

IN THE MATTER of the Gambling Act 2003
AND of an application by **SKYCITY CASINO MANAGEMENT LIMITED**
to amend the Surveillance
Standard

BEFORE THE GAMBLING COMMISSION

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

Date of Application: 13 January 2009

Date of Decision: 20 March 2009

Date of Notification of Decision: 6 April 2009

**DECISION ON AN
APPLICATION BY SKYCITY CASINO MANAGEMENT LIMITED
TO AMEND THE SURVEILLANCE STANDARD**

Application

1. SKYCITY Casino Management Limited ("**SCML**") applied to the Commission, under condition 18 of its operator's licence for the Auckland casino, to amend the Surveillance Standard for "tables on which casino type games are played but which are not used for gambling purposes" (or "Fun Play" tables).
2. SCML's proposal would remove the need for fixed cameras to be positioned above Fun Play tables, but introduce a requirement for general activity in and around them to be monitored by Pan-Tilt-Zoom ("**PTZ**") cameras. The proposed amendments to the Surveillance Standard, in mark-up, are as follows:

Fixed Cameras

Fixed cameras are to be installed in the following areas:

At least one over every gaming table (used for gambling purposes) covering the layout(s) and where practical any gaming equipment used to conduct the game;

At least two covering both ends of a Big Baccarat table;

At least one covering the transactions of each operator in the cashiers cage;

At least one covering the BDD used in any game of Keno and the transactions of each operator in the Keno and/or Racing Game booths;

At least one providing the entrances and exits to the count rooms;

At least one covering the entrances and exits to sensitive gaming equipment stores and the computer room (alternatively the camera(s) may be located inside these areas).

For the avoidance of doubt where a licence holder has approval through licence conditions to install tables on which casino type games may be played in the Gambling Area and are not to be used for gambling purposes, the installation of fixed cameras over those tables is not necessary.

Pan Tilt Zoom Cameras

Pan Tilt Zoom cameras are to be installed in the following areas:

On the gaming floor in sufficient numbers to enable the movement of chips and/or money to be monitored from one destination to another;

On the gaming floor in sufficient numbers to enable drop routes to be fully monitored;

On the gaming floor in sufficient numbers to enable the conduct of gaming at each table to be monitored by at least one PTZ;

On the gaming floor in sufficient numbers to enable activity at each gaming machine to be monitored;

On the gaming floor in sufficient numbers to enable general activity in and around tables on which casino type games are played but which are not used for gambling purposes;

In the count rooms to ensure the emptying and processing of the contents of drop boxes, note stackers and drop buckets can be monitored in detail

At a location which enables the transactions of cashiers in the cage, chip banks and change booths and operators at any keno and/or racing game booths to be monitored in detail in the event that fixed camera covering in these areas is not considered sufficient by the Authority;

At public entrances and exits to the casino.

3. As the Surveillance Standard affects all casinos, the Commission sought submissions on SCML's proposal from Otago Casinos Limited, Christchurch Casinos Limited, Dunedin Casinos Limited and the Secretary for Internal Affairs (the "**Secretary**"). In addition to seeking submissions on SCML's proposed amendments, the Commission also sought submissions on the following:

- (a) whether SCML's proposed amendment for PTZ cameras could be achieved by replacing "gaming" with "game play" in the fourth of the PTZ requirements;
- (b) whether the proposal for PTZ cameras to monitor general activity in and around tables should apply to all tables in the Gambling Area (not just Fun Play tables) as this may assist with matters such as the monitoring of undesirable activity.

4. SCML and the Secretary filed submissions, with SCML filing submissions in reply to the Secretary's submissions.

Licence condition

5. The relevant licence condition is as follows:

SCML Operator's Licence (Auckland)

18. 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.

Submissions by SCML

6. SCML submitted, in summary, that:

- (a) When the Commission approved its application to install Fun Play tables, the Commission declined to specify licence conditions setting out the surveillance requirements for those tables.
- (b) The Commission's decision suggested that, if it wanted to amend the surveillance requirements for Fun Play tables, it should apply to amend the Surveillance Standard.
- (c) The Surveillance Standard presently requires at least one fixed camera over every gaming table, and pan-tilt-zoom ("PTZ") cameras in sufficient numbers to enable the conduct of gaming at each table to be monitored by at least one PTZ camera.
- (d) The Standard was designed primarily to ensure that: gaming disputes can be resolved fairly; gaming is conducted in accordance with rules and procedures; and illegal activity is detected and dealt with. The application of such robust standards for Fun Play tables is not necessary.
- (f) Fixed cameras are not required on Fun Play tables, but PTZ cameras should be installed in sufficient numbers to allow general activity in and around these tables to be monitored.

