

CHRISTCHURCH CASINOS LIMITED

APPLICATION FOR RENEWAL OF CASINO VENUE LICENCE

under section 134 of the Gambling Act 2003

8 December 2017



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SECTION 1

APPLICATION FORM

**APPLICATION FOR RENEWAL OF A CASINO VENUE LICENCE UNDER
SECTION 134 OF THE GAMBLING ACT 2003**

- 1 Applicant's Name: Christchurch Casinos Limited
- 2 Postal Address: PO Box 4141, Christchurch 8140
- 3 Contact Phone Number: Tim Bergin – 03 371 2453
- 4 Facsimile Number: 03 371 2459
- 5 Email Address: tim@christchurchcasino.co.nz

- 6 Details of Casino Venue Licence sought to be renewed:

Casino Premises Licence held by Christchurch Casinos Limited, issued 30th June 1993, and consolidated to 9 September 2016.

- 7 Date of expiry of Casino Venue Licence: midnight on 3 November 2019

- 8 Please list below the names of any persons who have a significant influence in the casino and provide an explanation of the basis for that significant influence:
(The definition of "significant influence" is set out in section 7 of the Gambling Act 2003. Section 7 is printed at the end of this application form).


- (a) Alistair Ryan
- (b) Brett Anderson
- (c) Darren Henderson
- (d) Donald Jackson
- (e) Grant Hensman
- (f) Jan Hunt
- (g) Ken Matthews
- (h) Mark Quickfall
- (i) Phillip Hensman
- (j) Richard Thomas
- (k) Sarah Ottrey
- (l) Stuart Anderson
- (m) Tim Bergin

- 9 Please submit with this application:

- (a) A completed Applicant Information Form;
- (b) A completed Personal Information Form or Company Information Form for each person named at 8 above;

- (c) A copy of the casino impact report;
- (d) A draft statement of conditions for the proposed casino venue licence;
and
- (e) A cheque made out to the Gambling Commission for the specified amount.

Date: 8/12/17

Signature: 

Name of Signatory: K J Matthews

Designation of Signatory: Chairman

7. Meaning of significant influence in casino –

- 1) A person has a "significant influence in a casino" if the person –*
 - a) is or will be a director of the holder of, or applicant for, or proposed transferee or alienee of, a casino licence for the casino; or*
 - b) is or will be employed or engaged by the holder of, or applicant for, or proposed transferee or alienee of, a casino licence for the casino as the chief executive or a senior manager of the casino; or*
 - c) owns or will own shares, directly or indirectly, in the holder of, or applicant for, or proposed transferee or alienee of, a casino licence for the casino that confer control of 20% or more of the voting rights of share holders of any class in the holder, applicant, or proposed transferee or alienee.*
- 2) A significant influence in a casino includes any influence that the Secretary or the Gambling Commission (as the case may be) considers to be a significant interest in the management, ownership, or operation of a casino, however acquired or to be acquired.*
- 3) Subsection (1) does not limit what the Secretary or the Gambling Commission, as the case may be, considers to be a significant influence under subsection (2).*
- 4) In subsection (1)(a), the term "director" includes a person described in section 126(1) of the Companies Act 1993.*

SECTION 2

ABBREVIATION LIST

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The following abbreviations are used throughout the application and the attached Casino Impact Report.

AIGR	Australian Institute for Gambling Research
Act	Gambling Act 2003
AML	Anti-Money Laundering
APC	Australian Productivity Commission
AUT	Auckland University of Technology
Authority	Casino Control Authority (under Casino Control Act 1990)
CARG	Community Action for Responsible Gambling
Casino	Christchurch Casino
CBD	Central Business District
CCC	Christchurch City Council
CCL	Christchurch Casino Limited
CERA	Canterbury Earthquake Recovery Authority
CFS	Calls for service
CGE	Computable General Equilibrium
CGS	Compulsive Gambling Society (predecessor to the Problem Gambling Foundation)
CIR	Casino Impact Report (Appendix 14.5)
Commission	Gambling Commission
CPG	Salvation Army OASIS Centre for Problem Gambling
CPTED	Crime Prevention Through Environmental Design
CQU	Central Queensland University

DIA	Department of Internal Affairs
EGM	Electronic Gaming Machine
FTE	Full time equivalent jobs
GDP	Gross Domestic Product
GOI	Gambler of Interest
GVP	Gambling Venue Policy
HLS	Health and Lifestyle Survey
HPA	Health Promotion Agency
HR	Host Responsibility
HRE	Host Responsibility Executive
HRP	Host Responsibility Programme
ICON	Inner City Residents Association
Licence	CCL's existing Casino Premises Licence, originally granted on 30 June 1993, and reissued 22 September 2000 following amendment of conditions.
LAP	Local Alcohol Policy
MoH	Ministry of Health
MVE	Multi-Venue Exclusions
NCGM	Non-Casino Gaming Machine
NGS	National Gambling Study
NZLC	New Zealand Lotteries Commission
NZRB	New Zealand Racing Board
PGA	Problem Gambling Awareness
PGF	Problem Gambling Foundation of New Zealand
PGLM	Problem Gambling Liaison Meeting

PGSI	Problem Gambling Severity Index
RGNDI	Real Gross National Disposable Income
RSA	Responsible Service of Alcohol
SDC	Selwyn District Council
SIA	Social Impact Assessment
TLA	Territorial Local Authority
UR	Usually-Resident
VNA	Victoria Neighbourhood Association
WDC	Waimakariri District Council

SECTION 3

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

- 1 Christchurch Casinos Limited (*CCL*) was granted a Casino Premises Licence (*Licence*) under the Casino Control Act 1990 on 30 June 1993. The Christchurch Casino (*Casino*) opened its doors to the public on 4 November 1994.
- 2 The Licence expires at midnight on 3 November 2019, being 25 years after the Casino commenced public operation. In accordance with section 134 of the Gambling Act 2003 (*Act*) CCL is now applying to have the Casino Venue Licence renewed.
- 3 This is the first casino Venue Licence renewal application to be made under the Act. Accordingly, with no template to follow, CCL has endeavoured to collect and present all relevant information that the Gambling Commission (*Commission*) may require in order to properly assess and determine the application.

Statutory test for determining the application

- 4 The Act, under section 137, provides that the Commission must not renew a casino Venue Licence unless it is satisfied that:
 - 4.1 the applicant and persons with a significant influence are suitable in terms of section 124 of the Act;
 - 4.2 the applicant's compliance record, and that of persons with a significant influence, is satisfactory; and
 - 4.3 renewing the licence will result in a net benefit to the local and regional communities around the casino, and to New Zealand generally.
- 5 This application addresses each of these requirements, and explains how they are met by CCL and all of the persons with significant influence in the Casino.

Section 124

- 6 CCL and each of the persons of significant influence have completed a form which includes all of the relevant information from the Department of Internal Affairs "Associated Person" form, and which covers off the requirements of section 124 of the Act. These forms are attached as **Appendix 14.2 and 14.3**.
- 7 **Sections 5 and 6** of this application provide additional background information on CCL and the persons of significant influence in the casino.
- 8 On the basis of this information, CCL and the persons of significant influence in the Casino are 'suitable' in terms of section 124 of the Act.

Compliance record

- 9 CCL's compliance record and that of persons with a significant influence in the casino is detailed in **Sections 6, 9** and **Appendices 14.3 and 14.6** of this application. CCL has a good working relationship with the Department of Internal Affairs (*DIA*), and a strong compliance history. When minor non-compliances are identified they are dealt with and reported to the *DIA*. CCL's compliance record, and that of the persons with significant influence in the Casino is therefore excellent.

