

IN THE MATTER of the Gambling Act 2003

AND on applications by **SKYCITY AUCKLAND LIMITED** and **SKYCITY CASINO MANAGEMENT LIMITED** for a series of approvals relating to the redesignation of the Gambling Area at the Auckland casino

BEFORE THE GAMBLING COMMISSION

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

Date of Application: 30 September 2009

Date of Decision: 13 November 2009

Date of Notification
of Decision: 25 November 2009

DECISIONS ON APPLICATIONS BY SKYCITY AUCKLAND LIMITED AND SKYCITY CASINO MANAGEMENT LIMITED FOR A SERIES OF APPROVALS RELATING TO THE REDESIGNATION OF THE GAMBLING AREA AT THE AUCKLAND CASINO

Introduction

1. SKYCITY Auckland Limited ("**SCAL**") and SKYCITY Casino Management Limited ("**SCML**") (together referred to as the "**Applicants**") applied, under section 139(1)(d) of the Gambling Act 2003 (the "**Act**"):
 - (a) to amend condition 9 of SCAL's venue licence to redesignate the Gambling Area of the Auckland casino (to result in an area on the ground floor of the casino being designated as Gambling Area);
 - (b) to amend condition 12 of SCAL's venue licence and 21 of SCML's operator's licence, to remove the requirement to maintain a principal cashiering facility at the proposed ground floor Gambling Area.
2. The Applicants noted that, although they are not presently required to obtain Commission approval of construction and design changes to the ground floor of the casino under conditions 5, 6 and 7 of SCAL's venue licence, they made submissions as if those licence conditions did apply. They also suggested that, should their application to redesignate

the Gambling Area be successful, the Commission may wish to amend conditions 5, 6 and 7 to ensure that any future alterations to the ground floor are subject to the same assessment as the other Gambling Areas.

3. Submissions were sought on the Applicants' proposal from the Secretary for Internal Affairs (the "**Secretary**"), Ministry of Health, Problem Gambling Foundation ("**PGF**"), Salvation Army and Gambling Helpline. Submissions were received from the Secretary and PGF.
4. The relevant section of the Act is as follows:

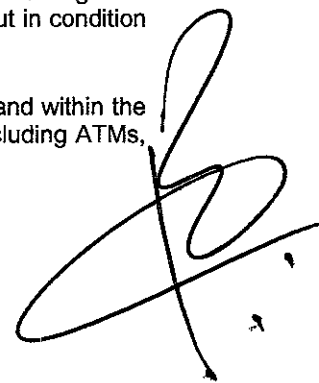
139. Conditions of casino licence

- (1) The Gambling Commission may specify the conditions of the casino licence or vary or revoke the conditions of a casino licence in the following circumstances:
 - (a) on granting a casino operator's licence;
 - (b) on renewing a casino venue licence;
 - (c) on approving a casino venue agreement or an amendment to it;
 - (d) on application by the holder of the casino licence;
 - (e) on its own initiative or on the request of the Secretary.
- (2) A condition of a casino licence specified under subsection (1) –
 - (a) must be consistent with this Act; and
 - (b) must contribute to achieving the purposes of this Act; and
 - (c) must contribute to the efficient and effective administration of this Act; and
 - (d) must not permit an increase in the opportunities for casino gambling; and
 - (e) may relate to any matter, including the matters specified in Schedule 1, within the confines of paragraphs (a) to (d).

5. The relevant licence conditions are as follows:

SCAL's venue licence

5. The Licence Holder shall lodge and maintain with the Commission and the Secretary updated as built architectural floor plans of Levels 2 and 3 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 the Levels 2 or 3 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 Levels 2 and 3, including the Gambling Area but excluding the SKYCITY Theatre and foyer area, restaurant and bar areas outside the Gambling Area, and the back of house areas used by staff (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 2 and 3, including the Gambling Area (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 2 and 3, including the Gambling Area but excluding SKYCITY Theatre and foyer area, restaurant and bar areas outside the Gambling Area, and the back of house areas used by staff. 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.

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.
- 9. The Gambling Area within the casino venue shall comprise the area specified in plans 'A1' and 'B' dated 1 December 2006.
- 12 (i) The Licence Holder shall maintain at least one principal cashiering facility on each level of the gaming floor which is clearly visible to patrons. Each such cashiering facility shall as a minimum requirement include the following:
 - (a) accommodation for general cashiers;
 - (b) storage facilities for cashiering inventory;
 - (c) manually triggered and automatic silent alarm systems connected directly to monitor rooms of the security and surveillance departments.
- (ii) The Licence Holder may provide accommodation for chip bank cashiers in the principal cashiering facility which shall be physically separate from general cashiers unless the Commission approves otherwise.

- (iii) Chips and plaques held in reserve and not used for active gaming shall be housed in a locked compartment within the chip bank.

