

**IN THE MATTER** of the Gambling Act 2003  
**AND** on a proposal by the Gambling Commission to revoke conditions of the venue licences held by **SKYCITY HAMILTON LIMITED** and **QUEENSTOWN CASINOS LIMITED** and conditions of the operator's licence held by **SKYCITY 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: 21 December 2006

Date of Interim Decision: 25 June 2007

**INTERIM DECISION**

**ON A PROPOSAL BY THE GAMBLING COMMISSION TO REVOKE CONDITIONS OF THE VENUE LICENCES HELD BY SKYCITY HAMILTON LIMITED AND QUEENSTOWN CASINOS LIMITED AND CONDITIONS OF THE OPERATOR'S LICENCE HELD BY SKYCITY 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 licences held by SKYCITY Hamilton Limited ("**SHL**") and Queenstown Casinos Limited ("**QCL**") and conditions of the operator's licence held by SKYCITY Management Limited ("**SCML**") relating to Hamilton and Queenstown casinos, and to specify new conditions in substitution. The initiative constituted a single proposal to specify, vary and revoke numerous conditions of the three existing licences (the "**proposal**")

1.2 SHL, QCL, and SCML (the "**Licence Holders**"), the Secretary for Internal Affairs (the "**Secretary**"), and potentially affected persons comprising the Ministry of Health ("**MoH**"), Problem Gambling Foundation ("**PGF**"), Gambling Helpline ("**GH**"), Gambling Watch

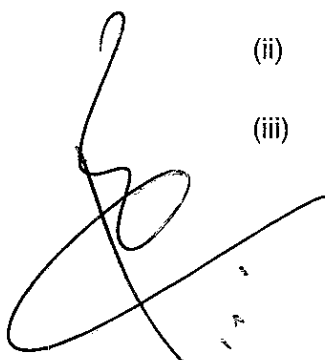
("GW"), the Hamilton Casino Monitoring Group, and the Wakatipu Casino Liaison Group were formally notified of the proposal on 21 December 2006, and invited to make written submissions on it in accordance with section 140 of the Act. Submissions were made by all parties. The Commission convened an oral hearing on 18 May 2007 to hear the parties, with the Licence Holder, the Secretary, MoH, PGF, and GW attending.

- 1.3 Having considered written and oral submissions, the Commission proposes to specify the amended conditions for the licences held by SHL, QCL and SCML **attached** to this Interim Decision. The draft conditions identify, in mark-up, changes from the original proposal notified to parties on 21 December 2006. Parties have until 27 July 2007 within which to make any written submissions on the changes (additions and deletions) proposed by the Commission. Parties are also invited to comment on proposed arrangements for the continuation of the two casino monitoring groups in Queenstown and Hamilton, as described in this decision.
- 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 SHL and QCL's venue licences and conditions of SCML's operator's licence relating to Hamilton and Queenstown, 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.
- 2.2 When it notified parties on 21 December 2006, the Commission gave further reasons for the current proposal, including:

- (a) Removing redundant conditions relating to:
- (i) the initial construction of Hamilton and Queenstown casinos;
  - (ii) credit wagers (now addressed under section 15 of the Act);
  - (iii) player spaces (the number of player spaces is now regulated by way of licence conditions specifying maximum table and machine numbers and



the requirement for the Commission to approve changes in table game mix);

- (iv) (in the case of Hamilton) the requirement for the casino to provide problem gambling education and treatment services, now overtaken by the statutory requirement for casinos to pay a problem gambling levy to fund the MoH's programme.
- (b) Updating references in licence conditions to the Authority 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) 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.
- (e) 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.
- (f) Supplementing current requirements relating to the content of Host Responsibility Programmes, 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.
- (g) Adjusting existing conditions relating to specifications for count rooms, cage/chip bank facilities and cashiering facilities, and surveillance to reflect current good practice.
- (h) Requiring greater transparency around reporting on grants by Independent Charitable Trusts funded by the two casinos, consistent with reporting requirements for class 4 operators.

2.3

In its notified proposal, the Commission proposed removing existing conditions in SHL's and QCL's venue licences providing for community monitoring groups, it being unclear to the Commission at that time that it was necessary to continue to provide for such groups

in casino licence conditions. The Commission has reviewed and revised its position on this point, as discussed in this decision

### 3. PRELIMINARY MATTERS

3 1 No adverse written or oral submissions were made in relation to the following draft conditions in SHL's venue licence: 1, 2, 3, 4, 8(b), 9, 10, 11, 12, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25 and the following draft conditions in QCL's venue licence: 1, 2, 3, 4, 8, 9, 10, 11, 12, 13, 14, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25 and 26. These conditions are therefore included in the conditions attached to this decision unamended, with the exception of minor amendments, initiated by the Commission, to the definition of Trust in both venue licences

3 2 No adverse written or oral submissions were made in relation to the following draft conditions of SCML's operator's licence relating to Hamilton: 1, 2, 3, 4, 5, 6, 7, 8, 16, 17, 18, 19, 20, 22, 25, 26, 28, 30, 31, 32, 33, 34, 35, 36, 37, 39, 40, 41, 42, 43 and 44, and the following draft conditions of SCML's operator's licence relating to Queenstown: 1, 2, 3, 4, 5, 6, 7, 16, 17, 18, 19, 20, 22, 25, 26, 28, 30, 31, 32, 33, 34, 35, 36, 37, 39, 40, 41, 42, 43 and 44. These conditions are included unamended, with the exception of minor amendments initiated by the Commission to conditions 4, 15, 18, 41 and 42 in both sets of licence conditions

#### Minor amendments accepted by the Commission

3 3 The Commission amended conditions 5, 6, and 7 of SHL's venue licence (regulating design changes) to apply to Level 1 of the casino venue only. It accepted SHL's submission (with which the Secretary concurred) that it was unnecessary for the Commission to be notified of, and approve, design changes to Level B1 of the casino venue as gambling activities are not conducted there. Similarly, the Commission amended conditions 5, 6, and 7 of QCL's licence, to limit the requirement for the Commission to be notified of and approve design changes to Level 2 of the Queenstown casino

3 4 In condition 6(b) of the QCL and SQL licence conditions, the Commission added a reference to the relocation of bank facilities, as proposed by the MoH and the Secretary

3 5 With regard to condition 8(a) of SHL's venue licence, the Secretary noted in submissions that, at the Hamilton casino, it is possible to see gambling activity from the Atrium, which is outside the Casino Venue, raising an issue of potential non-compliance. The Commission noted that visibility is very limited, and that screening is not a practical option for the Licence Holder. The Commission decided to amend condition 8(a) of SHL's venue

licence to provide that the Licence Holder shall ensure that “gambling activity is not visible from the street or other public areas outside the Casino Venue, except where and to the extent that the Commission may approve otherwise”. SHL will then be able to apply for approval of current circumstances. It is asked, when doing so, to provide to the Commission a sketch or photos recording the extent to which the Gambling Area is currently visible from the Atrium.