Net benefit to local and regional communities and New Zealand generally

- 10 CCL has engaged James Baines (of Taylor Baines) and Geoff Butcher (of Butcher Partners) to complete a Casino Impact Report (*CIR*) which assesses the social and economic impacts of the Christchurch Casino. The *CIR* is attached as **Appendix 14.5** to this application.
- 11 The *CIR* identifies the difficulties with comparing non-quantifiable social benefits and social harms associated with the operation of the Casino in determining whether the continued operation of the Casino results in a 'net benefit' to the Canterbury region and New Zealand generally. CCL acknowledges these difficulties, however, CCL's view is that the positive social benefits associated with the high quality entertainment facilities (through the gaming areas as well as the various restaurants and bars), together with the substantial level of support that CCL provides to community organisations, equate to a clear 'net benefit' to the Canterbury region and New Zealand generally.
- 12 The *CIR* calculates that the Casino contributes net economic impacts of 95 full time equivalent (*FTE*) jobs in Christchurch, and an additional \$23 million per year of added value. At the Canterbury regional level these figures are larger, with 104 *FTEs* and \$26 million of added value. At a national level, the establishment of the Casino has increased Real Gross Disposable National Income by \$70-140 million per year.¹
- 13 If the Casino were to close, these net positive economic impacts would be reversed. This would equate to a loss of 95 *FTEs* and \$23 million of added value per year in Christchurch; 104 *FTEs* and \$26 million of added value per year in Canterbury; and decrease of Real Gross Disposable Income by in excess of \$70 million per year. The negative economic impacts that would flow from the closure of the Casino are therefore significant. On this basis, renewing the Licence will result in a net economic benefit to both the local and regional community, as well as to New Zealand generally.

¹ See pages v - vi of Casino Impact Report

SECTION 4

APPLICATION DESCRIPTION

APPLICATION DESCRIPTION

- 14 This application is for the renewal of CCL's Licence, which is due to expire at midnight on 3 November 2019.
- 15 The application will set out how CCL and the persons of significant influence meet the statutory test under section 137 of the Act in order to satisfy the Commission that it is appropriate to renew the Licence.
- 16 The application is structured as follows:
 - 16.1 Overview of Christchurch Casinos Limited;
 - 16.2 Background to the applicant (CCL) and the persons of significant influence involved in the Casino;
 - 16.3 Brief history of the Licence, including variations and amendments to Licence conditions;
 - 16.4 Description of the Casino facilities;
 - 16.5 Compliance history of the Casino;
 - 16.6 Assessment of the social and economic impacts of the Casino, with reference to the independent expert report prepared by James Baines and Geoff Butcher;
 - 16.7 Discussion of CCL's contribution to Christchurch communities, and mitigation of gambling related harms;
 - 16.8 Explanation of the statutory framework that applies to this Licence renewal process;
 - 16.9 Assessment of how the application meets the statutory requirements;
 - 16.10 Relevant supporting information attached as Appendices; and
 - 16.11 Draft licence conditions.

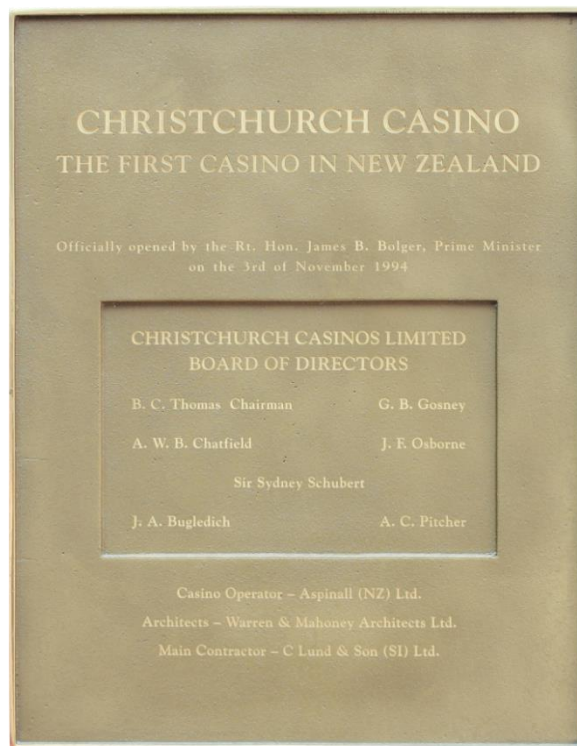
SECTION 5

OVERVIEW OF CHRISTCHURCH CASINOS LIMITED

OVERVIEW OF CHRISTCHURCH CASINOS LIMITED

Background

- 17 On 3 November 1994, Christchurch Casino opened its doors for the first time. It was a grand affair which heralded a new entertainment industry for not only Christchurch, but New Zealand. Having proudly become an integral part of the community in Christchurch and Canterbury, the Casino continuously contributes to making Christchurch a thriving and vibrant place for locals and visitors alike. It has been a privilege to have been operating in Christchurch over the past 23 years.



Official plaque from the opening of the Casino on the 3rd of November 1994, before opening to the public on the 4th of November 1994.

- 18 The original Venue Licence was granted for 25 years and expires at midnight on 3 November 2019. CCL's operating success is a testament to the professionalism and dedication of the Casino's employees, management and board of directors, and demonstrates CCL's underlying desire to provide a safe and compliant venue for the benefit of both visitors and stakeholders.
- 19 The initiative for a casino in Christchurch was provided by Skyline Enterprises (Skyline). Skyline operates attractions throughout New Zealand and overseas and hosts over 4 million guests per annum. It also exports its technology and innovation to Canada, Singapore and South Korea. Skyline celebrated its 50th anniversary in 2017 and with 93% of its shareholders being New Zealand residents it continues to be a proud locally owned company leading the way on the international stage, showcasing New Zealand skills and hospitality.

Operational activities

- 20 The Casino currently operates 16 hours a day on weekdays and 24 hours over the weekend and public holidays. The Casino offers 500 electronic gaming machines, 36 gaming tables and can host 360 guests in the four food and beverage outlets at any given time. In addition to this, CCL offers corporate and fundraising events for the community in Sixty6 on Peterborough (CCL's specialised events venue), which can host up to 430 people. The Casino's current parking capacity of 265 cars is open to the public and CCL is looking to expand this capacity to approximately 430 cars (pending consent). As such, CCL is also contributing to the commercial repopulation of Victoria Street in the surrounding area by offering attractively priced, convenient short and long-term car parking.
- 21 CCL is proud of its diverse and multi-skilled workforce of close to 500 people, and offers a vast range of benefits to its employees. CCL believes in developing its employees and providing them with a transferable skillset, not just within the business, but to other businesses. As an established and reputable business, CCL's employees are highly sought after by other organisations, especially in the post-earthquake environment.



Guests enjoying themselves on the Main Gaming Floor in the Casino

- 22 Throughout the past 23 years of operation, CCL has employed and trained more than 3,800 people. During this time, employee welfare has been paramount; providing support, training and ensuring employee safety at all times is what has made the Casino an attractive and inviting place to work. As one of Canterbury's major employers CCL prides itself on offering a diverse range of opportunities to help employees grow and develop.

23 Examples of just some of the benefits that make CCL an attractive employer are as follows:

23.1 Medical insurance;

23.2 Strong and stable management;

23.3 Uniforms supplied and laundered;

23.4 Free meals available in the employee cafeteria;

23.5 Free employee night time shuttle;

23.6 Free Employee Assistance Programme extending to employees' families and whanau;

23.7 Entry fees covered for events that promote mental and physical well-being;

23.8 Food and beverage discounts; and

23.9 Safe and equitable work environment with opportunities for advancement.

24 When employees leave their employment at CCL, they complete a survey to provide CCL with an understanding of how it rates as an employer. The overwhelming response is that CCL provides a safe working environment, with total benefits at or above those available in the market. The Casino is seen as an enjoyable place to work. For most, working shift work achieved the work life balance that they desired.

