

IN THE MATTER of the Gambling Act 2003

AND on an application by **SKYCITY CASINO MANAGEMENT LIMITED** for approval to deploy electronic enhancements on the Baccarat and Roulette tables at the Auckland, Hamilton and Queenstown Casinos

BEFORE THE GAMBLING COMMISSION

Members: S W Hughes KC (Chief Gambling Commissioner)
S C L Pearson
W A Acton
S T Shaw
C M Risk

Date of Application: 20 October 2022, 31 August 2023

Date of Decision: 3 November 2023

Date of Notification of Decision: 10 November 2023

DECISION ON AN APPLICATION BY SKYCITY CASINO MANAGEMENT LIMITED FOR APPROVAL TO DEPLOY ELECTRONIC ENHANCEMENTS ON THE BACCARAT AND ROULETTE TABLES AT THE AUCKLAND, HAMILTON AND QUEENSTOWN CASINOS

Introduction

1. SKYCITY Casino Management Limited (“**SCML**”) applied to the Commission, pursuant to condition 10 of its operator’s licences for the Auckland, Hamilton, and Queenstown casinos, for approval to deploy electronic audio and visual features on the roulette and baccarat tables at the Auckland, Hamilton and Queenstown Casinos.
2. SCML submitted its application in October 2022, with the Secretary filing his submissions in response shortly thereafter. The application was then paused for a number of months while SCML supplemented its application, doing so in mid-2023. The Secretary filed a further submission in response to SCML’s supplementary information.

Licence condition

3. The relevant licence condition (which is identical for all three venues) is as follows:

Auckland, Hamilton and Queenstown casinos (operator’s licences)

10. The approval of the Commission is required prior to the use by the operator of any electronic version of the game types specified in condition 9 above or

electronic aids or enhancements or changes to table game rules which create new wagering opportunities.

Relevant sections of the Act

4. The relevant sections of the Act are as follows:

3. Purpose

The purpose of this Act is to—

- (a) control the growth of gambling; and
- (b) prevent and minimise harm from gambling, including problem gambling; and
- (c) authorise some gambling and prohibit the rest; and
- (d) facilitate responsible gambling; and
- (e) ensure the integrity and fairness of games; and
- (f) limit opportunities for crime or dishonesty associated with gambling and the conduct of gambling; and
- (g) ensure that money from gambling benefits the community; and
- (h) facilitate community involvement in decisions about the provision of gambling.

11. No increase in casino gambling

A person must not increase the opportunities for casino gambling.

12. What is increase in casino gambling

- (1) Decisions on what constitutes an increase in the opportunities for casino gambling are a function of the Gambling Commission.
- (2) An increase in the opportunities for casino gambling includes but is not limited to—
 - (a) an increase in the number of gaming machines unless the increase is accompanied by a reduction in the number of table games that the Gambling Commission believes is proportionate:
 - (b) an increase in the number of table games unless the increase is accompanied by a reduction in the number of gaming machines that the Gambling Commission believes is proportionate:
 - (c) an increase in total player space at table games unless the increase is accompanied by a reduction in other opportunities for casino gambling that the Gambling Commission believes is proportionate.
- (3) Opportunities for casino gambling are not increased—
 - (a) by increases, in the Auckland casino, that comply with the Order for the Variation of Conditions of Casino Premises Licence dated 6 December 2002:
 - (b) by gambling conducted by TAB NZ referred to in section 120.

SCML's application

5. In its initial application, SCML submitted, in summary, as follows:

- (a) Pursuant to condition 10 of its operator's licences, Commission approval is required prior to the use by the operator of any electronic version of the game

types specified in condition 9, or electronic aids and enhancements or changes to game rules which create new wagering opportunities.

- (b) It wants to equip the roulette and baccarat tables at the Auckland, Hamilton and Queenstown casinos with new electronic audio and visual features.
- (c) The audio features will supplement or complement existing game features, such as dealers verbally announcing in-game events. For example, on a roulette table, the audio feature will state things such as, “place your bets”, “no more bets”, or winning numbers such as “32 Red”. On a baccarat table, winning events will be announced, such as “Big Tiger wins”. The audio could be a spoken phrase and/or sound effect.
- (d) The visual features will provide a visual cue of the occurrence of a particular game event through a light or other form of electronic display. Along with the dealer (and/or the audio feature, if approved) announcing a game event such as “place your bets” or “no more bets”, a coloured light or other electronic display will provide a visual cue that the event was occurring. This visual cue will assist the Surveillance team in monitoring the games, and also be of benefit to the hard of hearing.
- (e) None of the above features have any bearing on game output or casino gambling opportunities.

The Secretary’s submission in response to SCML’s initial application

- 6. In response to SCML’s initial application, the Secretary submitted, in summary, as follows:
 - (a) Further information is required to explain how the proposed audio and visual features will have no bearing on the game output or casino gambling opportunities.
 - (b) Based on the limited information then provided, the application should be declined because the proposed enhancements will increase opportunities for casino gambling.

SCML’s supplementary submission

- 7. SCML supplemented its initial application with additional information, summarised as follows:
 - (a) Following its initial application, the Commission sought submissions from the Secretary. The Secretary submitted that the application should be declined

because the proposed enhancements will increase opportunities for casino gambling. The Secretary's submission did not elaborate on how this would happen but, after requesting further information, it understands that the basis for the submission is the potential for increased accessibility to table games by people who are hard of hearing.