- 3.6 The Commission amended condition 8 of the conditions of SCML’s licence relating to Queenstown, to provide that, “at least two table games shall be open for play when the Casino is operating, unless otherwise approved by the Authority or the Commission”. This amendment, sought by SCML, recognises that the former Casino Control Authority (the “**Authority**”) granted a partial exception to the licence requirement for Queenstown casino.
- 3.7 In condition 21(c) of SCML’s operators licence for Hamilton and Queenstown casinos, the Commission accepted SCML’s submission (with which the Secretary concurred), and deleted the words “in at least one facility”, to reflect the fact that at both casinos there is only one cashier’s facility.

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

- 3.8 The Commission declined to delete conditions 9 and 10 of SCML’s licence for Hamilton and Queenstown, as proposed by SCML. These conditions require SCML to obtain Commission approval for changes to the table game mix at Hamilton and Queenstown casinos, and the introduction of electronic versions of table games. Approval prior to implementation is required to enable the Commission to determine whether such changes would give rise to an increase in opportunities for casino gambling, prohibited under the Act. Conditions 9 and 10 have been retained accordingly.
- 3.9 The Commission did not consider it necessary to amend condition 27 of SCML’s licence, as requested by SCML, to require that the Commission review the Host Responsibility Programmes for all SKYCITY properties in New Zealand at the same time. This is a matter to be resolved at an operational level, with the Commission amending condition 27 (now condition 31) of SCML’s licence conditions for Hamilton and Queenstown to provide necessary flexibility to achieve this. The Commission has also clarified, for the avoidance of doubt, that it may amend the Host Responsibility Programme at any time, having consulted with the Licence Holder and interested parties, as appropriate.
- 3.10 The Commission declined GW’s proposal to prohibit promotional material unless casinos have control over who will receive it. It noted the Secretary’s submission, that a working party on gambling has been established in conjunction with the joint Expert Advisory

Group in Preventing and Minimising Harm. This, the Secretary stated, may contribute to regulatory and/or voluntary interventions in relation to the marketing and promotion of casino gambling.

3.11 The Commission declined PGF's proposal that the Commission give itself the ability to approve harm prevention and minimisation materials distributed by the two casinos to patrons. The Commission did not consider it appropriate or necessary that it regulate to this level of detail.

3.12 The Commission declined to accept a proposed amendment by GH to licence condition 29, so that the licence condition would in future require compliance with a voluntary code of practice for marketing. It is the Commission's understanding that a code is neither finalised nor will it necessarily be mandatory. This being the case, it would be inappropriate for the time being for Licence Holders to be required to comply with a voluntary code under licence conditions.

3.13 SCML submitted that Annex A to SCML's licence conditions for Hamilton (specifying the table game mix for Hamilton casino) should be amended to specify the automatic shufflers currently operating on all games. SCML advised that automatic shufflers currently operate on Poker (as approved by the Commission), and five of the 11 Black Jack tables (consistent with an Authority approval dated 2001). SCML advised that it also operates automatic shufflers on Caribbean Stud Poker games (with game mixes providing for a maximum of two games), and that it may in future operate automatic shufflers on Baccarat. SCML submitted that, because the game rules for Caribbean Stud Poker, Baccarat and Black Jack provide for the unrestricted use of automatic shufflers, approvals are unnecessary.

3.14 The Commission intends that the game mix in Annex A to SCML's licence conditions for Hamilton and Queenstown specify explicitly the electronic aids and enhancements permitted to be used at each casino. The Commission has reflected in Annex A approvals which it is aware have been granted by the Authority and the Commission for automatic shufflers on Black Jack and Poker in Hamilton and Queenstown.

3.15 Approval is required for any additional electronic aids and enhancements which have not been approved by the Authority or the Commission. The Commission does not accept the argument that, because game rules for Baccarat, Black Jack and Caribbean Stud Poker provide for automatic shufflers, SCML is entitled fully to deploy automatic shufflers on all those games. This is because game mix is controlled at a level below game rules, with the Commission having the ability to approve deployment of automatic shufflers up to, but not beyond, what game rules specify. In the same way, it is able to approve the

deployment of table games with less than the maximum number of player spaces specified in game rules, for example for Poker and Black Jack.

- 3.16 In considering an application for approval of electronic aids and enhancements, the Commission is required to ensure a proposal will not give rise to any increases in opportunities for casino gambling, prohibited with effect from 19 September 2003. The Commission anticipates that no increase arises in respect of electronic aids and enhancements deployed as part of the game mix prior to 19 September 2003 or which SCML was entitled under game rules to deploy at that time. The Commission's approach generally is not to reduce the level of opportunity available at 19 September 2003 without a reason to do so. When considering any application to approve the deployment of electronic aids and enhancements after 19 September 2003, the Commission will need to ensure that the deployment does not give rise to an increase in opportunity which is not otherwise offset.

#### 4. KEY ISSUES

- 4.1 The following issues, and the associated conditions, drew a number of written and oral submissions, with divergent views expressed, and were the main focus of the hearing:

##### **Venue licences**

- (a) The desirability of "localising" conditions;
- (b) Continuation of the Hamilton and Wakatipu Casino Monitoring Groups;
- (c) Requirements relating to the contributions to be made to independent charitable trusts in Queenstown and Hamilton;
- (d) The specification of hours of operation in SHL's licence.

##### **Operator's licence**

- (e) Regulatory oversight of floor layouts;
- (f) Cash access issues, and in particular, the requirement for further controls;
- (g) The scope of the Host Responsibility Programme for both venues.

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## 5. VENUE LICENCES

### Localising venue licences

- 5.1 GW and PGF said that draft licence conditions were too generic, and that local community concerns should be reflected in licence conditions specific to each casino, where appropriate. GW and PGF's concerns related, in particular, to ensuring that ongoing provision was made for community monitoring groups in Hamilton and Queenstown, and that conditions relating to contributions to the independent charitable trust for Hamilton reflected local interests and arrangements. For Queenstown, PGF proposed that licence conditions should require that marketing of the casino be targeted at overseas visitors rather than locals. For Hamilton, GW submitted that hours of operation should be specified in licence conditions.
- 5.2 The licences for the six casinos in New Zealand were issued via a competitive process, with licence conditions introduced being aimed at ensuring that casinos maintained the competitively derived conditions that applications proposed in their applications. The development of licence conditions was also an iterative process by the Authority, with the sparse licence conditions issued for Christchurch casino in 1993 contrasting with more fully articulated licence requirements for Hamilton casino pursuant to the licence issued to Riverside Casino Limited in 1999.
- 5.3 The Commission's general approach in relation to reviewing casino licence conditions has been to seek to achieve a level of consistency between the conditions of the six casinos in New Zealand and how they operate, while ensuring that provision is made for local differences, for example reflecting the size of the casino and matters particular to the community. This approach is intended to achieve certainty and consistency in the way casinos are regulated, while reflecting, as appropriate, community interests and agreed community outcomes.
- 5.4 The Commission considered the proposals of GW and PGF against this background, and decided in relation to the specific matters raised to:
- (a) make continuing provision for casino liaison groups, as discussed below;
  - (b) alter licence conditions relating to contributions to the charitable trusts for the Queenstown and Hamilton casinos, as discussed below;
  - (c) decline to impose specific licence conditions requiring QCL to target marketing initiatives at international visitors. This is a matter better addressed, as appropriate, in SCML's Host Responsibility Programme for Queenstown, with the

use of local media being monitored by the Wakatipu Casino Liaison Group, as it is currently;

- (d) decline to specify hours for Hamilton casino, for the reasons set out below.

