

IN THE MATTER of the Gambling Act 2003

AND on an application by
**CHRISTCHURCH CASINOS
LIMITED** for approval of a new
floor plan and new game mixes

BEFORE THE GAMBLING COMMISSION

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

Date of Applications: 4 March 2009

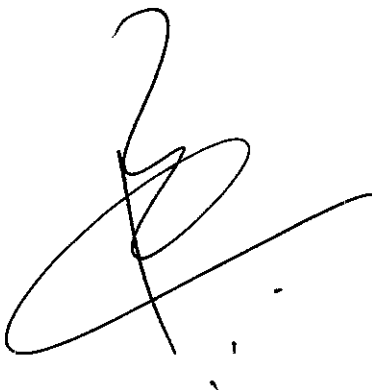
Date of Decision: 17 April 2009

Date of Notification
of Decision: 19 June 2009

**DECISION ON AN APPLICATION BY CHRISTCHURCH CASINOS LIMITED
FOR APPROVAL OF A NEW FLOOR PLAN AND NEW GAME MIXES**

Introduction

1. Christchurch Casinos Limited ("CCL") applied to the Commission for approval of:
 - (a) a new floor plan, "March 2009", under condition 12 of its operator's licence for the Christchurch casino;
 - (b) new game mixes, A-N, under condition 9 of its operator's licence;
 - (c) a single game mix, under condition 9 of its operator's licence, to allow it to deploy any mix of table games without first needing to obtain Commission approval, provided that the deployed game mix does not exceed CCL's regulatory benchmark.



2. Proposed game mixes A-N are as follows:

Game mix	A	B	C	D	E	F	G	H	I	J	K	L	M	N
Roulette	11	8	8	8	8	8	8	8	8	8	8	8	8	9
Black Jack	14	13	12	11	10	9	10	8	9	9	9	9	11	11
Caribbean Stud Poker	3	3	3	3	3	3	2	3	2	3	2	2	3	3
Midi Baccarat	3	5	5	5	5	5	5	5	5	5	5	5	6	5
Mini Baccarat	1	1	1	1	1	1	1	1	1	1	1	0	0	1
Money Wheel	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Poker	2	3	4	5	6	7	7	8	8	8	9	10	5	4
Tai Sai - Single	1	1	1	1	1	1	1	1	1	0	0	0	1	1
Electronic Roulette	0	1	1	1	1	1	1	1	1	1	1	1	1	1
Total	36	36	36	36	36	36	36	36	36	36	36	36	36	36

3. The proposed single game mix is as follows:

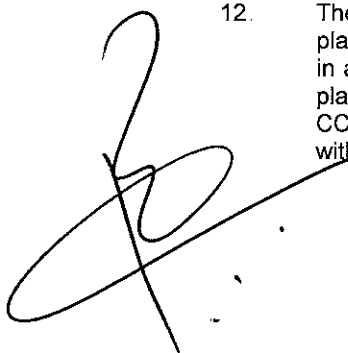
36 tables	Number of tables
Black Jack	Up to 14
Roulette	Up to 11
Touchbet Roulette	1
Caribbean Stud Poker	Up to 3
Midi Baccarat	Up to 6
Mini Baccarat	1
Money Wheel	1
Poker	Up to 10
Tai Sai – Single	1

Provided that under no circumstances shall the total number of tables exceed 36 nor any combination of tables have a calculated total decisions per hour greater than 1676 nor total player spaces of 704.

Licence conditions

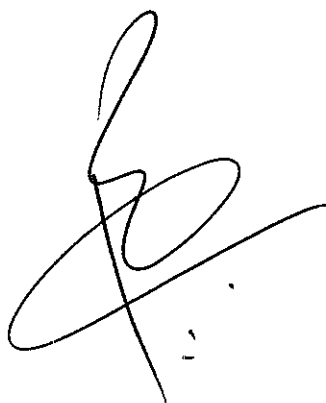
4. The relevant licence conditions are as follows:

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.
12. The Licence Holder shall obtain the approval of the Commission for new floor plans prior to relocating or installing tables or machines in positions not specified in approved floor layouts. When applying the Licence Holder must submit fresh plans showing the floor layout for the Gambling Area and details of the proposed CCTV layout for the consideration of the Commission. Any change must comply with the Surveillance Standard.



