert is sent to Host Responsibility and a Risk and Harm assessment is carried out. • If the patron's behaviour, in addition to being tagged, starts to cause concern then the frequency of the interactions will increase and be elevated to an intervention – this means advice is provided to the patron on problem gambling and, if deemed necessary, exclusion action is taken. • Since the Focal algorithm went live SkyCity advised that only 1.2-1.6% of patrons (or 2.4 – 3.2 patrons) on the list have self-excluded. This is an extremely low number of exclusions given the focal list generates around 200 names of 'at risk' persons per month. • A name on the focal list can be deemed to be a general indicator of problem gambling, given a patron may continue to feature on the list (thus repeat general indicators) then this according to the PGIP is a strong indicator and the process should be followed for such. An assessment of the 309 reports show repeat indicators on several occasions but no escalation.
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		<ul style="list-style-type: none"> • This indicates the Focal Report does provide SkyCity with effective data, but it is underutilised. Focal provide the names of the top 20% of all gamblers at risk now or in the near future. Although staff interact with those on the list, further in-depth analysis would allow SkyCity to meet its responsibility under the HRP to act on that information, and it would better reflect a duty of care. • The Department also notes that SkyCity in its submission (Hamilton submission) to the Gambling Commission by Dr Mark Griffith states that: <ul style="list-style-type: none"> • “Put very simply, there are many different factors involved in how and why people develop gambling problems. Central to the latest thinking is that no single level of analysis is considered sufficient to explain either the aetiology or maintenance of gambling behaviour. Moreover, this view asserts that all research is context-bound and should be analysed from a combined, or biopsychosocial, perspective (Griffiths, 2005).” • “...The documentation provided by Focal Research does not list all the parameters that are examined, or which specific parameters tend to have the highest association with problem gambling, but all the information provided has good face validity.and our thinking aligns with much of that outlined by Focal Research. The most important aspect that both Focal Research and I agree on is that one single behavioural indicator is not enough to identify problem gambling and that it is a cluster of behaviours that increase the accuracy of problem gambling identification.”
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b. Despite stating that they use player intensity and frequency of play in risk assessments, SkyCity were unable to produce a report providing a risk assessment of either indicator.

(Appendix B)
(Appendix A)
(Appendix AO)

As far as SkyCity is aware, all reports and information requested by the DIA as part of its audit were provided by SkyCity inclusive of risk and harm assessment documentation.
A copy of a risk and harm assessment is attached by way of further example as Schedule 1 and additional assessments can be made available to the DIA if required.
Risk and harm assessments are required to be undertaken by HR executives having regard to a variety of different types of information as outlined in section 4 of the SkyCity Auckland Problem Gambler Identification Policy (“PGIP”), which is attached as Appendix B to the HRP, including changes in patterns of play. All risk and harm assessments should therefore include information relevant to changes in patterns of play, which incorporates visitation and spend characteristics of the relevant customers.

- SkyCity state they use intensity and frequency of play as part of an overall risk assessment of the gambler in iTrak. However, SkyCity were unable to produce any report that provided a risk assessment of either indicator that would allow the casino to make an informed decision on potential harmful behaviour change as required under their HRP and associated PGIP.
- SkyCity refer in their PGIP to international research which shows that problem gamblers are more likely to increase expenditure, chase losses and spend significantly more than other players. The Department notes that SkyCity has a lack of reporting around these indicators.
- ██████████ Host Responsibility Team Leader advised that he considered the level of reporting around a patron’s behaviour and play is sufficient to meet the HRP and PGIP policy and stated, “We are testing the process rather than the reporting or lack thereof”. However, the Department considers the level of reporting to be surprisingly low, given the importance of the data.
- At interview on 29 January 2019, ██████████ stated that the casino is not concerned in any spikes in spending behaviour and that HR don’t look at any frequency and expenditure changes in isolation.
- ██████████ further stated that the only report out to gaming are the long hours and continuous play reports.
- ██████████ (Manager of Gaming Analytics) stated on 8 February 2019 that his role is not involved in harm prevention.

		<ul style="list-style-type: none"> • In an email dated 15 February 2019, ██████████ confirmed that neither his team, ██████████ team or ██████████ team do any individual reporting or analysis of card holders tier movements or tracking over time. They did not know who did. • Statement of ██████████ who works closely with and reports directly to ██████████ for all HRP issues (in the Hamilton submission) states in point 34 that: • “There is presently monthly reporting in a spreadsheet based on the top 50 carded players by value of play, high-lighting the top few, and monthly reports relating to the Frequency and Expenditure parameters specified in the HRP.” • SkyCity Hamilton state that they receive monthly reporting related to frequency and expenditure parameters. However, the Department notes SkyCity Auckland where unable to provide any report to the Department at the time of the audit.
<p>c. Ethnicity of players such as Māori and Pacific Islanders (who have a higher prevalence of problem gambling), is not used as a risk criterion when analysing player data.</p> <p>(Appendix A) (Appendix AI) (Appendix AP)</p>	<p>SkyCity does not use customer ethnicity as a risk criterion when analysing player data and there is, in fact, no requirement to do so under the HRP.</p> <p>As noted above, risk and harm assessments are required to be undertaken by HR executives having regard to the different types of information outlined in section 4 of the PGID, which predominantly relate to the behavioural patterns and affordability of the relevant customers. These assessments are intended to identify potential and actual problem gamblers, regardless of ethnicity - the mix of ethnicities evident in annual reporting of persons actually excluded reflects this.</p> <p>SkyCity notes that “ethnic or national origins, which includes nationality or citizenship” is one of the prohibited grounds of discrimination in the Human Rights Act 1993. The use of a</p>	<ul style="list-style-type: none"> • It appears SkyCity has misunderstood this finding. • The Department is <u>strongly</u> suggesting that SkyCity use this risk criterion as an indicator given the very well-known research findings (as those referenced in Dr Mark Griffith’s submission to the Commission) that state that Māori and Pacific Islanders have a higher prevalence of problem gambling in NZ. The question was whether SkyCity used this information in any way to further address harmful behaviour and a duty of care towards those that are at higher risk. <p>During the audit:</p>

	<p>customer’s ethnicity as a risk criterion when analysing player data may well be contrary to that legislation.</p>	<ul style="list-style-type: none">• An analysis of the focal list of the top 189 (or 20%) of gamblers at risk now or in the future across all tiers showed that 88 (46%) of patrons identify as Māori or Pacific Islander.• Across tiers, Māori and Pacific Islanders make up 20% of those patrons shown in the introductory Sapphire Tier, 69.32% in Gold and 11.36% of those are in the Platinum GM.• When the ██████████ Host Responsibility Team Leader was asked if the ethnicity of the players identified in either group were given a higher risk rating given the higher rates of addiction in both ethnicities, he stated that the information wasn’t correct, and ethnicity and date of birth were occasionally entered incorrectly, mainly by the patron themselves.• In the absence of evidence to support this assertion, the Department disputes SkyCity’s suggestion that up to 46% of patrons on their Focal Report identified their own ethnicity incorrectly.• A purpose of the Gambling Act is to “prevent and minimise harm from gambling, including problem gambling”. For this reason, the Department is of the view the potential for additional gambling harm to Māori and Pacific Islanders (given their disproportionately high rates of addiction) is a legitimate matter for consideration by SkyCity in future risk and harm assessments of these patrons.
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		<ul style="list-style-type: none"> The Department finds SkyCity’s response to this matter during audit and its response to this finding contrary to a statement made by Rob Burrell in his submission (Hamilton) to the Gambling Commission here where he states twice in point 55 and 56 that:
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		<ul style="list-style-type: none"> “...“at risk” groups, including those existing within the Māori and Pacific Island communities.” “The fact that Māori are disproportionately represented in problem gambling statistics is also partly due to being over-represented in reported lower household income and wealth statistics by comparison to Pākehā. This problem gambling then leads to social and family harms caused by the loss of financial resources in an already low income household.” Dr Mark Griffith in his submission on behalf of SkyCity during the Commission hearing for Hamilton Casino stated that SCML in his opinion should: <ul style="list-style-type: none"> “Minimize the likelihood of a ‘vulnerable player’ developing a gambling problem whilst playing games within SkyCity’ gaming environment.” “Protect vulnerable groups and minimize the harm to problem gamblers who continue to gamble.” Dr Griffith also submitted that:
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		<ul style="list-style-type: none"> • “Research internationally consistently shows that ethnic minorities tend to be more vulnerable to problem gambling including ethnic minorities in New Zealand. The fact that Pacific people are disproportionately represented among problem gamblers is well known in New Zealand research and the most recent study by Abbott et al. (2018) also highlighted that being of Pacific or Maori ethnicity was a risk factor for being at moderate risk of gambling/problem gambling. However, ethnicity is not a cause of problem gambling but demonstrates that such risk groups (like minors) need targeting in terms of problem gambling awareness and problem gambling prevention.”
<p>d. Breaches of pre-commitment and the disabling of limits is not used to assess customer risk of harm.</p> <p>(Appendix A) (Appendix AP)</p>	<p>All customers who exceed pre-commitment limits are automatically notified to the HR team and this information is entered into iTrak as a general indicator of harm consistent with the procedure set out in section 2 of the PGIP. Those customers are then subject to a risk and harm assessment in accordance with section 4 of the PGIP.</p> <p>A copy of a risk and harm assessment is attached by way of example as Schedule 2 and additional assessments can be made available to the DIA if required.</p>	<ul style="list-style-type: none"> • In interview on 29 January 2019 and 8 February 2019, ██████████ HR Team Leader stated: <ul style="list-style-type: none"> • that breaches of pre-commitment were a mistake (see below). • When asked if someone who breached their pre- commitment levels after again raising the limit was made a GOI, he said “no”. In our audit SkyCity advised that • SkyCity use the Clarity system to run automated monthly reports that record precommitment enrolments, un-enrolments and totals for both. The report also lists those patrons that have breached their precommitment amounts.

		<ul style="list-style-type: none">• Email notifications of pre-commitment breaches are checked to ascertain if the limits are realistic and the breaches are genuine. Most breaches result in no further action as the HRE believes that these are genuine mistakes on the part of the patron and the pre-commitment level is either removed or raised.• If a patron breaches their pre-commitment level three times, then that individual is identified and sent a host responsibility information pack.• Further, ██████████ stated that Host Responsibility will not usually suggest patrons put in place precommitment limits as they consider most players see a stigma attached to the system.• However; this is in complete contrast to a statement ██████████ made in his (Hamilton) submission to the Commission, where he states:<ul style="list-style-type: none">• “Host Responsibility staff actively encourage the use of pre-commitment, where appropriate, during interactions with customers...”• In interview with ██████████ he stated that he believes that continuous breaches, and the disabling of, and increase in limits are, in most instances, just mistakes on the patron’s part. However, the PGIP sets out that both are general indicators of gambling harm and should be part of the overall risk and harm assessment of the patrons' play.
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e. There has been a significantly low number of PGIs entered into the iTrack system by CSA staff. One PGI was entered into iTrack from a CSA in the preceding month.

(Appendix C)

(Appendix A)

No information has been provided in support of the DIA’s finding that the number of problem gambling indicators (“PGI”) entered into iTrak is “significantly low”. SkyCity really needs further information to understand and respond to the DIA’s specific concerns in this regard.

