

**IN THE MATTER** of the Gambling Act 2003

**AND**

on a proposal by the Gambling Commission to revoke conditions of the venue licence held by **DUNEDIN CASINOS LIMITED** and conditions of the operator's licences held by **DUNEDIN CASINOS MANAGEMENT LIMITED** and to specify new conditions

**BEFORE THE GAMBLING COMMISSION**

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

Date of Proposal: 31 August 2007

Date of Interim Decision: } March 2008

**INTERIM DECISION**

**ON A PROPOSAL BY THE GAMBLING COMMISSION TO REVOKE  
CONDITIONS OF THE VENUE LICENCE HELD BY DUNEDIN CASINOS LIMITED AND  
CONDITIONS OF THE OPERATOR'S LICENCES HELD BY DUNEDIN CASINOS  
MANAGEMENT LIMITED AND TO SPECIFY NEW CONDITIONS**

**1. INTRODUCTION**

- 1.1 The Gambling Commission (the "**Commission**") proposed, on its own initiative, under section 139 of the Gambling Act 2003 (the "**Act**"), to revoke the conditions of the venue licence held by Dunedin Casinos Limited ("**DCL**"), and conditions of the operator's licence held by Dunedin Casinos Management Limited ("**DCML**") (together referred to as the "**Licence Holders**"), and to specify new conditions in substitution. The initiative constituted a single proposal to specify, vary and revoke numerous conditions of the two licences (the "**proposal**").

- 1.2 The Licence Holders, the Secretary for Internal Affairs (the "**Secretary**"), and potentially affected persons comprising the Ministry of Health ("**MoH**") and Problem Gambling Foundation ("**PGF**") were formally notified of the proposal on 31 August 2007, and invited to make written submissions on it, in accordance with section 140 of the Act.

Submissions were made by the Licence Holders, the Secretary and PGF. The Commission convened an oral hearing on 14 December 2007 to hear the parties, with the Licence Holders, the Secretary and PGF attending.

- 1.3 Having considered the written and oral submissions, the Commission proposes to specify the amended conditions for the licences held by the Licence Holders **attached** to this Interim Decision. The draft conditions identify, in mark-up, changes from the original proposal notified to parties on 31 August 2007. Parties have until **18 April 2008** to make any written submissions on the changes (additions and deletions) proposed by the Commission.
- 1.4 The Commission will consider any further written submissions received, and will reissue the proposed conditions in a final form, making such amendments as it may consider appropriate. The Commission's final decision will revoke the existing conditions of DCL's venue licence and DCML's operator's licence and specify new conditions, with effect from a date to be specified by the Commission.

## 2. REASONS FOR THE PROPOSAL

- 2.1 In its Interim Decision dated 23 December 2005, relating to licence conditions for SKYCITY Auckland casino, the Commission signalled its intent to review the licence conditions for all six casinos in New Zealand, in order to ensure consistency with the Act and remove redundancy. The Commission has since completed reviews of licence conditions for the SKYCITY Auckland, Hamilton and Queenstown casinos, and begun reviewing licence conditions for Christchurch, Lasseters Wharf and Dunedin casinos.
- 2.2 When it notified parties on 31 August 2007 of its proposal to amend the licences, the Commission gave further reasons, including:

- (a) Removing redundant conditions relating to:
- (i) the initial construction of the casino; and
  - (ii) credit wagers (now addressed under section 15 of the Act).
- (b) Updating references in licence conditions to the Casino Control Authority ("**CCA**") to refer to the Commission.
- (c) Allocating conditions more appropriately between venue and operator's licences, the former to focus on the physical design of the casino, the latter to focus on its operation.

- (d) Clarifying the Commission's role in areas which are also the subject of statutory regulation.
- (e) Making indirectly expressed obligations of licence holders clear on the face of licence conditions, including conditions relating to cash access and the circumstances in which approval must be obtained for construction and design changes.
- (f) Amending existing licence conditions, better to align to the purposes of the Act. This entails introducing a greater degree of regulation in certain areas, including changes to ensure that there is no increase in opportunities for casino gambling.
- (g) Supplementing current requirements relating to the content of DCML's Host Responsibility Programme, and reporting requirements relating to the same, to reflect the Act's emphasis on harm minimisation and responsible gambling, and new requirements in the Act and the Gambling (Harm Prevention and Minimisation) Regulations 2004.
- (h) Adjusting existing conditions relating to specifications for count rooms, cage/chipbank facilities and cashiering facilities, and surveillance to reflect current good practice.
- (i) Requiring greater transparency around reporting on grants by the Independent Charitable Trust funded by the casino, consistent with reporting requirements for class 4 operators.

### 3. PRELIMINARY MATTERS

3.1 No adverse written or oral submissions were made in relation to the following draft conditions in DCL's venue licence: 1, 2, 3, 4, 5, 8, 9, 13, 15, 17, 18, 19, 20, 21, 22, 23, 24, 25 and 26. These conditions are therefore included in the conditions attached to this decision unamended.

3.2 No adverse written or oral submissions were made in relation to the following draft conditions of DCML's operator's licence: 1, 2, 3, 7, 11, 15, 18, 20, 21, 24, 25, 26(a), 26(d), 26(e), 26(g), 26(h), 26(i), 26(j), 26(k), 26(l), 26(m), 26(n), 26(o), 26(p), 27, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 41, 43, 44 and 45. These conditions are included unamended.

#### **Minor amendments accepted by the Commission**

3.3 DCL proposed amending conditions 10(e) and 10(f) of the venue licence, to require a single lock system in the count room and coin storage areas, rather than a double lock

system. The Secretary submitted that the existing single lock system provides adequate security in these areas. The Commission accepted the amendment.

