

IN THE MATTER of the Gambling Act 2003


AND on an application by **SKYCITY CASINO MANAGEMENT LIMITED** for approval to vary the game mixes for the Queenstown casino

BEFORE THE GAMBLING COMMISSION

Members: G L Reeves (Chief Gambling Commissioner)
P J Stanley
L M Hansen
R D Bell
A K Foote

Date of Application: 9 April 2013

Date of Decision: 10 May 2013

Date of Notification
of Decision:  May 2013

DECISION ON AN APPLICATION BY SKYCITY CASINO MANAGEMENT LIMITED FOR APPROVAL TO VARY THE GAME MIXES FOR THE QUEENSTOWN CASINO

Introduction

1. SKYCITY Casino Management Limited ("**SCML**") applied to the Commission, under condition 9 of its operator's licence for the Queenstown casino, for approval to vary its game mix Annex. SCML's proposal would, if approved, allow it to deploy a range of area specific game mixes at the Queenstown casino.
2. The relevant licence condition is as follows:

SCML operator's licence (Queenstown)

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.

Submissions by SCML

3. SCML submitted, in summary, that:
 - (a) Its game mix Annex currently depicts 13 approved game mixes, A-M, which each have 12 tables. These tables are spread across two areas of the casino; the Summit Room (to be rebranded as the Horizon Room) and the MGF.



- (b) With an increasing emphasis being given to international business, it seeks additional flexibility in the management of its game mixes. It wants to retain four of the current game mixes, including game mix A, the casino's regulatory benchmark. In practice these game mixes will seldom be used other than to facilitate a Poker tournament, which is generally conducted once a year.
- (c) In terms of managing the games to be located in the Summit Room and the MGF, it wants to create game mixes specific to both locations. A similar arrangement is in place at the Auckland casino.
- (d) It seeks approval for a range of game mixes in the Summit Room using 4 tables, and a range of game mixes on the MGF using 8 tables. This would enable it to combine any game mix for the Summit Room with any game mix for the MGF. The Inspectorate would be notified of any changes to the game mixes prior to them being implemented.
- (e) It seeks approval of a revised Annex A to allow it to do this. The notes attached to the Annex will state that any Midi Baccarat games operating in the Summit Room will have no more than 7 boxes and all such games will be conducted in accordance with dealing style B. Reducing the number of boxes that are offered on particular games and placing restrictions on the dealing style that may be used on Baccarat games are both initiatives that have been adopted at the Auckland casino.
- (f) Game mixes B-D have fewer player spaces and gambling opportunities than game mix A. SCML provided arithmetical data in support of this submission.
- (g) In relation to the other game mixes, if the game mix with the most player spaces and opportunities for the Horizon Room is combined with the game mix with the most player spaces and opportunities for the MGF, the resulting combination has fewer player spaces and gambling opportunities than the regulatory benchmark. SCML provided arithmetical data in support of this submission.

The Secretary's submissions

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

- (a) SCML has presented calculations showing the gambling opportunities associated with its benchmark game mix, compared to the gambling opportunities associated with the proposed new game mixes. SCML's calculations appear accurate with the theoretical gambling opportunities associated with the new game mixes being less than the current benchmark.



- (b) He does not have any regulatory concerns with the introduction of the proposed new game mixes.
- (c) He has, however, identified two errors in the proposed new Annex. Under the subheading "Further alternative game mixes", the first table notes that any one of the following *four* table game mixes can be deployed in the Horizon Room, when it should be any one of the following *seven* table game mixes. Similarly, in relation to the main gaming floor where it provides that any one of the following *eight* table game mixes whereas it should state any one of the following *three* table game mixes. In reply, SCML stated that there are no errors as the numbers refer to the actual number of tables associated with the game mix, rather than the game mixes themselves. It modelled this wording on the Auckland schedules.

Analysis

5. SCML applied to introduce area-specific game mixes to the Queenstown casino to allow it to deploy a range of game mixes on the main gaming floor and a range of game mixes in the Summit Room.
6. When it considered a similar application for the Auckland casino (see decision GC11/11), the Commission noted that SCML's proposal represented a departure away from the usual approach of assessing gambling opportunities. Traditionally, a single proposed game mix would be compared with the benchmark game mix, with the Commission forming a view, in the round, on whether the proposal would increase opportunities for casino gambling. SCML's proposal required the Commission to combine multiple game mixes for comparison against the benchmark mix.
7. The Commission determined that the proposed approach raised no issues of regulatory concern because, even though it was not approving a specific game mix for deployment, it was satisfied that whatever combination of area specific game mixes SCML did deploy would not increase opportunities beyond those offered by the regulatory benchmark.
8. In decision GC11/11 the Commission also considered SCML's proposal to limit the dealing style on a number of Baccarat tables. As with the current application, SCML wanted to deploy dealing style B, rather than the faster dealing style, A. In approving the application, the Commission noted previously made comments regarding the utility of arithmetical calculations, and confirmed that the Commission compares a proposal with a benchmark and forms an in the round view on whether that proposal will increase opportunities for casino gambling.



