

# Class 4 Consultation: Cash-In-Ticket-Out Self-Service redemption terminals

## Department of Internal Affairs Te Tari Taiwhenua November 2016

## What is this document about?

This document invites your comments on a proposal to allow self-service ticket redemption terminals to be used in Class 4 venues in conjunction with de-centralised cash-in-ticket-out (CITO) technology. If the proposal is approved, some technical amendments would be made to the Gambling Act (Class 4 Gambling Equipment) Minimum Equipment Standard and Class 4 Game Rules to give effect to the decision.

## Consultation requirements

Introduction of self-service redemption terminals would require some technical amendments to the Gambling Act (Class 4 Gambling Equipment) Minimum Equipment Standard and Class 4 Game Rules. Section 372 of the Gambling Act 2003 (the Act) requires that, before standards and game rules are made or amended, persons and organisations that are likely to be substantially affected by the standards and game rules must be consulted and given a reasonable opportunity to comment.

## Details of the application

The application seeks approval to introduce self-service ticket redemption terminals for use in conjunction with CITO technology in Class 4 gambling venues. The proposal is that tickets with a value of less than $200 could be redeemed at a stand-alone terminal without the need for venue staff to be involved in the transaction.

Tickets with a value of $200 or more would have to be presented to venue staff for payment. This mirrors the current system for gaming machine gambling where payments of less than $200 are automatically paid by the gaming machine but payments of $200 or more require venue staff to perform a hand pay.

Redemption terminals could either be a “kiosk” or a “smart safe” as noted in the application.

The application is attached to this document as Appendix One.

## Discussion

The Department prescribed minimum technical requirements for CITO technology earlier this year. The requirements for CITO technology provide that all tickets must be presented to, and validated by, venue staff irrespective of their value. If the current application is granted, the requirement that only venue staff may validate tickets would be removed for tickets with a value of up to $200.

Some additional technical amendments to the Gambling Equipment Minimum Standard would be required to give effect to any decision to allow self-service terminals. All other requirements for CITO technology and tickets would remain.

### Safety and security in venues

The applicant cites security and safety of venue staff and patrons as the main benefit of allowing self-service redemption terminals. Class 4 venues, particularly those with high turnover, have a high risk of armed robbery because they tend to have large amounts of cash on the premises. In particular, Class 4 venues tend to have relatively large amounts of cash in the tills because of the need to have enough cash on hand to pay gaming machine wins and jackpots.

The applicant considers that introduction of the terminals would significantly reduce the amount of cash held in the venue till because smaller payments would be made from the redemption terminals, which are similar to an ATM in terms of security of cash. The applicant considers that reducing the amount of accessible cash held in venue tills will reduce the risk of armed robbery in venues and therefore reduce the risk to venue staff and patrons.

We welcome comments on whether the use of self-service redemption terminals would reduce the risk of armed robbery at Class 4 venues.

### Location of terminals

The applicant proposes that redemption terminals may be located anywhere in the venue, but must be located in an area that is visible to venue staff. This means that terminals could potentially be placed inside the gambling area.

Players would use the redemption terminals for two purposes:

* To cash up and leave the venue because they have decided to stop gambling
* To cash up and move to another machine to continue gambling.

Locating the terminals in a place that is visible to venue staff allows staff to monitor players, particularly those who are cashing up and then continuing to gamble, for signs of harmful gambling. It also provides a level of security for players as any attempts to steal their tickets or cash would be visible to staff and other patrons.

It could be argued that it is preferable that players who wish to cash up and move to another machine have to leave the gambling area to redeem their tickets so that they are removed from the stimulus of the gambling area when considering whether to keep playing. Conversely, it could be argued that it is currently possible to cash out of one machine and move to another without leaving the gambling area, and the introduction of self-service redemption terminals does not change the current situation.

We welcome comments on whether the location of the terminals should be controlled and, if so, what the appropriate controls should be.

