Volume Two: Appendices

ACHIEVING A BALANCE

Gaming Licensing Policy Review

July 30, 2001

Alberta
GAMING AND LIQUOR
COMMISSION

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BUSINESS PLAN

The following excerpts from the 2001-04 business plan of the Ministry of Gaming and the Alberta Gaming and Liquor Commission relate primarily to gaming.

Ministry of Gaming

Ministry's Vision

A province that strives to balance choice and responsibility in its gaming and liquor industries, uses revenue derived from these activities for the benefit of Albertans, and provides opportunity for competition and enhanced service in its liquor and gaming industries.

Ministry's Mission

To ensure integrity, transparency, disclosure, public consultation and accountability in Alberta's gaming and liquor industries to achieve the maximum benefit for Albertans.

Core Businesses, Goals and Key Strategies

Core Business #1: Develop provincial gaming and liquor legislation and policy, and regulate the gaming and liquor industries in accordance with legislation and policy.

- *Goal: Alberta gaming and liquor policy achieves a balance between social responsibility and economic benefits to Alberta. Strategies are as follows:*
    - Monitor the gaming and liquor industries to identify emerging issues and trends, such as potential growth, and develop policies to address these issues.
    - Monitor the gaming and liquor policies in other jurisdictions and develop and implement benchmarks and best practices.
    - Ensure Albertans are aware of gaming and liquor policy and are consulted with respect to major policy initiatives.
    - Ensure First-Nations gaming policy is consistent with the government's Aboriginal Policy Framework.

Core Business #2: Manage the Alberta Lottery Fund and administer designated lottery-funded programs to support Alberta communities.

- ***Goal: Lottery funds support charitable, non-profit, public and community-based initiatives. Strategies include the following:***

  - Review the disbursement of Alberta Lottery Fund proceeds to ensure all funds are being allocated and expended according to policy and intended use.
  - Provide Community Lottery Board Grant Program funds to enhance and support project-based community initiatives determined through a local decision-making process.
  - Provide Community Facility Enhancement Program (CFEP) matching grants to improve Alberta's public-use facilities.
  - Implement and manage changes to the process for distributing revenues, and ensuring accountability for those revenues distributed to the horse racing industry, based upon the terms of the Racing Industry Renewal Initiative.
  - Develop a process to measure customer satisfaction.
  - Ensure Albertans are informed of the initiatives supported by the Alberta Lottery Fund.

Core Business #3: Support leading-edge research on gaming and liquor issues in Alberta.

- *Goal: Ministry is a partner in leading-edge gaming and liquor research. Strategies include:*

  - Support research into, and inform Albertans of, the social and economic aspects of gaming.
  - In partnership with AADAC and the gaming and liquor industries, ensure consumers of alcohol and gaming products are aware of prevention and treatment programs for problem gambling and alcohol abuse.

Alberta Gaming and Liquor Commission

The Alberta Gaming and Liquor Commission is an agent of the Government of Alberta and consists of a Board and a Corporation. The Corporation acts as the operational arm of the organization while the Board is responsible for policy and regulatory matters. The Board consists of a chair, a vice-chair, and three public members.

AGLC Vision

The Commission, an agent of the Government of Alberta, works to achieve the vision of the Ministry of Gaming, namely:

> A province that strives to balance choice and responsibility in its gaming and liquor industries, uses revenue derived from these activities for the benefit of Albertans, and provides opportunity for competition and enhanced service in its liquor and gaming industries.

AGLC Mission

> To ensure that gaming and liquor activities in Alberta are conducted with integrity and social responsibility and to maximize long term economic benefits for Albertans.

AGLC Values

The Commission is committed to operating according to the following values. We will:

- strive to balance social and economic responsibilities to the people of Alberta;
- act with integrity and in a fair and impartial manner;
- foster clear, open and courteous communications and consult with stakeholders;
- achieve excellence in customer service;
- nurture a working environment that is characterized by teamwork, collaboration, and open communication;
- be an innovative and adaptable organization that focuses on continuous improvement in the effectiveness and efficiency of our services and business processes; and
- be responsible stewards of the assets entrusted to us, maintaining our accountability to the Province of Alberta.

Core Businesses, Goals and Key Strategies

Core Business #1: License and regulate liquor activities.

Goal: Develop liquor policy and conduct licensing activities in accordance with the Gaming and Liquor Act and Regulation.

Goal: The importation, distribution, sale and consumption of liquor products are conducted according to legislation and policy

Core Business #2: License and regulate charitable gaming activities.

Goal: Develop gaming policy and conduct licensing activities under the authority of the Criminal Code of Canada and in accordance with the Gaming and Liquor Act and Regulation.

Key strategies are as follows:

- Conduct regular reviews of policy, Terms and Conditions and Operating Guidelines.
- Develop and implement policy on eligibility criteria and use of proceeds by charitable organizations.
- Implement the policy direction arising from the licensing policy review.
- Review licensing application procedures and business practices to increase efficiency and customer satisfaction.
- Conduct inspections relevant to applications.
- Ensure licensees and registrants understand the legislation, policy, Terms and Conditions and Operating Guidelines related to gaming.

Goal: All gaming activities, use of proceeds and financial reporting are conducted according to legislation and policy.

Key strategies include:

- Manage the charitable gaming model and ensure compliance with respect to casino, bingo, raffle, and pull ticket events.
- Ensure charities receive all the funds to which they are entitled and that proceeds received from licensed gaming activities are used for approved purposes.
- Conduct inspections and audits of gaming licensees and activities.
- Improve sharing of information among enforcement agencies and stakeholders.
- Investigate all complaints and alleged violations concerning licensed gaming activities.
- Implement new audit programs and enhance existing audit programs.
- Ensure implementation of and compliance with the First Nations gaming policy.

Core Business #3: Conduct and manage provincial gaming activities - video lottery terminals, slot machines and lottery ticket sales.

Goal: Ensure the video lottery network, casinos and ticket lottery network meet the levels of functionality, performance, game integrity, security and operational efficiencies in compliance with government policy and direction.

Key strategies are as follows:

- Implement the policy direction arising from the licensing policy review.
- Implement the replacement strategy for video lottery terminals, ticket lottery terminals and central monitoring system.
- Establish performance standards for video lottery terminals and slot machines.
- Maintain lottery ticket sales through enhanced retailer relations, targeted product advertising and promotion, and consumer awareness.
- Enhance the technical service model to ensure appropriate on-site service to support the functionality, security and integrity of the video lottery terminal, slot machine, and ticket lottery networks.
- Continuously review security requirements to ensure the integrity of gaming operations.
- Work with the Alberta horse racing industry to assess the success of the Racing Industry Renewal Initiative.
- Define and manage the roles and responsibilities of both the AGLC and the WCLC.

Goal: Ensure the efficiency and effectiveness of gaming operations.

Key strategies include:

- Ensure Alberta Lottery Fund revenues are collected in a timely and efficient manner, and disbursed in accordance with legislation and Treasury Board directives.
- Improve efficiency of revenue collection and allocation.
- Enhance performance through benchmarking, performance measurement, quality control, and the use of technology.

LEGISLATIVE REQUIREMENTS AND CONSIDERATIONS

Contents

A. Introduction

The province's gaming licensing policies are based upon federal and provincial gaming laws, specifically the *Criminal Code* (Canada) and the *Gaming and Liquor Act* (Alberta).

Criminal Code (Canada)

The legal foundation for all gaming in Canada is the *Criminal Code*. This law "starts with the philosophy that all gambling is illegal unless specifically exempted through legislation in the Criminal Code" (Judge Peter Griffiths, 1992). For purposes of the Gaming Licensing Policy Review, the key *Criminal Code* exemptions are the provisions that permit the provincial government to:

(a) conduct and manage "lottery schemes" such as ticket lotteries and electronic gaming devices (the code permits only provincial governments to conduct and manage electronic gaming devices such as video lottery terminals and slot machines);

(b) issue licences to eligible charitable and religious organizations to conduct and manage "lottery schemes" such as bingo, casino table games, raffles and pull tickets, but only if the proceeds are to be used for charitable or religious purposes; and

(c) prescribe terms and conditions related to the conduct, management and operation of a lottery scheme under the licences that it issues.

Application of Common Law

The *Criminal Code* does not specifically define various terms whose meanings are critical to the proper administration of gaming activities by the province, including what constitutes "charitable purpose" for purposes of issuing licences for "charitable gaming events." In that regard the province is guided by the common law in determining the eligibility criteria of an organization for gaming licences.

Gaming and Liquor Act (Alberta) and Regulation

The *Gaming and Liquor Act* (Alberta) and its accompanying regulation deal with both gaming and liquor activities in Alberta. The act and regulation establish the province's specific regulatory framework for gaming, in conformance with the *Criminal Code* gaming provisions.

The act establishes the Alberta Gaming and Liquor Commission as the regulatory authority of provincial lotteries and gaming activities. Under the act the Commission may raise revenue for the Alberta Lottery Fund through provincial lotteries. It gives the Board of the Commission the authority to issue gaming licences and establish conditions upon those licences.

The act requires all gaming workers be registered and all gaming supplies be approved by the Commission. Anyone dealing in gaming supplies must be authorized by the Commission to do so and may include those specifically registered for that purpose, a facility licensee or a gaming licensee.

The provincial legislation addresses the matter of VLT plebiscites and the removal of VLTs from certain municipalities that by plebiscite voted in favour of their removal.

Under the act various penalties may be imposed by the Commission upon licensees and registrants that contravene the legislation, regulation or its policies.

The *Gaming and Liquor Regulation* (Alberta) establishes gaming licences for bingo, pull ticket, raffle and casino and the respective fees for those licences. It establishes licences for bingo and casino facilities. It defines who is a gaming worker and establishes classes of registration of gaming workers.

Key Legal Considerations for Gaming Licensing Policy

The province's gaming licensing policies must operate within the legal foundation and framework established for the province.

The *Criminal Code* sets forth the requirements for the conduct and management of lotteries and gaming activities.

Those requirements are that gaming must be regulated by the provincial government or its appointed authority. The province may determine which lottery schemes to conduct and manage, and those which may be conducted by charitable and religious organizations under licence. The province has the authority to impose terms and conditions upon gaming licences.

The *Criminal Code* specifically permits only government, non-profit, charitable and religious groups to conduct and manage gaming activities. As a consequence, the primary beneficiaries of gaming must be charitable, non-profit, public and community-based initiatives. As the code does not provide guidelines as to meaning of the term "charitable" or "charitable purpose" the province has been guided by common law to arrive at eligibility criteria for the issuing of gaming licences to charitable organizations.

Private service providers may *assist* in the conduct and management of gaming activities or lottery schemes, but there is no allowance in the legislation for them to conduct and manage lottery schemes.

Various provisions of the *Gaming and Liquor Act* and the *Gaming and Liquor Regulation* that deal with gaming in the province refer to the *Criminal Code*, the legal foundation for all gaming in Canada. Other gaming-related provisions in the provincial act and regulation must either conform to those of the federal legislation or be consistent with them.

B. *Criminal Code* of Canada

> *Criminal Code* - A statute, first enacted in 1892, that gives the Cdn. federal government exclusive power to legislate on criminal offences in Canada and defines most kinds of crimes as well as judicial procedures and penalties. (*Canadian Dictionary of the English Language*)
>
> A crime is a clear and strict prohibition enforced by a penalty, which serves a typically criminal *public purpose.* Public peace, order, security, health, safety and morality are some of the ordinary ends served by the criminal law. (Bowal, *Criminal Regulation of Gambling*)

Background

The *Criminal Code* was enacted by Parliament in 1892, which codified the criminal common law and miscellaneous criminal law statutes.

The legislation declared most forms of gaming to be illegal except for pari-mutuel racetrack betting and games of chance. The frequency of those activities was to be determined by each province. Games of chance during this period tended to be confined to agricultural fairs and exhibitions.

Amendments to the *Criminal Code* in 1925 formally exempted agricultural fairs from some of the prohibitions against gambling.

Between 1938 and 1970, the code excluded from the definition of a "common gaming house" a place "while occasionally being used by charitable or religious organizations for playing games therein for which a direct fee is charged to the players if the proceeds are to be used for the benefit of any charitable or religious object." This exclusion permitted charities and religious groups to operate bingo on an occasional basis.

In 1970, Parliament enacted Section 190 (now 207) of the *Criminal Code*. This amendment authorizes the Lieutenant Governor in Council or specified authority in each province to issue gaming licences to charitable and religious groups if the proceeds are used for charitable or religious purposes. Agricultural fair and exhibition operations retained their right to hold gaming events under certain conditions of play, subject to provincial regulation.

The 1970 amendments to the code also gave the right to the federal and provincial governments to operate lottery schemes individually or in cooperation with each other.

In 1985, under an agreement between the federal government and the provinces, the federal government gave up its right to conduct lottery schemes.[*] As well, amendments to the *Criminal Code* in that year paved the way for provinces to introduce electronic gaming machines.

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[*] The federal government withdrew entirely from regulating gaming activities except for pari-mutuel betting on horse races, which it continues to regulate.

Section 207 - Permitted Lotteries

The *Criminal Code* deals with gaming under "Part VII: Disorderly Houses, Gaming and Betting" (*Criminal Code* , R.S.C. 1985, Chapter C-46). The relevant sections are 197 to 209 which are described in a table that follows.

The *Criminal Code* makes all gaming illegal except that which is specifically permitted through various exemptions provided for in the code . For purposes of the Gaming Licensing Policy Review the key provisions are those of section 207, which deal with "permitted lotteries."

Section 207(1)

Section 207(1) legalizes the creation and operation of lotteries run by any of the bodies specified in 207(1)(a) to (d). Lotteries may be created by a provincial government, or under licence by charitable or religious organizations, by a board of a fair or exhibition or any other person to whom a licence has been issued as long as the ticket costs no more than $2 and the prize does not exceed $500.

Section 207(1)(a) provides it is lawful:

> for the government of a province, either alone or in conjunction with the government of another province, to conduct and manage a lottery scheme in that province, or in that province and the other province, in accordance with any law enacted by the legislature of province; …

This provision gives the provincial government the discretion to determine what types of lottery schemes it may conduct and manage. In Alberta, the Commission is the designated to conduct and manage lottery schemes, which include ticket lotteries and electronic gaming devices.

Section 207(1)(b) makes it lawful:

> for a charitable or religious organization, pursuant to a licence issued by the Lieutenant Governor in Council of a province or by such other person or authority in the province as may be specified by the Lieutenant Governor in Council thereof, to conduct and manage a lottery scheme in that province if the proceeds from the lottery scheme are used for a charitable or religious object or purpose; …

The Commission is the licensing authority in Alberta. It establishes certain criteria for what constitutes a charitable or religious organization and charitable or religious object or purpose. It refers to the common law in arriving at the proper criteria, as described in more detail later in this section.

Section 207(1)(c) makes it lawful for a board of a fair or an exhibition to conduct and manage a lottery scheme under a licence from the provincial authority, in this case the Commission.

Section 207(1)(d) makes it lawful for any person who first obtains a licence from the provincial authority (in Alberta the Commission) to conduct and manage a lottery scheme at a public place of amusement if the amount paid to play does not exceed $2 and the prize does not exceed $500.

Section 207(4) defines lottery scheme as follows:

> …a game or any proposal, scheme, plan, means, device, contrivance or operation described in any of paragraphs 206(1)(a) to (g), whether or not it involves betting, pool selling or a pool system of betting other than
>
> (a) three-card monte, punch board or coin table;
>
> (b) bookmaking, pool selling or the making or recording of bets, including bets made through the agency of a pool or a pari-mutuel system, on any race or fight, or on a single sport event or athletic contest; or
>
> (c) for the purposes of paragraphs (1)(b) to (f), a game or proposal, scheme, plan, means, device, contrivance or operation described in any of paragraphs 206(1)(a) to (g) that is operated on or through a computer, video device or slot machine, within the meaning of subsection 198(3), or a dice game.

Section 206 describes many types of lottery schemes which are permitted under the provisions of section 207. The activities that are not permitted are specified in paragraphs (4)(a) and (4)(b) including three-card monte, punch board, coin table, bookmaking, pool selling or the making of bets as specified.

Paragraph (4)(c) makes it illegal for anyone except the provincial government to conduct and manage dice games, and to operate what it refers to as a "slot machine" as defined under subsection 198(3), as long as the lottery scheme falls within the meaning in paragraphs 206(1)(a) to (g). Subsection 198(3) reads as follows:

> In subsection (2), "slot machine" means any automatic machine or slot machine
>
> (a) that is used or intended to be used for any purpose other than vending merchandise or services, or
>
> (b) that is used or intended to be used for the purpose of vending merchandise or services if
>
> (i) the result of one of any number of operations of the machine is a matter of chance or uncertainty to the operator,
>
> (ii) as a result of a given number of successive operations by the operator the machine produces different results, or
>
> (iii) on any operation of the machine it discharges or emits a slug or token but does not include an automatic machine or slot machine that dispenses as prizes only one or more free games on that machine.

Section 198(2), which is referred to in 198(3), reads as follows:

> For the purpose of proceedings under this Part, a place that is found to be equipped with a slot machine shall be conclusively presumed to be a common gaming house.

The definition of "slot machine" includes any electronic gaming device, which in Alberta includes video lottery terminals (VLTs) as well as slot machines.