- 3.4 DCL proposed amending condition 11(a) of the venue licence to remove the requirement for the chipbank cashiers and general cashiers to be physically separate. The Secretary submitted that he had no concerns about the amendment, which the Commission accepted.
- 3.5 DCL proposed amending condition 16 of the venue licence to have the community liaison group meet every three months, rather than every two months, to reflect existing practice. The Commission accepted the amendment.
- 3.6 DCML proposed amending condition 5 of the operator's licence to replace the reference to gaming machines in the "Casino" with gaming machines in the "Gambling Area" to provide consistency with subsequent conditions. The Commission accepted the amendment.
- 3.7 DCML proposed amending condition 40 of the operator's licence to provide clarity to the terms "true odds", "house odds" and "house advantage". Consistent with the wording employed by the Commission in Christchurch casino's operator's licence, the Commission amended the condition to refer to "... the odds and house advantage on bets permitted in each authorised table game".
- 3.8 Finally, the Commission has, on its own initiative, made a number of minor amendments to:
- (a) condition 23 of the operator's licence, to align it with condition 12 of the venue licence;
  - (b) condition 4 of the operator's licence to remove the definition of "Trust"; and
  - (c) the heading of the operator's licence conditions to insert the word "Schedule".

#### **Amendments declined by the Commission**

- 3.9 DCL proposed amending conditions 6 and 7 of the venue licence, submitting that the ordering of the conditions is not logical, and to enable the Executive Director to have authority to approve bank facilities and exterior signage under conditions 6(b) and 6(c). The Secretary submitted that the existing wording was clear and unnecessary to change.
- 3.10 The Commission considered the scope of the Executive Director's approval powers when reviewing licence conditions for the SKYCITY Auckland, Hamilton and Queenstown casinos. In those decisions the Commission resolved that it was appropriate to delegate

authority for approval of design changes, but that it should maintain oversight of other matters. Consistent with this approach, the Commission considers that the Executive Director's delegated approval powers should be limited to construction and design changes to level 1.

- 3.11 The Commission declined DCL's other proposed amendments to conditions 6 and 7 as it considers the wording to be clear and logical.
- 3.12 The Licence Holders proposed amending condition 12 of the venue licence to incorporate aspects of conditions 22 and 23 of the operator's licence, which they proposed deleting. The conditions relate to the casino's cashiering facilities.
- 3.13 Consistent with licence conditions for the SKYCITY Auckland, Hamilton and Queenstown casinos, the Commission declined to delete conditions 22 and 23 of the operator's licence. The Commission also declined to amend condition 12 of the venue licence as it considers the wording to be clear.
- 3.14 DCML proposed amending conditions 5 and 6 of the operator's licence to enable the Commission to approve an increase in gaming machines at the casino, offset by a proportionate reduction in table games, and vice versa.
- 3.15 While section 12 of the Act contemplates the substitution of table games for gaming machines, and vice versa, provided there is no overall increase in opportunities for casino gambling, the Commission declined the amendments as it considered that the Licence Holders should make a distinct application for such a substitution if and when it is required. Such an application would need to be supported by evidence demonstrating how the proposal would not increase opportunities for casino gambling, prohibited under the Act.
- 3.16 PGF proposed amending condition 8 of the operator's licence to require the casino to have at least one table game open for play between the hours of 6am and midday. The Commission considered the wording of this licence condition in decision GC09/07, where DCML applied to amend the then existing condition to enable it to operate specific numbers of table games at certain hours of the day, depending upon customer demand. The Commission consulted widely on that application, including with PGF, before determining the wording of the condition, and considers there to be no compelling reason to revisit the matter at this time.

- 3.17 PGF proposed amending condition 13 of the operator's licence to add "no automatic teller machines are permitted in the Gambling Area" to the beginning of the condition, and to

add "automatic teller machines may not distribute cash from credit cards" to the end of the condition.

- 3.18 The Commission declined to accept either amendment. It considered the first amendment to be unnecessary as Regulation 5 of the Gambling (Harm Prevention and Minimisation) Regulations 2004 already provides that ATMs cannot be placed in a casino's Gambling Area. In relation to the second proposal, the Commission concluded that the imposition of limits on credit card use would be an unreasonable restraint on customers who are accustomed to purchasing goods and services with credit cards.
- 3.19 PGF also proposed amending condition 16 of the operator's licence to prevent credit card withdrawals from EFTPOS terminals outside the Gambling Area. The Commission declined to accept this amendment for the same reason.
- 3.20 PGF proposed removing the second sentence of condition 14 of the operator's licence, which provides the Commission with the ability to revoke approvals to dispense cash from EFTPOS machines, or impose conditions on the dispensing of cash from EFTPOS machines. The Commission considers its ability to revoke approvals to dispense cash, or impose conditions on the dispensing of cash, to be an important tool in regulating cash access. The removal of the second sentence of the condition would remove this tool, so the Commission declined to accept this amendment.
- 3.21 DCML proposed amending condition 16 of the operator's licence to enable the Commission to increase the \$50 withdrawal limit from EFTPOS terminals to allow for inflationary increases. The Commission determined that there is no need to amend the condition, and that it is preferable to keep the approved withdrawal limit plain on the face of the licence. DCML is not precluded from applying to amend condition 16 in future, should it consider this necessary.
- 3.22 The Commission declined PGF's proposed amendment to condition 26(b) of the operator's licence to further define the word "effective" in relation to the display and distribution of responsible gambling signage, brochures and publications. This is a matter for consideration in the context of DCML's Host Responsibility Programme.
- 3.23 DCML and PGF both proposed amending condition 26(c) of the operator's licence, with DCML proposing that the provision of loss and expenditure data to individual loyalty programme members be provided "if requested", and that it will advertise this fact, while PGF proposed that the data be provided in writing, at least monthly. The Commission declined both amendments on the basis that detailed requirements are a matter for the Host Responsibility Programme.

- 3.24 DCML proposed amending condition 26(f) of the operator's licence to remove the words "and limitation programmes". The Commission declined the amendment on the basis that detailed requirements are a matter for the Host Responsibility Programme.
- 3.25 The Commission declined PGF's proposed amendment to condition 29 of the operator's licence to require DCML to report to the Commission on specific details of problem gambling prevalence, intervention and training. It is anticipated that the detail of the reporting requirements will be included in the Host Responsibility Programme.
- 3.26 DCML proposed amending condition 42 of the operator's licence to remove the Commission's ability to approve the content, format and duration of training courses. The Commission declined this amendment as the Secretary, in the context of reviewing licence conditions for other casinos, requested that this condition (and the condition preceding it) remain in place until such time as appropriate Minimum Operating Standards addressing the matters specified in the conditions are promulgated.
- 3.27 PGF proposed inserting an additional training requirement to address issues associated with suicide in condition 42 of the operator's licence. The Commission declined this amendment as condition 42 relates to the training of matters listed in condition 41 (chip counting, operating gambling equipment etc) rather than training in issues associated with suicide. It is anticipated that training in suicide awareness will be included in requirements specified in the Host Responsibility Programme.

