

IN THE MATTER of the Gambling Act 2003

AND on an application by **SKYCITY CASINO MANAGEMENT LIMITED** for approval to vary condition 9 of its operator's licence for the Auckland casino

BEFORE THE GAMBLING COMMISSION

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

Date of Application: 5 August 2011

Date of Decision: 16 September 2011

Date of Notification
of Decision: 5th October 2011

**DECISION ON AN APPLICATION BY SKYCITY CASINO MANAGEMENT LIMITED
FOR APPROVAL TO VARY CONDITION 9 OF ITS OPERATOR'S LICENCE
FOR THE AUCKLAND CASINO**

Introduction

1. SKYCITY Casino Management Limited ("**SCML**") applied, pursuant section 139(1)(d) of the Gambling Act 2003 (the "**Act**"), to vary condition 9 of its operator's licence for the Auckland casino. SCML proposed to attach a new Annex D to its operator's licence.

Relevant licence condition

2. The relevant licence condition, with the proposed variation in mark-up, is as follows:

SCML's operator's licence

9. The Licence Holder may operate on casino gaming tables the game types and game mix(es) specified by the Commission in Annex DA attached to this Licence. ~~The Licence Holder may operate on casino gaming tables the game types and game mix(es) specified by the Commission either Annex C or Annex D attached to this Licence subject to providing the Commission and the Inspectorate with a minimum of 10 working days notice in writing of its intention to do so. The Licence Holder shall obtain the prior approval of the Commission for any change to the game types and/or game mixes specified.~~

Submissions by SCML

3. SCML submitted, in summary, as follows:

- (a) It currently has approval to operate the game mixes set out in Annexes A, B or C. Since obtaining that approval it has sought approval of an Annex D. Annex D was sought in addition to Annex C until it decided whether to operate 16 or 18 gaming tables in the Pacific VIP Room. However it has since decided that it would be too unwieldy to maintain two Annexes and the current application seeks approval of only one Annex, Annex D.
- (b) Since the application for the earlier Annex D, it has identified 23 additional game mixes that it wants to use on levels 2 and 3. These game mixes revolve around the downsizing of its poker operations. Annex D will feature these new game mixes and will be labelled N4-AJ4.
- (c) The revised Annex D has no impact on game mix A, the game mixes specified in the four gaming salons on level 5, the Pacific VIP Room on level 5 or the existing game mixes for the rest of the casino.
- (d) The new game mixes have fewer player spaces and associated opportunities than the game mix with the highest number of player spaces and opportunities from the earlier Annex D application. If the Commission approved that application, this application should also succeed because each of the game mixes in this application has fewer player spaces and opportunities.
- (e) The arithmetic calculations and comparisons set out in the application leave it satisfied that the game mixes featured in Annex D will not increase casino gambling opportunities.
- (f) Below is a table which sets out the game mixes with the greatest number of player spaces and opportunities for each of the four gambling locations specified in Annex D.

Game mix	Player spaces	Opportunities
Salons on the south side of level 5 – game mix A	216	6,372
Salons on the north side of level 5 – game mix A	108	3,186
Pacific VIP Room – game mix D	376	10,593
Rest of the casino – game mix I	1,655	45,731
Total	2,355	65,882

- (g) These game mixes are then combined to compare with the regulatory benchmark for the Auckland casino. There are more player spaces associated with the combined mix than the regulatory benchmark, but the overall gambling opportunities of the combined mix are significantly lower, as follows.

Game mix	Player spaces	Opportunities
Regulatory benchmark	2,262	68,363
Combined game mix	2,355	65,882

The Secretary's submissions

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

- (a) SCML's calculations are mainly accurate. However, some of the calculations incorrectly state that the rate of play for Poker is 11 rounds per hour when it is 11.25 rounds per hour.
- (b) The proposed mixes could constitute an increase in the opportunities for casino gambling because the new game mixes could provide more player spaces compared to the benchmark. It is only when the calculations presented by SCML are taken into account that it would appear the new game mixes present fewer total opportunities compared with the benchmark. However, he notes that the Commission takes an "in the round" approach when assessing opportunities for casino gambling.

SCML's submissions in reply

5. In reply, SCML submitted as follows:

- (a) The calculations for Poker are actually correct – the printed version of the spreadsheet simply has not displayed the entire figure of 11.25 rounds per hour.
- (b) As noted in its application, the new game mixes have fewer player spaces and opportunities than the game mix with the highest number of player spaces and opportunities which was the subject of an earlier application to the Commission, which the Commission has now approved by decision GC25/11.

Analysis

6. SCML has applied to vary Annex D by including 23 additional game mixes. The Commission's usual approach with applications of this nature is to compare the proposal with the regulatory benchmark to determine whether, in the round, it offers more opportunities for casino gambling. Game mix A is the regulatory benchmark for the Auckland casino.
7. Consistent with earlier decisions, the Commission compared the maximum combination of game mixes from Annex D with the regulatory benchmark and was satisfied that they

would not increase opportunities for casino gambling compared to the regulatory benchmark for the Auckland casino.