Flanagan elaborates on section 198(3) as follows:

> Under s. 198(3)(b)(i), the player must control the game with no element of chance or uncertainty attributed to the machines [sic] operation. If the player has only partial control over the ball, the machine is illegal because partial control means that the result of one or any number of operations of the machine is a matter of chance of uncertainty to the operator. Amusement machines do <u>not</u> fall under this subsection.

Amusement machines fall under s. 198(3)(b)(ii) where as a result of successive operations by the operator the machine produces different results. However, through legislative amendment, machines that dispense free games as prizes only are not slot machines under the section. The operator referred to in ss. 198(b)(i) & (ii) is the average person who would ordinarily be the operator and not the expert.

Machines under s. 198(3)(b)(iii) that discharge or emit slugs are slot machines. The fact that a coin slot is covered does not change the character of the machine.

It should be noted however, that the conclusive "slot machine" presumption in s. 198(2) has been held to violate the Charter [in an Ontario court].

The Criminal Code's Gaming Provisions

The following table describes the provisions in the Criminal Code that specifically deal with gaming. They comprise Part VII: "Disorderly Houses, Gaming and Betting" (*Criminal Code* , R.S.C. 1985, Chapter C-46).

Table A2-1: Gaming-Related Provisions of the *Criminal Code* (Canada)

CRIMINAL CODE **SECTION**	**PROVISIONS RELATED TO GAMBLING** [1]

197	*Definitions*
	
	• This section defines terms of various gaming and gambling related activities. Among others, those terms include the following:
	  • "place" - includes any place
	  • "game" - a game of chance or mixed chance and skill
	  • "gaming equipment" - anything that is used or may be used for the purpose of playing games for betting
	  • "common betting house" - place opened, kept or used for purposes of (a) enabling, encouraging or assisting persons who resort thereto to bet between themselves or with the keeper, or (b) enabling any person to receive, record, register, transmit or pay bets or to announce the results of betting

198	*Presumptions*
	
	• The presumptions made in this section recognize "the difficulties the investigator faces in making observations of the illegal activity to which generally, the public have not access." Certain provisions have been legally challenged as being unconstitutional. (Flanagan)
	  • 198(2) For the purpose of proceedings under this Part, a place that is found to be equipped with a slot machine shall be conclusively presumed to be a common gaming house."
	  • 198(3) - "Machines that are used or intended to be used for any purpose other than vending merchandise or services are slot machines under s. 198(3)(a). Amusement machines do not fall under this subsection" (Flanagan).

[1] The table contains synopses from *Martin's Annual Criminal* Code unless indicated otherwise.

CRIMINAL CODE SECTION	**PROVISIONS RELATED TO GAMBLING** [1]
199	*Warrant to Search* • creates search, seizure and forfeiture provisions relating to Part VII offences.
200	*Obstruction* [Repealed, R.S., 1985,c. 27 (1st Supp.), s.30]
	Gaming and Betting
201	***Keeping Gaming or Betting House*** • an indictable offence to keep a gaming or betting house. The maximum sentence upon imprisonment is two years.

202	*Betting, pool-selling, book-making, etc.*
	
	• Offences pertaining to betting, pool-selling, book-making and wagering.
	  • 202(1)- Every one commits an offence who
	    • (b) imports, makes, buys, sells, rents, leases, hires or keep, employs or knowingly allows to be kept, exhibited or employed in any place under his control any device or apparatus for the purpose of recording or registering bets or selling a pool, *or any machine or device for gambling or betting*;… [emphasis added]

203	*Placing Bets on Behalf of Others* • Prohibits the activities of the actions of “bookies” and other off-track betting schemes and sets out a schedule of available sentences based on whether the accused is a repeat offender.
204	*Exemption* • Section 204 creates exemptions from liability which would otherwise arise under s. 201 or 202, and also creates a system of legalized pari-mutuel betting.
205	[Repealed, R.S., 1985, c. 52 (1st Supp.), s. 1]

206	*Offence in relation to lotteries and games of chance*
	
	• Combined with s. 207, creates liability for acts in relation to lotteries and games of chance, and creates exceptions to such liability.
	  • s. 206(1) - create indictable offence of doing the acts specified on paras. (a) to (j). No purpose beyond the doing of the acts described need be proven. The maximum sentence upon imprisonment is two years.
	  • s. 206(2) - defines “three-card monte” for purpose of this section.
	  • s. 206(3) - creates exception from s. 206(1)(f) to (g) for use of a board located at an annual fair or exhibition or the operator of such a board. However, the exemption does not include dice games, three-card monte, punch board or coin tables.
	  s. 206(4) - creates a summary conviction offence applicable to any one who takes or receive a lot, ticket or other item mentioned in subs. (1).
	  • s. 206(5) - provide that any right of property involved in the specific acts relating to lotteries and games of chance is void and is forfeited to the Crown. However s. 206(6) is a saving provision which states that if a person acquires the property as a bona fide purchaser for valuable consideration without notice their rights are protected.
	  • s. 206(7) - sets out that application of this section is a foreign lottery.
	  • s. 206(8) - sets out additional general exemptions to the operation of this section.

CRIMINAL CODE **SECTION**	**PROVISIONS RELATED TO GAMBLING [1]**

207	*Permitted lotteries*
	
	• legalizes creation and operation of lotteries run by any of the bodies specified in s. 207(1)(a) to (d). It also provides for the regulation of such schemes and creates an offence of operating or participating in a lottery not created or run in accordance with s. 207.
	    • 207(1) - permits lotteries to be created by a province, or under licence by charitable or religious organizations, by a board of a fair or exhibition or by any other person to whom a licence has been issued. The last-mentioned category only applies to lotteries in which the ticket cost no more than two dollars and the prize does not exceed $500.
	    • 207(1) (e) to (h) - permits persons to do specified activities required to carry out the operation of lawful lotteries under this section.
	    • 207(4) exhaustively defines the term lottery scheme for the purposes of this section and also specifically excludes the activities noted in s. 207(4)(a) to (c) which are dealt with (either by way of prohibition or regulation) in ss. 202 to 206.
	    • 207(5) - clarifies the scope of the exclusion in s. 207(4)(b) in relation to pari-mutuel schemes.
	    • 207(2) - permits terms and conditions to be imposed on a licence under this section to regulate the conduct, management, and operation or participation in a lottery scheme.
	    • 207(3) - makes it an offence to do anything not authorized by this section if the act is done for the purpose of a lottery scheme. It is a summary conviction offence or an indictable offence punishable by up to two years imprisonment if the act is done in relation to the conduct, management or operation of such scheme. It is a summary conviction offence to participate in an unlawful scheme.

208	[Repealed, R.S., 1985, c. 27 (1st Supp.), s. 32]
209	*Cheating at play* • This section makes it an indictable offence to cheat at play. The *actus reus* (the criminal act that, with mens rea, renders one criminally liable) of the offence is to cheat while doing any of the following: playing a game; holding the stakes; or betting. The requisite mental element is the intention of defrauding any person. The maximum sentence upon conviction is two years.

Applying the Common Law

> *Common Law* - The system of laws originated and developed in England and based on court decisions, on the doctrines implicit in those decisions, and on customs and usages rather than on codified written laws. In Canada, it is the legal system of all provinces except Quebec (*Canadian Dictionary of the English Language*).

What is “Charitable Purpose”?

The *Criminal Code* uses various terms whose meaning is important to the administration of gaming activities in the province. However, the code does not provide guidelines on some key terms, such as “charitable purpose,” to which the proceeds raised by charitable gaming activities must be applied.

A common-law guide in this situation is the “Pemsel test” which the Supreme Court of Canada has approved and adopted for use in Canada. The test is derived from an English legal case[*] and has been used to determine what constitutes “charitable or religious object or purpose.” That test identifies four categories as follows:

1. Relief of poverty
2. Advancement of education
3. Advancement of religion
4. Other purposes beneficial to the community

These criteria have been adopted by the Commission in determining eligibility for gaming event licences.

The fourth category, “other purposes beneficial to the community,” poses the greatest difficulty because such purposes are subject to change with social priorities.

The difficulty was noted by the Bingo Review Committee, chaired by the Hon. Sam Lieberman, retired justice of the Appeal Court of Alberta, in its report of September 1999 entitled *Alberta Bingo Industry Review: Findings and Recommendations of the Bingo Review Committee*. One of committee’s recommendations is: The definition of a charitable organization, or of “charitable purpose or object,” should be examined by a committee of the appropriate provincial agencies, in keeping with the review of such matters now occurring at the national level.

In explaining the recommendation, the Committee notes:

> …purposes beneficial to the community may change with social priorities and shifting, shrinking roles of government. Measuring such benefits is difficult because the definition itself is found wanting. In a recent decision, a justice of the Supreme Court of Canada wrote:

[*] *Commissioners for Special Purposes of the Income Tax v Pemsel*, [189] A.C. 531 (H.L.).

> The courts have on several occasions emphasized that the categories of charity are not closed, and that the purposes considered to be charitable at law evolve with social developments. …This innate flexibility has enabled the courts to illustrate purposes seen as proper objects of charity, having regard to the social needs of the time (*Per Gonthier, J.* (dissenting on other grounds), in Vancouver Society of Immigrant Minority Women v Canada.).

The Committee recommended: "Determining the priority of charitable programs and services in a provincial context should rest at the political level and involve the charitable sector itself." The Committee felt, apart from legal guidelines provided in common law, for example, the Commission (or AGLC) could be guided by practical considerations in issuing gaming licences. It noted:

> It may be difficult for the AGLC to say whether an amateur athletic program, for example, is more or less deserving of a bingo licence than a medical, cultural or arts program. However, it is possible for the AGLC to determine the eligibility of each individual organization by examining new, practical criteria, such as proven delivery of services or programs in community, its budget, and need, as recommended in [the Bingo Review Committee's] report.

C. *Gaming and Liquor Act* (Alberta) and *Regulation*

Background

The following background discusses the relevant legislation governing gaming activities in general in the province prior to the introduction of the *Gaming and Liquor Act* in 1996.

Interprovincial Lottery Act

Beginning in June 1974, lotteries in the province were operated by the Alberta Division of the Western Canada Lottery Foundation.* That occurred under a licence granted by the provincial ministers responsible for the *Interprovincial Lottery Act*.

The licensee was a partnership of Edmonton Northlands and Calgary Exhibition and Stampede Limited, which operated as an agent of the Government of Alberta. It acted as the provincial marketing office, administering the sale and distribution of lottery tickets, to assist the Corporation as authorized by the Minister for Alberta. The Alberta Division operated under the direction of an eight-person board comprising representatives from the two partners.

The province's lottery fund, to which lottery proceeds were directed, was established under the *Interprovincial Lottery Act*.

In 1991-92, all gaming-related agencies were incorporated under one provincial cabinet minister. Those agencies included Alberta Lotteries, the province's lottery organization that assisted the Western Canada Lottery Corporation, and the Alberta Gaming Commission.

Those entities operated separately and reported to one minister until they were formally amalgamated with other entities, including the Alberta Liquor Control Board, under the new *Gaming and Liquor Act* in July 1996.

Orders in Council

The function of issuing gaming licences and enforcement was authorized by the province through order in council, as permitted under the *Criminal Code*. There was no specific provincial legislation prior to the *Gaming and Liquor Act* that governed licensing or enforcement of gaming activities.

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* The Western Canada Lottery Foundation was formed in 1974 by the provinces of B.C., Alberta, Saskatchewan and Manitoba. B.C. withdrew its membership on March 31, 1985 while the other provinces, and the associate members of the Yukon and Northwest Territories, continued to operate together in the sale of lottery tickets. In 1985-86, the name Foundation was changed to Corporation to reflect more accurately the nature of its operation.

In the early 1970's, senior police personnel were designated by order in council to issue gaming licenses. However, they were not required to review the background of organizations to determine if their objectives were in fact charitable or religious and there was no requirement for financial returns.

The authority was transferred to the Lotteries Licensing Unit of the Criminal Justice Section, Attorney General Department, from 1973 to 1976. The unit was formed with two licensing officers who introduced financial returns forms to be completed by each organization following its gaming event. The size of the unit prevented it from auditing operations or to conduct investigations.

The Gaming Control Branch replaced the Lotteries Licensing Unit in 1976. It operated with three sections: Licensing, Audit and Investigations.

In 1981, the Alberta Gaming Commission was formed and assumed responsibility for issuing gaming licences and for developing gaming policy. The Gaming Control Branch retained responsibility for licensed gaming enforcement including licence application review, audit and investigations. The Branch provided technical advice to the Commission on gaming matters and made recommendations to the Commission on eligibility of groups for licences.

Gaming and Liquor Act

In March 1995, the government announced the consolidation of the Alberta Liquor Control Board, Alberta Lotteries, the Alberta Gaming Commission and the Gaming Control Branch under a single administrative and organizational structure, the Alberta Gaming and Liquor Commission.

The newly-formed Commission was given legal force with the passing and enactment of the *Gaming and Liquor Act* in July 1996. The legislation was the first in the province that dealt with both lotteries and gaming activities. The legislation consolidated the authority that previously was granted under the *Interprovincial Lottery Act* and through orders in council.

Specifically the new act repealed the *Interprovincial Lottery Act*.

The *Gaming and Liquor Act* comprises eight parts. The ones most relevant to the licensing policy review are those that relate to gaming, specifically:

- Part 1 regarding the powers, duties and status of the Commission, its board, and financial matters;
- Part 2 regarding gaming and provincial lotteries;
- Part 4 regarding board hearings and sanctions; and
- Part 5 regarding enforcement.

Part 1 - Commission

Section 3 of the *Gaming and Liquor Act* provides the objects of the Commission are to:

- administer the provincial legislation;
- conduct and manage provincial lotteries for the Government of Alberta;
- carry out gaming related functions delegated to it by the Lieutenant Governor in Council under the *Criminal Code* (Canada) or the provincial act;
- to control in accordance with the act the manufacturer, import, sale, purchase, possession, storage, transportation, use and consumption of liquor;
- generate revenue for the Government of Alberta.

The *Gaming and Liquor Act* specifies the Minister responsible for the act may make policies that must be followed by the Commission, the board or both in carrying out their powers and duties under the act.

The act establishes a board whose responsibilities are provided in Section 12 as follows:

- ensuring the powers and duties of the Commission are appropriately carried out;
- establishing the policies of the Commission;
- conducting hearings and making decisions respecting licences and registrations; and
- any function assigned to it under any enactment.

The responsibilities of an appointed chief executive officer of the Commission are set forth in section 18(2), and include

- administration of the Commission;
- ensuring that the policies of the board are implemented;
- advising and informing the board on the operation and affairs of the Commission; and
- performing the duties and exercising the powers assigned to the Commission or to the chief executive officer by any enactment or by the board.

The act establishes a Lottery Fund to be administered by the Commission, its income being revenue from provincial lotteries less prizes. The Commission may use the revenue in the fund to pay retailers' commission, federal taxes and amounts to be paid under federal-provincial agreement "respecting gaming and betting entered into on June 3, 1985, as amended or replaced from time to time."

Part 2 - Gaming and Provincial Lotteries

Part 2 of the act deals with Gaming and Provincial Lotteries.

The act establishes two general types of gaming in the province as follows:

> "provincial lottery" means a lottery scheme referred to in section 207(1)(a) of the *Criminal Code* (Canada) that the Government of Alberta is authorized to conduct and manage by itself or in conjunction with the government of another province; … [s. 1(1)(x)].

The provincial lottery schemes in Alberta are ticket lotteries and electronic gaming devices such as slot machines and video lottery terminals or VLTs.

> "gaming activity"- a lottery scheme as referred to in s. 207(1)(b), (c), (d) or (f) of the *Criminal Code* (Canada). [s. 1(1)(h)]

In Alberta, such a lottery scheme is commonly referred to as "charitable gaming" and includes bingo events, casino events, raffles and pull ticket sales.

The act gives the board of the Commission the authority to issue a gaming licence or gaming facility licence as it deems appropriate and to establish conditions for those licences. The specific types of licences that may be issued, and their respective licence fees, are provided in the *Gaming and Liquor Regulation*.

Gaming workers must be registered with the Commission. These refer to people who are paid to assist a gaming licensee in the conduct or management of a gaming activity, other than someone who is paid to sell raffle or pull tickets or otherwise specified in the regulations.

Anyone who deals in gaming supplies must be registered, and the gaming supplies approved, by the Commission. Section 42 provides that the registration of gaming workers and gaming supplies are governed by the regulations.

Section 43 specifies the Commission may conduct and manage lotteries on behalf of the Government either alone or in conjunction with the government of another province.

Video Lottery Terminals

Various sections in Part 2 of the act deal with video lottery terminals. Section 1(1)(hh) provides:

> "video lottery terminal" means a computer, a video device or a slot machine within the meaning of section 198(3) of the *Criminal Code* (Canada) that is used to play a game, scheme or plan referred to in section 206(1)(a) to (g) of the *Criminal Code* (Canada).

For legal purposes, the *Gaming and Liquor Act* uses the term video lottery terminal to include a slot machine under the *Criminal Code*.

There is in the province a video lottery terminal that possesses a particular feature that distinguishes it from other electronic gaming devices. That distinction is covered under Section 46.2 which deals with municipal plebiscites held in 1998. Subsection 46.2(5) provides:

> In this section, "video lottery terminal" means a video device from which payouts are made by means of paper slips that may be redeemed for cash.