Submissions by CCL

5. CCL stated that:
- (a) It wants to utilise the gambling opportunities confirmed by decision GC04/09 (which provided that CCL is entitled to operate 36 gaming tables and 500 gaming machines, including two tables of either Roulette or Tai Sai in substitution for Keno and the Racing Game).
 - (b) It wants to replace Keno and the Racing Game with two roulette tables
 - (c) It seeks approval of new floor plans depicting 36 gaming tables with one table to be located on the Main Gaming Floor on Level 3, and one in the VIP Room on Level 4.
 - (d) It wants to revise its game mixes, following decision GC04/09, and seeks approval of 14 new game mixes.
 - (e) It is highly likely that it will, in future, seek approval of additional game mixes, but rather than doing this, it would prefer the Commission to approve a single game mix that would allow it to deploy any combination of table games, without needing first to obtain Commission approval, provided that the game mix deployed is less than its regulatory benchmark.
6. CCL submitted that:
- (a) Game mix A will be its new regulatory benchmark. Game mix A comprises its old benchmark plus the additional two Roulette tables confirmed by decision GC04/09.
 - (b) Game mixes B-N have fewer player spaces and fewer rounds per hour than game mix A, as follows:

A handwritten signature in black ink, consisting of a large, stylized initial 'C' followed by a series of loops and a long horizontal stroke extending to the right.

Game mix	No. of rounds per hour	Player spaces
A	1676	704
B	1660	698
C	1611	687
D	1562	676
E	1513	665
F	1464	654
G	1505	668
H	1415	643
I	1456	657
J	1446	652
K	1438	655
L	1396	644
M	1545	682
N	1578	687

(c) If the new game mixes are approved, its old game mixes can be deleted.

7. The single game mix (which would allow it to deploy any combination of tables under the regulatory benchmark) would achieve the same control over gambling opportunities, while also providing ease of administration, one of the stated goals of the Act

The Secretary's submissions

8. The Secretary submitted, in summary, that:

- (a) He has no regulatory concerns with the proposed floor plans.
- (b) Game mix A, as proposed by CCL, does not accurately reflect CCL's true regulatory benchmark. In decision GC04/09, the Commission noted that one of CCL's 34 gaming tables as at 19 September 2003 was a single table of electronic Roulette, comprised of a manual Roulette table and 14 Touchbet Roulette terminals. The benchmark submitted by CCL does not reflect this table, rather CCL represented it as a manual Roulette table. The single table of electronic Roulette should be ascribed 35 player spaces (14 player spaces for the electronic Touchbet Roulette terminals, and 21 player spaces for the manual Roulette table linked to the terminals) and a rate of play of 34 rounds per hour, because although Touchbet Roulette is normally ascribed a rate of play of 49 rounds per hour, the attachment of a manual table to the electronic terminals would slow Touchbet Roulette to the speed of manual Roulette. In reply, CCL accepted that its proposed benchmark was incorrect, and concurred with the Secretary's submissions.

(c) He is not opposed to exploring CCL's proposal for a single game mix, with CCL having the ability to deploy any combination of game mix provided that the game mix is less than the regulatory benchmark, but he considers that further thought

needs to be given to such a proposal, including whether it would constitute an abnegation of the Commission's responsibility under section 12 of the Act.

