



**Alberta Lotteries and Gaming
Summit 1998
Report**

"A Public Input Process"

July 1998

SUMMIT '98



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July 6, 1998

Honourable Shirley McClellan
Minister, Community Development
Honourable Pat Nelson
Minister, Economic Development
Co-Chairs, Lotteries and Gaming Summit '98 Steering Committee
Legislature Building
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Edmonton, Alberta
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Dear Honourable Ministers:

I am pleased to present to you and through you to the Steering Committee and the Government of Alberta, a report based on a public input process reviewing lotteries and gaming in Alberta. My original mandate was to present this report in the fall of 1998; however, due to the diligence and hard work of the secretariat team, my work has been accomplished much earlier than mandated.

I am available to discuss the Lotteries and Gaming Summit '98 Report with you, your staff, or anyone you feel would be appropriate in order to set in motion the recommendations from this public input process.

Yours very truly,

Harley Johnson
Chair

Enclosure

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Executive Summary

The Alberta Lotteries and Gaming Summit '98 held April 23-25, 1998 in Medicine Hat resulted in a healthy dialogue among citizens who care deeply for the economic and social welfare of their province. Although Video Lottery Terminals (VLTs) have become the lightning rod for gaming debate in recent years, the 119 Summit participants focused for the most part on broader issues that underlie what's right and wrong about gaming policy, behaviour and outcomes.

As expected, there was a wide range of opinions and suggestions from Summit participants and those who made written submissions about how to maximize gaming benefits and minimize its negative aspects. The 202 public submissions, while not providing a consensus on specific suggestions or recommendations, reflected the same range of opinion that was expressed at the Summit.

At the Summit, there was considerable dialogue on several key issues. Many went unresolved due to a lack of time and information. However, there was some agreement on what should be done about concerns like gambling age, lottery revenue distribution, government accountability, social impact research and program support, and public policy development.

Comments from Summit participants and those who provided written submissions made it clear that the public wants better, more inclusive information about lotteries and gaming. They were also united in the belief that the public needs a larger, more prominent role in setting lotteries and gaming policy before policies are changed or modified.

Summit participants, in small group discussions, made 46 different recommendations. They can be found in the appendix to this report. Many of the recommendations were similar in language or intent and form the basis for several core recommendations. These core recommendations are numbered for reference purposes only and do not denote priority.

- Recommendation #1:** That the provincial government dedicate more resources to gaming research in areas like the prevention and treatment of problem gambling, the social impacts of lotteries and gaming, native gaming issues, and emerging gaming activities.
- Recommendation #2:** That gambling in all forms be restricted to people 18 years of age or older.
- Recommendation #3:** That the charitable model for operating casinos and bingos be maintained.
- Recommendation #4:** That gaming and lottery profits not be directed to the province's General Revenue Fund.
- Recommendation #5:** That all gaming and lottery profits collected by the province be directed to supporting charitable or non-profit community initiatives.
- Recommendation #6:** That the amount and public visibility of gambling addiction prevention and treatment programs be increased.
- Recommendation #7:** That lottery and gaming regulators and the provincial government improve accountability and disclosure of gaming activity in the province. This would include keeping citizens in Alberta better informed of the amount, type, cost (social and financial), and benefits of gaming activity in the province.
- Recommendation #8:** That the Guiding Principles for lotteries and gaming in Alberta adopted by the provincial government be updated, upgraded, accepted, and adhered to.

The Summit experience suggests that as the public becomes more educated about lotteries and gaming issues, there is a corresponding desire to fully discuss and think through solutions to existing or potential gaming problems and/or opportunities. While some people at the Summit and others through written submissions advocated banning gambling altogether (or at least certain types of games like VLTs), the majority believed lotteries and gaming have a place in Alberta if the public has ongoing input into the industry's operation and management.

Comments From the Chair

In reviewing the Summit process, and the discussions that took place, I am once again struck by the honesty, directness, and insight of the delegates. Those that enjoyed and felt good about the process, said so. Those who felt certain components of the process did not measure up to their expectations, said so as well. The representatives of the public-at-large made a significant contribution to the debate, and reaffirmed my view that the Summit's structure, and the participant selection process, worked well.

In my opening remarks at the Summit, I requested the delegates look at the issues of lotteries and gaming with a 'healthy skepticism', and they did so. Those participants who had a vested interest in the issues, or who already represented strong pro or anti-gambling positions, presented their views in very appropriate ways. A key to the process was that there was at least a desire to understand what were often diametrically opposing viewpoints. It was very exhilarating to watch the dynamics of this very diverse group and accept that they really wanted to do what was right.

Many participants, particularly those randomly selected members of the public, were unaware of the sheer size, scope, and the complexity of the lotteries and gaming industry in Alberta. What was evident was the understanding that there are very significant sums of money involved and this has escalated dramatically with the relatively recent introduction of expanded gaming opportunities—specifically electronic gambling devices.

My sense, as I listened to the dialogue, debates and presentations at the Summit, was that people in Alberta want to be both pragmatic and principled with regard to lotteries and gaming. Pragmatic in the sense of revenue generation, principled in the sense of understanding the ethical issues as well as the social costs that inevitably accompany the choices we make. Balancing these two perspectives will remain a challenge. This is why the participants felt that the Guiding Principles under which lotteries and gaming are regulated are of such importance, and why they should be carefully developed and adhered to.

Comments were consistently made that it is very difficult to identify the magnitude of the issues surrounding lotteries and gaming due to the lack of competent research. Clearly noted was that gambling is not restricted to Alberta nor are the issues and concerns related to problem gambling. A clear example of the need for competent research came during the keynote address by Dr. Volberg. She mentioned Internet gambling which was also touched on in discussions by the breakout groups. There currently appears to be no governmental capability at any level, for appropriate research on this topic. In asking questions following the Summit, many people appear to know 'a little' about Internet gambling, but there is no concerted effort to develop an understanding of the impacts of this multi-billion dollar, unregulated, easy to access form of gambling. One public submission identified that there is an opportunity for the Government of Alberta to take a leadership role in cooperative research ventures with other jurisdictions--especially our neighbouring provinces. I believe this suggestion has significant merit.

It was my impression that public acceptance of the level of gambling activities in Alberta has been reached if not breached. At no time did I hear a suggestion for any further expansion of the industry within our jurisdiction. It was also very clear that participants felt that there has been a lack of public input into decisions affecting lotteries and gaming up to this point. This strengthens the argument that any future increases or decreases in gambling activities require public input and acceptance. This input should also not be limited to once every three years.

And simply stated, the issues of gaming and the aboriginal community have not been sufficiently addressed.

It is noteworthy that one of the recommendations of the Summit participants--to restrict gambling to persons over the age of 18 years--has been acted upon by the Alberta Racing Corporation. The Board of the Corporation at its May 26 meeting passed a motion to restrict pari-mutuel wagering to persons over the age of eighteen. Although this may seem to be a relatively small step, it is significant that some action towards lotteries and gaming policy revision in our province, consistent with the public input process, has already occurred.

As the participants became more educated about the issues surrounding lotteries and gaming, they saw a need for timely, proactive, and well thought out government policy. They identified that a quick-fix, band-aid solutions approach could well exacerbate problems in the longer run.

My desire was to ensure that all discussions at the Summit were transparent and that the results of the public process were clear. The total recommendations of all the breakout groups as well as an initial analysis were discussed and circulated at the Summit. In that sense, there should be no surprises contained in this report.

The invitation to write, fax or E-mail submissions afforded the opportunity for anyone to be heard on the topic of lotteries and gaming. Those that made submissions should be commended for having done so. But a little extra thank you should also be given to those public delegates to the Summit who gave of their time and worked diligently toward making better public policy in the province.

To assist me, I had the good fortune to have five very supportive moderators and some of the best facilitators and organizers in the province. I trust the content of the report will be of value to the government in shaping its policy around the issues of lotteries and gaming.

Section 1: The Summit in Medicine Hat

MANDATE

Premier Ralph Klein announced on February 4, 1998 that a Gaming Summit would be held to have an open and public forum on all aspects of gaming. The Summit fulfilled, in part, one of the recommendations of the 1995 *New Directions for Lotteries and Gaming* report. This report, produced by a Member of the Legislative Assembly (MLA) Task Force led by Lacombe-Stettler MLA Judy Gordon, recommended that "the impact of the changes (in gaming) should be monitored on an ongoing basis and that the recommendations (of the report) should be reviewed in three years to assess whether further changes are needed."

A Summit Steering Committee co-chaired by the Minister of Community Development Shirley McClellan and Minister of Economic Development Pat Nelson was formed to ensure adequate resources and support were provided to Summit organizers. Other members of the Steering Committee included Lyle Oberg, Minister of Family and Social Services; Judy Gordon; Bonnie Lang, MLA for Calgary-Bow; Jocelyn Burgener, MLA for Calgary-Currie; and David Coutts, MLA for Livingstone-Macleod. On February 23, 1998, former Alberta Ombudsman Harley Johnson was named as the independent and impartial chair of the Summit.

The Steering Committee asked Mr. Johnson to do three things:

- Conduct a Summit in Medicine Hat on April 23-25 to assess the public's perception of the status of gaming in Alberta and determine whether the public feels any changes are needed to lotteries and gaming policy.
- Receive written submissions from individuals and groups in Alberta who wished to comment on the broad aspects of lotteries and gaming in Alberta.
- Prepare a report by the fall of 1998 based on input from these two sources with recommendations for future lotteries and gaming activity in Alberta.

ORGANIZATION

A secretariat composed of four staff members seconded from Alberta Community Development and the Alberta Public Affairs Bureau was provided to Mr. Johnson as organizational support. The Summit Secretariat included Terry Keyko as Director, Doug Balsden as head of the Summit facilitation team, Brad Stromberg in charge of communications and Marianne Bohoslawec as administrative support. The Summit Chair was involved in a number of fundamental recommendations concerning the Summit's structure:

- That Summit delegates would represent a balance between:
 - citizens with no ties to lotteries and gaming, and
 - organizations with specific interests in lotteries and gaming or groups that have established positions on lotteries and gaming issues.
- That the citizen selection process be done totally at random from among the general population and at arms-length from Summit organizers and the provincial government.
- That the Summit involve no more than 150 people to keep the facilitation process manageable.
- That the process and discussions during the Summit be open to the public via the media, observers, closed circuit television, and videotape.
- That a facilitation model be used that would encourage all delegates to be open and honest with their comments and opinions.
- That experienced moderators with no stated position on lotteries and gaming be part of the Summit team.
- That people not invited to the Summit be encouraged to provide their own input and opinions through written submissions.
- That Summit participants and others be given up-to-date, factual information about the history and current status of gaming and lotteries in Alberta.
- That a final report be produced as quickly as possible after the April Summit. May 15th was set as the deadline for written submissions.
- That moderators be involved in the review of the Summit report drafts.

This Summit plan was ratified by the Summit Steering Committee on March 4, 1998.

DELEGATE SELECTION

An Edmonton research consulting firm was contracted to randomly recruit 75 citizen delegates to the Summit. It was considered important to the success of the Summit to recruit a cross-section of citizens from Alberta who did not have a specific interest in lotteries or gaming. The following criteria were followed in screening delegates:

- The delegates would reflect the demographic make-up of the province in the areas of gender, age, occupation, and location.
- The delegates would not be board members of organizations or owners of businesses that received revenue from lottery activities.
- The delegates would have moderate attitudes towards lotteries and gaming.

