

IN THE MATTER of the Gambling Act 2003
AND on an application by **SKYCITY CASINO MANAGEMENT LIMITED**
for approvals relating to the
refurbishment of the Auckland
casino, and approval of a new
game mix

BEFORE THE GAMBLING COMMISSION

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

Date of Application: 1 September 2006

Date of Decision: 13 October 2006

Date of Notification
of Decision: 20 October 2006

DECISION

**ON AN APPLICATION SKYCITY CASINO MANAGEMENT LIMITED
FOR APPROVALS RELATING TO THE REFURBISHMENT
OF THE AUCKLAND CASINO, AND APPROVAL OF A NEW GAME MIX**

Application

1. SKYCITY Casino Management Limited (the "**Applicant**") applied to the Gambling Commission (the "**Commission**") for a number of approvals as follows:
 - (a) approval, under condition 11 of the Applicant's operator's licence, of a temporary floor plan, "K(Temp)";
 - (b) approval, under condition 11 of the Applicant's operator's licence, of a permanent floor plan, "L(Perm)";
 - (c) approval, under condition 7 of the Applicant's operator's licence, temporarily and periodically to exceed the 15:1 ratio of gaming machines to gaming tables during 2007;
 - (d) approval, under condition 9 of the Applicant's operator's licence, of annex A incorporating a new game mix, game mix F.

Licence conditions

2. The relevant licence conditions are as follows:

SCML operator's licence

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.
9. The Licence Holder may operate on casino gaming tables the game types and game mix(es) 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.
11. The Licence Holder shall operate in accordance with approved floor layouts showing the position of gaming tables and gaming machines. 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.

Submissions by the Applicant

Temporary floor plan - Plan "K(Temp)"

3. The Applicant previously obtained approval for temporary plan "J(Temp)" in decision GC28/06, but has since decided that that plan no longer represents the most efficient way of utilising its limited floor space during the refurbishment of the Auckland casino. The Applicant submitted that plan "K(Temp)" would better achieve this.
4. The Applicant submitted that plan "K(Temp)" involves moving gaming machines and tables and that as there is no change in game mix, sections 11 and 12 of the Act have no relevance. The Applicant submitted that plan "K(Temp)" would require CCTV adjustments, but it would advise the Department of Internal Affairs (the "DIA") Inspectorate of any changes to ensure that it complies with the Surveillance Standard.
5. The Applicant submitted that it would transition to plan "J(Temp)" but not fully implement that plan, instead it would transition to plan "K(Temp)", should the Commission approve it, and be fully reliant on plan "K(Temp)" by December 2006.

Permanent floor plan - Plan "L(Perm)"

6. The Applicant proposes to commence the refurbishment work of Level 2 in January 2007, with work to be undertaken in (probably) 15 stages. It proposes that gaming product be removed from the floor at each stage and, if possible, relocated elsewhere on the gaming floor. Following refurbishment of each stage area, the product would be returned in a manner that would reflect the final post-refurbished layout for that area. That is, the final floor configuration would gradually evolve as each stage is completed.

7. The Applicant stated that it expected to produce floor plans for each of the 15 stages, but submitted that it would be impractical to seek Commission approval for each of those plans. Rather the Applicant sought approval for a final floor layout, plan "L(Perm)", which it would work towards in stages over 2007.
8. The Applicant submitted that:
- (a) plan "L(Perm)" involves the movement of gaming machines and tables, so sections 11 and 12 of the Act have no relevance;
 - (b) it would make adjustments to the CCTV layout in conjunction with the changes to the floor, but would advise the DIA Inspectorate of any changes to ensure that it complied with the Surveillance Standard;
 - (c) it intends to commence transition to plan "L(Perm)" in mid-January 2007 and be fully reliant on this plan by December 2007;
 - (d) it can produce plans for each change to the floor for the DIA Inspectorate and/or the Commission; and
 - (e) the transition to plan "L(Perm)" would put pressure on the 15:1 ratio of gaming machines to tables.