Community focus

25 CCL's employees are representative of the community that CCL operates in. This influences CCL's involvement within the community and those CCL supports. In the last 12 months, CCL has supported more than 60 community groups and charities, ranging from schools and sports clubs to not-for-profit organisations and non-government organisations throughout Canterbury. With limited government funding for not-for-profit organisations, these entities may not have the necessary means to deliver programmes most urgently required within the community. CCL is proud to support these organisations, some of which are not well-known, yet play a critical role in maintaining and developing our community.

26 However, it is not just about giving money. CCL's contribution goes beyond financial assistance. It extends to providing services, resources, venues, catering, guidance and advice. CCL's support also gives many of these organisations the confidence to approach other entities and/or to continue with their fundraising activities. Using the strong reputation of the Casino brand, they are able to gain credibility with other funders who would not always feel confident to supply funding to smaller, unknown organisations. It also gives confidence to other businesses that are considering supporting organisations that CCL does. This creates an enriched environment that not only allows these organisations to survive, but to thrive.

- 27 CCL values its relationship with the community at large and shares the same goals and objectives: a prosperous and sustainable economy with a strong focus on individual wellbeing. CCL's investment in the community, partially through the Christchurch Casino Charitable Trust, shows CCL's commitment to Christchurch and the region but also supports CCL's overall objective: supporting employees' well-being and the community that they live and operate in.



Some of the events and organisations CCL supports.

CCL sponsorship is distributed across sport, cultural and community entities. Supporting events such as the Lantern Festival, New Zealand Cup and Show Week (through sponsorship of the three New Zealand racing cups over the week), emphasises CCL's commitment to helping Christchurch re-establish itself as a destination with a range of entertainment options and high-quality events. The next big event for Christchurch is the Christchurch Casino Golden Oldies Sports Celebration in April 2018, expecting to attract 10,000 visitors to the city.

Join thousands of Over 35s from around the world in a month long Celebration of sport!

Golden Oldies Sports
10SPORTS
4WEEKS1CITY
 Christchurch • New Zealand • April 1st - 29th 2018

CHRISTCHURCH CASINO
GOLDEN OLDIES
 Sports Celebration 2018
 Hosted by **Christchurch**
 The Garden City, New Zealand

www.christchurchgoldenoldies.com **100% PURE NEW ZEALAND** **cure kids** **Rātā Foundation**

Christchurch Casino Golden Oldies Sports Celebration 2018.

28 Some of the other organisations that CCL supports are: Canterbury Rugby Football Union, Silvermoon Tactix, Canterbury Rams, Mainland Football, Canterbury West Coast Air Rescue Trust, SCAPE Public Art, Christchurch Arts Festival, Christchurch Symphony Orchestra, Cholmondeley Children's Centre, New Brighton Surf Life Saving, and many more. CCL is proud of what it has contributed towards the community and looks forward to continuing that support in the future.



Just two of the many community groups CCL supports.

Host Responsibility

- 29 CCL also takes pride in its approach to host responsibility, being at the forefront of providing a safe entertainment environment. CCL's mantra 'Play Safe, Drink Safe' strongly influences the organisational culture and is embodied in the Casino's Host Responsibility Programme, which aims to minimise both alcohol and gambling related harm. With this in mind, employees undergo host responsibility training, which equips them with the skills to identify problem gambling and intoxicated patrons. CCL has invested heavily in technology to assist in this process. Working in collaboration with Bally Technologies, one of the largest Casino customer relationship management providers in the world, CCL has developed 'Servizio', a mobile-based host responsibility application which provides a range of real-time alerts, including when a customer has been playing on a gaming machine for an extended period of time. CCL is also working with Focal Research, a Canadian based company to develop software that analyses people's play patterns on electronic gaming machines and can detect those at risk of problem gambling with high accuracy. Other technology CCL is introducing includes the use of facial recognition to assist host responsibility with the detection of banned or prohibited persons entering the Casino premises, a first for Australasian casinos.
- 30 In terms of alcohol harm, CCL's employees are highly trained in identifying patrons that are potentially under the influence of alcohol. All of CCL's employees are empowered to stop the service of alcohol. This in conjunction with a sound knowledge of the New Zealand regulations around the service of alcohol creates a safe environment for all patrons. CCL provides alternative transport via shuttles and taxi stands at the front of the premise, making safe transport a convenient option.
- 31 CCL sees the current compliance requirements of the Department of Internal Affairs as the minimum standard for the industry and believes that CCL is a key contributor to helping develop and improve the governing standards that surround the provision of gaming and service of alcohol in New Zealand. CCL's host responsibility programme encapsulates what the industry is capable of in order to minimise possible negative impacts on communities. CCL empowers, encourages and expects all employees to play an active role in this process. CCL's commitment to all its stakeholders is that CCL will continue to work to enhance host responsibility not only at the Casino but within the gaming community at large.
- 32 The Casino provides a safe, secure and welcoming environment for those seeking entertainment and a great place to meet friends, whānau and business colleagues alike.
- 33 The successful development and implementation of CCL's host responsibility programme has resulted in the Casino being awarded the Hospitality New Zealand Award for Excellence in Host Responsibility for four consecutive years (2013 – 2016), and also won in 2008 and was a finalist in 2017. In 2010, the Casino won the Supreme Award at the New Zealand Tourism Awards and won in the Workplace Training category that same year.



Christchurch Casino employees receiving the 2016 Award for Excellence in Host Responsibility.



Christchurch Casino employees receiving the 2010 Tourism Industry Supreme Award from the Prime Minister John Key.

- 34 Following the earthquake of February 2011, the Casino was widely acknowledged for the way it looked after its employees during that uncertain time. Being the first hospitality venue to re-open post-earthquake within the four avenues, the Casino acted as a catalyst for others to return to the central business district leading to what we now see on Victoria Street; a range of quality entertainment options for locals and tourists alike, anchored by the Casino.



A city coming back to life, the Casino re-opening night on the 26th May 2011.

- 35 Looking to the future, CCL owns a total area of 11,000m² of land adjacent to the Casino on Peterborough Street. At time of writing there is a consent lodged with the Christchurch City Council for the construction of a 200 room hotel and 433 carpark building on 5,000m² of the site in addition to retail and hospitality. CCL is in discussions with other entities as to the development of the remaining 6,000m² that meets both the needs of the Casino and the city. In the interim, it is proposed that the site will provide much needed car parking for the area. CCL is also assisting the build of a hotel on Salisbury/Montreal Streets by providing a laydown area for the materials required for the build and for site offices.

Summary

- 36 Taking into account and using CCL's resources and practises, the Casino will continue to support the economic growth and social development of Christchurch, Canterbury and New Zealand by:
- 36.1 offering entertainment to the community and being a quality attraction for tourists to Christchurch;
 - 36.2 supporting the community through both employment opportunities and support of local organisations be it community, sport or cultural based, enhancing the social fabric of Christchurch and Canterbury;
 - 36.3 continuing to work with the Department of Internal Affairs and the Gambling Commission to ensure that the Casino's host responsibility practises and compliance with legislation are of the highest level and they continue to evolve to meet the requirements of the environment the Casino operates in; and
 - 36.4 continuing to facilitate and support events that benefit Christchurch and Canterbury.

37 CCL has a fundamental part to play in helping Christchurch City Council achieve its vision for the city as the "...city of opportunity, a place that is open to new ideas, new people and ways of doing things, a place where anything is possible." CCL will assist in helping to optimise the economic and social opportunities that tourism, major events, city promotion and economic development can bring to Christchurch and Canterbury. In order for Christchurch to further develop as an attractive city for international and local events, such as conferences, concerts or sporting events, people expect a range of entertainment options to add to their experience. The Casino is a genuine entertainment option for many visitors and locals alike. CCL looks forward to providing that experience, for many years to come.