Delegates who met these screening criteria were invited to attend the Summit. More than 10,000 calls were made over a three week period to secure the target number of citizen delegates and a list of 22 back-ups. As the Summit approached, some confirmed individuals had to withdraw for personal or work related reasons. Back-ups filled these vacancies although many of these also had to withdraw as the Summit drew near. In the end, 54 citizen delegates were able to participate in the Summit. Delegates' expenses were paid but they did not receive an honourarium.

SPECIFIC INTEREST GROUPS

The second source of delegates to the Summit was organizations that held a vested interest in, or position on, lotteries and gaming. The invitation list was composed of groups that met two or more of the following criteria:

- The organization was a legislated or legal body which had a province wide focus or mandate.
- The organization represented a provincial community of interest.
- The organization had an interest in the broad area of lotteries and gaming from one or more of four interest areas: economic, social service, enforcement/regulatory, treatment/education.
- The organization was willing to send one or more delegates at its own expense.

Space limitations prevented Summit organizers from inviting all of the organizations which fit the criteria. Instead, organizations were categorized into 11 different sectors. Some organizations from each sector were invited to send a representative to the Summit. This ensured that, to the greatest extent possible, all points of view from interest groups would be represented at the Summit. The 11 sectors were:

- Education
- First Nations/Metis
- Health/medical
- Hotel/hospitality industry
- Justice/enforcement
- Municipalities
- Seniors
- Religious communities
- Service agencies
- Treatment agencies
- Youth

A total of 65 delegates representing various specific interest groups chose to attend the Summit.

OBSERVERS

A number of requests were made by individuals and organizations to attend the Summit as observers. Summit organizers evaluated these requests on the merits of interest and involvement in gaming issues. Observer status was issued for about a dozen out-of-province gaming officials, specific interest groups that were not involved in the Summit as participants, and Members of the Legislative Assembly (government and opposition).

SUMMIT FACILITATION

The facilitation model chosen for the Summit allowed delegates to share their comments and views in a non-threatening environment. This was done by accepting all views as valuable and encouraging dialogue, not heated debate. Once views were "on the table", they were organized under a common subject or issue. The issue was then discussed to see if a consensus could be reached on actions to be taken to resolve concerns.

To make the process more manageable, the 119 delegates were divided into five groups (yellow, red, blue, orange, green). Each group was led by a moderator and two people experienced in the facilitation model. It was the moderator's task to observe the dialogue, respond to questions and concerns from participants about the process, and present a report on the group's recommendations at the end of the Summit.

The moderators were chosen by the Summit Chair for their objectivity, independence from lottery and gaming interests, and experience in group dynamics. The moderators were:

- Jamie Belanger, a recent University of Alberta Faculty of Education graduate.
- David Thomas, Dean of Community Studies at the Mount Royal College in Calgary.
- Floyd Thompson, Secretary of the Metis Settlement General Council.
- David Wright, a partner in the Calgary law firm Howard, Mackie.
- Marilyn Wangler, Special Projects Manager in Government Studies at the University of Alberta's Faculty of Extension. Unfortunately, she was unable at the last minute to participate. Hank Goertzen, a partner in Marcomm Works, an Edmonton-based communications and marketing firm, agreed to take her place.

BACKGROUND MATERIALS

Prior to the Summit, a document on the history and current status of lotteries and gaming in Alberta called *A Framework for Discussion and Input* was prepared by the Summit Secretariat. This document - along with the 1995 Lottery Review Committee Report *New Directions for Lotteries and Gaming* and summary reports from the Alberta Alcohol and Drug Abuse Commission (AADAC) and the Alberta Gaming and Liquor Commission (AGLC) - was sent to all delegates prior to the Summit as background information. At the Summit, gaming and lottery information produced by other organizations was made available to delegates.

AGENDA

To provide delegates with "food for thought" for their small group deliberations, the Summit began on the evening of April 23rd with keynote speaker Dr. Rachel Volberg, president of Gemini Research Ltd. and a University of Massachusetts professor. Her company has conducted extensive research on gambling and problem gambling in the general population. Dr. Volberg spoke on her research findings and on gaming effects on individuals and communities. A panel of four Albertans representing various lotteries and gaming viewpoints followed Dr. Volberg's talk. Delegates then had an opportunity to ask questions. The panelists included:

- Julian Koziak, Q.C., president of the Chateau Louis Hotel and Convention Centre and current chair of the Hotel Association of Canada. Mr. Koziak spoke in support of gaming activity.
- Thelma Milne, Mayor of Cardson. Ms. Milne spoke in opposition to gaming activity.

- Roy Bricker, Chief Operating Officer of the Alberta Gaming and Liquor Commission (AGLC). Mr. Bricker spoke on the role and responsibilities of the AGLC.
- Marcie Dibbs, Supervisor of Problem Gambling for the Alberta Alcohol and Drug Abuse Commission (AADAC). Ms. Dibbs spoke about AADAC's role and programs as they pertain to problem gambling and gambling addiction.

The day and a half of dialogue that followed the opening of the Summit sought to answer two key questions:

1. What are the benefits and implications of lotteries and gaming on individuals and communities in Alberta?
2. How should the Government of Alberta acknowledge and accommodate these benefits and implications when developing its social and economic strategies now and in the future?

Each small group began the second day reviewing the Guiding Principles contained in the 1995 report: *New Directions for Lotteries and Gaming*. The groups spent the rest of the day identifying the impacts of gaming. Each group's recommendations were presented to all delegates on the morning of day three. The delegates then returned to their small groups to discuss what they had heard. The Summit concluded with each group making its final recommendations.

ISSUES OF CONCERN TO SUMMIT PARTICIPANTS

Over the course of a day and a half of discussion, Summit participants covered a wide range of topics and issues concerning lotteries and gaming. Although a consensus of opinion emerged on what should be done to address some of the issues, many went unresolved. This lack of resolution does not mean the issues were considered less important, only that more time, information and discussion were needed before recommendations could be made.

The following issues were raised and discussed by the majority of participants at the Summit:

Issue: *Gambling policy is largely driven by economic considerations and has little public input.*

Participants were concerned that lotteries and gaming policy seems to be driven by economics, not by the net benefits to society. They called on government to balance economic considerations with social impacts when considering changes to gaming policy. Although participants recognized gaming revenue creates jobs, funds community projects and helps pay for government initiatives, there was a desire to see a more conscious effort made to weigh this against the negative impacts gaming has on some individuals, families and communities.

Participants wanted more public opinion and involvement prior to making any significant change in gaming policy or programs. Many participants believed this would help gaming authorities balance a citizen's "freedom of choice" to gamble and the community's wish to minimize problems related to gambling.

Issue: *No one knows what the net impact of gaming is in Alberta.*

Participants felt hampered in discussing the net societal impacts of lottery and gaming activity in Alberta because available information is almost exclusively focused on revenues, players, machines, gaming facilities and the industry's economic spin-offs (such as jobs, business investment, taxes, etc.). AADAC has begun to track one social outcome of gambling (i.e. the nature and volume of service provided to self-admitted problem gamblers) but information on other outcomes such as financial and health problems, criminal activity, marital breakdown, etc. is sketchy at best. What is available is either speculation, an extrapolation of research conducted in other countries, or anecdotal. This imbalance, said participants, makes it difficult to appreciate how gaming activity affects individuals, families and communities. Participants believe funds should be provided to research and fill information gaps on an on-going basis. This information should be communicated to Albertans so that gaming discussions and decisions can be based on accurate, up-to-date facts and data.

Recommendation #1: That the provincial government dedicate more resources to gaming research in areas like the prevention and treatment of problem gambling, the social impacts of lotteries and gaming, native gaming issues, and emerging gaming activities.

Issue: *Gaming policy is inconsistent, particularly when dealing with betting and access restrictions.*

The rules governing individual lotteries and games vary considerably. Many factors, such as the size, type and license requirements of the game, dictate what rules will be followed. Some groups discussed Alberta's charitable gaming model, payout formulas and regulations. Significant concerns were raised with regard to access and betting restrictions, particularly as these restrictions pertained to age.

While many participants were concerned that children were allowed to enter and even work in some locations where gambling took place (primarily bingo), all agreed betting - regardless of the game - should be limited to adults. Participants struggled to understand access rules that allowed VLTs in bars and lounges but restricted slot machines, casino games, bingo and off-track betting to designated facilities in a limited number of communities.

Recommendation #2: That gambling in all forms be restricted to people 18 years of age or older.

Recommendation #3: That the charitable model for operating casinos and bingo be maintained.

Issue: *The allocation of lottery and gaming profits needs to be adjusted.*

The majority of lottery and gaming revenues controlled by the province do not go directly to charities or local communities. The majority goes to the province's General Revenue Fund. While it was understood by most that the General Revenue Fund helps to pay for services used by citizens throughout Alberta (like health, education, and roads), most participants felt the portion returned directly to communities was too low. In addition, there was considerable concern that lottery funds were being used, in part, to supplement the operational costs of essential services. Not only is this contrary to one of the Guiding Principles recommended by the 1995 Lottery Review Committee, but it creates a dependence on an unstable source of funds.

Recommendation #4: That gaming and lottery profits not be directed to the province's General Revenue Fund.

Recommendation #5: That all gaming and lottery profits collected by the province be directed to supporting charitable or non-profit initiatives.

Issue: *There needs to be more of a commitment to support those negatively affected by gambling.*

While participants generally supported an individual's right to gamble, problem gambling was seen as an addiction by many as more destructive to individuals and their families than other addictions. Participants were concerned that not enough was being done on a provincial level - particularly for high, at-risk groups like young people and aboriginals - to prevent addictions from occurring, to identify and counsel those who became addicted, and to support a problem gambler's family during crisis and recovery. It was felt by most that society, through government, had a moral obligation to make a concerted effort to "pick up" those who had "fallen down".

Recommendation #6: That the amount and public visibility of gambling addiction prevention and treatment programs be increased.

Issue: *There needs to be better accountability and disclosure of gaming profits and activities.*

Summit participants felt more should be done to educate citizens about the nature and extent of gaming activity in the province. It was conceded there are many information gaps that can only be filled through additional research. However, participants felt strongly that gaming authorities had a responsibility to proactively share with the public their existing knowledge and data about payouts, gaming practices, revenues and other details.

Many Summit participants felt government's dual role as both regulator of gaming activity and benefactor of lottery proceeds was a conflict of interest. Participants suggested this was a stumbling block to full accountability. Removing, to the greatest extent possible, this conflict of interest would improve government's credibility and enhance the public's confidence that gaming policy is not tied solely to profits.

Recommendation #7: That lottery and gaming regulators and the provincial government improve accountability and disclosure of gaming activity in the province. This would include keeping citizens in Alberta better informed of the amount, type, cost (social and financial), and benefits of gaming activity in the province.

Issue: *Consideration needs to be given to prohibiting or capping certain forms of gaming activity.*

A few participants felt some or all forms of gambling should be outlawed in Alberta. However, the majority felt gambling with strict limits and guidelines was a more reasonable and acceptable approach.

Discussion on this topic focused on "hard" forms of gambling like VLTs, coin slot machines and other games that were considered to be more addictive than others. Restricting access by placing machines in a limited number of designated facilities and/or capping the number of machines were seen as reasonable control measures by many participants.

Issue: *There was no clear consensus on a province-wide vote on Video Lottery Terminals (VLTs).*

Some groups discussed this issue but the Summit as a whole came to no consensus on whether one should be held. Many participants were concerned a VLT vote would remove the right of local communities to choose for themselves or would override previous decisions made by towns and cities.