Such an electronic gaming device is located in bars and lounges under agreement between the video lottery terminal retailer and the Commission, and is commonly referred to as a VLT. This meaning distinguishes a VLT from what is commonly referred to as a slot machine in the province, the latter being a machine that pays out in coins dispensed in the machine's tray and is located in casino facilities and racing entertainment centres (larger prizes are paid by cheque). Other policy-related distinctions between VLTs and slot machines are discussed in this report under the section "Video Lotteries."

Section 45 of the *Gaming and Liquor Act* prohibits anyone from selling, advertising or distributing lottery tickets in the province unless authorized to do so by the Commission.

Section 46 of the act prohibits the making, selling, advertising or distribution of VLTs unless the terminal is approved by the Commission and the person is registered to deal in VLTs. That section also requires no one may possess a VLT unless it is approved by the Commission and operated in an establishment authorized by the Commission or the person is registered to deal in VLTs or an employee or agent of a person who is thus registered. [*]

Various sections of the *Gaming and Liquor Act* were amended and passed in April 1999 (Bill 36, the *Gaming and Liquor Amendment Act*) to address the concern that the Commission, based on a court decision, was unauthorized to follow or consider government policy regarding VLT plebiscite votes held in various municipalities across the province. Government had indicated it would honour the wishes of communities that wished to remove VLTs, as expressed through VLT plebiscites.

The legislation authorizes the Commission's board to take and implement direction from the Minister of Gaming.

The Court of Queen's Bench of Alberta granted an interim injunction prohibiting the Commission from disabling or removing VLTs pending the hearings of a constitutional challenge of the legislation. The Commission has complied with that order.

The sections of the *Gaming and Liquor Act* that address the termination of VLT agreements with retailers, and the removal of VLTs from communities that voted by plebiscite in favour of their removal, are the following:

> 46.1 No action or proceeding may be instituted or continued against the Crown or Minister of the Crown, the Commission, the board or its members, the chief executive officer, inspectors or employees of the Commission based on any claim or cause of action, whether arising before or after the enactment of this section, for compensation, for loss or damages including exemplary damages or for injunctive or declaratory relief, whether based on contract, property, tort, equity, restitution, expropriation or otherwise, for
>
> (a) the removal of video lottery terminals from establishments;
> (b) the termination or cancellation of agreements with retailers;
> (c) the termination or cancellation of any rights of retailers connected with or arising from agreements with retailers, or
> (d) any act or omission authorized by this Act.

[*] Alberta courts established case law by clarifying Section 46(2) of the Gaming and Liquor Act (Alberta). The courts ruled that it was not an offence to be in possession of a slot machine as long as the slot machine was not being used for the purpose of gambling. This followed from the seizure of slot machines in Alberta.

46.2(1) All agreements between the Commission and retailers respecting video lottery terminals existing immediately prior to the coming into force of this section and any rights of retailers connected with or arising from those agreements are hereby terminated and cancelled in the following municipalities:

(a) County of Lethbridge No. 26;
(b) Town of Lacombe;
(c) Municipal District of Opportunity No. 17;
(d) Regional Municipality of Wood Buffalo;
(e) Town of Canmore;
(f) Town of Coaldale;
(g) Town of Stony Plain.

(Note: The VLTs in the municipalities identified in section 46.2(1) have not been removed due to matters before the courts. The circumstances and other details of those matters are discussed in this report in the section “Video Lotteries.”)

46.2 (2) The Commission must remove all video lottery terminals from establishments located in the municipalities referred to in subsection (1).

46.2(3) Subject to subsection (4), if the Commission has removed video lottery terminals from a municipality before the coming into force of this section as the result of a vote held in the municipality, the Commission may not

(a) enter into agreements with retailers respecting the video lottery terminals, or
(b) place or replace any video lottery terminals in establishments

in that municipality.

46.2(4) The Commission may not, in respect of any of the municipalities referred to subsection (1) and (3), enter into an agreement with a retailer or place video lottery terminals in establishments unless a policy of the Minister under section 6.1 authorizes the Commission to do so.

Parts 4 and 5 - Board Hearings and Sanctions, and Enforcement

The following sections pertain to the lawful seizure of VLTs as well as gaming supplies that have not been approved by the Commission:

91(3) A person whose liquor, containers, video lottery terminals or gaming supplies have been seized under section 92 or 103 may apply to the board for a hearing.

103(1) An inspector who, while carrying out an inspection under section 100, finds any liquor, video lottery terminals or gaming supplies that the inspector believes on reasonable and probable grounds are unlawfully required or kept for unlawful purposes in contravention of this Act or a condition imposed on a licence or registration may immediately seize and remove the liquor and the containers in which it is held or the video lottery terminals or gaming supplies.

Section 113 is the general offence section. It also identifies contraventions not otherwise listed under the regulations to be an offence. The gaming related offences under this section are as follows:

- s. 36 - conduct or manage a gaming activity without a gaming or facility licence;

- s. 40(1) - make, sell, advertise or distribute gaming supplies without being registered or licensed to do so;
- s. 40(2) - possess gaming supplies not approved by the board;
- s. 41 - inducing a breach of contract;
- s. 45 - make, sell, advertise or distribute lottery tickets unless approved by the Commission;
- s. 46(1) - make, sell, advertise or distribute VLTs not approved by the Commission;
- s. 46(2) - possess a VLT not approved by the Commission.

Section 114(1) provides for penalties for individuals convicted under the general offence section. They are liable to a maximum fine of $10,000 or to imprisonment for a maximum of six months, or both.

Section 114(2) provides for penalties for corporations convicted under the general offence section. They are liable to a fine of not more than $50,000.

Section 115 provides for penalties of persons convicted of offences under sections 45, 46(1). They are liable to a maximum fine of $500,000 or to imprisonment for not more than 12 months, or both.

Gaming and Liquor Regulation

The *Gaming and Liquor Regulation* comprises four parts. Two are most relevant to gaming activities, as follows: Part 1 “General Provisions” and Part 2 “Gaming and Provincial Lotteries.”

Part 1 - General Provisions

The first part of the *Gaming and Liquor Regulation* contains four divisions that deal with requirements for applications, including gaming licences; background checks regarding applicants of licences or registrations; requirements for facilities and premises and offences and conditions.

Sections 2 to 8 deal with application requirements. They require that anyone who applies for a licence or registration complete the appropriate documents. The Commission may also require an applicant to publish a notice of the application. Anyone may object to an application or registration, regardless whether it has been published, to the board of the Commission. The board must consider the objection and advise the person who submitted it as to its decision.

Only adults may be eligible for licences or to be registered. Licences may only be issued to individuals who are Canadian citizens or permanent residents.

Various requirements are set forth for corporations or partnerships to obtain a licence or to be registered.

Sections 9 through 13 deal with background checks. The board may refuse to grant a licence or registration if the applicant fails to pass a records check. If within the previous five years prior to the application the applicant has been convicted of specified offences, the person is deemed not to have passed the records check.

Section 13 gives discretion to the board to refuse a licence or registration if it is satisfied the applicant or any of the applicant's employees, associates or anyone else with connections to the applicant, is a detriment "to the integrity or lawful conduct of gaming activities. …"

Sections 14 and 15 deal with gaming facilities and premises. Anyone who is issued a gaming facility licence or liquor licence must have the right to occupy the facility. The board may establish requirements for facilities or premises that must be met before a facility or liquor licence is issued. Those requirements must be met during the term of the licence.

Sections 16 to 18 deal with offences and conditions. For purposes of gaming, an offence under the regulation is contravention of section 34, allowing minors in a casino facility when a casino is being conducted. Board policies regarding registrations are considered conditions of the registration, a copy of which must be provided to the registrant. Licensees may apply to the board for hearing if the board has imposed a condition on the licence without a hearing.

Part 2 - Gaming and Provincial Lotteries

Part 2 of the *Gaming and Liquor Regulation* contains provisions regarding gaming and facility licences and eligibility requirements for those licences and the registration of gaming workers. Various general provisions are included, such as terms of licence or registration, cancellation of licences, posting of licences, etc.

Section 19 establishes licences for bingo, pull ticket, raffle and casino. Section 20 sets the basic criteria for applicants, that they must be a charitable or religious organization, and satisfy the board the proceeds from the gaming activity will be used for a charitable or religious object or purpose approved by the board.

Section 20.1 allows the board to defer payment of licence fees for a bingo or casino licence until after the licence is issued. Section 21 provides anyone receiving a licence may be required to provide an accounting of the gaming proceeds.

Two types of facility licences are established under section 22: bingo facility licence and a casino facility licence.

Section 23 specifies a bingo facility licence may only be issued to the volunteer executive of a bingo association ("an association of charitable or religious organizations formed for the purpose of conducting gaming activities"). It specifies a casino facility licence may only be issued to an individual, partnership or corporation.

Section 25 establishes classes of registration of gaming workers, those paid to assist a gaming licensee in conducting or managing a gaming activity. Excluded from this definition are those paid to sell pull tickets, raffle tickets or prize bonds; a person paid to manage a raffle in which the total ticket value is $10,000 or less or a person who works at a licensed gaming activity in a facility not required to be licensed.

Classes of gaming workers are established. They are bingo worker, casino worker, raffle manager and pull ticket manager.

Section 26 provides a gaming worker must have the experience required for the function, and, if an exam is required, achieve the minimum score specified by the board.

Additional classes of registration are specified in section 27, including ones that authorize the registrant to provide gaming workers, authorize a person to deal in approved gaming supplies and authorize a person to deal in approved VLTs.

Sections 28 to 34.1 deal with general matters. They include fees and deposits for conducting background checks (s. 28), term of licence and registration (s. 29), licence or registration cancellation (s. 30), provisions on licence cancellation on dispossession of business (s. 31), provisions on the death of the licensee (s. 32), posting of licences (s. 33), minors in casinos (s. 34) and persons not admitted in licensed facilities (s. 34.1). The last section prohibits a facility licensee from allowing a person convicted under section 209 of the Criminal Code (cheating a play) from entering or remaining in the licensed premises.

E. Summary

The legislation regarding gaming activities are the basis upon which gaming licensing policies are established. It is a matter of legal and public interest that the gaming licensing policies conform to provisions in the *Criminal Code*. The provincial legislation and the regulation set the provisions for gaming in the province of Alberta in conformance with the provisions of the *Criminal Code*.

SOCIAL RESPONSIBILITY

Introduction

While most adult Albertans gamble responsibly, some experience real and difficult problems with their gambling. This section discusses the estimated extent of problem gambling among adults in the province, the implications of problem gambling for the gaming licensing policies in the province and some of the efforts being applied to address this serious issue.

Alberta Population Study

The most recent estimate of the number of adult Albertans believed to have problems with their gambling was contained in a 1998 report. The report, prepared for the Alberta Alcohol and Drug Abuse Commission (AADAC), estimated 4.8% of adults in the province have problems with their gambling. That was a decline from the 5.4% reported in 1994; the decrease is not statistically significant (Wynne Resources Ltd. and AADAC, 1998).

Those percentages were further broken down into two groupings. One related to problem gamblers, the other to probable pathological gamblers, or those with more serious problems. It is estimated the number of adults in the "problem gambling" category comprised 2.8% of adult Albertans in 1998 compared to 4.0% in 1994. The estimated number of those with "probable pathological gambling" was 2.0% in 1998 compared to 1.4% in 1994.

The report noted: "Although the increase in probable pathological gambling is not statistically significant, it is a pattern found in other replication studies." Put another way, and as the Alberta study noted:

> Based on the 1996 adult Alberta population of 1.9 million, it is estimated that the number of adult Albertans with less severe gambling problems has decreased from 78,770 in 1994 to 55,139 in 1998. In contrast, it is estimated that the number of adult Albertans with more severe gambling problems has increased from 27,570 in 1994 to 39,385 in 1998.

Moreover, severe problem gambling spills over to other aspects of a person's life, including relationships with family, friends and co-workers. It may result in a person often being absent from work due to his or her gambling addiction or lead to criminal activities such as theft or fraud by the serious problem gambler to support his or her gambling.

Depending on the estimates used, some will argue the social costs of gambling exceed the benefits derived from it, while others argue the converse, the benefits exceed the costs.

The extent of such costs or harm within the province is not clearly known. Further research as this applies to Alberta specifically is needed and is being pursued as discussed later in this section.

In any case there is in the research available today a clear message for the development of gaming licensing policies. Attention must continue to be paid to the potential harm of gaming activities on some people.

The Gaming Licensing Policy Review takes into account the expectation of Albertans that gaming continue to be controlled, regulated *and* offered in a socially responsible manner. It must also balance the real issues that accompany gambling with another reality, that for most Albertans gambling is a form of recreation. As noted in the 1998 Alberta report:

> Most adult Alberta gamblers enjoy participating in all forms of gambling activities as a form of entertainment and recreation. Moreover, most gamblers are able to control their play by incorporating strategies such as wagering only what they can afford to lose, setting betting limits for their play, and participating in gaming activities in a social context with family and friends (Wynne Resources and AADAC, 1998).

Defining Problem Gambling

Problem Gambling Prevalence Research in Alberta

As mentioned, two research surveys have been conducted in the province which have estimated the extent or prevalence of gambling and problem gambling among adults in Alberta. The results of the first study were published in 1994 for Alberta Lotteries and Gaming. That was followed by a "replication study" for AADAC and published in 1998. A replication study is aimed at establishing any patterns or trends in problem gambling behaviour among adults over a period of time.

These studies focused on the Alberta population and are considered important population surveys regarding gambling and problem gambling. Their findings are often cited in various documents that discuss the subject. For that reason further discussion of the two population surveys is provided here.

Defining Terms

The 1994 and 1998 Alberta studies applied various terminology in arriving at the estimated prevalence of gambling and problem gambling in the Alberta population. The context of the studies and the key terminology used follow.

In the 1998 study, gambling activities covers gaming activities licensed in the province and other non-licensed activities. Specifically, those activities include the following:

> …(1) the full range of legally-sanctioned and government-regulated gambling that occurs throughout Alberta (e.g.,. lotteries include video lottery terminals (VLTs), raffles, pull tickets, Sport Select, bingo, charity casinos, and horse racing); (2) games at casinos outside Alberta (e.g., Las Vegas); (3) formal and informal betting for money amongst individuals on a variety of activities (e.g., sports pools and events, games of skill, cards and board games, arcade or video games, Internet gambling); and (4) purchasing speculative investments (e.g., stocks, options, or commodities) (ibid).

A widely-recognized screening instrument called the South Oaks Gambling Screen (SOGS) was used to differentiate among those considered to be non-problem, problem and probable pathological gamblers. The instrument involved asking respondents about 20 items, most of those related to gambling-related financial consequences that the respondent has experienced and then classifying respondents in one of the three categories based on the responses provided (see the appendix of this section for the specific questions).

A non-problem gambler is classified as a respondent who answers up to two items in the affirmative, problem gamblers either three or four and probable pathological gamblers five or more. Those achieving the latter two scores at any time in their lives were respectively considered to be lifetime problem or pathological gamblers. If they achieved those scores in the past 12 months, they were respectively considered to be current problem or pathological gamblers.

What do the terms problem gambling and probable pathological gambling mean? The 1998 report uses "disordered gambling" to help explain the two terms. It cites the use of "disordered gambling" by Shaffer, Hall and Vander Bilt (1997), who conducted an analysis of problem gambling prevalence studies.

> In an effort to provide a helpful conceptual framework, they offer the term "disordered gambling" for two main reasons: (1) the concept of disordered gambling transcends each of the existing constructs (e.g., excessive, problem, pathological, and compulsive gambling) by recognizing that each of these categories represents, at various levels of intensity, a lack of order in one of the major systems of human experience (e.g., social, psychological, or biological systems); and (2) the notion of disorder represents a continuum of experience (ibid).

The Alberta study uses problem and pathological gambling to "…describe the severity of respondents' gambling disorders." Pathological gambling is more severe or serious than problem gambling.

Comparing the 1998 and 1994 Results

Both the 1994 and 1998 studies are accurate 19 times out of 20 to within 2.3%. In other words, "… with a province-wide sample of 1,821 adult Albertans, one can say with 95% certainty that the results for each survey are within ±2.3% of what they would have been if the entire adult population of Alberta had been interviewed" (Wynne Resources and AADAC, 1998).

Following are some general findings comparing the gambling and problem gambling prevalence in Alberta between 1994 and 1998.

Table A3-1: Gambling and Problem Gambling Prevalence Research Studies *

"Life-time" Gamblers/Non-Gamblers (reporting gambling at least once in lifetime)	1994 STUDY	1998 STUDY
Gamblers	93.0% (1)	97.0% (1)
Non-Gamblers	7.0%	3.0%
Non-Problem Gamblers	84.4%	89.1%
Problem Gamblers	5.9%	5.2%

* In the 1994 and 1998 studies an instrument, the South Oaks Gambling Screen (SOGS-R) was "used to differentiate non-problem, problem and probable pathological gamblers. Problem gamblers are the "less severe" group of adults with gambling problems, having answered "yes" to 3 or 4 items of the 20 items in the SOGS-R. Probable pathological gamblers are the "more severe" group of adults with gambling problems, having answered "yes" to 5 or more items." (Wynne and AADAC, 1998).

