

29 March 2019

Summary of Decision on application by Christchurch Casinos Limited to renew Casino Venue Licence - GC05/19

This summary is provided to assist in the understanding of the Gambling Commission's decision. It does not comprise part of the reasons for that decision. The full decision with reasons is the only authoritative document. The full text of the decision and reasons can be found at www.gamblingcommission.govt.nz.

Background

The Gambling Commission (**Commission**) is an independent statutory decision-making body established under the Gambling Act 2003. The Commission hears casino licensing applications, and appeals on licensing and enforcement decisions made in relation to gaming machines and other non-casino gambling activities.

In December 2017, the Commission received an application from Christchurch Casinos Limited (**CCL**) to renew the casino venue licence for Christchurch Casino, located at 30-38 Victoria Street, Christchurch. As Christchurch Casino was the first casino to open in New Zealand, the application is the first renewal application to be considered by the Commission.

Decision requirements

In Decision GC05/19, the Commission granted an application by CCL for renewal of its casino venue licence, thereby permitting Christchurch Casino to operate for a further 15 years from the expiry of its original licence on 3 November 2019.

Under the Gambling Act, before renewing the licence, the Commission has to be satisfied that:

- the licence holder and persons with a significant influence at the casino are suitable; and
- the compliance record of the licence holder and persons with a significant influence at the casino is satisfactory; and
- renewing the licence will result in a net benefit to the local and regional communities around the casino, and to New Zealand generally.

In considering whether there is a net benefit, the Commission had to consider:

- a) the social and economic effects of granting, or refusing to grant, the renewal; and
- b) the level of support for the application, including the result of any poll conducted by the local authority; and
- c) the nature and standard of the casino facilities.

The Commission was satisfied of all of the essential matters above. Only the third point (net benefit) was raised as an issue in the submission process.

Process

To satisfy the Commission that the licence holder and persons with a significant influence at the casino are suitable, and that the compliance record of the licence holder and persons with a significant influence at the casino is satisfactory (as per points one and two above), the Commission relied upon detailed personal information obtained from the applicant and persons with influence,

and upon reports from the Department of Internal Affairs, the Police, NZ Insolvency and Trustee Services and the Companies Office.

As to the third matter relating to net benefit, the Commission relied upon a Casino Impact Report (CIR) prepared by consultants (whom it had earlier approved as independent of the casino), critical peer review reports by a leading Australian academic with special expertise in gambling, as well as the submissions received throughout the feedback process, including submissions from the public, following public notices and local newspaper coverage.

Findings

The CIR identified both social benefits and net positive economic benefits locally, regionally and nationally, which would be lost if the renewal application were refused. It took into account the cost, both social and economic, associated with the incidence of harm.

The submissions strongly favoured renewal, with a very substantial majority supporting renewal and with fewer than 10% opposing. Although Christchurch City Council did not conduct a local opinion poll, it ultimately supported the renewal application and was the only representative submitter. Other potential community representatives who were contacted and invited to make submissions did not respond.

The casino facilities were judged to be entirely satisfactory.

Amendments to licence conditions

In addition to granting the renewal application, the Commission also considered whether the casino venue licence conditions should be amended.

Of the proposed amendments suggested by submitters, the Commission adopted only one; namely, amendments to impose minimum contributions by the casino to an independent charitable trust which it is required to support. Christchurch Casino was the only casino which did not have a specified minimum contribution and its historical financial support of the associated trust was shown to be relatively lower than other casinos.

The Commission imposed a minimum contribution of the greater of 2.5% of the net profit after tax from the casino site activities, or \$250,000, coupled with a further \$100,000 in either direct charitable payments by the casino or further contribution to the trust. The new contribution obligations take effect from 1 April 2019.

Proposals to establish a new casino liaison group focussed on gambling harm and additional harm minimisation conditions were not adopted. Harm minimisation regulation is not a suitable subject for a casino venue licence. Harm minimisation steps required of New Zealand casinos are effected through individual Host Responsibility Programmes, which are required under each casino operator licence. The Programmes are reviewed every two years, with the next Christchurch review being due to take place in late 2019. The Commission considered that changes to provisions related to casino liaison groups, which are currently provided for in all such Programmes, and any other harm minimisation amendments, should be considered in the course of the next Christchurch Programme review later in 2019.