Application to exceed the machine:table ratio

9. The Applicant stated that during the refurbishment project, there would be occasions when some tables would have to be temporarily removed from the floor, which would result in some machines having to be turned off in order for it to stay within the 15:1 ratio of gaming machines to tables, as specified in condition 7 the Applicant's operator's licence. The Applicant submitted that this would be an unreasonable imposition on its business and sought Commission approval to exceed the 15:1 ratio during periods of construction impacting upon the gambling area.
10. The Applicant submitted that the Casino Control Authority (the "CCA") previously allowed a 17:1 ratio of gaming machines to tables for temporary periods during construction work, and that sections 11 and 12 of the Act have no relevance.
11. The Applicant undertook never to exceed a machine/table ratio of 17:1, to notify the DIA Inspectorate and the Commission on each occasion that it is unable to satisfy the 15:1 ratio, and to notify the DIA Inspectorate and the Commission of the applicable ratio and the period for which it will apply.

New game mix – game mix F

12. Annex A, attached to the Applicant's operator's licence, presently specifies six game mixes. The Applicant sought the Commission's approval for an additional game mix, game mix F. Compared to game mix A, which is the game mix representing the greatest level of opportunity for casino gambling at the Auckland casino, game mix F has five less Black Jack, two less Pai Gow, one less Roulette, and one less Caribbean Stud Poker tables and six more Poker, two more Rapid Roulette and one more Midi Baccarat tables.
13. The Applicant submitted that game mix F reflected changing demand for different types of games. It has 46 fewer player spaces than game mix A, and would produce 170 less rounds per hour compared with game mix A.

Submissions by the Secretary

14. The Secretary submitted that he had no objection to floor plans "K(Temp)" and "L(Perm)", provided that surveillance continues to operate in accordance with the Surveillance Standard, and the DIA Inspectorate is informed of all changes.
15. The Secretary submitted he had no objection to the proposed transition from "K(Temp)" to "L(Temp)" over 12 months, without the need for each stage plan to be approved by the Commission, provided that the DIA Inspectorate is given at least 24 hours prior notice of any changes to camera positions, table games and/or gaming machines, and the DIA Inspectorate always has a current and accurate camera/game layout.
16. The Secretary submitted that he had no objection to the Applicant's proposal to exceed the 15:1 ratio of gaming machines to gaming tables, and noted that the CCA has allowed dispensation in similar circumstances in the past. The Secretary also had no objection to game mix F.

Analysis

17. Plan "K(Temp)" involves a reconfiguration of machines and tables. It does not change the game mix or number of machines and tables and will not increase opportunities for casino gambling.
18. The Commission was satisfied that the Applicant's proposal to work towards a final floor plan, "L(Perm)", in stages (rather than seeking the Commission's approval for a different floor plan for each of the 15 stages) was sensible. The Commission noted that the Secretary had no objection to this approach provided that the DIA Inspectorate was given sufficient notice of any changes, and was always provided with current and accurate camera/game layouts.

19. In decision GC23/06, the Commission deferred consideration of the Applicant's application to vary the ratio of gaming machines to table games as the Applicant had not, at that time, provided any proposed plans for the refurbishment. The Applicant has now provided a final plan which it will work towards in stages.
20. The Commission was satisfied, given the magnitude of the Applicant's refurbishment project, that it was appropriate to allow the Applicant some flexibility to run its operations without requiring strict adherence to the 15:1 ratio of gaming machines to table games.
21. The Applicant presently has six game mixes specified in Annex A, and seeks a further game mix to meet changing demands for different types of games. The Commission was satisfied that game mix F will not increase opportunities for casino gambling, compared with game mix A.

Decision

22. The Commission decided unanimously to:
- (a) approve temporary floor plan, "K(Temp)" (**attached** to this decision) under condition 11 of the Applicant's operator's licence;
 - (b) approve permanent floor plan, "L(Perm)" (**attached** to this decision) under condition 11 of the Applicant's operator's licence on condition that:
 - (i) the Applicant provides the DIA Inspectorate with at least 24 hours prior notice of any changes to camera positions, table games and/or gaming machines;
 - (ii) the Applicant provides the DIA Inspectorate with a current and accurate camera/game layout;
 - (c) approve the temporary dispensation of the 15:1 ratio of gaming machines to table games under condition 7 of the Applicant's operator's licence from January 2007–December 2007 inclusive, on condition that:
 - (i) the ratio will at no time exceed 17:1; and
 - (ii) the Applicant will notify the DIA Inspectorate and the Commission on each occasion that the Applicant will be unable to satisfy the 15:1 ratio of gaming machines to table games; and
 - (iii) the Applicant will notify the DIA Inspectorate and the Commission of the new ratio and the period that it will apply;

- (d) approve the new Annex A (**attached** to this decision) under condition 9 of the Applicant's operator's licence, which incorporates the additional game mix, game mix P

