

### Full Council

29 May 2025

### Report for Agenda Item | Rīpoata moto e Rāraki take [5]

**Department:** Assurance, Finance & Risk

**Title | Taitara:** Application to the Gambling Commission by SkyCity Queenstown Limited to renew its casino venue licence

#### Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to seek a decision from Queenstown Lakes District Council's (QLDC) as to its level of engagement with the Gambling Commission on SkyCity Queenstown Limited's application to renew its casino venue licence.

#### Recommendation | Kā Tūtohuka

That the Council:

1. **Note** the contents of this report;
2. **Agree** that Queenstown Lakes District Council does not engage with the Gambling Commission on SkyCity Queenstown Limited's application to renew its casino venue licence;
3. **Note** that members of the community can provide a submission to the Gambling Commissions publicly notified consultation process on SkyCity Queenstown Limited's application to renew its casino venue licence if they wish.

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8 May 2025

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8 May 2025

### Context | Horopaki

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#### The casino licence renewal framework

1. Casino operators in New Zealand are required to have two types of licence: a venue licence and an operating licence. Both licences are issued by the Gambling Commission following a statutory process under the Gambling Act 2003.
2. SkyCity Queenstown Limited (**SkyCity**) has applied to the Gambling Commission to renew its casino venue licence for the prescribed period of 15 years. The Queenstown casino's venue licence was issued in June 1999 and runs until 6 December 2025. Having lodged an application for renewal, the current venue licence continues in force until the Gambling Commission issues a decision on the application, irrespective of the formal expiry date. This is the first casino venue licence renewal for the SkyCity Queenstown casino under the Gambling Act 2003.
3. A venue licence authorises use of the premises for a casino, its design and layout, and outlines conditions attached to the licence.<sup>1</sup> Two of the conditions of SkyCity's licence are that it has an independent charitable trust that distributes the greater of 2.5% of net profit or \$100,000 per annum each year, and that it has a community liaison group. In 2023, SkyCity allocated \$156,576 to local community groups. It holds regular stakeholder liaison meetings that includes Council and Police.
4. There is no requirement for a council to be involved in a casino venue licence renewal process but if it chooses to do so, it can be involved in two ways<sup>2</sup>:
  - A council may collect public views on the application for renewal of the casino's licence by way of an opinion poll or community consultation. The Gambling Commission must consider these views and the level of community support when determining if there is net benefit to local and regional communities, and to New Zealand generally; and/or
  - A council may make a formal written submission outlining whether it is supportive, neutral or opposed to renewal of the licence and appear at the hearing. The Gambling Commission has advised that public hearings will occur for the Queenstown casino venue licence application in the second half of 2025.

#### Example approaches by other councils

5. Christchurch and Dunedin have undergone the casino venue licence renewal processes for the casinos in their respective cities. Neither Christchurch nor Dunedin City Council conducted a poll or consultation with the community and both made a written submission. Christchurch City Council appeared at the Gambling Commission hearing, but Dunedin chose not to. Dunedin City Council submitted in support of the licence renewal and Christchurch City Council outlined conditions it would like applied to the licence, and one was adopted by the Commission. The new condition was to impose minimum contributions to an independent charitable trust. Christchurch

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<sup>1</sup> Section 139 of the Gambling Act 2003 specifies the types of conditions that can be attached to a venue licence

<sup>2</sup> Sections 135-137 of the Gambling Act 2003

Casino was the only casino that did not have specified minimum contributions and its historical financial support of the associated trust was relatively lower than other casinos.

6. An independent casino impact report is required that outlines the expected social and economic effects of granting or refusing a casino's venue licence renewal, and for both Dunedin and Christchurch they reported a net benefit to the community from the casinos.
7. Public submissions on the Christchurch and Dunedin casino venue licence applications had a substantial majority supporting renewal. These were mostly staff, local businesses and charitable trust recipients. Fewer than 10% opposed the Christchurch licence renewal, and two of 195 submitters opposed the Dunedin licence renewal.