"Life-time" Gamblers/Non-Gamblers (reporting gambling at least once in lifetime)	1994 STUDY	1998 STUDY
Probable Pathological Gamblers	2.7%	2.7%
"Current" Gamblers/Non-Gamblers (reported gambling in past 12 months)		
Gamblers	90.3% (1)	87.4% (1)
Non-Gamblers	9.7%	12.6%
Non-Problem Gamblers	84.9%	82.6%
Problem Gamblers	4.0%	2.8%
Probable Pathological Gamblers	1.4%	2.0%
Top five gambling activities (largest total monthly expenditure and average monthly expenditure)	1. stocks, commodities, options 2. lottery tickets 3. bingo 4. games at casinos outside Alberta 5. VLTs	1. stocks, commodities, options 2. VLTs 3. games at casinos outside Alberta 4. lottery tickets 5. games at local casinos

(1) Figures reported as being statistically significant (p less than or equal to .01).

Of note is 4.8% of adult Albertans are estimated to have a gambling problem. That compares to 5.4% that had a gambling problem in 1994. In the 1998 study it was estimated 2.8% of adult Albertans are problem gamblers (i.e., with some problems) while 2.0% are probable pathological gamblers (i.e., with serious problems); that compares to 4.0% and 1.4% respectively in 1994.

As indicated in the table above, certain gaming activities are more popular than others in terms of total and average monthly expenditures. The report cites particular concern with gaming activities such as VLTs. It notes probable pathological gamblers are likely to engage in a range of continuous play gaming activities, including bingo, casino games and instant win tickets. It further notes there is a greater relationship with VLTs and severe gambling disorders. The reports concludes by indicating further study is needed to "…explore the causal linkages, the presence of intervening variables, and the relationship of continuous play-games –VLTs and others – to severe problem gambling."

Recommendations

The 1998 report made seven recommendations in the areas of education and prevention, treatment, training and research. They are as follows:

1. In order to ensure public awareness and understanding, AADAC should continue to develop, deliver and enhance its general awareness and education programming on problem gambling.
2. For those at risk for developing gambling problems, AADAC should continue education and prevention initiatives that support early recognition, intervention and referral.
3. AADAC should continue to ensure there are a range of treatment interventions available to match the level of gamblers' treatment needs.
4. AADAC should continue to screen all clients for multiple addiction problems and ensure an integrated approach to treatment services.
5. AADAC should continue to target education and treatment training strategies that support early recognition, intervention, and referral for those at risk for developing gambling problems.

6. AADAC recommends the adoption of an epidemiological framework for gambling research. As a first step, AADAC supports re-analysing the 1994 and 1998 Alberta prevalence study research within an epidemiological framework, and we also encourage the work of independent researchers in this area. AADAC recommends that this framework be used to guide policy and program development.
7. AADAC recommends the review and refinement of the research methodology and instruments to measure problem gambling in the general population before the next prevalence study in 2002 or 2003. Because this work will take time, and policy and program decisions need to be made now, AADAC also recommends a "best advice" approach to interpreting the current gambling research.

These recommendations have been incorporated into AADAC's business planning process.

Addressing Problem Gambling

The gambling and problem gambling prevalence reports have affected the way in which gaming is approached. More attention is paid to raising the awareness of problem gambling than in the past. The public also expects the government exercise social responsibility as it manages and controls gaming activities in the province.

Alberta's Lead Agency

Seven years ago the government appointed the Alberta Alcohol and Drug Abuse Commission (AADAC) as the province's primary problem-gambling treatment, prevention, education and research agency. Its problem gambling programs are funded entirely through the Alberta Lottery Fund.

Over the past seven years AADAC has introduced a number of initiatives. They include:

- education and treatment programs for problem gamblers (many target adolescent education and prevention);
- campaigns to increase awareness of problem gambling include the use of posters, print, television and radio advertising;
- education programs that involve training for members of the industry and the public; and
- research such as measuring the extent of gambling and problem gambling in the province.

AADAC provides a 1-800 crisis problem gambling help-line, outpatient counselling and in-patient treatment. New treatment programs include non-residential intensive treatment, crisis stabilization, adolescent early intervention gambling survey screen and Chinese gambling outreach programs.

The agency works closely with other agencies including mental health, education boards and community boards. It works closely with the Commission and members of the gaming industry in addressing problem gambling.

AADAC Treatment Statistics

Following are statistics provided by AADAC regarding admissions for problem gambling treatment in Alberta. Also included are figures for the most frequent type of gambling reported through AADAC's 1-800 problem gambling telephone line.

Table A3-2: Problem Gambling Treatment Admissions & Calls to 1-800 Problem Gambling Telephone Help Line: 1995-96 to 1999-2000

	1995-96	1996-97	1997-98	1998-99	1999-2000
AADAC Admissions	2,316	2,617	2,899	3,100	n.a.
1-800 calls	2,713	3,020	3,794	4,132	3,527

Table A3-3: Most Frequent Type of Gambling - AADAC Admissions: 1998-99

TYPE	% ADMISSIONS REPORTED AS MOST FREQUENT TYPE OF GAMBLING
VLTs	66.6
Casinos	12.7
Bingo	10.2
Lotteries	3.1
Games of Skill	1.6
Sports Betting	1.3
Other	0.6

Table A3-4: Most Frequent Type of Gambling Reported on 1-800 Line: 1996-97 to 1998-99

TYPE OF GAME	1996-97	1997-98	1998-99	1999-2000
VLTs	59.4%	58.8%	53.0%	49.7%
Unknown	no data	19.4%	21.0%	23.6%
Casinos	8.4%	9.5%	10.9%	12.1%
Slot Machines	1.6%	2.0%	3.3%	4.5%
Lotteries, Pull Tabs or Scratch Tickets	4.6%	3.3%	3.7%	3.7%
Bingo	4.2%	3.9%	3.3%	2.5%
Stocks	no data	0.2%	0.2%	1.6%
Racing	1.8%	1.5%	1.4%	1.3%
Sports Betting	1.4%	1.2%	1.0%	0.8%
Other	18.7%	0%	2.4%	0.2%

AADAC has indicated service delivery statistics (admissions and 1-800 line calls) tend to be more strongly influenced by public awareness and understanding of gambling problems, advertising and program outreach activities than by the level of problem gambling prevalence.

Commission Initiatives

The Alberta Gaming and Liquor Commission recognizes the importance of addressing problem gambling as a social issue. In that regard it has worked closely with AADAC in promoting the agency's problem gambling education, prevention and treatment services.

Commission policy requires operators of gaming facilities or those offering gaming activities post information about AADAC's problem gambling services. Those facilities include casinos, bingo association halls, bars and lounges with VLTs and ticket retailer locations.

The Commission is a partner with AADAC in providing and encouraging responsible gaming standards at gambling venues. It encourages gaming retailers to provide problem gambling information sessions for staff as part of their overall staff orientation practices and to incorporate clear responsible gaming standards as part of doing business.

The Commission, AADAC and the industry continue to develop new responsible gaming initiatives.

The Commission is researching problem gambling features available on VLTs. These include automatic cashouts, timed play and screen savers with AADAC help line messages.

A Casino Voluntary Self Exclusion Program was implemented in 2000-01. The program was developed by the Commission in close cooperation with Alberta casino operators. It allows individuals with a gambling problem to voluntarily request they be placed on a list denying them entry into any casino in Alberta. Photographs of those individuals are provided to casino staff across the province. The Alberta Hotel and Lodging Association (AHLA) has also established a similar voluntary program through members who are also VLT retailers.

The Commission consults with industry members on adopting programs to reduce problem gambling, including VLT operators and casino facility operators.

Other initiatives are discussed elsewhere throughout the report of the Gaming Licensing Policy Review.

Commitment to Research

The field of treating problem gambling is relatively new. That is in contrast to the experience and knowledge in the treatment for alcohol or drug abuse, which the province has been providing over the past few decades.

Those involved with problem gambling treatment and research recognize the problem is complex and there is more to be learned about it. This is reflected in the province's 1998 gambling study which concluded:

> …pathological [or serious problems with] gambling is frequently accompanied by heavy use of alcohol, tobacco, and, to a lesser extent, drugs for some individuals. In the past five years, there has been a growing awareness of the multiple addictions phenomenon in both research and in treatment practice, and clinicians are more vigilant in screening clients for a constellation of addiction problems (Wynne Resources Ltd. and AADAC, 1998).

A similar view was expressed in a earlier report entitled *Gambling in Canada: A Report by National Council of Welfare* published in 1996. It noted: "Whether or not gambling creates, or contributes to other addictive behaviours is a matter of some debate, as is the question of which addiction comes first."

The need for more and better research was identified at the Lotteries and Gaming Summit '98. In the summit report it was recommended: "… 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 emergent gaming activities."

The government accepted the recommendation and in response established the Alberta Gaming Research Institute on November 26, 1999. The institute, funded by the Alberta Lottery Fund, is a consortium comprising the University of Alberta, University of Calgary and University of Lethbridge.

In its 2000-03 business plan, the institute notes its mission is "To significantly improve Albertans' knowledge of how gambling affects society." Its core purposes are to:

1. Expand the breadth and depth of scientific knowledge into gambling;
2. Provide education about current knowledge through research publications and reporting of research results;
3. Provide research related to emergent gaming activities;
4. Act as a clearinghouse for literature related to gaming research; and,
5. Forge strong collaborative links with national and international scholars and organizations involved in gaming/gambling research studies.

Various measures are identified to determine the institute's performance in identified areas.

One of the first projects of the institute is to complete a review of literature in four broad gambling areas before undertaking other research activities. Those areas are:

1. Bio-psychological and health care, including new developments in the prevention and treatment of problem gambling, including new knowledge, efficacy and effectiveness, and evolution;
2. Socio-cultural, including prevalence research, and the social impacts of lotteries and gaming, including aboriginal issues;
3. Economic, including prevalence research, and the economic impacts of lotteries and gaming; and,
4. Government and industry policy and practice.

(Alberta Gaming Research Institute website, <<www.abgaminginstitute.ualberta.ca>>)

Industry Involvement

The full success of problem gambling initiatives requires the support, commitment and involvement of Alberta's gaming industry. Some members of the gaming industry in Alberta have expressly recognized the importance of creating or participating in programs to address problem gambling.

The Commission has encouraged members in the industry to become involved in problem gambling initiatives. Some of these initiatives were mentioned earlier. To reinforce the importance of their involvement, Commission policies specifically require licensed gaming facilities, including casinos and bingo halls, post or make available problem gambling information as requested through the Commission. Similarly, VLT retailers and ticket lottery outlets are required to make available similar information to their customers.
Some members of the industry, through their own initiative and with the Commission's endorsement, have introduced problem gambling awareness training for their staff.

The Alberta Gaming Industry Association (AGIA) has indicated it aims to proactively address problem gambling in addition to fulfilling its role of representing the financial interests of industry members to the government. Membership to the association is open to anyone involved with gaming activities, including VLTs, bingo and casinos.

The Alberta Hotel Association (now the Alberta Hotel and Lodging Association) has proposed hotel gaming rooms be introduced, in response to public concerns video lottery terminals (VLTs) are too readily accessible in bars and lounges. The proposal suggests removing VLTs from bars or lounges in a hotel and instead allow for single rooms dedicated to slot machine gaming.

Implications

There are strides being made to heighten awareness of problem gambling in the province. Various initiatives to address problem gambling have been identified in this section and are currently underway. Research has been conducted in the past to alert Albertans to the potential harm that may arise from gambling. Efforts are being made to obtain new research, to provide better information on the social and economic costs and benefits of gaming, to help guide gaming policy development in the future.

Through the Gaming Licensing Policy Review process, the Commission is examining other possible initiatives. The sections dealing with specific gaming activities identify the topic of social responsibility under primary issues to be addressed. The question being asked is whether there are other ways in which the Commission may assist AADAC to address problem gambling.

This question will continue to be asked in the future, as the Commission develops specific gaming licensing policies over the next five years in keeping with the direction provided through the gaming licensing review process.

Appendix

South Oaks Gambling Screen (SOGS)

The South Oaks Gambling Screen (SOGS) was used in the Alberta gambling and problem gambling prevalence studies of 1994 and 1998. The screen consists of a number of questions posed to respondents.

The first part of each question is about whether the respondent *ever* acted in a particular way regarding gambling. The response is considered to represent the respondent's "lifetime" occurrence regarding the action or behaviour. In addition, for each question the respondent was also whether that behaviour or action occurred in the past year. The response here is considered to be the respondent's "current" behaviour.

The SOGS questions follow. Only the first part of the question regarding lifetime behaviour is included. For the sake of brevity the second part dealing with current behaviour is omitted.

1. When you participate in the gambling activities we have discussed, how often do you go back another day to win back money you lost? (possible responses: never, some of the time, most of the time, every time, don't know, refused.)
2. Have you ever claimed to be winning money from these activities when in fact you lost? (possible responses: never, some of the time, most of the time, every time, don't know, refused.)
3. Do you ever spend more time or money gambling than you intended? (possible responses: yes, no, don't know, refused.)
4. Have people ever criticized your gambling? (possible responses: yes, no, don't know, refused.)
5. Have you ever felt guilt about the way you gamble or about what happens when you gamble? (possible responses: yes, no, don't know, refused.)
6. Have you ever felt that you would like to stop gambling, but didn't think that you could? (possible responses: yes, no, don't know, refused.)
7. Have you ever hidden betting slips, lottery tickets, gambling money or other signs of gambling from your spouse or partner, children, or other important people in your life? (possible responses: yes, no, don't know, refused.)
8. Have you ever argued with people you live with over how you handle money? (possible responses: yes, no, don't know, refused.)
9. Have these money arguments ever centred on your gambling? (possible responses: yes, no, don't know, refused.)
10. Have you ever missed time from work or school due to gambling? (possible responses: yes, no, don't know, refused.)
11. Have you ever borrowed money from someone and not paid them back as a result of your gambling? (possible responses: yes, no, don't know, refused.)
12. Have you ever borrowed from household money to gamble or pay gambling debts? (possible responses: yes, no, don't know, refused.)
13. Have you ever borrowed money from your spouse or partner to gamble or to pay gambling debts? (possible responses: yes, no, don't know, refused.) *If no spouse or partner, answer no.*
14. Have you ever borrowed money from other relatives or in-laws to gamble or to pay gambling debts? (possible responses: yes, no, don't know, refused.)
15. Have you ever gotten loans from banks, loan companies or credit unions for gambling or to pay gambling debts? (possible responses: yes, no, don't know, refused.)
16. Have you ever made cash withdrawals on credit cards such as VISA or Mastercard to get money to gamble or to pay gambling debts? (Does not include ATM or instant cash cards). (possible responses: yes, no, don't know, refused.)
17. Have you ever gotten loans from loan sharks to gamble or to pay gambling debts? (possible responses: yes, no, don't know, refused.)
18. Have you ever cashed in stocks, bonds or other securities to gamble or pay gambling debts? (possible responses: yes, no, don't know, refused.)
19. Have you ever sold personal or family property to gamble or to pay gambling debts? (possible responses: yes, no, don't know, refused.)
20. Have you ever borrowed money from your chequing account by writing cheques that bounced to get money for gambling or to pay gambling debts. (possible responses: yes, no, don't know, refused.)
21. Have you ever had a credit line with a casino or bookie? (possible responses: yes, no, don't know, refused.)
22. Do you feel that you ever had a problem with betting money or gambling?
23. Have you ever wanted to stop gambling?
24. Have you ever tried to get help to stop gambling?
25. Where did you go for help? (list provided, including family, friends, Gamblers Anonymous or other support group, social worker, priest, minister or rabbi, AADAC, etc.)
26. Have you ever been in trouble with the law because of activities related to gambling?

27. While gambling, have you ever felt like you were a different person? Would you say … (possible responses: almost always, most of the time, sometimes, never, don’t know, refused.)
28. While gambling, would you say you ever felt like you were in a trance? Would you say … (possible responses: almost always, most of the time, sometimes, never, don’t know, refused.)
29. While gambling, have you ever lost track of time? Would you say … (possible responses: almost always, most of the time, sometimes, never, don’t know, refused.)
30. While gambling, have you ever felt like you were outside yourself, watching yourself doing it? Would you say … (possible responses: almost always, most of the time, sometimes, never, don’t know, refused.)
31. After gambling, have you ever experienced a memory blackout for the things that happened while you were gambling? Would you say … (possible responses: almost always, most of the time, sometimes, never, don’t know, refused.)

GAMING REVENUES, DISBURSEMENTS AND USE OF PROCEEDS

Contents

A. Legislative Authority

The *Criminal Code* (Canada) establishes the foundation for gaming activities. All gambling that occurs in any province or territory must meet the requirements of the *Criminal Code*.

A few key sections of the *Criminal Code* are described at the outset of this section, to establish the context for the discussion about gaming revenue, disbursements and proceeds in the province.

Criminal Code Requirements

Under Canadian law, gaming activities would be illegal if it were not for specific provisions of the *Criminal Code* (Canada) that exempt various gaming activities from being illegal. Revenue that is generated from gaming that is not specifically permitted would be considered illegal gains.