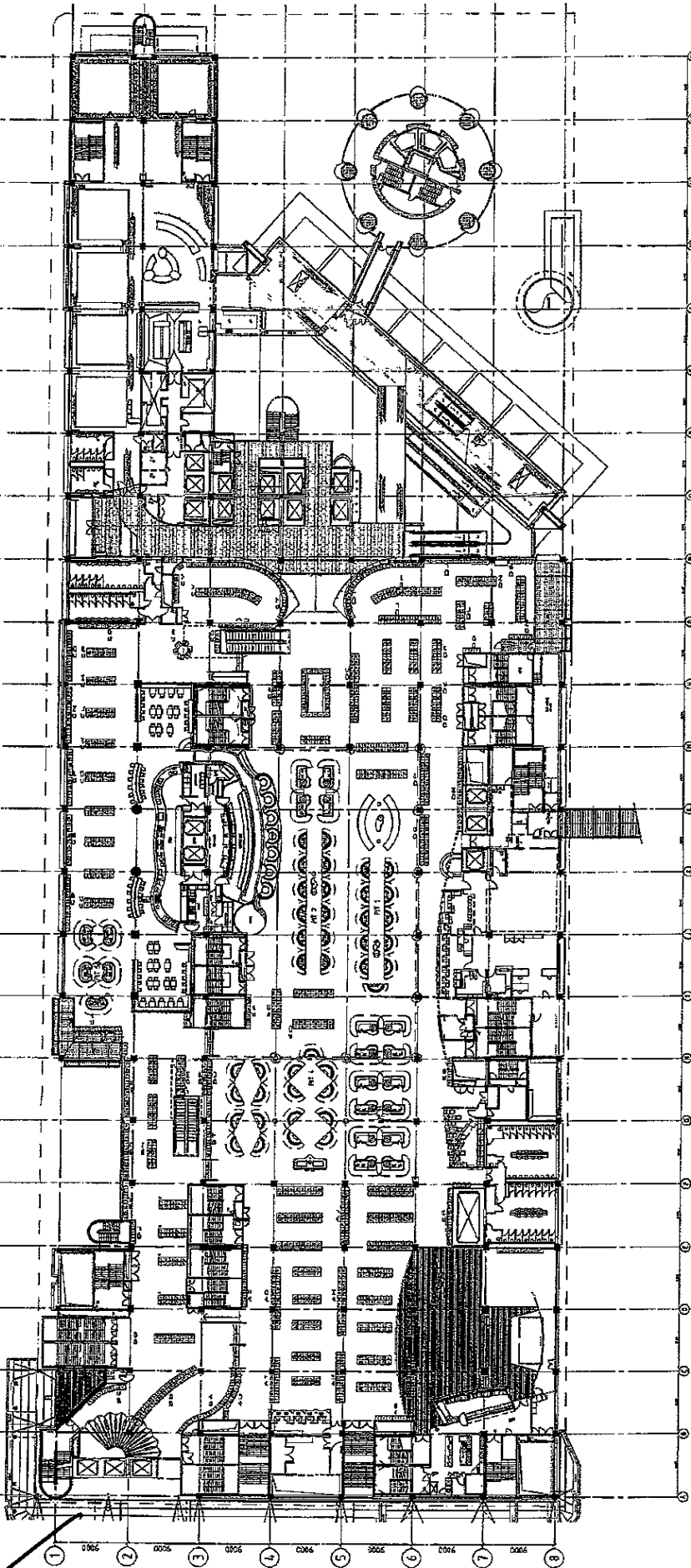
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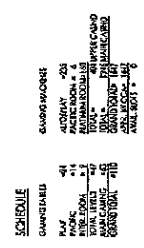
Peter Chin
Chief Gambling Commissioner