#### 4. KEY ISSUES

- 4.1 The following key issues, and the associated conditions, arose in the written and oral submissions:
- (a) DCL's contribution to the Casino's independent charitable trust(s);
  - (b) that particular approvals not be granted unless the Licence Holders can prove that they will result in less gambling harm; and
  - (c) loan sharking and other undesirable activities.

##### **Contribution to the independent charitable trust**

- 4.2 Condition 3.1 of DCL's existing venue licence provides that the Licence Holder shall establish and support financially an independent charitable trust, or trusts. The condition also provides a methodology to calculate the sums payable annually to the trust(s).

- 4.3 The licence condition proposed by the Commission provided for DCL to pay to its trust, not less than 1.5% of the revenue from the operation of the casino (GST exclusive) before tax, or 2.5% of the net profit after tax from the operation of the casino, whichever is the greater in respect of each full year of casino operations. DCL opposed the proposed condition.
- 4.4 Subsequent to its proposal on 31 August 2007, the Commission considered whether to include a similar condition in licence conditions for the Hamilton and Queenstown casinos. In its final decision for the review of licence conditions for the Hamilton and Queenstown casinos, GC21/07, the Commission determined that a change to the contribution formula for all six casinos should not be implemented until the issue of contributions by all casinos is considered more broadly, with each Licence Holder being consulted and permitted to make representations before any changes are made.
- 4.5 The effect of decision GC21/07 is that the charitable trust licence condition will not change substantively for the Dunedin Casino as a result of this review. The Commission has, however, made a number of minor amendments, on its own initiative, to condition 14 of the venue licence to provide the Commission, with the same approval mechanisms the CCA had under the condition.

**No changes at the Casino unless they will result in less gambling harm**

- 4.6 PGF submitted that a number of approvals should not be granted by the Commission unless the Licence Holders are able to establish that the change would result in less gambling harm. In particular, PGF submitted that this should apply to:
- (a) any change in game mix (condition 9, operator's licence);
  - (b) the introduction of electronic versions of games, electronic aids or enhancements or change in game rules (condition 10, operator's licence);
  - (c) any change in floor layout (condition 12, operator's licence);
  - (d) any installation or removal of non-cash dispensing EFTPOS terminals (condition 17, operator's licence);
  - (e) any amendments to the Surveillance Standard (condition 19, operator's licence);  
and
  - (f) any change to the Host Responsibility Programme (condition 28, operator's licence).

- 4.7 PGF submitted that the rationale for this submission is that the Commission should adopt a precautionary approach and not approve any changes unless DCML can establish that those changes will result in less gambling harm.
- 4.8 The Commission declined to incorporate PGF's proposal. It is noted that the purpose of the Act (stated at section 3) includes, inter alia, preventing and minimising harm. As the Secretary has noted at previous hearings, Commission protocol already requires Licence Holders to provide an assessment on whether any application will contribute to preventing and minimising harm. Furthermore, under proposed condition 28 of the operator's licence, DCML cannot reduce or remove any host responsibility or responsible gambling initiative from its Host Responsibility Programme without the prior approval of the Commission.
- 4.9 In other circumstances, the Commission's role in seeking to ensure the purpose of the Act is achieved is shared with the DIA. It is understood that harm considerations are central to DIA approval processes.
- 4.10 Finally, it is anticipated that harm minimisation would be an important consideration for the Commission when considering any amendment to the Surveillance Standard (no applications to amend have been made to date). Other considerations would include ensuring the integrity and fairness of games and limiting opportunities for crime and dishonesty.

#### **Loan sharking at the Casino**

- 4.11 As the Commission noted in its interim decision on the review of licence conditions for the Christchurch Casino, decision GC25/07, it is becoming increasingly important for Licence Holders, regulators and all affected parties to consider and address loan-sharking, money laundering and other undesirable activities that may be taking place at New Zealand's casinos. In that decision, the Commission noted that the purpose of the Act includes the requirement to facilitate "responsible gambling", the Act's definition of which refers to gambling being conducted in a safe environment.
- 4.12 In the review of licence conditions for the Christchurch Casino, the Commission amended Christchurch casino's licence conditions to require the licence holder to address in its Host Responsibility Programme, the provision of a safe gambling environment. Consistent with that approach, the Commission has amended condition 26 of DCML's operator's licence to require it to address in its Host Responsibility Programme "the provision of a safe gambling environment at the casino". Such a requirement will necessitate DCML addressing in its Programme steps to be taken to minimise the risk of illegal or oppressive

loan activity. This has already been done in the SKYCITY Auckland Host Responsibility Programme, recently approved by the Commission.

## 5. CONCLUSION

- 5.1 The Commission thanks all parties for their participation in the review process to date. Parties have until **18 April 2008** to make any further submissions on the amendments now proposed by the Commission.



**Peter Chin**  
Chief Gambling Commissioner

for and on behalf of the  
Gambling Commission

3 March 2008

**SECOND SCHEDULE - CONDITIONS ATTACHED TO CASINO VENUE LICENCE  
ISSUED TO DUNEDIN CASINOS LIMITED, 17 FEBRUARY 1999**

**Preamble**

1. The following conditions apply to the Casino Venue.
2. The Licence Holder must comply with these conditions. Failure to do so could result in the suspension or cancellation of this Licence.