Section 207(1)(a) - Gaming Conducted and Managed by the Provincial Government

Section 207(1)(a) of the *Criminal Code* allows a provincial government to conduct and manage a lottery scheme in the province in accordance with any provincially enacted law. In Alberta those lottery schemes include ticket lotteries, video lotteries and slot machines. Moreover, a provincial government in conjunction with another province may conduct and manage a lottery scheme in those provinces according to laws enacted by their respective legislatures.

The relevant provincial legislation in Alberta is the *Gaming and Liquor Act* (Alberta).

Section 207(4)(c) makes it illegal for any organization or individual, other than a provincial authority, to conduct or manage electronic games. In Alberta that authority is the Gaming and Liquor Commission.

Section 207(1)(b) - Gaming Conducted and Managed by Charitable and Religious Organizations

In Alberta, bingo, casinos, raffles and pull tickets are considered “lottery schemes.” Those lottery schemes would be illegal if it were not for the provisions of Section 207(1)(b) of the *Criminal Code* which state it is lawful:

> …for a charitable or religious organization, pursuant to a licence issued by the Lieutenant Governor in Council of a province or by such other person or authority in the province as may be specified by the Lieutenant Governor in Council thereof, to conduct and manage a lottery scheme in that province if the proceeds from the lottery scheme are used for a charitable or religious object or purpose;…

The Lieutenant Governor in Council of Alberta, through the Gaming and Liquor Act, has specified the Alberta Gaming and Liquor Commission is the authority that may issue licences to charitable or religious organizations to conduct and manage lottery schemes. The Commission is governed by the *Gaming and Liquor Act*, *Gaming and Liquor Regulation* (Alberta) and policies of the Board of the Commission.

Moreover, Section 207(2) of the *Criminal Code* grants authority to the provincial authority which issues gaming licences to prescribe "…terms and conditions relating to the conduct, management and operation of or participation in the lottery scheme…".

Section 207(1)(C) - Gaming Conducted and Managed by an Agricultural Fair or Exhibition

The *Criminal Code* in its provisions allows for agricultural fairs or exhibitions to conduct and manage a lottery scheme if they are licensed to do so by the provincial authority, which in Alberta, as mentioned previously, is the Commission.

B. Two Ways Proceeds are Obtained

In Alberta, all proceeds from gaming are used for charitable, non-profit, public or community initiatives. Those proceeds are available from two sources or streams, as follows:

- Proceeds earned by eligible charitable or religious groups from the charitable gaming activities they have been licensed to conduct and manage (bingo, casinos, raffles and pull tickets). Those proceeds must be used for charitable or religious objectives or purposes.

- Proceeds generated through government-conducted and managed gaming (ticket lotteries and electronic gaming). These funds are directed to the Alberta Lottery Fund and identified for use in specific charitable, non-profit, public and community-based initiatives. Each year, through government's budget process, the provincial legislature votes on the disbursement of those funds.

C. Gaming Conducted and Managed by Charitable or Religious Organizations

Charitable Model

Gaming activities eligible charitable or religious organizations may conduct and manage in Alberta are as follows:

- casino - table games;
- bingo - association and community (non-association) bingo;
- raffles - raffles with a total ticket value of $10,000 or more, and those of a lesser total ticket value; and
- pull tickets - also referred to as Nevada tickets or break-open tickets.

The manner in which those games are managed and conducted in Alberta is referred to as the "charitable model." That is, they may only occur in the province when eligible organizations receive licences to conduct the gaming activities.

Volunteers of the licensed organizations manage and conduct the gaming activities on behalf of their organizations. Thus they earn the gaming proceeds they obtain from their direct involvement in those activities. Organizations that hold a casino are eligible to receive a portion of the revenues generated from slot machines as determined by the Commission, which conducts and manages slot machines on behalf of the province.

Alberta's charitable model is highly regarded by many charitable organizations. The model is distinct in Canada as to the relatively high involvement by charitable or religious organizations in gaming activities. In other jurisdictions, the government typically plays a more prominent role in conducting and managing gaming activities and distributes proceeds as it deems appropriate. In Alberta eligible charities may decide how aggressively they wish to pursue gaming to raise funds, are given greater opportunities to do so than elsewhere and obtain the funds directly through charitable gaming activities. The Alberta government has made a commitment to maintain the province's charitable gaming model in response to a recommendation of the Lotteries and Gaming Summit '98.

Under the charitable model, licensed charitable and religious organizations may enter into contracts with service providers to assist in operating casinos or raffles (e.g., casino operators, casino advisors, ticket raffle managers). A bingo association may hire employees to assist its member charities in the operation, delivery and administration of bingo events at its association bingo hall. Even so, there continues to be a large requirement for volunteer involvement in bingo events. In 1999-2000 there were close to 47,000 bingo events held across the province requiring an estimated average of 15 to 20 volunteers per event. Licensed pull ticket sales generally are delivered by the volunteers of licensed organizations, although licensed charities may hire staff to sell pull tickets.

Commission's Role

The Commission's role in charitable gaming, as stated in *Charitable Gaming in Alberta: 1999-2000 in Review*, is as follows:

> The [Commission] endeavours to ensure, through the setting of appropriate policies, procedures and terms and conditions for [charitable] gaming activities, the financial return to charitable and religious groups is maximized for the benefit of the charitable organizations, the programs and activities they deliver and the communities in which these activities are undertaken.

The Commission also "…seeks to ensure, as part of its mandate, the integrity of gaming is maintained through ongoing reviews of these gaming activities, the licensing process and enforcement of policies, procedures and terms and conditions."

Eligibility

The following are criteria established by the Commission to determine whether or not an applicant is eligible for a charitable gaming licence. The following is from the Commission's Licensing policies.

***The group must provide a public or community benefit as follows*:**

a) Relief of the aged or disadvantaged:
- relief to the poor;
- programs for the elderly so they stay active in society; or
- social services and educational programs for the emotionally or physically distressed.

b) Advanced education and learning by providing:
- student scholarships;
- aid to schools;
- aid to libraries;
- aid to museums;
- aid to the arts;
- aid to the preservation of cultural heritage.

c) Provide help to the community which:
- make improvements to the quality of health;
- support medical research;
- aid medical treatment programs;
- supply a facility for community use;
- support competitive amateur athletics; or
- contribute places for worship and other religious programs.

The structure of the group that is applying for a licence must meet the following criteria:

(a) its membership is voluntary and broad based;
(b) its executive is chosen democratically from its volunteer base;
(c) its members, directors and officers are not paid;
(d) its programs must benefit the community, not members' self interest;
(e) its volunteers establish, maintain and deliver the group's programs;
(f) the group is not-for-profit; and
(g) groups applying for a licence for which licence fees are charged (i.e., casino events, bingo in a licensed facility or where total sales of all game cards held under the licence exceed $150,000 per year, pull tickets and raffles with total ticket value of more than $10,000) must be incorporated. Acceptable forms of incorporation are:
    i) Societies Act;
    ii) Part 9, Companies Act;
    iii) Part II, Canada Corporations Act;
    iv) other Alberta Statutes, approved by the AGLC board, as follows:
        - Band Council Resolution for a First Nations Charity operating an event on their reserve. To operate a gaming event off the reserve, a charity would have to be formally incorporated;
        - a group controlled under the School Act (with the exception of school councils which are not eligible for licensing);
        - a group established under the Regional Health Authorities Act to enhance hospital care for people in the community; or
    v) a First Nation or organization operating under the umbrella of a First Nations will be eligible to apply for a casino licence. A First Nations has the authority to designate a group as charitable under a Band Council Resolution.

A group providing recreational sports activities for its members, and that operates a facility, may be eligible for a licence if:

a) the group is incorporated under the Societies Act, or Part 9 of the Companies Act;
b) its bylaws include a dissolution clause. If a group "dissolves," any assets remaining after paying debts and liabilities must be given to eligible charities;
c) its membership represents a large portion of the community; and
d) the public has reasonable access to the facility. It must be used by them at least 50% of the time.

Public educational institutions or schools established by statute are not considered charities under gaming licensing policies.

On the other hand, educational groups within or affiliated with institutions or schools (such as classrooms, school clubs/societies, student unions, parent teacher or alumni groups) may qualify for certain types of gaming licences.

***Following are the criteria*:**

a) The governing body of the institution/school must approve of the activity in writing. It must also approve the purpose for which the funds will be used. The proper authorities are:
   - Board of Governors of a University, College, Community College, etc;
   - President of a post secondary trade or vocational school such as SAIT, NAIT, and AVC;
   - School Board for high schools; and
   - Principal for junior high or elementary schools.

b) The proposed use of gaming proceeds must be for a bona-fide charitable or religious purpose or activity. Funds may not be used for a purpose that is social or recreational in nature.

c) The group must identify two or more members 18 years or older to be responsible for the licensed gaming activity. If there are no members 18 years or older in the group, the authorizing authority shall appoint two adult individuals affiliated with the group. They are responsible for the following:
   - submitting the application;
   - ensuring Licence Terms and Conditions are complied with;
   - ensuring gaming funds are used only for approved uses; and
   - ensuring the required financial reports are submitted.

D. Commission Categories of Groups Eligible to Apply for Gaming Licences

Under the Commission's policy, an applicant for a gaming licence must be a charitable or religious organization or an "Agricultural Fair or Exhibition."

The policy identifies various groups that *may or may not* be eligible for gaming licences. They are listed in the following table. Note: in the table C.C.C. refers to the *Criminal Code* (Canada).

Table A4-1: Groups Eligible or Ineligible to Obtain a Charitable Gaming Licence

<table>
<tr><th>GROUP CATEGORIES</th><th>DESCRIPTION AS TO ELIGIBILITY OR INELIGIBILITY</th></tr>
<tr><td>Athletic and Recreational - Amateur Athletic Groups</td><td>Community or regional level
Encourage physical fitness through organized individual or team competitive athletic activities
Single teams are generally considered "self interest"
within the specific community, a team may represent the most senior and only level of competitive athletic activity and in this situation may be eligible.</td></tr>
<tr><td>Athletic and Recreational - Outdoor Recreation</td><td>Community or regional level
Encourages fitness through outdoor activities
Organized on basis of individual or team competition</td></tr>
<tr><td>Athletic and Recreational - Facilities</td><td>Formed to promote recreation through sporting activities among members
Operates a facility for that purpose</td></tr>
<tr><td>Athletic and Recreational - Coodinating/ Govern-ing Bodies</td><td>Act as provincial governing body for specific athletic or outdoor competitive recreational activity</td></tr>
<tr><td>Athletic and Recreational - Recreational Self-Interest</td><td>Promote individual leisure-time interests of members
Activities focused on participating in sporting events not part of a structured developmental program
Eligible only for a raffle licence, per C.C.C., S. 207(1)(d)</td></tr>
<tr><td>Arts and Education - Schools and Support Groups</td><td>Educational groups (e.g., classrooms, school clubs or societies, student unions, parent-teacher assn's, alumni groups)
Governing body must approve licence application
Proceeds must be used to provide equipment, supplies or services to educate students</td></tr>
<tr><td>Arts and Education - Historical Resources</td><td>Provide general public access to historical resources
Includes development and operation of public facilities for that purpose, e.g., historical book committee, museums</td></tr>
</table>

GROUP CATEGORIES	DESCRIPTION AS TO ELIGIBILITY OR INELIGIBILITY
Arts and Education - Performing Arts	• Promote performing arts (e.g., dance, theatre, opera, choral singing, school bands, etc.) • Activity includes providing a facility to hold those activities • Group is considered one of "self interest" when art form is produced is a marketable product, and/or members develop skills which become marketable services available for instruction and teaching of others • Group may be eligible if operates arms-length from these self-interest groups, or provides means of continuing education for members, at a reasonable rate to the public who normally would not have access to that service
Arts and Education - Visual and Literary Arts	• As per Performing Arts • Includes arts and crafts, sculpture, etc.
Community Services - Community Leagues/Assn's	• Incorporated as such in Calgary or Edmonton, or • Provide same types of functions as these in other parts of the province
Community Services - Ethno-Cultural	• Identify with a specific ethnic or national origin • Activities are of a general nature that support a variety of programs in the community
Community Services - Nature Conservation	• Promote nature conservation through educational programs • Operate public facility, or • Liaise with government agencies regarding public policy
Community Services - Veterans, Service and Fraternal	• Established by national charters • General activities provide community benefit • Includes auxiliaries to such groups
Community Services - Youth	• Provide variety of programming for young people
Community Services - Senior Citizens Groups	• Basic objective: to deal with special needs of senior citizens (60 years +)
Aid and Relief - Medical/Health	• Assist those afflicted with a specific physical or mental disorder • Includes support for basic medical research, auxiliaries or support groups to health care facilities and the handicapped
Aid and Relief - Agencies in Aid of the Distressed	• Have identified specific issues of social concern • Actively work to address the issues by providing a variety of social services and educational programs
Aid and Relief - Children's Issues-Day Care	• Note: such programs benefit working parents • Not formed to provide educational programs for children, although some child development may occur • *Eligible only for a raffle*, per C.C.C. s. 207(1)(d)
Aid and Relief - Children's Issues - Other than Day Care	• Have identified specific issues dealing with children • Actively address the issues by providing variety of social services and educational programs • Includes day cares [sic]

GROUP CATEGORIES	DESCRIPTION AS TO ELIGIBILITY OR INELIGIBILITY
Other - Associations of Employees, Occupations or Professions	• Employee groups, or those founded upon common occupations or professions • Structured principally for self-help, personal benefit or welfare of its membership • These groups are not eligible for licensing
Other - Chamber of Commerce/Board of Trade	• Formed to improve and advance trade and commerce and the economic and social welfare of an area • Only eligible in small towns where there is no service club and the chamber serves that purpose
Other - Fundraising Groups	• Different from those delivering a community service or program • These NOT eligible for licensing: it is not sufficient for group to donate percentage of proceeds to charity; they must be organized for purpose of delivering programs for community benefit, prior to granting licence
Other - Government	• Part of any level of government, or arm of government and is INELIGIBLE
Other - Hobby/Social	• Serve or further members' self-interest through pursuit of leisure time interests based upon hobby, recreational or social activities • Eligible ONLY for raffles licence, per C.C.C. s. 207(1)(d); must be hobby or recreational centred (if social in nature, INELIGIBLE for licensing)
Other - Lobby Groups	• Formed to affect changes in public policy • Are INELIGIBLE for licensing
Other - Promotional Organizations	• Formed to promote activities in a specific area which benefits commercial enterprises and provides a strictly social/recreational activity for members of the community and others • Are INELIGIBLE for licensing
Other - Umbrella Groups	• Formed by a number of charities to provide administrative services to members. • One or more charities may be licensed for a single gaming event; each must be separately licensed
Religious	• Churches, parishes, congregations, lay groups, etc. • Focus is to further religious principles and objectives, as opposed to groups with a religious affiliation involved in broad-based charitable work in the community
Agricultural Fairs and Exhibitions - Agricultural Fairs/Exhibit'ns	• As defined by C.C.C. ss. 206(3)(1) and 207(1)(c)
Agricultural Fairs and Exhibitions - Related Events	• Events held in conjunction with above (Agricultural Fairs/Exhibitions)

E. Permitted Uses of Gross Gaming Revenue and Gaming Proceeds from Casinos, Bingo, Raffles and Pull Tickets

The Commission administers policies which specify the allowable uses of gross gaming revenue (before prizes and expenses) and gaming proceeds (after prizes and expenses).

These policies are aimed at ensuring:

> … the financial return to charitable and religious groups is maximized for the benefit of the charitable organizations, the programs and activities they deliver and the communities in which these activities are undertaken.

Permitted Uses of Gross Gaming Revenue From Bingo, Casinos, Raffles and Pull Tickets

The terms and conditions for each type of gaming licence specify the permitted uses of gaming revenue. The following table is a summary.

Table A4-2: Permitted Uses of Gross Gaming Revenue From Charitable Gaming Activities

USE OF GROSS GAMING REVENUE	DESCRIPTION
General	• Gaming revenue is the total income from sales of games of chance at licensed premises. • Uses that do not comply with Terms and Conditions and Board policies are not approved. • Gaming revenue must be deposited in the licensed group's designated gaming account (a separate one for each gaming type). • All payments for approved prizes, expenses and charitable or religious uses must be made by cheque, payable directly to the vendor or supplier from the gaming account. • Groups have 60 days to complete and return gaming financial reports from the time they are sent by the Commission. • If total receipts are more than $10,000 copies of bank statements, cancelled cheques, invoices and receipts must be submitted. • Books and records of a licensee are subject to review and/or audit - they include the records of any entity related to the licensee or executive or board member of the licensee in receipt of any of the licensee's gaming funds directly or indirectly.