Issue: *Emerging or future forms of gaming need to be carefully monitored.*

Concerns were raised about gaming through the Internet, on public carriers like buses and airplanes and in other easily accessible venues. These concerns were primarily centred on how these new gaming opportunities may magnify individual and societal problems connected with gambling, particularly new gaming forms which are not closely monitored and/or regulated. Access to these new forms of gaming by young people and other high risk groups was of significant concern.

Issue: *Aboriginal issues related to gaming are unique.*

Some groups noted that as a high risk group with distinct jurisdictional and cultural differences, gaming issues related to aboriginals needed further discussion and review.

OTHER ISSUES

Summit participants selected the issues they wished to focus upon. As a result, there were many aspects of lotteries and gaming that were raised but not discussed in any depth. This does not necessarily mean these aspects held no concern for delegates but rather that other issues dominated Summit discussions. General topic areas not discussed in-depth by participants included:

- Most forms of lotteries and games like horse racing, ticket lotteries, raffles, pull tickets, and specific casino games including coin slot machines.
- Laws and legislation governing lotteries and gaming and the supervision and enforcement of those laws.
- The number or type of non-profit groups involved in gaming activities.
- The specific number of games and gaming facilities in the province (with the exception of VLTs).
- The process and procedures by which money is distributed to community groups through provincial foundations. This includes Community Lottery Boards.
- The quality of the social programs currently available through AADAC and others to help problem gamblers.
- Expenses connected to gaming activities such as government licensing fees, revenues collected by casino, VLT and racetrack operators, and commissions retained by store retailers.

GUIDING PRINCIPLES

Summit participants began their small group deliberations by reviewing the eight Guiding Principles for lotteries and gaming activity in Alberta established by the 1995 Lottery Review Committee. Many participants were disturbed that the Guiding Principles focused heavily on the distribution of revenue from lotteries and gaming in Alberta. They pointed out lotteries and gaming activity has evolved with little or no public input. Therefore, the question of the appropriateness of allowing gambling in the province has never been, but should be, a point of public discussion and government debate.

All of the small groups noted that some aspects of the Guiding Principles were not being followed. It was pointed out that this diminishes and undermines the government's credibility. Adhering strictly to Guiding Principles that are formally approved would enhance accountability and would give citizens more confidence that lottery and gaming activity in the province was being properly governed.

There was considerable support for reviewing the Guiding Principles and other core lotteries and gaming policies in Alberta on a regular basis. Many considered a three year cycle to be appropriate and all participants felt public input and debate should be a crucial part of such on-going reviews.

For the most part, the 1995 Guiding Principles were seen as a foundation for directing and controlling lottery and gaming activity in the province. However, participants suggested several changes they believed would strengthen and clarify the intent of the principles. These ranged from adding new principles to minor but important word changes. There was general consensus in a number of key areas:

- The Guiding Principles need to recognize and address the social impact of gaming. Participants felt the principles lacked balance because there was an over emphasis on profits and the allocation of gaming revenue.
- The principle of not using lottery funds for essential services needs to be enforced. Participants generally supported this notion and were disturbed that this already established principle was not being followed.
- The principles should speak to the possible stabilization or even reduction of lotteries and gaming activity and not just growth or expansion. Many participants were concerned the principles reflected only the assumption that citizens want to see a lotteries and gaming industry that continues to grow and flourish in the future. In fact, these participants believed citizens want to see a well regulated industry that is properly restrained.
- The principles need to be updated, upgraded, accepted and adhered to as firm government policy.

In addition to these changes, there was significant support for a statement that declared Alberta's level of acceptance of lotteries and gaming activity in the province. Participants felt such a statement would clearly set the context for the Guiding Principles. Some groups recommended specific wording changes to the Guiding Principles. These changes were not discussed or approved by all Summit participants.

Recommendation #8: That the Guiding Principles for lotteries and gaming in Alberta adopted by the provincial government be updated, upgraded, accepted, and adhered to.

Section 2: Feedback and Input from Written Submissions

OVERVIEW

Summit organizers ensured that any individual or organization in Alberta had an opportunity to make their views and opinions on lotteries and gaming known by encouraging written submissions. This process also served an important function as a "check" that the views, opinions and recommendations emerging from the April 23-25 Summit in Medicine Hat were inclusive of the views of other interested Alberta residents and organizations.

A total of 187 submissions were received at the Summit Secretariat by the cut-off date of May 15, 1998. Another 15 submissions did not specifically deal with lotteries and gaming issues but offered comments on the Summit process itself and/or requested additional information. The Summit Chair and other Secretariat staff personally reviewed each submission. All submissions were forwarded to an independent research-consulting firm for coding and tabulation according to a number of criteria established by the Summit Chair. These included:

- the method of submission;
- whether the submission came from an individual (male or female), a group of some type, or another organization;
- the geographic origin of submissions within the province;
- the position on lotteries and/or gaming taken in the submissions;
- rationale for the positions taken; and
- further recommendations made in the submissions.

A detailed summary and breakdown of the public submissions is available upon request. The following sub-sections of this report provide a more general and broad overview of the public submissions.

In reviewing the summary of public submissions as presented in the following sub-sections, it is important to note that the results can not be equated with a scientifically-valid public opinion survey of Alberta residents and organizations. The submissions represent only the views and opinions of those individuals, groups and organizations who took the time to prepare a submission and forward it to the Summit Secretariat. While similar recommendations and positions have been grouped, tabulated and are shown in some of the following tables in percentage form, this has been done as a means of easily summarizing submissions for this report only. The percentages do not represent percentages of the total Alberta population.

PROFILE OF SUBMISSIONS

The following table provides a profile of the public submissions received by the Alberta Lotteries and Gaming Summit '98. Percentages may not add up to 100 due to rounding.

Alberta Lotteries and Gaming Summit '98 Summary of Public Submissions		
Total Submissions:	187	100%
Form of Submission:		
Letter, brief or questionnaire	87	47%
Voice mail message	3	2%
E-mail message	54	29%
Fax	43	23%
Type of Submitter:		
Individual (male)	65	35%
Individual (female)	58	31%
Individuals (family, other group)	33	18%
Organizations or not stated	31	17%
Geographic Origin of Submission:		
Edmonton	36	19%
Calgary	6	3%
North	5	3%
Central	41	22%
South	60	32%
Not stated	39	21%

The table shows that the majority of submissions came from individuals or from families or other types of groups, rather than formal organizations. While much of the input was brief and to the point, substantial submissions were received from the City of Edmonton, the Alberta Racing Commission, and the Alberta Satellite Bingo Association. The time and thought that went into these and other submissions was impressive.

There was quite a discrepancy in the origin of submissions in geographic terms. For example, while 36 submissions were received from individuals, groups or organizations in Edmonton, only 6 were received from Calgary. Outside of those centres, 60 submissions came from southern Alberta locations (20 of these came from people in Cardston, all of whom expressed similar points of view), while 41 came from central Alberta locations, and just 5 from northern Alberta.

SUMMARY OF SUBMISSIONS

In general, the public submissions reflected the same spectrum of opinion and issues as identified in the Medicine Hat Summit proceedings. These covered the full range from opposition to gambling in any form in Alberta to a desire for no change at all to existing rules, regulations and policies.

The following table shows the number of public submissions, which took various positions on lotteries and gaming in Alberta, as well as the percentage of total submissions, which the number represents. For ease of reporting, these positions are shown in descending order - from a position expressed by the largest number of submissions, to a position expressed by the smallest numbers. *These results represent only the opinions of those individuals, groups and organizations who took the time to prepare a submission and forward it to the Summit Secretariat. Percentages may not add to 100 due to rounding and/or multiple positions taken by some submitters.*

Alberta Lotteries and Gaming Summit '98 Summary of Positions Taken in Public Submissions		
Total Submissions:	187	100%
Opposed to all forms of gambling	75	40%
Against government promoting and profiting from gambling	18	10%
Ban VLTs in hotels, bars (only allow in casinos)	21	11%
Leave bingos alone	13	7%
Ban VLTs/electronic gambling completely	12	6%
Reduce the number of VLTs, limit accessibility	11	6%
Leave VLTs alone	7	4%
Establish "resort" casinos, centralize availability of gambling	5	3%
Leave things the way they are	3	2%
Apply managed growth strategy to gaming	2	1%
No specific position stated*	21	11%

* These submissions made a number of general observations regarding gaming and lotteries in Alberta, and/or discussed perceived positive and negative impacts, but did not take a specific "position" which could be readily identified.

Those who stated a position in their submissions had an even wider range of reasons for taking those positions. Those who were opposed to all forms of gambling most often cited perceived negative social impacts, while those who favoured the status quo most often cited positive economic impacts. Other submitters often noted both positive and negative impacts and a need to achieve balance. The detailed summary of public submissions contains a complete listing of reasons advanced for the various positions taken.

In addition to their overall position on lotteries and gaming (if any) and their general rationale for that position, many people made other, specific recommendations. In all, more than 50 specific recommendations were contained and noted in the public submissions, ranging from the abolition of all forms of gambling in Alberta to very specific recommendations of many types. These recommendations were generally consistent with the range of recommendations advanced by delegates at the Medicine Hat Summit.

A complete list of all of the recommendations made through written submissions is available upon request.

Section 3: Appendices

APPENDIX 1

Summit '98 Discussion Groups' Recommendations

The Summit's five small discussion groups made a total of 46 recommendations:

Red Group

1. The charitable model should be maintained and provide a higher return to community organizations.
2. An endowment fund of adequate size should be created to support research initiatives. Fifty percent of the interest from such a fund should be used to support Alberta based projects. The other 50% should go to the creation and maintenance of a quarterly gaming research journal called *Alberta Gaming*.
3. The Alberta Gaming and Liquor Commission should develop and publicize a long term plan for gambling in Alberta.
4. Easy access to cash in gambling venues should be eliminated through improved enforcement.
5. Gambling should be restricted to people 18 years of age and older.
6. Public awareness of gaming activities and the industry in general should be expanded. To this end, the government should develop a community-based program which will actively educate everyone, especially the young.
7. A province-wide vote on VLTs should be held. The results should be binding.
8. Reduce the negative impacts of VLTs by:
 - making changes to the way the machines operate.
 - gradually phasing the machines out of lounges and bars and into gambling establishments.
9. Do not tax initial lottery winnings. The enforcement of such a proposal would be an administrative burden.

Yellow Group

10. The Government of Alberta must set gaming money aside for research into gaming addiction prevention and treatment. This should include a comprehensive independent research centre that is proactive and in particular includes social impact studies.
11. The Government of Alberta must be responsible for informing the public about the collection and distribution of lottery/gaming funds.
12. The Government of Alberta must always keep the public informed of the positive and negative aspects of gambling and its affect on people, not just funding. This information should include social impacts as well as financial performance and emphasize awareness and education.
13. The Government of Alberta must revisit the Guiding Principles to ensure they stay current and are adhered to. We must re-examine/test our assumptions on what the Guiding Principles are based on.
14. The Government of Alberta should evaluate the basic premise and role of gambling as a positive way of improving the quality of life of Albertans.
15. The Government of Alberta must develop policies that further examine the delivery of gambling.
16. The Government of Alberta should maintain the charitable gaming objective in Alberta.
17. The Government of Alberta must appoint a gaming specialist in the Ombudsman's office.
18. The Government of Alberta must ensure and support freedom of choice.
19. The yellow group endorses the red group's "Alberta Gaming Journal proposal.
20. Gaming/lotteries should be treated as an industry in the global context and should be regulated as such in Alberta.
21. The yellow group endorses the need to fill information gaps and track trends through research.
22. No one under 18 should be allowed to gamble or wager in Alberta.