**Interpretation**

3. Words and expressions in these conditions shall have the same meaning as defined in the Gambling Act 2003.
4. In these conditions:

**Act** means the Gambling Act 2003.

**Authority** means the Casino Control Authority.

**Casino Agreement** means the Management Agreement dated 9 August 1999, between the Licence Holder and Aspinall (NZ) Limited, as amended on 12 March 2004 by the Authority approving an Approval of Change of Associated Licensed Casino Operator from Aspinall (NZ) Limited to Dunedin Casinos Management Limited, or which may be varied or substituted with the approval of the Commission from time to time.

**Casino Venue** means that part of the property situated at 118 High Street, Dunedin, as more fully described in the Licence and the First Schedule.

**Commission** means the Gambling Commission.

**Executive Director** means the Executive Director of the Commission.

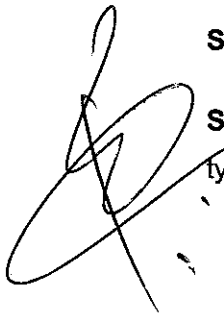
**Gambling Area** means that part of the Casino Venue specified in condition 9 where casino gambling is permitted by the Commission.

**Inspectorate** means the Casino Compliance Unit of the Department of Internal Affairs.

**Licence Holder** means Dunedin Casinos Limited.

**Secretary** means the Secretary for Internal Affairs.

**Surveillance Standard** means the Surveillance Policy describing the required standard, type, operation and installation of surveillance facilities, approved by the Authority with



effect from 5 December 2003, as may be substituted or amended by the Commission from time to time.

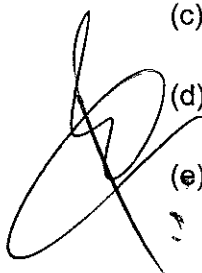
**Trust** means the Trust set up under the Trust Deed dated 16 June 2000 between Polson Higgs Nominees Limited and Dunedin Casinos Limited, as may be varied with the approval of the Commission.

### **Design and Construction**

5. The Licence Holder shall lodge and maintain with the Commission and the Secretary updated as built architectural floor plans of Level 1 of the Casino Venue showing walls, structures and dimensions. Updated as built architectural floor plans shall be lodged with the Commission and the Secretary if the Licence Holder makes alterations to Level 1 of the Casino Venue requiring building consent from a territorial authority.
6. The Licence Holder must obtain the approval of the Commission prior to:
  - (a) construction or design changes to Level 1 of the Casino Venue, including the Gambling Area;
  - (b) the construction or relocation outside the Gambling Area and within the Casino Venue of bank facilities available to the public excluding ATMs, EFTPOS and like devices;
  - (c) the addition or alteration of signage relating to the casino business on the exterior of the Casino Venue.

The process by which the Licence Holder may obtain approval for construction or design changes to Level 1 of the Casino Venue, (paragraph (a) above) is set out in condition 7. The Commission will determine any application for approval under 6(b) and (c).

7. The Licence Holder must notify the Executive Director of any proposed changes to the construction or design of Level 1 of the Casino Venue. Notification must be accompanied by relevant drawings and an assessment of any impacts the alterations may have on:
  - (a) the integrity and fairness of games;
  - (b) the effectiveness of security and surveillance;
  - (c) harm prevention, harm minimisation and responsible gambling;
  - (d) potential access to the Gambling Area by persons under 20 years of age; and
  - (e) compliance by any person with the Act, including section 11 of the Act.



The Executive Director may approve the proposed changes to the construction or design if he or she is satisfied that there are no adverse impacts in relation to the matters specified in (a)-(e) above. If the Executive Director is not satisfied, he or she will refer the proposal to the Commission for determination.

8. The Licence Holder shall ensure that:

- (a) gambling activity is not visible from the street or other public areas outside the Casino Venue; and
- (b) there is provision for generation of emergency power to maintain in situations of an interruption to mains power:
  - (i) minimum services to the Gambling Area; and
  - (ii) lighting in highly sensitive areas such as count rooms, surveillance suite, cashiering locations and gambling equipment storerooms.

#### **Gambling Area**

9. The Gambling Area within the Casino Venue comprises the area specified in a plan approved by the Authority on 4 June 2002.

#### **General specifications for the count room facility**

10. The Licence Holder shall ensure that the count room is located in a secure area and shall, as a minimum requirement, provide the following:

- (a) effective electronic surveillance in accordance with the Surveillance Standard;
- (b) an alarm device connected to the entrance of the count room which signals to the security/surveillance department whenever the door is opened;
- (c) a telephone link;
- (d) a count table constructed of transparent material with clear visibility through to the floor;
- (e) an area within, or with access from, the count room to house an enclosed cabinet or trolley(s) with a ~~single~~ separately keyed double locking system for the storage of drop boxes; and
- (f) a coin storage area with a ~~single double~~ single lock system with access from the count room while still inside the secure area.

A handwritten signature and initials, possibly 'A. J.', are written in black ink over the bottom left portion of the document, overlapping the list item (f).

### General specifications for cage/chip bank facilities

11. The Licence Holder shall ensure that the cashier's cage is located immediately adjacent to the gaming floor and is clearly visible to patrons. Unless otherwise approved by the Commission, the cage area shall, as a minimum requirement, include the following:
- (a) accommodation for chip bank cashiers and general cashiers ~~(which shall be physically separate unless the Commission approves otherwise);~~
  - (b) storage facilities for cage inventory;
  - (c) a separate locked compartment for storage of chips and plaques held in reserve and not used for active gaming;
  - (d) manually triggered and automatic silent alarm systems connected directly to monitor rooms of the security and surveillance departments; and
  - (e) an interconnect door entry and exit system (man trap) which will not permit a person to pass through the second door until the first door is securely locked.
12. The approval of the Commission is required for the construction of any additional cashiering facilities in other parts of the Gambling Area to service dedicated areas or rooms. Any such additional facilities must comply with the surveillance equipment requirements set out in the Surveillance Standard and be fitted with manually triggered and automatic silent alarm systems connected to the surveillance department.

### General specifications for Inspectors/Police facilities

13. The Licence Holder shall provide facilities within the Casino Venue for the use of Gambling Inspectors and the Police as directed by the Commission. Before issuing any such direction, the Commission shall consult with the Licence Holder and the Department of Internal Affairs and/or the New Zealand Police (as applicable) and invite submissions from each party in relation to any proposal.