In any event, this finding does not in SkyCity’s view accurately reflect the actual number of PGIs entered into iTrak and reported to the HR team.

As noted in the most recent annual HRP report provided to the Gambling Commission (“Commission”) for the 12 months ended 31 December 2018, 22,288 observed PGIs were reported to the HR team over the period.

For the 12 months ended 31 December 2019, an estimated 19,117 observed PGIs were reported to the HR team over the period (the 2019 HRP report has not yet been submitted to the Commission).

Similarly, no information has been provided in support of the DIA’s finding that only one PGI was entered into iTrak by a customer services ambassador (“CSA”) in the preceding month (including the name of the individual and the relevant period) and, accordingly, SkyCity is unable to comment on the accuracy of the finding or the particular circumstances relating to the CSA (including, for example, whether the CSA was on leave over the period).

- ██████████ at interview stated that only 1-2 PGIs per month are entered by CSAs. This was verified when reviewing reports provided by SkyCity.
- ██████████ when interviewed was only able to find one PGI entered by a CSA for the preceding month.
- ██████████ Gaming Machines Manger at interview stated that PGIs picked up by his staff are not common. They would pick up one or two a week across the board. Most of these would be a patron asleep at the machine.
- The Department is concerned with this number of PGIs due to the weight placed on the CSA role. ██████████ at interview on 7 February stated that 90% of the success of HREs comes from the CSAs. We rely on them to identify issues and observe and report.
- The Department interviewed the EGM Manager, EGM Area Manager and CSA’s on the Casinos expectations for each role. From these interviews the Department understands:
 - CSA’s are responsible for identifying and assessing the signs of potential problem gambling in un-carded players through observation only.
 - CSAs are required to have rolling targets in discussion with the Area Manager on agreed numbers of general conversations with patrons both carded and un-carded. These interactions are **recorded as general conversations** in iTrak.
 - CSAs conduct rotational sweeps of the gaming machine banks (‘bank monitoring’ which is also done by attendants) and table game pits (‘pit monitoring’).

		<ul style="list-style-type: none">• Bank monitoring is conducted an hour and a half after the end of the previous bank monitoring, with every second rotation focussing on un-carded play.• The CSA's report back to the EGM Area Manager any problem gambling concerns and the Area Manager enters the information into iTrak.• If the CSA identifies a player on the table games, the EGM Area Manager passes the information on to the Table Games Area Manager for an interaction to occur. All information is entered into the iTrak system.• In interview with ██████████ it was noted that outside of the long-hours of play reports his staff would report approximately one or two problem gambling indicators a week. It was also noted that the most common indicator reported would be players found sleeping in the casino (known as 'sleepers').• When asked how many PGI indicators would be reasonably expected to be identified in uncarded play and entered over a month-long period, ██████████ stated that there would be at least 2-3 entries per week, of those entries 90% would be the indicator of patrons asleep at machine. When asked how many PGI's had been observed in uncarded play in the preceding month on EGM's, Host Responsibility could find only one entry into iTrak.
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		<ul style="list-style-type: none"> In our interview with the Table Games Manager we asked if she could show examples of entries in iTrak of PGI's, the Table Games Manager was able to show only one PGI recorded against a patron during the preceding month, with the exception of long hour and continuous presence reporting.
<p>f. Due to the low number of entries of information, data is not going to be reliable in building a picture of gamblers' behaviour to identify problem gambling.</p> <p>(Appendix D) (Appendix E)</p>	<p>Refer to SkyCity's response in section 1(e) above</p>	<ul style="list-style-type: none"> Refer to responses a-e.
<p>g. No reporting back on the effectiveness of practices SkyCity have in place to identify problem gamblers.</p> <p>(Appendix E)</p>	<p>Section 4 of the HRP outlines how SkyCity is to evaluate its performance against the objectives of the HRP, which includes reporting annually to the Commission on the specific areas set out in that section.</p> <p>SkyCity has reported annually to the Commission in accordance with section 4 of the HRP to date, with the annual report for the 2019 calendar year to be provided to the Commission in due course.</p>	<ul style="list-style-type: none"> This refers to the effectiveness of information going between teams to identify problem gamblers and address harm. Not reporting to the Commission. To be effective in meeting the purpose of identifying problem gamblers, SkyCity needs to understand the effectiveness of the information it uses across its teams. ██████████ stated at interview that there is no formal feedback system between his team and Host Responsibility. ██████████ commented that such a system could be useful.

<p>h. SkyCity stated that there are very few risk and harm assessments carried out, also referred to as section 309 assessments.</p> <p>(Appendix A)</p>	<p>In the absence of information to support the DIA’s finding, including the name(s) of the individual(s) spoken to and the relevant period(s), SkyCity is unable to comment on the accuracy of the finding or the particular circumstances relating to the individual(s).</p> <p>“SkyCity”, as an entity has not advised DIA that there are “very few risk and harm assessments carried out”. Even if this comment can be attributed to a SkyCity staff member, it does not represent corporate advice to DIA. In our view it is not appropriate to take an unsubstantiated claim by a staff member and treat it as a statement of fact espoused by the Company.</p> <p>There are a number of other findings where statements have been incorrectly attributed to SkyCity as an entity and we request this issue be addressed before the report is finalised, and SkyCity be given a further opportunity to comment. Section 2 of the PGIP includes a list of visible signs and behaviours that may be indicators of gambling-related harm.</p>	<ul style="list-style-type: none"> • “SkyCity” in this case is ██████████ SkyCity Host Responsibility Team Leader (now Group Host Responsibility Manager). The Department notes, he is also the person that SkyCity chose to represent it at the recent Hamilton hearing to speak to SkyCity’s host responsibility practices. The Department believed he was in a position to speak on behalf of SkyCity’s actual host responsibility practices. However, the Department will amend the report and instead attribute the relevant comments to him. We do want to point out however that this audit is concerned with actual practice not purported practice. • ██████████ at interview stated that there are very few risk and harm assessments carried out.
	<p>All observations of PGIs, together with self and third-party disclosures concerning gambling related harm (with the exception of self-exclusion requests), are the subject of a risk and harm assessment by the HR team in accordance with section 4 of the PGIP.</p> <p>For the 12 months ended 31 December 2019, an estimated 19,117 observed PGIs were reported to the HR team over the period (the 2019 HRP report has not yet been submitted to the Commission). There will be a similar number of risk and harm assessments carried out over that same period (bearing in mind some PGIs in respect of a customer may be the subject of multiple reports)</p>	<ul style="list-style-type: none"> • The Department notes that noting of a PGI does not constitute a risk and harm assessment. • As noted above, it is then how the risk and harm assessments are used to proactively identify problem gamblers.

i. There are no meetings between the floor staff and management of security, surveillance, table games, Electronic Gaming Machines (EGMs) and Host Responsibility Executives (HREs). Teams act in isolation and information sharing is restricted and intermittent.

(Appendix F)

(Appendix A)

The HRP does not prescribe or require internal processes for information sharing within SkyCity and in this sense it is unclear how this statement contributes to the finding that SkyCity has not met its obligations under the HRP. Notwithstanding, SkyCity has robust processes in place to support the work of its various departments in meeting SkyCity's HR obligations. For example, a briefing is held on the Main Gaming Floor at 9pm each evening with senior representatives from the Security, Surveillance, Table Games, Electronic Gaming Machines and HR teams in attendance. These meetings facilitate the sharing of information on any matters of significance, concern and/or interest arising over the course of the day and for that evening. Teams within SkyCity are encouraged to work collaboratively. The only restrictions applied to the sharing of information are to satisfy SkyCity's customer privacy obligations and they have no bearing on the obligations to identify problem gamblers.

- ██████████ stated at interview that there is no roll over meetings between gaming floor teams (EGM/table/security). He also stated that there are no meetings between teams to discuss HRP and PGIP. Some meetings occur at a management level.
- ██████████ Surveillance Operations Manager stated at interview that his team do not specifically look for excluded patrons or signs of problem gambling. He said that they get some request from other teams to identify how long a particular customer had been at the casino, but he was unsure how often this happened. This indicated to the Department that it was infrequent.
- The Department notes that this finding is from the time of audit.
- This finding is related to SkyCity needing to improve its communication between teams in order to more effectively identify problem gamblers and facilitate responsible gambling.

<p>j. Not all CSAs are confident in approaching customers – impacting their ability to have interactions with potential problem gamblers as outlined in the HRP.</p> <p>(Appendix C) (Appendix AL)</p>	<p>SkyCity acknowledges that the confidence levels of individual CSAs will be influenced by their level of “on the job experience” and those with less experience may not be as effective in the short-term as those with more.</p> <p>However, that applies to almost every other position within in the organisation. Any assessment of an individual’s level of confidence is also necessarily subjective and, depending on the particular circumstances in which that individual was observed or spoken to, may not reflect their usual level of confidence. Section 3.9 of the HRP requires that “all staff who have contact with gambling customers, including [CSAs], in the casino are required to be trained in problem gambling awareness and how to approach customers to offer information and assistance about problem gambling”. There is no specific requirement as regards the level of confidence that an individual is required to have. In the absence of information to support the DIA’s finding, including the name(s) of the CSA(s) observed and/or spoken to, SkyCity is unable to comment on the accuracy of the finding or the particular circumstances relating to the CSA(s).</p>	<ul style="list-style-type: none"> • ██████████ Host Responsibility Trainer stated at interview on 30 January 2019 that staff had been reluctant to approach customers as they did not want to get them into trouble. • ██████████ in his internal memo to ██████████ in 2018 stated that some CSAs find it challenging to approach customers. He also noted that CSAs are at the coal face and play an important role. • In its review of the ██████████ matter, the Department identified 17 opportunities for SkyCity staff to interact with ██████████ but they did not.
<p>k. Staff levels of CSAs are insufficient to cover the large gambling floor area therefore limiting the ability of staff to observe PGIs.</p> <p>(Appendix G) (Appendix E) (Appendix H) (Appendix I)</p>	<p>Neither the HRP nor the PGIP requires a minimum number of CSAs to be employed by SkyCity or located on the casino floor at any one time.</p> <p>CSAs were originally introduced as a SkyCity initiative to grow the level of interactions with uncarded players.</p> <p>All SkyCity staff (not just CSAs) act as the “eyes and ears” for observing and identifying PGIs. As required by section 3.9 of the HRP, “all staff, regardless of position, are trained to identify indicators of harm” and all “staff are expected to refer the observation of indicators to a supervisor/manager”.</p>	<ul style="list-style-type: none"> • ██████████ in his report to ██████████ stated that CSAs are important in relation to customers such as ██████████ • CSA’s spoken to on the floor during the audit period stated that they have large areas to cover and at times find it difficult given the time lag between circuits - to remember long hours and continuous presence with un-carded patrons. CSA’s also acknowledged that the inability to record indicators until they return from their bank walk and set times to complete the circuit contributed to reduced ability to record and retain the information required to build a robust picture of un-carded play by patrons especially during busy periods in the casino.

