

**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

Date of Notification of  
Final Decision: 8 October 2007

**FINAL 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 the SKYCITY 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**"),

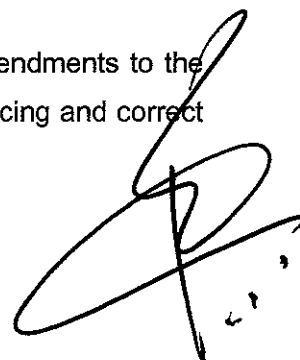
Problem Gambling Foundation (“PGF”), Gambling Helpline (“GH”), Gambling Watch (“GW”), the Hamilton Casino Monitoring Group, and the Wakatipu Casino Liaison Group (“WCLG”) were formally notified of the Commission’s proposal on 21 December 2006, and invited to make written submissions on it in accordance 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 Holders, the Secretary, MoH, PGF, and GW attending.

- 1.3 Having considered written and oral submissions, the Commission issued an Interim Decision setting out further amended sets of conditions which the Commission proposed to specify for SHL’s venue licence, QCL’s venue licence and SCML’s operator’s licence (in so far as those licence conditions related to the SKYCITY Hamilton and Queenstown casinos). The parties were given until 27 July 2007 to make any written submissions on the amended draft conditions proposed by the Commission.
- 1.4 Further written submissions were received from the Licence Holders, the Secretary, MoH, and the WCLG. The Commission has considered these, and now issues its Final Decision. This Final Decision records and addresses the further submissions made to the Commission, revokes the existing licence conditions relating to SKYCITY Hamilton and Queenstown casinos, and specifies with immediate effect the new licence conditions **attached** to this Decision.

## **2. FURTHER SUBMISSIONS**

### **Minor amendments accepted**

- 2.1 As sought by the Licence Holders, the Commission amended condition 14 of SHL’s venue licence (now condition 16) relating to the Casino Monitoring Group by inserting “(or such share thereof as the Commission considers appropriate)” after the words “reasonably incurred costs”. This is consistent with the wording of the existing licence condition.
- 2.2 As sought by the Licence Holders, the Commission amended condition 27 of the operator’s conditions for the Hamilton and Queenstown casinos (now condition 25) to require website publication of the Host Responsibility Programme for each casino “as from the date determined by the Commission”.
- 2.3 The Commission has, on its own initiative, made a number of other amendments to the licence conditions to correct typographical errors, update number referencing and correct inadvertent minor errors.

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### **Minor amendments declined**

- 2.4 For reasons set out in paragraphs 2.10 to 2.16 below, the Commission declined to adopt the amendment proposed by WCLG to add “before tax” after the words “net profit” in condition 24 of SCML’s operator’s licence for the Hamilton and Queenstown casinos (now condition 14 of SHL’s venue licence, and condition 15 of QCL’s venue licence).
- 2.5 The Commission also declined to adopt the amendment proposed by MoH to condition 28(d) of SCML’s operator’s licence for both the Hamilton and Queenstown casinos (now condition 26(d)), to require the Licence Holders to report to the Commission on results and outcomes identified by SKYCITY in carrying out their host responsibility duties. The Commission considered that this is already adequately addressed by condition 31 (now condition 29), which provides that the Licence Holders will report to the Commission annually on the implementation of their Host Responsibility Programmes.

### **Substantive amendments**

- 2.6 The following, more major issues, were raised:
- (a) The Licence Holders submitted that the licence conditions relating to the Hamilton and Queenstown charitable trust contributions should be included in the venue licences, rather than in SCML’s operator’s licence.
  - (b) The Licence Holders opposed the proposal to insert an additional tier to the formulas for calculating the charitable trust contributions by the Hamilton and Queenstown casinos.
  - (c) The Licence Holders raised concerns about the quality and usefulness of the information they can provide to loyalty programme members under condition 28(c) of SCML’s operator’s licence for both the Hamilton and Queenstown casinos (now condition 26(c)).
  - (d) The Licence Holders submitted that the approved game mixes for both the Hamilton and Queenstown casinos do not specify the maximum opportunities for casino gambling that the Licence Holders can deploy at each casino, and should be amended to do so.

These matters are now addressed in turn.

### **Location of licence conditions relating to charitable trust contributions**

- 2.7 In its Interim Decision, the Commission, on its own initiative, moved conditions relating to the charitable trust contributions in the SHL and QCL venue licences to SCML’s operator’s licence. The Commission did so on the basis that it is the operator which

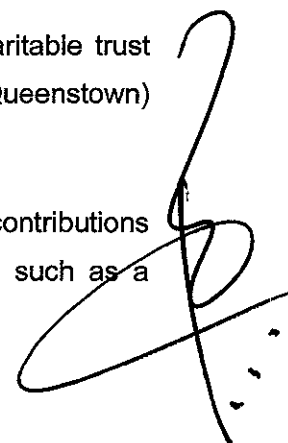
responsible for generating and accounting for revenue and profit from the operation of the casino.

