

IN THE MATTER of the Gambling Act 2003
AND of an application by **SKYCITY CASINO MANAGEMENT LIMITED**
for approval of alternative game mixes

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: 13 April 2006

Date of Decision: 9 June 2006

Date of Notification
of Decision: 23 June 2006

DECISION

**ON AN APPLICATION BY SKYCITY CASINO MANAGEMENT LIMITED
FOR APPROVAL OF ALTERNATIVE GAME MIXES**

Application

1. SKYCITY Casino Management Limited (the "**Applicant**") presently has three approved floor plans, Plans A, B and C specified in Annex A to its operator's licence, and has applied to the Gambling Commission (the "**Commission**") for approval to incorporate a further three alternative game mixes, D(i), D(ii) and E, to Annex A.
2. Game mixes D(i) and D(ii) are identical, except for one table which will alternate between Pai Gow and Black Jack using a flip top table. Game mix E, which has 10 Poker tables with automatic shufflers, is expected to be limited to tournament play.
3. If game mixes D(i), D(ii) and E are approved, the following game mixes would be available:

	Existing			Proposed		
	A	B	C	D(i)	D(ii)	E
Black Jack/Pontoon	44	42	41	38	39	36
Roulette	24	22	22	22	22	21
Touchbet (14 terminals)	1	1	1	1	1	1
Rapid Roulette (20 terminals)	0	1	1	1	1	1
Caribbean Stud Poker	10	8	18	8	8	7
Midi Baccarat	17	18	7	19	19	19
Mini Baccarat	7	7	7	9	9	9
Money Wheel (double sided)	1	1	1	1	1	1
Pai Gow	4	4	4	3	2	3
Poker (10 player spaces)	0	4	6	6	6	10
Tai Sai (single sided)	1	1	1	1	1	1
Tai Sai (double sided)	1	1	1	1	1	1

Licence conditions

4. Licence condition 9 of the Applicant's operator's licence provides as follows:

The Licence Holder may operate on casino gaming tables the game types and game mix(es) specified in Annex A attached to this Licence. The Licence Holder shall obtain the prior approval of the Commission for any change to the game types and/or game mixes specified.

Submissions by the Applicant

5. The Applicant submitted that the three proposed game mixes would not increase opportunities for casino gambling and complied with sections 11 and 12 of the Act.

Game mix D(i)

6. The Applicant submitted that game mix D(i) equated to 2235 player spaces at tables, a reduction on the 2262 table game player spaces presently permitted under table game mix A.
7. The Applicant submitted that the overall impact on rate of play of this game mix was likely to be decreased when compared with game mix A, and on request provided supplementary data confirming this position. Data from a study conducted at the Christchurch casino, which indicated that this game mix would result in a decrease in the rate of play, compared with the games they will replace, is as follows:

Game installed	Estimated rounds/spins per hour	Game removed (Plan A)	Estimated rounds/spins per hour	Impact on rounds/spins per hour
Midi Baccarat (x2)	43	Black Jack (x2)	67	- 48
Mini Baccarat (x2)	60	Black Jack (x2)	67	- 14
Poker (x2)	18	Black Jack (x2)	67	- 98
Poker (x2)	18	Caribbean Stud Poker (x2)	26	- 16
Poker	18	Roulette	34	- 16
Poker	18	Pai Gow	24	- 6
Electronic Roulette	49	Roulette	34	+ 15
Total				- 183

8. The Applicant noted that the data relating to Pai Gow was drawn from a limited study undertaken by it to estimate the average rounds per hour for Pai Gow. In relation to Poker, the Applicant noted that in an earlier application, its own estimate (in contrast to the Christchurch data) had been that Poker generated 20 rounds per hour and that the use of automatic shufflers generated a further two rounds an hour. The Applicant submitted that if 22 rounds per hour is used as a basis for comparison (rather than 18 from the Christchurch study), the negative impact on rate of play is less pronounced but still significant.
9. The Applicant submitted that the new games do not present more wagering options than the games they replace.