Green Group

23. Increase the amount of lottery funding returned to communities.
24. Designate certain locations in Alberta as gambling sites.
25. Maintain Alberta's charitable gaming model.
26. Increase the amount of time and money spent on preventing gambling addictions and educating Albertans about the impacts of gaming and lotteries.
27. Ensure the Government of Alberta is accountable and provides full disclosure concerning all gaming revenues and activity.
28. Increase funding for gambling research.
29. Restrict gambling to persons 18 years of age and older.
30. Implement more regulatory control over gaming and gaming devices.
31. Ensure people have freedom of choice concerning the type of gambling they have in their community.

Orange Group

32. The public, at the provincial and community level, needs to have ongoing involvement and decision making authority in determining the evolution of lotteries and gaming in Alberta.
33. Lottery and gaming revenues should not go to the Alberta Government's General Revenue Fund, but rather those revenues need to flow back to communities.
34. The Guiding Principles need to be acknowledged and effectively address the social impact issues of lotteries and gaming that exist in Alberta today.
35. The first Guiding Principle is that the Guiding Principles, whatever form they take, must be respected and followed.
36. Recommendations resulting from this summit process need to be reflected in the Guiding Principles.
37. The Alberta Government needs to adopt clear policies in respect of all Summit recommendations.
38. Anyone under 18 years of age should not be allowed to gamble, whether that be bingo or any other form of lottery or game.
39. Funding should be made available for impartial quantitative and qualitative research. This is an essential key to developing appropriate Guiding Principles for lotteries and gaming in Alberta.
40. Funding must be made available for the development of effective education, early intervention, and treatment programs for problem gamblers in our society.

Blue Group

41. There should be strict adherence to the Guiding Principles that govern lotteries and gaming.
42. There is a need for more government accountability with full disclosure.
43. There is a need to acknowledge and address the social issues and implications of gaming and lotteries in Alberta. The Government of Alberta must take some responsibility in meeting this need.
44. Future decisions concerning gaming and lotteries should be based upon adequate research. Such research should be proactive, impartial, comprehensive, and adequately funded.
45. Prevention and health promotion should be given a very high priority.
46. Gaming and lotteries should be treated as an industry operating within a larger national and global context, and it should be regulated from this point of view.

Note: Some recommendations have been edited for clarity and readability.

APPENDIX 2

Organizational Representatives at the Alberta Lotteries and Gaming Summit '98

ABS Casino
Alberta Advisory Council on Aging
Alberta Alpine and Snowboarding Association
Alberta Association of Agricultural Societies
Alberta Association of Chiefs of Police (2)
Alberta Association of Municipal Districts and Counties (2)
Alberta Association on Gerontology
Alberta Association of VLT Operators
Alberta Catholic School Trustees Association
Alberta Committee of Citizens with Disabilities
Alberta Fish and Game Association
Alberta Gaming and Liquor Commission-Field Investigator
Alberta Hotel Association (2)
Alberta Library Trustees Association
Alberta Medical Association
Alberta Public Health Association
Alberta Racing Corporation
Alberta Restaurant and Food Services Association (2)
Alberta Satellite Bingo Association
Alberta School Boards Association
Alberta Teachers' Association
Alberta Urban Municipalities Association (3)
Arts Touring Alliance of Alberta
Association of Fund Raising Executives
Association of Volunteer Centres of Alberta
Calgarians for Democratic Choice
Calgary & District Council of Churches (2)
Calgary Evangelical Ministerial Association
Canadian Foundation on Compulsive Gambling
Canadian Mental Health Association-Alberta Division
Church of Jesus Christ of Latter Day Saints
Confederacy of Treaty 6 First Nations
Council of Sikh Organizations
Crescent Heights High School Students' Council
Distress/Drug Centre

Edmonton & District Council of Churches (2)
Edmonton Evangelical Ministerial Association
Federation of Alberta Bingo Association
Federation of Alberta Naturalists
4-H Foundation of Alberta
Hospitality Alberta
Intercity Forum of Social Policy
Medicine Hat College, Addictions Counseling Program
Medicine Hat High School Students' Council
Métis Nation of Alberta Association
Nechi Institute
Palace Casino
Poundmaker's Lodge Treatment Centre
Premier's Council on the Status of Persons with Disabilities
Rocky Mountain House Ministerial Association
Royal Canadian Legion, Alberta (NWT) Command
Royal Canadian Mounted Police – K Division
South Country Treatment Centre
Swim Alberta
University of Alberta, Government Studies
Villa Recovery Centre for Women
Visual Arts Alberta

APPENDIX 3

Community Origins of Randomly Selected Public Delegates at Summit '98

Ardrossan

Calgary (14)

Chard

Edmonton (16)

Ft. McMurray

Grande Prairie (2)

Grimshaw

Lacombe

Lamont

Lethbridge (4)

Lomond

Medicine Hat (3)

Mossleigh (2)

Red Deer (3)

Spirit River

St. Albert

Strathmore

APPENDIX 4

Listing of Individuals and/or Organizations Making Submissions to the Summit Secretariat

Lynette and Holly Louise Armstrong Earl W. Ayre Diane Barnes Reverend George Belcher Janni Belgum	St. Justin School	Edmonton Airdrie Edmonton Cardston Calgary
Donna Berggren Mark S. Bertie O. Bertie Marilyn Blankenship Arla Grace Blocksage Cody W. Bly Carolynne Bouey Shank	Calgary Council of Churches Division of Church in Society The United Church of Canada	Calgary Calgary location not provided location not provided Lethbridge Lethbridge Cardston
Theodore Brandley	Palace Hotel	Edmonton
Pat Brennan Daniel Brooks P. Cahoon Shirley Carruthers George Cassidy Harrison Coufield Richard Champagne Delon M. Christensen E. Christiansen Kim Craig Shirley Cripps Cyr Family Robert Stewart Daines Robert Darby Darren Depeel Stan Depta Lori Deverdenne Maureen Donovan N. Dupont Karen Dwyer	Conference Staff Ministry The United Church of Canada	Medicine Hat Calgary Hill Spring Three Hills Medicine Hat Edmonton location not provided Edmonton Clive Cardston Coaldale Winfield Brooks Cardston Edmonton Edmonton location not provided St. Albert Calgary
Viola Eby Diane Eklund D.D. Elves L. Erickson	Church of Jesus Christ of Latter Day Saints Alberta Racing Corporation	Edmonton Cardston Camrose
	Our Lady of Fatima Association	
	Life Enrichment Centre	
	St. Edmund's Men's Club	
	Canadian Diabetes Association Alberta and NWT Division	

Clark C. Fabricius	Clarks Comment	Bowden
J. Ferguson		Medicine Hat
Frank Finn (2)		Calgary
Herb Flewwelling	Sport for Life	Edmonton
Miles C. Flexhaug		Edmonton
Colleen Ford		Cardston
S.D. Fraser		Lacombe
D.A. Gabert		Edmonton
Terry Garrett and Brad Olsen	Edmonton Evangelical Ministerial Association	Edmonton
Claudia and Bob Gehmlich		Medicine Hat
Marjorie Gerhart		Cardston
Ronn Gibb	Heritage Oaks Dental Clinic	Edmonton
Mark Gibson		location not provided
Marcel and Wendy Godenir		location not provided
Mervin Golly		Leduc
Doris Greenwood		Medicine Hat
Thomas H. Greidanus		Edmonton
Geoffrey B. Grunewald	Church of Jesus Christ of Latter Day Saints	Calgary
Bryce Guenther		location not provided
Donna Gustafson		Medicine Hat
Pat Gustafson		Woking
Rod Gustafson		Medicine Hat
Tracy and Connie Hall	Crawling Valley Ranch	Bassano
Francis J. Hanson		Enchant
K. Neil Harken		Lacombe
Albert and Dorothy Heck	#11, R.C.A.C.	Lethbridge
Theresa Henderson		Stettler
Marlys Hinman		location not provided
Deborah Hoekstra	Church in Society	
	The United Church of Canada	Edmonton
Gordon Holoiday		Edmonton
Trapper Howard		Raymond
Jeff Hoyem	Huntington Society of Canada	Edmonton
Reuben and Lila Huber		Redcliffe
Gordon B. Hudson		Cardston
Carole Hudson		Beaumont
Catherine Hudson		Cardston
B. Hummel	Caroline and District Athletic and Agriculture Society	Caroline
Geoff W. Hunt		location not provided
Bertha E. Janzen		Medicine Hat
Sam D. Johnson	Northlands Park	Edmonton
Rose Johnson		Bentley
Russell J. and Cecilia F. Johnston		Stettler
Chuck Knauff		Manning
Edward Krause		location not provided
Stephen P. Kristenson	Synod of Alberta and The Territories Evangelical Lutheran Church	Edmonton
Bev Krockner		Calgary
R. O. Larsen		Bow Island
B. Larson		Cardston
Rulon Litchfield		Medicine Hat
Janice Loberg		Calgary
Delaine and Glen Lowry (3)		Cardston

Stacy and Bob MacPherson		Medicine Hat
Eric and Jean Marples		Bow Island
Donald and Patsy Martin		location not provided
Lamont Matkin		Lethbridge
Tom Matkin		Cardston
Don Mayne		Edmonton
Ken McGregor		Onoway
M.A. McKinnon		Red Deer
C.Sandra McLeod		Edmonton
Harriet McLoughlin	Huntington Society of Canada	Cambridge
Jean McNeely	Friends of the Disabled	Edmonton
Larry Merkley		Lethbridge
Viola Mieler		Fort Saskatchewan
Conwyn and Janet Miller		Brooks
J. Grant		Innisfail
Jacalyn H. Miller		Innisfail
Thelma Milne	Mayor of Cardston	Cardston
Bryan Murray		Edmonton
Duncan Murray		Calgary
Carol Nilsson		Stettler
Douglas B. Nilsson		Stettler
Carl W. Nohr		Medicine Hat
Don O'Brien		location not provided
William O'Brien	Edmonton Neighbourhood Patrol Society	
Wanda M. Oler		Edmonton
James O. Olsen		Red Deer
Bernice Olson		Carstairs
Robert and Lorri Pack		Wetaskiwin
Dan Parker		location not provided
June D. Perreault		location not provided
Ed Phillips	655390 Alberta Limited	Red Deer
Larry Playfair		Lethbridge
J. Puckett		Red Deer
Earl and Helen Quinn		Grande Prairie
Edward and Olga Rabb		Red Deer
Marg Raymond	The Medicine Hat Chapter of the Women's Christian Temperance Union	Medicine Hat
Chad and Susan Rice		Medicine Hat
Mike Richards	Londonderry Child Development Society	Burdett
Jan Richardson	The United Church of Canada	Edmonton
Kenneth E. Riley		Killam
James and Shari Robertson		Lethbridge
Jean Rockarts		Bowden
Garry Rohr	V.O.T.E.	Stettler
Karen Roppel	Division of Church in Society	Edmonton
	The United Church of Canada	
Carol Roy		Edmonton
Lawrence and Brenda Ryan		Camrose
		Brooks

