

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

**AND** on an application by **SKYCITY CASINO MANAGEMENT LIMITED** for approval of new game mixes for the Auckland casino

**BEFORE THE GAMBLING COMMISSION**

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

Date of Application: 5 April 2011

Date of Decision: 13 May 2011

Date of Notification  
of Decision: 15 June 2011

**DECISION ON AN APPLICATION BY SKYCITY CASINO MANAGEMENT LIMITED  
FOR APPROVAL OF NEW GAME MIXES FOR THE AUCKLAND CASINO**

**Introduction**

1. SKYCITY Casino Management Limited ("**SCML**") applied, under condition 9 of its operator's licence, for approval of new game mixes for the Auckland casino. The game mixes would derive from new Annexes A, B, and C.

**Licence condition**

2. The relevant licence condition is as follows:
  9. The Licence Holder may operate on casino gaming tables the game types and game mix(es) specified by the Commission in Annex A attached to this Licence. The Licence Holder may operate on casino gaming tables the game types and game mix(es) specified by the Commission in either Annex B or Annex C attached to this Licence provided that it gives the Commission and the Inspectorate a minimum of 10 working days notice in writing of its intention to do so. The Licence Holder shall obtain the prior approval of the Commission for any change to the game types and/or game mixes specified.

**Submissions by SCML**

3. SCML submitted, in summary, as follows:
  - (a) It currently has 30 approved game mixes in Annex A. It wants to revise Annex A by retaining two of those game mixes, A and ZD, and have three new game mixes approved, C, D and E. Game mix ZD will be re-labelled as game mix B.
  - (b) The notional player spaces for all of the game mixes in proposed Annex A are set out in the table below. For those games where the maximum number of player

positions is not fixed by game rules, it has applied the same theoretical maximum that it has applied in previous applications. The new game mixes have fewer notional player spaces than game mix A, the regulatory benchmark, as follows.

Game mix	Player spaces
A	3,909
B	3,899
C	3,857
D	3,857
E	3,857

- (c) The overall calculated gambling opportunities for all of the game mixes are set out in the table below. In its calculations it has relied upon figures, with one exception, derived from the trial data considered by the Commission in decision GC17/10.
- (d) The one exception relates to a new game it proposes to introduce known as “3 Card Poker”. As it was not operating this game at the time of the earlier trials, it was not assessed during the trials. It therefore arranged for a trial of this game under the same conditions applied to the earlier trials.
- (e) Over the 15 minute trial, 12 rounds were completed. An automatic shuffler (of the type used on Caribbean Stud Poker) was used to deal the game. The DIA inspectorate attended the trial.
- (f) It understands that Christchurch casino, which also operates 3 Card Poker, has relied on the figure of 11.25 rounds per 15 minutes in submissions it has previously made to the Commission. This compares favourably with its own result of 12 rounds.
- (g) It has incorporated the trial results for 3 Card Poker in the comparative table, which shows that the notional opportunities associated with the new game mixes are significantly less than those associated with the regulatory benchmark, as follows:

Game mix	Opportunities
A	68,363
B	61,980
C	60,720
D	60,258
E	60,489

- (h) It currently has an application before the Commission to vary licence condition 9. The proposed amendment provides for the implementation of three annexes – A, B and C. If that application is successful, then the new game mixes that are the subject of this application will also need to be incorporated into Annex B and Annex C.
- (i) In order to do this, the new Annex B features 15 more game mixes in the parts of the casino that house 102 tables than the previously proposed Annex B. The new Annex C features nine additional game mixes in those areas of the casino which house 80 tables.
- (j) Below is a table which sets out the player spaces and opportunities associated with the two locations specified in Annex B. The game mix with the greatest number of player spaces and opportunities for the south side of level 5 has been combined with the game mix with the greatest number of player spaces and opportunities for the rest of the casino. The combined game mix offers fewer notional player spaces and calculated gambling opportunities than the regulatory benchmark.

Game mix	Player spaces	Opportunities
Regulatory benchmark	2,262	68,363
Combined game mix	2,259	62,909

- (k) Below is a table which sets out the notional player spaces and calculated opportunities associated with the four locations specified in Annex C. The game mixes with the greatest number of notional player spaces and associated calculated opportunities for each of the four locations have been combined to compare with the regulatory benchmark. There are more notional player spaces associated with the combined mix than the regulatory benchmark, but the overall calculated gambling opportunities are significantly lower.

Game mix	Player spaces	Opportunities
Regulatory benchmark	2,262	68,363
Combined game mix	2,295	63,026

- (l) It is satisfied that the game mixes featured in Annex B and Annex C will not increase casino gambling opportunities.