SCML's operator's licence

- 21.(i) The Licence Holder shall maintain at least one principal cashiering facility on each level of the gaming floor which is clearly visible to patrons. Each such cashiering facility shall as a minimum requirement include the following:
 - (a) accommodation for general cashiers;
 - (b) storage facilities for cashiering inventory;
 - (c) manually triggered and automatic silent alarm systems connected directly to monitor rooms of the surveillance department.
- (ii) The Licence Holder may provide accommodation for chip bank cashiers in the principal cashiering facility which shall be physically separate from general cashiers unless the Commission approves otherwise.
- (iii) Chips and plaques held in reserve and not used for active gaming shall be housed in a locked compartment within the chip bank.

- 6. The relevant sections of the Host Responsibility Programme for the Auckland casino are as follows:

2.5.1 Environmental Design

Approach

SKYCITY acknowledges that environmental features influence behaviour and can impact on health and social outcomes, including gambling harm.

SKYCITY's general approach towards environmental design is proactively to ensure the provision of safe environments that are conducive to responsible gambling and consumption of alcohol. In particular, SKYCITY focuses on maintaining environmental safety, and identifying and addressing any harm-related issues that may be associated with proposed environmental changes. In considering the impact of any proposed changes, the key objectives are to ensure that environmental features:

- Contribute to harm prevention, or have a neutral impact on harm;
- Encourage responsible gambling and alcohol consumption choices;
- Do not contribute to the onset of harm or exacerbate risk; and
- Facilitate effective Host Responsibility, particularly early identification and intervention.

This approach applies to the following SKYCITY areas:

- Floor lay-out, furnishing and design.
- Casino electronic gaming machine (CGM) and table game location
- Access to cash.
- Game and equipment features.
- Environments adjacent to the gaming floor, including access to other entertainment options.
- Physical location and presence of Security and Host Responsibility.
- Location of information resources.
- Access criteria, including dress codes and age restrictions.

In particular, SKYCITY shall in its environmental design seek to ensure:

- Problem/responsible gambling signage, exit points, and public telephone facilities clearly are visible;
- Patrons are visible to venue staff on the gaming floor;
- Machine alleys with no exit point and in dimly lit corners are avoided;

- Gambling Areas are well lit, utilizing natural light where possible;
- Clocks are visible in the gambling areas; and
- Other non-gambling entertainment options are available.

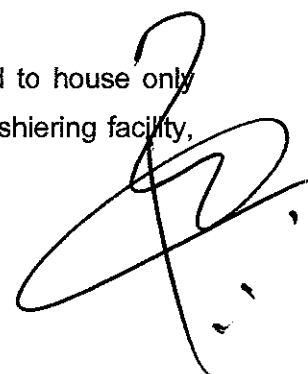
Submissions by the Applicants

7. The Applicants stated:

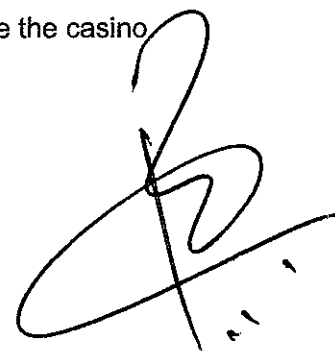
- (a) They have decided to relocate the iSite visitor information centre, which is on the ground floor of the casino, to the Sky Tower entry to consolidate all of its tourism based outlets in a central location.
- (b) They propose to use the iSite area to house approximately 45 gaming machines and, as such, want to designate this part of the ground floor as Gambling Area.
- (c) Condition 9 of SCAL's venue licence could be amended to recognise a plan "C" which depicts the ground floor gambling area.
- (d) They want to amend condition 12 of SCAL's venue licence and 21 of SCML's operator's licence so that they are not required to offer a cashiering facility at the new Gambling Area.
- (e) Although Commission approval of the construction and design changes is not presently required to house gaming machines in the proposed ground floor area, they make submissions as if it was.

8. The Applicants submitted that:

- (a) The current Gambling Area is relatively congested, and this constrains their ability to develop the premises to a high international standard. The relocation of the iSite area will provide an opportunity to expand the Gambling Area and to establish a presence of its core products on the ground floor of the casino.
- (b) They want to amend condition 9 to allow this. Pursuant to section 139(2) of the Act, any licence condition must: be consistent with the Act; contribute to achieving the purposes of the Act; contribute to the efficient and effective administration of the Act; not permit an increase in opportunities for casino gambling; and may relate to any matter including matters specified in Schedule 1. Their proposal meets these requirements.
- (c) The proposed new Gambling Area is very small and is intended to house only gaming machines. It does not warrant the establishment of a cashiering facility, and staff would provide a limited cash service.