<p>i. For the preceding three months, only four out of 86 Gambler of Interest (GOI) files were created by SkyCity staff observations (the others were for customer self-exclusions).</p>	<p>Any customer who is the subject of a PGI is a person of interest to SkyCity and subject to a risk and harm assessment. It is not clear to SkyCity how the number of GOI files created by SkyCity in response to reported PGIs versus those created in response to customers returning from self-exclusions is relevant to SkyCity's obligations to identify problem gamblers.</p> <p>The PGIs, risk and harm assessments and customer interventions already provide customer monitoring in iTrak, and provide a sound basis for determining whether, in addition, a GOI file should be established as a means of instituting a more formal monitoring process in respect of the customer.</p> <p>Existing systems provide a robust process for the identification of problem gamblers.</p>	<ul style="list-style-type: none"> • This further shows that SkyCity staff do few risk and harm assessments and there is little proactive identification of problems gamblers. To collect the data is the first step to this process but it must then be proactively used. • No GOI files were found in the risk and harm assessments.
<p>m. GOI files reviewed by the Department showed that customers who had been previously excluded and exceeded their visitation/spend plans were not flagged for interactions by Host Responsibility.</p> <p>(Appendix J)</p>	<p>In the absence of information to support the DIA's finding, including the relevant GOI file(s), SkyCity is unable to comment on the accuracy of the finding or the particular circumstances relating to the GOI file(s).</p> <p>Although the Gambling Act 2003 includes provision for the making of regulations in relation to re-entry conditions for excluded gamblers, no such regulations have ever been made.</p> <p>The HRP does not address the scope or design of re-entry conditions, but nonetheless SkyCity has elected not to allow excluded gamblers to return to its casinos (following the expiry of their exclusion periods) unless it is satisfied that it is safe for them to do so.</p> <p>In some cases, SkyCity will insist that a customer adopts a visitation/spend plan as a means of encouraging a disciplined approach to the customer's gambling choices. Where conditional re-entries such as these are adopted, HR staff are expected to review the customer's progress against the agreed plan each month for the first six months and to stage an intervention where there are indications that a customer has acted outside the agreed boundaries.</p> <p>It would be helpful if DIA could provide further information in relation to the case files it has reviewed and found this process has not been satisfied.</p>	<ul style="list-style-type: none"> • The Department was provided with four examples by SkyCity where customers had exceeded spend and visitation limits – they were not flagged for an interaction by HR.

<p>n. There was a noted dismissive attitude toward gambling harm and PGIs. (Appendix A) (Appendix AM)</p>	<p>In the absence of information to support the DIA’s finding, including the name(s) of the individual(s) observed and/or spoken to and the basis for the finding, SkyCity is unable to comment on the accuracy of the finding or the particular circumstances relating to the individual(s). Any assessment of an individual’s attitude is also necessarily subjective.</p> <p>However, if the DIA observed a dismissive attitude toward gambling harm and PGIs from identifiable staff member(s), then SkyCity requests that the DIA provides sufficient detail to enable SkyCity to investigate and take any required action, including disciplinary proceedings where appropriate.</p> <p>SkyCity does not condone or tolerate such behaviours. All SkyCity staff undertake training to identify indicators of harm and all staff are expected to refer the observation of indicators to a supervisor/manager.</p>	<ul style="list-style-type: none"> • ██████ stated at interview: <ul style="list-style-type: none"> • that there is little gambling harm occurring at the casino and that is why there is so few PGIs. • that he had only ever seen 2-3 problem gamblers at the casino since he started – the Department considers this dismissive from someone who has been in a security and host responsibility position with SkyCity for 16 years • they don’t really talk to patrons around harm as this suggest that the casino thinks they are problem gamblers • Letter from ██████ dated 21 December 2018 in response to the ██████ matter: <ul style="list-style-type: none"> • “The July incident has no particular relevance to this issue”
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2. Exclusion

Finding	SkyCity Response	DIA Response
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<p>a. SkyCity stated that very few risk and harm assessments (also referred to as section 309 assessments) are carried out. (Appendix A).</p>	<p>In the absence of information to support the DIA’s finding, including the name(s) of the individual(s) observed and/or spoken to and the basis for the finding, SkyCity is unable to comment on the accuracy of the finding or the particular circumstances relating to the individual(s).</p> <p>In terms of the statement being attributed to “SkyCity”, refer comments in section 1 (h).</p> <p>As also noted in SkyCity’s response in section 1(h) above, section 2 of the PGIP includes a list of visible signs and behaviours that may be indicators of gambling-related harm. All observations of PGIs, together with self and</p>	<ul style="list-style-type: none"> • At interview on 29 January and 8 February, ██████ stated that there a very few risk and harm assessments carried out. • The number of PGI’s reported by SkyCity (19,117) suggests that these noting’s are actual observations of PGI’s.
	<p>third-party disclosures concerning gambling related harm (with the exception of self-exclusion requests), are the subject of a risk and harm assessment by the HR team in accordance with section 4 of the PGIP.</p> <p>For the 12 months ended 31 December 2019, an estimated 19,117 observed PGIs were reported to the HR team over the period (the 2019 HRP report has not yet been submitted to the Commission). There will be a similar number of risk and harm assessments carried out over that same period (bearing in mind that some PGIs in respect of a customer may be the subject of multiple reports).</p>	<ul style="list-style-type: none"> • The Department is aware and has been informed that the noting’s are for interactions by staff which the majority are notified as general conversation and long hour and continuous presence reporting (which are automated). The Department at the time of the audit requested numbers and details of PGI’s entered into Itrak on three different occasions only one PGI entry other the month investigated was identified (as outlined throughout the report). • Interviews with table games and EGM staff all stated that of those PGI’s noted a vast majority (~90%) of those were patron asleep at machine.

<p>b. SkyCity advised that to ensure excluded customers do not re-enter the casino:</p> <p>Photos of excluded players are shown during management and department meetings.</p> <p>A scrolling screen showing photos of excluded persons in the Surveillance room (the photos are only the top 10 to 20 excluded customers that Host Responsibility consider to be at highest risk of re-entry).</p> <p>Excluded gambler details are also on iTrack and staff are encouraged to use this system regularly to keep up with new excluded customers.</p> <p>(Appendix K) (Appendix L)</p>	<p>This finding is not contested other than to note that the scrolling screen has not been used since the introduction of facial recognition as set out in the following section</p>	<ul style="list-style-type: none"> • Facial recognition was not in use at the time of this audit. • The use of the scrolling screen is relevant in that it was a tool used by SkyCity to identify excluded gamblers.
<p>c. When the Department visited the Surveillance room, the scrolling screen was not working, and we were advised that there were technical issues.</p> <p>(Appendix A) (Appendix AH)</p>	<p>SkyCity acknowledges that the scrolling screen was not working at the time of the DIA’s visit – however, this was a temporary outage that was remedied promptly thereafter. Following the introduction of facial recognition in November 2019, the scrolling screen no longer serves a purpose and has been discarded.</p>	<ul style="list-style-type: none"> • Noted that at the time there was no facial recognition technology, therefore this was a tool for identifying problem gamblers that was not functioning. • The scrolling screen was still unavailable on the 27 June 2019 on a subsequent visit by Regulators whilst showing Samoan counterparts around the surveillance room on a visit to SkyCity.

d. The responsibility of identifying excluded customers is on staff to remember from photos. In the preceding three months there were over 180 new excluded customers that staff were expected to remember. SkyCity stated that thousands of customers are currently excluded from the casino.

(Appendix M)
(Appendix G)
(Appendix L)

In terms of the statement that has been attributed to SkyCity that “thousands of customers are excluded” refer comments in section 1 (h). The actual exclusion numbers from 2008 to 2018 are set out in the most recent annual HRP report to the Commission for the 12 months ended 31 December 2018 – the figures are replicated in the table below. Total

2008 428
2009 459
2010 523
2011 544
2012 589
2013 558
2014 596
2015 646
2016 737
2017 783
2018 724

TOTAL 6,587

This represents a total of 6,587 exclusions over 10 years for exclusion periods ranging from 3 - 24 months.

- At interview on 7 February 2019, ██████████ stated that it is hard to recognise who is banned. He also stated that there are a large number of people excluded and cannot remember them all.
- At interview on 29 January 2019, ██████████ stated that the photos of recently excluded patrons are in the back-office area. He stated his staff do not pick up many excluded patrons.
- At interview on 30 January 2019, ██████████ stated that there are ‘thousands of patrons’ currently excluded from SkyCity. He also stated that they did not usually have a larger list than 1020.
- The table provided by SkyCity on the left does verify that there are thousands currently excluded from SkyCity.
- The Department’s comment on this area is to the effect that with so many excluded, it is not reasonable or realistic for staff to remember of know who these excluded gamblers are. The Department considers this to be an ineffective measure in order to manage exclusions.

	<p>Prior to the introduction of facial recognition technology in November 2019, staff recall was the primary mechanism for identifying excluded persons returning to the casino in breach of their exclusion orders. As noted in the most recent annual HRP report to the Commission for the 12 months ended 31 December 2018, 743 such breaches were detected over that period.</p> <p>Facial recognition technology was implemented in November 2019 following an in-depth review and trial of various facial recognition technology offerings which commenced in December 2018. SkyCity had previously carried out an earlier facial recognition technology review and trial in mid-2014 – however, at that time, a suitably accurate solution for the casino environs was not able to be identified.</p> <p>While it is still early days, SkyCity’s initial experience with the new technology suggests that it will grow its capability to identify persons breaching their exclusion orders.</p>	
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e. A specific example of an excluded gambler accessing the gaming area at SkyCity for extended amounts of time (and on multiple occasions), shows poor performance in managing and identifying excluded gamblers.

(Appendix AL)

SkyCity presumes this finding relates to a customer who is currently the subject of an enquiry being undertaken by the DIA. As the DIA is yet to formally respond to SkyCity on that matter, it would be prudent for SkyCity to respond to the DIA on that matter in the context of that enquiry.

SkyCity does not agree that specific examples of excluded customers accessing the casino (including for an extended amount of time or on more than one occasion) shows poor performance in managing and identifying excluded gamblers. No system is 100% fool proof.

As noted in the most recent annual HRP report to the Commission for the 12 months ended 31 December 2018 and above, 743 exclusion breaches were detected over that period.

Despite SkyCity having robust procedures in place to prevent excluded persons from entering, or remaining in, the casino and taking all reasonable steps to ensure that those procedures are complied with, it is still nonetheless possible for excluded persons to re-enter the casino particularly where individuals take steps to conceal their true identities.

- The Department fundamentally disagrees with SkyCity’s assertion that specific examples should not be used as evidence of performance in respect of its HRP obligations.
- This matter clearly showed that SkyCity’s systems and procedures for managing exclusions failed significantly.
- SkyCity’s own internal report on this matter highlighted; 17 opportunities for staff to interact with this excluded gambler but did not do so, lack of communication to staff, lack of training of staff, entry control issues.