for and on behalf of the
Gambling Commission

20 October 2006

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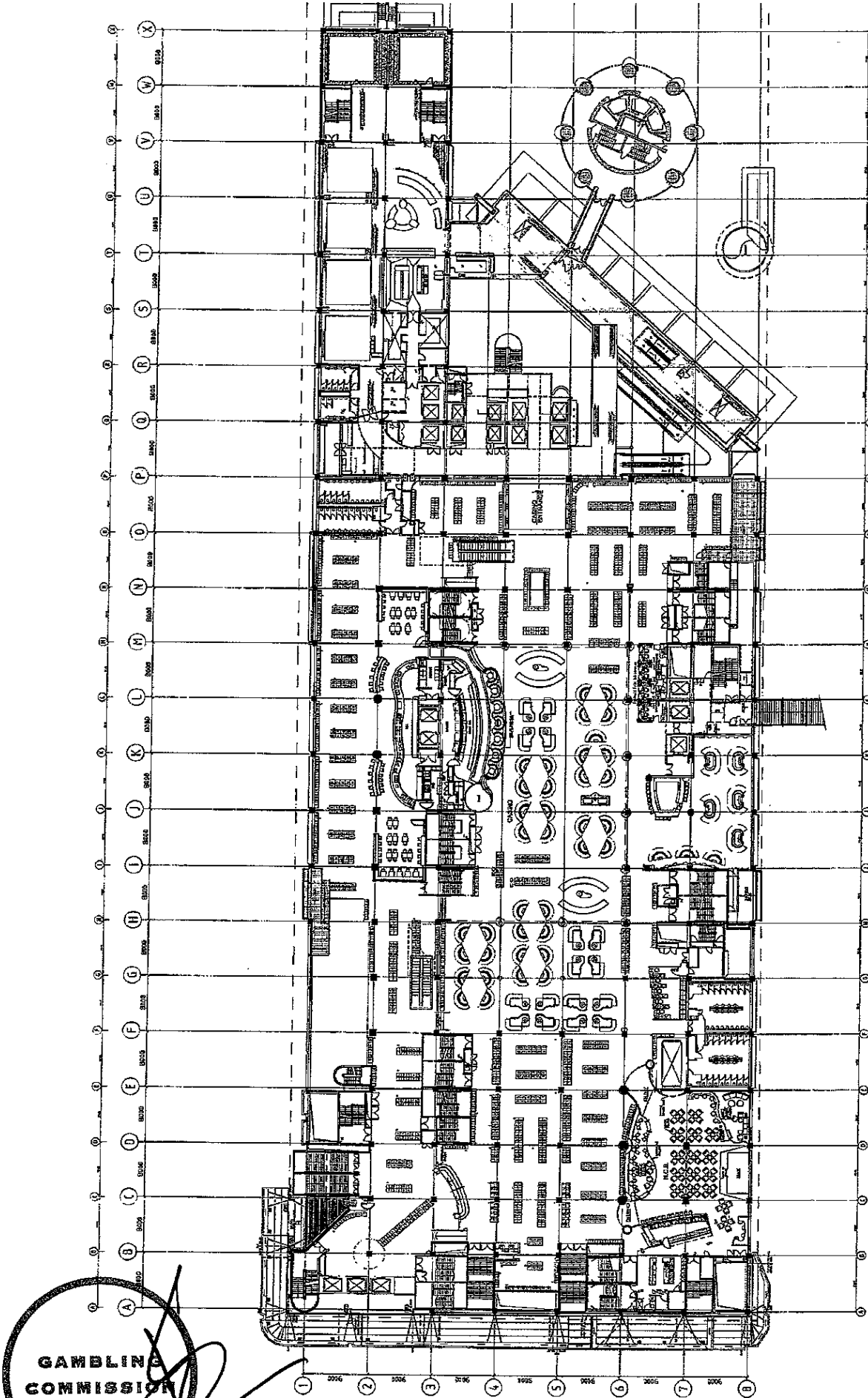