- (d) Under condition 6 of SCAL's venue licence, SCAL must obtain the approval of the Commission prior to construction or design changes to levels 2 and 3, and the process by which this is done is set out in condition 7. The conditions do not require them to seek Commission approval prior to construction or design changes to the ground floor of the casino venue – presumably the conditions would have included such a requirement if the ground floor was designated as Gambling Area at the time the conditions were made. It would seem likely that, in order for the Commission to determine whether the ground floor of the casino venue is suitable for designation as Gambling Area, the Commission would want to assess whether the use of the proposed location would have an adverse impact on the matters set out in condition 7. In order to assist the Commission in this regard, they have assessed the impact that the new design may have as though condition 7 applied to the ground floor of the casino venue, as follows:
- (i) Integrity and fairness of games – there is nothing unique about the new area which would cause it to have an adverse impact on the integrity and fairness of games;
 - (ii) Effectiveness of security and surveillance – the new area would be fitted out in accordance with the Surveillance Standard;
 - (iii) Harm prevention, harm minimisation and responsible gambling – the proposal would not have an adverse impact on these matters. Patrons playing on machines will be monitored by a gaming machine staff member as well as by CCTV;
 - (iv) Potential access to the Gambling Area by persons under 20 years of age – ropes and stanchions would be used to narrow the point of entry to the double doors, which would be staffed with a security officer to ensure no underage access.
- (e) The Commission may wish to amend conditions 5, 6 and 7 of the venue licence to ensure that any alterations to the ground floor are, in future, subject to an assessment of any construction and design changes.
- (f) They will comply with condition 8 of the venue licence to ensure that gambling activity is not visible from the street or other public areas outside the casino.
- (g) They will submit new floor plans for approval in due course.

A large, stylized handwritten signature in black ink, located in the bottom right corner of the page. The signature is cursive and appears to be a personal name, possibly 'J. Smith' or similar, though the letters are not clearly legible.

The Secretary's submissions

9. The Secretary submitted that:

- (a) The implementation of the Applicants' proposal will likely lead to a more harmful environment, compared to both the class 4 and the regular casino gaming machine environments. This would be contrary to the requirements of section 139(2)(a) of the Act and section 2.5.1 (environmental design) of the Host Responsibility Programme for the Auckland casino.
- (b) The effect of the proposal may be to create a perception of a pokie parlour within the casino complex. Environmental features that may help to support this perception include the absence of table games, easier access from the street, and separation of this part of the Gambling Area from other facilities.
- (c) The Commission previously considered similar issues when Dunedin casino applied to amend a licence condition to extend the period in which it is permitted to offer no gaming tables for play. While the Commission dismissed submissions which argued that the amendment would "blur the distinction between casinos and class 4 venues", it described the following as important factors that distinguish class 4 and casino gambling areas:

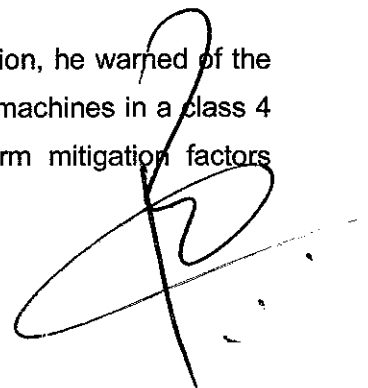
First, a casino's primary purpose is to provide gambling facilities to the public. Gambling cannot be a class 4 venue's primary activity – it must always be subsidiary to another activity.

Secondly, casinos may offer table games for play, which class 4 venues cannot.

Thirdly, gambling at class 4 venues is limited to up to 18 gaming machines in a gaming room that is often separated from the main activities of the venue. This is quite distinct from a casino where there are often large numbers of machines and tables, positioned centrally.

Fourthly, the purpose of class 4 gambling is to raise funds for authorised charitable purposes. Casinos are not subject to this obligation.

- (d) In contrast to the application by Dunedin casino, the Applicants' proposal does not involve the second and third distinguishing features. While table games are offered on the floors upstairs, the Applicants will not offer table games within the new area. Further, while the Rebo Bar and Café is adjacent, the new room is physically separated from all non-gambling options.
- (e) In his submission on the abovementioned Dunedin application, he warned of the possible dangers associated with operating casino gaming machines in a class 4 type environment. That submission described some harm mitigation factors



specific to class 4 venues, but that are not required for casino gaming machine operations:

In contrast to the class 4 requirements, casinos are able to offer a far larger number of machines for play, with no restrictions on maximum wagers, no limits on jackpots and no requirement to return the net proceeds to the community. The generally lower level of harm associated with casino gaming machines is probably in large part due to their relatively limited availability when compared to non-casino gaming machines – it does not mean machines are less harmful per se.

- (f) He queries who will be attracted to the proposed new area, and assumes it will be current casino gaming machine players and some class 4 players who would not otherwise visit the “full” casino upstairs. However, both sets of players would be exposed to comparatively more harm as a result of gambling in the proposed new area.
- (g) The proposed facility is within close proximity of the casino’s bank. Access to cash, or the proximity of cash facilities in respect to gambling activities, has implications for problem gambling behaviour, and this was the principal rationale behind regulation 5 of the Gambling (Harm Prevention and Minimisation) Regulations 2004. However, he also recognises that the Commission has previously decided not to regulate the location of ATMs outside of the Gambling Area.
- (h) Characteristics specific to the bank that could potentially affect the potential relationship between cash access and problem gambling are:
 - (i) Some customers would have the ability to withdraw larger amounts of money from the bank, compared to the casino’s ATM/EFTPOS facilities;
 - (ii) Compared to casino cashiering facilities, bank tellers are not concerned with problem gambling, nor are they required to receive problem gambling awareness training.
- (i) If the Commission were to approve the Applicants’ proposal, he would agree to the amendment of licence conditions 12 of the venue licence and 21 of the operator’s licence

PGF’s submissions

10. PGF submitted that:

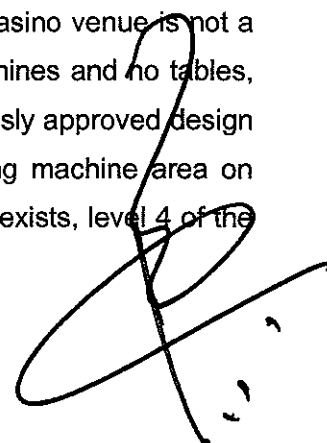
- (a) The proposal would provide additional opportunities for gambling and would therefore breach section 11 of the Act.

