

**IN THE MATTER** of the Gambling Act 2003  
**AND** on a proposal by the Gambling Commission to revoke conditions of the venue and operator's licences held by **CHRISTCHURCH CASINOS 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: 4 July 2007

Date of Interim Decision: **3** December 2007

**INTERIM DECISION**

**ON A PROPOSAL BY THE GAMBLING COMMISSION TO REVOKE  
CONDITIONS OF THE VENUE AND OPERATOR'S LICENCES HELD BY  
CHRISTCHURCH CASINOS 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 and operator's licences held by Christchurch Casinos Limited ("**CCL**"), and to specify new conditions in substitution. The initiative constituted a single proposal to specify, vary and revoke numerous conditions of the two licences (the "**proposal**")

1.2 CCL, the Secretary for Internal Affairs (the "**Secretary**"), and potentially affected persons comprising the Ministry of Health ("**MoH**"), Problem Gambling Foundation ("**PGF**"), Gambling Helpline and the Problem Gambling Co-ordination Service ("**PGCS**") were formally notified of the proposal on 4 July 2007, and invited to make written submissions on it, in accordance with section 140 of the Act. Submissions were made by CCL, the Secretary, PGF and PGCS. The Commission convened an oral hearing on 19 October 2007 to hear the parties, with CCL, the Secretary and PGF attending.

- 1.3 Having considered the written and oral submissions, the Commission proposes to specify the amended conditions for the licences held by CCL **attached** to this Interim Decision. The draft conditions identify, in mark-up, changes from the original proposal notified to parties on 4 July 2007. Parties have until **14 January 2008** to make any written submissions on the changes (additions and deletions) proposed by the Commission.
- 1.4 The Commission will consider any further written submissions received, and will reissue the proposed conditions in a final form, making such amendments as it may consider appropriate. The Commission's final decision will revoke the existing conditions of CCL's venue and operator's licences and specify new conditions, with effect from a date to be specified by the Commission.

## 2. REASONS FOR THE PROPOSAL

- 2.1 In its Interim Decision dated 23 December 2005, relating to licence conditions for SKYCITY Auckland casino, the Commission signalled its intent to review the licence conditions for all six casinos in New Zealand, in order to ensure consistency with the Act and remove redundancy. The Commission has since completed reviews of licence conditions for the SKYCITY Auckland, Hamilton and Queenstown casinos.
- 2.2 When it notified parties on 4 July 2007 of its proposal to amend the licences held by CCL, the Commission gave further reasons, including:
- (a) Removing redundant conditions relating to:
    - (i) the initial construction of the casino; and
    - (ii) credit wagers (now addressed under section 15 of the Act)
  - (b) Updating references in licence conditions to the Casino Control Authority ("CCA") to refer to the Commission
  - (c) Allocating conditions more appropriately between venue and operator's licences, the former to focus on the physical design of the casino, the latter to focus on its operation
  - (d) Clarifying the Commission's role in areas which are also the subject of statutory regulation
  - (e) Making indirectly expressed obligations of Licence Holders clear on the face of licence conditions, including conditions relating to cash access and the

circumstances in which approval must be obtained for construction and design changes

- (f) Amending existing licence conditions, better to align to the purposes of the Act This entails introducing a greater degree of regulation in certain areas, including changes to ensure that there is no increase in opportunities for casino gambling
- (g) Supplementing current requirements relating to the content of CCL's Host Responsibility Programme, and reporting requirements relating to the same, to reflect the Act's emphasis on harm minimisation and responsible gambling, and new requirements in the Act and the Gambling (Harm Prevention and Minimisation) Regulations 2004
- (h) Adjusting existing conditions relating to specifications for count rooms, cage/chip bank facilities and cashiering facilities, and surveillance to reflect current good practice
- (i) Requiring greater transparency around reporting on grants by the Independent Charitable Trust funded by the casino, consistent with reporting requirements for class 4 operators

### 3. PRELIMINARY MATTERS

- 3 1 No adverse written or oral submissions were made in relation to the following draft conditions in CCL's venue licence: 1, 2, 3, 4, 5, 6(a), 7, 8, 10, 11, 12, 13, 15, 17, 18, 19, 20, 21 and 22 These conditions are therefore included in the conditions attached to this decision unamended
- 3 2 No adverse written or oral submissions were made in relation to the following draft conditions of CCL's operator's licence: 1, 2, 3, 4, 7, 18, 20, 22, 23, 26, 27, 28(a), 28(d), 28(e), 28(f), 28(g), 28(h), 28(i), 28(j), 28(k), 28(l), 28(m), 28(p), 29, 32, 33, 34, 35, 36, 38, 39, 44, 45 and 46. These conditions are included unamended