Let us entertain you at Christchurch Casino

SECTION 6

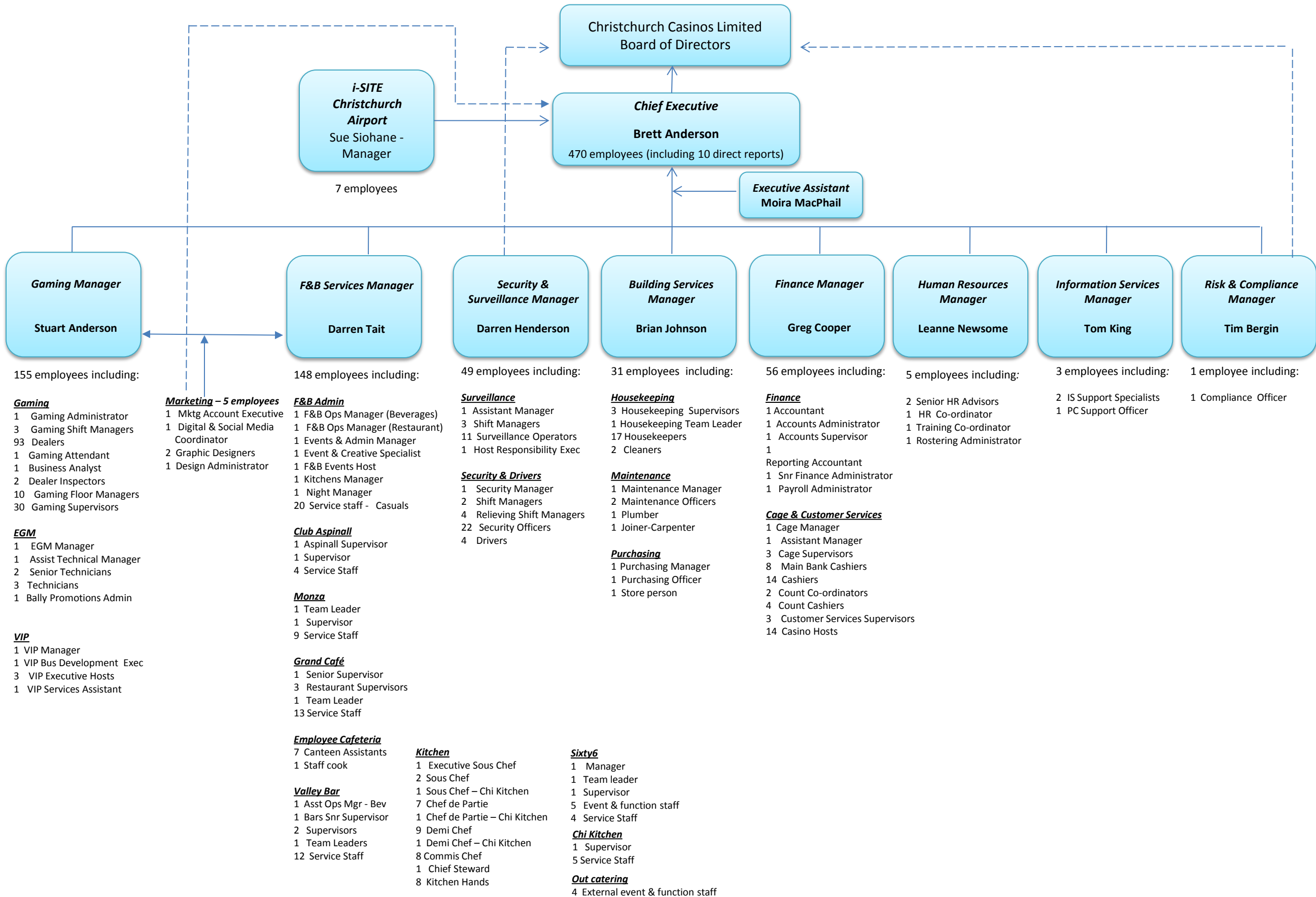
BACKGROUND TO THE APPLICANT AND PERSONS WITH SIGNIFICANT INFLUENCE

BACKGROUND TO APPLICANT AND PERSONS OF SIGNIFICANT INFLUENCE

Background to CCL

- 38 CCL was incorporated on the 27 February 1992. The Licence was granted 30 June 1993, and in November 1994 the Casino opened as New Zealand's first licensed casino.
- 39 CCL was a joint venture principally between Aspinall (NZ) Limited (European-based casino operators) and Skyline Enterprises Limited (*Skyline*), (New Zealand-based Hospitality and Tourism company) which both held a 45.5% shareholding in CCL. The remaining 9% was held by a handful of minority shareholders.
- 40 On 29 June 2004, Sky City Entertainment Group Limited (*Sky City*) announced that it had settled the acquisition of the entire issued share capital in Aspinall (NZ) Limited and thus indirectly its shareholding in CCL.
- 41 In December 2012, after several months of negotiations, Skyline purchased Sky City's shareholding in CCL, giving Skyline full control of CCL. The minority shareholdings had been purchased prior to this.
- 42 The shareholdings in CCL as at 27 September 2017 are as follows:
- 42.1 Skyline Enterprises Limited – 87.25%; and
- 42.2 Queenstown Tourist Co Limited – 12.75% (Queenstown Tourist Co Limited is a wholly owned subsidiary of Skyline Enterprises Limited).
- Management structure of CCL and 'suitability' under section 124 of the Act**
- 43 The management structure of CCL is shown in **Figure 1**. Section 124(d) of the Act requires the management structure of the applicant to be suitably arranged for effective compliance with the Act.
- 44 CCL's compliance history is discussed in **Section 9** of this application, which illustrates that CCL has a reputation for honesty, and has a strong compliance history, which has been facilitated through the management structure shown in **Figure 1**.
- 45 The Applicant Information Form in **Appendix 14.2** establishes that CCL satisfies the 'suitability' requirements under section 124 of the Act. CCL has operated successfully in Christchurch for the past 23 years, during which time the company and its employees have accumulated the business skills necessary to operate the Casino in a socially and economically responsible manner that provides many benefits to local and regional communities.
- 46 Therefore, CCL as the Applicant for this Licence renewal is "suitable" in terms of section 124 of the Act.

Figure 1: Organisational Structure of Christchurch Casinos Limited as holder of Venue and Operator's Licences under the Gambling Act 2003. As at 1 November 2017.



Background to persons of significant influence

- 47 **Appendix 14.3** includes personal information forms completed by all persons with significant influence in the Casino.
- 48 The information in **Appendix 14.3** establishes that all of the persons of significant influence have excellent compliance histories, stable financial positions and relevant business skills. The persons identified in **Appendix 14.3** are 'suitable' to have significant influence in the Casino, as they all meet the requirements of section 124 of the Act.
- 49 The Commission can therefore be satisfied in terms of section 137(1)(a) and (b) of the Act that the applicant and persons with a significant influence in the casino are 'suitable' and have more than satisfactory compliance records.
- 50 Detailed personal financial information for each of the persons of significant influence has not been provided, on the basis that this detailed information has been provided to the Commission previously, in the relevant Associated Person applications. If the Commission requires this information to be provided again, CCL will provide it after making the necessary arrangements with the Commission to protect confidentiality of the individuals concerned.