### **The Queenstown context**

8. As part of the application process, the Queenstown casino venue licence renewal application was accompanied by a casino impact report<sup>3</sup>. This includes a detailed independent social impact assessment that considers the range of costs and benefits to the community and to New Zealand. A summary of the beneficial impacts of the Queenstown casino in this report include:
  - the casino employs 53 people (45 full-time equivalent) with salaries of \$3.48 million
  - Sky City Queenstown Casino Community Trust (the Casino Trust) distributes about \$140,000 per annum to charities, and the casino distributes a further \$40,000 per annum in sponsorship
  - the casino provides an entertainment option for residents and visitors to Queenstown.
9. As part of its processes, the Gambling Commission seeks and considers evidence from the Police and government agencies. Via the casino impact report and contact with Council officers, Police have indicated they are satisfied with SkyCity's operation of the Queenstown casino.<sup>4</sup>
10. The casino impact report also outlines adverse impacts. The level of harm from gambling in the district is considered minor. In the year ending June 2023, there were five new people in the Queenstown Lakes District being assisted with problem gambling (for all types of gambling, and this figure may include family members), and 11 clients were assisted in total. This is 0.11% of clients assisted throughout the country.<sup>5</sup> <sup>6</sup> This compares to 953 clients assisted with problem gambling in Christchurch and 122 in Dunedin over the same time period.<sup>7</sup>
11. The social impact assessment as part of the casino impact report viewed that the low levels of gambling harm that can be directly attributed to the SkyCity Queenstown Casino is likely because entry to the casino is strictly controlled, the casino operates a rigorous host responsibility policy

<sup>3</sup> [https://www.gamblingcommission.govt.nz/GCwebsite.nsf/wpg\\_URL/Casino-Licence-Conditions-Renewal-of-Licence-for-the-Queenstown-Casino!OpenDocument](https://www.gamblingcommission.govt.nz/GCwebsite.nsf/wpg_URL/Casino-Licence-Conditions-Renewal-of-Licence-for-the-Queenstown-Casino!OpenDocument) (item 4, appendices to application)

<sup>4</sup> Communication on 13 December 2024 between Council officers and Simon Matheson, Sergeant, Alcohol Harm Prevention

<sup>5</sup> [Gambling harm intervention services data | Ministry of Health NZ](#)

<sup>6</sup> Te Whatu Ora reports that there are no publicly funded problem gambling intervention services in the district.

<sup>7</sup> [Gambling harm intervention services data | Ministry of Health NZ](#)

once people are inside, and the small scale of the casino means staff are able to provide a high level of oversight of gambling operations<sup>8</sup>.

12. The casino's operating licence and host responsibility programme is renewed every three years. Council is an interested party but chose not to make a submission on the last renewal in 2022.
13. Council's consultation on its draft Class 4 Gambling and TAB Venue Policy indicated limited community interest in the topic of gambling. It received 10 submissions, only one of which was from an individual. None of the nine organisations that submitted were based in the Queenstown Lakes District.

### **The New Zealand gambling context**

14. In the 2022-2023 financial year, New Zealanders gambled the most through regulated gaming machines (\$1,070 million), Lotto (\$710 million), casinos (\$604 million) and lastly the TAB (\$376 million).<sup>9</sup> Nationally, nearly half of problem gambling presentations are related to non-casino gaming machines, with casinos responsible for 18% of presentations.<sup>10</sup> Offshore online gambling is responsible for 11% of presentations.
15. Online gambling is generally predicted as the industry growth area. It is legal for New Zealand adults to gamble on offshore online gambling websites, but these are not covered by the Gambling Act 2003, so are unregulated and do not have harm minimisation measures to protect players. A 2018 survey found online gamblers in New Zealand were more than twice as likely to be at risk of gambling related harm compared to gamblers who did not gamble online.<sup>11</sup>
16. When passed by parliament, the Online Gambling Bill will regulate online gambling, and it is understood that the Gambling Act 2003 will continue to regulate other forms of gambling. The Bill proposes that up to 15 licensed operators be legally able to offer online casino games to New Zealanders by April 2026 following the expected adoption of Bill in late 2025.