#### **Minor amendments accepted by the Commission**

- 3 3 PGF proposed amending condition 8 of CCL's operator's licence, to remove the words "except where otherwise approved by the Authority or Commission" CCL opposed this amendment, as did the Secretary, who stated at the hearing that the CCA had amended the licence condition to permit CCL to open fewer than two table games The Secretary subsequently contacted the Commission to state that he was mistaken about this, and no such amendment had been made

3.4 The existing licence condition does not permit CCL to operate less than two tables at the Christchurch casino, and the Commission cannot contemplate a scenario when it would allow such an exemption for a casino as large as Christchurch. As such, the Commission has removed the words "except where otherwise approved by the Authority or Commission" from condition 8 of the operator's licence.

3.5 Both CCL and the Secretary proposed amending condition 41 of the operator's licence by clarifying the terms "true odds", "house odds" and "house advantage". The Secretary proposed amending the condition to refer to "the odds and house advantage on bets permitted in each authorised game". The Commission accepted this amendment, to provide clarity.

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

3.6 The Commission declined to amend condition 9 of the venue licence, which states the date of approval of the plans specifying the casino's Gambling Area. CCL proposed amending the condition to replace the words "dated 30 May 2002" with "or subsequently approved by the Commission from time to time".

3.7 Given the importance of defining the casino's Gambling Area, the Commission determined that the existing wording should remain, with any proposed change to the Gambling Area requiring an application to amend the licence condition. Further, the Commission considered it preferable to keep the date of approval plain on the face of the condition.

3.8 PGF proposed amending condition 14 of the venue licence to require the Licence Holder to take immediate steps to address loan sharking, money laundering or other undesirable activities at the casino that could pose a risk to casino patrons. The Commission did not consider these matters appropriately addressed in condition 14, which requires the Licence Holder to notify the Commission and the Secretary of any change which has a significant bearing on the holding of the venue licence, including any person ceasing to be an associated person of the Licence Holder. Undesirable activities and loan sharking are addressed later in this decision.

3.9 PGF proposed amending condition 16 of the venue licence, and conditions 37 and 40 of the operator's licence, to require the Commission to request access to the Licence Holder's internal audit information and receive reports on the operation of the casino "at least every six months". CCL opposed these amendments.

3.10 The Commission declined to make the amendment, as it is the Secretary that has the primary responsibility for obtaining and considering audit and operational information.

These conditions were included following the review of licence conditions for the Auckland casino to enable the Commission formally to require the information specified in the licence conditions, in the event that the Commission should need to

- 3 11 PGF proposed amending condition 13 of the operator's licence to add "no automatic teller machines are permitted in the Gambling Area" to the beginning of the condition, and to add "automatic teller machines may not distribute cash from credit cards" to the end of the condition. CCL and the Secretary opposed the amendments.
- 3 12 The Commission declined to accept either amendment. It considered the first amendment to be unnecessary as Regulation 5 of the Gambling (Harm Prevention and Minimisation) Regulations 2004 already provides that ATMs cannot be placed in a casino's Gambling Area. In relation to the second proposal, the Commission concluded that the imposition of limits on credit card use would be an unreasonable restraint on customers who are accustomed to purchasing goods and services with credit cards.
- 3.13 PGF also proposed amending condition 16 of the operator's licence to prevent credit card withdrawals from EFTPOS terminals outside the Gambling Area. The Commission declined to accept this amendment for the same reason.
- 3 14 PGF proposed removing the second sentence of condition 14 of the operator's licence, which provides the Commission with the ability to revoke approvals to dispense cash from EFTPOS machines, or impose conditions on the dispensing of cash from EFTPOS machines. The Commission considers its ability to revoke approvals to dispense cash, or impose conditions on the dispensing of cash, to be an important tool in regulating cash access. The removal of the second sentence of the condition would remove this tool, so the Commission declined to accept this amendment.
- 3 15 CCL made two submissions in relation to conditions 14 and 15 of the operator's licence. First, that the two conditions could be combined and reworded, and secondly, that the Commission should reserve in the licence condition the ability to approve the use of mobile EFTPOS terminals in the Gambling Area. The Secretary opposed the amendments.
- 3 16 The Commission declined the first amendment as it considers the two (separate) licence conditions to be sufficiently clear as they stand. Regarding the second proposal, the Commission noted in decision GC10/07 (relating to the Hamilton and Queenstown casinos), that it could not contemplate circumstances in which it would approve the use of cash or non-cash dispensing mobile EFTPOS terminals in the Gambling Area of a casino. The Commission considers this observation still to be valid, and applicable to the Christchurch casino. The Commission declined the second amendment.

