

IN THE MATTER of the Gambling Act 2003

AND

on an application by
CHRISTCHURCH CASINOS LIMITED to redesignate the Casino's Gambling Area, to vary licence conditions attached to its venue and operator's licences, for approval of new floor plans, and for approval of construction and design changes

BEFORE THE GAMBLING COMMISSION

Members: L M Hansen (Chief Gambling Commissioner)
 D C Matahaere-Atariki
 S C L Pearson

Date of Application: 15 December 2021

Date of Decision: 10 February 2022

Date of Notification
 of Decision: 18 February 2022

DECISION ON AN APPLICATION BY CHRISTCHURCH CASINOS LIMITED TO REDESIGNATE THE CASINO'S GAMBLING AREA, TO VARY LICENCE CONDITIONS ATTACHED TO ITS VENUE AND OPERATOR'S LICENCES, FOR APPROVAL OF NEW FLOOR PLANS, AND FOR APPROVAL OF CONSTRUCTION AND DESIGN CHANGES

Introduction

1. Christchurch Casinos Limited ("**CCL**") applied to the Commission:
 - (a) to redesignate the Casino's Gambling Areas, pursuant to section 139(1)(d) of the Gambling Act 2003 (the "**Act**") and condition 9A of CCL's venue licence. The proposed redesignations will remove the Casino's lower car park from the designated Gambling Area, and extend the Gambling Area on Level 2;
 - (b) to amend licence conditions 6, 9A, 9B and 12 attached to its venue licence, and conditions 13, 14, 15, 18,20 and 23 attached to its operator's licence, pursuant to section 139(1)(d) of the Act, to reflect the amendments to the Gambling Area and the Gambling Area Schedules (should they be approved);
 - (c) for approval of construction and design changes relating to the extended Gambling Area on Level 2, pursuant to conditions 6 and 7 of CCL's venue licence;
 - (d) for approval of new floor plans to reflect the deployment of 17 EGMs within the extended Gambling Area, pursuant to condition 12 of CCL's Operator's licence.

2. The Commission sought submissions on CCL's proposal from the Secretary for Internal Affairs ("**Secretary**"), Ministry of Health ("**MoH**"), PGF Group ("**PGF**") and the Salvation Army Oasis ("**SA**"), receiving written submissions from all except SA.

Licence conditions

3. The relevant licence conditions (with the proposed amendments shown in mark-up), are as follows:

CCL's venue licence

6. Subject to the provisions of condition 7, the Licence Holder must obtain the approval of the Commission prior to:
- (a) any construction or design changes whatsoever in the Gambling Area (Schedules 1 and 2) and Additional Gambling Areas (Schedules 2 or 3) and for any construction or design changes elsewhere in the Casino Venue which may impact on the matters set out in condition 7;
 - (b) the construction or relocation outside the Gambling Area and Additional Gambling Areas and within the Casino Venue of bank facilities available to the public excluding ATMs, EFTPOS and like devices; and
 - (c) the addition or alteration of signage relating to the casino business on the exterior of the Casino Venue or on or around the building within which it is located.

The process by which the Licence Holder may obtain approval for construction or design changes to ~~Car Park 2, Level 1, and Level 2~~ and the rooftop area of the Casino Venue, (paragraph (a) above) is set out in condition 7. The Commission will determine any application for approval under 6(b). The Executive Director may approve the addition or alteration of signage relating to the casino business on the exterior of the Casino Venue or on or around the building within which it is located (paragraph (c) above) if he/she is satisfied the proposed changes will have no potentially adverse effects. If he/she is not so satisfied, the proposed changes must be referred to the Commission for a decision on approval.

7. The Licence Holder must notify the Executive Director of any proposed changes to the construction or design for which approval is required under condition 6. 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.

- 8A The Licence Holder shall ensure that:
- (a) gambling activity is not visible from outside the Casino Venue; and