Game mix D(ii)

10. The Applicant submitted that game mix D(ii) equated to 2235 player spaces at tables, a reduction on the 2262 player spaces presently permitted under table game mix A.
11. As with game mix D(i), the Applicant submitted that the overall impact on rate of play of this game mix was likely to be decreased when compared to game mix A, and on request provided supplementary data confirming this position. Data from the Christchurch study comparing this game mix with the games they will replace, is as follows:



Game installed	Estimated rounds/spins per hour	Game removed Plan A	Estimated rounds/spins per hour	Impact on rounds/spins per hour
Midi Baccarat (x2)	43	Black Jack (x2)	67	- 48
Mini Baccarat (x2)	60	Black Jack (x2)	67	- 14
Poker (x2)	18	Caribbean Stud Poker (x2)	26	- 16
Poker	18	Roulette	34	- 16
Poker	18	Black Jack	67	- 49
Poker (x2)	18	Pai Gow (x2)	24	- 12
Electronic Roulette	49	Roulette	34	+ 15
Total				- 140

12. The Applicant submitted that, with the addition of automatic shufflers for Poker, the negative impact on rate of play is less pronounced but still significant.
13. The Applicant submitted that the new games do not present more wagering options than the games they replace.

Game mix E

14. The Applicant submitted that game mix E equated to 2205 player spaces at tables, a reduction on the 2262 player spaces presently permitted under table game mix A.
15. As with the previous two game mixes, the Applicant submitted that the overall impact on rate of play of this game mix was likely to be decreased when compared with game mix A, and on request provided supplementary data confirming this position. Data from the Christchurch study comparing game mix E with game mix A, is as follows:

Game installed	Estimated rounds/spins per hour	Game removed Plan A	Estimated rounds/spins per hour	Impact on rounds/spins per hour
Midi Baccarat (x2)	43	Black Jack (x2)	67	- 48
Mini Baccarat (x2)	60	Black Jack (x2)	67	- 14
Poker (x4)	18	Black Jack (x4)	67	- 196
Poker (x3)	18	Caribbean Stud Poker (x3)	26	- 24
Poker (x2)	18	Roulette (x2)	34	- 32
Poker	18	Pai Gow	24	- 6
Electronic Roulette	49	Roulette	34	+ 15
Total				- 305

16. The Applicant submitted that, with the addition of automatic shufflers for Poker, the negative impact on rate of play is less pronounced but still significant.

17. The Applicant submitted that the new games do not present more wagering options than the games they replace.

Flip top tables

18. The Applicant has applied to the Department of Internal Affairs ("the **"Department"**) for approval of Minimum Operating Standards which will provide the use of flip top tables. It submitted that the notification of the change between game mix D(i) and D(ii) should be subject to the requirements set out in those Standards.
19. The Applicant stated that any CCTV coverage would be in accordance with the Surveillance Standard and any adjustments would be notified to the Department in accordance with Minimum Operating Standards.

Submissions by the Secretary

20. The Secretary submitted that he had no concerns with the proposed game mixes. He originally stated that it was not obvious to him whether the changes to the game mixes would result in an overall increase in rate of play. However, taking into account the reductions in player spaces from game mix A to the proposed game mixes, he considered that any increased rate of play that may arise is offset by the reduced number of player spaces.
21. Commenting on the supplementary information provided by the Applicant, the Secretary stated that the "Applicant appear[ed] to have demonstrated quite clearly that it will be replacing faster overall rates of play with slower overall rates of play for each game mix."
22. The Secretary stated that he is "comfortable" with the management of the flip top table being addressed under Minimum Operating Standards.

Analysis

23. The Applicant presently has three approved table game mixes, A, B and C, and seeks the Commission's approval for a further three alternative table game mixes.
24. The Commission approached its assessment of whether the proposed game mixes may increase opportunities for casino gambling by first considering player spaces, and then rates of play for each of the game mixes.
25. In relation to player spaces, the Commission noted that game mixes D(i) and D(ii) have 2235 player spaces at tables and that game mix E has 2205 player spaces at tables, which is fewer player spaces than the 2262 player spaces at tables presently permitted under game mix A. For all approved and proposed game mixes, an additional 1647 player spaces are provided at gaming machines.