- 3 17 CCL proposed "future-proofing" condition 16 of the operator's licence to provide for withdrawals of \$50 cash from EFTPOS terminals, "or such other amount as may from time to time be approved" The Commission determined that there is no need to amend the condition, and that it is preferable to keep the approved withdrawal figure plain on the face of the licence CCL is not precluded from applying to amend condition 16 in future, should it consider this necessary
- 3 18 CCL noted two issues with the proposed wording of condition 25 of the operator's licence First, that the requirement to publish the amount paid by the Licence Holder to the Trust may disclose confidential financial information about the casino's revenue, and secondly, that the requirement to publish the information is contingent upon the Trust making it available to the Licence Holder, which it may not do as the Trust is independent of the Licence Holder
- 3 19 As the Commission has determined that it will amend its proposed wording, to restore the wording of current licence conditions, the first concern raised by CCL is no longer an issue
- 3 20 In relation to CCL's second concern, it is noted that the obligation on CCL is to ask the Trust to provide funding information As the Trustee's website presently shows the amount CCL contributes annually to the Trust and how that money is distributed, the Commission considers it unlikely that that this information will not be forthcoming
- 3 21 The Commission declined PGF's proposed amendment to condition 28(b) of the operator's licence to further define the word "effective" in relation to the display and distribution of responsible gambling signage, brochures and publications This is a matter for consideration in the context of CCL's Host Responsibility Programme
- 3 22 Both CCL and PGF proposed amending condition 28(c) of the operator's licence, with CCL proposing that the provision of loss and expenditure data to individual loyalty programme members be provided "if requested", and PGF proposing that the data be provided in writing, at least monthly The Commission declined both amendments, on the basis that detailed requirements are a matter for the Host Responsibility Programme
- 3 23 The Commission declined as unnecessary CCL's proposed amendment to conditions 28(n) and (o) to add the words "as appropriate"
- 3 24 PGCS proposed amending condition 28(o) of the operator's licence specifically to require CCL to liaise with public health services and iwi on ways to improve the identification, referral and treatment of problem gamblers, and to develop effective policies and practices to prevent gambling-related harm The Commission considered that the scope

of liaison and consultation was more appropriately set out in the Host Responsibility Programme itself

- 3.25 The Commission declined PGF's proposed amendment to condition 31 of the operator's licence, to require the Licence Holder to report to the Commission on specific details of problem gambling prevalence, intervention and training. It is anticipated that the detail of reporting requirements will be included in the Host Responsibility Programme.
- 3.26 PGF proposed deleting the words "if required by the Commission" from condition 42 of the operator's licence. The Commission declined this amendment. The Secretary has, in the context of reviewing licence conditions for other casinos, requested that this condition remain until such time as Minimum Operating Standards addressing staff training in the matters specified are promulgated. It is the Commission's understanding that these Minimum Operating Standards have not yet been promulgated, so the condition will remain in place, without amendment.
- 3.27 PGF has proposed inserting an additional training requirement to address issues associated with suicide in condition 43 of the operator's licence. The Commission declined this amendment as condition 43 relates to the training of matters listed in condition 42 (chip counting, operating gambling equipment, etc) rather than training in issues associated with suicide. It is anticipated that training in suicide awareness will be included in requirements specified in the Host Responsibility Programme.

#### 4. KEY ISSUES

- 4.1 The following issues, and the associated conditions, were the main focus of the written and oral submissions:
- (a) Gambling opportunities at the Christchurch casino;
  - (b) The Executive Director having delegated authority to approve the construction or relocation of bank facilities, exterior signage, floor layouts and new surveillance technology;
  - (c) That particular approvals not be granted unless the Licence Holder can prove that they will result in less gambling harm;
  - (d) The Licence Holder's contribution to the casino's independent charitable trust;
  - (e) The Host Responsibility Programme; and
  - (f) Loan sharking and other undesirable activities