### Independent Charitable Trust

14. The Licence Holder:

- (a) shall establish and support financially an independent charitable trust, the purposes and objectives of which shall include the funding of the treatment of gambling disorders for persons and organisations in the community, and related activities. The Licence Holder shall pay to the trust, in respect of each full year of the operation of the Casino, no less than \$52,000 a year. The deed of trust shall be in a form approved by the Authority or the Commission;



(b) may establish, and in any event shall fund, a charitable trust or trusts approved by the Authority or the Commission to be applied for the purposes of community and sport funding in Dunedin and the Otago region. The Licence Holder shall pay to the trust or trusts, in respect of each full year of the operation of the Casino, a sum equivalent to 1% of the turnover of the gaming machines in the Casino after deducting goods and services tax, to a maximum of \$110,000 a year. Where the Licence Holder establishes the trust or trusts, the deed or deeds of trust shall be approved by the Authority or the Commission;

(c) the conditions 14(a) and (b) above may be reviewed in the event of duplicity of charitable funding or the funding of the treatment of gambling disorders arising from legislative changes under the current or any future gaming law review.

14. ~~The Licence Holder shall financially support the Independent Charitable Trust established by the Deed of Trust. The Licence Holder shall pay to the Trust, in respect of each full year of casino operations, not less than 1.5% of the revenue from the operation of the Casino (GST exclusive) before tax or 2.5% of the net profit after tax from the operation of the Casino, whichever is the greater. The Licence Holder is required to provide annually to the Commission an audited statement certifying the amount constituting 1.5% of the revenue from the operation of the Casino before tax and 2.5% of the net profit after tax from the operation of the Casino, and confirming that payment by the Licence Holder to the Trust of the greater amount has been made in accordance with this condition.~~

15. The Licence Holder is required to ask the Trust on an annual basis to provide a list of persons granted funding for the previous year and in what amount, and a list of unsuccessful applicants for funding. The Licence Holder is required to publish annually the amount paid to the Trust, and the information provided to it by the Trust relating to the allocation of funds, as specified in this condition.

### **Community Liaison Group**

16. The Licence Holder shall convene, at least every ~~three~~two months, a meeting of a community liaison group comprising the Licence Holder, representatives of interested problem gambling treatment providers, and the Department of Internal Affairs. The Group may invite relevant community representatives (Council, government, inter-faith, business) to participate in the work of the Group, as it considers appropriate, depending on the matters under consideration. The function of the Group is, where requested, to represent community views in the course of consultation and liaison activities undertaken by the Licence Holder, the Commission, the Secretary, and other entities, as the case may be, relating to gambling at the casino. The Group may participate in such

consultation and liaison activities to the extent it considers necessary to represent community views and may undertake its own consultations and enquiries for that purpose.

### **Notification requirements**

17. The Licence Holder shall notify the Commission and the Secretary in writing as soon as possible of any change in the state of affairs of the Licence Holder which has a significant bearing on the holding of the Casino Venue licence, including any person ceasing to be an associated person of the Licence Holder.
18. The Licence Holder, immediately on becoming aware of such an occurrence, shall notify the Commission and Secretary in writing if the Licence Holder or an associated person of the Licence Holder is involved in any:
  - (a) conviction for an offence involving dishonesty;
  - (b) censure or disciplinary action by a professional body for ethical misconduct;
  - (c) censure in any way in relation to a casino in another jurisdiction;
  - (d) current investigation (other than routine or periodical inspections) by any governmental or statutory body; and
  - (e) bankruptcy, receivership or liquidation.

### **Casino Agreement**

19. The Licence Holder shall not permit any person to operate the Casino otherwise than in accordance with the terms of the Casino Agreement.

### **Audit**

20. The Commission may at any time request access to the Licence Holder's internal audit information or institute an audit of the Licence Holder's Casino business.
21. The Licence Holder shall submit for the approval of the Commission the name of the person or body of persons appointed from time to time by the Licence Holder as Auditor to audit the Casino business. The approval of the Commission shall be revocable in the discretion of the Commission and shall be subject to such conditions as the Commission from time to time imposes.

### **Bank accounts**

22. The Licence Holder shall not open any bank account to facilitate, or in connection with, the operation of the Casino without the approval of the Commission.

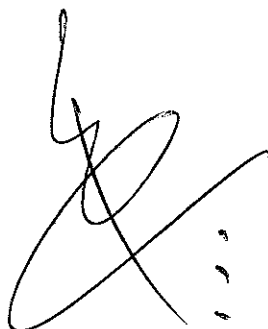
**Provision of information**

23. The Licence Holder shall, within such period as the Commission may require, provide to the Commission, or to any person authorised by the Commission to receive the same, such reports or other information as may be specified by the Commission relating to:
- (a) the operations of the Licence Holder or any entity or person associated with the Licence Holder;
  - (b) the operation of the Casino; or
  - (c) any associated person of the Licence Holder, being information in the possession of the Licence Holder, as may be specified by the Commission in writing from time to time, within such period as the Commission may require.
24. The Licence Holder shall allow the Commission or staff of the Commission Secretariat, or any other person authorised by the Commission, to enter and remain in any part of the Casino Venue at any time for the purpose of his or her official duties under the Act.

**Address for service**

25. The Licence Holder shall file with the Commission an address in New Zealand for the service of notices upon it.
26. The Licence Holder may, by notice given to the Commission, change its address for the service of notices.

**3 March 2008**

A handwritten signature in black ink, consisting of a large, stylized initial 'L' followed by a series of loops and a vertical line ending in three dots.

**SCHEDULE - CONDITIONS ATTACHED TO CASINO OPERATOR'S LICENCE: OPERATION OF CASINO AT THE SOUTHERN CROSS HOTEL, 118 HIGH STREET, DUNEDIN**

**Preamble**

1. The following conditions apply to the operation of the Casino Venue by the Licence Holder.
2. The Licence Holder must comply with these conditions. Failure to do so could result in the suspension or cancellation of this Licence.