Analysis

9. By decision GC04/09, the Commission amended the licence conditions attached to CCL's operator's and venue licences, including details of the number of gaming tables and gaming machines that are permitted to be operated at the Christchurch casino.
10. Decision GC04/09 confirmed the following matters which directly affect this application:
 - (a) That CCL is entitled to operate 36 gaming tables and 500 gaming machines, including two tables of either Roulette or Tai Sai in substitution for Keno and the Racing Game;
 - (b) A group of floor plans, collectively known as "Plan A", represented the maximum level of opportunities for casino gambling at the time that the Gambling Act 2003 came into force and no subsequent decision of the Commission altered the permitted level of opportunity. Plan A showed nine Roulette tables, 14 Black Jack tables, three Caribbean Stud Poker tables, three Midi Baccarat tables, one Mini Baccarat table, one Money Wheel table, two Poker tables and one game of single-sided Tai Sai.
 - (c) One of the Roulette tables on Plan A is a single table game of electronic Roulette (comprising a manual roulette table and 14 terminals), rather than a game of manual Roulette.
11. Having recorded the above, the Commission left it to CCL to submit an application for approval of a new floor plan and new game mixes which incorporate these findings, including a new game mix which will form CCL's new regulatory benchmark; that is, the game mix which provides the greatest permitted level of opportunities for casino gambling at Christchurch casino. CCL did so, with this application
12. CCL submitted that its new regulatory benchmark should comprise its old game mix A plus the two Roulette tables it wants to substitute for Keno and the Racing Game. The Secretary pointed out, however, that the basis for this submission contained an error as it failed to incorporate the Commission's findings on the electronic Roulette game.
13. CCL also, and perhaps understandably, confused Plan A (a composite set of floor plans approved prior to the Act) and game mix A, which first appeared in Commission decision GC04/05. The latter was intended to be a simple extrapolation from Plan A but failed to identify that one of the nine Roulette tables was an electronic Roulette game. Having

checked its records, the Commission can see that it proceeded in that decision, and subsequent decisions, none of which made findings on game mix A or considered altering it, on the basis of information supplied by CCL in an email of 1 February 2005 to the effect that CCL had nine American Roulette tables. The failure by CCL to distinguish between the game of Electronic Roulette and the other eight tables of Roulette was not apparent to the Commission.

14. The correct approach to determining CCL's new regulatory benchmark is to begin by correcting the error in game mix A as it has appeared in earlier decisions (such as GC04/05, GC25/06, GC42/06, GC28/07). This correction will incorporate the Commission's findings on the table of electronic Roulette. Two tables of manual Roulette should then be added to the corrected game mix in accordance with the Commission's decision on substitution in GC04/09, and CCL's election in favour of roulette
15. Approved game rules provide that electronic Roulette shall be played with a table with a Roulette wheel, up to 21 Roulette terminals associated with that table, and an appropriate system to operate the game. Operators may allow patrons to place bets on either the Roulette table, or through the terminals alone.
16. The Commission understands that the electronic Roulette game deployed by Christchurch casino on Plan A on 19 September 2003 allowed patrons to place wagers on the manual Roulette table and through its 14 terminals, but that CCL no longer offers patrons the opportunity to place wagers on the manual table (all wagers now being placed through the terminals alone).
17. In December 2007, CCL obtained approval to operate electronic Roulette with up to 20 terminals. It appears these game mixes specifically permitted electronic Roulette for the first time (although it had been played continuously since 2003) but the new game mixes did not specify the number of terminals permitted.
18. Because the old game mix A did not distinguish between electronic and manual Roulette, it is unsurprising that it did not address either the use of a manual table or the number of terminals permitted. In the absence of a decision to change game mix A, as the Commission is doing in this decision by adding roulette tables in substitution for Keno and the Racing Game, game mix A should continue to reflect what was permitted on Plan A in 2003. For that reason, game mix A should specify the use of a manual table and limit the number of terminals to 14. This is consistent with the Commission's current practice of specifying specific aspects of games for implementation, rather than leaving matters to be determined solely by reference to game rules (including future changes thereto).