Gary Schmitz		Medicine Hat
Darren Scott		location not provided
Celanie Scoville		Medicine Hat
Earl Scoville		Medicine Hat
Phil and Mary Sheffield		Cardston
Lee Sherwood		Lethbridge
Brenda Shideler		Rimbey
Dwaine Shipley		Glenwood
William Shores	Wood Buffalo Hospitality and Tourism Group	
Ernest Walter Shumsky		Ft. McMurray
Douglas A. Sirrs, Q.C.		location not provided
Bill Smith	Mayor of Edmonton	Wetaskiwin
Doug Smith		Edmonton
Terrence C. Smith	Church of Jesus Christ of Latter Day Saints	location not provided
Clayne A. Steed		Raymond
Gordon Tallestrup		
Garry Smith	Faculty of Extension Government Studies	
Gladys Smith		Edmonton
Glen M. Snelgrove		Camrose
Gilbert Sommert		Red Deer
Charles Straight		Wetaskiwin
Jeff Strong		Lethbridge
Lois Sugden		Calgary
James G. Swan		location not provided
Ian Taylor	Alberta Satellite Bingo Tessier Equipment Ltd.	Medicine Hat
Bob Tessier		Edmonton
The Jones Family		Edmonton
Suzanne Thompson (2)	Leefield Community League	Edmonton
Cindie J. Thompson		Edmonton
Pamella H. Thompson		Lacombe
Raymond Tondevoid		Cardston
Ellinor Townend	The United Church of Canada Alberta and Northwestern Conference Kensington Community League	Edmonton
Shelley Tupper		Edmonton
Jules Van Brabant		St. Paul
Elaine Vandrunen		Lacombe
Sid R. Wallace		Calgary
Jim Wallace	South Calgary Community Church	Calgary
Phil Walton		Bentley
J. Wiebe		Drumheller
R. Wilde		Cardston
A. N. Williams		Sherwood Park
Rina Witzke	St. Paul Parent Advisory Association	Edmonton
Herman Wolfs		Rocky Mountain House
Rowayne, Teryl and B. Wolsey (3)		Cardston
Jerry Wood		Edmonton
Charmaine Wood		Medicine Hat
David Wright		Stettler
William and Eleanor Zahary		Edmonton

Note: 15 submissions anonymous or names not legible.

SUMMIT '98



Alberta Lotteries & Gaming

A Framework for Discussion and Input

April, 1998

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Your Opinion Counts!

Lotteries and gaming are a part of Alberta life. The vast majority of adult Albertans are involved in the industry, either as players or lottery and gaming operators. Many of us have also debated the impacts and benefits of lotteries and gaming, and have discussed what the future of lotteries and gaming should be.

Where we go from here is what the Lotteries and Gaming Summit, held April 23-25 in Medicine Hat, is all about. Not everyone can be at the Summit but your voice can still be heard.

You can be a part of the discussion by reading this booklet and answering the questions raised on pages 23-25. Your thoughts and opinions are important to us so we encourage you to send in your comments before the May 15th deadline.

1. Introduction

Summit '98

On March 13, the Government of Alberta announced that a Lotteries and Gaming Summit would be held in Medicine Hat on April 23-25. The Summit's objectives are to assess the status of gaming in Alberta and to determine whether any changes are needed. A total of 150 people will participate in the Summit. Seventy-five people will represent various gaming special interest groups. Another 75 have been randomly selected from across the province to represent the views of the public at large.

A Framework for Discussion and Input

Space and time do not permit every person in Alberta interested in lotteries and gaming to go to the Summit. However, Summit organizers do want to hear from anyone who has an opinion about lotteries and gaming. This framework has been developed to stimulate discussion and focus people's thoughts. It contains basic facts about lotteries and gaming and poses some questions. The questions are similar to those that will be discussed at the Summit.

We would like you to read the information in this document, consider the questions in Section 6 and then send us your comments. Your feedback, and that of other Alberta citizens, will be reflected in the final report to Government.

Feedback

You can provide your feedback to us in several ways:

Mail: Alberta Lotteries and Gaming Summit
Box 984, Post Office Main
Edmonton, AB T5J 2L8

FAX: 403-422-7158

E-mail: summit98@gov.ab.ca

To be considered, your comments must be received by the Summit Secretariat by **Friday, May 15th**. This *Framework for Discussion and Input* is also available on the Internet at: <http://www.gov.ab.ca/summit98>

Thank you for taking the time to read this document and provide us with your comments. Please call 422-7165 or toll free 310-000 if you have any questions or want additional copies sent to you.

2. History of Lotteries and Gaming In Alberta

Lotteries:

Lotteries include any form of gambling that involves buying a ticket or placing a bet on the random chance that your number or combination will be selected among hundreds, thousands or millions of others. Lotteries are considered to be games of pure chance. Examples include:

- Instant scratch and win tickets.
- Pull-tickets (*also called break open tickets*) like Nevada tickets.
- Lottery pools like 6/49.
- Raffles like community fundraising draws.
- Electronic forms of gambling like video lottery terminals.

Gaming:

Gaming includes any form of gambling that involves betting on games that have an element of skill, either by the player or the competitor or both. Examples include:

- Betting on horse races (called pari-mutuel wagering).
- Casino games such as blackjack or baccarat.

Development of the Lotteries and Gaming Industry

Gaming has always been a part of Alberta life. Even after bingo and horse race betting were legalized in 1910, many other types of illegal gaming activity continued throughout the province. The gaming industry began to become a more visible part of Alberta society in the 1970s as other forms of gambling were legalized.

Legalization and the establishment of clear, well-defined regulations for various forms of gaming led to a sharp rise in activity in the 1970s and 1980s. Sweepstakes were introduced at Edmonton Northlands and the Calgary Stampede in 1970; the first lottery in Alberta - "The Western" was launched in 1974; the first non-profit casino was held in Edmonton in 1975; and the first privately operated casino for charitable purposes was opened in Calgary in 1980. Throughout the 1980s, a host of new lotteries, casinos, and bingo halls were developed.

New technology introduced in the 1990s contributed to another major period of growth for the gaming industry. Remote betting on horse racing, satellite bingo, and electronic games like Video Lottery Terminals and slot machines have contributed to a doubling of gross gaming revenues in the past five years.

In 1996/97, gaming generated \$3.22 billion in gross revenues, a 373% increase from 10 years ago. It is estimated that licensed gaming activity in Alberta today generates about 11,000 full and part-time jobs.

Government Involvement in Gaming

Before 1969, legal gambling was strictly controlled by the federal government and restricted to charity bingos and raffles, horse race betting, games of chance at summer fairs and friendly bets between individuals.

In 1969, the Criminal Code of Canada was amended to allow lotteries approved by either the federal or provincial government. Provinces were given the right to operate lotteries and casinos. Restrictions on charity gambling were relaxed.

Alberta quickly moved to restrict casino gambling to charitable fundraising purposes only. In also formed Alberta Lotteries to oversee all lotteries in the province. To oversee interprovincial lotteries, Alberta joined other western provinces to form the Western Canada Lottery Foundation. By the late 1970s, Alberta had a comprehensive licensing and accounting program in place to regulate and monitor all charity gaming operations.

Another change to the Criminal Code in 1985 gave the provinces total control over lotteries. The provinces were also granted the right to manage and operate mechanical gaming devices. The federal government retained its authority over horse race betting.

Following this change, Alberta confirmed casinos, raffles, bingos and pull tickets would be operated for the benefit of charities only. The government retained direct involvement and control of provincial and interprovincial lotteries and electronic gaming devices. In 1989, an Alberta Lottery Fund was created to ensure a portion of lottery money collected by government was returned directly to communities.

In its first seven years of operation, \$783 million from the Fund has been used to finance community projects. This money is in addition to revenue collected by charities operating casinos, bingos, raffles and pull tickets. It is estimated about 3,000 community initiatives each year receive lottery funding. These include:

- culture and arts groups
- libraries and museums
- agricultural fairs & exhibitions
- sport/recreation events & facilities
- wildlife and conservation projects
- churches
- historical resources
- health care and wellness
- senior groups
- tourism

Lottery Revenue Collected by Government & Amount Distributed to Community Projects through the Alberta Lottery Fund¹ (in Smillions)			
Year	Net Lottery Revenue Collected by Government	Amount Distributed to Communities through the Lottery Fund	% of Lottery Revenue that is Distributed to Communities through the Lottery Fund
1990/1991	\$ 117	\$101	86%
1991/1992	\$ 124	\$115	92%
1992/1993	\$ 146	\$ 90	72%
1993/1994	\$ 378	\$137	36%
1994/1995	\$ 496	\$110	22%
1995/1996	\$ 583	\$123	21%
1996/1997	\$ 624	\$107	17%
Totals	\$2,468	\$783	32%

¹ See page 15 for more details on the Alberta Lottery Fund.

Lottery Review Committee

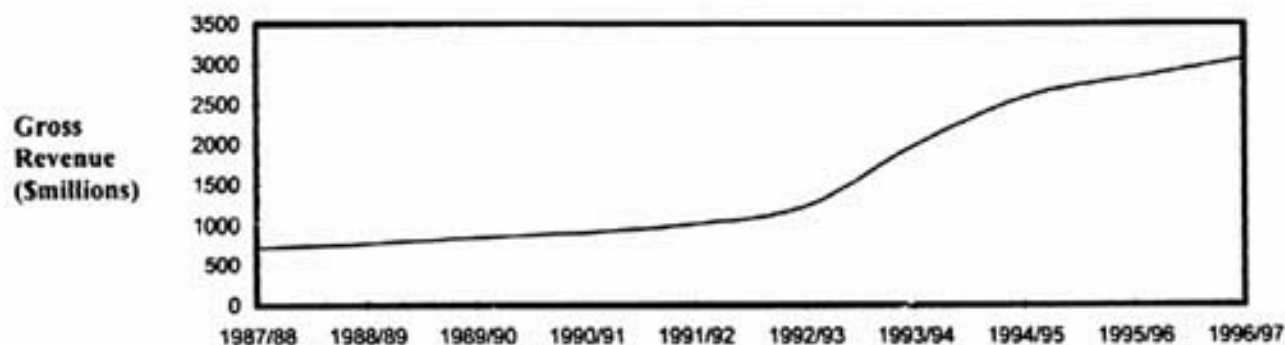
In 1994, Premier Ralph Klein established the Lotteries Review Committee to consult with Albertans about future directions for lotteries and gaming. Headed by Lacombe-Stettler MLA Judy Gordon, the Committee spoke to or heard from 20,000 Albertans. In August, 1995, the Committee tabled a report that made 45 recommendations, one of which called for gaming activity to be reviewed on an ongoing basis. The Lotteries and Gaming Summit was called, in part, to look at what has occurred in the gaming industry since the Committee's report was released.

A complete list of the Committee's recommendations and government's action to date on those recommendations is contained in the Appendix section of this document.

Consumer Involvement in Gaming

It is estimated that 93% of adults in Alberta have tried one or more types of gaming. The most popular forms are ticket lotteries and raffles. The amount of money spent on gaming activity has gone up in the past 10 years.