	<p>With the size of our customer base and premises, it can be a challenge to identify excluded customers immediately. We do all we can to prevent this from happening – all casino supervisors and floor security staff are provided with up-to-date information on customers (including photographs).</p> <p>However, we largely rely on our casino staff, security and surveillance teams using photographs to recognise excluded people.</p> <p>As outlined in the previous section, facial recognition technology will assist SkyCity to recognise excluded customers. However, despite our best efforts and procedures, some individuals may nonetheless find ways to elude staff and re-enter the casino.</p>	<ul style="list-style-type: none"> • The Department considers SkyCity’s response to incident one to be sub-standard. This is highlighted in SkyCity’s letter dated 21 December 2018 where ██████ states that “the July incident has no particular relevance to this issue. A customer who breaches an exclusion order, as ██████ did on 5 July 2018, does not assist Casino staff in identifying that person on any subsequent occasion.” • The Department disagrees with SkyCity’s above assertion and considers that the it should have been on high alert to ██████ attempting to reenter the casino, especially in light of the seriousness of the July incident. Consequently, ██████ was able stay undetected at the casino for an even greater length of time.
<p>f. The NZICC Agreement 2013, stated that facial recognition technology was to be trialled to identify and prevent excluded customers gaining entry to SkyCity Auckland Casino.</p> <p>(Appendix N)</p>	<p>Section 6.5 of the NZICC Agreement dated 5 July 2013 provides that “incidental to, but not forming part of this Agreement and having no contractual effect as between SkyCity and the Crown, SkyCity has agreed that it will trial the use of further available measures to identify and prevent excluded Problem Gamblers from gaining entry to the Auckland Casino”.</p> <p>In mid-2014, SkyCity subsequently undertook a review and trial of facial recognition technology. However, at that time the technology was still in its infancy and a suitably accurate solution for the casino environs was not able to be identified.</p> <p>Technological advances since 2014 were the catalyst for a further in-depth review and trial of facial recognition technology commencing in December 2018. Following that review, a vendor was selected and the technology was subsequently implemented in November 2019 across all the SkyCity casinos, including the Auckland casino.</p>	<ul style="list-style-type: none"> • The Department is not referring to a contractual arrangement. • The Department’s point on this matter is the length of time it took SkyCity to implement this technology with it being considered back in 2013. • While acknowledging the point made by SkyCity on the delay, others in the gambling system have been able to implement facial recognition technology much more swiftly.

	<p>While, ideally SkyCity would have liked to deploy a suitable facial recognition system earlier, it has been reluctant to rush a solution in circumstances where the efficacy of the technology has never been clearcut and the variable standards apparent in different vendor solutions.</p> <p>Further, installing an off-the-shelf solution has never been an option given the need to integrate the technology with SkyCity's wider host responsibility systems in order to realise the maximum benefits associated with the use of the technology both now and into the future.</p>	
<p>g. Facial recognition technology has been trialled at the casino on a small scale, and the trials identified excluded persons gambling. In a trial where 100 excluded gamblers were entered into the facial recognition system, eight of those 100 people were identified in the gambling area over the course of the trial.</p> <p>(Appendix M)</p>	<p>As outlined above, SkyCity's preferred solution was deployed in November 2019 following a further in-depth review and trial of facial recognition technology. While still early days, SkyCity is satisfied that the measured approach to its introduction will add considerable value to its efforts to detect, deter and prevent excluded persons from re-entering its casinos.</p>	<ul style="list-style-type: none"> The Department's point on this matter, is that it again highlights the deficiencies in SkyCity's procedures at the time of audit for managing exclusions.

3. Minors

SkyCity met the requirements of this section of the audit and did not provide any response in relation to the Department's findings.

4. Underage persons

Finding	SkyCity Response	DIA Response
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<p>a. A security staff member advised there are times when the entrance is busy, and they are unable to clearly see customers arriving.</p> <p>(Appendix O)</p>	<p>A significant number of persons visit SkyCity Auckland Casino every year.</p> <p>Although the precise number of visitors is difficult to identify as many leave temporarily and then return and may therefore be counted twice, estimates are well in excess of 5,000,000 visitors per annum.</p>	<ul style="list-style-type: none"> • The Department was advised by a security staff member that they are unable to clearly see the entrance when it is busy. • Audit is to ascertain actual practice and when frontline staff raise issues with actual practice, the Department will report this and consider within its findings accordingly.
	<p>Despite SkyCity having robust procedures in place to prevent minors from entering the casino and taking all reasonable steps to ensure that those procedures are complied with, it is still nonetheless possible for minors to enter the casino – particularly during peak periods of visitation.</p> <p>There have been rare occasions in the past where minors have gained access to the gaming floor as detailed in the most recent annual HRP report to the Commission for the 12 months ended 31 December 2018 and transposed below for completeness:</p> <p>However, SkyCity has a very strong record in identifying and turning away minors endeavouring to enter the casino as outlined in the table above. For example, in 2018, 25 minors accessed the gaming floor (of which only three incidents were gaming related) relative to the 18,438 persons declined entry by security staff on suspicion of being minors (ie, 0.14%).</p> <p>SkyCity is satisfied that it currently has robust procedures in place and deploys adequate staff members to restrict access to gambling facilities to those who are 20 years and over.</p>	<ul style="list-style-type: none"> • One of the purposes of this audit is to highlight areas for improvement in SkyCity’s procedures. • The Department notes that SkyCity has not advised us whether it has done its own review of this matter and whether it could improve its entry controls.

<p>b. SkyCity’s own internal review of a recent breach of exclusion, showed that an excluded customer easily gained access to the casino by walking behind other customers. The Department considers that an underage customer could also be successful in obtaining entry this way.</p> <p>(Appendix AL)</p>	<p>SkyCity does not agree that specific examples of excluded customers or minors accessing the casino shows poor performance in managing and identifying excluded gamblers or minors. No system is 100% fool proof.</p> <p>As noted above, despite SkyCity having robust procedures in place to prevent excluded persons and minors from entering, or remaining in, the casino and taking all reasonable steps to ensure that those procedures are complied with, it is still nonetheless possible for an excluded person or minor to enter the casino – particularly during peak periods of visitation and where individuals take steps to conceal their true identities. SkyCity does all it can to prevent this from happening, but despite this, there are rare occasions on which such incidents can occur.</p> <p>However, any such breach is subject to a comprehensive review and security staff may be held liable and face disciplinary action for failures in these areas.</p>	<ul style="list-style-type: none"> • As noted above, The Department disagrees with SkyCity’s objection to the use of specific examples. • Specific examples alongside other evidence are a way of seeing how procedures work in practice and to highlight any shortcomings. • The Department notes that in the incident referred to in this example, the customer easily gained entrance to the casino by simply walking behind another customer. As mentioned above, SkyCity should have been exhibiting greater vigilance toward this particular customer. • The Department’s point is that based on comment from security, improvements could be made to SkyCity’s entry controls.
<p>c. SkyCity advised that three children walked onto the gaming floor while security staff were busy or distracted by other customers.</p> <p>(Appendix AK)</p>	<p>Refer to SkyCity’s responses in sections 4(B)(a) and (b) above. In terms of the statement being attributed to “SkyCity”, refer comments in section 1 (h).</p>	<ul style="list-style-type: none"> • This information was provided by ██████████ by email on 29 January 2019.

<p>d. There is minimal signage at the premises to state the age restrictions to gain access to the gambling areas of the casino. No signage was found in the lobby and one sign was displayed at the casino entry but was not visible to customers entering. Another sign was displayed at the Baccarat Room entry which was clearly visible.</p>	<p>Neither the HRP nor the PGIP require specific signage requirements in relation to the age restriction.</p> <p>Currently, signage is displayed at all public entrances to the casino denoting the age restriction. The age restriction is also noted in all casino advertising. Although there is absolutely no guarantee that more prominent signage would further mitigate the risk of minors endeavouring to access the gaming floor, SkyCity has undertaken an immediate review of the placement of all existing signage to ensure the age restriction is more prominently displayed where appropriate.</p>	<ul style="list-style-type: none"> • SkyCity is correct in noting the specific requirements, however the requirement set out in the HRP states that SkyCity take all reasonable steps to restrict underage gambling • The Department noted that signage was not clearly visible and an improvement in this would contribute to SkyCity's efforts to restrict underage gambling. • The Department acknowledges that SkyCity has done its own review of the placement of its signs to ensure prominent display.
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5. Long Hours of Play

Finding	SkyCity Response	DIA Response
<p>a. Identifying continuous play of un-carded customers is reliant solely on staff observations.</p> <p>(Appendix E) (Appendix S)</p>	<p>This finding is not contested.</p> <p>Whether technology may provide a better solution in this regard is an area that SkyCity is continuing to explore and SkyCity is currently looking at a facial recognition trial to see whether that may offer some capability in this area. Cellular technology may also have some potential and is an area that SkyCity is monitoring.</p>	<ul style="list-style-type: none"> • The Department notes that SkyCity is not contesting this finding. • The Department's point is that at the time of audit, staff observations were clearly insufficient to manage this obligation of SkyCity's HRP.
<p>b. SkyCity staff advised that it is difficult for CSAs to recognise and keep track of uncarded players, especially if they move between areas in the casino.</p>	<p>Tracking the movements of uncarded players in a large casino like Auckland has always represented a significant challenge and one that is common to large casinos throughout the world.</p>	<ul style="list-style-type: none"> • The Department acknowledges that technology may improve SkyCity's performance in this area. • However, the Department's findings are based on practice at the time of audit.

<p>(Appendix D)</p>	<p>As noted above technology may ultimately offer greater capability in this regard and this is an area that SkyCity is continuing to explore.</p>	<ul style="list-style-type: none"> • ██████████ stated at interview on 31 January 2019 that it is difficult for her staff to keep track of uncarded players. • The Department is not satisfied that SkyCity is able to effectively manage long hours of play by uncarded players.
<p>c. CSAs are only required to interact with all un-carded players between 4:30am and 10am when the casino is less busy.</p> <p>(Appendix G)</p>	<p>This finding is incorrect and does not reflect SkyCity’s practices. The basis for the finding is not specified in the interim report.</p> <p>While the early hours of the morning have been noted as a key time for engaging with customers, it has never been expressed as the only time for such interactions.</p> <p>CSAs previously formed part of the Electronic Gaming Machine team, but their reporting line was changed in April last year and they now report to the Group Host Responsibility Manager. In terms of the new reporting line, the need for CSAs to interact with customers throughout their shifts has been reiterated.</p>	<ul style="list-style-type: none"> • At interview with ██████████ on 29 January 2019, he stated that monitoring uncarded players “could be difficult when the casino is busy”. He said that CSAs have a requirement to have an interaction with all non-carded players between 4:30am and 10am when it is less busy. • Outside of these hours the CSA’s are not required to interact with all un-carded players.
<p>d. The SkyCity surveillance team is not often asked by other departments within SkyCity (notably the Gaming Machine team) to check how long uncarded customers have been playing. The surveillance manager could not confirm how often they received such requests.</p> <p>(Appendix G) (Appendix E) (Appendix F)</p>	<p>Neither the HRP nor the PGIP prescribes a minimum number of requests to be made to the Surveillance team.</p> <p>SkyCity acknowledges that the Surveillance team is an important resource when undertaking reviews where staff observations create a suspicion that a customer has been on site for extended periods. However, the need to liaise with the Surveillance team will depend on the particular circumstances in each case.</p>	<ul style="list-style-type: none"> • The HRP states that all reasonable endeavours must be made to interact promptly with the customer. The Department would expect SkyCity to use its security team effectively and consistently to assist in meeting this requirement.

