

IN THE MATTER of the Gambling Act 2003

AND

on an application by **OTAGO CASINOS LIMITED** to amend licence conditions, for approval of casino signage and for approval to appoint a person to audit the casino business

BEFORE THE GAMBLING COMMISSION

Members: P Chin (Chief Gambling Commissioner)
K M Ford
M M Lythe
P J Stanley
G L Reeves

Date of Application: 20 May 2007

Date of Decision: 22 June 2007

Date of Notification
of Decision: 4 July 2007

DECISION

**ON AN APPLICATION BY OTAGO CASINOS LIMITED TO AMEND LICENCE CONDITIONS,
FOR APPROVAL OF CASINO SIGNAGE AND FOR APPROVAL TO APPOINT A PERSON TO
AUDIT THE CASINO BUSINESS**

Application

1. Otago Casinos Limited (the "**Applicant**") applied to the Gambling Commission (the "**Commission**");
 - (a) to amend condition 1.1 of its venue licence (by substituting "Gambling Commission" for "Authority");
 - (b) to amend condition 6 of its operator's licence (by substituting "Gambling Commission" for "Authority");
 - (c) for approval under condition 1.1 (as amended) for new casino signage;
 - (d) for approval under condition 6 (as amended) to appoint Basil Jong, to audit the casino business.

Gambling Act 2003 and licence conditions

2. The application to amend condition 1.1 of the venue licence and condition 6 of the operator's licence is made under section 139 of the Gambling Act 2003 (the "Act").

3. Licence condition 1.1 provides as follows:

1.1 **Casino to be constructed, fitted out and operated in accordance with application**

Subject to the conditions of this licence, the Licence Holder shall ensure that the casino is designed, developed, constructed, fitted out, commissioned for operation and operated generally in accordance with the Licence Holder's application as submitted to the Authority, subject to such changes as the Authority may from time to time approve or require in writing

4. Licence condition 6 provides as follows:

6. **Audit**

The Licence Holder shall, if required by the Authority, submit for the approval of the Authority the name of any person or body of persons appointed by the Licence Holder to audit the casino business (if that person is not an employee, or that body of persons are not employees, of the Licence Holder). The approval of the Authority shall be revocable in the discretion of the Authority and shall be subject to such conditions as the Authority from time to time imposes.

Submissions by the Applicant

5. The Applicant submitted that the amendments to condition 1.1 of the venue licence and condition 6 of the operator's licence, to substitute "Gambling Commission" for "Authority", where relevant, would place the Commission in a position to grant approval of the new casino signage and to appoint Basil Jong to audit the casino business.

Appointment of Auditor

6. The Applicant stated that it wants to appoint Basil Jong, the Financial Controller of Lasseters Corporation, to audit the casino business. Lasseters presently holds all the shares in the Applicant company.

7. The Applicant submitted that:

(a) Mr Jong's appointment would allow it to utilise Lasseters' resources and operate more efficiently;

(b) Mr Jong will not be responsible for the casino's financial decisions or its day-to-day operations. If his role was expanded, it would immediately seek any additional approvals;

- (c) the casino's annual accounts will be independently audited by an external auditor from a firm of chartered accountants.

Casino signage

8. The Applicant sought approval for new casino signage to incorporate the word "Lasseters", and to replace the current neon signs with back-lit signs, as follows:

	Existing sign	Proposed sign
1	1.2m ² backlit, neon "Casino" sign extending from the casino offices on the 1 st floor.	Same size backlit sign "Lasseters Wharf Casino".
2	Backlit neon "Casino" sign located on internal 1 st floor walkway overhang to ground floor outside casino entrance 1.2m ²	Replaced with either: (a) 750 x 750 backlit "Lasseters Wharf Casino" with logo, or (b) 3 x 520 diameter circle lit "Lasseters Wharf Casino" with logo.
3	4 x "Casino" signs positioned on exterior of Steamer Wharf building.	Signs and positions to remain same with colour logo added.
4	270x285 "Wharf Casino" complex directory signs x 3 located on internal walkway facing out to Breach St, Earnslaw Park and Steamer Wharf entrances.	Replaced with "Lasseters Wharf Casino" in same size and position.
5	"Wharf Casino" neon located at casino entry.	Replaced with backlit "Wharf Casino".
6	No existing sign.	New "Lasseters Wharf Casino" sign located to the side of the casino entrance hanging above the first floor walkway.
7	No existing sign.	New "Lasseters Wharf Casino" sign located outside the casino offices above the first floor walkway.
8	"Wharf Casino" neon positioned on corner of Steamer Wharf Complex.	To be removed.
9	"Wharf Casino" backlit located on Earnslaw Park side of Steamer Wharf Complex.	To be removed.
10	"Casino" banner located on Earnslaw Park side of Steamer Wharf Complex.	To be removed.