- 2.8 The Licence Holders opposed this move and submitted that these conditions are more appropriately included in the venue licence conditions for each casino, and in support of this submission stated that:
- (a) SCML did not establish the independent charitable trusts for the Hamilton and Queenstown casinos
  - (b) SCML is not a party to the trust deeds;
  - (c) SCML has no relationship with the trusts; and
  - (d) the trusts were established as part of the applications by SHL and QCL for their premises licences.

- 2.9 The Commission has accepted the Licence Holders' submissions, and has removed conditions 24 and 25 from SCML's licence relating to the Hamilton and Queenstown casinos and restored them to the SHL and QCL venue licences (now conditions 15 and 16 for Queenstown, and conditions 14 and 15 for Hamilton).

#### **Charitable trust formulas**

- 2.10 Condition 3 of SHL's venue licence requires SHL annually to pay no less than 1.5% of the revenue from the operation of the casino (GST exclusive) before gaming tax to the SKYCITY Hamilton Community Trust. Condition 3.1 of QCL's venue licence requires QCL annually to pay no less than 2.5% of the net profit from the operation of the casino, or \$100,000, whichever is the greater, to the Sky Alpine Queenstown Community Trust.
- 2.11 The Commission proposed amending these licence conditions to require SHL and QCL annually to pay to their respective trust the greater of either 1.5% of the revenue from the operation of the casino (GST exclusive) before gaming tax, or 2.5% of the net profit from the operation of the casino. The Commission also proposed to retain for QCL the requirement for QCL to pay \$100,000 per annum to its Trust, should this sum be greater than either 1.5% of revenue or 2.5% of net profit.
- 2.12 The Licence Holders opposed the inclusion of the additional tier to the charitable trust formulas (namely 2.5% of net profit for Hamilton and 1.5% of revenue for Queenstown) for a number of reasons, including:
- (a) That it would only be appropriate to amend the charitable trust contributions where there is a demonstrable issue that needs to be addressed, such as a



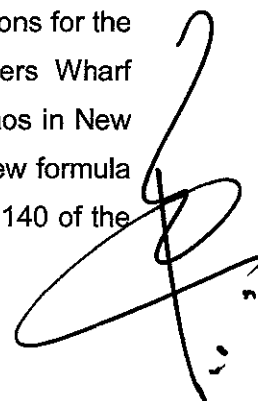
licence holder having made no (or minimal) contributions to community purposes. There is no such demonstrable issue with either SHL or QCL;

- (b) That the Commission has not heard any evidence which would support the need to have each casino contribute to its trust using a consistent formula;
- (c) That a community trust contribution is particular to each casino property;
- (d) That the Commission has not presented any reasoning, nor heard any evidence as to why the formulas in the Hamilton and Queenstown licences are more appropriate to apply than those formulas at other casinos;
- (e) That if the Commission proposes to introduce a consistent formula across all casinos, it should consider the matter on an industry wide basis before making changes to individual licence conditions;
- (f) That it is unfair to apply a more onerous condition to the SKYCITY Queenstown casino than to the Wharf casino (which is also based in Queenstown but has yet to have its licence conditions reviewed) as this would commercially disadvantage the SKYCITY Queenstown casino.

2.13 At present, each of the six casinos in New Zealand has a different licence condition providing for the giving of money to its charitable trust. These conditions vary widely in relation to how much, if any, money is to be given by a Licence Holder to its charitable trust.

2.14 In its Interim Decision, the Commission noted the desirability of achieving a degree of consistency across licence conditions relating to contributions to charitable trusts, and stated that a flat percentage requirement, possibly supplemented by specified minimum contributions, would be fair for all casinos. Having considered the Licence Holders' submissions, the Commission decided that a change for all six casinos should not be implemented until the matter has been considered more broadly, with each licence holder being consulted and permitted to make representations on the issue before any changes are made.

2.15 Accordingly, the Commission resolved to retain existing licence conditions for the time being, but may in future, and once it has completed its review of licence conditions for the remaining three casinos (Christchurch casino, Dunedin casino and Lasseters Wharf casino), consider more generally the charitable trust formulas for the six casinos in New Zealand. Any proposal to amend existing licence conditions, and specify a new formula in substitution would be the subject of consultation in accordance with section 140 of the Act.