- (b) The proposal may be in breach of the visibility restriction of licence condition 8 of SCAL's venue licence.
- (c) The application is contrary to condition 12 of the venue licence.
- (d) The proposal would contravene section 139(2)(d) of the Act, in that it would increase opportunities for casino gambling, and be contrary to purpose (b) of the Act.
- (e) They assist their clients to map their movements and lives to avoid being exposed to gambling venues, but problem gamblers could have their best intentions subverted by a new gambling area on the ground floor of the casino – it would be an unanticipated hazard.

Submissions in reply

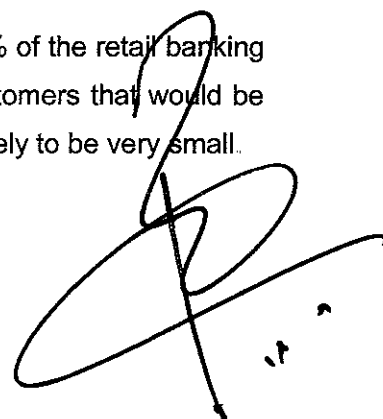
11. In reply to the Secretary's submissions, the Applicants submitted that:

- (a) They disagree with the Secretary's conclusion that the proposal could lead to a more harmful environment. Their proposal was assessed by their host responsibility executives before the application was submitted to the Commission. These executives were satisfied that the proposal would have a neutral impact on harm, and commented that the number of staff assigned to the new area would be greater per gaming machine than in many other parts of the casino. This would likely facilitate effective host responsibility, particularly with early identification and intervention.
- (b) The proposal is consistent with the purpose of the Act and the provisions of its HRP.
- (c) Following receipt of the Secretary's submissions, they invited their host responsibility executives to give further consideration to the proposal, having regard to the issues raised by the Secretary. They remain strongly of the view that a gambling area on the ground floor of the casino would not have any adverse impact or lead to a more harmful environment.
- (d) The creation of a dedicated gaming machine area within a casino venue is not a new concept – its Platinum VIP Room features gaming machines and no tables, as does its Platinum Room. Further, the Commission previously approved design changes at the Christchurch casino which created a gaming machine area on level 4 of the casino and, while that separate area no longer exists, level 4 of the



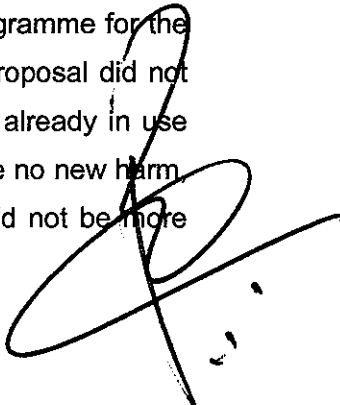
Christchurch casino still consists exclusively of gaming machines (with the exception of the VIP area, which is not open to the general public).

- (e) The absence of tables from any particular part of the Gambling Area does not turn the casino venue into a pokie parlour and the casino venue, and its dedicated Gambling Areas, must be considered in totality, and not in isolated segments.
- (f) The Secretary cited street access associated with ground floor gambling as a further feature which would distinguish the proposal from more typical casino gambling areas. There is nothing in the current regulatory scheme to suggest a need to inhibit pedestrian access to casino Gambling Areas, and SKYCITY Hamilton has its designated Gambling Area at street level.
- (g) The Secretary is concerned about the separation of the proposed Gambling Area from other facilities in the complex, but the Rebo Bar and Café is on the doorstep of the new area.
- (h) The Secretary highlighted some harm mitigation factors specific to class 4 venues that are not required for casino gaming operations but did not note the harm mitigation features associated with the casino environment, including a strictly policed age restriction of 20 years for entering the Gambling Area (compared to 18 for class 4), and the comprehensive Host Responsibility Programmes that casinos are required to have in place.
- (i) They believe that people gambling in any of its casino venues are doing so in a safer environment than many of those represented by class 4 operators.
- (j) The Secretary also commented on the proximity of the existing BNZ to the proposed gambling area, and noted the rationale for Regulation 5. Regulations do not address banking facilities but they state, for the record, that the BNZ is not located within the proposed gambling area, and this is consistent with the requirements applicable to ATMs. Further, a customer playing in the proposed new area who wanted to use the bank, or any of the ATMs on the ground floor, would still need to interrupt their play in order to obtain money, and research suggests this interruption contributes to harm minimisation.
- (k) They were advised by the BNZ that it has approximately 11% of the retail banking market share in the Auckland region, so the number of customers that would be eligible to conduct transactions through the bank facility is likely to be very small.