SECTION 7

HISTORY OF CURRENT VENUE LICENCE

HISTORY OF CURRENT VENUE LICENCE

Overview

- 51 CCL's existing Licence was granted on 30 June 1993.
- 52 The Licence was then reissued on 22 September 2000 following amendment to the address, description of the Casino premises and variation of the Licence conditions.
- 53 The Commission initiated a full review of the Licence in 2007, in response to the review of the SKYCITY Auckland casino venue premises licence conditions in 2005, and in response to the Gambling Act 2003 (which replaced the previous Casino Control Act 1990).
- 54 The current version of the Licence is attached as **Appendix 14.1** of this application.
- 55 CCL takes its responsibilities under the Licence very seriously, and has an excellent history of compliance with its current Licence, which is elaborated on in **Section 9** of this Application.

Changes to conditions in September 2000

- 56 CCL made a written application to the Casino Control Authority (*Authority*) dated 17 April 2000 for variation of the Licence under section 46 of the Casino Control Act 1990.
- 57 The changes sought were to the address and description of the Casino premises, and to the conditions attached to the Casino premises licence.
- 58 The changes to the address and description of the Casino were as follows:

Original address and description

- 58.1 *30-38 Victoria Street, Christchurch, New Zealand, being that part of that parcel of land containing 3184.25 square metres or thereabouts, being Lot 1 Deposited Plan 3178 (Canterbury Land Register) (Certificate of Title 268/116) (subject to building line restriction in 348905) defined as constituting the casino premises in the conditions set out in the Schedule to this licence.*

Amendment

- 58.2 Delete "part of that" and "defined as constituting the casino premises in the conditions set out in the Schedule to this licence".

Amended address and description

- 58.3 *30-38 Victoria Street, Christchurch, New Zealand, being that parcel of land containing 3184.25 square metres or thereabouts, being Lot 1 Deposited Plan 3178 (Canterbury Land Register) (Certificate of Title 268/116) (subject to building line restriction in 348905).*

59 The changes to the conditions of the Casino licence were for the deletion of some conditions that had become obsolete or redundant because they referred to matters involving the construction of the Casino premises, which had been completed. The variations also sought to bring the conditions in line with other casino premises licences granted by the Authority, and to consolidate and renumber the remaining conditions.

60 The Authority was satisfied that the variations requested by CCL were justified, and should be allowed, with the exception of some deletions that were sought by CCL which the Authority rejected. These were conditions 3, 4, 7, 14 and 15 that related to the initial construction of the casino premises, which had by the time of the variation application in 2000 been satisfied and the Authority acknowledged were "completely obsolete or redundant". However, the Authority was of the view that if it became necessary to rebuild the Casino, either wholly or in part, those conditions may apply again. Therefore, the Authority declined to delete these conditions.

Gambling Commission review of conditions 2007

61 In 2005 the Gambling Commission initiated a review under section 140 of the Act to amend the conditions of the casino Venue Licence held by SKYCITY Auckland Limited in respect of the SKYCITY Auckland Casino. CCL was involved as a submitter in this hearing process, and it raised a number of concerns with the proposed conditions for the casino Venue Licence.

62 In July 2007, the Commission initiated a review of CCL's Venue and Operator's Licence for the Casino, based on the Venue and Operator's Licence for the SKYCITY Auckland casino. The Commission proposed to revoke the conditions of the existing Venue and Operator's Licences, and specify, in substitution, proposed conditions for CCL's licences. The purpose of this review was to:

62.1 Remove obsolete conditions relating to initial construction of the Casino and credit wagers (which were by that time addressed in section 15 of the Act);

62.2 Update references to the Casino Control Authority to refer instead to the Commission;

62.3 Allocate conditions more appropriately between Venue and Operator's Licences; and

62.4 Other changes to better reflect the provisions under the Act.

63 The Commission released an interim decision on 3 December 2007, and a final decision on 18 February 2009.²

64 Other minor changes to the Licence conditions have been made over the years, in particular to change the designated Gambling Areas.³

² See Gambling Commission decisions GC25/07 and GC04/09, available at: http://www.gamblingcommission.govt.nz/GCwebsite.nsf/wpg_URL/Decisions-Index!OpenDocument

³ See Gambling Commission decisions GC07/10, GC38/11, GC19/12, available at: http://www.gamblingcommission.govt.nz/GCwebsite.nsf/wpg_URL/Decisions-Index!OpenDocument

Operator's licence

65 CCL also holds a Casino Operator's Licence (copy included as Appendix C to the CIR) which sets out the operating requirements that CCL must comply with, such as:

65.1 Number of gaming machines (must not exceed 500);

65.2 Number of gaming tables (must not exceed 36);

65.3 Ratio of gaming machines to gaming tables;

65.4 Game types and mixes;

65.5 Floor layouts;

65.6 Number of EFTPOS terminals and ATMs;

65.7 Security and Surveillance requirements;

65.8 Host Responsibility Programme;

65.9 Exclusion of intoxicated persons;

65.10 Notification requirements and provision of information to the Commission;

65.11 Audit requirements; and

65.12 Training of staff.

Compliance with Licence conditions

66 CCL has an excellent record of compliance with the conditions of both the Venue Licence and the Operator's Licence. Compliance is discussed further in **Section 9** of this application.

SECTION 8

NATURE AND STANDARD OF CASINO FACILITIES

NATURE AND STANDARD OF CASINO FACILITIES

Gaming spaces

- 67 The Casino currently operates 36 tables and 500 Electronic Gaming Machines (EGMs) in its gaming spaces. The tables have a variety of game mixes approved for use, the most common of which include Blackjack, Roulette, Baccarat, Money Wheel, Tai Sai, together with a number of forms of Poker.
- 68 A floor plan showing the location of the Casino's approved gaming areas is included in **Appendix 14.4**. Details of the Casino's approved game mixes are included in Annex A of the Casino's Operator's Licence.

Other entertainment facilities

- 69 In addition to its gaming spaces, the following entertainment facilities also operate within the Casino building:
- 69.1 The Grand Café – the Casino's largest restaurant, catering for between 180-200 guests;
- 69.2 The Chi Kitchen – an authentic Cantonese restaurant catering for between 46-60 guests;
- 69.3 The Monza Sports Bar – a relaxed dining option with capacity for 100-120 guests;
- 69.4 The Valley Bar – servicing the gaming areas of the Casino with limited bar seating for approximately 20-30 guests; and
- 69.5 Sixty6 on Peterborough – specialist function venue that can accommodate almost any type of function (for example, a cocktail party for 430, a theatre-style event for 350, or a sit-down dinner for 300). There were 97 events held at Sixty6 on Peterborough between 8 September 2016 and 21 May 2017. These events involved a broad range of local community organisations, schools, sports clubs, and local businesses. These events were attended by a total of 12,850 people, averaging 132 attendees at each event. Sixty6 on Peterborough has been used for fundraising events, as well as on a commercial basis.
- 70 The wide range of entertainment facilities cater to a very broad range of customers. The Casino is an important social hub for older people, who enjoy visiting the Casino for the reasonably-priced, quality meals.
- 71 The Casino is seen as a safe, welcoming environment that is frequented by thousands of visitors each year.
- 72 CCL maintains a very high standard of entertainment facilities, and has spent many millions of dollars on refurbishments over the years. Complete refurbishments have been made through all public areas within the last 10 years, with further refurbishments currently in the concept design phase.

- 73 The below photo shows the gaming area of the Casino with some of the Casino staff, taken in May 2016. Additional photos illustrating the high standard of facilities at the Casino are included in **Section 5** above.



Figure 2: Gaming area of the Casino with some of the Casino staff, taken May 2016

Hours of operation

- 74 The Casino is currently open 16 hours/day Monday to Thursday (11am – 3am), and 24 hours/day Friday to Sunday. Prior to the earthquakes, the Casino had operated 24 hours a day, seven days a week, and may return to these hours in the future.