## Questions for submitters

As well as any general comments, the Department particularly welcomes comment on the following questions:

1. Do you think the use of self-service redemption terminals would reduce the risk of armed robbery at Class 4 venues? Why or why not?
2. Do you think the location of the terminals should be limited? If so, what should the limits be?
3. Do you think the introduction of self-service terminals would have an impact on the prevention and minimisation of harm? If so, what do you think the impact would be?

## Assessment of application against relevant guidelines

The Department of Internal Affairs will form its assessment of the application under the *“Operational Policy Harm Prevention, Harm Minimisation and Responsible Gambling Guidelines”*. These guidelines require the Department to take, in the absence of evidence, a precautionary approach in decision making where there is a reasonable concern that significant and/or widespread harm may occur. In the absences of evidence, the Department makes an assessment of the proposals against known harm determinants.

A copy of the guidelines can be found on the Department’s website at:

<https://www.dia.govt.nz/pubforms.nsf/URL/GamingOperationalPolicy.pdf/$file/GamingOperationalPolicy.pdf>

## Submissions

The application will be assessed in accordance with the purposes of the Gambling Act 2003. The Department seeks your comment on the application. Comment in relation to the purposes of the Act is valued, with particular reference to whether the application would impact on the purposes of:

* Preventing and minimising the harm caused by gambling, including problem gambling
* Ensuring the integrity and fairness of games
* Limiting opportunities for crime and dishonesty
* Facilitating responsible gambling.

We ask that you make your submission with these particular purposes in mind. In particular we welcome comments on whether the proposal may raise harm prevention and minimisation issues that you believe require consideration.

Please address your submissions to [cath.anyan@dia.govt.nz](mailto:cath.anyan@dia.govt.nz)

If you require further information on these proposals, please contact Cath on the above email address or on telephone 04 495 7271.

Submissions must be received by 2 December 2016.

If any amendments are made to the game rules or minimum equipment standard following this consultation, a notice will be published in the New Zealand Gazette stating that the game rules or standard have been amended, made or revoked, and the date on which the changes take effect.

## Appendix one



2 May 2016

**NZ360 Limited’s Submission**

**CITO – Redemption Terminals**

**Automatic Redemption Kiosks**

We propose that self-service redemption kiosks be permitted, but that they be restricted to transactions of less than $200.00. This would mirror the current system where a player can cash-out less than $200.00 from the gaming machine, without the intervention of venue staff.

We cannot see any harm in allowing the system to operate in the same way as class 4 gaming has operated in New Zealand since its inception.

There is however, a clear benefit in allowing redemption terminals. The use of redemption terminals will significantly reduce the amount of cash float that will need to be held behind the bar (as small transactions will be paid out from the cash held securely in the redemption terminal). The money held in the redemption terminal will be as secure as money held in an ATM.

We do not see any reason to require the redemption machine to be placed outside of the gaming area. However, we do believe the redemption terminal should be placed in a location that can be seen by the venue staff.

Reducing the amount of cash and coins held insecurely at venues, will reduce the risk of armed robbery. Any steps that can be taken to reduce the risk of armed robbery should be embraced, given the high number of class 4 venues that are now subject to robbery and the physical, psychological and financial harm that such robberies inflict.

Example picture only

For tickets over $200.00 the player would need to present the ticket to a staff member for payment. The staff member would validate the ticket and pay the player from the venues gaming float.

In the future, we would also like to be able to offer venues a ‘smart safe’ type device, linked to the CITO redemption computer. This would house 100% of the venues gaming float is securely in a payout machine.

Using this type of machine, a player could self-serve for payments under $200.00 but require a staff member to validate tickets over $200.00.

When a ticket is validated, even by a staff member, all cash is paid out from a machine.

This system would suit high turnover venues where armed robbery is deemed to be a high risk. With this system in place there would be no cash available for any staff member to provide to a robber, and this would be a major deterrent to anybody planning a robbery.



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