### **Summary of discussion**

17. Beyond indicating its position on the renewal of a licence, the Gambling Act 2003 provides limited scope for a council to comment on an application. As outlined at paragraph 3, a venue licence is restricted to authorising use of the premises for a casino, its design and layout, and outlining conditions attached to the licence. There are also a limited number of conditions that can be attached to a venue licence. For the Queenstown casino, it is considered that the conditions to the current licence are fit for purpose. These conditions include that it has an independent charitable trust that distributes the greater of 2.5% of net profit or \$100,000 per annum each year, and that it has a community liaison group.

<sup>8</sup> [https://www.gamblingcommission.govt.nz/GCwebsite.nsf/wpg\\_URL/Casino-Licence-Conditions-Renewal-of-Licence-for-the-Queenstown-Casino!OpenDocument](https://www.gamblingcommission.govt.nz/GCwebsite.nsf/wpg_URL/Casino-Licence-Conditions-Renewal-of-Licence-for-the-Queenstown-Casino!OpenDocument) (item 4, appendices to application)

<sup>9</sup> [gambling statistics expenditure - dia.govt.nz](https://www.dia.govt.nz/gambling-statistics-expenditure)

<sup>10</sup> Problem gambling [New Zealand Gambling Commission](#) (page 9 of the problem gambling levy report)

<sup>11</sup> [Online Gambling Report HLS 2018.pdf](#)

18. For these reasons, and based on the information provided in the proceeding sections of this report, it is considered that involvement by QLDC in the application process in the form of an opinion poll or submission is not warranted, as it would not be proportionate to the low evidence of gambling harm in the district and the minimal interest in the topic in the community. In addition, the Gambling Commission process requires a very detailed independent social impact assessment that considers the full range of costs and benefits to the community and allows for members of the community to submit on the publicly notified consultation process should they wish to.

### Analysis and Advice | Tatāritaka me kā Tohutohu

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19. This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002.

20. **Option 1** - That Council does not engage in SkyCity Queenstown Limited's application for renewal of its casino venue licence.

#### *Advantages:*

- There is no further resourcing cost to Council.
- There is limited community interest in the topic.
- The casino venue licence renewal application is publicly notified and community members may make an independent submission to the Gambling Commission. The community can also make a submission when SkyCity's Host Responsibility Programme is consulted on later this year.
- There is little evidence of harm in the district from SkyCity casino's venue licence, rates of gambling harm assistance rates are low and trending downwards, and the Police are satisfied with SkyCity's operation of the casino.

#### *Disadvantages:*

- This will be the only opportunity in the next 15 years to raise any Council concerns related to the casino's venue licence.

21. **Option 2** - That Council conduct a community poll or public consultation to determine the level of community support or opposition for SkyCity Queenstown Limited's application renewal of its casino venue licence.

#### *Advantages:*

- Council will have tested community sentiment towards the casino's venue licence application.

- Council will be able to convey the community's views to the Gambling Commission and support its consideration of net benefit from the casino's venue licence.

*Disadvantages:*

- There will be a cost to Council for a community poll or public consultation as there is no cost recovery.
- Responses to the poll or consultation are unlikely to be representative of the whole community, as was the experience with the Class 4 Gambling and TAB Venue Policy 2023 consultation.
- There is limited community interest in the topic.
- The casino venue licence renewal application is publicly notified and community members may make an independent submission to the Gambling Commission. The community can also make a submission when SkyCity's Host Responsibility Programme is consulted on later this year.
- There is little evidence of harm in the district from SkyCity casino's venue licence, rates of gambling harm assistance rates are low and trending downwards, and the Police are satisfied with SkyCity's operation of the casino.

**22. Option 3** - That Council make a written and/or oral submission to the Gambling Commission outlining Council's position on the venue licence renewal (oppose/neutral/support) and any change to the conditions placed on it.

*Advantages:*

- Provides the opportunity for Council to convey its views on SkyCity's venue licence renewal to the Gambling Commission.