### **Monitoring groups**

- 5.5 Both the Hamilton and Wakatipu groups submitted that they wished to continue, in the case of Hamilton, as part of another Group, the Casino Liaison Group, and with a more focused mandate. The Licence Holders were neutral about the continuation of Monitoring Groups.
- 5.6 In its submission, the Hamilton Casino Monitoring Group stated that, while it has shown long term interest in liaison with the casino, its current composition has not been as effective as it might, given the dependence of the Group on being given relevant statistical or research information to monitor.
- 5.7 The Hamilton Casino Monitoring Group submitted that continuing provision should be for a community monitoring group in licence conditions, but that this should be done through a revised community/casino liaison group. The Monitoring Group submitted that the "community/casino liaison group" should be written into the licence for SKYCITY Hamilton with the following roles and responsibilities:
- (a) to liaise 2 monthly regarding matters of harm minimisation;
  - (b) to consult with relevant community representatives (council, government, inter-faith, business) regarding any key proposal for change (such as hours of operation, an increase of ATM access) or an emerging community impact concern (eg crime increase in the vicinity).
- 5.8 The submission noted that the Commission, Department of Internal Affairs ("DIA") or Licence Holder should be required to present relevant issues to the group. The submission stated that it would also continue to provide an important community connection which would assist the authorities responsible to seek a wider view as may be necessary from time to time.
- 5.9 The Wakatipu Community Gambling Liaison Group submitted that there was an ongoing need for a community-based group to monitor the potential social effects of the casinos in Queenstown. In its submission, the Group highlighted, in particular, the need to maintain a watch on marketing, particularly the use of local media by QCL and Wharf casino. The Group indicated that monitoring could be done using the existing model, or through the gambling inspectorate of the DIA, with those arrangements provided for in licence conditions.

- 5.10 It was unclear to the Commission at the commencement of the review exercise whether the Hamilton and Wakatipu groups continued to have a useful function. In order to establish the position, the Commission proposed that the two groups should be removed, so that their future would be debated in the course of submissions. The result has been a number of submissions opposed to the removal of monitoring groups, setting out reasons why they should be retained.
- 5.11 For Queenstown, there was no proposal for change to the existing provisions, and the Commission decided to retain the group in its current form. It has reinstated the existing licence condition relating to the Wakatipu Community Liaison Group, with minor amendments, including provision for the Group to interface directly with DIA inspectors should it wish.
- 5.12 In considering a revised mandate for the Hamilton Casino Monitoring Group, the Commission has considered the Group's own proposals, and the concept of consultation and the obligations of parties, as outlined in *Wellington International Airport Limited v Air NZ* [1991] 1 NZLR 671. To work, a monitoring or liaison group must have a membership which has a direct interest in the work of the casino, a mandate which is clear, and enough information to make intelligent and useful responses.
- 5.13 Apart from the Monitoring Group, the Commission is aware that the Licence Holder convenes a casino liaison group, made up of representatives of treatment providers, and the DIA. It meets every two months, with a focus, it is understood, on discussion of harm minimisation matters. The Commission has formally recognised the value of groups such as this by amending licence conditions to require that Host Responsibility Programmes for Hamilton and Queenstown provide for liaison with problem gambling treatment providers, community service organisations and community representatives.
- 5.14 The submissions made by the Hamilton Casino Monitoring Group and others identified a continuing and distinct need for the provision of community input into proposals under consideration by the Commission, the DIA or the Licence Holder. The proposal to end the current Group and institute a new one in licence conditions was rejected in favour of retaining the existing Hamilton Casino Monitoring Group, but making its function clearer (including its role in liaison activities), and streamlining the membership process for the Group.
- 5.15 In respect of membership, provision is made for the appointment by the Commission of a covenor of the Group. It proposes to appoint, for the time being, the current representative of the Chief Executive of the Hamilton City Council. The Commission would expect the Group through its covenor to propose any future replacement

appointments. The Commission has retained the current membership of the Group (as outlined in the Authority's memorandum of 20 December 2002, that membership now being specified in the proposed licence condition), but with provision for the convenor flexibly to draw on relevant representatives, depending on the matter under consideration by the Group. In other words, the size and makeup of the Group may vary at each point in time, depending on the issue at hand.

- 5.16 The Commission has provided in licence conditions that the role of the Group is to represent the views of the community in consultation and liaison activities carried out by the Licence Holder, the Commission, the DIA and other entities (for example MoH) in relation to gambling at the casino. The Group is able to undertake its own enquiries, with the Licence Holder required to pay the reasonable costs of the Group's participation in consultation and liaison activities.
- 5.17 Where community interests are potentially involved the Commission will seek the views of the Group in relation to proposals before it. Its expectation is that the Licence Holder, the DIA and other entities will also do so. The Commission will send any relevant proposal to the convenor, in the first instance, for response, if any, by the convenor or such person as he or she may nominate.
- 5.18 The Commission also requests that the Licence Holder invite the convenor of the Hamilton Casino Monitoring Group, or such person as he or she may appoint, to attend casino liaison committee meetings, should he or she wish to do so.
- 5.19 The proposed licence condition will replace the current licence condition relating to the Group and the memorandum of the Authority dated 20 December 2002 (in which the Authority specifies the membership of the Group and its Terms of Reference).

#### **Contributions to charitable trust**

- 5.20 In its proposal, the Commission carried forward the existing requirement in SHL's licence, which provides for the Licence Holder to pay 1.5% of revenue from the operation of the casino (GST exclusive) before gaming tax to the SKYCITY Hamilton Community Trust. MoH and GH submitted that the contribution of SHL to the community trust should be 2.5% of net profit, consistent with the Auckland and Queenstown casinos. GW proposed that the contribution by SHL and QCL to the charitable trust for each should be 37.1% of net profit, the same as for class 4 venues.
- 5.21 The Licence Holder submitted, in reply, that it "is not appropriate or reasonable" to draw comparisons between class 4 venues and casinos, with the former licensed for charitable purposes, whereas casinos were established and exist for commercial purposes. This

position was endorsed by the Secretary, who stated that the Act allows casinos to operate as commercial businesses, while class 4 operators are required to return all their net profits to community purposes. The Secretary submitted that, requiring casinos to grant a large proportion of their proceeds to the community would require major policy and legislative change that was not within the scope of a licence condition review.

5.22 SHL was unsure why the applicant for the Hamilton licence originally proposed (and the Authority accepted) a formula of contribution based on revenue rather than profit. SHL submitted that there would not appear to be any compelling reason for change, noting that under the current formula SHL has paid more in the last four financial years than it would have if the licence condition required SHL to contribute 2.5% of net profit.

5.23 The Commission asked SHL to provide further details about this, which it did. The information confirmed SHL's submission that its contribution, based on 1.5% of revenue from the operation of the casino, was higher than it would have been based upon 2.5% of net profit.