- ...
- 9A The Gambling Area within the Casino Venue comprises the areas specified in plans marked "Schedules 1, 2, and 3 and 4" annexed to the Commission decision GC08/21. The standard Gambling Area for the Casino Venue is delineated in schedules 1 and 2. The Additional Gambling Areas for the Casino Venue ~~is~~are delineated in Schedules 2, 3 and 4, and will form part of the Gambling Area only when activated as provided in condition 9B, ~~save that Schedule 4 will take effect as activated under condition 9B upon this condition taking effect and will terminate on 25 June 2021 at 12.00am.~~
- 9B The Additional Gambling Areas will take when the following conditions are satisfied:
- (a) The Licence Holder must provide the Commission and the Inspectorate with a minimum of 3 days' notice in writing of its intention to use an identified the Additional Gambling Area.
 - (b) The Licence Holder must specify in that notice the dates and times at which the Additional Gambling Area(s) will take effect and terminate. At the notified termination date and time, the Gambling Area will revert to the Gambling Area delineated in Schedules 1 and 2.
12. The approval of the Commission is required for the construction of any additional cashiering facilities in the Gambling Area (Schedules 1 and 2) and Additional Gambling Areas (Schedules 2 or 3). Any such additional facilities must comply with the surveillance equipment requirements set out in the Surveillance Standard and be fitted with manually triggered alarm systems connected to the surveillance department.

CCL's operator's licence

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. The Executive Director and a single Gambling Commissioner may approve the new floor plans if they are satisfied that the floor layout has no potentially adverse effects. If they are not so satisfied, the proposed floor plan must be referred to the Commission for a decision on approval.
13. A maximum of 4 automatic teller machines is permitted in the Casino Venue outside the Gambling Area (Schedules 1 and 2) and Additional Gambling Areas (Schedules 2 or 3).
14. Except as approved in writing by the Commission, the Licence Holder is prohibited from dispensing cash from EFTPOS and like devices in the Gambling Areas (Schedules 1 and 2) at all times and Additional Gambling Areas (Schedules 2 or 3) whenever the Additional Gambling Areas ~~are~~is activated pursuant to condition 9B. The approval of 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 (Schedules 1 and 2) at all times and in the Additional Gambling Areas (Schedules 2 or 3) whenever the additional Gambling Areas ~~is~~are activated pursuant to condition 9B unless approved by the Commission. The approval of 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.
18. The Licence Holder is required to notify the Commission if it moves ATMs in the Casino Venue or if it installs or moves EFTPOS terminals or like devices in

the Gambling Area (Schedules 1 and 2) and Additional Gambling Areas (Schedules ~~2 or~~ 3).

20. The Licence Holder shall provide security and surveillance equipment and facilities in the Gambling Area (Schedules 1 and 2) and Additional Gambling Areas (Schedules ~~2 or~~ 3) and surveillance areas which shall at all times meet and may 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.
23. The approval of the Commission is required for the construction of any additional cashiering facilities in the Gambling Area (Schedules 1 and 2) and Additional Gambling Areas (Schedules ~~2 or~~ 3). Any such additional facilities must comply with the surveillance equipment requirements set out in the Surveillance Standard and be fitted with manually triggered alarm systems connected to the surveillance department.

Relevant sections of the Act

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

Gambling Area means,—

- (a) ...
- (b) for a casino venue, that part of the venue that is specified by the Gambling Commission under section 139 or the Casino Control Authority under the Casino Control Act 1990 as an area where casino gambling is permitted or, if the Gambling Commission does not specify an area under that section or the Casino Control Authority has not specified an area, the casino venue

139 Conditions of casino licence

- (1) The Gambling Commission may specify the conditions of a casino licence or vary or revoke the conditions of a casino licence in the following circumstances:
 - (a) on granting a casino operator's licence;
 - (b) on renewing a casino venue licence;
 - (c) on approving a casino venue agreement or an amendment to it;
 - (d) on application by the holder of the casino licence;
 - (e) on its own initiative or on the request of the Secretary.
- (2) A condition of a casino licence specified under subsection (1)—
 - (a) must be consistent with this Act; and
 - (b) must contribute to achieving the purpose of this Act; and
 - (c) must contribute to the efficient and effective administration of this Act; and
 - (d) must not permit an increase in the opportunities for casino gambling; and
 - (e) may relate to any matter, including the matters specified in Schedule 1, within the confines of paragraphs (a) to (d).

140 Procedure for specifying, varying, or revoking casino licence conditions

- (1) The Gambling Commission must notify the holder of the relevant casino licence, the Secretary, and any other person who it considers is affected by a proposal to specify, vary, or revoke the conditions of a casino licence.
- (2) Notification under subsection (1) must include—
 - (a) the reason for the proposal; and
 - (b) the procedure to be followed before the Gambling Commission makes a decision relating to the proposal.
- (3) The holder of the casino licence, the Secretary, and any other person affected may make written submissions to the Gambling Commission concerning the

proposal within 20 working days after the date of the notice under subsection (1) or within any longer period that the Gambling Commission allows.