Casino employees

- 75 As at 1 April 2017, the Casino employed 478 people, including 154 in the Gaming division and 155 in the Food and Beverage Services division. A full breakdown of staff is included in **Figure 1** in **Section 6** above.
- 76 CCL prioritises employee development and training and is proud of its diverse and multi-skilled workforce. CCL provides a range of benefits to its employees, as detailed in **Section 5** of this Application. Feedback from employee exit surveys highlights the Casino’s reputation as an enjoyable, safe, positive work environment with good opportunities for training and development.

SECTION 9

COMPLIANCE WITH THE GAMBLING ACT 2003 AND PREVIOUS LEGISLATION

COMPLIANCE WITH GAMBLING ACT 2003 AND PREVIOUS LEGISLATION

- 77 CCL has a good working relationship with the DIA, and an excellent history of compliance, as detailed below.
- Result of recent DIA audits**
- 78 The DIA has recently implemented a process of annual audits to monitor compliance with Licence conditions and statutory requirements.
- 79 Letters from the DIA recording the results of these audits are included in **Appendix 14.6**. These show that CCL is meeting its compliance requirements for:
- 79.1 The Host Responsibility Programme (*HRP*);
 - 79.2 Premises Licence and Operator's Licence conditions;
 - 79.3 EGM requirements under the Act and the Minimum Operating Standards;
 - 79.4 Surveillance, in accordance with the Surveillance Standards and Minimum Operating Standards (copies of which are included in **Appendix 14.7**); and
 - 79.5 Table games under the Minimum Operating Standards.
- 80 The HRP audit result included some recommendations for improvement of the HRP. These recommendations are typical of the ongoing incremental improvements to the HRP that are continuously being implemented by CCL. CCL takes these recommendations very seriously. These recommendations have all either been completed or are currently under action. It is through the ongoing incremental improvements to the HRP (initiated more often by CCL than by the DIA) that CCL is able to maintain a high standard of host responsibility, and maintain its excellent compliance record. A copy of the current HRP is included in **Appendix 14.8**.
- Previous compliance records**
- 81 Prior to the commencement of the DIA's annual audits referred to above, the DIA reported on CCL compliance through monthly compliance reports. A sample of these monthly reports is included in **Appendix 14.6**.
- 82 Typically, these monthly compliance reports identify minor issues that arise on occasion during the day-to-day operation of the Casino. For example:
- 82.1 Breaches of exclusion orders;
 - 82.2 Minor theft of items such as personal belongings, drinks, gaming chips; and
 - 82.3 Under age persons in the Casino.
- 83 When such incidents occur, CCL records the incident, takes any necessary action, and includes it in the monthly report to the DIA (noting that the majority of the incidents are self-reported by CCL).

84 None of the incidents identified in these monthly compliance reports are particularly noteworthy. CCL takes all practicable steps to ensure that the occurrence of such incidents is minimised, for example through constant improvement of the HRP, as discussed below.

Host Responsibility Programme

85 The Casino ensures it complies with the Gambling Act and the conditions of its Venue and Operator's Licences through the HRP.

86 The Casino has been active in the Host Responsibility space since the Casino first opened in November 1994. The Casino's first Host Responsibility Manager was appointed in January 2007, to give effect to the intent of the Gambling Act 2003. Before this, the Casino had an active Responsible Gaming Programme (although no specific Host Responsibility Manager) and had interacted with a broad group of community agencies interested in promoting responsible gambling practices, known as the Community Action for Responsible Gambling (*CARG*).

87 In January 2007, the *CARG* meetings were replaced with Problem Gambling Liaison Meetings (*PGLM*) to ensure the Casino's responsibilities for ensuring responsible gambling and minimising harm, as required by the new Act, were met.

88 In 2009, the Casino's Responsible Gaming Programme became the HRP, with further emphasis on harm minimisation. The purpose of the HRP is to provide a safe gaming environment, and facilitate the safe use of gaming products and the responsible consumption of alcohol by its customers. The HRP includes reporting provisions and is reviewed every two years by the Gambling Commission.

89 In January 2015, the Host Responsibility Manager was replaced with a Host Responsibility Executive (*HRE*), which was intended to raise the profile of Host Responsibility at the Casino and reinforce a staff culture around customer care.

90 Some key aspects of the current HRP are discussed in this section, however the full HRP is much more comprehensive than the elements discussed here. The full HRP is attached in **Appendix 14.8**.

HRP objectives

91 The objectives of the HRP are:

91.1 Preventing the onset of gambling and/or alcohol related harm and minimising gambling-related harm for customers and other persons potentially affected by their gambling behaviour; and

91.2 Facilitating responsible gambling.

92 CCL aims to fulfil the objectives of the HRP by:

92.1 Providing effective employee learning and development;

92.2 Providing a safe gambling environment;

92.3 Providing responsible marketing and promotional initiatives;

92.4 Promoting the responsible consumption of alcohol; and

92.5 Engaging effectively with stakeholders.

Monitoring gambling behaviour

93 A key part of the HRP is the identification of potentially harmful gambling behaviours, and appropriate responses to such behaviour. CCL utilises a range of techniques for monitoring the gambling behaviours of its patrons including:

93.1 "Servizio", a computer-based tool developed by Bally Technologies in collaboration with CCL, provides real-time alerts to key staff about customers at EGMs whose play is considered "continuous play". CCL has made significant investment in the development of Servizio, which reflects CCL's commitment to addressing issues of problem gambling.

93.2 Gambling and drinking behaviours are observed directly by any of the customer-facing staff at the Casino, including the Surveillance operators. Observations by staff can lead to a range of interventions⁴, as required.

94 When potentially harmful gambling behaviours are observed, Casino staff take action as required to prevent gambling harm. In serious cases, this may include initiating self-exclusion or exclusion processes, which are discussed further below.

Staff training

95 A key aspect of effectively delivering the HRP is the provision of training to Casino staff. The staff training that is currently delivered by CCL includes:

95.1 All employees participate in Host Responsibility induction training (approximately 2 hours);

95.2 Supervisors/Managers from Gaming, Food & Beverage, Security and Surveillance and other employees where it is believed it will be beneficial, participate in supplementary Level 2 training (two hours). This includes information on identification of problem gamblers, overview of the legal framework and HRP, initial action with respect to customers requesting problem gambling assistance, identification and intervention with respect to excessive alcohol consumption, and the importance of reporting;

⁴ For example, issuing warnings for behaviour-related incidents, and trespass notices issued when unacceptable behaviour occurs.

- 95.3 Advanced training is given to employees responsible for conducting interventions with customers;
- 95.4 Refresher training is provided on an on-going basis and is available to all frontline employees and above, either when a learning and development need is identified, or when requested;
- 95.5 Security Shift Managers are trained to respond to customers who are at risk of suicide;
- 95.6 The Licence Controlled Qualification as required under the Sale and Supply of Alcohol Act is facilitated through an external provider for relevant employees;
- 95.7 CCL provides a range of additional opportunities for host responsibility learning by sharing information and experiences across the Casino's portfolio, for example through internal communications such as employee newsletters, employee meetings and key performance indicators;
- 95.8 Where possible, training is delivered in-house, which allows for continuous development and improvement of the various training programmes, in response to recent practical experience. It also provides for efficient and targeted delivery of training to more employees.

Responsible service of alcohol

- 96 Responsible service of alcohol is facilitated through the staff training mentioned above, which is designed for all frontline employees, to promote effective team work to ensure customer safety and enjoyment.
- 97 CCL's objectives as a responsible host include (among other things) preventing intoxication, serving and managing alcohol responsibly, promoting and arranging safe transport options, and preventing minors from entering the Casino premises. Persons under the age of 20 are not permitted on the Casino premises (even in the non-gaming areas).