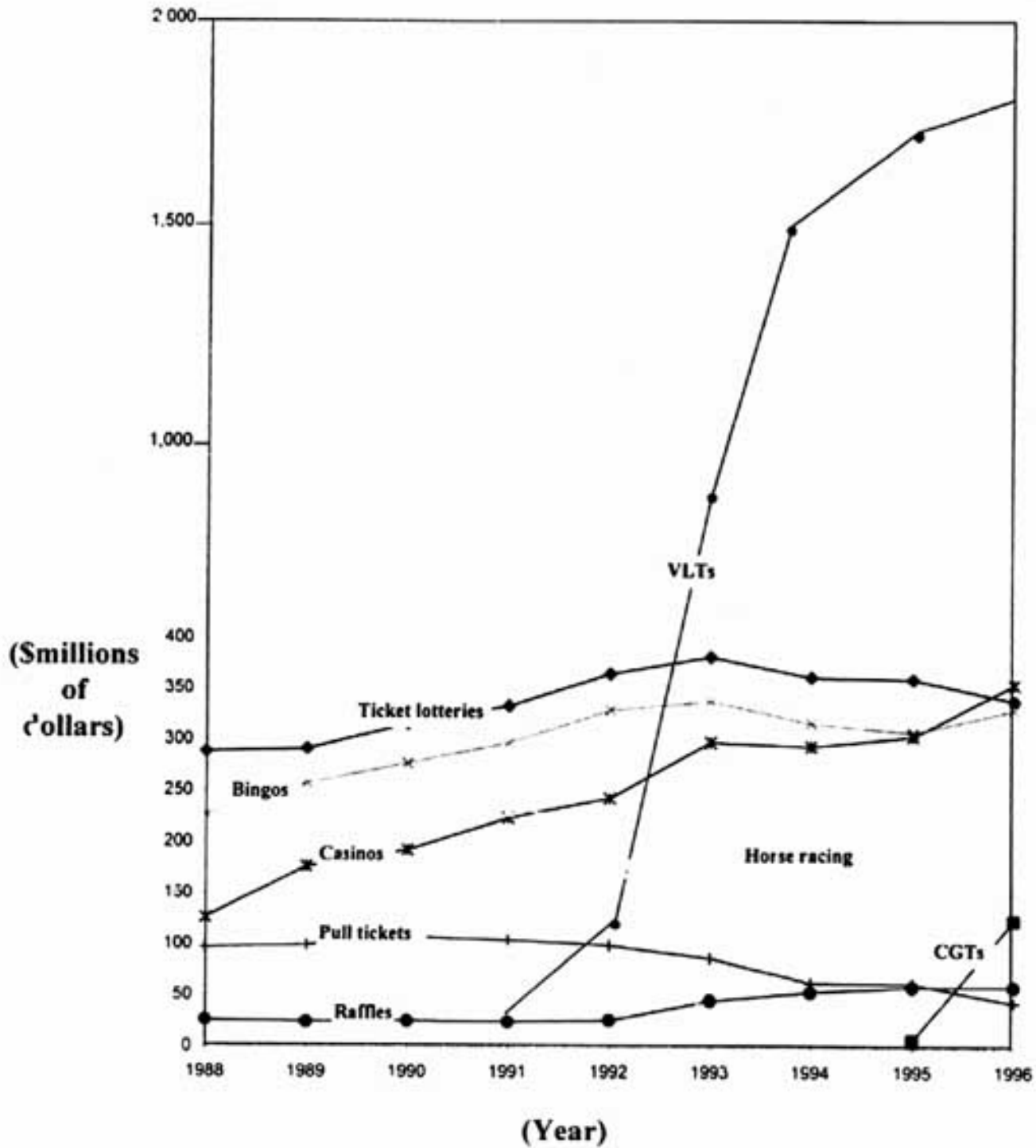
Gaming Activity in Alberta (excluding horse racing)



¹ VLTs = Video Lottery Terminals. VLTs were first permitted in Alberta in 1991.

² CGTs = Casino Gaming Terminals. These are slot machines and electronic horse racing games. They were first allowed in casinos in 1995.

Gaming Revenue (by type of activity)



3. Current Status of Lotteries and Gaming In Alberta

Responsibility

The Alberta Gaming and Liquor Commission is responsible for all gaming in Alberta. Its mandate concerning gaming includes:

- licence, regulate and monitor gaming activities in Alberta.
- ensure integrity and social responsibility in the operation of gaming activities.
- collect gaming revenue.
- ensure business and program operations are run efficiently and effectively.
- define operating policies and procedures for gaming activities.
- disperse provincial lottery revenues.
- support industry and government initiatives to address problem gambling.
- communicate to gaming stakeholders accurate and timely information.

Gaming controls

Criminal Code

The Criminal Code of Canada sets out what type of gaming is allowed in Canada. The RCMP, municipal police forces, and Alberta Gaming and Liquor Investigators enforce these rules. The sections are:

- Section 198(3) - defines a slot machine for gaming purposes.
- Section 201 - prohibits people from keeping a common gaming or betting house.
- Section 202 - prohibits people from unlicensed gaming activities such as betting pools or book-making.
- Section 204 - allows for legalized pari-mutuel (horse race) betting.
- Section 207 - authorizes provincial governments to oversee various gaming activities.

Horse race betting

The Canadian Pari-Mutuel Agency, a division of Agriculture Canada, licences, regulates, supervises, and controls betting on horse races throughout Canada including Alberta. This authority comes from Section 204 of the Criminal Code of Canada.

Lotteries

Alberta is a member of the Western Canada Lottery Corporation. It oversees all of the ticket lotteries that operate in Alberta, Saskatchewan and Manitoba. The Corporation's authority comes from the Interprovincial Lottery Act.

Other forms of gaming

The Alberta Gaming and Liquor Commission controls all facets of gaming in Alberta except ticket lotteries and betting on horse races. Ticket lotteries include the following:

- Lotto 6/49
- Instant
- The Plus
- Sport Select
- Super 7
- Pick 3
- Pogo
- Extra
- Other non-charity special event lotteries

The Commission's authority comes from the Gaming and Liquor Act and includes:

- the type, amount and location of games.
- registration, licencing, and approval of gaming supplies, facilities and activities.
- supervision and enforcement of rules and regulations.
- what fees or penalties will be charged.

Number and types of games

The following figures are for 1996/1997.

Type of Gaming activity	# of permanent locations	# of licences issued	# of permanent gaming terminals
Casinos	17 ¹	1,769	765 ²
Bingos	63	3,469	n/a
Pull-tickets	n/a	634	n/a
Raffles over \$10,000 ³	n/a	464	n/a
Ticket lotteries	1,896	n/a	1,912
Horse race betting	47 ⁴	47	n/a
Video lottery terminals	1,221	n/a	5,866
Totals	3,243	6,336	8,543

¹ A new casino was opened in Calgary in May, 1997.

² Includes slot machines and electronic racing terminals.

³ Includes all major charity raffles (such as dream house, car and major cash lotteries) in Alberta.

⁴ Includes Alberta Teletheatre Network locations throughout Alberta.

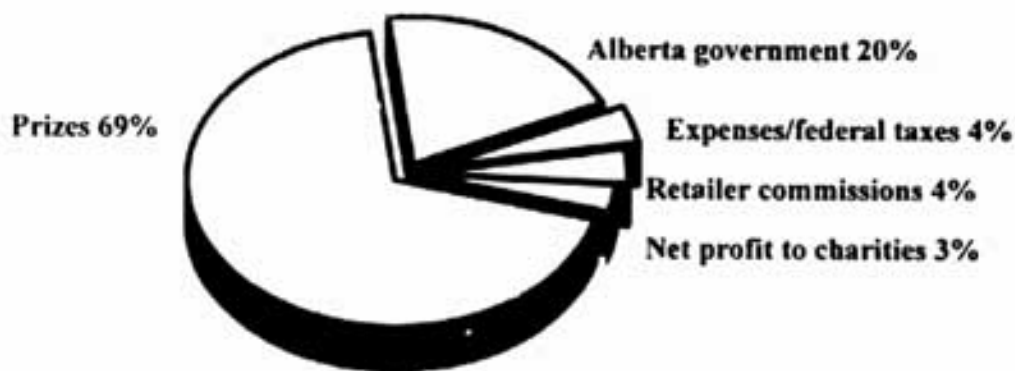
Raffles under \$10,000 are not tracked by the government since they do not require a licence from the Alberta Gaming and Liquor Commission.

Lottery and gaming revenue in 1996/1997

Video lottery and casino gaming terminals	\$1,937,142,000
Ticket lotteries	338,889,000
Bingos	329,726,000
Casinos	357,278,000
Pull-tickets	43,953,000
Raffles over \$10,000	58,925,000
Horse race betting	<u>151,865,000</u>
Total	\$3,217,778,000

Distribution of lottery and gaming revenue in 1996/1997 (does not include horse betting)

Prizes	\$2,106,986,000
Retailer commissions	106,827,000
Expenses	107,422,000
Federal taxes	14,545,000
Net profit to charities	106,181,000
Alberta Government	<u>623,952,000</u>
Total	\$3,065,913,000



Alberta Lottery Fund

All monies received by the Alberta Government from ticket lotteries and electronic gaming terminals go to a provincial Lottery Fund. The government decides during its annual budget review process how the money in the Fund will be spent. In 1996/1997, approximately three-quarters of the money collected went to general revenues. Another seven per cent remained in the Lottery Fund as equity. The remainder went to various foundations, agencies and programs.

Allocation of lottery and gaming money received by the Alberta Government in 1996/1997

General revenue fund	\$456,200,000
Lottery Fund equity	44,452,000
Community Facility Enhancement Program III	35,000,000
Alberta Foundation for the Arts	16,104,000
Alberta Sport, Recreation, Parks and Wildlife Foundation	14,885,000
Alberta Societies and Exhibitions	9,580,000
New initiatives (unspecified)	9,000,000
Advanced Medical Equipment purchases	7,266,000
Wild Rose Foundation	6,600,000
Alberta Historical Resources Foundation	5,913,000
Calgary Exhibition and Stampede	5,000,000
Edmonton Northlands	5,000,000
Agricultural Initiatives	2,950,000
Services for Problem Gamblers	1,871,000
Special Events/Projects - Recreation	1,359,000
Alberta Human Rights, Citizenship and Multiculturalism Education Fund	1,062,000
Special Projects - Health	960,000
Science Alberta Foundation	<u>750,000</u>
Total	\$623,952,000

In 1997/98, foundations, agencies and programs received \$253.3 million* from the Lottery Fund. This included \$130 million for health system upgrades to ensure computers and other equipment will not fail in the year 2000. The government plans to distribute \$173.3 million in 1998/99. This includes \$50 million that will be distributed by the newly created Community Lottery Boards.

** An unaudited figure at this time.*

Community Lottery Boards

The Lotteries Review Committee recommended in its 1995 final report that community lottery boards be created to disburse a share of lottery funds. The Alberta government accepted the recommendation and announced in 1997 that \$50 million will be given to the boards to disperse starting April 1, 1998. Each board will receive approximately \$18 per person living within the board's jurisdiction.

The mandate of the province's 86 Community Lottery Boards is to set priorities for their local communities, accept applications, and decide which projects or initiatives should be given grant monies. Membership on each board must include a majority of community members who are not elected officials. Community Lottery Board members are appointed by local municipal government(s). The objectives of the Community Lottery Board program, which is managed by Alberta Community Development, are to:

- enhance and enrich project-based community initiatives.
- provide for a local decision-making process.
- re-invest into Alberta communities revenues generated from Video Lottery Terminals.
- empower local citizens, community organizations and municipalities to work together in addressing their local and regional needs and priorities.