- (4) The Gambling Commission must consider any submissions made under subsection (3) and may, if it considers it appropriate, seek comment from the casino licence holder on the submissions received from the Secretary or other persons affected.
- (5) The Gambling Commission must notify the holder of the casino licence, the Secretary, and other persons affected of—
 - (a) its decision concerning the proposal and the reasons for the decision; and
 - (b) the right to appeal the decision and the process for an appeal.

CCL's submissions

5. CCL submitted, in summary, as follows:

Changes to Gambling Areas

- (a) It seeks approval to remove one of its Additional Gambling Areas and extend the Standard Gambling Area on Level 2. The area proposed to be added is smaller than the area proposed to be removed.
- (b) The area it wants to remove is in the Lower Car Park. This area is currently used as a dining and break room for staff, and it intends that it remains for employee use in this way. This change would mean that CCL has only one Additional Gambling Area; the space used as the dining area for the Monza Sports Bar.
- (c) It also wants to extend the Casino's Standard Gambling Area to include the area formerly used as the staff canteen area on Level 2. This proposed change does not encroach on the perimeter of the Casino venue.
- (d) In order to provide clarity following these changes, it wants to rename "Schedule 2" as "Schedule 3", and "Schedule 4" as "Schedule 2". This will mean that Schedule 2 will apply to the whole designated Gambling Area on Level 2, including the former staff canteen area.
- (e) If these changes are approved, a number of amendments to licence conditions will be required. In particular, conditions 6, 9A, 9B and 12 of its venue licence and conditions 13-15, 18, 20 and 23 of its operator's licence.

Minor walls removed and installed

- (f) If the Commission approves the above applications, it wants to undertake the following construction and design changes:
 - (i) in order to create access to the new space in the former staff canteen, it wants to remove a section of wall from the Club Aspinall room, together with

a wall behind this space, which currently encloses a back-of-house drinks preparation area;

- (ii) remove a section of wall between the former canteen dining area and the balcony, which encloses back-of-house office space;
- (iii) wall off a kitchen area, which formerly served the staff canteen and is now used to prepare products for customers, to create a thoroughfare into the new customer area. A wall will also be added to create a hallway between the back-of-house kitchen and bar area, and the existing Club Aspinall room;
- (iv) install a wall and hinged doors to create a hallway between the new indoor customer space and an existing balcony area;
- (v) remove and wall-off a fireplace feature in the existing Club Aspinall room.

New dining and respite areas

- (g) The new space will feature both indoor and outdoor dining tables. Food and beverage will be available to the tables in this area. The new space will have new carpet.
- (h) The west-side wall, along which dining furniture will be placed, features a large window which will allow natural sunlight to enter the room.
- (i) The north-facing internal-external partition, separating the indoor space along the balcony's internal edge will be a floor to ceiling window to allow natural light to enter the room.
- (j) To ensure no gambling activity will be visible from outside the Casino, suitable window treatments will ensure compliance with condition 8 of its venue licence.

New floor plans

- (k) In conjunction with its application to include the former staff canteen within the Casino's Standard Gambling Area, it seeks approval of new floor plans, "Level 1 – Valley Floor Plans – December 2021", "Level 2 – Gallery Floor Plan – December 2021" and "Level 2 – Aspinall Floor Plan – December 2021".
- (l) It proposes for the new Gambling Area on Level 2 to house 17 EGMs, which will be spaced generously. Six of these EGMs will be relocated from Club Aspinall, which will retain 5 EGMs.

- (m) Therefore, the new enlarged Club Aspinall area will house 22 EGMs.

CCTV coverage

- (n) To ensure compliance with Surveillance Standards, it wants to install 3 x 360 degree cameras and 3 x PTZ cameras.

Stakeholder engagement

- (o) It has taken a proactive approach by engaging with key stakeholders on its proposal, including taking the Christchurch-based gambling regulators on a tour of the area to be transformed.
- (p) It also raised the proposal at its Stakeholder Liaison Meeting on 2 December 2021. Local and senior/national representatives from the PGF Group and Salvation Army Oasis attended the meeting. No objections were raised and external attendees were advised to expect an invitation for submissions on the proposal.