*Disadvantages:*

- Resourcing costs will be incurred to prepare a submission and attend the hearing.
- There are only a limited number of conditions that can be attached to the venue licence, set out in section 139 of the Gambling Act 2003, and the conditions for the Queenstown casino are considered fit for purpose.
- There is limited community interest in the topic.
- The casino venue licence renewal application is publicly notified and community members may make an independent submission to the Gambling Commission. The community can also



make a submission when SkyCity's Host Responsibility Programme is consulted on later this year.

- There is little evidence of harm in the district from SkyCity casino's venue licence, rates of gambling harm assistance rates are low and trending downwards, and the Police are satisfied with SkyCity's operation of the casino.

23. This report recommends **Option 1** for addressing the matter because there is little evidence to suggest additional benefit to the community in making a submission. While a small number of community members experience gambling harm, the casino has mechanisms to limit problem gambling, it is a legitimate business that appears to adhere to the rules placed on it, and the required funds are paid to community groups. There will be a cost to Council if it chooses to make a submission. It is also noted that as part of the Gambling Commission process, an independent social impact assessment will be provided that weighs up the full range of costs and benefits. There also appears to be limited community interest that would warrant the cost of undertaking community consultation, based on the response to the Class 4 Gambling and TAB Venue Policy 2023.

### Next steps

24. Following a decision from Council, officers will notify the Gambling Commission of how Council would like to proceed.

### Consultation Process | Hātepe Matapaki

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### Significance and Engagement | Te Whakamahi I kā Whakaaro Hiraka

25. This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy 2024 because:

- the matter has a minimal impact on the community, although parts of the community will have interest in this issue
- the proposal will not change the level of services provided by Council, or Council's capacity
- there is a no financial consequences as a result of adopting the recommended option.

26. The persons who are affected by or interested in this matter are residents and visitors to the Queenstown Lakes District community.

### Māori Consultation | Iwi Rūnaka

27. Council has not specifically consulted with iwi and runaka on this matter. Iwi and runaka may provide a submission to the Gambling Commission's community consultation process if they wish.

### Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

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28. This matter relates to the Community & Wellbeing risk category. It is associated with RISK10003 Economic impacts and prosperity within the QLDC Risk Register. This risk has been assessed as having a high residual risk rating.
29. The approval of the recommended option will allow Council to retain the risk at its current level. This will be achieved by continuing the status quo whereby the benefits to the local economy are balanced against possible harm to a small number of community members from the casino venue.

### Financial Implications | Kā Riteka ā-Pūtea

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30. The recommended option has no financial implications for Council.

### Council Effects and Views | Kā Whakaaweawe me kā Tirohaka a te Kaunihera

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31. The following Council policies, strategies and bylaws were considered:
- The principles of healthy and fulfilled people and a good standard of living in the Strategic Framework: Our Strategic Framework | Queenstown Lakes District Council. Problem gambling can adversely impact health and fulfilment, but the casino also provides employment that can contribute to a good standard of living.
  - The Class 4 Gambling and TAB Venue Policy 2024 which has the purpose of limiting the opportunities for gambling and managing the impacts of gambling in the community.
32. This matter is not included in the Long Term Plan or Annual Plan. Casino gambling licence applications do not require territorial authority consent, this is only required for Class 4 electronic gaming machines as set out in section 98 of the Gambling Act 2003. For clarity, class 4 gambling is covered under the Queenstown Lakes District Council Class 4 Gambling and TAB Venue Policy 2024, that is provided for in Council's Long Term Plan.

### Legal Considerations and Statutory Responsibilities | Ka Ture Whaiwhakaaro me kā Takohaka Waeture

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33. The Gambling Act 2003 sets out the process for Council to engage in this matter.

### Local Government Act 2002 Purpose Provisions | Te Whakatureture 2002 o te Kāwanataka ā-Kiaka

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34. Section 10 of the Local Government Act 2002 states the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. The recommendation in this report balances impacts on social wellbeing from problem gambling and on economic wellbeing from stable employment opportunities.



35. The recommended option:

- Can be implemented through current funding under the Long Term Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not significantly alter the intended level of service provision for any significant activity undertaken by or on behalf of the Council or transfer the ownership or control of a strategic asset to or from the Council.