**The Secretary’s submissions**

4. The Secretary submitted, in summary, as follows:

- (a) He notes that an earlier application by SCML proposing area specific game mixes is still being considered by the Commission. This current application is not contingent on the outcome of the earlier application, so if the earlier application is not approved, the effect of the current application would be to extinguish all currently approved game mixes B to ZC.
- (b) SCML's calculations of the notional player spaces for game mixes A-E in Annex A contain a miscalculation. The three new game mixes, C, D and E, have incorrect player spaces totals – they are listed as 2,210 but should read 2,224.
- (c) He does not consider that Annexes A, B and C will increase opportunities for casino gambling. The introduction of 3 Card Poker into Annexes B and C of the earlier application will not increase player spaces or opportunities.
- (d) This new application reiterates that Annex C has the potential for more player spaces but fewer gambling opportunities than the regulatory benchmark. As he submitted on the earlier application, there may be instances when an increase in player spaces, irrespective of a decrease in calculated opportunities, results in a negative in the round finding. In this instance, the reduction in overall calculated opportunities is significant when compared to the increase in player spaces.

**SCML's submissions in reply**

5. In reply, SCML submitted, in summary, as follows:

- (a) The Secretary is correct in stating that this application is not contingent on the outcome of its earlier application, although it expects that that application will be determined first. If both applications are successful, then Annex A as set out in this application will be the new approved Annex. The same would apply if the February application was unsuccessful.
- (b) If the location specific game mix model is not approved it will need to further review its position as neither the existing Annex A nor the revised Annex A would accommodate the range of game mixes that are required for the new locations.
- (c) It acknowledges the errors highlighted by the Secretary, but agrees that they have no bearing on the overall rate of play.
- (d) It agrees with the Secretary that the game mixes put forward in this application have fewer player spaces and opportunities than those put forward in the earlier application.

### Analysis

6. SCML has applied for approval of new Annexes A, B and C, under condition 9 of SCML's operator's licence for the Auckland casino. The application followed on an earlier SCML application to vary condition 9, with the parties each making submissions in relation to the outcome of this application if the earlier application was unsuccessful. As events transpired, the Commission approved the earlier application and amended condition 9. Accordingly, the Commission has treated this application as an application for approval of new Annexes under the amended condition.
7. The Commission's usual approach in applications of this nature is to compare the proposal with the regulatory benchmark to determine whether, in the round, it offers more opportunities for casino gambling. It does not assess opportunity arithmetically according to the calculations presented as part of the application.
8. The Commission compared the proposed game mixes B-E of Annex A with the benchmark mix and was satisfied that they would not increase opportunities for casino gambling above the level of opportunity in the latter. Consistent with decision GC11/11, the Commission then compared the maximum combination of game mixes from Annexes B and C with the regulatory benchmark, and was satisfied that they too would not increase opportunities for casino gambling compared to the regulatory benchmark for the Auckland casino.

### Decision of the Commission

9. The Commission approved, under condition 9 of SCML's operator's licence, proposed Annexes A, B and C (**attached**).
10. The Commission has considered whether it should provide in this decision, and the resulting condition, for the automatic elimination of the Annexes used in the transitional arrangements once the casino redevelopment is completed and it is operating under Annex C. Rather than complicate the condition with additional wording, it intends to revisit the condition after the transition is completed and make the necessary changes at that stage.

  
 Graeme Reeves  
 Chief Gambling Commissioner

for and on behalf of the  
 Gambling Commission

15<sup>th</sup> June 2011





## 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/Pontoon – up to 44 games
  - Roulette – up to 24 games
  - Electronic Roulette – 1 game with up to 14 player spaces and no manual table
  - Caribbean Stud Poker – up to 10 games
  - Midi Baccarat – up to 17 games
  - Mini Baccarat – up to 7 games
  - Pai Gow – up to 4 games
  - Tai Sai (Double Side) – 1 game
  - Tai Sai (Single Side) – 1 game
  - Money Wheel (Double Side) – 1 game
  
- B.
  - Black Jack/Pontoon ('7 Box') – up to 41 games
  - Roulette – up to 21 games
  - Electronic Roulette – up to 3 games with up to 21 player spaces and no manual table
  - Caribbean Stud Poker – up to 6 games
  - Midi Baccarat – up to 18 games
  - Mini Baccarat – up to 8 games
  - Money Wheel (Double Side) – 1 game
  - Pai Gow – up to 3 games
  - Poker – up to 8 games with up to 10 player spaces
  - Tai Sai (Double Side) – 1 game
  
- C.
  - Black Jack/Pontoon ('7 Box') – up to 39 games
  - Roulette – up to 21 games
  - Electronic Roulette – up to 3 games with up to 21 player spaces and no manual table
  - Caribbean Stud Poker – up to 6 games
  - Midi Baccarat – up to 18 games
  - Mini Baccarat – up to 8 games
  - Money Wheel (Double Side) – 1 game
  - Pai Gow – up to 3 games
  - Poker – up to 8 games with up to 10 player spaces
  - Tai Sai (Double Side) – 1 game
  - 3 Card Poker – up to 2 games
  