19. CCL's amended regulatory benchmark (the new "game mix A") is, therefore, as follows:

Game	
Black Jack	14
Roulette	10
Electronic Roulette (comprising 14 terminals and one manual table)	1
Caribbean Stud Poker	3
Midi Baccarat	3
Mini Baccarat	1
Money Wheel	1
Poker	2
Tai Sai – single	1
Total	36

20. Game mix A now reflects the level of opportunity in Plan A (omitting any reference to Keno and the Racing Game) plus two Roulette tables.
21. As matters stand, CCL has a permitted game mix A, reflecting the 2003 position with the addition of two roulette tables, but has no current floor plan permitting it to utilise that game mix. The reintroduction of a manual table, through a new floor plan, would require offsetting reductions elsewhere.
22. The Commission next considered whether proposed game mixes B-N would increase opportunities for casino gambling compared to the new regulatory benchmark. The Commission compared game mixes B-N with game mix A, and considered that approving them would not increase opportunities for casino gambling compared with game mix A. This comparison was made on the basis that the electronic Roulette table in each of game mixes B-N has a maximum of 20 terminals and no manual table. In keeping with its findings above, the Commission amended the proposed game mixes B-N such that the electronic Roulette table in each of those game mixes is recorded as having a maximum of 20 terminals and no manual table.
23. The Commission has two observations about the submissions on opportunities for casino gambling. First, the parties submitted that the electronic Roulette table represented in game mix A should be ascribed a rate of play of 34 rounds per hour (the rate usually associated with manual Roulette), rather than 49 rounds per hour (the rate normally associated with electronic Roulette), the rationale for adopting the slower rate of play being that the addition of a manual Roulette table to the Touchbet terminals would slow the electronic game to the same rate as the manual game. The Commission declined to adopt such an analysis. It considers the basis for the suggested rationale to be flawed in the absence of robust and tested evidence concerning rates of play of either manual Roulette or electronic Roulette. Secondly, parties proposed attributing 21 player spaces

to manual Roulette when game rules do not limit the number of players who can play this game. The basis for attributing 21 player spaces to Roulette is understood to be that 21 is considered by operators to be the maximum number of people who can comfortably play manual Roulette at any one time.

24. The Commission is not prepared to use such numbers in its analysis as if they were genuine maximums. What has been proffered in this case suffers from asking the Commission to assume fixed player numbers when the rules impose no such limit and to apply rates of play which are not adequately supported by tested evidence.
25. The Commission approaches these assessments in the round, taking into account everything which might be of assistance. The sort of calculations put forward are of assistance, but the degree of assistance is necessarily limited by the foregoing concerns.
26. In decision GC04/08 the Commission noted that the Secretary and SKYCITY Casino Management Limited ("**SCML**") intended to revisit the rates of play attributed to casino table games used to assist in the determination of opportunities for casino gambling. The Commission understands that SCML and the Secretary intended to liaise with the other casino operators to develop data which could reliably be used by all parties to assist in applications such as the present one.
27. The Commission is unsure whether operators and the Secretary have progressed this matter since that decision, but it again urges them to do so.
28. CCL's application for approval of floor plan "March 2009" raises no issues of regulatory concern. However, for the reasons mentioned above, the Commission now requires operators which offer electronic roulette to submit floor plans which explicitly depict how its electronic Roulette game is deployed. That is, floor plans must show the exact number of terminals and whether or not a manual table (capable of taking wagers) is attached. CCL's floor plan does this, showing 14 terminals and no manual table. Should CCL wish, in future, to deploy a manual table, or alter the number of deployed terminals, Commission approval of a new floor plan (and possibly a new game mix) would first be required.
29. The Commission declined CCL's application for approval of a single game mix to allow CCL to deploy any combination of table games provided that CCL does not go beyond the regulatory benchmark. Section 12(1) of the Gambling Act 2003 specifically provides that it is the Commission's task to determine what constitutes an increase in opportunities for casino gambling. A single game mix such as that proposed by CCL necessarily assumes reliable data relating to opportunity, such as decisions per hour and player numbers. However, as the Commission has set out above, and in other recent decisions,

there is currently no reliable data on which to base a formula for working out combinations of games that fall below the regulatory benchmark. As long as data regarding opportunity remains in its present state, the Commission will need to compare specific game mixes in the round.