<p>e. The Department points to a recent incident where an excluded customer was playing un-carded and gaming at the casino for 14.5 hours and 28 hours in two separate incidents within a three-month period.</p> <p>(Appendix AL)</p>	<p>SkyCity presumes this finding relates to a customer who is currently the subject of an enquiry being undertaken by the DIA. As the DIA is yet to formally respond to SkyCity on that matter, it would be prudent for SkyCity to await DIA's response to that enquiry before commenting further.</p>	<ul style="list-style-type: none"> • The Department refers to the █████ matter which exhibits a failure by SkyCity to manage long hours of play. • In respect of correspondence, the Department refers:
<p>(Appendix AM)</p> <p>f. The issue of uncarded customers playing for long hours has been raised with SkyCity numerous times in the past, including in its HRP audit in 2015. In correspondence with the Department at the time, SkyCity acknowledged a collective failure to identify this player and promised a review of the floor supervisory model with proposals to emerge from the review process. No improvements have been noted in relation to this issue.</p> <p>(Appendix P)</p>	<p>It would be helpful if DIA could reference the correspondence it refers to and the undertakings provided, to enable SkyCity to review this issue further.</p> <p>Following the 2015 audit we wrote to the DIA on 19 February 2016 and advised it that we had commenced trialling a new table games alert system which allows gaming staff to discreetly notify supervisors and host responsibility executives, in real time, about players who may need host responsibility assistance. That trial was useful in highlighting a range of challenges associated with the technology and process. That led to a number of refinements and we are satisfied this technology is now working satisfactorily and has added to SkyCity's arsenal of tools in monitoring uncarded play.</p>	<ul style="list-style-type: none"> • 2015 HRP audit – final report, page 12: Patron H that had played for more than 24 hours. “A collective failure to identify this patron is accepted by SkyCity.” • The Department's letter of 25 January 2016 states the above. • SkyCity responded to this letter on 19 February, confirming the failure. • This audit has identified continued systemic failures by SkyCity to effectively manage long hours of play. • The issue of uncarded customers playing for long hours has been raised with SkyCity numerous times in the past, including in its HRP audit in 2015. In correspondence with the Department at the time, SkyCity acknowledged a collective failure to identify this player and promised a review of the floor supervisory model with proposals to emerge from the review process. No improvements have been noted in relation to this issue.

6. Gambling Limitation

DIA Findings	SkyCity Response	DIA Response
<p>a. SkyCity’s data for the preceding three months (Nov 18-Jan 19) shows that more than half of the people enrolled in the pre-commitment system have breached their pre-commitment limits.</p> <p>(Appendix Q)</p>	<p>SkyCity acknowledges that customers utilising the precommitment facility do on occasion exceed their precommitment limits.</p> <p>All such instances are automatically notified to the HR team who then take the action specified in the following section.</p>	<ul style="list-style-type: none"> As outlined in section 6b below, the Department is not satisfied that SkyCity is following its HRP in respect of managing gambling limitation/precommitment.
<p>b. SkyCity advised that most precommitment breaches result in no further action as Host Responsibility believes they are mistakes by the customer (they did not substantiate this statement). The precommitment level is either removed or raised.</p> <p>(Appendix R) (Appendix A)</p>	<p>This finding does not reflect SkyCity’s practices In terms of the statement being attributed to “SkyCity”, refer comments in section 1 (h).</p> <p>SkyCity does not simply remove or raise the pre-commitment level of a customer in response to circumstances where a customer’s spend exceeds their level of pre-commitment.</p> <p>In fact, all instances where a customer’s spend exceeds their level of precommitment are automatically notified to the HR team and the relevant customers are then entered into iTrak and subject to a risk and harm assessment pursuant to section 4 of the PGIP.</p> <p>The risk and harm assessment prepared by HR executives is informed by a variety of different types of information held in respect of the customer and the team’s own experience in interpreting the severity of the presenting indicator(s).</p>	<ul style="list-style-type: none"> “SkyCity” refers to ██████████ Team Leader Host Responsibility. At interview on 29 January 2019 and 8 February 2019, ██████████ stated that: <ul style="list-style-type: none"> most pre-commitment breaches were a mistake and players will then go onto to raise their limits. When asked if he had concerns with continuous breaches of pre-commitment, he said no. When asked if a customer who repeatedly raised their pre-commitment level and then breached was ever moved to a GOI, ██████ said no.

<p>c. As SkyCity believe most customers who sign up to the precommitment system do so in error, no customer who has breached their pre-commitment levels has been noted as a Gambler of Interest (GOI). However, the Problem Gambler Identification Policy (PGIP) sets out that this is a general indicator of gambling harm and should be part of the overall risk and harm assessment of a customer's play.</p> <p>(Appendix A) (Appendix R)</p>	<p>As noted above, risk and harm assessments are undertaken for every customer who exceeds their pre-commitment level in accordance with the terms of the PGIP. The iTrak database now provides a system of customer monitoring in addition to GOI files.</p> <p>In terms of the belief being attributed to "SkyCity", refer comments in section 1 (h).</p>	<ul style="list-style-type: none"> • As above (6b) • ██████████ Gambling Machine Area Manager at interview on 30 January 2019 stated that in regard to pre-commitment, "people often sign up by accident". He said that they don't get alerts when they go over that level.
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<p>d. Host Responsibility will not usually suggest customers put in place precommitment limits as they consider most players see a stigma attached to the system. Therefore, SkyCity are not proactively encouraging the use of the voluntary pre-commitment system where appropriate during their interactions with customers.</p> <p>(Appendix S)</p>	<p>This finding does not reflect SkyCity’s practice and the basis for the finding is not made clear in the report. SkyCity really needs further information to understand and respond to the DIA’s specific concerns in this regard.</p> <p>All EGMs in the casino have a scrolling screen displaying host responsibility messages. When a customer inserts their loyalty card, additional messaging is displayed on the scrolling screen which invites customers to activate a “Set Limits” button on the machine if they want to enrol in precommitment. That scrolling message remains on screen until the customer’s card is removed.</p> <p>During the course of interactions with EGM players, HR executives encourage the use of the pre-commitment facility in accordance with section 3.1.7 of the HRP. This will often involve giving the customer a walletsized card entitled “Your guide to setting playing limits on gaming machines”. That said, much of the response from SkyCity’s customers to that encouragement has been a marked reluctance to use technology as a substitute for self-managing their own time and money. The stigma that some customers associate with the use of this facility represents a barrier to growing its use, but has not impacted SkyCity’s efforts to encourage persons to try it.</p>	<ul style="list-style-type: none"> • As iterated, the purpose of the audit is to highlight actual practice. • At in interview on 8 February 219, ██████████ stated the will not usually suggest putting in place pre-commitment to patrons as they see a stigma on pre-commitment levels. • The HRP states that SkyCity must proactively encourage the use of the pre-commitment system. Based on ██████████ comments, the Department cannot be satisfied that SkyCity is doing this in practice.
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7. Loyalty Data Analytics

DIA Findings	SkyCity Response	DIA Response
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<p>a. Based on reports and information provided to the Department, Focal is underutilised. Further in-depth analysis would allow SkyCity to meet its responsibility under the HRP to act on that information and reflect a better duty of care.</p>	<p>The basis for this finding is not made clear in the report. SkyCity really needs further information (including which reports and information the DIA specifically refers to) to understand and respond to the DIA’s specific concerns in this regard.</p> <p>As noted in SkyCity’s response in section 1(a), SkyCity uses its customer data and systems to actively identify actual or potential problem gamblers.</p>	<ul style="list-style-type: none"> • The Department notes that SkyCity has the Focal system. However, the Department’s finding is that it is not using the tool effectively to identify problem gamblers. • At interview on 30 January 2019, ██████████ stated that:
<p>(Appendix T) (Appendix U) (Appendix A)</p>	<p>Pursuant to section 3.1.8 of the HRP, SkyCity operates the Focal Model to build multi-level algorithms to assist HR executives to identify potential problem gambling by identifying high risk gambling behaviour.</p> <p>As also noted in SkyCity’s response in section 1(a), SkyCity has, since implementation of the Focal Model in 2014, worked collaboratively with the Canadian provider, Focal Research, to explore ways in which the Focal Model could be enhanced to improve SkyCity’s ability to identify potential at-risk gamblers.</p>	<ul style="list-style-type: none"> • Host Responsibility don’t analyse data of players near a threshold to a tier. • They do not have to take harm prevention into account when inviting customers to the VIP programme. • In regard to marketing, when asked if visitation, spend and product usage changes, ██████████ stated that Host Res don’t know, and that marketing has these details. • ██████████ Senior Manager Loyalty and Customer Insights at interview on 8 February stated that Host Responsibility has responsibility for monitoring of marketing. HR not them, look into increase in spend, visitation and length of play. • ██████████ stated that HR have access to better data than the data team. • ██████████ at interview on 29 January and 8 February 2019, when asked that SkyCity seemed to produce very little in the way of reports for tracking a patron’s behaviour and play in relation to meet the HRP, stated that he is not concerned around any perceived lack of reporting. He said that “We are testing the process rather than reporting or lack thereof”.

		<ul style="list-style-type: none"> In Rob Burrell’s submission (Hamilton) to the Commission here in Point 19. Mr Burrell states that: <ul style="list-style-type: none"> “We share the loyalty databases across all SkyCity New Zealand sites, as well as various types of reports which we use in Host Responsibility for assessment purposes in identifying actual or potential problem gamblers, for example player carded spend reports and carded jackpot reports.”
		<ul style="list-style-type: none"> None of these reports were made available at time of audit.
b. As noted above, there are a low number of PGIs reported by CSAs at SkyCity.	<p>No information has been provided in support of the DIA’s finding that the number of PGIs reported by SkyCity is “low”. SkyCity really needs further information to understand and respond to the DIA’s specific concerns in this regard.</p> <p>As noted in SkyCity’s response in section 1(e), this finding does not in SkyCity’s view accurately reflect the actual number of PGIs entered into iTrak and reported to the HR team.</p>	Refer to 1 (e) above.