- (b) The Commission has previously determined that an increase in attractiveness or accessibility is not an increase in opportunities for casino gambling. In decision GC24/11, the Commission confirmed this as follows:

13. The Commission's thinking on this issue is well settled. An increase in opportunities for casino gambling involves an increase in the theoretically available maximum level of activity. It differs from an increase in the attractiveness or accessibility of currently available opportunities for gambling, and it is not to be confused with the maximisation or realisation of existing opportunities, nor with what activity actually takes place.

- (c) The enhancements that it wants to add to its roulette and baccarat tables are not available "off the shelf" so it needed to develop them itself. It has now done this, by adding audio and visual features to a baccarat table in one of its training rooms. These have been demonstrated to representatives of the Commission and the Secretary. Currently, the trial features are manually triggered but, if the Commission approves the application, many of them will be automated.
- (d) Its initial application outlined the proposed audio and visual features, such as spoken words or sound effects relating to game events which will supplement or replace a live dealer announcing that event, and a light or electronic display, which will provide a visual cue that an event was occurring or had occurred.
- (e) The visual features will merely replicate already approved visual features in a more visible way. For example, an LED strip on the edge of a baccarat table could glow blue when a winning "Player" hand is dealt. This will replicate a blue light on the card "shoe. The LED strip will be more visible to both the dealer and to casino Surveillance, which will be beneficial for game integrity, e.g., if the light turned blue when the winning hand was a "Banker" hand, this would indicate an issue with the cards which needed to be investigated.
- (f) The proposed audio and visual features have no bearing on gambling opportunities. They do not add player spaces to tables or provide additional wagering options, nor do they allow dealers to increase game output (i.e., by dealing additional hands or increasing the number of spins on roulette within any given time period). Their purpose is to replace or enhance game events, not to increase game speed.

Secretary's submission in response to SCML's supplementary submission

8. In response to SCML's supplementary submission, the Secretary submitted, in summary, as follows:
 - (a) He conducted an on-site inspection to confirm that SCML's proposed features will replicate existing features, will not increase the speed at which a game is played, and will increase SCML's ability to check the integrity of game operations, limiting opportunities for crime or dishonesty under section 3(f).
 - (b) On the basis of the documents provided and a visual inspection, he has no regulatory concerns with the application as it complies with SCML's licence and sections 11 and 12 of the Act.

Analysis

9. SCML wants to deploy new electronic audio and visual features on the Roulette and Baccarat tables at the Auckland, Hamilton and Queenstown casinos. Approval was sought pursuant to condition 10 of the operator's licences for these three venues because the addition of an electronic feature has the potential to increase the speed of a game and therefore, to increase opportunities for casino gambling. Section 11 of the Act provides that no person can increase opportunities for casino gambling, with condition 10 providing the Commission with a mechanism to ensure that increases in casino gambling opportunities do not occur by virtue of the unsanctioned adoption of technical improvements which may have the effect of increasing casino gambling opportunities above the previously assessed control limits already in place.
10. After the parties filed their initial submissions, the Commission's Executive Director requested a demonstration of the proposed new features so that he could view them in action and report his findings to the Commission. SCML advised that the new features did not exist at that point and that its intention was to have them developed once Commission approval had been obtained. However, before the Commission considered the application, SCML asked that it be paused to allow it to consider the Secretary's initial submission.
11. In July 2023, SCML informed the Commission that a working model of a baccarat table with the proposed electronic features had been constructed. The Commission, through its Executive Director, attended a live demonstration of this table at a training room at the Auckland Casino. The Commission understands that a similar demonstration was also provided to DIA representatives.
12. The Commission considered the information relayed to it by its Executive Director, together with both sets of submissions made by SCML and the Secretary. The Commission was

satisfied that the deployment of the proposed electronic audio-visual features on SCML's baccarat and roulette tables would not increase opportunities for casino gambling. The proposal raised no other issues of regulatory concern and the Commission approved the application accordingly.

13. In approving the application, the Commission noted, and concurred with, the parties' submission that the introduction of the proposed features would enhance game integrity and limit opportunities for crime and dishonesty, which is an express purpose of the Act (section 3(f)).
14. The Commission also noted the submissions made in relation to increased access or attractiveness of table games, compared with increased casino gambling opportunities. As SCML identified, the Commission has commented on the distinction between these concepts in earlier decisions. As the Secretary (rightly) reconsidered his position and accepted that SCML's current proposal would not increase opportunities for casino gambling, there is no need for the Commission to comment further at this time.

Decision

15. The Commission approved, pursuant to condition 10 of SCML's operator's licences for the Auckland, Hamilton, and Queenstown Casinos, SCML's application to deploy electronic audio and visual features on the baccarat and roulette tables at these casinos. The electronic audio and visual features are to be deployed strictly accordance with SCML's application, with a further and separate approval required for any audio/visual features beyond the scope of the current application.

Right of appeal

16. Pursuant to section 235 of the Act, a person affected by this decision may appeal that decision to the High Court. An appeal must be made within 15 working days of the date of notice of the Commission's decision, or any longer period that the High Court may allow.



Susan Hughes KC
Gambling Commissioner

for and on behalf of the
Gambling Commission

10 November 2023