4. Impact of Lotteries and Gaming In Alberta

Gaming in Society

A wide variety of gaming activities is available in most communities in Alberta. Thousands of access points, satellite and cable networking makes it possible to gamble almost anywhere in the province. Surveys and research show:

- the vast majority of adult Albertans gamble at least occasionally during the course of a year.
- about 40% gamble at least once per week.
- most do so for the entertainment value, to win money and to support worthy causes.
- lotteries and raffles are the most popular forms of gaming.
- people who gamble come from all walks of life, income and age groups. There is no one age group, gender, income level or type of occupation that dominates gaming activity.
- the percentage of adults who gamble is higher than those who consume alcohol, or smoke tobacco, or take illegal drugs.
- per capita, adults in Alberta spend \$1,344 per year on lotteries and gaming. This is the highest amount per capita in Canada.
- on average, people in Alberta spend as much on gaming as they do for clothing.

Economic Activity

With gross revenues of more than \$3.2 billion, the gaming industry is a significant business in Alberta. It is estimated that the gaming industry supports almost 11,000 full and part-time jobs and contributes as much as \$800 million to the province's overall economy.

Gaming is an economic contributor to the financial welfare of numerous small Alberta businesses that supply, service or directly operate hotels, restaurants, bars, bingo halls, casinos and racetrack facilities that offer gaming activities. All of these businesses pay taxes on their gaming profits. Many use the money to reinvest in their business operations, benefiting the local community.

About 10,000 organizations are registered as approved charities for the purposes of gaming with the Alberta Gaming and Liquor Commission. More than 8,000 groups received licences for bingos, raffles, pull tickets and casinos in 1996/97. These groups netted \$106 million in profit as a result of these licences.

In addition, non-profit groups have access to the Alberta Lottery Fund, which distributed \$123 million in 1996/97. Some of this money was in the form of matching grants, which by their nature increase the value of each project being funded. Charities and non-profit groups use gaming and Lottery Fund monies to support community programs. These programs often involve employing staff, building and maintaining facilities, and buying supply and services.

The Government of Alberta puts most of its lottery profits each year into the general revenue fund. This money is used to fund government programs and initiatives. In 1996/1997, this amounted to \$456 million. The net revenue collected from gaming in 1998/1999 by the Alberta government is expected to be 4% of the government's total income.

Problem Gambling

About 5.4% (106,400) of adults in Alberta have trouble controlling their gaming habits. Problem gamblers are defined as people who have gambling behaviours that result in harm being done to themselves or others. Studies show that:

- Eight per cent of Alberta teens aged 12-17 have a problem with gambling.
- Problem gambling among Aboriginals is twice as high as the general population.
- Problem gambling rates in Alberta are higher than anywhere else in Canada.
- About 40% of adults gamble at least once per week.
- There are 40 Gamblers Anonymous groups in Alberta.
- Of the approximately 5.4% who have problems with gambling, about 1.4% (27,600) are considered to be pathological gamblers. Pathological gamblers have a chronic inability to resist the urge to gamble.

The Alberta Alcohol and Drug Abuse Commission (AADAC) is the agency responsible for treating problem gambling. AADAC admitted 2,617 people for problem gambling treatment in 1996/1997. This was a 13% increase over the previous year. About 68% of the people treated for gambling addiction also had alcohol and/or drug problems.

Funding Approved for AADAC's Problem Gambling Programs	
Year	Amount
1993/94	\$150,000
1994/95	\$820,000
1995/96	\$1,065,000
1996/97	\$1,871,000
1997/98	\$2,294,000
1998/99	\$3,048,500

The social costs of problem gambling are not well known. Some studies have estimated the cost to society of a problem gambler ranges from \$13,200 to \$20,000 per year. Based on these estimates, and an estimated 106,400 problem gamblers in the province, this would amount to between \$1.4 and \$2.1 billion per year for Alberta.

It is generally agreed that most problem gamblers negatively impact their family, social and work life - financially and emotionally. These impacts include such things as:

- heavy debt loads.
- credit and insurance problems.
- mental health and gambling additions treatment needs.
- poor work productivity or job loss.
- criminal behaviour.
- family breakup resulting in separation or divorce.
- welfare and other social assistance needs.
- loss of home and friends.

Community Conflicts

Determining where, when and what types of lotteries and gaming will be available in Alberta is a provincial and federal right. Municipalities do not have the power under provincial law to ban any type of legal gaming device or activity, including Video Lottery Terminals (VLTs). However, the provincial government said in March, 1997 that it would remove VLTs from any community that voted by a simple majority to do so. Since then, groups and individuals within a number of Alberta communities have taken steps to force a vote on VLTs.

A municipality may hold a public vote or plebiscite "on any matter over which the municipality has jurisdiction." Citizens may force a public vote or plebiscite by collecting the signatures of at least 10% of the municipality's residents on a petition.

A plebiscite vote in favour of removing one or more gaming devices or activities from a community would not result in the automatic banning of a gaming device or activity. A municipality would be required, however, to ask the Alberta Gaming and Liquor Commission to consider the majority wish of that community regarding the gaming device or activity. The Commission is under no legal obligation to comply.

As the owner of gaming devices, the Commission contracts with bar, casino and other business owners to house and operate the devices. These contracts can be terminated at any time by the Commission with seven days written notice.

To date, VLTs have been removed from Sylvan Lake and Rocky Mountain House as a result of municipal plebiscite votes. Red Deer and Ponoka will hold plebiscites this fall. Barrhead voted to keep VLTs in their community. Groups in communities like Calgary, Fort Saskatchewan, and Medicine Hat are in the midst of trying to collect enough signatures to force a plebiscite vote in their communities.

The legitimacy of several plebiscites have been challenged in the courts by supporters of VLTs. The most recent involved the Regional Municipality of Wood Buffalo and Lacombe. The Wood Buffalo vote in favour of removing VLTs was upheld. The Lacombe vote was declared invalid.

5. The Future of Lotteries and Gaming

Studies suggest that the gaming industry will continue to grow at a rapid pace across North America. Alberta is not expected to be immune to this trend. Forecasts and past history suggest Alberta will continue to lead Canada in money wagered and per capita spending. Some of the more significant changes in the future for gaming in Alberta may include the following:

- The introduction of new games, like Keno, to casinos and other gaming establishments.
- More electronic versions of familiar games like bingo and poker. This will enable players to have more cards or engage in more "plays" at the same time.
- Gambling via the Internet. It is attracting more and more players and is very difficult to police because it is unregulated.
- Gaming in a greater variety of locations. For example, some airlines are exploring the introduction of gaming on their flights.
- More teenagers and young people gambling as access to gaming becomes more commonplace and accepted.

6. Tell Us Your Thoughts and Opinions

Several key questions will be asked at the Lotteries and Gaming Summit in Medicine Hat. We would like you to consider the following questions and provide us with your thoughts and opinions:

1. What are the benefits and implications of lotteries and gaming on individuals and communities in Alberta?
 - 1.a) What do you think are the negative impacts of lotteries and gaming in Alberta?
 - 1.b) What do you think are the positive impacts of lotteries and gaming in Alberta?

2. How should the Government of Alberta acknowledge and accommodate these benefits and implications when developing its social and economic strategies now and in the future?

2.a) What do you think the Government of Alberta should do to integrate lotteries and gaming into its social and economic strategies?

2.b) What do you think the Government of Alberta should do to minimize the negative impacts of lotteries and gaming?

2.c) What do you think the Government of Alberta should do to maximize the positive impacts of lotteries and gaming?

2.d) What do you think the Government of Alberta should do before making future decisions about lotteries and gaming in Alberta?

2.e) What kinds of lotteries and gaming do you think should be allowed in the province in the future?

Appendix

List of Reference Materials

The following reference materials contain detailed information about the lotteries and gaming industry. Contact the Lotteries and Gaming Summit office if you wish to receive one or more of these reports and studies.

1. *Alberta Gaming - A Balanced Perspective*, Hospitality Alberta, 1998.
2. *Background on Gaming in Alberta*, Alberta Gaming and Liquor Commission, 1998.
3. *Alberta Alcohol and Drug Abuse Commission Summit 98 Delegate Package*, 1998.
4. *Gaming in Alberta: 1996-97 in Review*, Alberta Gaming and Liquor Commission.
5. *1997 Annual Report*, Alberta Gaming and Liquor Commission.
6. *Gambling and the Public Interest?*, Canada West Foundation, 1997.
7. *Report and Recommendations on Native Gaming*, Government of Alberta, 1996.
8. *New Directions for Lotteries and Gaming*, Report and Recommendations of the Lotteries Review Committee, 1995.

**Current status of recommendations contained within
*New Directions for Lotteries and Gaming: 1995 Lottery Review Committee Report***

ISSUE 1: What should lottery funding be used for?

Recommendations

- 1.1 The broad, general purpose of lottery funding should be retained. Priorities for funding should be consistent with the priorities recommended by Albertans.
- 1.2 Lottery funding should not be used to fund essential, ongoing programs of government. Consistent with this recommendation, the Committee recommends that multicultural programs should be considered core responsibilities of government, funded through the regular budget system of government rather than through lottery dollars. The same applies to the Environmental Research Trust; it should be considered a core responsibility of government with funding coming from general revenues not from lotteries. However, if it is a priority in a local community, lottery dollars could be allocated to provide enhancements in areas such as education or health.
- 1.3 In future, lottery funding should not be used to fund advertising or marketing initiatives. Instead, projects which meet the criteria for lottery funding should receive support for the project itself rather than through advertising.
- 1.4 A new system for the allocation of lottery revenues should be implemented.

Status

Recommendation accepted and implemented.

In 1997/98 \$123.3 Million of lottery funds were allocated to various foundations, agencies and programs. None of the funding recipients were considered to be funding core responsibilities of Government. In 1998/99 a further \$50 Million will be allocated to Community Lottery Boards on a per capita basis. A portion of lottery revenues are also remitted to the General Revenue Fund.

Recommendation accepted and implemented.

A new system, as set out in the recommendations contained in "New Directions for Lotteries and Gaming" was not accepted. The allocation of lottery funds continues to be done by the Legislative Assembly on an annual basis.

ISSUE 2: Are there better ways of allocating lottery revenues?

Recommendations

- 2.1 The principles set out by the Committee should be adopted as guidelines for future policy direction and funding allocations.
- 2.2 A Lotteries Foundation should be established.
- 2.3 Local Lottery Boards should be established for each community or existing community boards could be used as local Lottery Boards. Guidelines for both the allocation of funds and the operation of Local Lottery Boards should be prepared by the Lotteries Foundation.

Status

Recommendation accepted and implemented.

Recommendation not accepted, however, the major foundations have been consolidated under and made responsible to the Minister of Community Development.

Recommendation accepted and implemented. Fiscal 1998/99 to have \$50,000,000 allocated to Community Lottery Boards for disbursement to local initiatives. The new Community Lottery Boards will be coordinated by the new Secretariat operating out of Community Development.

2.4 Five distinct components of lottery funding should be established.

to provide annual payments on Alberta's debt, rather than flowing into the general revenues of the province.

to support province-wide initiatives in the arts and culture, recreation, health and wellness, education and other priority areas. The Lotteries Foundation would include much of the expertise and work currently done by a variety of foundations.

to support local priorities and initiatives on a community and regional basis. Through the Local Lottery Boards, communities would share in lottery revenues and local projects, initiatives, community groups and individuals would receive support.

to provide social and economic benefits for Alberta as well as supporting international, national and provincial endeavours. This Provincial component would also include "one time only" funding for special events such as the World's Fair, the Winter or Summer Olympics or the Canada Games. This component would include government's commitment to support programs for problem gamblers.

to support the purchase and expanded use of technology in education and health. Consistent with Albertans' priorities on health and education, an endowment fund would be provided to each Regional Health Authority and school board. The interest returns from the endowments would be used to purchase advanced technology and equipment for use in health care and education.