<p>c. SkyCity does not as a matter of process look at harm prevention considerations for customers who move up tiers in the loyalty programme, nor is this data analysed. (Appendix T) (Appendix V) (Appendix AJ)</p>	<p>Neither the HRP nor the PGIP requires SkyCity to review harm prevention considerations or analyse data for customers who move up tiers in the loyalty programme.</p> <p>However, all customers moving up in tier are required by SkyCity to complete a declaration confirming that their gambling is within their means and not harmful to themselves or others. In addition, changes in gambling patterns are factored into the Focal Model algorithms. SkyCity’s existing HR obligations to take all reasonable steps to identify potential and actual problem gamblers apply to all customers, regardless of tier.</p>	<ul style="list-style-type: none"> • The stated purpose of this section of the HRP is to identify and prevent high-risk gambling and alert staff to those most likely at risk. The Department would expect to see analysis and some rigour placed on tier movement in order to satisfy us that they are meeting this requirement of the HRP. • The Department considers the use of a customer declaration to be placing some of its host responsibility obligations on the customer. This does not show how SkyCity is managing its obligations under the HRP regarding tier movement. • Based on what has been stated by ██████████ and ██████████ (noted above), the Department cannot be satisfied that SkyCity is using the Focal Model effectively to identify problem gambling.
<p>d. As noted above, SkyCity staff are dismissive of pre-commitment breaches reported by Focal and these are not followed up appropriately.</p>	<p>In the absence of information to support the DIA’s finding, including the name(s) of the individual(s) spoken to, SkyCity is unable to comment on the accuracy of the finding or the particular circumstances relating to the individual(s).</p> <p>In terms of the statement being attributed to “SkyCity”, refer comments in section 1 (h).</p> <p>For clarification, the Focal Model is not used to report precommitment breaches – automatic alerts in this respect are generated by a different system.</p>	<ul style="list-style-type: none"> • As noted above, based on the comments by ██████████ the Department is not satisfied that SkyCity is managing pre-commitment in accordance with its HRP.
	<p>As noted in SkyCity’s response in section 6(b), all breaches of precommitment are automatically notified to the HR team and the relevant customers are then entered into iTrak and subject to a risk and harm assessment pursuant to section 4 of the PGIP.</p>	

8. Responsible Marketing

DIA Finding	SkyCity Response	DIA Response
<p>a. SkyCity does not assess spikes in spend and visitation data when running promotions. These are indicators of potential harm. The Department recommended implementation in the 2015 audit and this has not been actioned.</p> <p>(Appendix T) (Appendix W) (Appendix X)</p>	<p>Spikes in spend and visitation data are not expressly included as indicators of problem gambling as set out in SkyCity’s PGIP. But the analysis of player data (including spend and visitation) through the Focal Model and SkyCity’s own risk and harm assessments (which include changes in patterns of play) do not, in SkyCity’s view, need to be supplemented with additional processes.</p> <p>SkyCity has also been unable to identify any recommendation from the 2015 DIA audit that addresses this issue. DIA wrote to SkyCity by letter dated 25 January 2016 and advised it that the 2015 HRP audit had assessed SkyCity as having sufficient processes in place to meet the compliance standards required under the HRP. The letter included four observations which DIA used to frame four requests and recommendations. Those matters were addressed in SkyCity’s response dated 19 February 2016.</p>	<p>A response to this section as a whole:</p> <ul style="list-style-type: none"> • The principle objectives of the HRP include “preventing the onset of gambling...related harm and minimising gambling related harm for customers and other persons potentially affected by their gambling behaviour and facilitating responsible gambling.” • The objective of SkyCity’s PGIP is “...to identify actual or potential problem gamblers and act on that information.” • Section 3.7 of the HRP states that “harm minimisation issues are considered and addressed in the development of marketing initiatives.” • In order for the Department to be satisfied SkyCity is meeting this requirement and equally important, for SkyCity to assess its on performance, we would expect to see robust monitoring and post assessment analysis of its promotions. • Based on information obtained during audit, the Department is not satisfied that SkyCity has effective procedures in place to monitor and assess the impacts of its promotions from a harm minimisation perspective.
		<ul style="list-style-type: none"> • The Department cannot see how SkyCity can meet the objectives of this section if it does not have an accurate means in which to assess the impact of its promotions and whether indicators of harm are increasing as a result of its promotions.

		<ul style="list-style-type: none"> • ██████████ at interview on 30 January 2019 stated that he is not aware of any process for ensuring past mistakes or new learnings are incorporated into future initiatives. • A copy of the 2015 HRP audit was sent to SkyCity outlining a number of recommendations. The audit found: <ul style="list-style-type: none"> • “that the assessments by SkyCity on gambling promotions could provide further information such as feedback on the promotion, information on patrons who may have been monitored for gambling, and what customer data was screened before, during, and after a promotion was held.”
<p>b. SkyCity’s Power Play promotion offered an instant prize (woks, toasters etc.) whilst playing an EGM. International studies indicate that problem gamblers are more likely to play EGMs, and this coupled with the instant gratification of winning a potential instant prize could lead to further harm.</p> <p>(Appendix X)</p>	<p>All promotional activities proposed by the SkyCity Marketing and Gaming teams are subject to a comprehensive pre-assessment involving the Legal, HR and Regulatory teams (as required) in accordance with the requirements set out in section 3.7 of the HRP. Typically, the terms and mechanics of a proposed promotion will be revised a number of times before final sign-off is given by the Legal team (as required by section 3.7 of the HRP).</p> <p>We have been unable to identify the “Power Play” promotion the DIA refers to and invite DIA to provide further information in this regard.</p> <p>SkyCity does conduct initiatives from time to time where players who satisfy minimum spend requirements may claim the goods on offer. All such marketing initiatives are subject to the same comprehensive assessment as gaming promotions.</p>	<ul style="list-style-type: none"> • In an interview with ██████████ he stated that <ul style="list-style-type: none"> • Power Play: Awards prizes to a set group of customers at set periods of time. Eligibility programme is worked out on the basis of tiers. ██████████ team involves Host Responsibility and Legal on the levels to achieve entry into the event. The system can award points and instant prizes. ██████████ noted the prizes could include bonus gaming, SkyCity restaurant vouchers, toaster or woks. The gift equates to the level of spend in the promotion. ██████████ advised that his team were responsible for configuring the powerplay only. ██████████ also advised that the marketing team has three campaign managers and ██████████ was in charge of gaming machine marketing.

	<p>It is unclear how the legitimate activities undertaken in this area have contributed to a finding of not having met the obligations under clause 3.7 of the HRP.</p>	<ul style="list-style-type: none"> In interview with [REDACTED] she states that the promotion is run in platinum tier and involves <ul style="list-style-type: none"> Power Winners: 100 points for Platinum. Players have to play a game (e.g. spin a wheel) for an instant prize. Two people each hour. Only cash or bonus dollars awarded as prizes. Can trigger instant wins on EGM's such as those outlined by Simon. These are called – Step and Win: Players reach a certain criteria (points threshold) and win a gift. Can be an instant prize or draw entry. Ruby and Sapphire tiers can be 5 points for a carpark. Gold tier could be rewarded with a gift for generating 25 points on the day of the activity. Kaylin noted that the current prize was a \$75 restaurant voucher and was a travel bag for the previous month.
<p>c. Promotional pre and post assessments do not include any detailed feedback and a record of any problem gambling issues identified through the promotion.</p> <p>(Appendix Y) (Appendix Z)</p>	<p>All promotional activities proposed by the SkyCity Marketing and Gaming teams are subject to a comprehensive pre-assessment involving the Legal, HR and Regulatory teams (as required) in accordance with the requirements set out in section 3.7 of the HRP. Typically, the terms and mechanics of a proposed promotion will be revised a number of times before final sign-off is given by the Legal team (as required by section 3.7 of the HRP).</p> <p>Although the HRP does not prescribe an obligation on SkyCity to undertake post promotional assessments, they are undertaken nonetheless, as a further mechanism to review whether any promotion has had unexpected consequences. To date no problem gambling related issues have been identified in post promotional assessments</p>	<ul style="list-style-type: none"> The Department found the same issues identified in the 2015 HRP audit report. The Department tested whether SkyCity was using its resources and loyalty data to effectively monitor promotions for gambling harm and consideration of the risks associated with marketing such as increased visitation, turnover and long hours of play. At the time, SkyCity produced pre-approval and post assessment evaluations but did not believe, after taking all factors into account, that the promotions encouraged gambling behaviour that may be associated with harm. The Department advised that more detailed feedback on those promotional assessments would be useful, rather than a tick-box approach.

		<ul style="list-style-type: none"> The Department also noted that the assessments lacked feedback and they could be improved to include information or observations on any person or persons who may have been monitored for gambling harm and what customer data was screened before and after a promotion was held.
<p>d. Staff briefings on promotions are focussed on the rules of the competition. There are no references to host responsibility or reminders about the signs of gambling harm.</p> <p>(Appendix AA) (Appendix AB)</p>	<p>Neither the HRP nor the PGIP require staff briefings on promotions to take place or prescribe the content of any such briefing.</p> <p>However, as required by section 3.9 of the HRP, all staff who have contact with gambling customers in the casino, including CSAs are required to be trained in problem gambling awareness and how to approach customers to offer information and assistance about problem gambling.</p>	<ul style="list-style-type: none"> While not specifically outlined in the HRP, one of the purposes of this section is to ensure that harm minimisation issues are considered and addressed. SkyCity has on numerous occasions stated the importance it places on host responsibility. Therefore, the Department would expect to see harm minimisation as a standing item on all promotion briefings to staff, to remind staff of their obligations, regardless of their level of training.
<p>e. SkyCity does not track increases in frequency and expenditure around loyalty customers' tier movement as a potential indicator of harm.</p> <p>(Appendix Y) (Appendix X) (Appendix A)</p>	<p>As noted in SkyCity's response in section 7(c), neither the HRP nor the PGIP requires SkyCity to review harm prevention considerations or analyse the data for customers who move up tiers in the loyalty programme.</p> <p>However, all customers moving up in tier are required by SkyCity to complete a declaration confirming that their gambling is within their means and not harmful to themselves or others. In addition, changes in gambling patterns are factored into the Focal Model algorithms. As stated above in 8(a), changes in frequency and expenditure are therefore monitored.</p>	<ul style="list-style-type: none"> As in 8 (c), The Department noted the same observations in the 2015 HRP audit which also concluded that '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. The report also recommended that it would be appropriate for the increase or spike in spend data be included in the Post Promotional Assessment Evaluation reports to be confident that promotions are not encouraging problem gambling. The Department is concerned that SkyCity only requires a declaration to be completed by the patron themselves stating they can afford to move up a tier. As noted above, this is placing its host responsibility obligations on to potential problem gamblers.

		<ul style="list-style-type: none"> The Department stands by its comment.
<p>f. SkyCity could not produce any reports that tracked loyalty customer play for any harmful PGIs around increased frequency and spend in relation to tier movement. SkyCity’s PGIP states that, “SkyCity must monitor the amount of money spent over time proactively using the loyalty programme”.</p> <p>(Appendix T)</p>	<p>As noted in SkyCity’s response in section 7(c), neither the HRP nor the PGIP requires SkyCity to review harm prevention considerations for customers who move up tiers or analyse the data.</p> <p>In addition, loyalty data is used for all risk and harm assessments and on any occasion where HR executives might want to check a person’s gambling history, even when general or red flag PGIs are not present.</p>	<ul style="list-style-type: none"> As in 1 (b) In an email dated 15 February 2019, █████ confirmed that neither his team, █████ team or █████ team do any individual reporting or analysis of card holders tier movements or tracking over time. They did not know who did. In interview with █████ he advised that his role doesn’t involve harm prevention. <ul style="list-style-type: none"> In relation to Frequency and Expenditure reporting for premier: His team produces a monthly report-not a stock report. The report is on the number of people visiting and the total drop (cash coming across the table). Reports for █████ team: his team looked at various marketing promotions and whether or not there was an uptake on these. His team provides facts. Justin wasn’t sure if any of his team members produced an Expenditure and Frequency report for players approaching a tier move.
<p>g. The Department was not able to assess how SkyCity manages its HRP obligations for VIP Black tier or junkets customers as there is no clear process.</p>	<p>The responsible marketing provisions set out in section 3.7 of the HRP apply to all marketing activity irrespective of the customer group at which they are aimed.</p> <p>All promotional activities proposed by the SkyCity Marketing and Gaming teams involving VIP Black tier or junkets customers are therefore subject to a comprehensive pre assessment involving the Legal, HR and Regulatory teams (as required) in accordance with the requirements set out in section 3.7 of the HRP. Typically, the terms and mechanics of a proposed promotion will be revised a number of times before final sign-off is given by the Legal team (as required by section 3.7 of the HRP).</p>	<ul style="list-style-type: none"> SkyCity inform that VIP hosts are responsible for all VIP and Junket play host responsibility requirements under the HRP. However, Hosts by definition are required to host the VIP or Junket customer (organiser) so there is no degree of separation. Hosts also set up credit arrangements and increases in credit around VIP/Junket Customers.