5.24 QCL raised the issue of consistency between the contributions required to be made by SKYCITY and Wharf casinos to the charitable trust in Queenstown, with QCL submitting that there is disparity between the licence conditions for each which needed to be addressed. QCL's venue licence stipulates a minimum annual payment of \$100,000, irrespective of financial performance, with the contribution of Wharf casino being dependent on generation of a net profit. QCL submitted that "a more suitable means should be found of ensuring that both casinos play an active role in supporting the community, as was always intended by licence conditions".

5.25 At the present time, each of the six individual casinos has a different licence condition that is concerned with giving money to charitable trust(s). Some of these conditions oblige the particular casino to give a percentage of its net profit (as for Auckland and Queenstown), while others provide for a percentage of revenue to be given. Some licences also provide a minimum amount that the casino is obliged to give. One casino establishes the requirement to establish a charitable trust, but does not specify how the level of annual contribution is to be calculated. It is understood that the wording of individual licence conditions reflects what was originally proposed by individual applicants, those proposals then being enshrined in licence conditions by the Authority.

5.26 The Commission has the power to specify the minimum amount that a casino must give to charitable trust(s) under section 139(1). This follows from the purpose of the Act which

includes, inter alia, ensuring that money from gambling benefits the community (section 3(g)), and Schedule 1, headed "Conditions that may attach to a casino licence". Item 3 of Schedule 1 reads "Arrangements for any contributions to the community". Subject to an overall requirement of reasonableness, the fact that particular casinos negotiated the details of their giving to charitable trusts does not prevent the Commission from altering the specified formula or changing the percentage payable

- 5.26 The Commission considers it desirable to achieve a degree of consistency across licence conditions relating to contributions to charitable trusts. It considers that a flat percentage requirement is fair for casinos of different sizes, especially as the Problem Gambling Levy, casino gaming duty, and company tax are all calculated on a flat percentage basis for casinos. In some instances, it may be appropriate to supplement that with specification of minimum amounts which must be given for casinos of different sizes.
- 5.27 Having considered the financial information provided by SHL, the Commission does not understand the MoH and GH to be submitting that the formula for SHL's contribution should be altered in order that SHL should pay less. The Commission is minded to retain in the Hamilton licence conditions (and add to the Queenstown conditions) a formula based on revenue in addition to profit, as revenue is potentially a more certain measure than net profit (which may be the subject of some difference or dispute, depending on accounting method). To address the MoH and GH submissions, the Commission proposes to amend the formula for Hamilton to provide that:

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.

- 5.28 For Queenstown, the Commission proposes that the condition be reworded to provide:

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 from the operation of the Casino, or \$100,000 per annum, whichever is the greater.

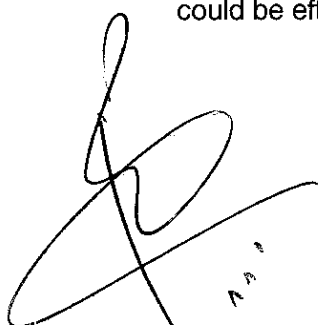
- 5.29 For the avoidance of doubt, the revenue from operation of the Casino should include not only gaming revenue, but also revenue from food and beverage and entertainment in the casino directed at casino patrons.
- 5.30 The Commission notes the QCL submission regarding Wharf casino, and anticipates that it will wish to review the licence conditions for Wharf casino relating to its charitable trust contribution in due course.

- 5.31 The Commission has, on its own initiative, moved conditions in the SHL and QCL venue licences relating to charitable trust contributions to SCML's operator's licence, as it is the

operator which is responsible for generating and accounting for revenue and profit from the operation of the casino venue.

### **Hours of operation**

- 5.32 Currently, there are no hours specified in SHL's licence. GW submitted that the Commission could and should specify permitted opening hours, on the basis that this was a critical feature of the licence granted to SHL.
- 5.33 By way of background, of the six casinos in New Zealand, two casinos (Hamilton and Dunedin) applied to the Authority for licences on the basis that they proposed to operate only limited hours. These two casinos have, for the most part, operated the limited hours specified, to do so being consistent with the requirement in current licence conditions for licence holders to operate generally in accordance with their applications. SHL in submissions indicated that it had no current intention to alter existing hours of operation.
- 5.34 On 19 December 2006, the High Court issued a judgment relating to the permitted opening hours of the Dunedin casino, which has implications for the Hamilton casino. In essence, the effect of the High Court decision for Dunedin and, by implication, for Hamilton, is that maximum operating hours for both are not limited by their licence conditions, notwithstanding that that may not have been the Authority's intent and the community's expectation.
- 5.35 Specifically, the Court held that Regulation 15(1) of the Casino Control (Applications and Hours) Regulations 1991 had the effect of entitling all casinos to open 24 hours a day, seven days a week (subject only to limited statutory exceptions). This entitlement was held to be consistent with a licence condition that required the casino to operate "generally in accordance with the licence holder's application" as this latter condition was construed as constituting an undertaking to maintain operating hours of at least those specified in the applicable application, rather than as constituting the maximum permissible hours. The decision means that for Dunedin and Hamilton casinos opening hours are currently limited only by section 172 of the Act that having been the position at the commencement of the 2003 Act.
- 5.36 The Commission declined to restrict the hours for Hamilton casino based on the status quo as at 19 September 2003. Reduction would be a significant policy change which could be effected by regulation.

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## 6. OPERATOR'S LICENCE

### Floor layouts

- 6.1 The Commission currently approves floor plans. It had proposed that it (and the Secretary) should merely be notified of changes to floor layouts. The Commission's rationale was that adequate regulatory oversight already existed, by way of requirements for it to approve changes to the Gambling Area, table game mix, and design changes, with the Secretary having an oversight role in terms of the adequacy of surveillance arrangements.
- 6.2 MoH and GW submitted that licence conditions should continue to require approval of floor plans. One proposed that the Secretary should have to approve such plans as an agent of the Commission, while the other submitted that the Commission should retain jurisdiction to approve such plans to enable monitoring of harm minimisation issues. In particular, it was suggested that floor layout plans should be scrutinised to ensure that there are clear sight lines for the purpose of identifying problem gamblers.
- 6.3 There was some inconclusive discussion at the Commission's hearing on what is meant by "clear sight lines". The Licence Holders argued that the general shape, size and number of gaming machines and the physical constraints of a limited floor space meant that it would not be possible to create a layout at any casino where an individual staff member could see all patrons at any one time, if that is what was intended.
- 6.4 The Secretary submitted that a notification requirement should be adequate to alert the Commission and the Secretary to regulatory concerns. The Secretary also noted that "line of sight" should not be a concern in an environment where croupiers are required to actively supervise table game players and staff actively walk the floor to supervise gambling activities. He noted also that provision for supervision levels is made in minimum operating standards.
- 6.5 The Commission agrees, as do the Licence Holders, that floor layouts should facilitate responsible gambling and effective host responsibility, which means all customers must be capable of being easily observed for any indications of problem gambling or difficulty. Having considered the concerns raised by MoH and GW, the Commission resolved to continue to approve floor plans for Hamilton and Queenstown casinos, as it does under current licence conditions. The proposed condition 11 has been replaced by two conditions requiring that the Licence Holder act in accordance with approved floor layouts, and setting out the relevant approval process. The wording is based on Auckland licence conditions.