2.5 A new funding formula should be put in place to provide for:

a percentage allocation to each of the five components: 55 percent to debt repayment, 20 percent to Local Lottery Boards, 10 percent to the Lotteries Foundation, 10 percent to the provincial component, and 5 percent to the endowment component.

the community share of lottery revenues to be allocated on a per capita basis

A portion of lottery fund revenues are remitted to the General Revenue Fund which is the primary source of debt repayment.

Recommendation accepted and implemented.

Recommendation accepted and implemented.

Recommendation accepted and implemented.

Recommendation not accepted. No endowment funds in place.

Recommendation not accepted in the form or percentages specified.

Recommendation accepted and implemented. Per capita allocations used for Community Lottery Boards.

- | | |
|---|---|
| <p>the funding formula to be reviewed annually.</p> <p>2.6 Mechanisms should be put in place to establish endowments for each Regional Health Authority and school board. Specific guidelines should be put in place to ensure that funds are spent appropriately.</p> <p>2.7 The province should deregulate raffles under \$10,000 and raffles under \$500 should no longer require a licence. Municipalities should act as an agent for the Alberta Gaming and Liquor Commission, taking over licensing responsibility and charging minimal fees to cover their costs. The Alberta Gaming and Liquor Commission should set guidelines and continue to have the right to inspect raffles. Organizations holding raffles should be required to file with the municipality a one-page disclosure statement indicating the winner(s) of the raffle.</p> | <p>Recommendation accepted and implemented.</p>
<p>Recommendation not accepted. No endowment funds in place.</p>
<p>Recommendation accepted. Local registries, not municipalities, do the licensing. Organizations not required to disclose winners on small raffles.</p> |
|---|---|

ISSUE 3: How can we improve accountability?

Recommendations

- 3.1 A central application should be established to handle all requests for lottery funding. A central application system would streamline administration, remove overlap and duplication and improve accountability. Through this system, each individual, group or organization would be given an identification number. The registry system would serve both the Lotteries Foundation and Local Lottery Boards.
- 3.2 Standard application forms and accounting requirements should be established.
- 3.3 Simple, easy-to-follow rules and procedures should be put in place. All proposals and applications for funding should be thorough and well-documented.
- 3.4 Both the Lotteries Foundation and Local Lottery Boards should be required to report publicly on an annual basis regarding the allocation of funds.
- 3.5 Individuals and organizations receiving lottery funds should be required to provide a full accounting of how the funds were spent.
- 3.6 Full disclosure of information regarding applications, procedures and decisions should be required.

Status

- Recommendation not implemented.
-
- Recommendation not implemented
-
- Recommendation accepted and implemented.
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- Recommendation accepted and implemented. All recipients of lottery funds provide annual financial reports to the Lottery Fund Division of the Alberta Gaming and Liquor Commission. Community Lottery Boards will report to Community Development on an annual basis regarding the allocation of funds.
-
- Recommendation accepted and implemented (see 3.4).
-
- Recommendation accepted and implemented.

ISSUE 4: What is the impact of VLTs on community organizations?

Recommendations

- 4.1 The current number of VLTs in Alberta should be capped at the existing 6000 machines; notwithstanding the following changes in VLT allocation.
- 4.2 A cap should be placed on the number of VLTs allowed per facility in all bars and lounges.
- 4.3 The cap should be based on a sliding scale related to the square footage/seating capacity of the establishment.
- 4.4 Surplus VLTs should be reallocated to meet the backlog of current applications from bars and lounges; and to charitable casinos. The number of VLTs per charitable casino should be based on a sliding scale related to the square footage of the casino, to a maximum of 50 machines.
- 4.5 No multiple licences should be allowed in a single facility.
- 4.6 Communities should be able to share in the revenues from VLTs. Through the Local Lottery Board, a portion of all lottery revenues would flow directly back to communities for their use in supporting local priorities and volunteer organizations.
- 4.7 Communities should be able to decide by plebiscite to prohibit VLTs in their community. Through the Municipal Government Act, people could petition their local council to hold a plebiscite on the issue. The Government of Alberta would honour the outcome of such a vote. If community members vote not to allow VLTs, they would not share in the revenues from VLTs. However, they would continue to share in all other lottery revenues.
- 4.8 Service clubs such as Legions which operate bars and lounges would be able to apply for VLTs provided they have a Class A liquor licence and meet the basic square footage/seating capacity requirements.
- 4.9 The current incentive/bonus system based on volume of VLT revenues should be eliminated.
- 4.10 Changes should be made to the VLT computer chip to slow down the speed of games.

Status

Recommendation accepted and implemented. Approximately 5,900 VLTs are in operation in the province at any one point in time.

Recommendation accepted and implemented. Cap on the number of VLTs is seven (7) per premises.

Recommendation accepted and implemented. Cap is also based on hours of operation. While there is an overall cap of seven (7), new licenses initially get only four (4) VLTs until performance justifies an increase. No increases put in place to date.

Recommendation accepted and implemented for bars and lounges. No VLTs allowed in charitable casinos, however, slot machines have been introduced into casinos. There are currently 1,480 slot machines located in 17 charitable casinos in Alberta and a total of 200 slot machines in racing entertainment centres in Edmonton and Lethbridge.

Recommendation accepted and implemented. The number of VLTs in facilities with multiple licences is being phased out over a five year period.

Recommendation accepted and implemented.

Recommendation accepted and implemented except that communities banning VLTs will continue to share in all forms of lottery revenue.

Recommendation accepted and implemented.

Recommendation accepted and implemented.

Recommendation currently under study by the Alberta Gaming and Liquor Commission.

- 4.11 All promotional statements regarding lotteries as a "source of many benefits" should be removed.
- 4.12 To help with regulating the number of VLTs per facility, each facility should be required to post their licence in a prominent place and the licensee should specify the number of VLTs the facility is entitled to have in operation.
- 4.13 In view of a number of specific complaints about management and staff playing VLTs before and after hours, the existing regulations should be tightened up to make it easier to enforce the current requirements that prohibit management and staff from using VLTs in their own premises when they are on duty.

Recommendation accepted and implemented.

Recommendation accepted and implemented. Liquor licenses now specifies the number of VLTs.

Recommendation accepted and implemented.

ISSUE 5: How would casinos operate?

Recommendations

- 5.1 The number of charitable casino licences in Edmonton and Calgary should be increased from 8 to 12. No increase in licences is recommended for areas outside of the two major centres because the market does not warrant an increase.
- 5.2 The current operating hours for casinos should be extended to allow for 13 consecutive hours of operation with opening hours no earlier than 11:00 a.m. and closing no later than 2:00 a.m.
- 5.3 Guidelines should be set on the share of casino VLT revenues going to non-profit organizations.
- Revenues from casinos should be pooled over a three month period so that non-profit groups can share in the revenues.
- 15 percent of the net revenues from VLTs in casinos should be shared by the non-profit groups and the casino operator. That amount should be split 2/3 to the non-profit groups and 1/3 to the operator as a management fee. The remaining revenues would continue to go to the province to be reallocated according to the funding formula suggested.
- 5.4 In order to discourage organizations from splitting into smaller groups to be eligible for more casino licences, guidelines should be revised so that smaller groups share one casino licence
- 5.5 Large-scale, Vegas-style casinos should not be allowed anywhere in Alberta. Casinos in Alberta must be government regulated and retain their non-profit status.

Status

Recommendation accepted and implemented. There are currently five (5) licences per day in effect in Calgary and five (5) licences per day in effect in Edmonton and area (includes St. Albert).

Recommendation accepted and implemented. Hours were further expanded to 14 hours between the hours of 10:00 a.m. and 2:00 a.m.

Recommendation accepted and implemented.

Recommendation accepted and implemented for slot machines in charitable casinos. Subsequently, the percent of net revenues given to charities and casino operators was increased to 15% for charities and 15% for the casino operator. The percentage was amended because the operator costs, estimated at 6 - 7% of net revenue, exceeded the commissions being paid to them.

Recommendation accepted but not yet implemented.

Recommendation accepted and implemented

ISSUE 6: How do we address problem gambling?

Recommendations

- 6.1 The government should continue to meet its responsibility for providing programs to address problem gambling. Funding for these programs should be provided through AADAC and AADAC-approved community agencies and individuals, and should be allocated as the "first-draw" on the provincial component of lottery funding.

Status

Recommendation accepted and implemented. AADAC determines their requirements for the next year and brings forward a budget to meet those requirements. AADAC has never been turned down for funds for programs addressing problem gambling.

ISSUE 7: Should lottery funding go to support professional sports teams?

Recommendations

- 7.1 No portion of net lottery revenues should be used to support the operational costs of any professional sports teams.
- 7.2 The concept and feasibility of a Sports Prize Bond should be studied further with a view to possible implementation in the province. A Sports Prize Bond would be operated separately from lotteries.
- 7.3 Decisions on support for facilities are primarily the responsibility of municipalities. However, if any lottery funds are involved, the funding would have to be provided through the Local Lottery Board and a condition of funding should be that the facility must also be available to the community's amateur sports teams.

Status

Recommendation accepted and implemented.

The Alberta Gaming and Liquor Commission is consulting with proponents of Sports Prize Bond. Details of the proposals are being reviewed with view towards an approval in early 1998.

Recommendation accepted and implemented. CFEP and Community Lottery Board funding in force. CFEP funding assists in the planning, upgrading and development of a wide range of community facilities. It is a program that requires matching funds or contributions to the project. Community Lottery Board funding will be used to assist in project based community initiatives.

OTHER ISSUES: Bingos

Recommendations

- 8.1 The initiatives as outlined in the Business Plan for the Alberta Gaming and Liquor Commission including expanded use of technology in bingos should be implemented.

Status

Recommendation accepted and implemented.

- 8.2 The Alberta Gaming and Liquor Commission should undertake a complete review of regulations regarding bingos including progressive bingos, electronic bingos, splits, pull tickets and pooling of revenues.

Recommendations accepted and implemented. Bingo Terms and Conditions and Operating Guidelines now in policy and in force. Since the report on "New Directions for Lotteries and Gaming" has been released, many new features have been implemented in Bingo Associations across the province. These new features include:

- satellite bingo;
- pull-tickets;
- progressives e.g. loonie pots

Pooling, although not mandatory, has also been implemented in some of the bingo associations.

- 8.3 The charitable groups running bingos should be guaranteed 20 percent of the gross revenues. This will address the concerns about increasing prize payouts to winners leaving reduced revenues for charities.

Recommendation accepted. No guarantees yet in place for a flat 20% of revenue to charities. Maximum percentages for prizes (65%) and expenses (10% excluding rent) are in place. Percent return to charities currently stands at 16.6%, up from 14.5% in 1995/96.

- 8.4 Individual communities may choose to define what "community standards" will be, in determining whether or not to grant lottery funding.

Recommendation accepted but not yet implemented. Community Lottery Boards will be able to make funding decisions based on the standards applicable for their circumstances.

- 8.5 If a community chooses to define "community standards", those policies should be communicated clearly to all groups and individuals who are considering applying for lottery funds.

Recommendation accepted but not yet implemented.

ISSUE 9: Community Standards.

Recommendations

- 9.1 That the impact of the changes should be monitored on an ongoing basis and that the recommendations should be reviewed in three years to assess whether further changes are needed.

Status

Gaming Summit scheduled for April 23, 24 and 25 to assess status of gaming in Alberta and to assess whether any changes are required.