<table>
<tr><th>USE OF GROSS GAMING REVENUE</th><th>DESCRIPTION</th></tr>
<tr><td>Gaming Event Expenses</td><td>
Allowable expenses - the costs incurred by the licensee to operate a gaming event - are only those approved by the Commission.
Controlled bingo expenses shall not exceed 10% of gross revenue, and may include, with prior approval of the Licensing Division, AGLC:
paying approved hired staff,
cost of bingo cards/paper,
advertising the approved bingo program,
armoured car service,
office supplies, and
office equipment.
Non-controlled bingo expenses may include, with prior approval of the Licensing Division:
Rent,
licence fees,
bingo licensee concession,
Federation of Alberta Bingo Association (FABA) fee, and
GST.
Groups applying to operate non-association bingo in their own premises may not charge rent and must specify the costs to run the event (maximum is 10% of gross revenue).
Eligible casino expenses include:
approved casino fees as per Casino Facility and Service Agreement between casino operator and licensed charity (facility expenses are limited to 50% of net casino proceeds in Edmonton and Calgary, 65% in St. Albert and 75% elsewhere);
GST costs related to casino facility expenses;
casino advisor fees;
food and refreshment expenses for volunteers while working at the casino event, to maximum $346 in Edm., Calg., and St. Alb. and $173 for all others (including GST);
pool trustee fees; and
licence fees.
Eligible pull ticket expenses include:
costs of tickets and shipping charges including GST;
administrative cost of pull-ticket sales including wages for sellers (maximum of 10% of net revenue to pay administration costs in non-association facilities and maximum of 20% in bingo association facilities);
licence fees.
Eligible raffle expenses cannot exceed 30% of total ticket value, and may include:
cost of printing tickets,
costs of advertising the raffle,
commission of 5% of gross revenue from sold tickets to a commercial outlet to sell raffle tickets,
AGLC approved commission to other charities or religious groups to sell tickets (must use funds only for AGLC approved purposes),
registered raffle ticket manager, who may be paid a total of 5% of the total ticket value (total ticket value must exceed $10,000) and
licence fees.
</td></tr>
</table>

<table>
<tr><th>USE OF GROSS GAMING REVENUE</th><th>DESCRIPTION</th></tr>
<tr><td>Prizes</td><td>

Gaming revenue may only be used to pay for prizes approved by the AGLC.
Prizes are anything of value, such as money, property, merchandise or services, that a player of a game of chance played at a licensed gaming event has a chance to win.
Overall bingo game prizes: 65% of card sales to maximum of $15,000 per bingo event (excludes satellite games, accumulated amount of progressive game prizes such as loonie pot and bingo association give-aways).
Other bingo standards: per Bingo Licensee Terms & Conditions, Section 2.2, and Bingo Terms & Conditions and Operating Guidelines, Section 4.2.
Casino event prizes: specified in rules of play for each approved game in Casino Terms & Conditions and Operating Guidelines, Section 10.
Pull-Ticket prizes: varies from unit to unit and determined by the pay out schedule for each approved unit; that schedule is printed on the unit flare (promotional poster) and front of each individual ticket. Maximum prize value for any one ticket is:

$1,000 for a licensed group that sells pull tickets six days a week or more
$500 for a licensed group that sells them less than six days per week.

Raffles prizes: the following apply:

retail value of all raffle prizes must be at least 20% of the approved total ticket value;
retail value of each individual prize must be equal to or greater than the individual raffle ticket price;
when the retail value of the merchandise exceeds $5,000 independent confirmation of the prize value must be provided;
if a prize is used as merchandise, two independent evaluations prepared by a recognized or licensed appraiser must accompany the application; and
no raffle revenue may be spent on raffle expenses and approved use of proceeds until funds are available to pay for prizes.

</td></tr>
</table>

Permitted Uses of Gaming Proceeds from Bingo, Casinos, Raffles and Pull Tickets

As with gaming revenue, the terms and conditions for each type of gaming licence specify the permitted uses of gaming proceeds, after prizes and expenses have been paid.

When eligible charitable or religious organizations apply for a gaming licence, they must state in their application how they propose to use the proceeds or proceeds they generate from their gaming event or activity. Only those uses that are permitted are approved. Any other uses are prohibited.

The following table summarizes the permitted uses of gaming proceeds from charitable gaming activities.

Table A4-3: Permitted Uses of Gaming Proceeds From Charitable Gaming Activities

USE OF PROCEEDS	DESCRIPTION

General	• Gaming proceeds may only be spent on charitable and religious purposes approved by the AGLC.
	• Proceeds are funds remaining from total gaming event revenue after paying for approved prizes and approved gaming event expenses.
	• Proceeds also include all interest, dividends, or other income earned on gaming funds deposited in interest account or held, with AGLC approval, in deposit certificate or investments made by a trustee.
	• Proceeds shall only be used for AGLC approved objectives that are essential to the delivery of the group's charitable or religious programs.
	• They shall be used to support the group's overall objectives, programs, and services as approved, and not solely to provide benefits to specific or select members of the group.
	• All payments for approved charitable uses shall be made by cheque from the gaming account; cheques to individuals are not permitted with prior AGLC approval.
	• Gaming proceeds shall normally remain in the gaming account until spent on approved uses. If not required immediately, gaming proceeds may:
	    • be put into a separate interest account;
	    • be used to purchase deposit certificates; or
	    • be invested subject to conditions applying to a investments by a trustee if the group qualifies as a trustee.
	• If proceeds are re-directed, as per above point, these conditions apply:
	    • investment (as per first two sub-points) must be fully insured in the Canada Deposit Insurance Act.
	    • financial institution, account or deposit number, or details of other permitted investments and total value of the funds transferred or invested must be identified on financial reports.
	    • all interest, dividends or other income earned becomes part of gaming funds (proceeds) and retained in a separate interest bearing account or as part of the investment if the income is in the form of shares or units; and
	    • when needed for approved uses, proceeds shall be transferred back to the gaming account to be disbursed.

Administrative Costs	• Those administrative costs necessary to deliver a charitable or religious program or service.
	• Eligible costs subject to approval include:
	    • indirect costs to deliver program or service --- e.g., telephone, stationery, postage, bulletins and newsletters to the public about the group's community service programs.
	    • space rental for regular membership meetings and storage (excludes space within a residence or business premises of a member).
	Ineligible uses:
	• Costs of internal administrative activities are ineligible. Administrative costs that would continue to exist even if the group performed no community service are ineligible.
	• Other ineligible costs include:
	    • food and beverages, unless part of the program (e.g., food bank) or approved social activity for seniors
	    • salaries, wages, honorariums for performing administrative duties
	    • non-gaming accounting fees, and
	    • legal fees.

USE OF PROCEEDS	DESCRIPTION
Accounting Fees/Gaming Financial Reports	• Profit may be used to hire a professional accountant to prepare gaming financial reports, as follows: bingo, casino, pull-ticket, consolidated, supplementary, assistance fund and building account financial reports. • Bingo associations may pay for cost of association's required yearly audit. *Ineligible uses:* • Cost of preparing other financial reports may not be paid using gaming proceeds.

Amateur Athletics	• Proceeds may be approved to cover rental fees of facility for group's sporting events.
	• For officiating and judges' fees.
	• For coaching/instructor fees if duties performed are essential to program delivery; coach/instructor must have specialized qualifications; duties cannot be reasonably performed by volunteer.
	• To purchase uniforms and equipment required for the sport, to be owned by the group, not for personal use.
	• For membership, registration, affiliation or insurance fees to tournaments or local, provincial, national or international governing bodies when such fees are related to the group's specific objectives and individual members do not also pay the fee.
	• For following transportation costs for regular league play, and/or earned opportunity to go to a higher level of competition:
	    • transportation to and from competition
	    • local transportation while at the competition
	    • accommodation and meals during the competition, excluding liquor.
	• If approved, for trophies, plaques, ribbons; these must be earned by achievement and not for volunteer appreciation.
	
	Ineligible uses:
	• For cash or merchandise prizes, etc.,
	• To directly support adult sports programs.
	• For volunteer-appreciation trophies, plaques, ribbons, etc.

Assistance Fund	• Governing bodies of veterans and service groups approved to use proceeds for building funds may establish an Assistance Fund to help members groups in financial difficulty.
	• Contributions to the fund are made by members donating:
	    • maximum cumulative total of 5% of gaming proceeds earned during previous yr. Or
	    • unlimited amount from their 50% Building Fund Accounts.
	• Governing body must establish a separate fund bank account, and all donations, repayments and any other revenue must be deposited in this account.
	• Funds normally remain in the account until spent on approved uses.

USE OF PROCEEDS	DESCRIPTION

Building Funds	• Groups providing a public facility may use gaming proceeds for the building capital, rental and operating costs.
	• Eligible disbursements include:
	    • purchase of land, building, fixtures and furnishing
	    • facility mortgage, lease or rental payments
	    • utilities
	    • insurance - fire and liability
	    • property taxes
	    • janitorial costs and supplies
	    • repairs and maintenances, and
	    • renovations and leasehold improvement.
	• Group providing a facility with public access areas and areas for the exclusive use of its members and guests may use up to 50% of proceeds for the cost of its facility; the rest must be applied against other approved uses. E.g., Legions, service clubs providing club rooms for members' social activities and public access areas.
	• Groups to which the previous point applies, and which wish to use more than 50% of its proceeds for facility expenses, must submit its request to its governing body for review and approval before submitting the request to the AGLC. Consideration will be given in matters of financial need or if facility for community use is not available elsewhere in the municipality.
	• Group limited to 50% use of proceeds for facility expenses may donate an unlimited amount from its 50% building fund account to an Assistance Fund administered by the group's governing body.
	
	Ineligible uses:
	• purchase, maintenance, or repair of equipment, furniture or facility for income-producing operations or any other activities appearing to be of a commercial nature.

Capital Interest Fund / Scholarships & Bursaries	• Proceeds may be donated to a legally established charitable trust fund that supports educational bursaries or scholarships. • Trust funds must be administered by an AGLC approved body, e.g., post-secondary educational institution governed by Board of a university under Universities Act, or of a college under the Colleges Act, or of a technical institutes under the Technical Institutes Act. *Ineligible uses:* • investment in long term capital investments in which scholarships or bursaries are funded from the interest earned on the capital fund.
Debt Retirement	• Proceeds from one licence may NOT be used to cover gaming losses from another licence unless an approved pooling agreement is in effect, or specific approval is given by the Board.
Donations within Alberta	• For, or in support of, charitable or religious groups within Alberta delivering a program or service of benefit to the community. • Groups may donate a total amount of $1,000 or less to any eligible individual charity or religious group within Alberta without prior approval. • Donations of $1,000 or more of gaming proceeds required prior approval of Licensing.

USE OF PROCEEDS	DESCRIPTION

Donations outside AB and Canada	• To or in support of charitable or religious groups outside Alberta which actively deliver a program or service providing a community benefit.
	• Must meet Alberta's eligibility requirements (not those of other jurisdictions).
	• Limited to maximum cumulative total of 75% of proceeds earned the previous year (all may be donated within Canada, but only 50% if donated outside of Canada).
	• All require prior Board approval.
	• In Canada, proceeds may only be used for:
	    • disaster, emergency relief
	    • supporting nationally recognized charitable programs benefiting Albertans, e.g., Lions Eye Bank, Royal Cdn Legion's Youth Polio Fund, etc.
	    • medical and educational research programs to benefit all Canadians.
	• Outside Canada, proceeds may only be used for:
	    • international disaster, emergency relief
	    • projects in countries Board considers as developing or underdeveloped and appear on CIDA list eligible for Cdn official development assistance, that support:
	        • developing local self-sufficiency in providing basic human needs for water, food, sanitation, or shelter, or
	        • providing primary health care (acute care and public health) and basic education (reading, writing, basic math).

Education	• For costs of specific educational programs or support. • To provide a specific educational experience for students which is not principally recreational or social in nature and which otherwise would be unavailable (e.g., field trips, athletic tournaments and cultural exchanges). • To purchase educational equipment and supplies, e.g., audio visual equipment, athletic equipment, musical instruments which otherwise would be unavailable. All must remain with educational institution or school. • Governing body must approve in writing purpose for which proceeds will be used. *Ineligible uses:* • To supplement operational or capital budgets of institution or school.
Emergency Funds	• To provide equipment and supplies or train volunteers during emergencies, to provide relief for individuals or families in personal distress or victims of physical disaster. • Must obtain prior Licensing approval.

USE OF PROCEEDS	DESCRIPTION

Equipment / Uniforms / Costumes	• To purchase or rent equipment, furnishings, uniforms, costumes and/or a vehicle if essential to delivery of groups charitable programs or services.
	• Group will own the items purchased.
	• For uniforms or costumes if:
	    • required for competitive play, practice or artistic performance, and may only be used during these (not for unrelated activities)
	    • they are given to player or participant during season, returned at end of season
	    • have distinctive logo or markings
	    • groups provides written policy for use
	• For purchase of vehicle if:
	    • registered and insured in licensed group's name
	    • use for community service programs
	    • its keys are controlled to prevent unauthorized use.
	• Following from previous point, for vehicle repairs, operation and insurance.
	• If vehicle is sold by group, proceeds from sale must be returned to the gaming account.
	
	Ineligible uses:
	• For items of a personal, social or promotional nature, nor for activity or operation intended to produce income.
	• For purchase of vehicle for personal use or administrative activities of group.

Fundraising	• NOT to subsidize cost of fundraising activities, nor for purchase of equipment, supplies or services to be used in any activity or operation intended to produce profit. • If approved, may be used to buy equipment, supplies or services for use in charitable works for which an admission fee is charged, e.g., arts performance, *but only if* admission fee is reasonable, is set on the basis of cost recovery, and performance would otherwise not be available in the community.
Lobbying	• May be approved for information provided through public education programs or submissions to government which reflect a balance of views on a particular issue of public concerns. • NOT for disbursements related to supporting activities directed toward achieving changes in public policy, i.e., conducting activities to influence or attempt to influence government in favour of a specific cause. • NOT for political activities such as candidacy costs for public office, conventions of public parties, and research costs for a particular political party.
Promotional Activities	• For promotional activities to increase public awareness and participation in charitable or religious programs. • Includes advertising in newspapers, radio, television, posters, signs, pamphlets, letters and internet web pages. • NOT to pay for advertising to attract new members, nor for promotional activities that benefit a commercial activity or enterprise.

<table>
<tr><th>USE OF PROCEEDS</th><th>DESCRIPTION</th></tr>
<tr><td>Senior Citizen Activities</td><td>For approved expenditures related to special needs of senior citizens (those 60 years of age or older)
May be used for seniors entertainment, including meals but excluding liquor, if:
there is broad-based community involvement with activities, not limited to members of the licensed group
entertainment is for seniors
gaming proceeds used to recover costs, not to generate profit
May be used for seniors travel if:
there is broad-based community involvement and eligibility for trips is not limited to members of the licensed group
any travel provided is for the seniors
expenditures restricted to direct transportation, meals and accommodation costs within the province.</td></tr>
<tr><td>Social Events</td><td>Activities involving senior citizens may be funded (see “Senior Citizen Activities,” above).
Ineligible uses:
For activities which primarily serve the personal entertainment of those attending, such as recreational and hobby activities.</td></tr>
<tr><td>Travel - Amateur Athletic Groups</td><td>If approved, gaming proceeds may be used for travel to organized, structured and sanctioned competitive events by individuals and teams involved in structured, developmental and competitive amateur athletics.
Competitive event must:
form regular part of group’s programs, e.g., scheduled league games, league tournaments, or competitions affecting team standings in sport in Alberta;
be a recognized or sanctioned playoff or championship to which individual or team qualifies due to successful play in Alberta competition; and
be approved in writing by the proper governing body of the sport (normally the local body for competition in Alberta, provincial body for those outside Alberta, and national body for those outside Canada).
For costs of direct route transportation, meals and accommodation during the event or activity.
Only for allowable expenditures of participants and sports personnel.
Proceeds may be approved for adult support personnel.
Ineligible uses:
For travel expenditures that are recreational, social or administrative in nature.
For travel to tournaments and competitions where entry is based on paying a registration fee or accepting an invitation rather than on achieved performance standings.
For travel of adult participants or adults sports teams.</td></tr>
</table>

USE OF PROCEEDS	DESCRIPTION
Travel - Conventions, Conferences, Seminars, Workshops, Clinics and Meetings	• May be approved for travel to identified events that directly relate to group's charitable programs or services. • Event must primarily be organized for educational purposes of a specific charitable program or service the group supports or delivers to the community; delegates must be in a position to train other members of their group upon return. • For sports and performing arts groups, to pay expenses of coaches and instructors to attend events if directly related to delivery of charitable objectives approved for the groups when it was licensed. • Prior written approval of Licensing is required for bingo associations to send paid staff, executive officers and members of board of directors to events. • Only for registration fees and costs of direct-route transportation, meals and accommodation during the event. *Ineligible uses:* • For events primarily administrative in nature; service clubs may be approved if event relates directly to operation of a program or service it sponsors. • For wages or for any reimbursement of lost wages from an individual's regular employment, as a result of attending the event.
Travel - Education	• For travel that enriches an educational institution or school's curriculum. • Institution or school must be recognized by Alberta Learning. • For trips providing an educational experience not otherwise available. • Governing body must approve the trip in writing and confirm that it enriches the approved educational curriculum (i.e., board of governors for university, college, community college, etc; president for post-secondary trade or vocational school; school board for high schools; and principal for junior high or elementary schools). • Only for direct-route transportation costs, and meals and accommodation during period of activity or event. • Only for allowable expenditures of participants and supporting personnel. *Ineligible uses:* • For meals or activities of a social nature.

Travel - Performing Arts Groups	• For travel if the group is participating in a recognized and organized event, such as competition or festival related activities such as music, dance and drama.
	• For travel outside Alberta, the group must:
	    • be selected for its level of creative achievement or success
	    • be entered in a recognized competition involving formal evaluation or adjudication, with qualified judges or adjudicators who evaluate the participants' efforts and publish their opinions, and
	    • have bona fide invitation from the organizing or sponsoring body.
	• Only for direct-route transportation costs, and meals and accommodation during period of activity or event.
	• Only for allowable expenditures of participants and supporting personnel.
	