**Cash access**

- 6.6 The conditions proposed by the Commission mirrored those adopted for Auckland, and preserved the number of ATMs currently existing at the Hamilton and Queenstown venues (two and one respectively). The Commission heard submissions from MoH, PGF and GW, arguing that further amendment of conditions 12-15 was appropriate. PGF and GW submitted that ATMs should not be permitted within the Casino Venue, or (as submitted by GW) within 100 metres of the Gambling Area where it is possible to regulate this. The Secretary noted that, because of the manner in which the casino venue is defined in Hamilton, the Licence Holder could potentially install a number of ATMs very close to the Gambling Area, whilst remaining outside the casino venue.
- 6.7 In decision GC07/05, relating to the relocation of ATMs at SKYCITY Auckland casino, the Commission noted that, under Regulation 5 of the Gambling (Harm Prevention and Minimisation) Regulations 2004, ATMs are prohibited in the Gambling Area of casinos from 1 April 2005. At that time, the Commission decided to cap the number of ATMs in the casino venue, but expressed the view that the Executive, by imposing locational controls through regulation, had apparently reduced the need to regulate the location of ATMs by licence conditions. The Commission stated that it may resume locational control of ATMs if proximity to or visibility from the Gambling Area later appears to have had a negative effect on the incidence of problem gambling behaviours.
- 6.8 The Commission carried forward this approach in the revised licence conditions for Auckland, and proposes now to do the same for Hamilton and Queenstown. With regard to the Secretary's submissions, the Commission is dubious that areas outside the Casino Venue can or should be regulated in licence conditions. If the Secretary considers such restrictions are appropriate, regulations can be promulgated.
- 6.9 PGF and GW opposed, under condition 13, the dispensing of cash from EFTPOS devices inside the Gambling Area at Hamilton and Queenstown. The Licence Holders noted that both casinos have a limited number of cash-dispensing EFTPOS terminals in the Gambling Area approved by the Authority. The condition proposed by the Commission preserves those existing approvals, with any additional terminals in future subject to a requirement to obtain Commission approval.
- 6.10 In condition 14, the MoH opposed making provision for the approval of the use of non-cash dispensing mobile EFTPOS terminals in the Gambling Area. The MoH submitted that the opportunity to pay for food and beverages while gambling is not consistent with a harm prevention and minimisation approach, with the Secretary submitting that further consideration of the matter by the Commission was warranted.

- 6.11 In its final decision on the Auckland licence conditions, the Commission decided to retain the ability to grant approval for the use of non-cash dispensing mobile EFTPOS terminals, in the expectation that the matters raised at that time by MoH and PGF (regarding the desirability of breaks in play) could be addressed at the approval stage. The Commission indicated that approvals would not be easily obtained.
- 6.12 The Commission clarifies that no mobile EFTPOS terminals have been approved for Hamilton and Queenstown casinos. In its proposal, the Commission preserved the possibility of future approval of non-cash dispensing terminals. Having considered the submissions made to it, it cannot contemplate circumstances in which it would approve non-cash dispensing EFTPOS terminals, and accordingly has decided to amend condition 14 (now condition 15) to prohibit both the use of cash and non-cash dispensing mobile EFTPOS terminals or like devices in the Gambling Area.
- 6.13 PGF and GW proposed that the \$50 cash out limit on EFTPOS terminals outside the Gambling Areas should be capped at \$20. The use of EFTPOS terminals outside the Gambling Area is discussed in decision GC16/05. The Commission concluded, in that decision, that allowing non-cash dispensing EFTPOS terminals in the Gambling Area to dispense cash would increase the risk of harm by enlarging the cash access opportunities available to patrons. The Commission did not consider, however, that the same risks arose in respect of EFTPOS terminals outside the Gambling Area, and accepted that it was common commercial practice to provide for the withdrawal of modest amounts of cash when purchases were made. It decided in that decision to permit EFTPOS terminals outside the Gambling Area at SKYCITY Auckland casino to dispense up to \$50, provided that the withdrawal takes place contemporaneously with a purchase. The Commission considered \$50 to be an appropriate upper limit, noting that if greater amounts could be withdrawn, it would potentially undermine existing controls on cash access on the gambling floor.
- 6.14 The Commission decided to proceed in accordance with decision GC16/05 and the Auckland licence conditions.

#### **Amendments to Host Responsibility Programme requirements**

- 6.15 GW proposed that the Host Responsibility Programme should be attached to licence conditions. The Commission agrees that it is important that the HRP should be a public document, and has amended licence conditions to require publication on SKYCITY's website.
- 6.16 GW and PGF proposed that harm minimisation, host responsibility brochures and wall signage should be in languages of major client groups, including English. SCML advised

that a number of its brochures are currently translated into key languages besides English, to reflect the ethnicity of casino visitors, and that it is in the process of identifying what further resources may be required. The Commission expects to see this matter addressed in SCML's Host Responsibility Programmes for Hamilton and Queenstown casinos.

- 6.17 PGF also proposed that casinos should not use cultural festival celebrations to target Asian communities and proposed that information on casino and self-excluded persons and under-age persons refused entry should be made available to problem gambling service providers, with information to include ethnicity.
- 6.18 The MoH proposed that the Licence Holder should be required to send monthly or quarterly statements about loss and expenditure data to individual loyalty programme members, or to make this information available on request.
- 6.19 Following the hearing, SCML advised the Commission that there are regular promotional mailings to loyalty programme members once every four to five weeks, but only to those who have earned a certain number of points in the prior six months. SCML stated that the cost of providing monthly transactional play data, as proposed by MoH, would be significant and that even promoting the availability of such information (in its current form) may be problematic as it is not configured for customer review.
- 6.20 SCML further advised that, given the interest at the hearing on this issue, it will now explore how customer data might be made available in a meaningful format and how that availability might best be promoted in a cost efficient way. The Commission has required in licence conditions that making available loss and expenditure data should be addressed in SCML's Host Responsibility Programme for Hamilton and Queenstown casinos.
- 6.21 MoH proposed, supported by the Secretary, adding a new requirement that the host responsibility should specify the steps to be taken by the Licence Holder following identification of actual or potential problem gamblers. This is considered a useful suggestion and has been adopted by the Commission with minor, consequential, amendments to condition 24(c). Reference has been made in licence conditions to the identification of problem gamblers, as the definition of problem gambler in the Act encompasses persons whose gambling causes harm or may cause harm.
- 6.22 MoH proposed, supported by the Secretary, that the conditions specify the use of loyalty programme data to assist in identifying actual or potential problem gamblers. The Commission considers there to be considerable merit in the use of loyalty programme data by SCML for this purpose, and expects to see measures to achieve this in SCML's

Host Responsibility Programmes for Hamilton and Queenstown casinos, as reflected in amended licence conditions.

## 7. CONCLUSION

- 7.1 The Commission thanks all parties for their participation in the review process to date. Parties have until 27 July 2007 to make any further submissions on the amendments now proposed by the Commission.