7. In response to the two matters raised by the Commission, SCML submitted, in summary, as follows:

- (a) The word "gaming" should not be replaced by "game play" in the fourth of the PTZ requirements. There should be a distinction between the PTZ requirements for gaming tables and the PTZ requirements for Fun Play tables, with Fun Play tables needing fewer PTZ cameras. Fun Play tables only need sufficient PTZ cameras to monitor general activity to ensure no prohibited activities are taking place.

- (b) The PTZ cameras already deployed are capable of monitoring general activity in and around gaming tables, and there is no need for further amendments to the Surveillance Standard.

Submissions by the Secretary

8. The Secretary submitted, in summary, that:

- (a) He had no regulatory concerns with SCML's proposal and was consulted in its development.
- (b) The current requirement of one fixed camera per table is considered excessive in the case of Fun Play tables.
- (c) PTZ cameras would provide sufficient monitoring of general activity at Fun Play tables.
- (d) In the absence of gambling at these tables, money will not be in circulation, training chips will be used, and all gambling equipment will be de-natured where possible.
- (e) The Commission may wish to change the term "gaming" to "gambling" in the fourth requirement for PTZs as "gambling" is a defined term in the Gambling Act 2003.
- (f) The Commission's proposal to monitor general activity around all tables (not just Fun Play tables) to assist in monitoring undesirable activity would provide desirable clarity, even though the existing requirements of the Surveillance Standard may be capable of addressing this.

9. In reply, SCML submitted that the amendment is unnecessary, as the currently required PTZ cameras are capable of monitoring undesirable activity in and around gaming tables. The current application is designed to address the surveillance requirements Fun Play tables only, and it is not appropriate to use this application as a mechanism to amend requirements relating to existing tables.

Analysis

10. In 1994, the Casino Control Authority ("CCA") developed a policy to outline the minimum surveillance standards and requirements for the first two casinos in New Zealand. The outcomes sought from the policy were as follows:

- gaming in casinos is conducted in accordance with rules and procedures;
- gaming disputes are resolved by the casino operator in a fair and impartial manner;
- the operation of the casino is consistent with the operator's regulatory obligations;
- illegal activity in casinos is detected and appropriately dealt with;
- a compliance culture is instilled throughout the casino organisation.

11. This policy was intermittently amended by the CCA, and the Commission understands that it was last amended in December 2003. This policy remains in place and is what is known today as the "Surveillance Standard".
12. By decision GC31/08, the Commission approved an application by SCML to introduce up to eight Fun Play tables onto the Auckland casino's Gambling Area. In the same decision the Commission declined SCML's application to specify a licence condition setting out the surveillance requirements for the Fun Play tables, and suggested that, if SCML wanted to change the surveillance requirements for Fun Play tables, it should apply to the Commission to amend the Surveillance Standard. SCML has now done this, and wants to introduce less robust surveillance requirements for Fun Play tables.
13. SCML's first proposal is to remove the need for fixed cameras above Fun Play tables, an amendment the Secretary agreed with. SCML proposed to achieve this by inserting the words "used for gambling purposes", in the first Fixed Camera requirement, and inserting a new, seventh, requirement which provides:

For the avoidance of doubt where a Licence Holder has approval through licence conditions to install tables on which casino type games may be played in the Gambling Area and are not used for gambling purposes, the installation of fixed cameras over those tables is not necessary.

14. The Commission agrees that there is no need for a fixed camera above Fun Play tables as there is no need to scrutinise the playing of casino-type games on these tables as closely as for regular gaming tables. However, the Commission believes that the change is better achieved by amendments which do not include "used for gambling purposes" in the first requirement, and which instead replace the words "for the avoidance of doubt" with "notwithstanding the first requirement above," in the seventh requirement. These changes leave unchanged the primary obligation for operators to have fixed cameras over every gaming table, but create a specific exception for licence holders who have approval to operate Fun Play tables in the manner described.
15. SCML's second proposal was a new provision requiring general activity in and around Fun Play tables only to be monitored by sufficient PTZ cameras.