	Ineligible uses:
	• For meals or activities of a social nature.

USE OF PROCEEDS	DESCRIPTION
Travel - “Other”	• Proceeds may be used, with prior AGLC approval on a case by case basis, for travel related to youth exchanges, medical treatment and volunteers’ seminars or workshops. • Only for travel directly related to delivery of group’s charitable or religious programs or services in Alberta. • Only for registration fees (if applicable), and costs of direct-route transportation, meals and accommodation during the actual event, treatment or seminar. *Ineligible uses:* • For wages, or reimbursement of lost wages from an individual’s regular employment as a result of attending the event, seminar, etc.

Volunteer Expenses	• Gaming proceeds may be used to reimburse volunteers for approved expenses incurred while working a gaming event.
	• Eligible expenses include:
	    • transportation costs to and from the gaming event via taxi or bus
	    • babysitting costs incurred by volunteers while working gaming events
	    • cost of adult respite care to volunteers while working gaming events, if the volunteer is normally responsible for care of a medically dependent person within his or her home
	• Claims must be supported by voucher or receipt.
	
	Ineligible uses:
	• For purchase of meals or refreshments following the gaming event
	• To pay cash from gaming revenue or from any other source for volunteers’ services. Such payments or compensation that are not permitted include, among others, the following:
	    • cash payments,
	    • association or bingo licensee “vouchers” which can be exchanged for cash, and
	    • money, goods, or services for personal use, from individuals that provide premises, services, equipment or supplies to events sponsored by the volunteer’s group.

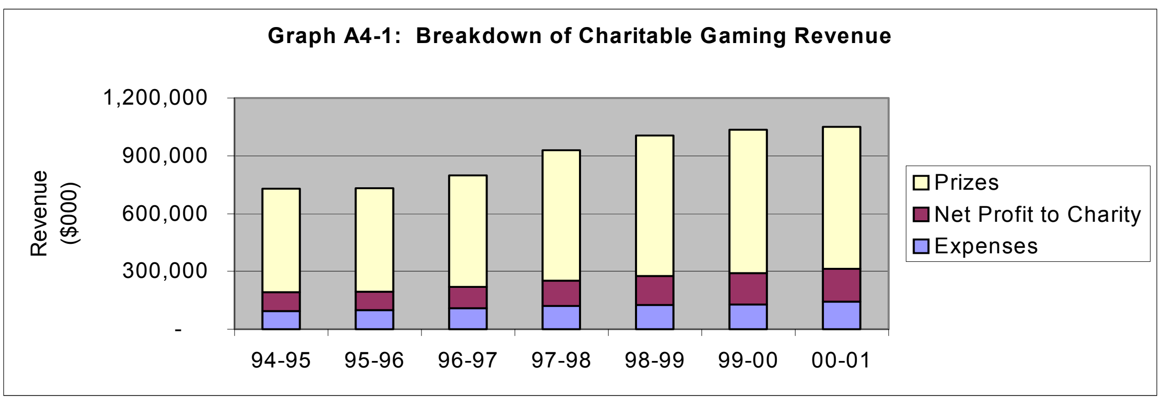
Wages, Salaries, Fees for Service, Honorariums	• Gaming proceeds may be used to pay salaries, wages, fees for services or honorariums only if duties performed are essential to group’s program delivery, duties performed by person with specialized qualifications and duties cannot reasonably be performed by a volunteer. *Ineligible uses:* • Administrative duties, except for disabled groups who cannot perform an administrative duty due to the nature of the disability.

Combined Net Profits to Charities from Charitable Gaming Activities

While different gaming activities experienced different levels of growth from 1994-95 to 1999-2000, charitable gaming as a whole saw an increase of 66% in proceeds during this period, led by casinos. Total net profits dropped between 1994-95 and 95-96 but increased after that period, coincident with two major developments, the introduction of the following electronic technologies: slot machines to casinos and satellite bingo to many bingo facilities across Alberta in 1996.

Chart A4-1: Combined Totals for Charitable Gaming - 1994-2001

Fiscal Year	*Licences*	*Total Gross ($000)*	*Prizes ($000)*	*% of Gross*	*Expenses ($000)*	*% of Gross*	*Slot Machines ($000)*	*Net Profit to Charity*
00-01	7,051	998,267	736,915	73.8%	142,664	14.3%	52,413	171,101
99-00	7,051	996,489	742,165	74.5%	127,095	12.8%	37,440	164,669
98-99	7,140	981,631	730,851	74.5%	125,947	12.8%	24,258	149,091
97-98	6,919	917,899	677,454	73.8%	121,384	13.2%	10,975	130,036
96-97	6,455	795,384	579,768	72.9%	109,138	13.7%	2,680	109,158
95-96	5,421	732,633	538,527	73.5%	98,603	13.5%	166	95,669
94-95	8,207	728,642	536,210	73.6%	93,464	12.8%	-	98,968



Proceeds Earned by Licence Categories

The table which follows indicates the number of gaming licences issued according to licence category in 1999-2000. Also included are the gross revenues generated and proceeds earned by category.

The greatest number of licences were issued to sports groups (26.2% of all licences), followed by service groups (16.2%), and community groups (9.2%). Groups in the same categories also generated the highest levels of total gross revenue from charitable gaming activities, and the highest level of total proceeds.

Chart A4-2:
Charities Benefiting from Charitable Gaming by Commission Category: 1999-2000

Charitable Category	*Gross Revenue ($000)*	*%Total Revenue*	*Licences*	*% Licences*	*Charity Proceeds ($000)*	*%Total Proceeds*	*Avg. Proceeds per Licence*
Agriculture	27,980	2.8%	244	3.5%	5,238	3.2%	$21,467
Arts	84,527	8.5%	518	7.3%	12,529	7.6%	$24,187
Community	96,618	9.7%	648	9.2%	14,239	8.6%	$21,974
Education	101,409	10.2%	605	8.6%	14,088	8.6%	$23,286
Foundation	37,869	3.8%	85	1.2%	12,722	7.7%	$149,671
Medicine/Health	35,080	3.5%	225	3.2%	6,250	3.8%	$27,778
Multiculturalism	81,188	8.1%	423	6.0%	11,209	6.8%	$26,499
Other	8,789	0.9%	33	0.5%	1,634	1.0%	$49,515
Recreation	19,782	2.0%	182	2.6%	3,152	1.9%	$17,319
Religious	19,213	1.9%	156	2.2%	2,834	1.7%	$18,167
Senior Citizens	17,583	1.8%	192	2.7%	2,687	1.6%	$13,995
Service	140,561	14.1%	1,144	16.2%	25,456	15.5%	$22,252
Social Action	89,097	8.9%	597	8.5%	13,844	8.4%	$23,189
Sports	220,177	22.1%	1,847	26.2%	36,065	21.9%	$19,526
Youth	16,616	1.7%	152	2.2%	2,722	1.7%	$17,908
TOTAL	996,489	100.0%	7,051	100.0%	164,669	100.0%	$23,354

F. Gaming Conducted and Managed by Government

The gaming conducted and managed by the Commission, on behalf of government, are:

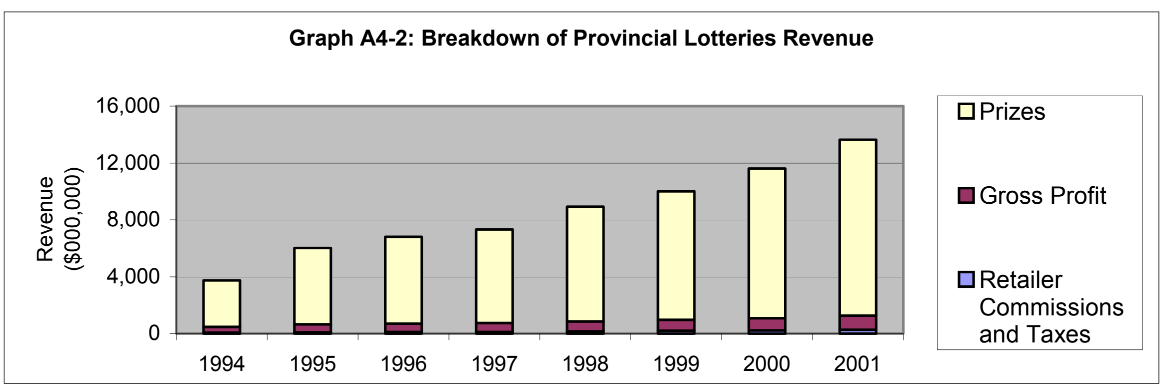
- electronic games: specifically VLTs and slot machines; and
- ticket lotteries, which currently include the following: Lotto 6/49, Instant, The Plus, Sport Select, Super 7, Pick 3, Extra, Pogo, Western 6/49, Special Event

The following table indicates the revenue generated from electronic gaming and ticket lotteries over an eight year period, from 1993-94 to 2000-2001. Gross revenues (before prizes, commission and taxes) increased by 264% and gross profit (after prizes, commissions and taxes paid) increased by 151% over the eight year period. Prizes were 91% of the gross revenues in 2000-2001.

Growth in this period was driven by electronic gaming, specifically VLTs and slot machines.

Chart A4-3:
Gaming Revenue from Electronic Games and Ticket Lotteries -1994 to 2001

	1994	1995	1996	1997	1998	1999	2000	2001	Totals
			($000,000)	($000,000)	($000,000)	($000,000)	($000,000)	($000,000)	($000,000)
Revenue	3,744	6,025	6,798	7,323	8,915	9,996	11,609	13,641	68,051
Cost of Goods Sold (COGS)									
Prizes	3,278	5,373	6,099	6,578	8,048	9,030	10,521	12,382	61,309
Retailer Commissions & Taxes	73	100	116	121	162	196	232	271	1,271
Total COGS	3,351	5,473	6,215	6,699	8,210	9,226	10,753	12,653	62,580
Gross Profit	393	552	583	624	705	770	856	988	5,471
Net to Alberta Lottery Fund	393	552	583	624	705	770	856	988	5,471



Disbursements from the Alberta Lottery Fund

Alberta's lottery proceeds are collected by the Commission and placed in the Alberta Lottery Fund. Expenditures of the fund are approved by the provincial legislature.

The Alberta Lottery Fund has broad-based government initiatives including infrastructure projects, school renewal and construction, seniors' facility upgrades and health facility construction. The Alberta Lottery Fund has also provided support to major exhibitions and fairs, and foundations such as the Wild Rose Foundation, the Historical Resources Foundation and the Foundation for the Arts, and the Alcohol and Drug Abuse Commission. The Alberta Lottery Fund supported more than 8,000 not-for-profit community projects in 1999-2000, including those funded through the 88 Community Lottery Board Programs and the Community Facility Enhancement Program (CFEP).
The Alberta Lottery Fund has also made possible the establishment of the Alberta Gaming Research Institute which sponsors research into gaming-related topics such as the social and economic costs and benefits of gaming.

Following are the Alberta Lottery Fund estimates for the fiscal year 2001-02.

Ministry/Initiative	2001 – 02 Estimates
Agriculture, Food and Rural Development	
Agricultural Initiatives	11,620
Subtotal	**11,620**
Children's Services	
Fetal Alcohol Initiative	1,000
Permanency Planning for Children in Care	200
Sub-total	**1,200**
Community Development	
2001 World Championships in Athletics	10,000
Hosting Arctic Winter Games	400
Centennial Initiatives	40,600
Alberta Foundation for the Arts	21,104
Alberta Historical Resources Foundation	5,913
Alberta Sport, Recreation, Parks and Wildlife Foundation	15,035
Human Rights, Citizenship and Multiculturalism Education Fund	1,062
Wild Rose Foundation	6,600
Assistance to the First Nations Development Fund	7,830
Sub-total	**108,544**
Gaming	
Community Lottery Board Grants	53,300
Major Fairs and Exhibitions	2,660
Calgary Exhibition and Stampede	7,100
Edmonton Northlands	7,100
Community Facility Enhancement Program	25,000
Alberta Gaming Research Institute	1,500
Alberta Gaming Research Council	100
Alberta Gaming and Liquor Commission – Lottery Operations	70,689
Racing Industry Renewal	17,900
Other Initiatives	11,102
Sub-total	**196,451**

Ministry/Initiative	2001 – 02 Estimates
Heath and Wellness	
Alberta We*ll*net	13,506
Health Innovation Fund	5,000
Alberta Alcohol and Drug Abuse Commission	45,699
Aboriginal Health Strategies	3,000
Alberta Wellness Initiative	1,850
Practitioner Services – Alternate Compensation Strategies	12,350
Federal Nursing Stations	2,660
Sub-total	**84,065**
Infrastructure	
Health Care Facilities	120,000
School Facilities	150,000
Seniors' Lodges	10,000
Post-Secondary Facilities	60,000
Centennial Projects	5,000
Sub-total	**345,000**
Innovation and Science	
Research Investments Program	23,180
Strategic Research Initiatives	9,070
Alberta Agricultural Research Institute	8,588
Alberta Supernet	50,000
Sub-total	**90,838**
Learning	
Achievement Scholarships	3,100
Learning Television	8,100
School Support – Transportation Subsidies	40,000
School Support – High Speed Networking	1,000
Sub-total	**52,200**
Municipal Affairs	
Municipal Sponsorship	**12,000**
Transportation	
Water Management Infrastructure	20,000
Canada / Alberta Infrastructure Program	50,000
Sub-total	**70,000**
Finance	
Transfer for Debt Repayment/Contingency Reserve	**44,031**
TOTAL LOTTERY PAYMENTS TO BE VOTED	**1,015,949**

Disbursement of Alberta Lottery Funds through the Lottery Funding Programs Branch of Alberta Gaming

The Lottery Funding Programs branch is responsible for lottery funded programs administered by Alberta Gaming including the Community Lottery Board Grant Program (CLB) and the Community Facility Enhancement Program (CFEP).

The CLB Grant Program, administered by the department, promotes the development of Alberta's communities and increases the capacity of community organizations. It provides financial assistance for the arts, recreation, sport and other community-based projects and initiatives to enhance the quality of life. The 88 Community Lottery Boards in Alberta are locally administered and made up of community representatives publicly recruited and appointed by nominating committees in their regions.

CFEP provides financial assistance to build, purchase, repair, renovate or upgrade public-use facilities in Alberta communities. The program is successful because of its grass-roots, needs-driven partnership approach to funding.

The Alberta Lottery Fund supports more than 8,000 projects annually, including agricultural and economic initiatives, major Alberta exhibitions such as the Calgary Exhibition and Stampede and Edmonton Northlands, and several regional exhibitions in Camrose, Grande Prairie, Lethbridge, Lloyminster, Medicine Hat, Olds and Red Deer.

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UNIVERSITY OF CALGARY

ACCORD Research

Alberta Gaming and Liquor Commission Study of Gaming Attitudes in Alberta Final Report 2000

Presented to:
Alberta Gaming and Liquor Commission

TABLE OF CONTENTS

INTRODUCTION/BACKGROUND

Between 1992 and 1994 research studies were conducted with Albertans to determine awareness, knowledge, perceptions and behaviours with respect to gaming in the province. This research took the form of telephone surveys with the general public in Alberta.

Issue-driven public opinion studies such as the VLT debate in 1998 have been conducted since, but a comprehensive study of the potential for gaming in Alberta has not been undertaken since 1994.

AGLC determined that in 2000 it would be desirable to conduct a study that would track public opinion as a follow-up to the 1994 studies.

The research would repeat some key questions including those related to market segments and gaming opportunities. It would include relevant, current issues, removal of questions that were no longer relevant and the addition of new issues.

Objectives

Key objectives from earlier studies include:

- Measuring awareness of gaming proceeds and its effect on attitudes and behaviour
- Measuring perceptions of different types of gaming and the impact in Alberta
- Identifying concerns and their effect on new opportunities

Further objectives identified for the 2000 study include:

- Gaining an understanding of current perceptions and attitudes of players and non-players regarding gambling
- Determining knowledge, awareness and feelings regarding availability and expansion of gaming
- Determining behaviour for specific games, frequency of play and spending habits
- Obtaining public opinion on the use of gaming proceeds
- Determining public opinion of the government role in gaming regulation
- Identification of the level of social acceptability of gaming
- Identification of the perceptions of problem gaming
- Identification of acceptable types of gaming by geographical area
- Identification of the current demand for gaming (by geographical area) and the social climate for the acceptability of an increase in gaming
- Identification of the sources of information regarding gaming

Specifically, the research will address the following issues:

- Expectations of a gaming experience
- Location of VLTs—casinos vs. hotels vs. specialized locations
- Location of next casino

Methodology

In this 2000 study a telephone survey was conducted with a stratified random sample of Albertans.
Random digit dialing using all valid Alberta prefixes was used to determine sample selection.
Telephone interviewing was conducted between May 25th, 2000 and June 28th, 2000.
The average length of an interview was 45 minutes.