		<ul style="list-style-type: none"> • VIP hosts also determine who is invited to the Platinum or VIP Black tiers. There is no exact criterion which governs such a tier invitation. Without a clear process, we are unable to comment on how responsibly this is managed, but the absence of clear guidelines suggests there is room to improve.
<p>h. Post assessments of promotions by the Host Responsibility Team are essentially a tick-box exercise with minimal analysis based on information provided by SkyCity. A SkyCity post-evaluation assessment showed a single sign-off for 135 different promotions. There were no comments included that indicated any analysis had gone into the assessment.</p> <p>(Appendix AC)</p>	<p>As noted in SkyCity’s response in section 7(c), post promotional assessments are not required to be undertaken by SkyCity under the HRP, but are nonetheless undertaken as a means of identifying any unexpected consequences that might have arisen during the course of a promotion.</p> <p>These post promotional assessments were never intended to be an indepth analysis of an individual promotion, but rather a mechanism to capture any adverse observations, feedback or learnings associated with a particular activity. To date, no problem gambling related issues have been identified in post promotional assessments.</p>	<ul style="list-style-type: none"> • The Department would expect that SkyCity carry out post-promotional assessments to ensure there are no increases in harm due to a promotion being run.

<p>i. No monitoring of promotions. Loyalty and Customer Insights stated that Host Responsibility undertake this, however Host Responsibility stated that they did not.</p> <p>(Appendix T) (Appendix U) (Appendix W) (Appendix AD)</p>	<p>It is not clear to SkyCity what this finding actually means or what obligation under the HRP the DIA believes SkyCity may have breached.</p> <p>The responsible marketing provisions in the HRP require that all promotional activity undergo a suitability assessment – there are no provisions relating to the monitoring of promotions.</p> <p>HR executives have primary responsibility for ensuring SkyCity meets the requirements of its HRP, but all staff who have contact with gambling customers are required to be alert to and identify PGIs and to report observations of concern. That includes persons who participate in promotional activity.</p> <p>The post promotional assessment is undertaken by the HR team and, to the extent that that process represents a monitoring tool, it is owned by the HR team. However, observations that may be relevant to the assessment are the responsibility of all staff who have contact with gambling customers.</p>	<p>Refer to 8(f) above.</p> <ul style="list-style-type: none"> • This highlights that a) SkyCity are not monitoring promotions (refer 8(a)) and b) there is confusion between teams as to what functions are being carried out and who does them.
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<p>j. Host Responsibility advised that they do not consider promotions their concern as they believe they are not related to gambling.</p> <p>(Appendix T) (Appendix AD)</p>	<p>In the absence of information to support the DIA’s finding, including the name(s) of the individual(s) spoken to, SkyCity is unable to comment on the accuracy of the finding or the particular circumstances relating to the individual(s).</p> <p>As noted in SkyCity’s responses in sections 8(c) and (g), all promotional activities proposed by the SkyCity Marketing and Gaming teams are subject to a comprehensive pre-assessment involving the Legal, HR and Regulatory teams (as required) in accordance with the requirements set out in section 3.7 of the HRP. Typically, the terms and mechanics of a proposed promotion will be revised a number of times before final sign-off is given by the Legal team (as required by section 3.7 of the HRP).</p> <p>As also noted in SkyCity’s responses in sections 8(c) and (i), although the HRP does not prescribe an obligation on SkyCity to undertake post promotional assessments, they are undertaken nonetheless by the HR team, as a further mechanism to review whether any promotion has had unexpected consequences.</p>	<ul style="list-style-type: none"> • ██████████ at interview on 30 January 2019, stated that in regard to monitoring promotions, Host Res don’t do this. He said that the last known issue from a promotion was in 2007. • He stated that HR are not concerned with promotions with free gifts as they are not related to gaming. However, the Department considers all promotions are inextricably related to gaming as their purpose is to entice patronage and encourage gambling. HR should be over all promotions. • The Department notes that in his submission on behalf of SkyCity regarding Hamilton Casino, Dr Mark Griffith states that: <ul style="list-style-type: none"> • “Other factors central to understanding gambling behaviour are the situational characteristics of 13 gambling activities. These are the factors that often facilitate and encourage people to gamble in the first place ... Situational characteristics are primarily features of the environment... but can also include internal features of the venue itself... or facilitating factors that may influence gambling in the first place (e.g., advertising, free travel and/or accommodation to the gambling venue, free bets or gambles on particular games)...” • “These variables may be important in both the initial decision to gamble and the maintenance of the behaviour.”
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9. Learning and Development

DIA Finding	SkyCity Response	DIA Response
<p>a. As noted above, CSA have a great deal of responsibility in identifying PGIs and some are not confident in approaching customers directly.</p> <p>(Appendix R) (Appendix H) (Appendix M) (Appendix AL)</p>	<p>As noted in SkyCity’s response in section 1(j), in the absence of information to support the DIA’s finding, including the name(s) of the CSA(s) observed and/or spoken to, SkyCity is unable to comment on the accuracy of the finding or the particular circumstances relating to the CSA(s). Any assessment of an individual’s level of confidence is also necessarily subjective and, depending on the particular circumstances in which that individual was observed or spoken to, may not reflect their usual level of confidence.</p> <p>SkyCity acknowledges that the confidence levels of individual CSAs will be influenced by their level of “on the job experience” and those with less experience may not be as effective in the short-term as those with more.</p> <p>However, that applies to almost every other position within in the organisation.</p> <p>Section 3.9 of the HRP requires that “all staff who have contact with gambling customers, including [CSAs], in the casino are required to be trained in problem gambling awareness and how to approach customers to offer information and assistance about problem gambling”. There is no specific requirement as regards the level of confidence that an individual is required to have.</p>	<ul style="list-style-type: none"> • SkyCity advised that assessments of un-carded play are made up of data entered into iTrak by CSA’s, HRE’s, and security staff including any additional indicators entered into daily logs. • Due to the complexities of identifying un-carded play, CSAs are required to actively work to obtain a patron’s identification if concerns exist, to allow a risk and harm assessment to be completed for that individual. • CSA’s spoken to during the audit stated that not all CSA’s were confident in approaching players especially the aggressive dismissive ones. There are a large turnover of CSA’s and this makes it more difficult in building CSA team confidence and knowledge in this area. • These findings were supported in SkyCity’s own internal investigation. • The Department refers to SkyCity’s internal memo from ██████ to ██████ titled ‘Enquiry re ██████’ • ██████ stated that in regard to CSAs “they find it challenging at times to approach and talk to certain customers particularly when they make it clear they don’t want to engage. They indicated that their confidence levels grow as they get more time on the gaming floor.” • This report highlights numerous occasions where CSAs should have interacted with the customer but did not.

<p>b. As noted above, there are a low number of PGIs entered into iTrak by CSAs, indicating a lack of training around host responsibility. Several SkyCity staff noted only a customer requesting high amounts of cash as a PGI.</p> <p>(Appendix AE) (Appendix AF) (Appendix AG)</p>	<p>As noted in SkyCity’s response in section 1(e), no information has been provided in support of the DIA’s finding that the number of PGIs entered into iTrak is “low”. SkyCity requires further information to understand and respond to the DIA’s specific concerns in this regard.</p> <p>In any event, this finding does not in SkyCity’s view accurately reflect the actual number of PGIs entered into iTrak and reported to the HR team.</p> <p>Similarly, no information has been provided in support of the DIA’s finding that “several SkyCity staff noted only a customer requesting high amounts of cash as a PGI”, including the name(s) of the individual(s) spoken to and, accordingly, SkyCity is unable to comment on the accuracy of the finding or the particular circumstances relating to the individual(s).</p> <p>It is also unclear what the words “customers requesting high amounts of cash” mean and why the DIA has referred to these words (as expressed) as requesting a high amount of cash is not, in itself, an indicator of gambling harm.</p>	<ul style="list-style-type: none"> • In addition to gaming staff spoken to on the floor who referred to patron asleep and verbal clues as their main criterium for identifying PGI’s: <ul style="list-style-type: none"> • SkyCity Cashiering floor staff member interviewed on 30 January stated that the main PG identifier is 3 EFTPOS declines. • Another SkyCity floor staff member interviewed on 30 January stated that the main PG identifier they see is 3 EFTPOS declines. • A further SkyCity floor staff member interviewed on 30 January stated that the main PG identifier is patrons asking for more cash. • In conjunction with the low number of PGIs reported by CSAs, this indicates to the Department that PGIs that are not overt, and verbal are not being effectively identified.
<p>c. The Host Responsibility trainer advised that refresher training for HR2 occurs every 4-5 years or by request only</p> <p>(Appendix C) (Appendix A)</p>	<p>This finding is not contested and is not contrary to the terms of the HRP.</p>	<ul style="list-style-type: none"> • The HRP states that SkyCity will provide refresher training in an ongoing basis. The Department would expect to see more frequent refresher training for HR2 than every 4-5 years to be meeting this requirement.
<p>d. Excluding HR1 training, no refresher training had occurred in the last year with the exception of an active listening course run at the request of the EGM Manager.</p> <p>(Appendix A)</p>	<p>This is incorrect.</p> <p>Putting to one side the HR1 compulsory online refresher training completed by 1078 staff in 2018, a further 170 staff members received refresher training directly from the HR trainer.</p>	<ul style="list-style-type: none"> • No other information available to us at the time of audit. Please provide the examples of this training, including to what staff and the training provided. • ██████████ stated at interview that there are no annual refreshers and only do training based on need determined by each team manager. • ██████████ stated at interview that frontline staff do HR One and then a refresher on a need’s basis (usually annually).

<p>e. An internal report by SkyCity into a breach of exclusion matter found that the excluded (and trespassed) customer came into contact with SkyCity staff on 17 occasions, however she was not spoken to or identified for 28 hours.</p> <p>(Appendix AL)</p>	<p>SkyCity presumes this finding relates to a customer who is currently the subject of an enquiry being undertaken by the DIA. As the DIA is yet to formally respond to SkyCity on that matter, it would be prudent for SkyCity to respond to the DIA on that matter in the context of that enquiry.</p>	<ul style="list-style-type: none"> • This report shows that SkyCity staff are clearly not engaging with customers at a frequency that would be appropriate to meet the requirements of its HRP. • The report showed that CSAs, GMAs and a HR team member did not engage with this customer.
<p>f. The EGM team run ‘rapid-fire’ quizzes on a regular basis to help staff to identify any observational or behavioural indicators. The Department noted that these rapid-fire scenarios were based mainly on verbal indicators.</p> <p>(Appendix G)</p>	<p>The rapid-fire quizzes do not form part of the formal learning and development requirements set out in section 3.9 of the HRP. The rapid-fire quizzes were implemented as a SkyCity initiative to supplement and support its formal HR training and processes.</p>	<ul style="list-style-type: none"> • The Department references 9(2) above and considers that while these initiatives are good to have, they need to be reflective of other PGIs. The Department also refers to SkyCity’s poor performance in the recent ‘Mystery Shopper’ exercise.
<p>g. Host Responsibility runs mystery shopper exercises for the floor staff. Both the Gaming Machines Manager and Host Responsibility Team Leader noted that the majority of the scenarios utilised involved verbal cues only.</p> <p>(Appendix S) (Appendix G)</p>	<p>Like the rapid-fire quizzes, the internal mystery shopping exercises do not form part of the formal learning and development requirements set out in section 3.9 of the HRP and were implemented as a SkyCity initiative to supplement and support its formal HR training and processes.</p>	<ul style="list-style-type: none"> • As above.