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**Peter Chin**  
Chief Gambling Commissioner

for and on behalf of the  
Gambling Commission

2 July 2007

**CASINO VENUE LICENCE  
THIRD SCHEDULE OF LICENCE ISSUED TO  
RIVERSIDE CASINO LIMITED, 10 DECEMBER 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 between the Licence Holder and SKYCITY Casino Management Limited and others entered into on or about 2 September 2002, as varied with the approval of the Authority, 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 346 Victoria Street, Hamilton, as more fully described in the First and Second Schedules to this Licence.

**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 Riverside Casino 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.

~~Deed of Trust~~ means the ~~Deed of Charitable Trust concluded in 2003 settled by Riverside Casino 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 ~~Levels B1 and 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 ~~Levels B1 and 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 ~~Levels B1 and 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, except where and to the extent that the Commission may approve otherwise; 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 areas specified in a plan dated 26 July 2006 approved by the Commission in its decision GC40/06.

#### **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 separately keyed double locking system for the storage of drop boxes; and

- (f) a coin storage area with a double lock system with access from the count room while still inside the secured area.

#### **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 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 gaming tax. 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 gaming tax, and confirming that payment by the Licence Holder to the Trust 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.

### **Casino Monitoring Group**

~~14.~~ The Licence Holder will meet the reasonably incurred costs of the Hamilton Casino Monitoring Group established under licence conditions by the Authority. The convenor of the Group shall be appointed by the Commission. The membership of the Group shall be determined by the convenor, it being expected that representatives will be sought from the Hamilton City Council, non-governmental welfare agencies operating in Hamilton, Hamilton churches, Hamilton police, Hamilton Chamber of Commerce, Ministry of Social Development (Hamilton), Tainui, and problem gambling treatment providers. 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**

~~16.~~15. 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.

~~17.~~16. 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**

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

### **Audit**

19.18. 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.

20.19. 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**

21.20. 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**

22.21. 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:

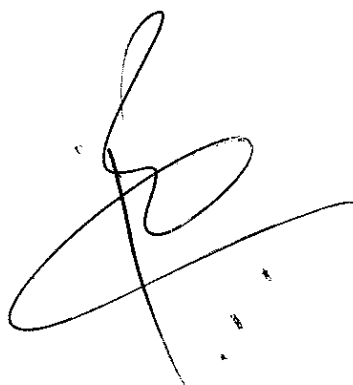
- (a) the operations of the Licence Holder or any entity or person associated with the Licence Holder;
- (b) the operation of the Casino; or
- (c) any associated person of the Licence Holder, being information in the possession of the Licence Holder, as may be specified by the Commission in writing from time to time, within such period as the Commission may require.

23.22. 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**

24.23. The Licence Holder shall file with the Commission an address in New Zealand for the service of notices upon it.

25.24. The Licence Holder may, by notice given to the Commission, change its address for the service of notices.

A handwritten signature in black ink, consisting of a large, stylized initial 'L' followed by a horizontal line and a few small marks below it.

**CONDITIONS ATTACHED TO CASINO OPERATOR'S LICENCE:  
OPERATION OF CASINO AT VICTORIA STREET, HAMILTON**

**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 between the Licence Holder and SKYCITY Hamilton Limited and others entered into on or about 2 September 2002, as varied with the approval of the Authority, 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 346 Victoria Street, Hamilton, as more fully described in the First and Second Schedules to the venue licence issued to Riverside Casino Limited dated 10 December 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 Riverside Casino Limited.

**Host Responsibility Programme** means the SKYCITY Hamilton Host Responsibility Programme dated 1 December 2003 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 SKYCITY Casino 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 Deed of Charitable Trust concluded in 2003 settled by Riverside Casino Limited, as may be varied with the approval of the Commission.

5. The number of gaming machines in the Casino shall not exceed 339. 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 23.
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. At least two table games shall be open for play when the Casino is operating except where otherwise approved by the Authority or Commission.
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.

~~11.12. The Licence Holder shall obtain the approval of~~ notify the Inspectorate and 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 ~~of proposed changes to the floor layout of tables and machines, submitting fresh layout plans when it does so. Any changes must comply with the Surveillance Standard. For the avoidance of doubt, the Licence Holder is not required to obtain the approval of the Commission to reposition~~

~~tables and machines within the Gambling Area unless proposed changes involve an alteration of the approved game mixes.~~

### **EFTPOS and like devices**

~~12.13.~~ A maximum of 2 automatic teller machines is permitted in the Casino Venue outside the Gambling Area.

~~13.14.~~ 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.

~~14.15.~~ The Licence Holder is prohibited from using ~~cash dispensing mobile EFTPOS terminals (cash or non-cash dispensing) or like~~ similar devices in the Gambling Area. ~~It is prohibited from using non-cash dispensing mobile EFTPOS terminals or similar devices in the Gambling Area, unless approved by the Commission.~~

~~15.16.~~ 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.

~~16.17.~~ Subject to the restrictions specified in conditions ~~1413, 1514 and 1615~~ above, EFTPOS terminals or like devices may be installed and removed by the Licence Holder within the Casino Venue.

~~17.18.~~ 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**

~~18.19.~~ 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.

~~19.20.~~ 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.

20-21. 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**

21-22. 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 ~~in at least one facility~~;
- (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.

22-23. The approval of the Commission is required for the construction and relocation of 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 Standard and be fitted with manually triggered and automatic silent alarm systems connected to the security/surveillance department.

#### **Independent Charitable Trust**

24. ~~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.

25. 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.

### **Host Responsibility Programme**

23.26. 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.

27. The Licence Holder shall ensure that the Host Responsibility Programme is publicly available on its website.

24.28. 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;

~~(e)(d)~~ identification of a policy for identifying problem gamblers and steps to be taken following identification. This This policy 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 ~~actual or~~ potential problem gamblers;

(iv) the steps to be taken by the Licence Holder following identification of problem gamblers;

~~(d)(e)~~ the provision of staff training;

~~(e)(f)~~ the provision of exclusion, self-exclusion and limitation programmes;

~~(f)(g)~~ assistance to casino employees with managing the potential for personal problem gambling;

~~(e)(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;

~~(h)(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;

~~(i)(j)~~ responsible practices in the conduct of promotions and inducements to gamble at the Casino;

~~(j)(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;

~~(k)(l)~~ promotion of the responsible consumption of alcohol, including provision of staff training in responsible service of alcohol;

~~(l)(m)~~ standards of dress and behaviour at the casino;

~~(m)(n)~~ liaison with ~~community service organisations~~, patrons with gambling problems, and family members of patrons with gambling problems; ~~and~~

(o) liaison with problem gambling treatment providers community service organisations and community representatives; and

~~(n)(p)~~ such other matters as the Commission may require.

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

26.30. 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.

27.31. The Licence Holder will report to the Commission annually, commencing on 1 October 2007, on the implementation of the Programme and any amendments made to it pursuant to condition 29.25. The Commission will review the Programme at least every two years, the next revision of the Programme to be submitted to the Commission by commencing on 1 October 2007 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.

28.32. 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.

29.33. 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**

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

### **Notification requirements**

31.35. 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.

32.36. 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**

33.37. 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**

34.38. 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.

35.39. 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.