9. The Applicant stated that it sought approval of two options for sign "2", as it had not determined which sign would best suit its business needs.

Submissions by the Secretary

10. The Secretary had no objection to the proposed amendments to condition 1.1 of the venue licence, or condition 6 of the operator's licence.
11. The Secretary also had no objection to the Commission approving the proposed casino signage, provided the local Council granted approval. In reply, the Applicant confirmed that the Council had granted approval.

12. The Secretary submitted that he had no concerns, in principle, with Mr Jong being appointed to audit the casino business, but he is still assessing whether Mr Jong will have a significant influence in the management, ownership or operation of the casino. If he determines that Mr Jong will have significant influence, Mr Jong will be required to apply to the Department for approval as an Associated Person, pursuant to section 149 of the Act.

Submissions by the Wakatipu Casino Liaison Community Group

13. The Commission identified the Wakatipu Casino Liaison Community Group as a potential interested party, and invited it to make submissions on the application for new casino signage. The Group had no objections to the proposed signage.

Analysis

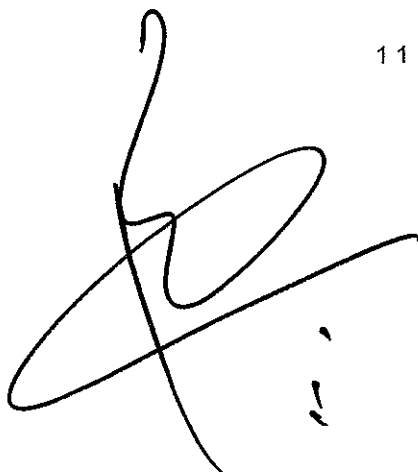
14. The amendments of condition 1.1 of the venue licence, and condition 6 of the operator's licence, to substitute "Gambling Commission" for "Authority", where relevant, is consistent with changes made by the Commission to other casino licences to provide a continuation of the approval powers formerly exercised by the Casino Control Authority.
15. The Commission did not consider that the proposed new signage would give rise to any issues of concern, noting that the Secretary and the Wakatipu Casino Liaison Community Group did not object, and that Council approval had been obtained.
16. The Commission had no concerns about Mr Jong's appointment to audit the casino business, based upon the information provided to it, but noted the Secretary's submission that approval should be conditional upon Mr Jong obtaining any approval as an Associated Person determined to be necessary by the Secretary. The Commission considered this approach to be prudent.

Decision

17. The Commission decided to:
- (a) Approve the amendment to condition 1.1 of the venue licence, to read as follows:

11 **Casino to be constructed, fitted out and operated in accordance with application**

Subject to the conditions of this licence, the Licence Holder shall ensure that the casino is designed, developed, constructed, fitted out, commissioned for operation and operated generally in accordance with the Licence Holder's application as submitted to the Authority, subject to such changes as the Authority may have approved or required, and subject further to such changes which the Gambling Commission may from time to time approve or require in writing.



- (b) Approve the amendment of condition 6 of the operator's licence, to read as follows:

6 **Audit**

The Licence Holder shall, if required by the Commission, submit for the approval of the Commission the name of any person or body of persons appointed by the Licence Holder to audit the casino business (if that person is not an employee, or that body of persons are not employees, of the Licence Holder). The approval of the Commission shall be revocable in the discretion of the Commission and shall be subject to such conditions as the Commission from time to time imposes.

- (c) approve, under condition 1.1 of the venue licence, the proposed casino signage described in paragraph 8 above. The Licence Holder is to notify the Commission which sign "2" it will install, approval for the other sign to cease at that time;
- (d) approve, under condition 6 of the operator's licence, the appointment of Mr Jong to audit Wharf's casino business, on condition that he obtain any approval as an Associated Person determined to be necessary by the Secretary.



GAMBLING
COMMISSION

Peter Chin
Chief Gambling Commissioner

for and on behalf of the
Gambling Commission

4 July 2007