Decision of the Commission

30. The Commission decided to:
- (a) approve CCL's application for approval of a new floor plan "March 2009" (**attached**), under condition 12 of CCL's operator's licence for the Christchurch casino;
 - (b) delete existing approved floor plans "A" and "December 2008";
 - (c) delete CCL's existing approved game mixes, A-L;
 - (d) approve, under condition 9 of CCL's operator's licence, CCL's application for approval of new game mix A, as amended by the Commission, and set out above at paragraph 19;
 - (e) approve, under condition 9 of CCL's operator's licence, new game mixes B-N, amending electronic Roulette in each of these game mixes to show a maximum of 20 electronic terminals and no manual table (Annex A to CCL's operator's licence depicting game mixes A-N is **attached**);
 - (f) decline, under condition 9 of CCL's operator's licence, CCL's application for approval of a single game mix, to enable it to deploy any combination of tables, provided that it does not breach its regulatory benchmark.

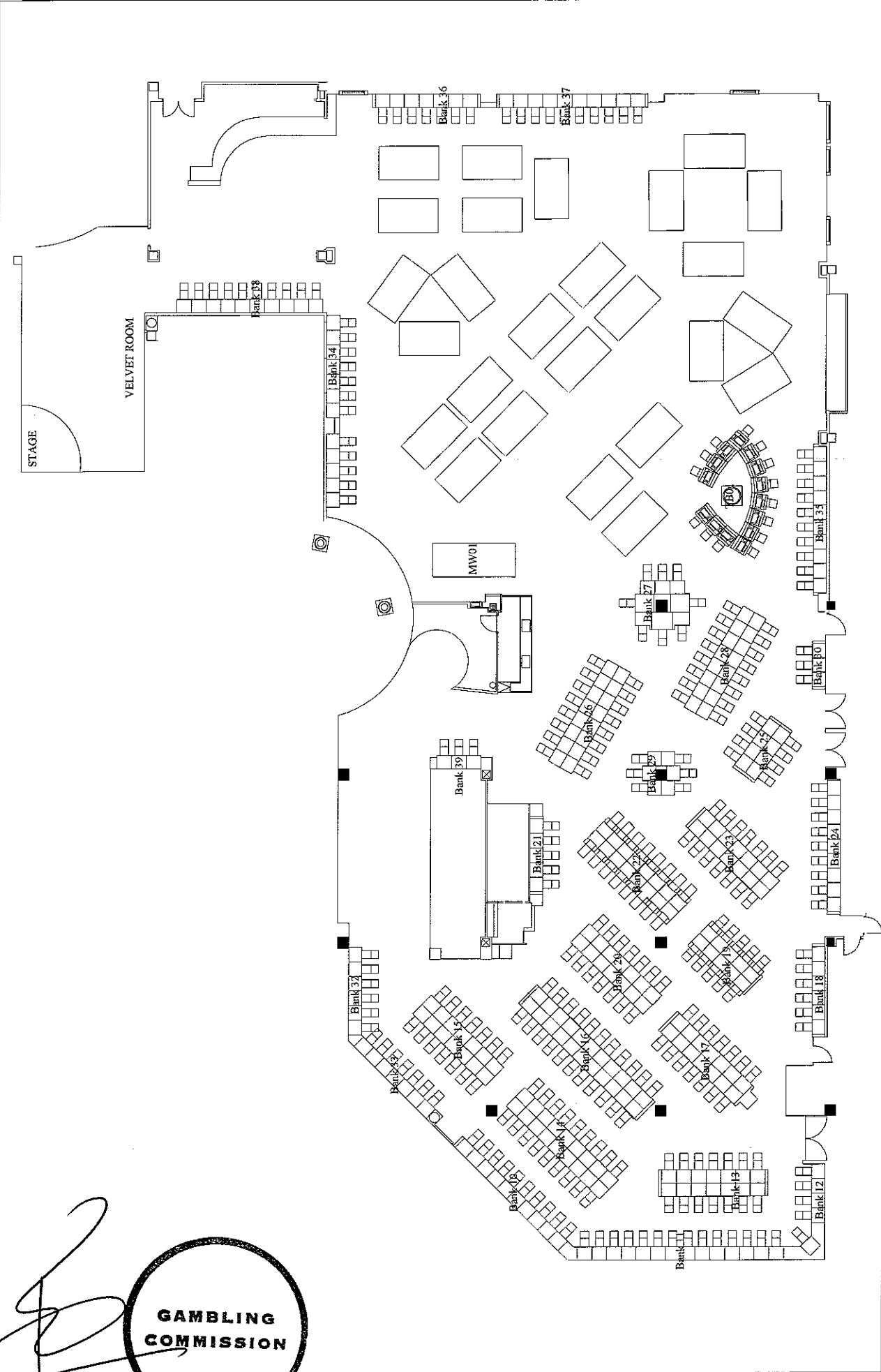

Peter Shih
Chief Gambling Commissioner

for and on behalf of the
Gambling Commission

19 June 2009


GAMBLING
COMMISSION

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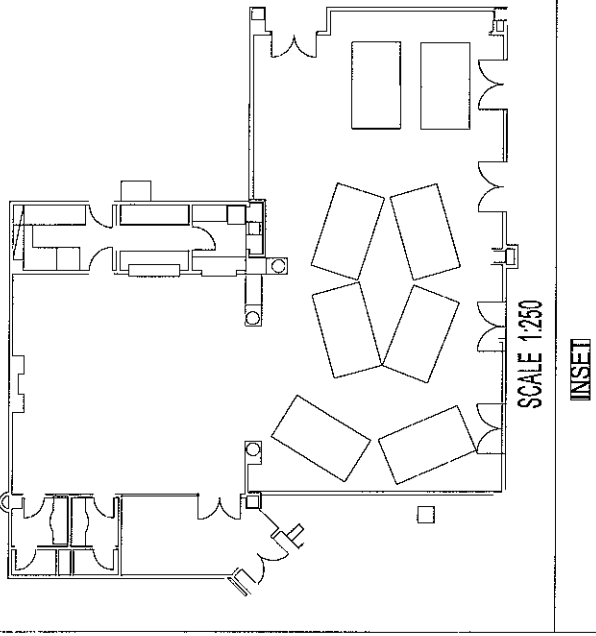
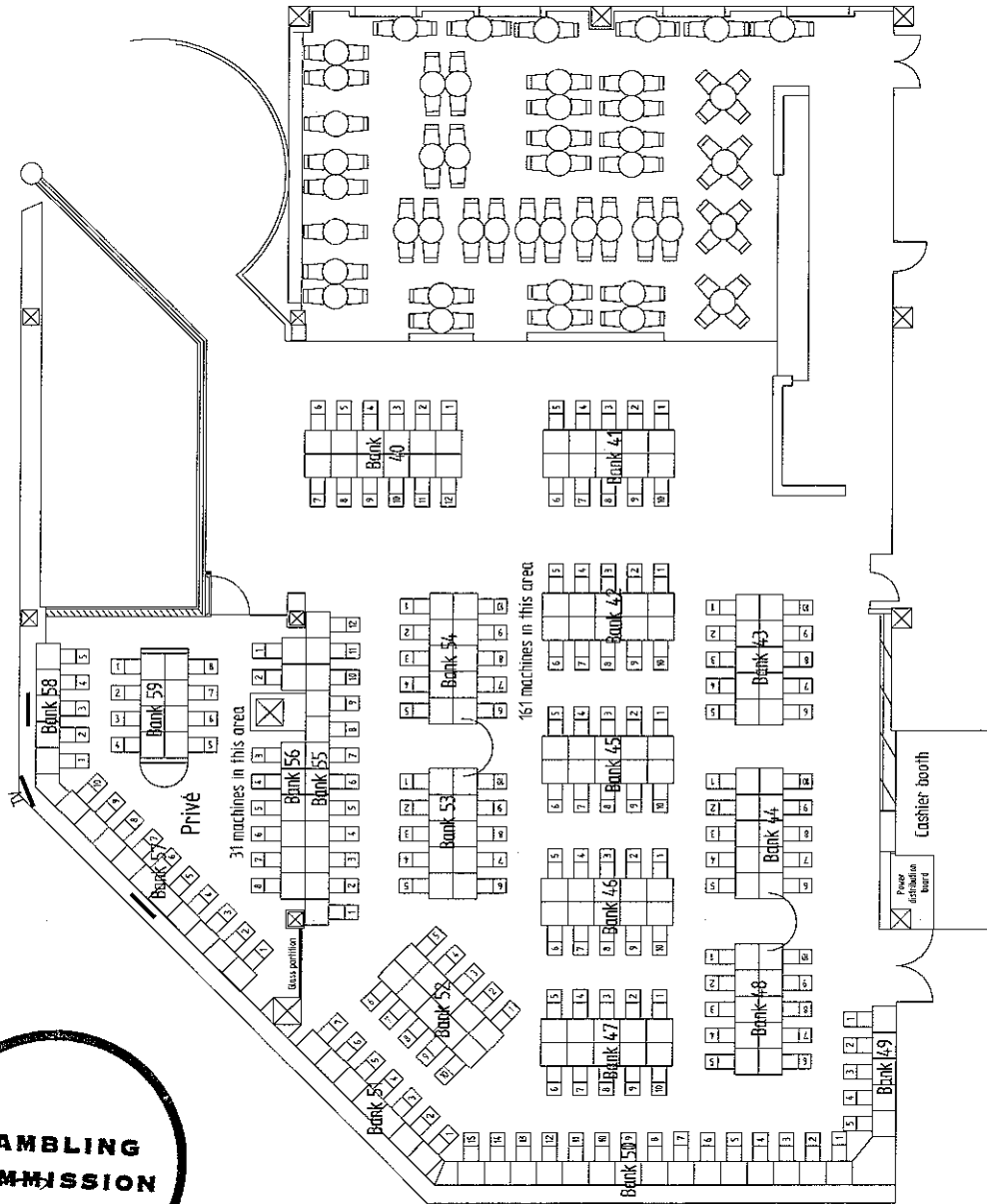
Christchurch Casinos Limited
David Cameron