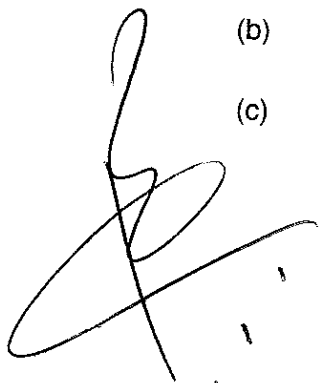
### **Bank accounts**

36.40. 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**

37.41. 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.



38.42. 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**

39.43. 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 those functions:-

~~40. The capacities referred to in condition 39 are those relating to:~~

- (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).

41.44. The content, format and duration of such courses shall be from time to time approved by the Commission.

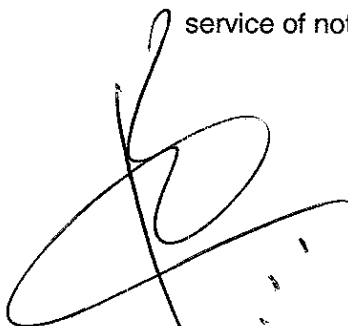
### **Entry**

42.45. 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**

43.46. The Licence Holder shall file with the Commission an address in New Zealand for the service of notices upon it.

44.47. The Licence Holder may, by notice given to the Commission, change its address for the service of notices.




**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:

- A.
  - Black Jack – up to 11 games
  - Roulette – up to 5 games
  - Midi Baccarat – up to 3 games
  - Mini Baccarat – up to 1 game
  - Caribbean Stud Poker – up to 2 games
  - Tai Sai (single sided) – up to 1 game
  
- B.
  - Black Jack – up to 10 games
  - Roulette – up to 5 games
  - Midi Baccarat – up to 3 games
  - Mini Baccarat – up to 1 game
  - Caribbean Stud Poker – up to 2 games
  - Poker – up to 2 games
  
- C.
  - Black Jack – up to 10 games
  - Roulette – up to 4 games
  - Midi Baccarat – up to 3 games
  - Mini Baccarat – up to 1 game
  - Caribbean Stud Poker – up to 1 game
  - Money Wheel (single sided) – up to 1 game
  - Poker – up to 2 games
  - Rapid Roulette (12 players) – up to 1 game
  
- D.
  - Black Jack – up to 10 games
  - Roulette – up to 5 games
  - Midi Baccarat – up to 3 games
  - Caribbean Stud Poker – up to 2 games
  - Money Wheel (single sided) – up to 1 game
  - Poker – up to 2 games

The Licence Holder is permitted to change between game mixes A, B, C and D subject to providing the Commission and the Inspectorate with a minimum of five working days notice in writing of its intention to do so, unless a shorter notice period is agreed with the Inspectorate on a case-by-case basis.

The Licence Holder is permitted to operate automatic shufflers on the Poker games and on no more than 50% of Black Jack games specified in game mixes A, B, C and D.

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**CASINO VENUE LICENCE – QUEENSTOWN CASINOS LIMITED**  
**SECOND SCHEDULE**

**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 between the Licence Holder and SKYCITY Casino Management Limited and others dated 30 November 2000 and approved by the Authority on 1 December 2000, or such variation thereof or further Casino Agreement as may from time to time be approved by the Commission.

**Casino Venue** means the area defined as constituting the casino premises in this Licence.

**Commission** means the Gambling Commission.

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

**Gambling Area** means that part of the Casino Venue designated by the Commission pursuant to 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 the party to whom the casino premises licence dated 18 June 1999 was issued.

**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.

~~**Deed of Trust** means the Deed of Charitable Trust dated 2 December 2002 settled by Queenstown Casinos Limited, as varied by an undated Deed of 2003, and 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 2 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 2 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 2 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 2 of the Casino Venue (condition 6(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 2 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.

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;
  - (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 areas specified in plans marked "Schedule 1" and "Schedule 2" and dated 19 November 2004, attached to Commission decision GC04/04. The standard Gambling Area for the Casino Venue is delineated in Schedule 1. The alternative Gambling Area for the casino is delineated in Schedule 2.
10. The alternative Gambling Area will take effect subject to the following:
- (a) the Licence Holder providing the Commission and the Inspectorate with a minimum of 10 working days notice in writing of its intention to use the alternative Gambling Area; and
  - (b) the Licence Holder specifying in that notice the dates and times at which the alternative gambling area will apply and terminate. At termination the Gambling Area will revert to the area delineated in Schedule 1

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

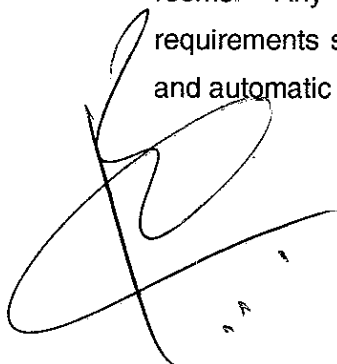
11. The Licence Holder shall ensure that the count room is located in a secure area and shall, as a minimum requirement, provide the following:

- (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 separately keyed double locking system for the storage of drop boxes; and
- (f) a coin storage area with a double lock system with access from the count room while still inside the secured area.

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

12. 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.
13. The approval of the Commission is required for the construction and relocation of 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**

14. 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**

- ~~15. The Licence Holder shall support financially 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 2.5% of the net profit from the operation of the Casino, or \$100,000 per annum, whichever is the greater. The Licence Holder is required to provide annually to the Commission an audited statement certifying the amount constituting 2.5% of the net profit from the Casino, and confirming that payment by the Licence Holder to the Trust has been made in accordance with condition 14.~~
- ~~16. 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**

15. The Licence Holder shall meet the actual and reasonable costs (or such share thereof as the Authority or Commission considers appropriate) of the establishment and operation of a community liaison group representing interests in the local and/or regional community. The Authority or Commission shall determine the mode of operation of the group, including:
- (a) the composition of, and method of appointment to, the group; and
- (b) after consultation with the Licence Holder, the functions of the group, which shall include the provision of advice to the Inspectorate or Commission (as the group determines to be appropriate) and the Licence Holder of community concerns relating to the advertisement and marketing of the casino.

Provided that the Commission may alter the mode of operation of the group, at the group's request, and in consultation with the Licence Holder.

### **Notification requirements**

~~17.16.~~ 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.

~~18.17.~~ 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**

~~19.18.~~ The Licence Holder shall not permit any person to operate the Casino otherwise than in accordance with the terms of the Casino Agreement.

### **Audit**

~~20.19.~~ 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.

~~21.20.~~ 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**

~~22.21.~~ 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**

23-22. 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:

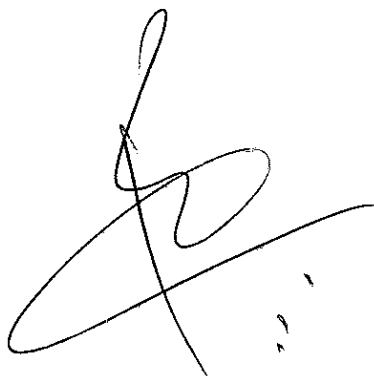
- (a) the operations of the Licence Holder or any entity or person associated with the Licence Holder;
- (b) the operation of the Casino; or
- (c) any associated person of the Licence Holder, being information in the possession of the Licence Holder, as may be specified by the Commission in writing from time to time, within such period as the Commission may require.

