

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


**AND** of an application by **SKYCITY CASINO MANAGEMENT LIMITED** for approval of a new game mix for the Queenstown casino, and for approval to deploy automatic shufflers on its Black Jack tables

**BEFORE THE GAMBLING COMMISSION**

Members: G L Reeves (Chief Gambling Commissioner)  
L M Hansen  
R D Bell  
D C Matahaere-Atariki  
W N Harvey

Date of Application: 24 December 2014

Date of Decision: 13 February 2015

Date of Notification  
of Decision:  March 2015

**DECISION ON AN  
APPLICATION BY SKYCITY CASINO MANAGEMENT LIMITED  
FOR APPROVAL OF A NEW GAME MIX FOR THE QUEENSTOWN CASINO, AND FOR  
APPROVAL TO DEPLOY AUTOMATIC SHUFFLERS ON ITS BLACK JACK TABLES**

**Application**

1. SKYCITY Casino Management Limited ("SCML") applied to the Commission, under conditions 9 and 10 of its operator's licence for the Queenstown casino, for approval of a new game mix for its Horizon Room, and to deploy automatic shufflers on its Black Jack tables.

**Licence conditions**

2. The relevant licence condition are as follows:

**SCML's operator's licence (Queenstown)**

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 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.

### Submissions by SCML

3. SCML submitted, in summary, as follows:

- (a) It is permitted to operate location specific game mixes at the Queenstown casino, as well as a number of game mixes which are not location specific.
- (b) It has approval to operate seven game mixes (A1-G1) in the casino's Horizon Room, and seeks approval to deploy one new game mix in this location, game mix H1. Game mixes A1-H1 are as follows:

|                                | A1 | B1 | C1 | D1 | E1 | F1 | G1 | H1 |
|--------------------------------|----|----|----|----|----|----|----|----|
| Midi Baccarat (7 Box, Style B) | 2  | 2  | 3  | 3  | 4  | 1  | 0  | 1  |
| Black Jack                     | 1  | 0  | 0  | 1  | 0  | 1  | 0  | 2  |
| Roulette                       | 1  | 2  | 1  | 0  | 0  | 2  | 0  | 1  |
| Poker                          | 0  | 0  | 0  | 0  | 0  | 0  | 4  | 0  |

- (c) It also has approval to operate three game mixes on the MGF, A2-C2, as follows:

|                                | A2 | B2 | C2 |
|--------------------------------|----|----|----|
| Midi Baccarat (9 Box, Style A) | 1  | 2  | 0  |
| Black Jack                     | 3  | 3  | 3  |
| Roulette                       | 2  | 2  | 2  |
| Caribbean Stud Poker           | 1  | 1  | 1  |
| Poker                          | 1  | 0  | 2  |

- (d) It has four existing game mixes which are not location specific; game mix A is the casino's benchmark game mix, while game mixes B-D were operational game mixes. Game mixes A-D are as follows:

|                                 | A | B | C | D |
|---------------------------------|---|---|---|---|
| Midi Baccarat (9 Box, Style A)  | 3 | 1 | 0 | 2 |
| Black Jack (manual shuffler)    | 3 | 0 | 0 | 0 |
| Black Jack (automatic shuffler) | 2 | 2 | 2 | 2 |
| Roulette                        | 3 | 2 | 2 | 2 |
| Caribbean Stud Poker            | 1 | 1 | 1 | 1 |
| Poker                           | 0 | 6 | 7 | 5 |

- (e) At present it can deploy automatic shufflers on no more than 50% of open Black Jack tables but it wants to remove this restriction so that it can deploy automatic shufflers on all of its Black Jack tables.
- (f) Attached to its application is a spreadsheet which sets out its calculation of the allowable player spaces and gambling opportunities associated with each game mix. For the area specific game mixes, it has combined the game mix from the Horizon Room which offers the most player spaces and gambling opportunities (H1), with the game mix from the MGF which offers the most player spaces and gambling opportunities (B2). None of the resulting game mixes would increase

opportunities for casino gambling beyond those presently offered by the regulatory benchmark, game mix A, as follows:

| Game mix              | A     | Combined B2 and H1 |
|-----------------------|-------|--------------------|
| Player spaces         | 256   | 250                |
| Overall opportunities | 8,165 | 7,386              |

4. Removing the automatic shuffler restriction from the Black Jack tables in the game mixes which are not location specific (B-D) will not increase opportunities for casino gambling when compared with game mix A, as follows:

|                       | A     | B     | C     | D     |
|-----------------------|-------|-------|-------|-------|
| Player spaces         | 256   | 178   | 161   | 195   |
| Overall opportunities | 8,165 | 4,074 | 2,972 | 5,177 |

#### Submissions by the Secretary

5. The Secretary submitted, in summary, as follows:
- (a) SCML presents calculations showing the gambling opportunities associated with the proposed game mix and with the Black Jack restriction removed, compared to the opportunities associated with the casino's benchmark game mix. SCML's calculations appear accurate and suggest that the new and amended game mixes will have fewer opportunities than the benchmark game mix.
  - (b) However, the notes for the game mixes are missing from the Annex that SCML wants approved. He agrees with SCML that the game mix Annex should include amended notes for the alternative game mixes, but suggests that an additional note should be included for the benchmark game mix to ensure that the restriction on automatic shufflers on Black Jack tables remains for the benchmark game mix. In reply, SCML acknowledged the omission and submitted a new proposed Annex which included the appropriate notes.

#### Analysis

6. Pursuant to decision GC13/13, SCML obtained Commission approval to introduce location specific game mixes to the Queenstown casino, to allow it to deploy a range of game mixes only on the MGF, and a range of game mixes only in the area now known as the Horizon Room. In that decision, the Commission approved a number of game mixes for each area; game mixes A2-C2 for the MGF, and game mixes A1-G1 for the Horizon Room.
7. In addition to the location specific game mixes, SCML has four game mixes, A-D, which are not location specific, and were approved prior to decision GC13/13.