2.16 In the interim, the existing charitable trust licence conditions will remain for both the Hamilton and Queenstown casinos, with SHL to pay 1.5% of the revenue from the operation of the casino to the SKYCITY Hamilton Community Trust, and QCL to pay 2.5% of the net profit from the operation of the casino, or \$100,000, whichever is greater, to the Sky Alpine Queenstown Community Trust.

### **Host Responsibility Programme**

2.17 Licence condition 28(c) of SCML's licence conditions relating to the Hamilton and Queenstown casinos provides that the Host Responsibility Programme for each casino must provide for loss and expenditure data to be made available to individual loyalty programme members.

2.18 The Licence Holders submitted that the quality and usefulness of the information it can provide may be limited, stating that the information may not always be complete, nor accurately record an individual's win/loss information, even if that individual uses his/her loyalty card.

2.19 The Licence Holders have this concern for a number of reasons, including:

- (a) that the gaming machine monitoring systems used in casinos do not capture the majority of Jackpot wins in a manner that enables that data to be incorporated into a player's win/loss profile;
- (b) that win/loss information is not captured electronically on table games (with any manual tracking involving estimations of information which may lead to data of variable accuracy); and
- (c) that some players gamble without using their loyalty card.

2.20 Having expressed these concerns, the Licence Holders did not submit that condition 28(c) should be removed from licence conditions, but stated that any data provided would have to be qualified to make it clear that the information provided may not be wholly accurate. SCML also stated that it is exploring how customer data might be made available in a cost efficient and meaningful format.

2.21 The Commission has retained licence condition 28(c) (now condition 26(c)) in its current form. Any matters of detailed implementation will be addressed in the context of discussions relating to the Host Responsibility Programme for the Hamilton and Queenstown casinos.

2.22 While noting the limitations raised by SCML, the Commission expects SCML to provide loyalty club members with the best information that is available.

### **Automatic shufflers on Caribbean Stud Poker and Baccarat tables**

- 2.23 SCML's licence conditions for the Hamilton and Queenstown casinos each have an Annex A attached which sets out the approved game mixes which can be deployed at each casino, subject to certain conditions. The Licence Holders submitted that these game mixes do not make provision for the use of automatic shufflers on Caribbean Stud Poker and Baccarat games, and therefore do not specify the maximum level of gambling opportunities available at the casinos, and should be amended to do so. In support of their submission, the Licence Holders stated that:

[in] the Commission's interim decision the Commission notes that it anticipates that no increase [in opportunities for casino gambling] 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 CSP Rules and Baccarat Rules as at 19 September 2003 provided for the unrestricted use of automatic shufflers on those games .... In this sense the game mix which the Commission uses as the regulatory benchmark at the respective casinos, (Game Mix A), should permit the licence holder to operate automatic shufflers on the CSP and Baccarat games specified therein. ....

- 2.24 The Commission declined to amend the annexes as sought. Annex A, as proposed by the Commission, reflects approvals granted by the Commission or the Authority previously. While game rules provide for the use of automatic shufflers on CSP and Baccarat games, the deployment of these enhancements has not specifically been approved.
- 2.25 If SCML wishes to maintain automatic shufflers on CSP and Baccarat tables as part of game mixes at Hamilton and Queenstown casinos, applications should be made to the Commission. These applications would need to be supported by submissions and evidence establishing why the approval will not give rise to increase in opportunities for casino gambling, prohibited under section 12 of the Act.
- 2.26 The Commission has updated the Annexes to reflect amendments to the game mixes since the Interim Decision was issued.

### **Decision**

- 2.27 This decision revokes the conditions contained in the Third Schedule to the Casino Premises Licence issued to Riverside Casino Limited dated 10 December 1999 (now a casino venue licence pursuant to section 122(2) of the Act), including all variations and additions to those conditions made by the Authority or the Commission. It specifies, in substitution, the new conditions attached to this decision marked "Casino Venue Licence: Third Schedule of Licence Issued to Riverside Casino Limited, 10 December 1999".
- 2.28 This decision revokes the conditions contained in the Fourth Schedule to the Casino Operator's Licence issued to SKYCITY Casino Management Limited dated 7 May 1998.

and headed "Conditions attached to Casino Operator's Licence: Operation of Casino at 346 Victoria Street, Hamilton", including all variations and additions to those conditions made by the Authority or the Commission. It specifies, in substitution, the new conditions attached to this decision with the same heading.