<p>h. There has been an observed dismissive attitude by some SkyCity staff toward various aspects of host responsibility e.g. data, pre-commitment and un-carded play.</p> <p>(Appendix A) (Appendix AM)</p>	<p>As noted in SkyCity’s response in section 1(n), no information has been provided in support of the DIA’s finding, including the name(s) of the individual(s) observed and/or spoken to and the basis for the finding.</p> <p>Accordingly, SkyCity is unable to comment on the accuracy of the finding or the particular circumstances relating to the individual(s). Any assessment of an individual’s attitude is also necessarily subjective.</p>	<p>In addition to those comments already outlined above;</p> <ul style="list-style-type: none"> • ██████ stated at interview that two notings a month from CSA is sufficient as he believes that there is little gambling harm occurring at the casino. • He also stated that he has only seen 2-3 real problem gamblers at the casino since he started. ██████ statement of evidence dated 7 October 2019, states that he has been with SkyCity since 2003.
	<p>However, if the DIA observed a dismissive attitude toward gambling harm and PGIs from identifiable staff member(s), then SkyCity requests that the DIA provides sufficient detail to enable SkyCity to investigate and take any required action, including disciplinary proceedings where appropriate.</p> <p>SkyCity does not condone or tolerate such behaviours.</p>	<ul style="list-style-type: none"> • He also states that they don’t really talk to patrons around potential harm as this suggests that the casino thinks they are problem gamblers. • Letter from ██████ dated 21 December 2018: “The July incident has no particular relevance to this issue” • In interview ██████ stated that disabling of pre-commitment levels were mostly mistakes. He replied “no” when asked if he thought breaches of pre-commitment levels were a concern.

10. Monitoring and Reporting

DIA Finding	SkyCity Response	DIA Response
<p>i. This audit has identified a number of failings of SkyCity to effectively meet its HRP obligations.</p>	<p>SkyCity fundamentally disagrees with the majority of the alleged failures identified in the report and the basis on which many of the findings have been reached.</p> <p>The audit process followed by the DIA is also not clear to SkyCity and SkyCity has not had the opportunity to discuss any of the areas in any detail with DIA representatives before receipt of the report.</p>	<ul style="list-style-type: none"> • SkyCity’s objections are noted. • The Department stands by its findings and considers that SkyCity is not meeting all the requirements of its HRP nor does it have effective procedures in place to identify where it needs to improve its practice.

j. Several concerns and recommendations were put to SkyCity following its 2015 audit which have not been implemented.

(Appendix P)

SkyCity wrote to DIA by letter dated 19 February 2016 addressing the four issues that it believed called for a response arising from the 2015 audit (SkyCity letter attached as Schedule 3). To the extent that our response did not adequately address the issues that had been raised or further clarification was needed, SkyCity invited the DIA in that letter to discuss the matter directly with [REDACTED] or [REDACTED]. SkyCity has no record of the DIA pursuing such discussions and was not aware that there were outstanding matters to be addressed arising from the 2015 audit.

- The Department refers to the letter dated 19 February 2016.
- The letter recommended "SkyCity commits staff resourcing to review Player Loss Reports. This may ultimately assist in identifying problem gambling." SkyCity's response stated:
 - Player Loss reports have "now been surpassed by more comprehensive data generated by daily logs, player interactions and the Focal Model. We see no value in committing resource to review Player Loss Reports when there are more effective loyalty data mechanisms being utilised to assist in identifying potential problem gamblers."
 - The Department found that there are little or no loyalty data mechanisms around player spend and frequency currently being utilised that would give the Department a level of confidence that SkyCity is meeting its requirements under the HRP. The focal report has been discussed above.
- In addition, the Department asked SkyCity to "confirm the changes additional to the Customer Service Ambassadors that have been made or are to be made to their gaming floor supervisory model to better supervise non-carded continuous play."

		<ul style="list-style-type: none"> • SkyCity replied that initiatives had been introduced to assist in this respect: <ul style="list-style-type: none"> • “Surveillance are now conducting dedicated camera sweeps of the gaming areas specifically looking for issues that may be relevant to the discharge of our host responsibility obligations which may then be communicated to front line staff for further investigation and follow up.”
		<ul style="list-style-type: none"> • “A review of host responsibility training for front line staff is being undertaken with a view to identifying and implementing additional training packages designed to assist staff in particular positions deliver interventions effectively.” • The audit found several areas of concern in relation to: <ul style="list-style-type: none"> • lack of surveillance coverage unless requested. • lack of PGI’s notified to gaming from surveillance excluding gambler asleep at machine. • broken scrolling screen of top 10-20 list. • little or no reported PGI’s reported by CSA’s on un-carded patrons during the period audited. This has been covered above.

SkyCity interviews

SkyCity management

Name	Role
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[Redacted]	Manager Security and Host Responsibility
	Host Responsibility Team Leader
	Training and Development Manager
	Gaming Machines Manager
	Table Games Manager
	Cashiering Operations Manager
	Senior Manager Loyalty and Customer Insights
	Surveillance Manager
	General Manager Marketing
	Campaign Manager VIP Tables
	Senior Legal Counsel
	Manager of Gaming Analytics
	Campaign Manager
	Manager Loyalty Operations

SkyCity frontline staff

Name	Role
[Redacted]	VIP Host
[Redacted]	Customer Service Ambassador
[Redacted]	Cashier

[REDACTED]	Table Games Dealer
	Gambling Machine Area Manager

*The Department also interacted with other staff while observing and inspecting, including: Security staff, and Table Games and EGM staff.

Appendix table

Appendix	Appendix name	Detail	Source
A	Interview with [REDACTED]	Interviews notes - casino operations	[REDACTED] Team Leader Host Responsibility, SkyCity
B	Interview with [REDACTED]	Interviews notes - casino operations	[REDACTED] Team Leader Host Responsibility, SkyCity
C	Interview with [REDACTED]	Interviews notes - Overview of Host Responsibility Training	[REDACTED] Host Responsibility Trainer SkyCity
D	Interview with [REDACTED]	Interviews notes - Various casino operational matters	[REDACTED] Table Games Manager, SkyCity
E	Interview with [REDACTED]	Interviews notes - Various casino operational matters	[REDACTED] Gaming Machine Manager, SkyCity
F	Interview with [REDACTED]	Interviews notes - Problem gambling monitoring	[REDACTED] Surveillance Operations Manager
G	Interview with [REDACTED]	Interviews notes - Various casino operational matters	[REDACTED] Gaming Machine Manager, SkyCity
H	Interview with [REDACTED]	Interviews notes - Host responsibility and problem gambling	[REDACTED] Gaming Machine Manager, SkyCity
I	Interview with [REDACTED]	Interviews notes - Host responsibility and problem gambling	[REDACTED] Customer Service Ambassador, SkyCity

J	DIA review of SkyCity GOI files	DIA observations from GOI files supplied by SkyCity	██████████ Team Leader Host Responsibility, SkyCity via email
K	Interview with ██████████	Interviews notes - Security and exclusions	██████████ Manager Security and Host Responsibility, SkyCity
L	Interview with ██████████	Interviews notes - Security and host responsibility	██████████ Manager Security and Host Responsibility, SkyCity
M	Interview with ██████████	Interviews notes - Host responsibility and problem gambling	██████████ Team Leader Host Responsibility, SkyCity
N	SkyCity statement on NZICC 2013	SkyCity statement on NZICC agreement	Open source

O	SkyCity Audit observation re underage customers	Comments made by security staff	On site SkyCity Casino Auckland
P	SkyCity HRP Audit Report 2015	SkyCity HRP Audit Report 2015	DIA
Q	SkyCity Pre-commitment stats	SkyCity Pre-commitment stats Nov 18 - Jan 19	██████████ Team Leader Host Responsibility, SkyCity via email
R	Interview with ██████████ and ██████████	Interviews notes - Host responsibility and problem gambling	██████ Dealer and ████████ Gambling Machine Area Manager, SkyCity
S	Interview with ██████████	Interviews notes - Host responsibility	██████████ Team Leader Host Responsibility, SkyCity
T	Interview with ██████████	Interviews notes - Gambling promotions	██████████ Team Leader Host Responsibility, SkyCity
U	Interview with ██████████	Interviews notes - Gambling promotions	██████████ Senior Manager Loyalty and Customer Insights, SkyCity

V	Interview with ██████████	Interviews notes - Gambling promotions	██████████ Campaign Manager VIP Tables, SkyCity
W	Interview with ██████████	Interviews notes - Gambling promotions	██████████ Senior Legal Counsel, SkyCity
X	Interview with ██████████	Interviews notes - Customer insights and loyalty programme	██████████ Senior Manager Loyalty and Customer Insights, SkyCity
Y	Interview with ██████████	Interviews notes - Gaming analytics	██████████ Manager Gaming Analytics, SkyCity
Z	Interview with ██████████	Interviews notes - Marketing and promotions for VIPs	██████████ Campaign Manager, SkyCity
AA	Staff briefings Nov-Jan 19	19 PDF SkyCity staff briefings on promotions	██████████ Team Leader Host Responsibility, SkyCity via email
AB	Staff briefings Nov-Jan 19 - VIP EGM	19 PDF SkyCity staff briefings on promotions	██████████ Team Leader Host Responsibility, SkyCity via email
AC	SkyCity Promotion post assessments	135 Post promotion assessments	██████████ Manager Security and Host Responsibility SkyCity via email
AD	Interview with ██████████	Interviews notes - Gambling promotions	██████████ General Manager Marketing, SkyCity
AE	Interview with ██████████	Interviews notes - Training of new staff in HR and PG	██████████ Cashiering Manager, SkyCity
AF	Interview with ██████████	Interviews notes - Problem gambling indicators	██████████ Cashier, SkyCity
AG	Interview with ██████████	Interviews notes - Host responsibility and problem gambling	██████████ Table Games Manager, SkyCity

AH	SkyCity Audit observation re scrolling screen	Observation of scrolling screen in surveillance room	On site SkyCity Casino Auckland
AI	Percentage of Maori and Pacific Islander data	Collation of Ethnic groups from Focal report	Malia Ah Lam, Gambling Regulator, DIA
AJ	Email from ██████████ and ██████████ ██████████	Card holder analysis	██████████ Team Leader Host Responsibility, SkyCity
AK	Email from ██████████	Minors	██████████ Manager Security and Host Responsibility, SkyCity via email
AL	SkyCity internal memo	Internal memo from ██████████ to ██████████ ██████████	██████████ Group General Manager, Regulatory Affairs and AML, SkyCity
AM	Letter from SkyCity to DIA	██████████ matter, letter dated 21 December 2018	██████████ Group General Manager, Regulatory Affairs and AML, SkyCity
AN	Statement of Dr Mark Griffith	Evidence re: problem gambling	Open source (Gambling Commission website)