### **Gambling opportunities at the Christchurch casino**

- 4 2 CCL submitted that it is entitled to operate 506 gaming machines and 35 gaming tables at the Christchurch casino, rather than 500 gaming machines and 34 gaming tables, as is presently stipulated in proposed conditions 5 and 6 of the operator's licence. In support of this submission, CCL stated that CCA annual reports, the Commission's annual report for the year ended June 2006 and a letter from CCL to the CCA dated 21 March 2001 all evidence that CCL has approval to operate at the higher levels it submitted.
- 4 3 CCL also submitted that the Racing Game and Keno, which have both been played at the Christchurch casino until they were recently withdrawn, need to be recognised as part of CCL's maximum permitted level of gambling opportunities.
- 4 4 While CCL has raised these issues, it stated that it is prepared to move forward with this review of licence conditions on the basis of it operating 500 gaming machines and 34 gaming tables, without prejudice to its position that its maximum level of gambling opportunities is greater than that presently represented by the proposed conditions. The Commission noted CCL's comments, but takes no position on their validity or otherwise. The Commission is required, when considering any application before it, to satisfy itself that a proposal will not give rise to an increase in opportunities for casino gambling. The Commission has not received from CCL any application requiring it to consider the submissions made by CCL. Proposed conditions 5 and 6 of the operator's licence remain unchanged.

### **Executive Director's authority to approve**

- 4 5 CCL submitted that the Executive Director could have authority to approve bank facilities, exterior signage, new floor layouts and new surveillance technology, in much the same manner as it is proposed by the Commission that he or she may approve design changes under conditions 6(a) and 7 of the venue licence. CCL submitted that there would be cost and time benefits in allowing the Executive Director to do so.
- 4 6 The Commission considered the scope of the Executive Director's approval powers when reviewing licence conditions for SKYCITY Auckland, Hamilton and Queenstown casinos. In those decisions, the Commission resolved that it was appropriate to delegate authority for approval of design changes, but that it should maintain oversight of changes of other matters. Consistent with this approach, the Commission considers that the Executive Director's delegated approval powers should be limited to construction and design changes to levels 3 and 4.

**No changes at the casino unless they will result in less gambling harm**

- 4.7 PGF submitted that a number of approvals should not be granted by the Commission unless the Licence Holder is able to establish that the change would result in less gambling harm. In particular, PGF submitted that this should apply to:
- (a) any change in game mix (condition 9, operator's licence);
  - (b) the introduction of electronic versions of games, electronic aids or enhancements or change in game rules (condition 10, operator's licence);
  - (c) any change in floor layout (condition 12, operator's licence);
  - (d) any installation or removal of non-cash dispensing EFTPOS terminals (condition 17, operator's licence);
  - (e) any amendments to the Surveillance Standard (condition 19, operator's licence); and
  - (f) any change to the Host Responsibility Programme (condition 28, operator's licence)
- 4.8 PGF submitted that the rationale for this submission is that the Commission should adopt a precautionary approach and not approve any changes unless CCL can establish that those changes will result in less gambling harm.
- 4.9 CCL opposed PGF's proposal, submitting that it would be inherently difficult to provide the proof required, and that such an amendment would be unduly restrictive on CCL. The Secretary stated that he had "some sympathy" with PGF's suggestion, but also opposed the proposal.
- 4.10 The Commission declined to incorporate PGF's proposal. It is noted that the purpose of the Act (stated at section 3) includes, inter alia, preventing and minimising harm. As the Secretary observed at the hearing, Commission protocol already requires Licence Holders to provide an assessment on whether any application will contribute to preventing and minimising harm. Furthermore, under proposed condition 30 of the operator's licence, CCL cannot reduce or remove any host responsibility or responsible gambling initiative from its Host Responsibility Programme without the prior approval of the Commission.
- 4.11 In other circumstances, the Commission's role in seeking to ensure the purpose of the Act is achieved is shared with the Department. For example, it is the Department which approves new games, game rules and regulates the use of electronic aids and

enhancements. It is understood that harm considerations are central to DIA approval processes. The Commission controls (through the game mix) the extent to which games and electronic aids and enhancements are deployed. In doing so, a central concern for the Commission is whether a proposal will increase opportunities for casino gambling, prohibited by section 11 of the Act, as a result of increased wagering opportunities.

- 4 12 Finally, it is anticipated that harm minimisation would be an important consideration for the Commission when considering any amendment to the Surveillance Standard (no applications to amend have been made to date). Other considerations would include ensuring the integrity and fairness of games and limiting opportunities for crime and dishonesty.