26. The Applicant did not initially provide any data in support of its submission that there would be no increase in the rates of play associated with the proposed game mixes. On request, the Applicant supplemented its application with data from a review of game

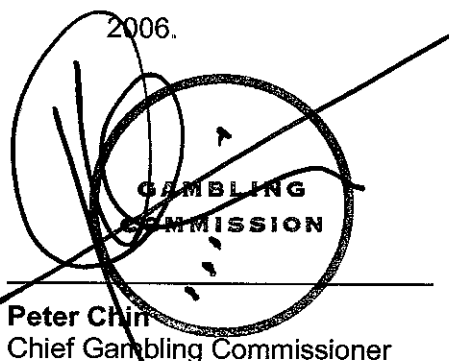
speeds carried out at the Christchurch casino in 1999 or 2000. While the Applicant qualified this data by stating that the study was specific to the Christchurch casino environment, and the Game Rules and equipment in place in that casino at the time, the results did provide an insight into the various speeds at which the different games are played.

27. The supplementary data indicated that game mix D(i) would have 183 less rounds per hour compared with game mix A, that game mix D(ii) would have 140 less rounds per hour compared with game mix A, and game mix E would have 305 less rounds per hour compared with game mix A. The Commission notes that these estimates need to be adjusted to take into account the Applicant's own estimates of Poker speed, and the effect of automatic shufflers on Poker and up to 50% of Black Jack tables. Even so, it appears that implementation of the proposed game mixes will result in a clear decrease in overall rate of play, compared to table game mix A.
28. The Commission was satisfied, given the reduction of player spaces and the decrease in rate of play, that the three proposed game mixes would not increase opportunities for casino gambling.
29. The Commission noted that the Secretary had no concerns with the proposals, and agreed that change in game mixes between D(i) and D(ii) was appropriately regulated by Minimum Operating Standards.

Decision of the Commission

30. The Commission decided unanimously that the application was consistent with the Act and approved the revised Annex A (**attached** to this decision) with the three further game mixes, subject to the notes concluding Annex A. The revised Annex A replaces the Annex attached to the Commission's Final Decision on SCML licences dated 27 March

2006.



**GAMBLING
COMMISSION**

Peter Chin
Chief Gambling Commissioner

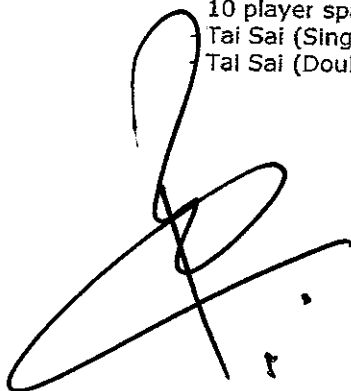
for and on behalf of the
Gambling Commission

23 June 2006

ANNEX A

Pursuant to condition 9 the following game mixes may be operated by the Licence Holder on casino gaming tables subject to the following conditions and requirements:

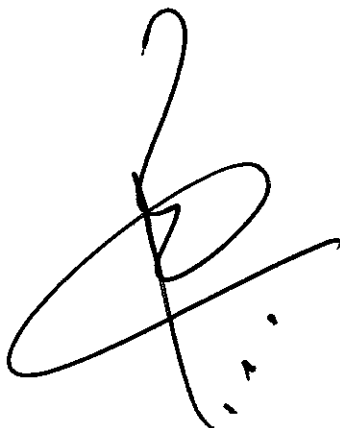
- A
- Blackjack/Pontoon - up to 44 games
 - Roulette - up to 24 games
 - Touchbet Roulette - 1 game with up to 14 player spaces
 - Caribbean Stud Poker - up to 10 games
 - Midi Baccarat- up to 17 games
 - Mini Baccarat - up to 7 games
 - Pai Gow - up to 4 games
 - Tai Sai (Double Side) - 1 game
 - Tai Sai (Single Side) - 1 game
 - Money Wheel (Double Side) - 1 game
- B
- Blackjack/Pontoon - up to 42 games
 - Roulette - up to 22 games
 - Touchbet Roulette - 1 game with up to 14 player spaces
 - Rapid Roulette - 1 game with up to 20 player spaces
 - Caribbean Stud Poker - up to 8 games
 - Midi Baccarat- up to 18 games
 - Mini Baccarat - up to 7 games
 - Pai Gow - up to 4 games
 - Poker - up to 4 games with up to 10 player spaces
 - Tai Sai (Double Side) - 1 game
 - Tai Sai (Single Side) - 1 game
 - Money Wheel (Double Side) - 1 game
- C
- Blackjack/Pontoon - up to 41 games
 - Roulette - up to 22 games
 - Touchbet Roulette - 1 game with up to 14 player spaces
 - Rapid Roulette - 1 game with up to 20 player spaces
 - Caribbean Stud Poker - up to 7 games
 - Midi Baccarat- up to 18 games
 - Mini Baccarat - up to 7 games
 - Money Wheel (Double Side) - 1 game
 - Pai Gow - up to 4 games
 - Poker - up to 6 games with up to 10 player spaces
 - Tai Sai (Single Side) - 1 game
 - Tai Sai (Double Side) - 1 game
- D(i)
- Blackjack/Pontoon - up to 38 games
 - Roulette - up to 22 games
 - Touchbet Roulette - 1 game with up to 14 player spaces
 - Rapid Roulette - 1 game with up to 20 player spaces
 - Caribbean Stud Poker - up to 8 games
 - Midi Baccarat- up to 19 games
 - Mini Baccarat - up to 9 games
 - Money Wheel (Double Side) - 1 game
 - Pai Gow - up to 3 games
 - Poker - up to 6 games with up to 10 player spaces
 - Tai Sai (Single Side) - 1 game
 - Tai Sai (Double Side) - 1 game
- D(ii)
- Blackjack/Pontoon - up to 39 games
 - Roulette - up to 22 games
 - Touchbet Roulette - 1 game with up to 14 player spaces
 - Rapid Roulette - 1 game with up to 20 player spaces
 - Caribbean Stud Poker - up to 8 games
 - Midi Baccarat - up to 19 games
 - Mini Baccarat - up to 9 games
 - Money Wheel (Double Side) - 1 game
 - Pai Gow - up to 2 games
 - Poker - up to 6 games with up to 10 player spaces
 - Tai Sai (Single Side) - 1 game
 - Tai Sai (Double Side) - 1 game



- E
- Blackjack/Pontoon – up to 36 games
 - Roulette – up to 21 games
 - Touchbet Roulette – 1 game with up to 14 player spaces
 - Rapid Roulette – 1 game with up to 20 player spaces
 - Caribbean Stud Poker – up to 7 games
 - Midi Baccarat- up to 19 games
 - Mini Baccarat – up to 9 games
 - Money Wheel (Double Side) – 1 game
 - Pai Gow – up to 3 games
 - Poker – up to 10 games with up to 10 player spaces
 - Tai Sai (Single Side) – 1 game
 - Tai Sai (Double Side) – 1 game

Notes

1. The Licence Holder is permitted to change between the game mixes specified in A, B, C, D and E subject to providing the Commission and the Inspectorate with a minimum of 5 working days notice in writing of its intention to do so.
2. The Licence Holder is permitted to change between the game mixes specified in D(i) and D(ii) subject to the requirements specified by way of minimum operating standards.
3. The Licence Holder is permitted to operate automatic shufflers on:
 - the Poker tables specified in Game Mixes B, C, D and E; and
 - 50 percent of open Blackjack tables specified in Game Mixes A, B, C, D and E.

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