- 2.29 This decision revokes the conditions contained in the Second Schedule to the Casino Premises Licence issued to Queenstown Casinos Limited dated 18 June 1999 (now a casino venue licence pursuant to section 122(2) of the Act), including all variations and additions to those conditions made by the Authority or the Commission. It specifies, in substitution, the new conditions attached to this decision marked "Casino Venue Licence – Queenstown Casinos Limited Second Schedule".
- 2.30 This decision revokes the conditions attached to the Casino Operator's Licence issued to SKYCITY Casino Management Limited dated 7 May 1998 and headed "Conditions attached to Casino Operator's Licence: Operation of Casino at Beach Street and Cow Lane, Queenstown", including all variations and additions to those conditions made by the Authority or the Commission. It specifies, in substitution, the new conditions attached to this decision with the same heading.
- 2.31 For the avoidance of doubt, conditions of SCML's operator's licence relating to the SKYCITY Auckland casino continue in effect.

- 2.32 The revocation of the above conditions and specification of the new conditions attached to this decision should take immediate effect from the date of notification of this decision.



**Peter Chin**  
Chief Gambling Commissioner

for and on behalf of the  
Gambling Commission

8 October 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.

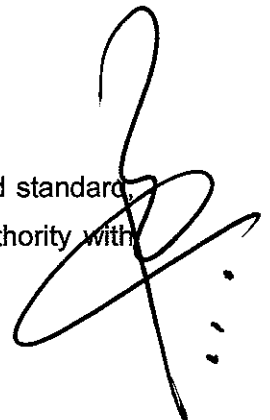
**Gambling Area** means that part of the Casino Venue specified in condition 9 where casino gambling is permitted by the Commission.

**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

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effect from 5 December 2003, as may be substituted or amended by the Commission from time to time.

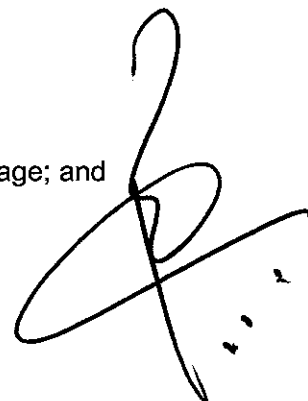
**Trust** means the Trust set up under the Deed of Charitable Trust concluded in 2003 settled by Riverside Casino Limited, as may be varied with the approval of the Commission.

### **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 Level 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 Level 1 of the Casino Venue (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 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.

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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.

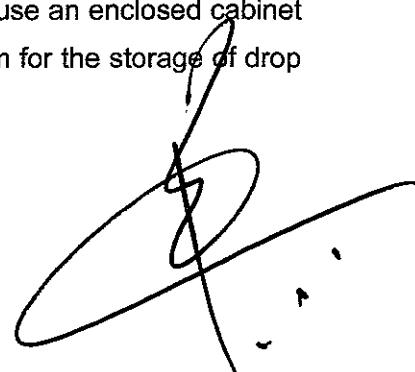
8. The Licence Holder shall ensure that:
- (a) gambling activity is not visible from the street or other public areas outside the Casino Venue, except where and to the extent that the Commission may approve otherwise; and
  - (b) there is provision for generation of emergency power to maintain in situations 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

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- (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**

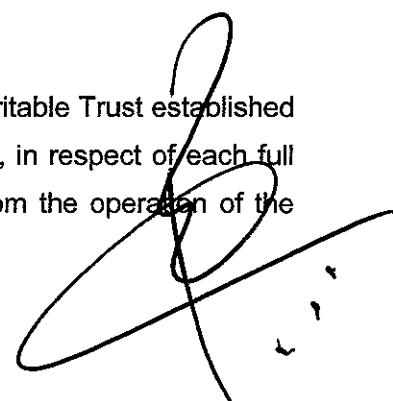
11. The Licence Holder shall ensure that the cashier's cage is located immediately adjacent to the gaming floor and is clearly visible to patrons. Unless otherwise approved by the Commission, the cage area shall, as a minimum requirement, include the following:
- (a) accommodation for chip bank cashiers 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 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**

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

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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.

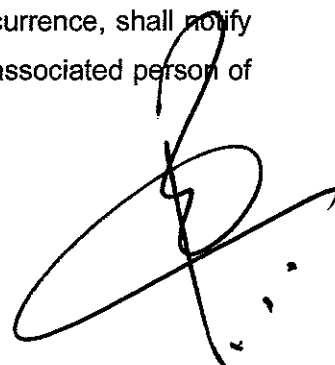
15. The Licence Holder is required to ask the Trust on an annual basis to provide a list of persons granted funding for the previous year and in what amount, and a list of unsuccessful applicants for funding. The Licence Holder is required to publish annually the amount paid to the Trust, and the information provided to it by the Trust relating to the allocation of funds, as specified in this condition.