Assessment of the proposed changes

- (q) The proposed changes will have a positive overall impact on the matters identified in condition 7 of its venue licence, and from a host responsibility perspective, as follows:
- access to the enlarged space will be restricted to members only, with any non-member guests required either to become a member, or sign-in with ID;
 - the inclusion of respite and dining areas will facilitate breaks in play and remove the customers' focus away from gambling as the sole activity;
 - the large windows and balcony area will assist with customers' awareness of time, and further encourage respite and breaks in play;
 - open spaces and a dedicated air-handling unit will ensure comfort and the ability to distance physically;
 - the layout of the EGMs will allow good visibility;
 - because the new area is attached to Club Aspinall, it will be well-staffed with a dedicated Cash Desk and food and beverage facilities.
- (r) There will be:
- no impact on the fairness and integrity of games;

- enhanced surveillance, with additional camera coverage included;
- improved visibility and space to encourage responsible gambling behaviour;
- greater protection against any person aged under 20 years accessing the new space and ongoing compliance with section 11 of the Act.

The Secretary's submissions

6. The Secretary submitted that he had no regulatory concerns with CCL's proposal, and that it was consistent with the information it provided to his regulators during a tour of the Casino in December 2021.

PGF's submissions

7. PGF submitted, in summary, as follows:
- (a) CCL informed it of the proposal at a meeting in December 2021. While it supports the application in principle, it highlighted two purposes of the Act, namely:
 - (i) to control the growth of gambling; and
 - (ii) to prevent and minimise the harm cause by gambling, including problem gambling.
 - (b) While it appreciates that the deployment of an additional 17 EGMs in the extended Gambling Area will not breach CCL's of 500 EGMs, it is still necessary to assess the impact of the proposal on harm prevention, harm minimisation and responsible gambling. This is particularly relevant given that Class 4 gambling is the most harmful form of gambling in New Zealand.
 - (c) Harm minimisation includes, but is not limited to, proactive and transparent measures and considerations by CCL to safeguard patrons, and maintain stakeholder engagement with service providers.
 - (d) It noted that Christchurch City Council was not invited to submit on this application. It was important to inform the Council, particularly as it has maintained a sinking lid policy for almost two decades. Given that the purpose of a sinking lid policy is to limit the growth of Class 4 gambling in the district and minimise gambling harm in the community, Council advice should have been sought.

MoH's submissions

8. MoH submitted that CCL's proposal would have no adverse effects on the conduct or regulation of gambling within the Casino.

Applicant's submissions in reply

9. In reply, the Applicant submitted that it was encouraged by the support for this application from stakeholders. It noted that the Gambling Commission is best placed to respond to the submission that the Christchurch City Council should have been consulted on the application.

Analysis

10. CCL has made a number of applications based upon its desire to extend the Gambling Area on Level 2, and remove redundant Gambling Area from the Casino's Lower Car Park.
11. The Commission has previously considered whether it has the power to redefine a casino's Gambling Area, holding that it can do so provided that the amended area does not extend beyond the casino venue as defined in the casino venue licence, and the licence conditions defining the area are consistent with section 139(2) of the Act. CCL's proposal to amend the Gambling Area raises no issues of regulatory concern. CCL is removing part of the current Gambling Area from the Casino's lower carpark, and the extension of the Gambling Area on Level 2 remains well within the Casino venue.
12. A number of licence conditions require amendment as a result of this change, but the Commission was satisfied that the new licence conditions are consistent with the section 139(2) criteria; namely that they:
 - (a) must be consistent with this Act; and
 - (b) must contribute to achieving the purpose of this Act; and
 - (c) must contribute to the efficient and effective administration of this Act; and
 - (d) must not permit an increase in the opportunities for casino gambling; and
 - (e) may relate to any matter, including the matters specified in Schedule 1, within the confines of paragraphs (a) to (d).
13. The proposed construction and design changes raised no issues of regulatory concern, and the Commission was satisfied that they would not have a negative impact on the condition 7 criteria. The proposed floor plans are similarly unproblematic.

14. No submitter raised any issues of concern in relation to CCL's proposal, although PGF submitted that the Commission should have consulted with the Christchurch City Council as the Council has maintained a sinking lid policy for almost two decades. PGF also submitted that the purpose of a sinking lid policy is to limit the growth of Class 4 gambling and that Class 4 gambling is the most harmful form of gambling in New Zealand.
15. As the Commission has noted in previous decisions, Class 4 gambling is an entirely separate form of gambling and quite distinct from gambling on EGMs at casinos. EGMs at casinos do not come within the jurisdiction of a council's gambling policy, and are not captured by that policy whether it be for a sinking-lid, or otherwise.