#### **Contribution to the independent charitable trust**

- 4 13 CCL's existing venue licence provides that the Licence Holder shall establish and support Christchurch casino's charitable trust to undertake the objectives and purposes set out in the trust deed. The licence conditions are silent on what constitutes "support" of the trust but in its written submissions, CCL stated that it has contributed \$2,513,000 to the Trust from October 2004 to October 2006. The Trustee's website shows that CCL paid \$145,000 to the Trust in 2004, \$140,000 in 2005 and \$140,000 in 2006.
- 4 14 The licence condition proposed by the Commission provided for CCL to pay to its Trust, not less than 1.5% of the revenue from the operation of the Casino (GST exclusive) before tax, or 2.5% of the net profit after tax from the operation of the Casino, whichever is the greater in respect of each full year of casino operations.
- 4 15 CCL opposed amending this licence condition from its present, unspecified, form.
- 4 16 Subsequent to its proposal on 4 July 2007, the Commission considered whether to include a similar condition in licence conditions for the Hamilton and Queenstown casinos. In its final decision for the review of licence conditions for those casinos, GC21/07, the Commission determined that a change to the contribution formula for all six casinos should not be implemented until the issue has been considered more broadly, with each Licence Holder being consulted and permitted to make representations before any changes are made.
- 4 17 The effect of decision GC21/07 is that the charitable trust licence conditions will not change for the Christchurch casino as a result of this review. However, the Commission has, on its own initiative, moved proposed conditions 24 and 25 from the operator's licence to the venue licence, having determined that they are more appropriately located

there

### **Host Responsibility Programme**

- 4 18 CCL submitted that while it is firmly committed to the intent and requirement for an approved Host Responsibility Programme, it is preferable that licence conditions not include full details of the Programme, these details being more appropriately included in a policy document which can then be more readily amended by the Commission, if necessary. The Secretary opposed this change and submitted that the proposed condition, with a checklist of minimum host responsibility obligations, is the proper manner for CCL's to address its host responsibility obligations.
- 4 19 The Commission considered, in some detail, in the context of the review of Auckland licence conditions, whether casino licence conditions should contain a detailed list of host responsibility requirements, given that a number of elements of the Programme are already addressed in the Act and in regulations promulgated under the Act. Ultimately, the Commission determined that the licence condition should be comprehensive and include a list of host responsibility requirements that should be included, regardless of whether those matters are already addressed elsewhere.
- 4 20 As noted above, the condition provides a checklist of the matters which the Commission would expect to see CCL address in its Host Responsibility Programme (at a minimum), with details to be developed in the Programme itself. The Commission maintains that it is preferable to make the Licence Holder's obligations plain on the face of the licence conditions and declines the amendment sought by CCL.

### **Loan sharking at Christchurch casino**

- 4 21 All parties made submissions on "loan sharking", and other undesirable activities that are, on occasion, linked with casinos, with PGF and PGCS in particular concerned to ensure that steps are taken to protect patrons. CCL submitted that it would be inappropriate for licence conditions to address specific matters such as "loan sharking", as to do so would be too prescriptive. CCL also submitted that it has no ability to control activities that take place outside the casino venue, and expressed concern about regulatory documents using terms such as "loan sharks" or "loan sharking", given their colloquial and vague nature.
- 4 22 The Secretary recently conducted an investigation into allegations of improprieties at the Christchurch casino, (including alleged loan sharking activities) and found there to be no substance to the allegations. The Secretary commented more generally that there are a number of regulatory tools already in place which are aimed at addressing loan sharking and criminal activities at NZ's casinos, and noted that his Department is taking active steps to address such matters.

- 4 23 Under section 3, the purpose of the Act is, inter alia, to “facilitate responsible gambling”  
The Act’s definition of responsible gambling provides for gambling in a “safe and secure environment” The Commission takes the view (shared by the Department) that ensuring a casino venue is free from illegal or oppressive loan activity, money laundering and other undesirable activities that pose a risk to customers is an important part of providing a safe gambling environment
- 4 24 The Commission considers that one vehicle for addressing these matters is through CCL’s Host Responsibility Programme and as such, the Commission has amended condition 28 of the operator’s licence to require CCL to address in its Host Responsibility Programme “the provision of a safe gambling environment at the casino” Such a requirement will necessitate CCL addressing in its Programme steps to be taken to minimise the risk of illegal or oppressive loan activity This has already been done in the SKYCITY Auckland Host Responsibility Programme, recently approved by the Commission Here, the net was cast broadly to require that the operators of SKYCITY Auckland casino not permit loan transactions by third parties for financial gain at the venue (except where approved)
- 4 25 SKYCITY is required to take “all reasonable steps” to identify persons at the casino offering loans for financial gain, to investigate suspicious behaviour or information from third parties, and to exclude by trespass notice persons who are involved in making such loans A person who receives such loans must be treated as being at risk of harm, and is to be provided with appropriate advice and assistance including information on exclusion