9. The benchmark game mix for the Queenstown casino, game mix A, is as follows:

Black Jack – up to 5 games
 Roulette – up to 3 games
 Midi Baccarat – up to 3 games
 Caribbean Stud Poker – up to 1 game

10. The proposed game mixes for the Horizon Room and the MGF are as follows:

Horizon Room

	A1	B1	C1	D1	E1	F1	G1
Midi Baccarat (7 box, style B)	2	2	3	3	4	1	0
Black Jack	1	0	0	1	0	1	0
Roulette	1	2	1	0	0	2	0
Poker	0	0	0	0	0	0	4
Total	4	4	4	4	4	4	4

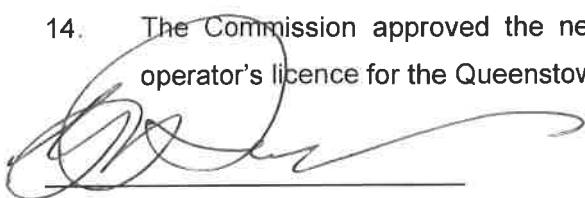
Main Gaming Floor

	A2	B2	C2
Midi Baccarat	1	2	0
Black Jack	3	3	3
Roulette	2	2	2
Caribbean Stud Poker	1	1	1
Poker	1	0	2
Total	8	8	8

11. The Commission compared the game mixes proposed for the Horizon Room and the game mixes proposed for the MGF and was satisfied, in the round, that no combination of game mixes from the two areas would generate more opportunities for casino gambling than game mix A.
12. The Commission did not need to consider game mixes B, C and D as these have already been approved by the Commission (they are game mixes H, I and L of the existing Annex).
13. The Commission considered that the descriptions under the “Further alternative game mixes” heading were correct. The numbers “4” and “8” refer to the number of tables in each mix, not to the number of alternative game mixes.

Decision of the Commission

14. The Commission approved the new game mix Annex, under condition 9 of SCML's operator's licence for the Queenstown casino. Annex A is **attached**.



Graeme Reeves
Chief Gambling Commissioner

for and on behalf of the
Gambling Commission

30th May 2013



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:

Game Mix 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

Game Mix B

Black Jack – up to 2 games
 Roulette – up to 2 games
 Midi Baccarat – up to 1 game
 Caribbean Stud Poker – up to 1 game
 Poker – up to 6 games

Game Mix C

Black Jack – up to 2 games
 Roulette – up to 2 games
 Caribbean Stud Poker – up to 1 game
 Poker – up to 7 games

Game Mix D

Black Jack – up to 2 games
 Roulette – up to 2 games
 Midi Baccarat – up to 2 games
 Caribbean Stud Poker – up to 1 game
 Poker – up to 5 games

FURTHER 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 area designated as the Horizon Room, any one of the following 4 table game mixes:

	A1	B1	C1	D1	E1	F1	G1
Midi Baccarat	2	2	3	3	4	1	0
Black Jack	1	0	0	1	0	1	0
Roulette	1	2	1	0	0	2	0
Poker	0	0	0	0	0	0	4
Total	4	4	4	4	4	4	4

Together with

In the Gambling Area on the main floor, any one of the following 8 table game mixes:

	A2	B2	C2
Midi Baccarat	1	2	0
Black Jack	3	3	3
Roulette	2	2	2
Caribbean Stud Poker	1	1	1
Poker	1	0	2
Total	8	8	8



Notes

1. The Licence Holder is permitted to change between the game mixes specified subject to providing the Inspectorate with prior notice.
2. Any flip top tables forming part of a game mix must be operated in accordance with the requirements of the relevant Minimum Operating Standards.
3. The Licence Holder is permitted to operate automatic shufflers on no more than 50% of open Black Jack games.
4. The Licence Holder is permitted to operate an automatic shuffler on one Caribbean Stud Poker game.
5. All Midi Baccarat games specified in the further alternative game mixes and operating in the Horizon Room shall be conducted in accordance with dealing style B, as set out in the rules of Baccarat.
6. All Midi Baccarat games specified in the further alternative game mixes and operating in the Horizon Room shall have no more than 7 boxes.