### **Casino Monitoring Group**

16. The Licence Holder will meet the reasonably incurred costs (or such share thereof as the Commission considers appropriate) 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**

17. 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. 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;

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

### **Audit**

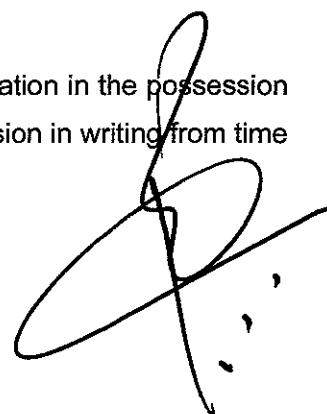
20. The Commission may at any time request access to the Licence Holder's internal audit information or institute an audit of the Licence Holder's Casino business.
21. The Licence Holder shall submit for the approval of the Commission the name of the person or body of persons appointed from time to time 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. 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. 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.

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- 24 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 The Licence Holder shall file with the Commission an address in New Zealand for the service of notices upon it.
- 26 The Licence Holder may, by notice given to the Commission, change its address for the service of notices

**Consolidated to 8 October 2007**

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**CONDITIONS ATTACHED TO CASINO OPERATOR'S LICENCE:  
OPERATION OF CASINO AT 346 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.

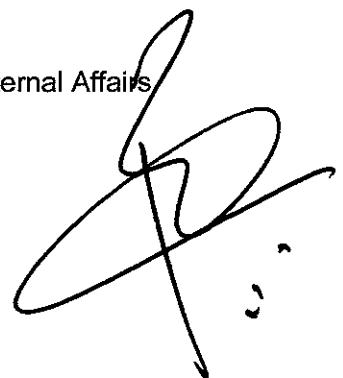
**Gambling Area** means that part of the Casino Venue specified in condition 9 of the venue licence held by Riverside Casino Limited.

**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.

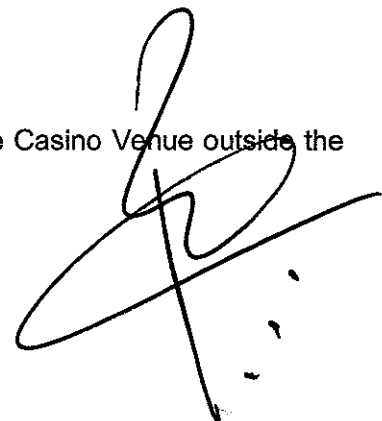
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**Surveillance Standard** means the Surveillance Policy describing the required standard, type, operation and installation of surveillance facilities, approved by the Authority with effect from 5 December 2003, as may be substituted or amended by the Commission from time to time.

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 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 gaming machines.
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 changes must comply with the Surveillance Standard.

**ATMs, EFTPOS and like devices**

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

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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.
15. The Licence Holder is prohibited from using mobile EFTPOS terminals (cash or non-cash dispensing) or like devices in the Gambling Area.
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.
17. Subject to the restrictions specified in conditions 14, 15 and 16 above, EFTPOS terminals or like devices may be installed and removed by the Licence Holder within the Casino Venue.
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**

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.
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.
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

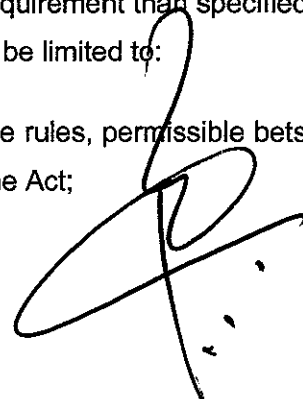
allow the Commission or staff of the Commission Secretariat, or any other person authorised by the Commission, to test any technology or equipment.

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

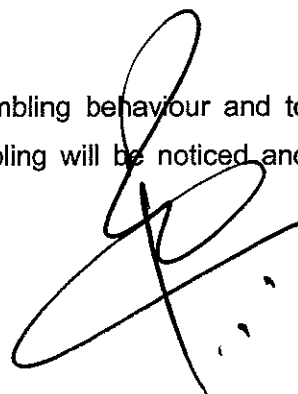
22. The Licence Holder shall ensure that the cashier's cage is located immediately adjacent to the gaming floor and is clearly visible to patrons. Unless otherwise approved by the Commission, the cage area shall at a minimum include:
- (a) accommodation for chip bank cashiers and general cashiers (which 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;
  - (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.
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.