## 5. CONCLUSION

- 5 1 The Commission thanks all parties for their participation in the review process to date  
Parties have until **14 January 2008** to make any further submissions on the amendments now proposed by the Commission

**GAMBLING  
COMMISSION**

**Peter Chin**  
Chief Gambling Commissioner

for and on behalf of the  
Gambling Commission

3 December 2007

## SCHEDULE - CONDITIONS ATTACHED TO CASINO VENUE LICENCE

### 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 Venue** means the property situated at 30-38 Victoria Street, Christchurch, as more fully described in the Licence

**Commission** means the Gambling Commission

**Controlled by** means possession, directly or indirectly, or power to direct or cause the direction of management of policies, whether through ownership, or voting securities, by contract or otherwise

**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 Christchurch 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 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 31 October 1994 between Perpetual Trust Limited (under its former name of PGG Trust Limited) and Christchurch Casinos 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 Levels 3 and 4 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 Levels 3 and 4 the Casino Venue requiring building consent from a territorial authority
- 6 The Licence Holder must obtain the approval of the Commission prior to:
- (a) construction or design changes to Levels 3 and 4 of the Casino Venue, including the Gambling Area but excluding the foyer, restaurant and bar areas on Level 3 outside the Gambling Area (unless construction or design changes to any of these excluded areas may impact on matters set out in condition 7 in which case prior approval must be sought);
  - (b) the construction or relocation outside the Gambling Area and within the Casino Venue of bank facilities available to the public excluding ATMs, EFTPOS and like devices;
  - (c) the addition or alteration of signage relating to the casino business on the exterior of the Casino Venue

The process by which the Licence Holder may obtain approval for construction or design changes to Levels 3 and 4 of the Casino Venue, (paragraph (a) above) is set out in condition 7 The Commission will determine any application for approval under 6(b) and (c)

- 7 The Licence Holder must notify the Executive Director of any proposed changes to the construction or design of Levels 3 and 4 of the Casino Venue, including the Gambling Area but excluding the foyer, restaurant and bar areas outside the Gambling Area Notification must be accompanied by relevant drawings and an assessment of any impacts the alterations may have on:
- (a) the integrity and fairness of games;
  - (b) the effectiveness of security and surveillance;
  - (c) harm prevention, harm minimisation and responsible gambling;

- (d) potential access to the Gambling Area by persons under 20 years of age; and
- (e) compliance by any person with the Act, including section 11 of the Act.

The Executive Director may approve the proposed changes to the construction or design if he or she is satisfied that there are no adverse impacts in relation to the matters specified in (a)-(e) above. If the Executive Director is not satisfied, he or she will refer the proposal to the Commission for determination.

8 The Licence Holder shall ensure that:

- (a) gambling activity is not visible from the street or other public areas outside the Casino Venue; 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 plans approved by the Authority dated 30 May 2002.

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

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

- (a) effective electronic surveillance in accordance with the Surveillance Standard;
- (b) an alarm device connected to the entrance of the count room which signals to the security/surveillance department whenever the door is opened;
- (c) a telephone link;
- (d) a count table constructed of transparent material with clear visibility through to the floor;
- (e) an area within, or with access from, the count room to house an enclosed cabinet or trolley(s) with a separately keyed double locking system for the storage of drop boxes, and

- (f) a coin storage area with a double lock system with access from the count room while still inside the secure 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 alarms connected directly to monitor rooms of the surveillance department; and
  - (e) an interconnect door entry and exit system (man trap) which will not permit a person to pass through the second door until the first door is securely locked
- 12 The approval of the Commission is required for the construction of any additional cashiering facilities in other parts of the Gambling Area to service dedicated areas or rooms. Any such additional facilities must comply with the surveillance equipment requirements set out in the Surveillance Standard and be fitted with manually triggered 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 support the Christchurch Casinos Charitable Trust established by Deed of Trust dated 31 October 1994 to undertake the objectives and purposes set out in the said Trust Deed, to the Trust, in respect of each full year of casino operations, not less than 1.5% of the revenue from the operation of the Casino (GST exclusive) before tax, or 2.5% of the net profit after tax from the operation of the Casino, whichever is the

~~greater. The Licence Holder is required to provide annually to the Commission an audited statement certifying the amount constituting 1.5% of the revenue from the operation of the Casino before tax and 2.5% of the net profit after tax from the operation of the Casino, and confirming that payment by the Licence Holder to the Trust of the greater amount has been made in accordance with this condition.~~

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.~~

#### **Notification requirements**

~~14.16.~~ The Licence Holder shall notify the Commission and the Secretary in writing as soon as possible of any change in the state of affairs of the Licence Holder which has a significant bearing on the holding of the Casino Venue licence, including any person ceasing to be an associated person of the Licence Holder.

