

IN THE MATTER of the Gambling Act 2003
AND on a proposal by the Gambling Commission to revoke condition 22 and amend condition 23 of the venue licence of **SKYCITY AUCKLAND LIMITED**

BEFORE THE GAMBLING COMMISSION

Members Present: P Chin (Chief Gambling Commissioner)
K M Ford
M M Lythe
P J Stanley

Date of Application: 26 April 2006

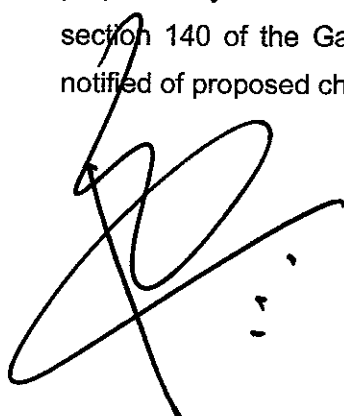
Date of Decision: 2 May 2006

Date of Notification of Decision: 11 May 2006

**DECISION ON A PROPOSAL BY THE GAMBLING COMMISSION TO REVOKE
CONDITION 22 AND AMEND CONDITION 23 OF THE VENUE LICENCE
OF SKYCITY AUCKLAND LIMITED**

Introduction

1. In its Final Decision dated 27 March 2006, relating to the licence conditions for SKYCITY Auckland casino, the Gambling Commission ("**Commission**") provided notice of its proposal to revoke condition 22 of the venue licence held by SKYCITY Auckland Limited ("**SCAL**") and to amend condition 23 by deleting the word "overseas". The Commission invited submissions within 20 working days of notification of its Final Decision.
2. The Commission's proposal followed submissions made by Christchurch Casinos Limited ("**CCL**") and SCAL that the banking arrangements set out in conditions 22 and 23 had been superseded.
3. The Commission stated in its Final Decision that, although it considered amendments proposed by SCAL had merit, it was prevented from making the changes sought by section 140 of the Gambling Act 2003 (the "**Act**") and the requirement that parties be notified of proposed changes to licence conditions.



Licence Conditions

4. Conditions 22 and 23 provide as follows:
- 22 The Licence Holder shall keep and maintain a bank account or bank accounts as approved by the Commission at a bank or banks in New Zealand for use for all banking transactions relating to the operation of the Casino. The bank account(s) shall be used exclusively for the operation of the Casino.
 - 23. The Licence Holder shall not open any bank account overseas to facilitate, or in connection with, the operation of the Casino without the approval of the Commission.

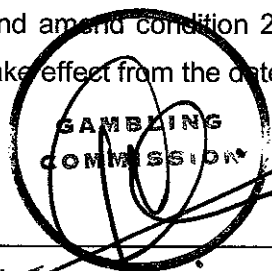
Submissions

- 5. Submissions on the proposal were received from SCAL and the Secretary for Internal Affairs (the "**Secretary**").
- 6. SCAL supported the proposed changes. SCAL submitted that condition 22 should be deleted as the requirement for the Licence Holder to maintain a bank account for all banking transactions relating to the operation of the casino had been superseded by the banking and management arrangements approved by the Casino Control Authority in the Management Agreement between SCAL and SKYCITY Casino Management Limited ("**SCML**"), dated 26 May 1998. SCAL stated that, pursuant to this Agreement, all transactions relating to the operation of the casino are banked into an account kept and maintained by SCML, the casino operator.
- 7. SCAL submitted that the variation of condition 23, by removing the word "overseas", would ensure that the Commission retained oversight in respect of banking arrangements relating to the operation of the casino. The deletion of condition 22 would remove the mandatory requirement for the venue licence holder to keep a bank account.
- 8. The Secretary submitted that it had no objection to the proposal. The Secretary noted that the amended condition 23, together with licence conditions 36 and 37 of SCML's operator's licence, would provide an adequate basis for regulatory oversight of bank accounts relating to the operation of the Auckland casino.

Decision

- 9. The Commission considers deletion of condition 22 appropriate as the licence conditions should reflect current, approved, practices relating to bank account arrangements.
- 10. As submitted by SCAL and the Secretary, the proposed amendment to condition 23 provides an adequate basis for regulatory oversight. It will mean the Licence Holder must obtain the prior approval of the Commission before opening any bank account or facility connected to the operation of the casino.

11. The Commission decided unanimously to delete condition 22 of SCAL's venue licence and amend condition 23, by the deletion of the word "overseas". These changes shall take effect from the date of notification of this Decision.



Peter Chin
Chief Gambling Commissioner

for and on behalf of the
Gambling Commission

((May 2006