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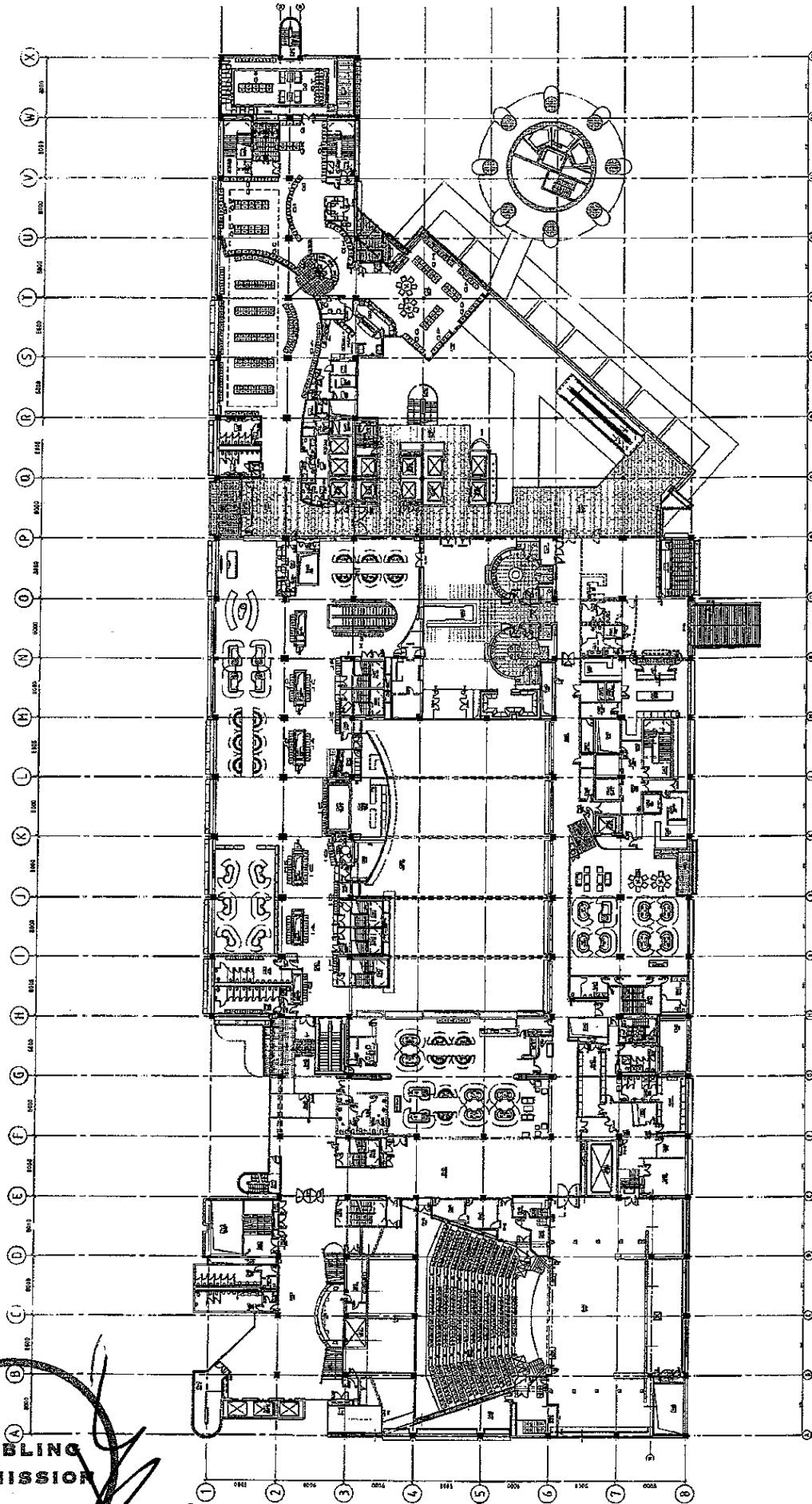
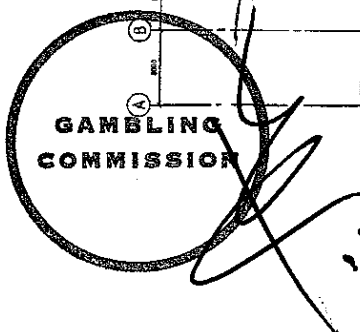
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L(Perm)