8. SCML has applied for approval to introduce a new game mix H1 for the Horizon Room and to remove the existing restriction which limits SCML's deployment of automatic shufflers to no more than 50% of open Black Jack tables. SCML wants to deploy automatic shufflers on all of the Black Jack tables in its operational game mixes.
9. As noted in decision GC02/15, removing the restriction on the deployment of automatic shufflers on Black Jack tables does not raise any issues of regulatory concern provided that doing so does not increase opportunities for casino gambling on the applicable game mixes beyond those offered by the casino's regulatory benchmark.
10. The Commission considered the game mixes for the Horizon Room (including game mix H1) and the game mixes for the MGF, all with the abovementioned restriction removed, and compared them with game mix A. In making this comparison, the Commission had regard to its previous comments regarding the limited utility of the kind of arithmetical data put forward, noting that it compares a proposal with the benchmark and forms an in the round view on whether the proposal will increase opportunities for casino gambling.
11. The Commission was satisfied, in the round, that no combination of game mixes from the two areas would generate more opportunities for casino gambling than game mix A. In reaching this decision the Commission noted that, although some of the games in the game mixes will have a faster rate of play than presently (due to the removal of the shuffler restriction), the increase will be slight and would not result in an increase in the casino gambling opportunities provided by those game mixes compared to those provided by game mix A. This is particularly so as all Midi Baccarat tables in the Horizon Room are limited to seven player spaces and must utilise dealing style B, a very slow dealing style, while the Midi Baccarat games in game mix A may accommodate nine players and use dealing style A, a very fast dealing style which increases the game speed substantially compared to dealing style B.
12. The Commission also compared the existing approved game mixes which are not location specific, B-D, with the regulatory benchmark. The overall rate of play for game mixes B-D will all increase with the removal of the automatic shuffler restriction, but the increase will be slight, and not sufficient to increase the casino gambling opportunities above those generated by game mix A.
13. The Commission approved the notes attached to the amended proposed game mix Annex to ensure that the restriction on automatic shufflers on the Black Jack tables remains for game mix A, for the reason suggested by the parties.

**Decision**

14. The Commission approved a new game mix Annex, under condition 9 of SCML's operator's licence for the Queenstown casino. The new Annex A is **attached**.

**Right of appeal**

15. 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.



**Graeme Reeves**  
Chief Gambling Commissioner

for and on behalf of the  
Gambling Commission

10<sup>th</sup> March 2015



## ANNEX A

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

### Game Mix A

Black Jack – up to 5 games  
 Roulette – up to 3 games  
 Midi Baccarat – up to 3 games  
 Caribbean Stud Poker – up to 1 game

### Game Mix B

Black Jack – up to 2 games  
 Roulette – up to 2 games  
 Midi Baccarat – up to 1 game  
 Caribbean Stud Poker – up to 1 game  
 Poker – up to 6 games

### Game Mix C

Black Jack – up to 2 games  
 Roulette – up to 2 games  
 Caribbean Stud Poker – up to 1 game  
 Poker – up to 7 games

### Game Mix D

Black Jack – up to 2 games  
 Roulette – up to 2 games  
 Midi Baccarat – up to 2 games  
 Caribbean Stud Poker – up to 1 game  
 Poker – up to 5 games

## FURTHER ALTERNATIVE GAME MIXES

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

**In the area designated as the Horizon Room, any one of the following 4 table game mixes:**

|               | A1       | B1       | C1       | D1       | E1       | F1       | G1       | H1       |
|---------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Midi Baccarat | 2        | 2        | 3        | 3        | 4        | 1        | 0        | 1        |
| Black Jack    | 1        | 0        | 0        | 1        | 0        | 1        | 0        | 2        |
| Roulette      | 1        | 2        | 1        | 0        | 0        | 2        | 0        | 1        |
| Poker         | 0        | 0        | 0        | 0        | 0        | 0        | 4        | 0        |
| <b>Total</b>  | <b>4</b> | <b>4</b> | <b>4</b> | <b>4</b> | <b>4</b> | <b>4</b> | <b>4</b> | <b>4</b> |

Together with

**In the Gambling Area on the main floor, any one of the following 8 table game mixes:**

|                      | A2       | B2       | C2       |
|----------------------|----------|----------|----------|
| Midi Baccarat        | 1        | 2        | 0        |
| Black Jack           | 3        | 3        | 3        |
| Roulette             | 2        | 2        | 2        |
| Caribbean Stud Poker | 1        | 1        | 1        |
| Poker                | 1        | 0        | 2        |
| <b>Total</b>         | <b>8</b> | <b>8</b> | <b>8</b> |

**Notes**

1. For game mix A, the Licence Holder is permitted to operate automatic shufflers on the Caribbean Stud Poker and Baccarat tables, and on no more than 50% of open Black Jack tables.
2. The Licence Holder is permitted to operate an automatic shuffler on one Caribbean Stud Poker table and on all Black Jack tables in the other game mixes.

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3. The Licence Holder is permitted to change between the game mixes specified subject to providing the Inspectorate with prior notice.
4. Any flip top tables forming part of a game mix must be operated in accordance with the requirements of the relevant Minimum Operating Standards.
5. All Midi Baccarat games specified in the further alternative game mixes and operating in the Horizon Room shall be conducted in accordance with dealing style B, as set out in the rules of Baccarat.
6. All Midi Baccarat games specified in the further alternative game mixes and operating in the Horizon Room shall have no more than 7 boxes.