- D.
  - Black Jack/Pontoon ('7 Box') – up to 41 games
  - Roulette – up to 21 games
  - Electronic Roulette – up to 3 games with up to 21 player spaces and no manual table
  - Caribbean Stud Poker – up to 6 games
  - Midi Baccarat – up to 18 games
  - Mini Baccarat – up to 6 games
  - Money Wheel (Double Side) – 1 game
  - Pai Gow – up to 3 games
  - Poker – up to 8 games with up to 10 player spaces
  - Tai Sai (Double Side) – 1 game
  - 3 Card Poker – up to 2 games
  
- E.
  - Black Jack/Pontoon ('7 Box') – up to 40 games
  - Roulette – up to 21 games
  - Electronic Roulette – up to 3 games with up to 21 player spaces and no manual table
  - Caribbean Stud Poker – up to 6 games
  - Midi Baccarat – up to 18 games
  - Mini Baccarat – up to 7 games



- Money Wheel (Double Side) – 1 game
- Pai Gow – up to 3 games
- Poker – up to 8 games with up to 10 player spaces
- Tai Sai (Double Side) – 1 game
- 3 Card Poker – up to 2 games

**Notes**

1. The Licence Holder is permitted to change between the Game Mixes specified in A-E subject to providing the Inspectorate with a minimum of 5 working days notice in writing of its intention to do so.
2. The Licence Holder is permitted to operate automatic shufflers on:
  - the Poker tables specified in Game Mixes B-E;
  - 50% of open Black Jack tables specified in Game Mix A;
  - all Black Jack tables specified in Game Mixes B-E; and
  - all 3-Card Poker games specified in Game Mixes C-E; and
  - CSP and Baccarat tables specified in each of the Game Mixes, provided that no more than 10 such shufflers are operated on CSP games and no more than 24 such shufflers are operated on Baccarat games.
3. At least 50% of the Midi Baccarat games specified in Game Mixes B-E shall be conducted in accordance with dealing Style B as set out in the Rules of Baccarat.



## ANNEX B

### GAME MIX A

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

Black Jack/Pontoon	44 games
Roulette	24 games
Electronic Roulette	1 game
Caribbean Stud Poker	10 games
Midi Baccarat	17 games
Mini Baccarat	7 games
Pai Gow	4 games
Tai Sai (double side)	1 game
Tai Sai (single side)	1 game
Money Wheel (double side)	1 game

### Notes for Game Mix A

1. The Licence Holder is permitted to operate automatic shufflers on 50% of open Black Jack tables, and all Caribbean Stud Poker and Baccarat tables.
2. The Electronic Roulette table comprises up to 14 player spaces and no manual table.

### ALTERNATIVE GAME MIXES

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

**In the three gaming salons to the south of the elevators on level 5, any one of the following eight table game mixes:**

	A1	B1	C1	D1	E1	F1	G1	H1	I1
Midi Baccarat	8	7	6	7	6	4	5	6	5
Roulette	0	1	2	0	0	2	1	1	2
Black Jack	0	0	0	1	2	2	2	1	1
<b>Total</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>

together with



in all Gambling Areas other than the three gaming salons to the south of the elevators on level 5, any one of the following 102 table game mixes:

	A2	B2	C2	D2	E2	F2	G2	H2	I2	J2	K2	L2	M2	N2	O2	P2	Q2	R2	S2	T2
Money Wheel (double side)	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Tai Sai (double side)	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Pai Gow	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
CSP	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
Midi Baccarat	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13
Poker	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9
Electronic Roulette	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Mini Baccarat	8	8	9	8	9	6	6	7	6	7	7	7	8	7	8	8	8	9	8	9
Roulette	20	19	19	18	18	20	19	19	18	18	20	19	19	18	18	20	19	19	18	18
Black Jack	39	40	39	41	40	39	40	39	41	40	38	39	38	40	39	37	38	37	39	38
3 Card Poker	0	0	0	0	0	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
<b>Total</b>	<b>102</b>	<b>102</b>	<b>102</b>	<b>102</b>	<b>102</b>	<b>102</b>	<b>102</b>	<b>102</b>	<b>102</b>	<b>102</b>	<b>102</b>	<b>102</b>	<b>102</b>	<b>102</b>	<b>102</b>	<b>102</b>	<b>102</b>	<b>102</b>	<b>102</b>	<b>102</b>