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CLIENT AND PROJECT Sky City Entertainment Group Gaming Layouts SKY CITY ENTERTAINMENT GROUP		DRAWING INFORMATION Sheet: 5132 Title: Level 2 Gaming Layout Date: 10/1/2012 Author: [Name] Checker: [Name] Designer: [Name] Plot Size: 11x17		REVISIONS No. Description 1. [Description] 2. [Description] 3. [Description] 4. [Description]	
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PACIFIC	114	PACIFIC	114
WATER	0	WATER	0
LAND	144	LAND	144
GRAND TOTAL	178	GRAND TOTAL	178

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	Proj Date		20/01/2016		

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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
- Blackjack/Pontoon – up to 44 games
 - Roulette – up to 24 games
 - Touchbet Roulette – 1 game with up to 14 player spaces
 - Caribbean Stud Poker – up to 10 games
 - Midi Baccarat- up to 17 games
 - Mini Baccarat – up to 7 games
 - Pai Gow – up to 4 games
 - Tai Sai (Double Side) – 1 game
 - Tai Sai (Single Side) – 1 game
 - Money Wheel (Double Side) – 1 game
- B
- Blackjack/Pontoon – up to 42 games
 - Roulette – up to 22 games
 - Touchbet Roulette – 1 game with up to 14 player spaces
 - Rapid Roulette – 1 game with up to 20 player spaces
 - Caribbean Stud Poker – up to 8 games
 - Midi Baccarat- up to 18 games
 - Mini Baccarat – up to 7 games
 - Pai Gow – up to 4 games
 - Poker – up to 4 games with up to 10 player spaces
 - Tai Sai (Double Side) – 1 game
 - Tai Sai (Single Side) – 1 game
 - Money Wheel (Double Side) – 1 game
- C
- Blackjack/Pontoon – up to 41 games
 - Roulette – up to 22 games
 - Touchbet Roulette – 1 game with up to 14 player spaces
 - Rapid Roulette – 1 game with up to 20 player spaces
 - Caribbean Stud Poker – up to 7 games
 - Midi Baccarat- up to 18 games
 - Mini Baccarat – up to 7 games
 - Money Wheel (Double Side) – 1 game
 - Pai Gow – up to 4 games
 - Poker – up to 6 games with up to 10 player spaces
 - Tai Sai (Single Side) – 1 game
 - Tai Sai (Double Side) – 1 game
- D(i)
- Blackjack/Pontoon – up to 38 games
 - Roulette – up to 22 games
 - Touchbet Roulette – 1 game with up to 14 player spaces
 - Rapid Roulette – 1 game with up to 20 player spaces
 - Caribbean Stud Poker – up to 8 games
 - Midi Baccarat- up to 19 games
 - Mini Baccarat – up to 9 games
 - Money Wheel (Double Side) – 1 game
 - Pai Gow – up to 3 games
 - Poker – up to 6 games with up to 10 player spaces
 - Tai Sai (Single Side) – 1 game
 - Tai Sai (Double Side) – 1 game
- D(ii)
- Blackjack/Pontoon – up to 39 games
 - Roulette – up to 22 games
 - Touchbet Roulette – 1 game with up to 14 player spaces
 - Rapid Roulette – 1 game with up to 20 player spaces
 - Caribbean Stud Poker – up to 8 games
 - Midi Baccarat – up to 19 games
 - Mini Baccarat – up to 9 games
 - Money Wheel (Double Side) – 1 game
 - Pai Gow – up to 2 games
 - Poker – up to 6 games with up to 10 player spaces
 - Tai Sai (Single Side) – 1 game
 - Tai Sai (Double Side) – 1 game



- E**
- Blackjack/Pontoon – up to 36 games
 - Roulette – up to 21 games
 - Touchbet Roulette – 1 game with up to 14 player spaces
 - Rapid Roulette – 1 game with up to 20 player spaces
 - Caribbean Stud Poker – up to 7 games
 - Midi Baccarat- up to 19 games
 - Mini Baccarat – up to 9 games
 - Money Wheel (Double Side) - 1 game
 - Pai Gow – up to 3 games
 - Poker – up to 10 games with up to 10 player spaces
 - Tai Sai (Single Side) – 1 game
 - Tai Sai (Double Side) – 1 game
- F**
- Blackjack/Pontoon – up to 39 games
 - Roulette – up to 23 games
 - Touchbet Roulette – 1 game with up to 14 player spaces
 - Rapid Roulette – 2 games with up to 21 player spaces
 - Caribbean Stud Poker – up to 9 games
 - Midi Baccarat- up to 18 games
 - Mini Baccarat – up to 7 games
 - Money Wheel (Double Side) – 1 game
 - Pai Gow – up to 2 games
 - Poker – up to 6 games with up to 10 player spaces
 - Tai Sai (Single Side) – 1 game
 - Tai Sai (Double Side) – 1 game

Notes

- 1 The Licence Holder is permitted to change between the game mixes specified in A, B, C, D, E and F subject to providing the Commission and the Inspectorate with a minimum of 5 working days notice in writing of its intention to do so.
- 2 The Licence Holder is permitted to change between the game mixes specified in D(i) and D(ii) subject to the requirements specified by way of minimum operating standards
- 3 The Licence Holder is permitted to operate automatic shufflers on:
 - the Poker tables specified in Game Mixes B, C, D, E and F; and
 - 50 percent of open Blackjack tables specified in Game Mixes A, B, C, D, E and F.