A large, stylized handwritten signature in black ink, located in the bottom right corner of the page. The signature is written over the text of item (k) and extends downwards and to the right.

12. In reply to PGF, the Applicants submitted that:
- (a) Their proposal would not increase opportunities for casino gambling.
 - (b) It acknowledges that it must comply with condition 8.
 - (c) The proposal will have a neutral impact on harm.
 - (d) If PGF is concerned that the new location will create exposure for their clients, they should encourage those people to avoid the ground floor of the casino altogether.

Analysis

13. The Applicants want to redesignate the Gambling Area of the Auckland casino to establish a room on the ground floor capable of hosting approximately 45 gaming machines. This application generated other issues requiring Commission consideration, but the Commission first considered the redesignation application.
14. The Commission first considered whether the redesignation of the casino's gambling area as proposed would increase opportunities for casino gambling, and concluded that it would not.
15. As the Commission has noted in previous decisions (most recently in GC31/08), opportunities for casino gambling are concerned with potential activity, not potential changes in the likely appeal of the potential activity. The Applicants propose to move gaming machines presently located in other parts of the casino into a new area on the ground floor. There will be no resulting increase in the number of gaming machines or table games in the casino and consequently no increase in the opportunities for casino gambling.
16. The relocation of 45 gaming machines from the gambling areas on levels 2 and 3 of the casino may increase the space available for gambling on those levels, but this does not increase the opportunities available there, only the ease of access to those opportunities.
17. The Commission considered that the key issue on the application was whether the new area would increase the potential for gambling harm, contrary to the purpose of the Act, section 139(2) of the Act and section 2.5.1 of the Host Responsibility Programme for the Auckland casino. A majority of the Commissioners concluded that the proposal did not increase the potential for harm. In their view, the gaming machines are already in use elsewhere in the casino and their relocation to the new facility would create no new harm nor increase the likelihood of harm being suffered as the machines would not be more
- 

harmful on the ground floor than they were on levels 2 and 3. A minority of Commissioners were of the view that moving gaming machines to the ground floor would make the most harmful mode of gambling (EGMs) more accessible than previously, which would increase the potential for harm.

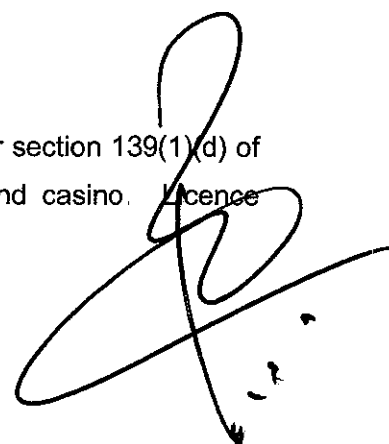
18. In reaching its decision, the Commission noted the following:

- (a) The proposal would not create a class 4 type environment, nor blur the boundaries between the casino and class 4 venues. The casino should be regarded in its totality. The casino offers table games in other parts of the Gambling Area and, in considering the distinctiveness of the casino, it is not appropriate to consider small parts of the Gambling Area without regard to the entire facility. Nevertheless, the Commission needed to consider whether the specific environmental change involved in moving 45 gaming machines to the proposed area would increase the danger of harm.
- (b) The level of staffing in the new area will be higher than for some other parts of the casino. This, together with the small size of the room and the surveillance requirements, would help facilitate effective host responsibility.
- (c) Commissioners noted the significant obligations which the casino has under its host responsibility programme and concluded that the standard of host responsibility in the casinos was likely to be of a higher standard in practice than in most class 4 venues.
- (d) The new area would be subject to the same level of regulatory oversight as the rest of the Gambling Area at the casino. For example, the same surveillance obligations and age restrictions will apply.
- (e) There is no lack of "other" facilities as the Rebo Bar and Café is immediately outside of the proposed room, with non-gaming and other gaming options being within a short distance of the new room.
- (f) Other than the concerns expressed by the minority above, the easier access from the street was not considered to be likely to increase the risk of harm. Street access is already present at the Hamilton casino, and there is, to the Commission's knowledge, no evidence that mere proximity to the street creates additional harm. Visibility from outside the casino will not be an issue at the Auckland casino because of condition 8 of SCAL's venue licence will remain in place.