**Notes for the alternative game mixes:**

1. The Licence Holder is permitted to change game mixes subject to providing the Inspectorate with prior notification.
2. The Licence Holder is permitted to operate automatic shufflers on each of the Black Jack, Caribbean Stud Poker, Baccarat, Poker and 3-Card Poker tables.
3. At least 50% of the total number of Midi Baccarat games shall be conducted in accordance with dealing style B, as set out in the rules of Baccarat.
4. The Licence Holder is permitted to operate automatic shufflers on its Caribbean Stud Poker and Baccarat tables provided that no more than 10 such shufflers are operated on Caribbean Stud Poker games and no more than 24 such shufflers are operated on Baccarat games.
5. All electronic roulette tables comprise up to 21 player spaces and no manual table.
6. The number of player spaces at poker tables (other than Caribbean Stud Poker and 3-Card Poker) may not exceed 10, even if game rules provide for more.

## ANNEX C

### GAME MIX A

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

Black Jack/Pontoon	44 games
Roulette	24 games
Electronic Roulette	1 game
Caribbean Stud Poker	10 games
Midi Baccarat	17 games
Mini Baccarat	7 games
Pai Gow	4 games
Tai Sai (double side)	1 game
Tai Sai (single side)	1 game
Money Wheel (double side)	1 game

#### Notes for Game Mix A

1. The Licence Holder is permitted to operate automatic shufflers on 50% of open Black Jack tables, and all Caribbean Stud Poker and Baccarat tables.
2. The Electronic Roulette table comprises up to 14 player spaces and no manual table.

### ALTERNATIVE GAME MIXES

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

**In the three gaming salons to the south of the elevators on level 5, any one of the following eight table game mixes:**

	A1	B1	C1	D1	E1	F1	G1	H1	I1
Midi Baccarat	8	7	6	7	6	4	5	6	5
Roulette	0	1	2	0	0	2	1	1	2
Black Jack	0	0	0	1	2	2	2	1	1
<b>Total</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>

together with

**in the gaming salon to the north of the elevators on level 5, any one of the following four table game mixes:**

	A2	B2	C2	D2	E2	F2
Midi Baccarat	4	3	3	2	2	2
Roulette	0	1	0	0	2	1
Black Jack	0	0	1	2	0	1
<b>Total</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>

together with



in the Pacific VIP Room to the north of the elevators on level 5, any one of the following four table game mixes:

	A3	B3
Midi Baccarat	9	9
Roulette	3	3
Black Jack	3	3
Pai Gow	1	2
Mini Baccarat	1	0
Caribbean Stud Poker	1	1
<b>Total</b>	<b>18</b>	<b>18</b>

together with

in all Gambling Areas other than the four gaming salons on level 5 and the Pacific VIP Room on level 5, any one of the following 80 table game mixes:

	A4	B4	C4	D4	E4	F4	G4	H4	I4	J4	K4	L4
Money Wheel (double side)	1	1	1	1	1	1	1	1	1	1	1	1
Tai Sai (double side)	1	1	1	1	1	1	1	1	1	1	1	1
Pai Gow	2	2	2	2	2	2	2	2	2	2	2	2
Caribbean Stud Poker	5	5	5	5	5	5	5	5	5	5	5	5
Midi Baccarat	6	6	6	6	6	6	6	6	6	6	6	6
Poker	9	9	9	9	9	9	9	9	9	9	9	9
Rapid Roulette	2	2	2	2	2	2	2	2	2	2	2	2
Mini Baccarat	7	7	8	7	7	8	5	5	6	6	6	7
Roulette	17	16	16	17	16	16	17	16	16	17	16	16
Black Jack	30	31	30	28	29	28	30	31	30	29	30	29
3 Card Poker	0	0	0	2	2	2	2	2	2	2	2	2
<b>Total</b>	<b>80</b>	<b>80</b>	<b>80</b>	<b>80</b>	<b>80</b>	<b>80</b>	<b>80</b>	<b>80</b>	<b>80</b>	<b>80</b>	<b>80</b>	<b>80</b>

**Notes for the alternative game mixes:**

1. The Licence Holder is permitted to change game mixes subject to providing the Inspectorate with prior notification.
2. The Licence Holder is permitted to operate automatic shufflers on each of the Black Jack, Caribbean Stud Poker, Baccarat, Poker and 3-Card Poker tables.
3. At least 50% of the total number of Midi Baccarat games shall be conducted in accordance with dealing style B, as set out in the rules of Baccarat.
4. The Licence Holder is permitted to operate automatic shufflers on its Caribbean Stud Poker and Baccarat tables provided that no more than 10 such shufflers are operated on Caribbean Stud Poker games and no more than 24 such shufflers are operated on Baccarat games.
5. All electronic roulette tables comprise up to 21 player spaces and no manual table.
6. The number of player spaces at poker tables (other than Caribbean Stud Poker and 3-Card Poker) may not exceed 10, even if game rules provide for more.