~~15.17.~~ The Licence Holder, immediately on becoming aware of such an occurrence, shall notify the Commission and Secretary in writing if the Licence Holder or an associated person of the Licence Holder is involved in any:

- (a) conviction for an offence involving dishonesty;
- (b) censure or disciplinary action by a professional body for ethical misconduct;
- (c) censure in any way in relation to a casino in another jurisdiction;
- (d) current investigation (other than routine or periodical inspections) by any governmental or statutory body; and
- (e) bankruptcy, receivership or liquidation

#### **Audit**

~~16.18.~~ The Commission may at any time request access to the Licence Holder's internal audit information or institute an audit of the Licence Holder's Casino business

~~17.19.~~ The Licence Holder shall submit for the approval of the Commission the name of the person or body of persons appointed from time to time by the Licence Holder as Auditor to audit the Casino business. The approval of the Commission shall be revocable in the

discretion of the Commission and shall be subject to such conditions as the Commission from time to time imposes

#### **Bank accounts**

18.20. The Licence Holder shall not open any bank account to facilitate, or in connection with, the operation of the Casino without the approval of the Commission

#### **Provision of information**

19.21. The Licence Holder shall, within such period as the Commission may require, provide to the Commission, or to any person authorised by the Commission to receive the same, such reports or other information as may be specified by the Commission relating to:

- (a) the operations of the Licence Holder or any entity controlled by 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

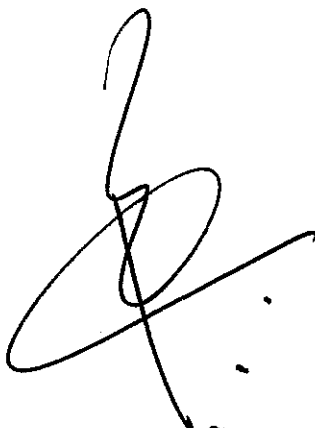
20.22. The Licence Holder shall allow the Commission or staff of the Commission Secretariat, or any other person authorised by the Commission, to enter and remain in any part of the Casino Venue at any time for the purpose of his or her official duties under the Act

#### **Address for service**

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

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

**30 November 2007**

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**CONDITIONS ATTACHED TO CASINO OPERATOR'S LICENCE: OPERATION OF CASINO  
AT 30-38 VICTORIA STREET, CHRISTCHURCH**

**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 Venue** means the property situated at 30-38 Victoria Street, Christchurch, as more fully described in the venue licence reissued to Christchurch Casinos Limited on 22 September 2000

**Commission** means the Gambling Commission

**Controlled by** means possession, directly or indirectly, or power to direct or cause the direction of management of policies, whether through ownership, or voting securities, by contract or otherwise

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

**Host Responsibility Programme** means the Christchurch Casinos Limited Programme for Responsible Gaming approved by the Authority in February 2002, 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 Christchurch 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 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 31 October 1994 between Perpetual Trust Limited (under its former name of PGG Trust Limited) and Christchurch Casinos Limited, as may be varied with the approval of the Commission.~~

- 5 The number of gaming machines in the Casino shall not exceed 500 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 34
- 7 The ratio of gaming machines to gaming tables in the Gambling Area shall not exceed 15 to 1, except with the approval of the Commission
- 8 At least two table games shall be open for play when the Casino is operating ~~except where otherwise approved by the Authority or Commission~~
- 9 The Licence Holder may operate on casino gaming tables the game types and game mixes specified in Annex A attached to this Licence. The Licence Holder shall obtain the prior approval of the Commission for any change to the game types and/or game mixes specified
- 10 The approval of the Commission is required prior to the introduction into the Gambling Area of any electronic version of the game types specified in condition 9 above or electronic aids or enhancements or changes to table game rules which create new wagering opportunities
- 11 The Licence Holder shall operate in accordance with approved floor layouts showing the position of gaming tables and gaming machines
- 12 The Licence Holder shall obtain the approval of the Commission for new floor plans prior to relocating or installing tables or machines in positions not specified in approved floor layouts. When applying the Licence Holder must submit fresh plans showing the floor layout for the Gambling Area and details of the proposed CCTV layout for the consideration of the Commission Any change must comply with the Surveillance Standard

**EFTPOS and like devices**

- 13 A maximum of 2 automatic teller machines is permitted in the Casino Venue outside the Gambling Area
- 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 and may 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 alarms connected directly to monitor rooms of the surveillance department; 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 alarm systems connected to the surveillance department.