#### **Host Responsibility Programme**

24. 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.
25. The Licence Holder shall ensure that the Host Responsibility Programme is publicly available on its website as from the date determined by the Commission.
26. 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;
- (d) identification of problem gamblers and steps to be taken following identification. This 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 problem gamblers;
  - (iv) the steps to be taken by the Licence Holder following identification of problem gamblers;
- (e) the provision of staff training;
- (f) the provision of exclusion, self-exclusion and limitation programmes;
- (g) assistance to casino employees with managing the potential for personal problem gambling;
- (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;
- (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;
- (j) responsible practices in the conduct of promotions and inducements to gamble at the Casino;
- (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;

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- (l) promotion of the responsible consumption of alcohol, including provision of staff training in responsible service of alcohol;
  - (m) standards of dress and behaviour at the casino;
  - (n) liaison with patrons with gambling problems, and family members of patrons with gambling problems;
  - (o) liaison with problem gambling treatment providers, community service organisations and community representatives; and
  - (p) such other matters as the Commission may require.
27. 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.
28. 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.
29. 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 27. The Commission will review the Programme at least every two years, the next revision of the Programme to be submitted to the Commission by 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.
30. 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.
31. 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**
32. The Licence Holder shall not permit an intoxicated person to gamble in the casino.

**Notification requirements**

33. 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.
34. 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**

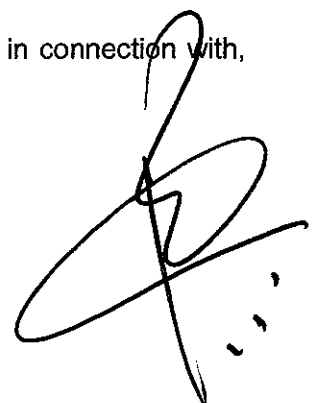
35. The Licence Holder shall not permit any person to operate the Casino otherwise than in accordance with the terms of the Casino Agreement.

**Audit**

36. 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.
37. 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**

38. 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.

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**Provision of information**

39. 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.
40. 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**

41. 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:
- (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).
42. The content, format and duration of such courses shall be from time to time approved by the Commission.

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**Entry**

43. 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**

44. The Licence Holder shall file with the Commission an address in New Zealand for the service of notices upon it.
45. The Licence Holder may, by notice given to the Commission, change its address for the service of notices.

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## 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 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
  
- C
  - Black Jack – up to 11 games
  - Roulette – up to 4 games
  - Midi Baccarat – up to 3 games
  - 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 11 games
  - Roulette – up to 4 games
  - Midi Baccarat – up to 2 games
  - Caribbean Stud Poker – up to 1 game
  - Money Wheel (single sided) – up to 1 game
  - Poker – up to 3 games
  - Rapid Roulette (12 players) – up to 1 game
  
- E
  - Black Jack – up to 12 games
  - Roulette – up to 4 games
  - Midi Baccarat – up to 2 games
  - 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

The Licence Holder is permitted to change between game mixes A, B, C, D and E subject to providing 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 tables specified and on no more than 50% of Black Jack games specified in game mixes A, B, C, D and E.

**Consolidated to 8 October 2007**



**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.

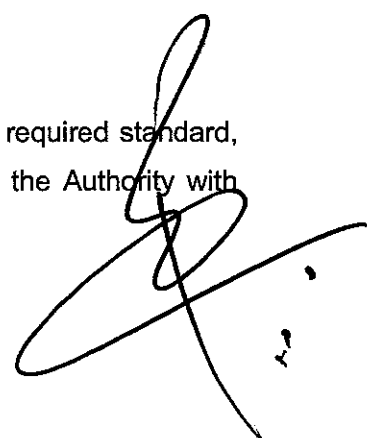
**Gambling Area** means that part of the Casino Venue specified in condition 9 where casino gambling is permitted by the Commission.

**Inspectorate** means the Casino Compliance Unit of the Department of Internal Affairs.

**Licence Holder** means Queenstown Casinos 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

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effect from 5 December 2003, as may be substituted or amended by the Commission from time to time.

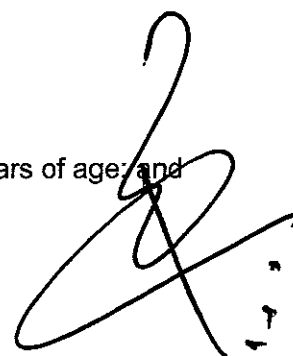
**Trust** means the Trust set up under the Deed of Charitable Trust dated 2 December 2002 settled by Queenstown Casinos Limited, as varied by an undated Deed in 2003, and as may be varied with the approval of the Commission.

### **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 (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.

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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.