**Interpretation**

3. Words and expressions in these conditions shall have the same meaning as defined in the Gambling Act 2003.
4. In these conditions:

**Act** means the Gambling Act 2003.

**Authority** means the Casino Control Authority.

**Casino Agreement** means the Management Agreement dated 9 August 1999, between Dunedin Casinos Limited and Aspinall (NZ) Limited, as amended on 12 March 2004 by the Authority approving an Approval of Change of Associated Licensed Casino Operator from Aspinall (NZ) Limited to the Licence Holder, or which may be varied or substituted with the approval of the Commission from time to time.

**Casino Venue** means that part of the property situated at 118 High Street, Dunedin, as more fully described in the venue licence issued to Dunedin Casinos Limited on 17 February 1999.

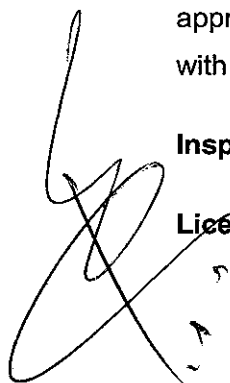
**Commission** means the Gambling Commission.

**Gambling Area** means that part of the Casino Venue specified in condition 9 of the venue licence held by Dunedin Casinos Limited.

**Host Responsibility Programme** means the Responsible Gambling Programme approved by the Authority in May 2002, as may be substituted or amended in accordance with licence conditions.

**Inspectorate** means the Casino Compliance Unit of the Department of Internal Affairs.

**Licence Holder** means Dunedin Casinos Management Limited.



**Secretary** means the Secretary for Internal Affairs.

**Surveillance Standard** means the Surveillance Policy describing the required standard, type, operation and installation of surveillance facilities, approved by the Authority with effect from 5 December 2003, as may be substituted or amended by the Commission from time to time.

~~**Trust** means the Trust set up under the Trust Deed dated 16 June 2000 between Polson Higgs Nominees Limited and Dunedin Casinos Limited, as may be varied with the approval of the Commission.~~

5. The number of gaming machines in the Gambling AreaCasino shall not exceed 180. Each terminal or player station of a multi-terminal or multi-player gaming machine shall be treated as one gaming machine.
6. The number of gaming tables in the Gambling Area shall not exceed 12.
7. The ratio of gaming machines to gaming tables in the Gambling Area shall not exceed 15 to 1, except with the approval of the Commission.
8. When the casino is operating, the Licence Holder shall ensure that there is at least 1 authorised table game open for play between the hours of midday to 6pm, at least 2 authorised table games open for play between the hours of 6pm to 3am and at least 1 authorised table game open for play between the hours of 3am and 6am. Between the hours of 6am and midday, the Licence Holder may, but shall not be required to, offer table gaming in the Casino.
9. The Licence Holder may operate on casino gaming tables the game types and game mixes 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.
10. The approval of the Commission is required prior to the introduction into the Gambling Area 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.
11. The Licence Holder shall operate in accordance with approved floor layouts showing the position of gaming tables and gaming machines.
12. The Licence Holder shall obtain the approval of the Commission for new floor plans prior to relocating or installing tables or machines in positions not specified in approved floor

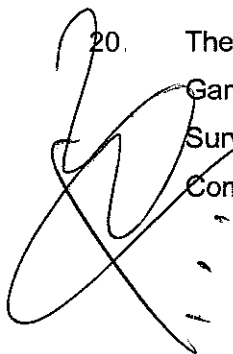
layouts. When applying, the Licence Holder must submit fresh plans showing the floor layout for the Gambling Area and details of the proposed CCTV layout for the consideration of the Commission. Any change must comply with the Surveillance Standard.

#### **EFTPOS and like devices**

13. A maximum of 1 automatic teller machine is permitted in the Casino Venue outside the Gambling Area.
14. The Licence Holder is prohibited from dispensing cash from EFTPOS and like devices in the Gambling Area unless approved by the Authority or the Commission. The approval of the Authority or the Commission shall be revocable at the discretion of the Commission and may be subject to such conditions as the Commission may from time to time impose.
15. The Licence Holder is prohibited from using mobile EFTPOS terminals (cash or non-cash dispensing) or like devices in the Gambling Area.
16. The Licence Holder is prohibited from dispensing more than \$50 cash per transaction from EFTPOS terminals or like devices outside the Gambling Area and within the Casino Venue and must ensure that any cash withdrawals are contemporaneous with a purchase.
17. Subject to the restrictions specified in conditions 14, 15 and 16 above, EFTPOS terminals or like devices may be installed and removed by the Licence Holder within the Casino Venue.
18. The Licence Holder is required to notify the Commission if it moves ATMs in the Casino Venue or if it installs or moves non-cash dispensing EFTPOS terminals or like devices in the Gambling Area.

#### **Security and Surveillance**

19. The Surveillance Standard may be substituted or amended by the Commission at the request of the Secretary, on an application by the Licence Holder, or at its own initiative. The Commission will seek submissions from the Licence Holder, the Secretary and any other affected person before deciding on a proposed substitution or amendment.
20. The Licence Holder shall provide security and surveillance equipment and facilities in the Gambling Area and surveillance areas which shall at all times meet or exceed the Surveillance Standard in whatever form is currently approved by the Commission. The Commission may at any time institute an audit or require the Licence Holder to report on

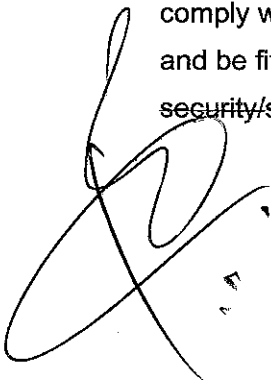


the standard and/or quality of surveillance equipment to ensure it meets or exceeds the Surveillance Standard.

21. The Licence Holder shall obtain the approval of the Commission prior to the introduction into the Casino of new surveillance technology of a type not currently in operation in the casino. Camera upgrades that comply with the requirements of the Surveillance Standard do not require prior approval. When applying for approval, the Licence Holder shall supply sufficient information to enable the Commission properly to assess the application under the Surveillance Standard. Information will include details relating to equipment type and operation, and the proposed location of equipment. The Licence Holder shall allow the Commission or staff of the Commission Secretariat, or any other person authorised by the Commission, to test any technology or equipment.