- (g) While the BNZ bank is immediately adjacent to the new room, the Commission did not consider this to be of particular concern. The regulations referred to by the Secretary deliberately focused on access to cash within the Gambling Area and were apparently not concerned with the extent or proximity of outside cash access. At the Auckland casino, there are numerous ATMs immediately outside the Gambling Areas on the other levels. Access to cash facilities outside the gaming area necessarily requires breaks in play.
- (h) It was not persuaded that the new gambling area would be an “unanticipated hazard” at the casino which would frustrate problem gamblers attempting to avoid exposure to gambling. As noted above, the *raison d’être* of a casino is to offer gambling facilities to the public. Encountering gambling at a casino cannot be an unanticipated hazard. It is expected that PGF clients would be encouraged to avoid visiting the casino at all, not simply levels 2 and 3.
19. The Commission finally considered the subsidiary issues noted above at paragraphs 1(b) and 2.
20. The Secretary had no regulatory concerns about the Applicants not maintaining a cashiering facility within the new area. The Commission concurs. The Commission also had no regulatory concern with the proposed construction and design changes to the new area, noting that the proposal would not adversely affect any of the matters identified by condition 7 of SCAL’s venue licence, were it in force.
21. The Commission considered it necessary, if the gambling area were to be changed, to amend licence conditions 5, 6 and 7 of SCAL’s venue licence as suggested by the Applicants. The wording of the current conditions simply reflects the gambling area at the time of their drafting and their amendment is a logical consequence of changing the gambling area. The amendments are obvious and consequential in nature and are necessary (and consistent with the clear intent of the current conditions) to ensure that any alterations to the ground floor of the casino are, in future, subject to appropriate assessment for potential for harm in the same way that levels 2 and 3 currently are. Submitters raised no opposition to the amendments in their submissions.

Decision of the Commission

22. The Commission:
- (a) amended licence condition 9 of SCAL’s venue licence, under section 139(1)(d) of the Act, to redesignate the Gambling Area of the Auckland casino. Licence condition 9 now provides as follows:

A large, stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the bottom.

The Gambling Area within the casino venue shall comprise an area specified in plans 'A1', 'B' and 'C' dated 25 November 2009.

The Gambling Area is depicted on the **attached** plans.

- (b) amended condition 12 of SCAL's venue licence and condition 21 of SCML's operator's licence, under section 139(1)(d) of the Act, to remove the requirement for the Applicants to maintain a cashiering facility at the new Gambling Area. The licence conditions now provide as follows:

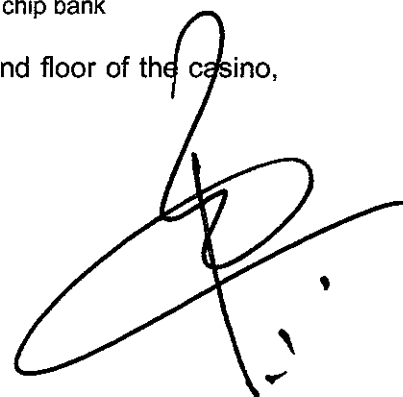
SCAL's venue licence

12. (i) The Licence Holder shall maintain at least one principal cashiering facility on levels 2 and 3 of the gaming area which is clearly visible to patrons. Each such cashiering facility shall as a minimum requirement include the following:
- (a) accommodation for general cashiers;
 - (b) storage facilities for cashiering inventory;
 - (c) manually triggered and automatic silent alarm systems connected directly to monitor rooms of the security and surveillance departments.
- (ii) The Licence Holder may provide accommodation for chip bank cashiers in the principal cashiering facility which shall be physically separate from general cashiers unless the Commission approves otherwise.
- (iii) Chips and plaques held in reserve and not used for active gaming shall be housed in a locked compartment within the chip bank.

SCML's operator's licence (Auckland)

- 21.(i) The Licence Holder shall maintain at least one principal cashiering facility on levels 2 and 3 of the gaming area which is clearly visible to patrons. Each such cashiering facility shall as a minimum requirement include the following:
- (a) accommodation for general cashiers;
 - (b) storage facilities for cashiering inventory;
 - (c) manually triggered and automatic silent alarm systems connected directly to monitor rooms of the surveillance department.
- (ii) The Licence Holder may provide accommodation for chip bank cashiers in the principal cashiering facility which shall be physically separate from general cashiers unless the Commission approves otherwise.
- (iii) Chips and plaques held in reserve and not used for active gaming shall be housed in a locked compartment within the chip bank

- (c) approved the construction and design changes to the ground floor of the casino, as proposed by the Applicants;



- (d) amended conditions 5, 6 and 7 of SCAL's venue licence, under section 139(1)(e) of the Act, to ensure that any future alterations to the ground floor are subject to the same potential harm assessment as changes to the other levels in the casino. Licence conditions 5, 6 and 7 now provide as follows:

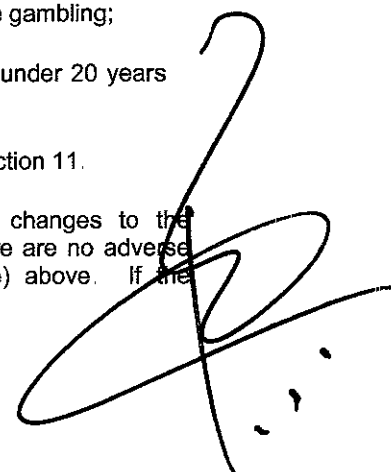
SCAL's venue licence (Auckland)

5. The Licence Holder shall lodge and maintain with the Commission and the Secretary updated as built architectural floor plans of the Ground Floor, Level 2 and Level 3 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 the Ground Floor, Level 2 or Level 3 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 the Ground Floor, Level 2 or Level 3, including the Gambling Area but excluding the SKYCITY Theatre and foyer area, restaurant and bar areas outside the Gambling Area, and the back of house areas used by staff (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 the Ground Floor, Level 2 or Level 3, including the Gambling Area (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 the Ground Floor, Level 2 or Level 3, including the Gambling Area but excluding SKYCITY Theatre and foyer area, restaurant and bar areas outside the Gambling Area, and the back of house areas used by staff. 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.