Decision

16. The Commission:
- (a) redesignated the Gambling Area at the Christchurch Casino in the manner proposed, pursuant to section 139(1)(d) of the Act and condition 9A of CCL's venue licence;
 - (b) varied, pursuant to section 139(1)(d) of the Act, conditions 6, 9A, 9B and 12 of CCL's venue licence, and conditions 13, 14, 15, 18, 20 and 23 of CCL's operator's licence. The amended conditions now provide as follows:

CCL's venue licence

- 6. Subject to the provisions of condition 7, the Licence Holder must obtain the approval of the Commission prior to:
 - (a) any construction or design changes whatsoever in the Gambling Area (Schedules 1 and 2) and Additional Gambling Area (Schedule 3) and for any construction or design changes elsewhere in the Casino Venue which may impact on the matters set out in condition 7;
 - (b) the construction or relocation outside the Gambling Area and Additional Gambling Areas and within the Casino Venue of bank facilities available to the public excluding ATMs, EFTPOS and like devices; and
 - (c) the addition or alteration of signage relating to the casino business on the exterior of the Casino Venue or on or around the building within which it is located.

The process by which the Licence Holder may obtain approval for construction or design changes to Level 1, Level 2 and the rooftop area of the Casino Venue, (paragraph (a) above) is set out in condition 7. The Commission will determine any application for approval under 6(b). The Executive Director may approve the addition or alteration of signage relating to the casino business on the exterior of the Casino Venue or on or around the building within which it is located (paragraph (c) above) if he/she is satisfied the proposed changes will have no potentially adverse effects. If he/she is not so satisfied, the proposed changes must be referred to the Commission for a decision on approval.

- 9A The Gambling Area within the Casino Venue comprises the areas specified in plans marked "Schedules 1, 2 and 3". The standard Gambling Area for the Casino Venue is delineated in Schedules 1 and 2. The Additional Gambling Area for the Casino Venue is delineated in Schedule 3, and will form part of the Gambling Area only when activated as provided in condition 9B.
- 9B The Additional Gambling Area will take when the following conditions are satisfied:
- (a) The Licence Holder must provide the Commission and the Inspectorate with a minimum of 3 days' notice in writing of its intention to use the Additional Gambling Area.
 - (b) The Licence Holder must specify in that notice the dates and times at which the Additional Gambling Area will take effect and terminate. At the notified termination date and time, the Gambling Area will revert to the Gambling Area delineated in Schedules 1 and 2.
12. The approval of the Commission is required for the construction of any additional cashiering facilities in the Gambling Area (Schedules 1 and 2) and Additional Gambling Area (Schedule 3). Any such additional facilities must comply with the surveillance equipment requirements set out in the Surveillance Standard and be fitted with manually triggered alarm systems connected to the surveillance department.

CCL's operator's licence

13. A maximum of 4 automatic teller machines is permitted in the Casino Venue outside the Gambling Area (Schedules 1 and 2) and Additional Gambling Area (Schedule 3).
14. Except as approved in writing by the Commission, the Licence Holder is prohibited from dispensing cash from EFTPOS and like devices in the Gambling Areas (Schedules 1 and 2) at all times and Additional Gambling Area (Schedule 3) whenever the Additional Gambling Area is activated pursuant to condition 9B. The approval of 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 (Schedules 1 and 2) at all times and in the Additional Gambling Area (Schedule 3) whenever the additional Gambling Area is activated pursuant to condition 9B unless approved by the Commission. The approval of 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.
18. The Licence Holder is required to notify the Commission if it moves ATMs in the Casino Venue or if it installs or moves EFTPOS terminals or like devices in the Gambling Area (Schedules 1 and 2) and Additional Gambling Area (Schedule 3).
20. The Licence Holder shall provide security and surveillance equipment and facilities in the Gambling Area (Schedules 1 and 2) and Additional Gambling Area (Schedule 3) and surveillance areas which shall at all times meet and may 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.

23. The approval of the Commission is required for the construction of any additional cashiering facilities in the Gambling Area (Schedules 1 and 2) and Additional Gambling Area (Schedule 3). Any such additional facilities must comply with the surveillance equipment requirements set out in the Surveillance Standard and be fitted with manually triggered alarm systems connected to the surveillance department.
- (c) approved new floor plans, "Level 1 – Valley Floor Plans – December 2021", "Level 2 – Gallery Floor Plan – December 2021" and "Level 2 – Aspinall Floor Plan – December 2021" (**attached**), pursuant to condition 12 of CCL's operator's licence;
- (d) approved the proposed construction and design changes, pursuant to conditions 6 and 7 of CCL's venue licence.