**General specifications for cage/chip bank facilities**

22. The Licence Holder shall ensure that the cashier's cage is located immediately adjacent to the gaming floor and is clearly visible to patrons. Unless otherwise approved by the Commission, the cage area shall at a minimum include:
- (a) accommodation for chip bank cashiers and general cashiers (which shall be physically separate unless the Commission approves otherwise);
  - (b) storage facilities for cage inventory;
  - (c) a separate locked compartment for storage of chips and plaques held in reserve and not used for active gaming;
  - (d) manually triggered and automatic silent alarm systems connected directly to monitor rooms of the security and surveillance departments; and
  - (e) an interconnect door entry and exit system (man trap) which will not permit a person to pass through the second door until the first door is securely locked.
23. The approval of the Commission is required for the construction ~~and relocation~~ of any additional cashiering facilities additional to the principal facility in other parts of the Gambling Area to service dedicated areas or rooms. Any such additional facilities must comply with the surveillance equipment requirements set out in the Surveillance Standard and be fitted with manually triggered and automatic silent alarm systems connected to the ~~security~~/surveillance department.



### Host Responsibility Programme

24. The Licence Holder shall ensure that the Casino is operated, whether by itself or pursuant to a casino agreement by another licensee, in compliance with the Host Responsibility Programme, as may be amended in accordance with the procedures set out below.
25. The Licence Holder shall ensure that the Host Responsibility Programme is publicly available on its website.
26. The Programme shall be consistent with and impose no lesser requirement than specified in the Act or Regulations. The Programme shall address and not be limited to:
- (a) the provision of information for customers relating to game rules, permissible bets and payment of winning bets pursuant to section 175 of the Act;
  - (b) the provision of signage, brochures and publications, and the effective display and distribution of the same, to inform gamblers of the odds of winning on gaming machines, how to gamble safely, the characteristics of problem gambling and the availability of counselling and other support services;
  - (c) the provision of loss and expenditure data to individual loyalty programme members;
  - (d) identification of problem gamblers and steps to be taken following identification. This shall include, as a minimum, the following:
    - (i) an acceptable definition of problem gambling;
    - (ii) indicators of problem gambling in the gambling venue;
    - (iii) the steps to be taken by the Licence Holder in identifying problem gamblers;
    - (iv) the steps to be taken by the Licence Holder following identification of problem gamblers;
  - (e) the provision of staff training;
  - (f) the provision of exclusion, self-exclusion and limitation programmes;
  - (g) assistance to casino employees with managing the potential for personal problem gambling;

- (h) recognition of cultural differences amongst gamblers using the Casino, and the need to tailor delivery of host responsibility obligations to maximise effectiveness for customers;
- (i) guidelines for responsible marketing and advertising of the Casino, including exterior signage, and restrictions on jackpot advertising and branding pursuant to Regulations 9 and 10 of the Gambling (Harm Prevention and Minimisation) Regulations 2004;
- (j) responsible practices in the conduct of promotions and inducements to gamble at the Casino;
- (k) design of the Gambling Area to minimise problem gambling behaviour and to maximise the likelihood that episodes of problem gambling will be noticed and addressed by staff;
- (l) promotion of the responsible consumption of alcohol, including provision of staff training in responsible service of alcohol;
- (m) standards of dress and behaviour at the casino;
- (n) liaison with patrons with gambling problems, and family members of patrons with gambling problems;
- (o) liaison with problem gambling treatment providers, community service organisations and community representatives; and
- (p) the provision of a safe gambling environment at the Casino; and
- (p)(q) such other matters as the Commission may require.

27. The Licence Holder may amend the Programme to include appropriate improvements in the delivery of the existing ~~p~~Programme and new host responsibility and responsible gambling initiatives.

28. The Licence Holder shall obtain the prior approval of the Commission for any amendment to the Programme that proposes to reduce or remove any host responsibility and responsible gambling initiative in the Programme.

29. The Licence Holder will report to the Commission annually, commencing on 1 December 2008, on the implementation of the Programme and any amendments made to it pursuant to condition 27. The Commission will review the Programme at least every two years, the next revision of the Host Responsibility Programme to be submitted to the Commission

commencing on 1 December 2008 or such later date as the Commission may approve. It will consult with interested parties, as appropriate, and amend the Programme as it determines, after giving the Licence Holder the opportunity to comment. For the avoidance of doubt, the Commission may amend the Programme at any time, having consulted with the Licence Holder and interested parties, as appropriate.

30. The Licence Holder will co-operate with the Commission in respect of any inquiry or investigation by the Commission to ensure that the operating procedures and practice of the Casino comply with the Programme.
31. The Licence Holder shall comply with the Advertising Standards Authority Code for Advertising Gaming and Gambling dated 1 June 2001, or any update or replacement thereof, and any relevant regulations in respect of the advertising of gaming activities.

#### **Intoxicated Persons**

32. The Licence Holder shall not permit an intoxicated person to gamble in the casino.

#### **Notification requirements**

33. The Licence Holder shall notify the Commission and the Secretary in writing as soon as possible of any change in the state of affairs of the Licence Holder which has a significant bearing on the holding of the Casino Operator's licence, including any person ceasing to be an associated person of the Licence Holder.
34. The Licence Holder, immediately on becoming aware of such an occurrence, shall notify the Commission and Secretary in writing if the Licence Holder or an associated person of the Licence Holder is involved in any:
  - (a) conviction for an offence involving dishonesty;
  - (b) censure or disciplinary action by a professional body for ethical misconduct;
  - (c) censure in any way in relation to a casino in another jurisdiction;
  - (d) current investigation (other than routine or periodical inspections) by any governmental or statutory body; and
  - (e) bankruptcy, receivership or liquidation.

#### **Casino Agreement**

35. The Licence Holder shall not permit any person to operate the Casino otherwise than in accordance with the terms of the approved Casino Agreement.