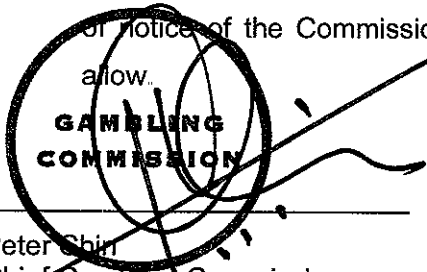
The Executive Director may approve the proposed changes to the construction or design if he or she is satisfied that there are no adverse impacts in relation to the matters specified in (a)-(e) above. If the



Executive Director is not satisfied, he or she will refer the proposal to the Commission for determination.

Right of Appeal

23. Pursuant to section 235 of the Act, a person affected by this decision may appeal that decision to the High Court. An appeal must be made within 15 working days of the date of notice of the Commission's decision, or any longer period that the High Court may allow.

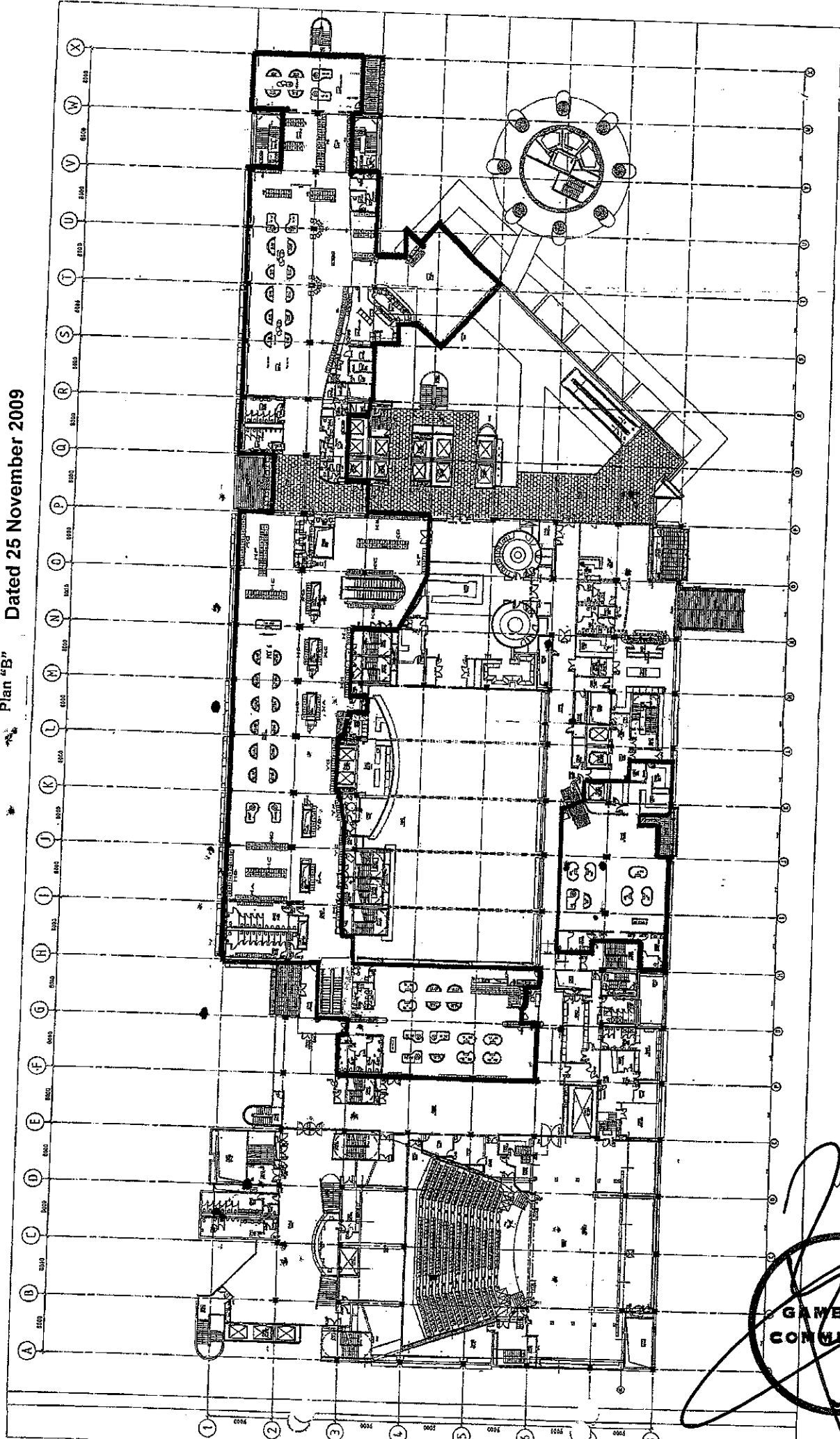


Peter Shin
Chief Gambling Commissioner

for and on behalf of the
Gambling Commission

25 November 2009

Plan "B" Dated 25 November 2009



REV	DATE	BY	CHK	APP
1	25/11/09	...	...	...
2	...	...	...	...
3	...	...	...	...