8. Once SCML is fully reliant on this Annex D, the previously approved Annexes B and C cease to be valid.

Decision

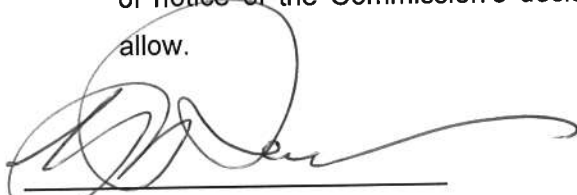
9. The Commission amended licence condition 9 of SCML's operator's licence, pursuant to section 139(1)(d) of the Act. Condition 9 now reads as follows:

9. The Licence Holder may operate on casino gaming tables the game types and game mix(es) specified by the Commission in Annex D attached to this Licence.

10. Approved Annex D is **attached**.

Right of appeal

11. 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.



Graeme Reeves
Chief Gambling Commissioner

for and on behalf of the
Gambling Commission

5th October 2011



ANNEX D

GAME MIX A

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

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

Notes for Game Mix A

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

ALTERNATIVE GAME MIXES

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

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

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

together with

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

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

together with



in the Pacific VIP Room to the north of the elevators on level 5, any one of the following 16 table game mixes:

	A3	B3	C3	D3	E3	F3	G3
Midi Baccarat	9	9	9	9	9	8	8
Roulette	3	2	2	2	2	3	3
Black Jack	3	3	2	3	4	3	2
Pai Gow	0	1	1	0	0	1	1
Mini Baccarat	0	0	1	1	0	0	1
Caribbean Stud Poker	1	1	1	1	1	1	1
Total	16	16	16	16	16	16	16

together with

in all Gambling Areas other than the four gaming salons on level 5 and the Pacific VIP Room on level 5, any one of the following 82 table game mixes:

	A4	B4	C4	D4	E4	F4	G4	H4	I4	J4	K4	L4	M4
Money Wheel (double side)	1	1	1	1	1	1	1	1	1	1	1	1	1
Tai Sai (double side)	1	1	1	1	1	1	1	1	1	1	1	1	1
Pai Gow	2	2	2	2	2	2	2	2	2	2	2	2	2
Caribbean Stud Poker	5	4	5	5	4	5	5	5	4	4	4	4	4
Midi Baccarat	6	6	6	6	6	6	6	6	10	10	10	10	10
Poker	9	9	9	7	7	7	7	7	7	9	9	9	7
Rapid Roulette	2	2	2	2	2	2	2	2	1	1	1	1	1
Mini Baccarat	7	7	6	7	7	6	7	6	4	4	4	4	4
Roulette	17	17	17	17	17	17	17	17	15	15	15	15	15
Black Jack	29	29	30	31	31	32	32	33	37	35	32	31	34
3 Card Poker	2	2	2	2	2	2	1	1	0	0	2	2	2
Ultimate Texas Hold'em	1	2	1	1	2	1	1	1	0	0	1	2	1
Total	82	82	82	82	82	82	82	82	82	82	82	82	82

	N4	O4	P4	Q4	R4	S4	T4	U4	V4	W4	X4	Y4	Z4
Money Wheel (double side)	1	1	1	1	1	1	1	1	1	1	1	1	1
Tai Sai (double side)	1	1	1	1	1	1	1	1	1	1	1	1	1
Pai Gow	2	2	2	2	2	2	2	2	2	2	1	1	1
Caribbean Stud Poker	5	5	5	5	5	5	5	5	5	5	5	5	5
Midi Baccarat	6	6	6	6	6	6	6	6	8	8	8	8	8
Poker	4	4	4	4	4	4	4	4	5	5	5	5	5
Rapid Roulette	2	2	2	2	2	2	2	2	2	2	2	2	2
Mini Baccarat	6	6	6	6	6	6	6	6	4	4	4	4	4
Roulette	18	19	18	19	18	19	18	19	17	18	17	18	17
Black Jack	35	34	34	33	33	32	32	31	32	31	36	35	35
3 Card Poker	2	2	3	3	2	2	3	3	3	3	2	2	3
Ultimate Texas Hold'em	0	0	0	0	2	2	2	2	2	2	0	0	0
Total	82	82	82	82	82	82	82	82	82	82	82	82	82



	AA4	AB4	AC4	AD4	AE4	AF4	AG4	AH4	AI4	AJ4
Money Wheel (double side)	1	1	1	1	1	1	1	1	1	1
Tai Sai (double side)	1	1	1	1	1	1	1	1	1	1
Pai Gow	1	1	1	1	1	1	1	1	1	1
Caribbean Stud Poker	5	5	5	5	5	5	5	5	5	5
Midi Baccarat	8	8	8	8	8	8	8	8	8	8
Poker	5	5	5	4	4	4	4	4	4	4
Rapid Roulette	2	2	2	2	2	2	2	2	2	2
Mini Baccarat	4	4	4	4	4	4	4	4	4	4
Roulette	18	17	18	17	18	18	19	17	18	18
Black Jack	34	34	33	37	36	35	34	35	34	33
3 Card Poker	3	2	2	2	2	3	3	2	2	3
Ultimate Texas Hold'em	0	2	2	0	0	0	0	2	2	2
Total	82	82	82	82	82	82	82	82	82	82

Notes for the alternative game mixes:

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