**Independent Charitable Trust**

~~24. The Licence Holder shall pay to the Trust, in respect of each full year of casino operations, not less than 1.5% of the revenue from the operation of the Casino (GST exclusive) before tax, or 2.5% of the net profit after tax from the operation of the Casino, whichever is the greater. The Licence Holder is required to provide annually to the Commission an audited statement certifying the amount constituting 1.5% of the revenue from the operation of the Casino before tax and 2.5% of the net profit after tax from the operation of the Casino, and confirming that payment by the Licence Holder to the Trust of the greater amount has been made in accordance with this condition.~~

~~25. The Licence Holder is required to ask the Trust on an annual basis to provide a list of persons granted funding for the previous year and in what amount, and a list of unsuccessful applicants for funding. The Licence Holder is required to publish annually the amount paid to the Trust, and the information provided to it by the Trust relating to the allocation of funds, as specified in this condition.~~

#### **Host Responsibility Programme**

~~26-24.~~ 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

~~27-25.~~ The Licence Holder shall ensure that the Host Responsibility Programme is publicly available on its website

~~28-26.~~ 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;
- (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) the provision of a safe gambling environment at the casino; and
- ~~(p)~~(q) such other matters as the Commission may require

29.27. 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

30.28. 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

34.29. The Licence Holder will report to the Commission annually, commencing on 1 April 2008, on the implementation of the Programme and any amendments made to it pursuant to condition 29. 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 April 2008 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.

32.30. 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.

33.31. 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**

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

#### **Notification requirements**

35.33. 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.

36.34. 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.

### **Audit**

37.35. 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

38.36. 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**

39.37. 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**

40.38. 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 controlled by 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

41.39. 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**

42.40. 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 the following 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)

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

#### **Entry**

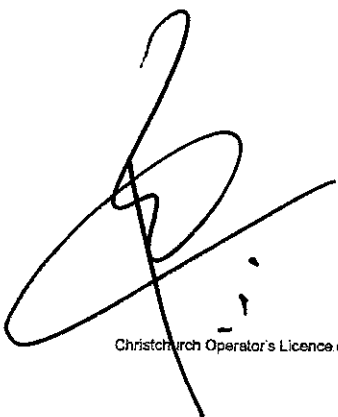
44.42. The Licence Holder shall allow the Commission or staff of the Commission Secretariat, or any other person authorised by the Commission, to enter and remain in any part of the Casino Venue at any time for the purpose of his or her official duties under the Act

#### **Address for service**

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

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

**30 November 2007**

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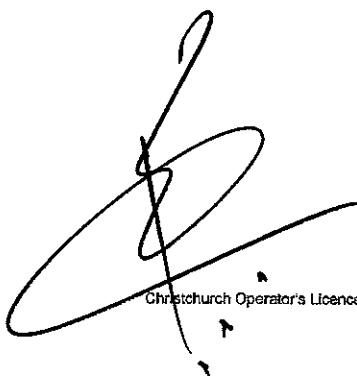
## ANNEX A

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     Roulette – 9 games  
        Black Jack – 14 games  
        Caribbean Stud Poker – 3 games  
        Midi Baccarat – 3 games  
        Mini Baccarat – 1 game  
        Money Wheel – 1 game  
        Poker – 2 games  
        Tai Sai – 1 game
- B     Roulette – 7 games  
        Black Jack – 12 games  
        Caribbean Stud Poker – 2 games  
        Midi Baccarat – 3 games  
        Mini Baccarat – 1 game  
        Money Wheel – 1 game  
        Poker – 7 games  
        Tai Sai – 1 game
- C     (Flip-top)  
        Roulette – 9 games  
        Black Jack – 12 games  
        Caribbean Stud Poker – 3 games  
        Midi Baccarat – 3 games  
        Mini Baccarat – 2 games  
        Money Wheel – 1 game  
        Poker – 3 games  
        Tai Sai – 1 game
- D     Roulette – 9 games  
        Black Jack – 10 games  
        Caribbean Stud Poker – 3 games  
        Midi Baccarat – 5 games  
        Mini Baccarat – 1 game  
        Money Wheel – 1 game  
        Poker – 4 games  
        Tai Sai – 1 game

**Notes**

The Licence Holder is permitted to change between the above table game mixes, subject to providing the Inspectorate with weekly advice of the table game mix to be used for the forthcoming week, and five working days notice of any change from one approved game mix to another, except when alternating between table game mix A and table game mix C, in which case the Licence Holder must telephone the local Inspectorate prior to flipping



Christchurch Operator's Licence doc