Exclusion from and re-entry to Casino

- 98 A fundamental part of mitigating gambling-related harms is the Casino staff's response when harmful gambling behaviours are identified at the Casino. Harmful gambling behaviours are monitored by Casino staff, as well as by specially designed software called Servizio that monitors gambling behaviour and identifies periods of continuous play.
- 99 The Casino offers two types of exclusions for harmful gambling behaviour:
 - 99.1 Self-exclusion; and
 - 99.2 Casino identified exclusion.

- 100 Customers can self-exclude from the Casino for an appropriate period of up to two years, and until they meet re-entry conditions. The self-exclusion process may be initiated by the customer themselves, or by a problem gambling treatment provider, or other venues under a multi-venue exclusion arrangement.
- 101 Casino exclusion is undertaken when a problem gambler does not take up self-exclusion and CCL considers that the customer or his or her family or wider community is or may be experiencing harm as a consequence of that person's gambling behaviour. This is undertaken in accordance with CCL's obligations under section 309A of the Act.
- 102 Only appropriately trained employees undertake exclusions with customers. To ensure the effectiveness of the exclusion process, the following features are focussed on:
- 102.1 Communication – including provision of materials on problem gambling counselling service providers and provision of translation services and brochures in appropriate languages as necessary;
 - 102.2 Involvement of third parties and service providers – encouraging families and/or friends to accompany the customer, encouraging the customer to utilise counselling services, and arranging for the counselling service to call the excluded customer if the customer agrees;
 - 102.3 Maintaining Gambler of Interest (*GOI*) records, including full details of all exclusion orders made, which are accessible to Security, Surveillance and Gaming employees to ensure detection of customers breaching an exclusion order; and
 - 102.4 Promoting ongoing dialogue with counselling service providers to continually improve the exclusion process.
- 103 Exclusion from the Casino can be for any period up to 24 months. A three-month exclusion is generally considered appropriate for a 'first episode' situation.
- 104 Re-entry to the Casino following a three-month exclusion period requires a meeting and assessment by the Casino HRE.
- 105 Re-entry to the Casino following a period of exclusion longer than three months involves:
- 105.1 Customer attending a mandatory course of problem gambling counselling;
 - 105.2 Attendance at counselling is confirmed by a letter from the counsellor;
 - 105.3 Customer attends a meeting and is assessed by the Casino HRE;
 - 105.4 After this meeting, the HRE may decline re-entry if the customer is deemed at continued risk of harm from gambling;

105.5 If declined re-entry, the customer may apply for re-entry again at a later time;

105.6 If granted re-entry, the customer must become a Players Club member and use their membership card whenever gambling at the Casino. The membership card enables the customer to access the pre-commitment feature within the Casino Electronic Management System which allows a player to set their own limits for time and spend.

106 For the 2016 calendar year, approximately 40% of re-entry interviews with the HRE resulted in re-entry being declined.

Standards of dress and behaviour

107 In keeping with the high standard of facilities at the Casino, CCL has established a dress code that Casino patrons must adhere to. This includes a number of items that are not permitted, such as beanies, caps, casual street wear, and clothing with offensive designs or words.

108 CCL has also established behavioural standards, which require Casino staff to take appropriate action when customers are behaving inappropriately.

Reporting to Gambling Commission

109 CCL reports annually to the Commission on the implementation of the HRP. This reporting includes:

109.1 a description of the resources put into the core elements of the HRP and activities undertaken by CCL under the HRP;

109.2 reporting on a range of measures (including staff training, customer exclusions and alcohol-related incidents, among other measures);

109.3 comment on the effectiveness of the HRP and the extent to which the HRP objectives are being achieved; and

109.4 proposed improvements to the HRP.

Review and improvement of HRP

110 Both the Problem Gambling Foundation (*PGF*) and the Salvation Army OASIS centre have provided positive feedback about the Casino's HRP, with the Salvation Army Practice Leader rating the Casino's HR practices as:⁵

"top notch – they let us know about problems; keep close liaison; respond to our suggestions"

⁵ CIR, section 6.3.1, page 131

- 111 Notwithstanding this positive feedback, the HRP is the subject of ongoing review and improvement, particularly as technological advances are made that can be used to help improve the efficiency and effectiveness of the HRP. CCL has, and continues to, invest significantly in detection technology as part of their overall effort to identify and assist potential problem gamblers.
- 112 The Gambling Commission reviewed the Casino's HRP in late 2017. The version of the HRP discussed in this application, and attached as **Appendix 14.8** became effective as of 13 November 2017.

SECTION 10

ASSESSMENT OF ECONOMIC AND SOCIAL EFFECTS

ASSESSMENT OF ECONOMIC AND SOCIAL IMPACTS

Casino Impact Report

- 113 The CIR (**Appendix 14.5**) assesses the social and economic impacts of the ongoing operation of the Casino at a local, regional and national level. This assessment clearly establishes that the ongoing operation of the Casino results in a 'net benefit' to the local and regional communities, and to New Zealand generally.

SECTION 11

POSITIVE CONTRIBUTION TO COMMUNITY AND MITIGATION OF HARM

POSITIVE CONTRIBUTIONS TO THE COMMUNITY AND MITIGATION OF GAMBLING HARM

Contributions to Canterbury communities

- 114 As detailed in **Section 5** above, the Casino has a very significant positive impact on Canterbury communities both through the direct operations of the Casino which provide employment opportunities and high-quality entertainment facilities, and through the support (both financial and non-financial) that CCL provides to community organisations and events.
- 115 In addition to these benefits, CCL has also been actively involved in the Victoria Street community immediately surrounding the Casino.

Contributions to the Victoria Street community

- 116 CCL has an ongoing relationship with Victoria Neighbourhood Association (VNA), through which the local community in the vicinity of the Casino is kept up to date with Casino operations and developments.
- 117 In addition to this ongoing relationship, CCL has contributed to the improvement of the amenities in the Victoria Street area through:
- 117.1 The Victoria Streetscape Project;
 - 117.2 The Victoria StreetSafe initiative; and
 - 117.3 Host responsibility training for Victoria Street hospitality businesses.

Victoria Streetscape project

- 118 The Victoria Streetscape Project was funded by several businesses in the Casino locality (including CCL), and was aimed at revitalising and promoting the Victoria Street area post-quakes (2014-2016).
- 119 The group consisted of more than 30 local businesses, an additional 10 property owners as well as Knox Church and representatives from the VNA. The group had input into City Council planning for the Victoria Street area. The group has now been formalised into Victoria District Incorporated, the Executive Committee of which includes two members from the Casino.

Victoria StreetSafe initiative

- 120 CCL and other hospitality businesses along Victoria Street implemented the StreetSafe initiative in 2013. At this time the number of bars with late-night licences in the Victoria Street area was increasing and the Casino and neighbouring residents were experiencing undesirable or anti-social behaviour by bar patrons.
- 121 CCL was not able to control patron behaviour outside of the Casino premises, in neighbouring streets and vacant lots, and so the StreetSafe initiative provided night-time patrols in the neighbourhood of Victoria Street and its environs on Friday and Saturday nights from 11pm to 3.30am.

Host responsibility training for Victoria Street businesses

- 122 In 2015, CCL at its own expense provided five sessions of Host Responsibility training to other hospitality businesses in the Victoria Street vicinity free of charge.
- 123 This training was intended to help other hospitality businesses in the vicinity of the Casino to operate safe and responsible entertainment venues, and thereby promote Victoria Street as a premium quality hospitality destination.