LEVEL 3 - floor plan

308 MACHINES, 28 TABLES

DATE: March 2009

SCALE 1:250

Christchurch Casinos Limited
David Cameron

LEVEL 4 - Gallery floor plan
192 MACHINES - 8 Tables

DATE: March 2009
SCALE 1:250

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. Roulette – 10 games
Black Jack – 14 games
Caribbean Stud Poker – 3 games
Midi Baccarat – 3 games
Mini Baccarat – 1 game
Money Wheel – 1 game
Poker – 2 games
Tai Sai (single) – 1 game
Electronic Roulette – 1 game (comprising 14 terminals and 1 manual table)

- B. Roulette – 8 games
Black Jack – 13 games
Caribbean Stud Poker – 3 games
Midi Baccarat – 5 games
Mini Baccarat – 1 game
Money Wheel – 1 game
Poker – 3 games
Tai Sai (single) – 1 game
Electronic Roulette – 1 game (comprising a maximum of 20 terminals and no manual table)

- C. Roulette – 8 games
Black Jack – 12 games
Caribbean Stud Poker – 3 games
Midi Baccarat – 5 games
Mini Baccarat – 1 game
Money Wheel – 1 game
Poker – 4 games
Tai Sai (single) – 1 game
Electronic Roulette – 1 game (comprising a maximum of 20 terminals and no manual table)

- D. Roulette – 8 games
Black Jack – 11 games
Caribbean Stud Poker – 3 games
Midi Baccarat – 5 games
Mini Baccarat – 1 game
Money Wheel – 1 game
Poker – 5 games
Tai Sai (single) – 1 game
Electronic Roulette – 1 game (comprising a maximum of 20 terminals and no manual table)