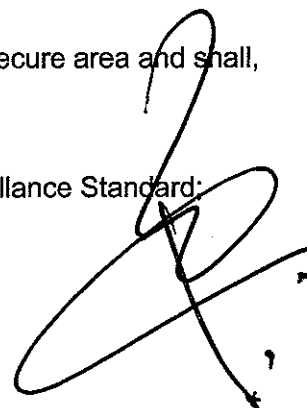
8. The Licence Holder shall ensure that:
- (a) gambling activity is not visible from the street or other public areas outside the Casino Venue;
  - (b) there is provision for generation of emergency power to maintain in situations of an interruption to mains power:
    - (i) minimum services to the Gambling 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**

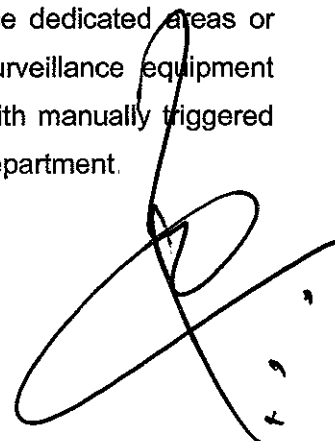
11. The Licence Holder shall ensure that the count room is located in a secure area and shall, as a minimum requirement, provide the following:
- (a) effective electronic surveillance in accordance with the Surveillance Standard:

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- (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.

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**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.

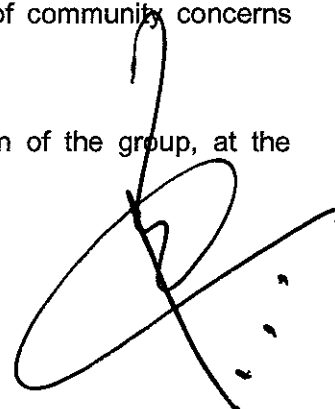
**Independent Charitable Trust**

15. The Licence Holder shall 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 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 this condition.
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**

17. 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.

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**Notification requirements**

18. 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.
19. 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**

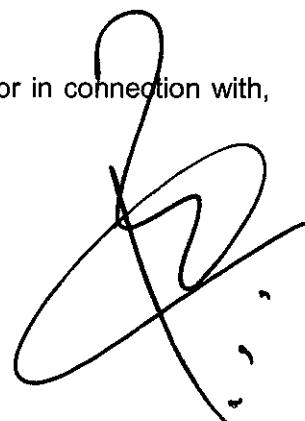
20. The Licence Holder shall not permit any person to operate the Casino otherwise than in accordance with the terms of the Casino Agreement.

**Audit**

21. 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.
22. 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**

23. 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.

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**Provision of information**

- 24 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
- 25 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**

- 26 The Licence Holder shall file with the Commission an address in New Zealand for the service of notices upon it.
- 27 The Licence Holder may, by notice given to the Commission, change its address for the service of notices

**Consolidated to 8 October 2007**

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**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.

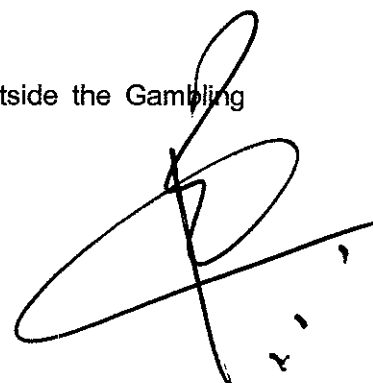
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**Surveillance Standard** means the Surveillance Policy describing the required standard, type, operation and installation of surveillance facilities, approved by the Authority with effect from 5 December 2003, as may be substituted or amended by the Commission from time to time.

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, except where 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 gaming machines.
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 changes must comply with the Surveillance Standard.

**ATMs, EFTPOS and like devices**

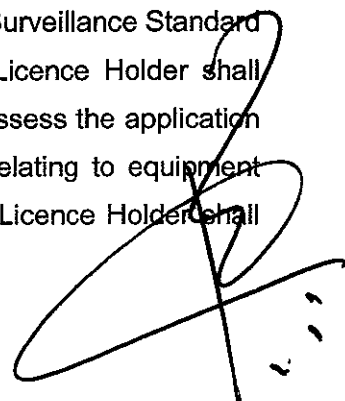
13. One automatic teller machine is permitted in the Casino Venue outside the Gambling Area.

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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.
15. The Licence Holder is prohibited from using mobile EFTPOS terminals (cash or non-cash dispensing) or like devices in the Gambling Area.
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.
17. Subject to the restrictions specified in conditions 14, 15 and 16 above, EFTPOS terminals or like devices may be installed and removed by the Licence Holder within the Casino Venue.
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**

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.
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.
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

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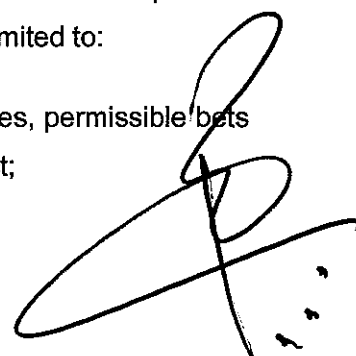
allow the Commission or staff of the Commission Secretariat, or any other person authorised by the Commission, to test any technology or equipment.