Mitigation of harm

- 124 CCL is committed to reducing gambling-related harms as much as possible. To reduce harms, CCL has:
- 124.1 Implemented and regularly reviews the HRP to ensure it incorporates best practice and emerging technologies as far as practical;
 - 124.2 Made significant investment in the "Servizio" software to detect continuous play that may indicate harmful gambling behaviour;
 - 124.3 Invested in comprehensive in-house staff training programmes to ensure that all floor staff can recognise and respond appropriately to harmful gambling behaviour; and
 - 124.4 In recent years placed more emphasis on early detection of problematic gambling behaviours by encouraging front-line staff to be more observant.
- 125 The CIR recognises that CCL's recent improvement in recognising and recording harmful gambling behaviour has translated into an almost 1200% increase in Host Responsibility log entries in the past four years, and a 55% increase in exclusions over the same time period.⁶ These increased numbers indicate that CCL has vastly improved its effectiveness at identifying at-risk gamblers as early as possible.
- 126 Host Responsibility at the Casino is constantly being improved. Recent improvements include:
- 126.1 Collaboration between the Casino and Auckland University of Technology on the development of problem gambling software;
 - 126.2 Introduction of new surveillance equipment in the table area to better monitor risks, particularly those associated with Baccarat;
 - 126.3 Development of the Servizio system and application of Australian research to continuous-play alerts;
 - 126.4 Introduction of anti-money laundering and pre-commitment initiatives; and
 - 126.5 Changes to staff training programmes including a new induction manual and refresher courses every two years, and staff training on Alzheimer's and suicide awareness.

⁶ CIR, Table 6.38

Problem Gambling Liaison Meetings

- 127 CCL convenes Problem Gambling Liaison Meetings three times per year. These are usually attended by representatives of PGF and the Salvation Army OASIS Centre, DIA Casino Inspectors and representatives of telephone helpline services. These meetings provide an opportunity for CCL to provide updates on recent Host Responsibility activities and initiatives, discuss any Host Responsibility issues, and for the counselling representatives to provide feedback to CCL. PGF and the Salvation Army OASIS centre have acknowledged that these meetings are 'open and transparent'.⁷ Outside of these meetings, the Casino's Host Responsibility Executive visits PGF to process self-exclusions, and staff members from PGF and OASIS have visited the Casino to gain a better understanding of the gambling environment their clients experience.

⁷ CIR, section 3.3.10, page 26

SECTION 12

STATUTORY FRAMEWORK

STATUTORY FRAMEWORK

Persons of significant influence – suitability requirements

128 Section 124 of the Act states that a casino Venue Licence must not be renewed unless the Commission is satisfied that the applicant and persons with a significant influence are suitable. In making this determination, the Commission must take into account:

128.1 The honesty of the applicant or person with a significant influence;

128.2 The financial position of the applicant or person with significant influence;

128.3 The business skills of the applicant or person with significant influence;

128.4 The management structure of the applicant; and

128.5 Any other matter the Commission considers relevant.

129 Section 125 of the Act requires the Commission to investigate the applicant and persons with a significant influence, and may require the applicant or any persons with a significant influence to provide further information (including, but not limited to, having their photos and fingerprints taken).

Licence renewal application framework

130 This application is made under section 134 of the Act.

131 Under section 134(2), the application must be:

131.1 Made at least 1 year, but not more than 2 years, before the date on which the licence is due to expire.

131.2 On the relevant form; and

131.3 Accompanied by a casino impact report.

132 Section 134(3) requires that the casino impact report must:

132.1 Be prepared by a person approved by the Commission as independent and;

132.2 Report on the expected social and economic effects on the local and regional areas affected by the operation of the casino, and on New Zealand generally of:

(a) The continued operation of the casino; and

(b) The closure of the casino; and

132.3 Report on matters identified by the Gambling Commission.

- 133 The process for determining applications for renewal is set out in section 135. By way of summary, the process is as follows (noting that the Commission may take additional steps if they consider this appropriate):
- 133.1 Investigate the applicant and persons with a significant influence under section 125 to determine whether they are suitable in terms of section 124, and have complied with the Act and previous gaming acts and regulations made under them;
 - 133.2 Give public notice of the application, inviting written submissions on the application, and inviting people who wish to appear and be heard at a public hearing to apply to the Gambling Commission for authorisation;
 - 133.3 Give public notice of the commencement of hearings, and of how people may find out where and when hearings are to be held;
 - 133.4 Make available for public inspection, subject to any agreement between the applicant and the Gambling Commission regarding confidentiality, copies of the application, any amendments to it, the casino impact report and any relevant documentation;
 - 133.5 Conduct a public hearing of the application at which evidence of the parties is heard and parties may examine and cross-examine witnesses;
 - 133.6 Give public notice of the decision of the Gambling Commission and make copies of the decision available to the public.
- 134 Section 136 of the Act sets out the information and matters to be considered by the Gambling Commission.
- 135 Under section 137, the Commission must not renew a casino Venue Licence unless it is satisfied that:
- 135.1 The applicant and persons with a significant influence are suitable in terms of section 124;
 - 135.2 The applicant's compliance record, and that of persons with a significant influence, is satisfactory; and
 - 135.3 Renewing the licence will result in a net benefit –
 - (a) To the local and regional communities around the casino; and
 - (b) To New Zealand generally

135.4 In assessing whether there is a 'net benefit' the Gambling Commission must consider –

- (a) The social and economic effects of granting, or refusing to grant, the renewal; and
- (b) The level of support for the application, including the result of any poll conducted by the local authority; and
- (c) The nature and standard of the casino facilities.

SECTION 13

ASSESSMENT OF APPLICATION AGAINST STATUTORY FRAMEWORK

ASSESSMENT OF APPLICATION AGAINST STATUTORY FRAMEWORK

Suitability of applicant and persons with a significant influence

- 136 The suitability of the applicant (CCL) and persons with a significant influence in terms of section 124 of the Act is addressed in **Section 6, Section 9** and **Appendices 14.2** and **14.3** of this application.

Renewal application requirements

- 137 The first of the two requirements of section 134(2) are met, as the Licence is due to expire on 4 November 2019. The second requirement is met by the application form included in **Section 1** of this application, which is Form 2, taken from the Gambling Commission website.⁸
- 138 A casino impact report as required by section 134(3) has been prepared by James Baines and Geoff Butcher, and is attached as **Appendix 14.5**. Mr Baines and Mr Butcher were approved by the Gambling Commission on 11 November 2016 (see the Commission's decision in **Appendix 14.9**). The casino impact report assesses the expected social and economic effects on local and regional areas and on New Zealand generally, of the continued operation of the Casino and the closure of the Casino. Based on this assessment, the ongoing operation of the Casino results in a clear "net benefit" to the local and regional communities, and to New Zealand generally.
- 139 The process for the determining the application under section 135 is a matter for the Commission to address. CCL intends to co-operate fully with the Commission throughout the application and hearing process.
- 140 This application includes all of the information listed in section 136 that CCL is in a position to be able to provide at this stage. In particular, it includes:
- 140.1 The application;
 - 140.2 The casino impact report; and
 - 140.3 The compliance record of the applicant and persons with a significant influence.
- 141 Written submissions and oral evidence will be presented at the public hearing.
- 142 In terms of the statutory test for granting the renewal under section 137, this application:
- 142.1 Establishes in **Section 6** and **Appendices 14.2** and **14.3** that the applicant and persons of significant influence are suitable in terms of section 124;

⁸ The application form was taken from the Gambling Commission website, available here: http://www.gamblingcommission.govt.nz/Gcwebsite.nsf/wpg_URL/Policies-and-Procedures-Application-for-Renewal-of-a-Casino-Venue-Licence-Index!OpenDocument

- 142.2 Establishes in **Section 9** and **Appendices 14.2** and **14.3** that CCL's compliance record, and the compliance record of persons with significant influence is satisfactory; and
- 142.3 Establishes in **Section 8, Section 10** and the CIR (**Appendix 14.5**) that renewing the Licence will result in a net benefit to the local and regional communities around the Casino, and to New Zealand generally in terms of:
- (a) social and economic effects of granting the renewal; and
 - (b) the nature and standard of the Casino facilities.