16. The suggested amendment drew the Commission's attention to the lack of any current requirement for general activity around (other) gaming tables to be monitored. The

Commission considered it odd that the resulting standard would require general activity to be monitored around Fun Play tables, but not at regular gaming tables, especially when one of the Standard's desired outcomes is to ensure that illegal activity is detected and appropriately dealt with (and illegal activity seems no less likely to occur around regular gaming tables) and the purpose of the Act includes "limit[ing] opportunities for crime or dishonesty associated with gambling".

17. SCML submitted in reply that it is unnecessary for the Standard to require general activity around all tables to be monitored as the existing cameras are capable of doing this. The Secretary submitted that, although SCML's submission may be correct, enshrining such a requirement in the Standard would provide clarity and ensure that it does apply to all tables.
18. It is apparent to the Commission that the issue turns on what the Standard requires cameras to do rather than what they are capable of doing. The Commission considers that the application has revealed a deficiency in the Standard relating to general surveillance around gaming tables. It requires the close monitoring of gambling activity, the movement of chips, money and drop routes but not the monitoring of general activity around the table. While it is true that the PTZ cameras installed for close monitoring of gambling, drop routes and money and chip movements are capable of being used for monitoring general activity, the reality is that such cameras may be currently required for the specified close monitoring such that they have little or no capacity for general monitoring which the Standard does not currently require.
19. Having regard to the purpose of the Act and the desired outcomes of the Standard, the Commission decided that the monitoring of general activity at all tables is both warranted and desirable, and to achieve this, has amended "gaming" to "gambling" in the third PTZ requirement, and replaced the words "but which are not" with "to be monitored, whether or not they" in the new fifth requirement.
20. It is unclear to the Commission whether this will require the installation of any additional PTZ cameras. To the extent that the currently deployed cameras can undertake such monitoring in addition to the already required close monitoring, no new cameras should be needed. To the extent that the currently installed cameras are required to undertake close monitoring so continuously that they cannot be used for general surveillance, additional cameras will be required.
21. The Commission agrees that Fun Play tables do not require the sort of close monitoring which gambling activity requires but it does not accept that general surveillance should be

required only around Fun Play tables and not around tables at which gambling is taking place.

Decision of the Commission

22. The Commission granted SCML's application to amend the Surveillance Standard, with further amendments by the Commission, under condition 18 of SCML's operator's licence for the Auckland casino. The existing Fixed and PTZ camera requirements of the Surveillance Standard are deleted and replaced with the following:

Fixed Cameras

Fixed cameras are to be installed in the following areas:

At least one over every gaming table covering the layout(s) and where practical any gaming equipment used to conduct the game;

At least two covering both ends of a Big Baccarat table;

At least one covering the transactions of each operator in the cashiers cage;

At least one covering the BDD used in any game of Keno and the transactions of each operator in the Keno and/or Racing Game booths;

At least one providing the entrances and exits to the count rooms;

At least one covering the entrances and exits to sensitive gaming equipment stores and the computer room (alternatively the camera(s) may be located inside these areas).

Notwithstanding the first requirement above, where a licence holder has approval through licence conditions to install tables on which casino type games may be played in the Gambling Area and are not to be used for gambling purposes, the installation of fixed cameras over those tables is not necessary.

Pan Tilt Zoom Cameras

Pan Tilt Zoom cameras are to be installed in the following areas:

On the gaming floor in sufficient numbers to enable the movement of chips and/or money to be monitored from one destination to another;

On the gaming floor in sufficient numbers to enable drop routes to be fully monitored;

On the gaming floor in sufficient numbers to enable the conduct of gambling at each table to be monitored by at least one PTZ;

On the gaming floor in sufficient numbers to enable activity at each gaming machine to be monitored;

On the gaming floor in sufficient numbers to enable general activity in and around tables on which casino type games are played to be monitored, whether or not they are used for gambling purposes;

In the count rooms to ensure the emptying and processing of the contents of drop boxes, note stackers and drop buckets can be monitored in detail;

At a location which enables the transactions of cashiers in the cage, chip banks and change booths and operators at any keno and/or racing game booths to be monitored

in detail in the event that fixed camera covering in these areas is not considered sufficient by the Authority;

At public entrances and exits to the casino.

**GAMBLING
COMMISSION**

Peter Chin
Chief Gambling Commissioner

for and on behalf of the
Gambling Commission

6 April 2009