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

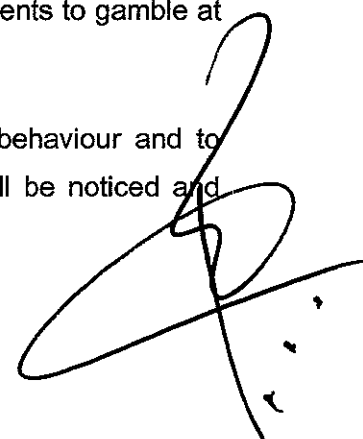
22. The Licence Holder shall ensure that the cashier's cage is located immediately adjacent to the gaming floor and is clearly visible to patrons. Unless otherwise approved by the Commission, the cage area shall at a minimum include:
- (a) accommodation for chip bank cashiers and general cashiers (which 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;
  - (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.
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.

#### **Host Responsibility Programme**

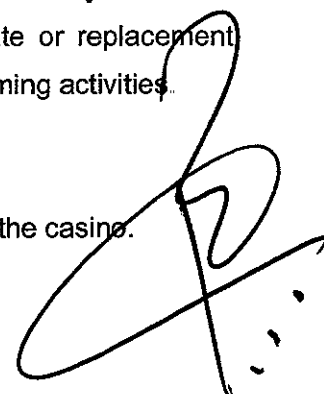
24. The Licence Holder shall ensure that the Casino is operated, whether by itself or pursuant to a casino agreement by another licensee, in compliance with the Host Responsibility Programme, as may be amended in accordance with the procedures set out below.
25. The Licence Holder shall ensure that the Host Responsibility Programme is publicly available on its website as from the date determined by the Commission.
26. 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;
- (d) identification of problem gamblers and steps to be taken following identification  
This 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 problem gamblers;
  - (iv) the steps to be taken by the Licence Holder following identification of problem gamblers;
- (e) the provision of staff training;
- (f) the provision of exclusion, self-exclusion and limitation programmes;
- (g) assistance to casino employees with managing the potential for personal problem gambling;
- (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;
- (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;
- (j) responsible practices in the conduct of promotions and inducements to gamble at the Casino;
- (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;

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- (l) promotion of the responsible consumption of alcohol, including provision of staff training in responsible service of alcohol;
  - (m) standards of dress and behaviour at the casino;
  - (n) liaison with patrons with gambling problems, and family members of patrons with gambling problems;
  - (o) liaison with problem gambling treatment providers, community service organisations and community representatives; and
  - (p) such other matters as the Commission may require.
27. 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.
28. 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.
29. 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 27. The Commission will review the Programme at least every two years, the next revision of the Programme to be submitted to the Commission by 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.
30. 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.
31. 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**
32. The Licence Holder shall not permit an intoxicated person to gamble in the casino.

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**Notification requirements**

33. 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.
34. 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**

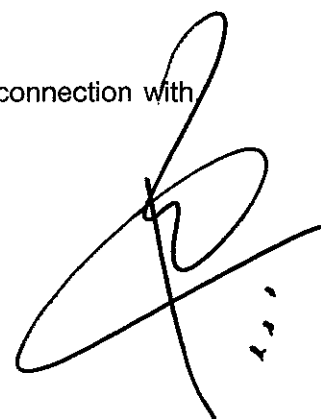
35. The Licence Holder shall not permit any person to operate the Casino otherwise than in accordance with the terms of the Casino Agreement.

**Audit**

36. 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.
37. 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**

38. 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.

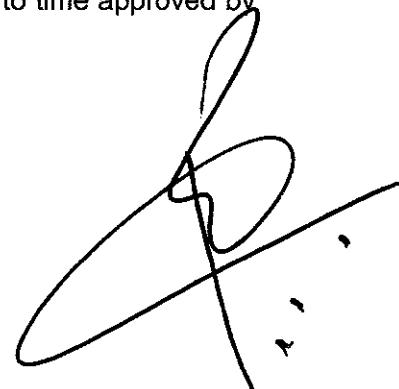
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**Provision of information**

39. 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.
40. 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**

41. 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:
- (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).
42. The content, format and duration of such courses shall be from time to time approved by the Commission.

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**Entry**

43. 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**

44. The Licence Holder shall file with the Commission an address in New Zealand for the service of notices upon it.
45. The Licence Holder may, by notice given to the Commission, change its address for the service of notices.

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## 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
  
- D
  - Black Jack – up to 3 games
  - Poker – up to 8 games
  - Roulette – up to 1 game

### Notes

- 1 The Licence Holder is permitted to change between the game mixes specified in A, B, C and D subject to providing 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 between 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, C(Alternative) and D

Consolidated to 8 October 2007