Right of appeal

17. 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.

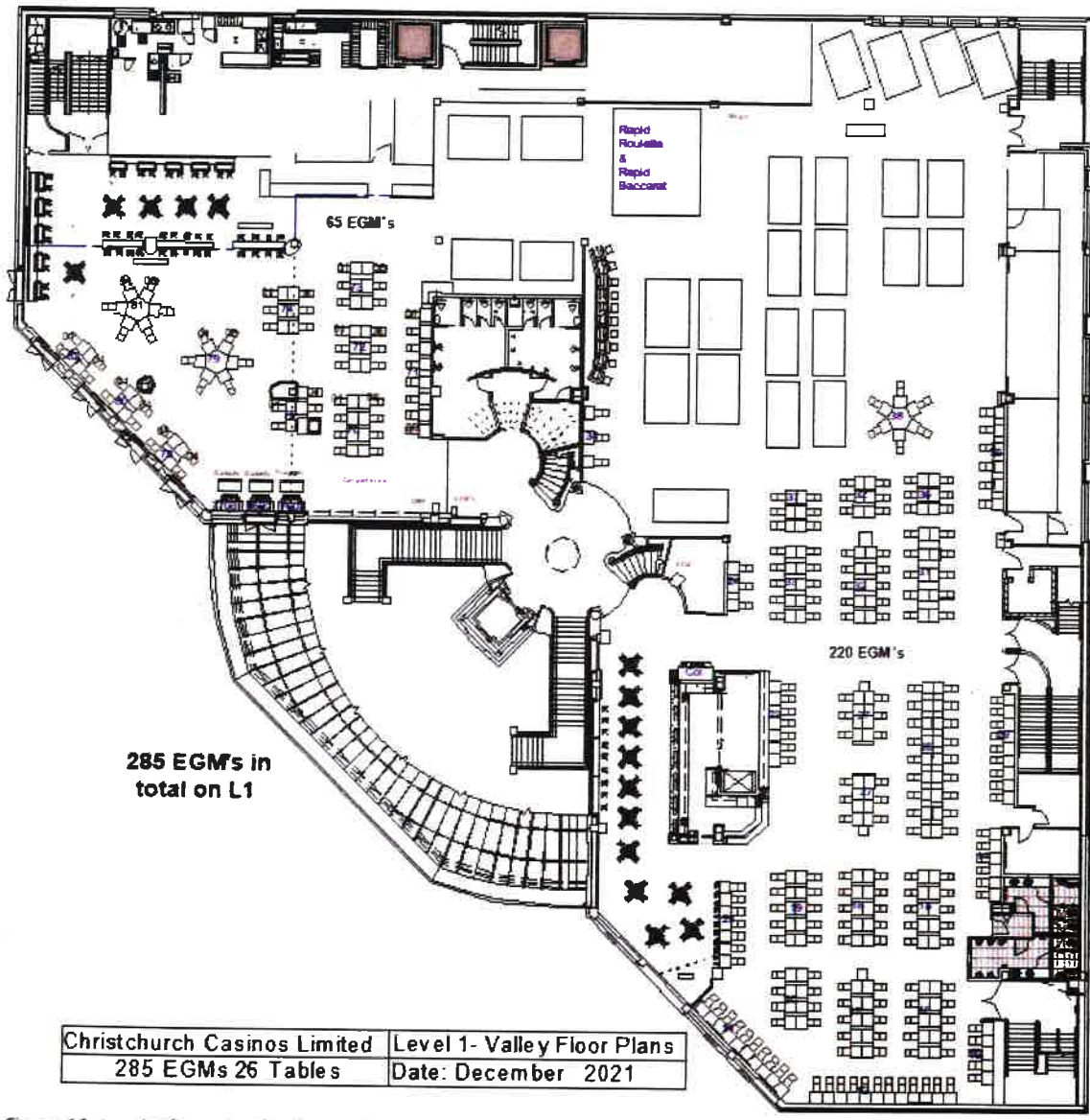


Lisa Hansen
Chief Gambling Commissioner

for and on behalf of the
Gambling Commission

18 February 2022





285 EGM's in total on L1

Christchurch Casinos Limited	Level 1- Valley Floor Plans
285 EGMs 26 Tables	Date: December 2021