DRAWING TITLE
 SKY CITY - PODIUM
 LEVEL 3 - FLOOR PLAN
 PROPOSED LAYOUT PLAN

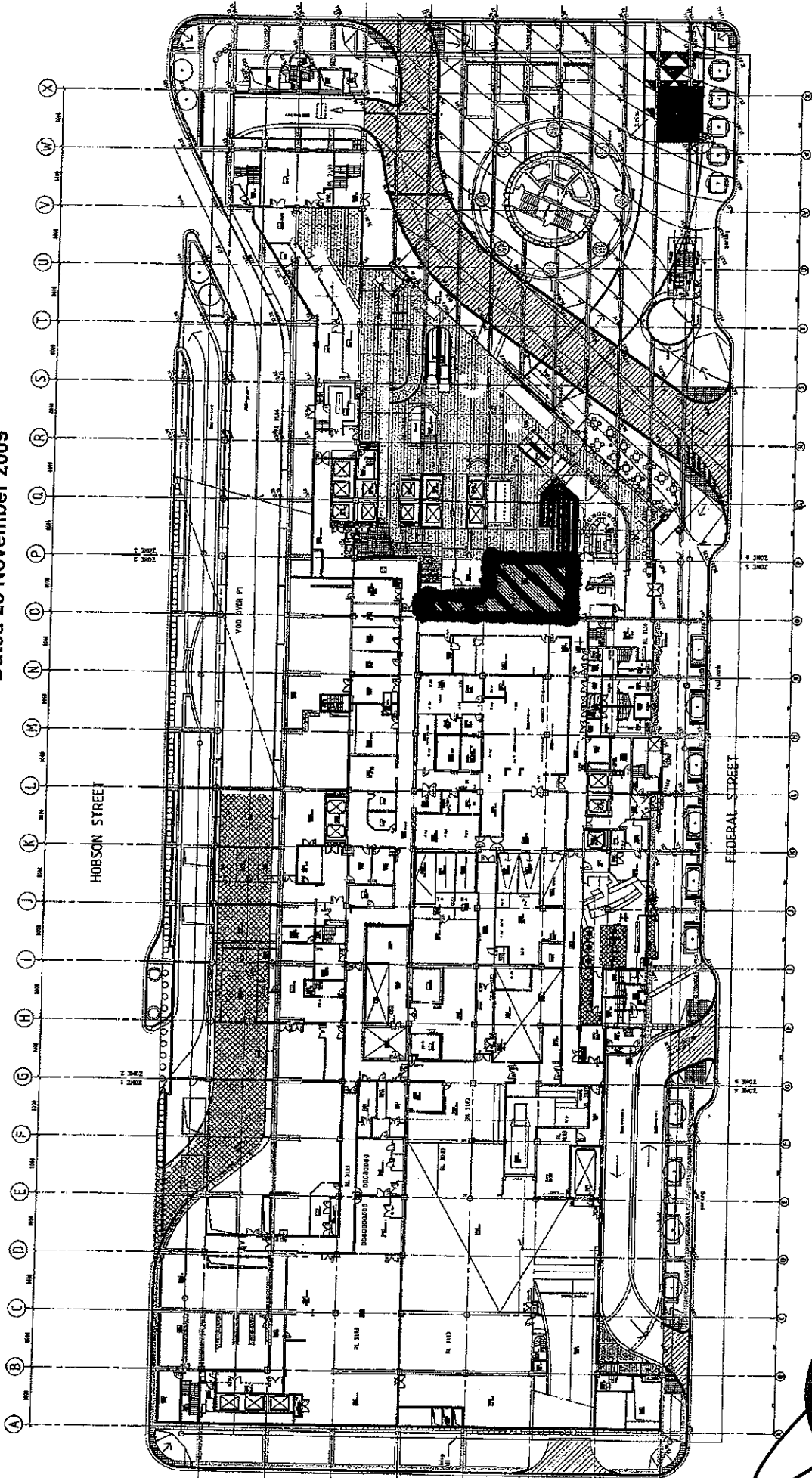
CLIENT AND PROJECT
 Sky City Entertainment Group
 Minor Works

SKY CITY ENTERTAINMENT GROUP
 100 Queen Street, Auckland
 Telephone: 09 307 0888
 Fax: 09 307 0889
 Email: enquiries@skycity.co.nz
 Website: www.skycity.co.nz

ARCHITECTS
 Craig Moller Architects Ltd
 100 Albert Street, Auckland
 Telephone: 09 307 0888
 Fax: 09 307 0889
 Email: enquiries@craigmoller.co.nz
 Website: www.craigmoller.co.nz

GAMBLING COMMISSION

Plan "C" Dated 25 November 2009



GAMBLING COMMISSION
LEVEL 2
Floor Plans scale 1:250