**Audit**

36. The Commission may at any time request access to the Licence Holder's internal audit information or institute an audit of the Licence Holder's Casino business.
37. The Licence Holder shall submit for the approval of the Commission the name of the person or body of persons appointed from time to time by the Licence Holder as Auditor to audit the Casino business. The approval of the Commission shall be revocable at the discretion of the Commission and shall be subject to such conditions as the Commission from time to time imposes.

**Bank accounts**

38. The Licence Holder shall not open any bank account to facilitate, or in connection with, the operation of the Casino without the approval of the Commission.

**Provision of information**

39. The Licence Holder shall, within such period as the Commission may require, provide to the Commission, or to any person authorised by the Commission to receive the same, such reports or other information as may be specified by the Commission relating to:
- (a) the operations of the Licence Holder or any entity or person associated with the Licence Holder;
  - (b) the operation of the Casino; or
  - (c) any associated person of the Licence Holder, being information in the possession of the Licence Holder, as may be specified by the Commission in writing from time to time, within such period as the Commission may require.
40. The Licence Holder shall, if required by the Commission, submit for the approval of the Commission samples of gaming guides authorised for distribution to patrons, patron video tapes, films depicting casino play, and a submission stating the true odds, ~~the house odds~~ and house advantage on bets permitted in each authorised game.

**Training**

41. The Licence Holder shall, if required by the Commission, provide, for persons having, or who will have, functions in relation to any of the following capacities in the casino, training courses in the performance of the following functions:
- (a) counting money or chips derived from or used in gambling;
  - (b) moving money or chips derived from or used in gambling;

- (c) buying or redeeming chips;
  - (d) operating, maintaining, constructing or repairing gambling equipment;
  - (e) the provision of security or surveillance services;
  - (f) supervising or managing any of the activities described in paragraphs (a) to (e).
42. The content, format and duration of such courses shall be from time to time approved by the Commission.

#### **Entry**

43. The Licence Holder shall allow the Commission or staff of the Commission Secretariat, or any other person authorised by the Commission, to enter and remain in any part of the Casino Venue at any time for the purpose of his or her official duties under the Act.

#### **Address for service**

44. The Licence Holder shall file with the Commission an address in New Zealand for the service of notices upon it.
45. The Licence Holder may, by notice given to the Commission, change its address for the service of notices.

**3 March 2008**

A handwritten signature in black ink, consisting of a large, stylized initial 'L' followed by a series of loops and a long horizontal stroke extending to the right.

## ANNEX A

Subject to the specific game mix requirements set out below, Dunedin Casino may operate no more than 12 Table Games made up of the following:

American Roulette - up to 3  
 Black Jack - up to 5  
 Midi Baccarat - up to 2  
 Mini Baccarat - up to 2  
 Caribbean Stud Poker - 1  
 Poker - up to 3  
 Tai Sai - 1  
 Money Wheel - 1

Dunedin Casino is limited to operating the following approved game mixes:

<p><b>Game Mix A</b></p> <p>American Roulette – 3 games            Black Jack – 5 games            Midi Baccarat – 1 game            Caribbean Stud Poker – 1 game            Poker – 2 games</p>	<p><b>Game Mix B</b></p> <p>American Roulette – 3 games            Black Jack – 4 games            Midi Baccarat – 1 game            Caribbean Stud Poker – 1 game            Poker – 3 games</p>
<p><b>Game Mix C</b></p> <p>American Roulette – 3 games            Black Jack – 5 games            Midi Baccarat – 2 game            Caribbean Stud Poker – 1 game            Poker – 1 game</p>	<p><b>Game Mix D</b></p> <p>American Roulette – 3 games            Black Jack – 4 games            Midi Baccarat – 2 games            Caribbean Stud Poker – 1 game            Poker – 2 games</p>
<p><b>Game Mix E</b></p> <p>American Roulette – 3 games            Black Jack – 4 games            Midi Baccarat – 1 game            Mini Baccarat – 1 game            Caribbean Stud Poker – 1 game            Poker – 2 games</p>	<p><b>Game Mix F</b></p> <p>American Roulette – 3 games            Black Jack – 3 games            Midi Baccarat – 1 game            Mini Baccarat – 1 game            Caribbean Stud Poker – 1 game            Poker – 3 games</p>
<p><b>Game Mix G</b></p> <p>American Roulette – 3 games            Black Jack – 4 games            Midi Baccarat – 2 games            Mini Baccarat – 1 game            Caribbean Stud Poker – 1 game            Poker – 1 game</p>	<p><b>Game Mix H</b></p> <p>American Roulette – 3 games            Black Jack – 3 games            Midi Baccarat – 2 games            Mini Baccarat – 1 game            Caribbean Stud Poker – 1 game            Poker – 2 games</p>
<p><b>Game Mix I</b></p> <p>American Roulette – 3 games            Black Jack – 3 games            Midi Baccarat – 1 game            Mini Baccarat – 2 games            Caribbean Stud Poker – 1 game            Poker – 2 games</p>	<p><b>Game Mix J</b></p> <p>American Roulette – 3 games            Black Jack – 2 games            Midi Baccarat – 1 game            Mini Baccarat – 2 games            Caribbean Stud Poker – 1 game            Poker – 3 games</p>

**Game Mix K**

American Roulette – 3 games  
Black Jack – 3 games  
Midi Baccarat – 2 games  
Mini Baccarat – 2 games  
Caribbean Stud Poker – 1 game  
Poker – 1 game

**Game Mix L**

American Roulette – 3 games  
Black Jack – 2 games  
Midi Baccarat – 2 games  
Mini Baccarat – 2 games  
Caribbean Stud Poker – 1 game  
Poker – 2 games

**Note**

- (a) The Licence Holder must operate in accordance with the approved Table Games Floor Plan, using only the game types shown in the positions specified;
- (b) The Licence Holder may only operate the above table game mixes;
- (c) The Licence Holder must comply with the notification and other requirements specified in MOS C-C 1.12 when altering the game mix by “flipping” tables;
- (d) For the avoidance of doubt, the Promotional Wheel may be used only for promotional purposes in accordance with the Act, and must not be used to conduct casino gambling.