24-23. 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**

25-24. The Licence Holder shall file with the Commission an address in New Zealand for the service of notices upon it.

26-25. The Licence Holder may, by notice given to the Commission, change its address for the service of notices.

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.

**CONDITIONS ATTACHED TO CASINO OPERATOR'S LICENCE: OPERATION OF CASINO  
AT BEACH STREET AND COW LANE, QUEENSTOWN**

**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 between the Licence Holder and Queenstown Casinos Limited and others dated 30 November 2000 and approved by the Authority on 1 December 2000 or such variation thereof or further Casino Agreement as may from time to time be approved by the Commission.

**Casino Venue** shall have the same meaning as defined in condition 4 of the venue premises licence issued to Queenstown Casinos Limited and dated 18 June 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 Queenstown Casinos Limited.

**Host Responsibility Programme** means the SKYCITY Queenstown Host Responsibility Programme dated 1 December 2003, 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 SKYCITY Casino 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 Deed of Charitable Trust dated 2 December 2002 settled by Queenstown Casinos Limited, as varied by an undated Deed of 2003, and as may be varied with the approval of the Commission.

5. The number of gaming machines in the Casino shall not exceed 86. 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. At least two table games shall be open for play when the Casino is operating, unless otherwise approved by the Authority or the Commission.
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 machines.

~~11.12.~~ The Licence Holder shall obtain the approval of~~notify the Inspectorate and 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 changes must comply with the Surveillance Standard of proposed changes to the floor layout of tables and machines, submitting fresh layout plans when it does so. Any changes must comply with the Surveillance Standard. For the avoidance of doubt, the Licence Holder is not~~

~~required to obtain the approval of the Commission to reposition tables and machines within the Gambling Area unless proposed changes involve an alteration of the approved game mixes.~~

### **ATMs, EFTPOS and like devices**

~~12.13.~~ One automatic teller machine is permitted in the Casino Venue outside the Gambling Area.

~~13.14.~~ 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.

~~14.15.~~ The Licence Holder is prohibited from using ~~cash-dispensing mobile EFTPOS terminals (cash or non-cash dispensing) or likesimilar~~ devices in the Gambling Area. ~~It is prohibited from using non-cash dispensing mobile EFTPOS terminals or similar devices in the Gambling Area, unless approved by the Commission.~~

~~15.16.~~ 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.

~~16.17.~~ Subject to the restrictions specified in conditions ~~143~~, ~~154~~ and ~~165~~ above, EFTPOS terminals or like devices may be installed and removed by the Licence Holder within the Casino Venue.

~~17.18.~~ 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**

~~18.19.~~ 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.

~~19.20.~~ 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.

20-21. 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**

21-22. 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 ~~in at least one facility~~;
- (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.

22-23. The approval of the Commission is required for the construction and relocation of 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 Standard and be fitted with manually triggered and automatic silent alarm systems connected to the security/surveillance department.

#### **Independent Charitable Trust**

24. ~~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 from the operation of the Casino, or \$100,000 per annum, 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 (GST exclusive) before tax and 2.5% of the net profit from the operation of the Casino, and confirming that payment by the Licence Holder to the Trust has been made in accordance with this condition.

25. 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.

### **Host Responsibility Programme**

23-26. 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.

27. The Licence Holder shall ensure that the Host Responsibility Programme is publicly available on its website.

24-28. 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;

~~(c)(d) identification of a policy for identifying problem gamblers and steps to be taken following identification.~~ This policy 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 actual or potential problem gamblers;

(iv) the steps to be taken by the Licence Holder following identification of problem gamblers;

~~(d)(e)~~ the provision of staff training;

~~(e)(f)~~ the provision of exclusion, self-exclusion and limitation programmes;

~~(f)(g)~~ assistance to casino employees with managing the potential for personal problem gambling;

~~(g)(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;

~~(h)(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;

~~(i)(j)~~ responsible practices in the conduct of promotions and inducements to gamble at the Casino;

~~(j)(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;

~~(k)(l)~~ promotion of the responsible consumption of alcohol, including provision of staff training in responsible service of alcohol;

~~(l)(m)~~ standards of dress and behaviour at the casino;

~~(m)(n)~~ liaison with community service organisations, patrons with gambling problems, and family members of patrons with gambling problems; and

~~(o)~~ liaison with problem gamblers, treatment providers, community service organisations and community representatives; and

~~(n)(p)~~ such other matters as the Commission may require.

~~25-29.~~ The Licence Holder may amend the Programme to include appropriate improvements in the delivery of the existing programme and new host responsibility and responsible gambling initiatives.

~~26-30.~~ 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.

~~27-31.~~ The Licence Holder will report to the Commission annually, commencing on 1 October 2007, on the implementation of the Programme, and any amendments made to it pursuant to condition ~~29~~25. The Commission will review the Programme at least every two years, the next revision of the Programme to be submitted to the Commission by commencing on 1 October 2007 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.

~~28-32.~~ 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.

~~29-33.~~ 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**

~~30-34.~~ The Licence Holder shall not permit an intoxicated person to gamble in the casino.

### **Notification requirements**

~~31-35.~~ 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.

~~32-36.~~ 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**

~~33.37.~~ The Licence Holder shall not permit any person to operate the Casino otherwise than in accordance with the terms of the Casino Agreement.

### **Audit**

~~34.38.~~ 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.

~~35.39.~~ 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**

~~36.40.~~ 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**

~~37.41.~~ 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.

~~38.42.~~ 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**

~~39.43.~~ 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 those functions:

~~40.~~ The capacities referred to in condition 39 are those relating to:

- (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).

~~41.44.~~ The content, format and duration of such courses shall be from time to time approved by the Commission.

### **Entry**

~~42.45.~~ 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**

~~43.46.~~ The Licence Holder shall file with the Commission an address in New Zealand for the service of notices upon it.

~~44.47.~~ The Licence Holder may, by notice given to the Commission, change its address for the service of notices.

## 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:

- 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
  
- B.
  - Black Jack – up to 4 games
  - Roulette – up to 3 games
  - Midi Baccarat – up to 3 games
  - Caribbean Stud Poker – up to 1 game
  - Poker – up to 1 game
  
- C.
  - Black Jack – up to 5 games
  - Roulette – up to 2 games
  - Midi Baccarat – up to 3 games
  - Caribbean Stud Poker – up to 1 game
  - Poker – up to 1 game
  
- C (Alternative)
  - Black Jack – up to 5 games
  - Roulette – up to 2 games
  - Midi Baccarat – up to 2 games
  - Caribbean Stud Poker – up to 1 game
  - Poker – up to 2 games

### Notes

1. The Licence Holder is permitted to change between the game mixes specified in A, B and C subject to providing the Commission and the Inspectorate with a minimum of 5 working days notice in writing of its intention to do so, unless a shorter notice period is agreed with the Inspectorate on a case-by-case basis.
  
2. The Licence Holder is permitted to change the game mixes specified in C and C (Alternative) subject to the requirements specified by way of minimum operating standards.
  
3. The Licence Holder is permitted to operate automatic shufflers on no more than 50% of the Black Jack games specified in game mixes A, B, C and C(Alternative).