- E. Roulette – 8 games
Black Jack – 10 games
Caribbean Stud Poker – 3 games
Midi Baccarat – 5 games
Mini Baccarat – 1 game
Money Wheel – 1 game
Poker – 6 games
Tai Sai (single) – 1 game



Electronic Roulette – 1 game (comprising a maximum of 20 terminals and no manual table)

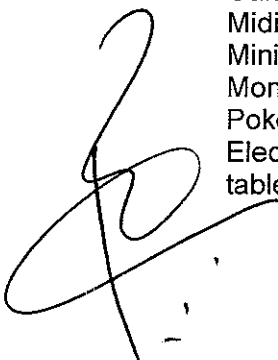
- F. Roulette – 8 games
Black Jack – 9 games
Caribbean Stud Poker – 3 games
Midi Baccarat – 5 games
Mini Baccarat – 1 game
Money Wheel – 1 game
Poker – 7 games
Tai Sai (single) – 1 game
Electronic Roulette – 1 game (comprising a maximum of 20 terminals and no manual table)

- G. Roulette – 8 games
Black Jack – 10 games
Caribbean Stud Poker – 2 games
Midi Baccarat – 5 games
Mini Baccarat – 1 game
Money Wheel – 1 game
Poker – 7 games
Tai Sai (single) – 1 game
Electronic Roulette – 1 game (comprising a maximum of 20 terminals and no manual table)

- H. Roulette – 8 games
Black Jack – 8 games
Caribbean Stud Poker – 3 games
Midi Baccarat – 5 games
Mini Baccarat – 1 game
Money Wheel – 1 game
Poker – 8 games
Tai Sai (single) – 1 game
Electronic Roulette – 1 game (comprising a maximum of 20 terminals and no manual table)

- I. Roulette – 8 games
Black Jack – 9 games
Caribbean Stud Poker – 2 games
Midi Baccarat – 5 games
Mini Baccarat – 1 game
Money Wheel – 1 game
Poker – 8 games
Tai Sai (single) – 1 game
Electronic Roulette – 1 game (comprising a maximum of 20 terminals and no manual table)

- J. Roulette – 8 games
Black Jack – 9 games
Caribbean Stud Poker – 3 games
Midi Baccarat – 5 games
Mini Baccarat – 1 game
Money Wheel – 1 game
Poker – 8 games
Electronic Roulette – 1 game (comprising a maximum of 20 terminals and no manual table)



- K. Roulette – 8 games
Black Jack – 9 games
Caribbean Stud Poker – 2 games
Midi Baccarat – 5 games
Mini Baccarat – 1 game
Money Wheel – 1 game
Poker – 9 games
Electronic Roulette – 1 game (comprising a maximum of 20 terminals and no manual table)
- L. Roulette – 8 games
Black Jack – 9 games
Caribbean Stud Poker – 2 games
Midi Baccarat – 5 games
Money Wheel – 1 game
Poker – 10 games
Electronic Roulette – 1 game (comprising a maximum of 20 terminals and no manual table)
- M. Roulette – 8 games
Black Jack – 11 games
Caribbean Stud Poker – 3 games
Midi Baccarat – 6 games
Money Wheel – 1 game
Poker – 5 games
Tai Sai (single) – 1 game
Electronic Roulette – 1 game (comprising a maximum of 20 terminals and no manual table)
- N. Roulette – 9 games
Black Jack – 11 games
Caribbean Stud Poker – 3 games
Midi Baccarat – 5 games
Mini Baccarat – 1 game
Money Wheel – 1 game
Poker – 4 games
Tai Sai (single) – 1 game
Electronic Roulette – 1 game (comprising a maximum of 20 terminals and no manual table)

Notes

1. The Licence Holder is permitted to change between the above table game mixes, subject to providing the Inspectorate with weekly advice of the table game mix to be used for the forthcoming week, and five working days notice of any change from one approved game mix to another.
2. 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, D, E, F, G, H, I, J, K, L, M and N.