Respondents were sampled by region according to the following quotas:

• Northern Alberta	206
• Southern Alberta	209
• Central Alberta	202
• Calgary	457
• Edmonton	456

Total: 1530 completed interviews

The final sample was weighted by region to match the Alberta population demographic.
Respondents were screened for being aged 18 or older and for not working in Marketing, Market research, Advertising, the Media or the Gaming industry.
Data was collected directly into ACCORD Research's CATI database and transported to an SPSS database. Open-ended responses were coded and then entered into SPSS.

Results were analyzed incorporating basic frequency analysis, cross-tabulations by region, longitudinal analysis of changes from 1993 through 2000, principal component analysis of attitudinal questions and cluster analysis.

Three types of information were used in producing the gaming segments: gaming and life psychographics, gaming attitudes and gaming play behaviours. Questions related to each of these areas were independently used in three principal component analyses, using a varimax rotation. Fourteen components in all were created.
The scores from these principal components were used in a subsequent cluster analysis. A k-means cluster analysis was run using ‘initial centers’ derived from a hierarchical cluster analysis. A six-cluster solution was determined to be optimal. Respondents were each assigned to a cluster; simple cross-tabulations and ANOVAs were run to assess the nature of the segments these clusters represented.

Results are accurate to within + or-2.5% at the 95% confidence level province-wide and to + or-5% at the regional level

I. DETAILED FINDINGS

BASIC FREQUENCY ANALYSIS, INTEPRETATION, AND COMPARISON WITH PREVIOUS RESEARCH

1. Demographic Profile of Respondents

Q25
Age

	% Response
18 to 24 years	17.0
25 to 34	20.3
35 to 44	24.0
45 to 54	18.6
55 to 64	10.7
65 to 74	6.4
75 years and older	3.0

n=1519

Q26
Highest level of schooling

	% Response
Grade 8 or less	1.7
Some high school	11.1
Completed high school	25.7
Technical/vocational school above the high school level	11.4
Some college or university	18.6
College or university degree/diploma	26.3
Post-graduate degree (master, doctoral or equivalent)	5.2

n=1523

Q27
Marital status

	% Response
Single	23.3
Married or co-habitating	65.5
Divorced/widowed/separated	11.1

n=1518

Q28
Number of persons in household

	% Response
0	0.01
1	11.9
2	30.3
3	20.6
4	21.7
5	10.9
6	3.1
7	1.1
8	0.3
9	0.1
12	0.1

n=1518

Q29
Number of persons in household under 18 years of age

	% Response
0	54.6
1	16.7
2	19.5
3	6.9
4	1.9
5	0.3
7	0.1
8	0.1

n=1517

Q30
Occupational Status

	% Response
Employed full time	43.9
Employed part time	11.7
Self employed full time	8.3
Self employed part time	3.3
Student	4.2
Homemaker	8.8
Unemployed	3.8
Unable to work	2.4
Retired	12.4
Other	1.2

n=1525

Q31
Occupation

	% Response
Semi-skilled clerical and sales	18.6
Employed professional	17.1
Homemaker	11.5
Unskilled manual	6.3
Skilled craft	6.2
Technician	5.7
Semi-skilled manual	5.4
Mid-manager	4.4
Student	4.1
Self-employed professional	3.5
Semi-professional	3.3
Supervisor	2.6
Skilled clerical and sales	1.9
Farmer	1.6
Unskilled clerical and sales	1.1
High level manager	0.8
Foreperson	0.2
Farm labourer	0.2
Not codeable	6.3

n = 1217

Q32
Change in household income in past year

	% Response
Increased	42.9
Decreased	14.2
Remained the same	42.9

n=1502

Q33
Personal or household unemployment in past year

	% Response
Yes	30.2
No	69.8

n=1502

Q34
Personal annual income

	% Response
Under $10, 000	18.3
$10, 000 to $19, 999	18.1
$20, 000 to $29, 999	17.1
$30, 000 to $39, 999	15.2
$40, 000 to $59, 999	14.7
$60, 000 to $79, 999	8.1
$80, 000 and over	8.4

n=1342

Q35
Household annual income

	% Response
Under $25, 000	12.8
$25, 000 to $39, 999	20.0
$40, 000 to $59, 999	22.5
$60, 000 to $79, 999	17.8
$80, 000 to $99, 999	11.7
$100, 000 and over	15.2

n=1298

Q36
Purchases in past year

	% Response
Neither	69.0
New car	12.1
New or larger home	10.9

Q39
Length of residency in Alberta

	% Response
Less than a year	1.7
1-3	6.3
4-10	8.4
11-20	21.9
More than 20	61.4

n=1489

2. ALBERTA ISSUES

All respondents were asked to consider issues facing people in Alberta and to give their opinion as to which issue they felt was the most important.
Healthcare was the number one issue for a substantial majority of respondents. Almost a quarter named **Education** as the number one issue. **Taxes** was the only other issue reported by more than 10% of respondents.
Just over 1 % of respondents mentioned **Gaming or Gambling** as the most important issue facing Albertans.

Q1c: Thinking of the issues facing people here in Alberta today, which one do you feel is the most important?

	% Response
Healthcare	67.0
Education	23.6
Taxes	12.1
Price of oil and gas	8.7
Environment (pollution)	6.6
Employment	5.1
Social Services Issues (homeless, etc)	4.2
Cost of living	3.7
Economy	3.5
Government (general)	2.9
Aging population /senior issues	2.7
Housing (cost of)	2.3
Cutbacks/lack of funding	2.1
Transportation system	1.6
Farming/agricultural concerns	1.6
The debt	1.5
Crime	1.3
Nurses strike	1.3
Gaming/gambling	1.3
Oil industry	1.2
Judicial system	1.0
Substance abuse	0.9
Gun control registration	0.8
Old age security	0.8
Young offenders	0.8
Childcare	0.7
Opposed to Ralph Klein	0.7
The media	0.6
Abortion	0.6
The family	0.5
Smoking issues	0.5
Parks	0.5
Same-sex marriage	0.5
Government wasteful spending	0.4
E. Coli scare	0.4
First Nations issues	0.3
Alberta Alliance change	0.3
World Petroleum conference	0.3
The election	0.3
Animal rights	0.3
Weather	0.3
Provincial professional sports (Flames and Oilers)	0.2
High utilities cost	0.2

Issue continued	
Federal government	0.1
Workers Compensation Board	0.1
Unions	0.1
Business	0.1
Population growth	0.1
Refused	0.2
Other	8.2
Don't Know	5.8

n = 1529

3.CURRENT GAMING PRACTICES—GAME PLAY AND SPENDING BEHAVIOUR

All respondents were presented with a list of different games and asked whether or not they had bet or spent money on that game in the past year. Those who had played any particular game in the past year were further asked to report how many times they had played that game and how much they had spent on that activity in the past 4 weeks.

The majority of respondents had purchased a **lottery ticket** during the past year.
Lotto 649 was the most played type of lottery ticket during this period, followed by The Plus and Instant tickets. In contrast, just over 2% of lottery ticket purchasing respondents had played Pick Three.

Raffles was also a frequently played game. All other types of gaming activities were much less frequently played during the past year.

Q2a

In the past year have you spent money on any type of lottery ticket?

	% Response
Yes	69.1
No	30.9

n=1528

In the past year have you bet or spent money on The Plus?

	% Response
Yes	53.8
No	46.2

n=1050

In the past year have you bet or spent money on Super 7?

	% Response
Yes	38.0
No	62.0

n=1055

In the past year have you bet or spent money on The Extra?

	% Response
Yes	23.3
No	76.7

n=1035

In the past year have you bet or spent money on Western 649?

	% Response
Yes	37.7
No	62.3

n=1051

In the past year have you bet or spent money on Lotto 649?

	% Response
Yes	84.8
No	15.2

n=1056

In the past year have you bet or spent money on Pick Three?

	% Response
Yes	2.1
No	97.9

n=1045

In the past year have you bet or spent money on Sports Select (Proline or Over/Under)?

	% Response
Yes	6.7
No	93.3

n=1052

In the past year have you bet or spent money on Instant Tickets?

	% Response
Yes	49.0
No	51.0

n=1055

In the past year have you bet or spent money on Break-opens, Pull-tabs or Nevada Tickets?

	% Response
Yes	8.6
No	91.4

n=1505

In the past year have you bet or spent money on Sports or other kinds of betting pools?

	% Response
Yes	14.7
No	85.3

n=1529

In the past year have you bet or spent money on Raffles or fund raising tickets?

	% Response
Yes	65.4
No	34.6

n=1527

In the past year have you bet or spent money on Internet Gambling?

	% Response
Yes	0.2
No	99.8

n=1525

In the past year have you bet or spent money Table games at a local casino?

	% Response
Yes	5.7
No	94.3

n=1525

In the past year have you bet or spent money on Slot machines at a local casino?

	% Response
Yes	13.0
No	87.0

n=1527

In the past year have you bet or spent money on Gambling at a resort casino?

	% Response
Yes	9.0
No	91.0

n=1526

In the past year have you bet or spent money on Video Lotteries (in licensed establishments)?

	% Response
Yes	14.0
No	86.0

n=1523

In the past year have you bet or spent money on Horse racing at a race track or at an off-track location?

	% Response
Yes	4.8
No	95.2

n=1529

In the past year have you bet or spent money on Bingo in a bingo hall?

	% Response
Yes	10.9
No	89.1

n=1529

Those who identified themselves as players of any particular game in the past year were further asked if they had played that game in the past four weeks and if so, how much they had spent on it.

The Plus had the highest mean play in the previous month, closely followed by **Lottery tickets (any type) and Lotto 649**. **Table Games at a local casino** had the lowest mean play during the same time.

In terms of **expenditures,** the highest average amount spent in the previous month was in **gambling at a resort casino.**

Of the games that do not include either casinos or the internet, **Video Lotteries** (in licensed establishments) had the highest mean expenditure over the previous month.

<u>Overview of Game play</u>

Game	**Played in past year**	**Average Amount spent in last month**
Any Lottery Ticket	69%	$19.38
Raffles	65%	$26.23
Sports Betting or Pools	15%	$26.62
Video Lotteries	14%	$109.38
Slot machines at a local casino	13%	$152.45
Bingo	11%	$80.14
Gambling at a resort casino	9%	$662.20
Pull-tabs	9%	$16.60
Table games at a local casino	6%	$222.53
Horse racing	5%	$59.83
Internet Gambling	0.2%	$55.00

Q2 – b
How many times in the past 4 weeks have you spent money on…?

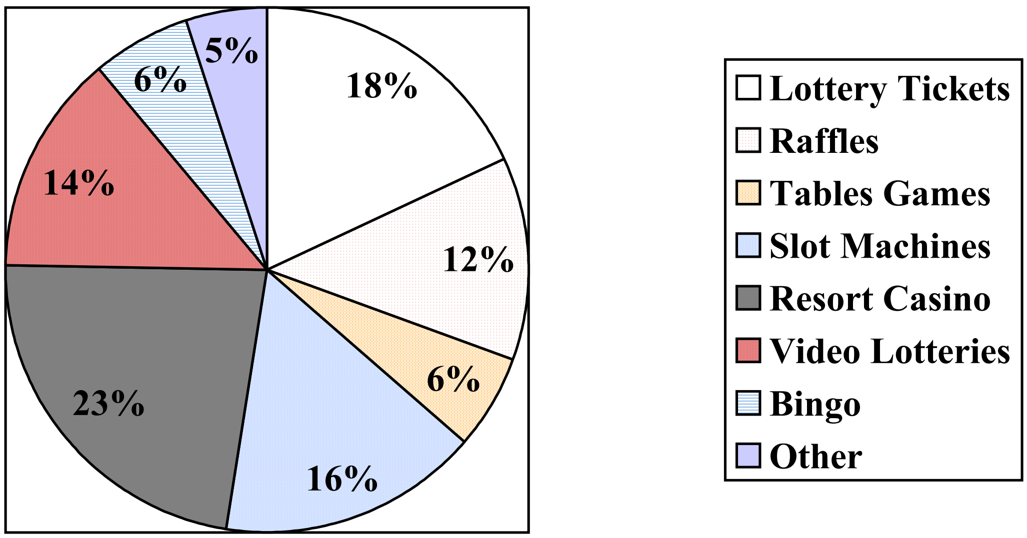
	Mean
Lottery ticket	2.78
The Plus	3.06
Super 7	1.36
The Extra	2.58
Western 649	1.64
Lotto 649	2.70
Pick Three	0.67
Sport Select (Proline or Over/Under)	1.24
Instant tickets (Scratch and Win)	2.13
Break-opens, Pull tabs or Nevada tickets	0.96
Sports or other kinds of betting pools	0.89
Raffles or fund raising tickets	0.63
Internet Gambling	1.26
Table games at a local casino	0.60
Slot machines at a local casino	1.70
Gambling at a resort casino	0.90
Video Lotteries (in licensed establishments)	1.89
Horse racing at a race track or off-track location	0.43
Bingo at a bingo hall	1.01

Q2c Approximately how much have you spent on…?

	Mean ($)
Lottery ticket	19.38
The Plus	6.35
Super 7	7.86
The Extra	7.22
Western 649	8.34
Lotto 649	12.73
Pick Three	9.98
Sport Select (Proline or Over/Under)	27.48
Instant tickets (Scratch and Win)	10.13
Break-opens, Pull tabs or Nevada tickets	16.60
Sports or other kinds of betting pools	26.62
Raffles or fund raising tickets	26.23
Internet Gambling	55.00
Table games at a local casino	222.53
Slot machines at a local casino	152.45
Gambling at a resort casino	662.20
Video Lotteries (in licensed establishments)	109.38
Horse racing at a race track or off-track location	59.83
Bingo at a bingo hall	80.14

The following chart illustrates the share of total expenditures on gaming in the previous four weeks spent on individual gaming activities.

Share of Expenditures



All respondents were asked how much of $100 of their disposable income is spent on gaming. They were further asked for the percentage of their personal monthly income that is considered disposable income.

Of the gaming activities considered (Lotteries, VLTs, Horse Racing, Bingo and Casinos) it is Lotteries that all Albertans (players and non-players combined) are likely to spend the highest mean portion of $100 of their disposable income on at $4.45. Players are more likely to spend their disposable income on Casinos.

Thinking of all the money that you spend on necessities, if, after paying for all these necessities, you had $100 remaining how much of this $100 would you spend on …?

Q37

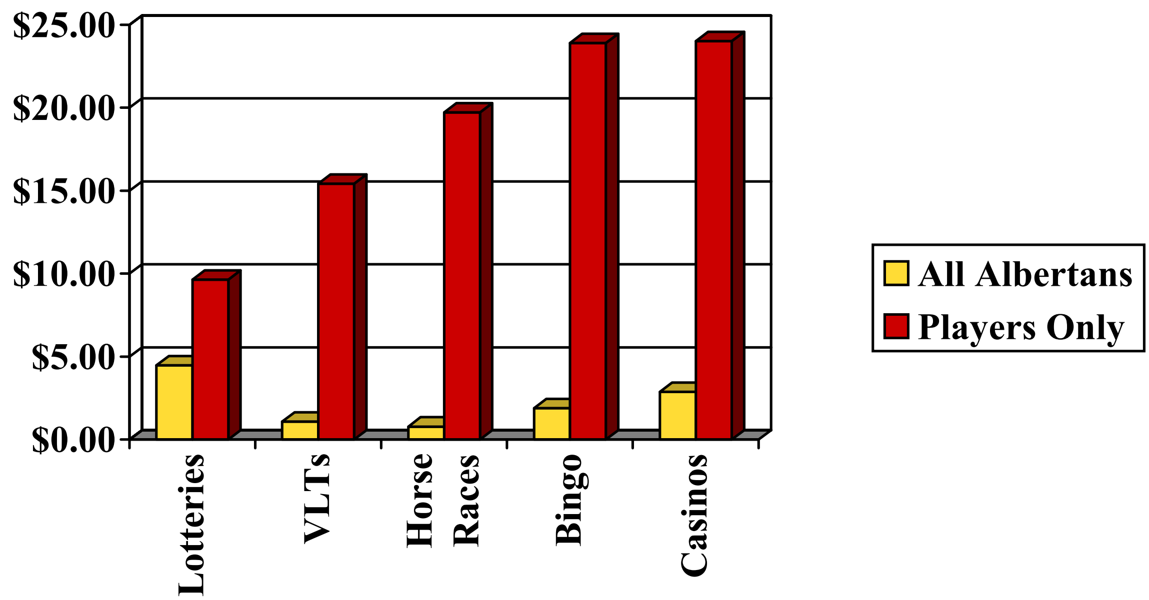
	Mean ($)
Casino	2.86
Lotteries	4.45
VLTs	1.06
Bingo	1.90
Horse Races	0.84

Q38
After paying for all your necessities what percentage of your personal monthly income would you say is your disposable income?

Per centage of income that is disposable	% Response
0	4.7
1	2.7
2	2.2
3	1.0
4	0.4
5	11.1
6	0.2
7	0.6
8	0.6
9	0.2
10	18.7
12	0.4
14	0.1
15	4.4
16	0.1
17	0.1
18	0.1
20	12.5
25	8.0
30	6.9
32	0.1
33	0.4
35	1.3
40	4.7
45	.3
46	0.1
50	9.0
55	0.1
58	0.2
60	1.9
65	0.5
6	0.1
70	1.4
75	1.3
80	1.1
85	0.2
90	0.1
95	0.4
100	2.4

n=1306

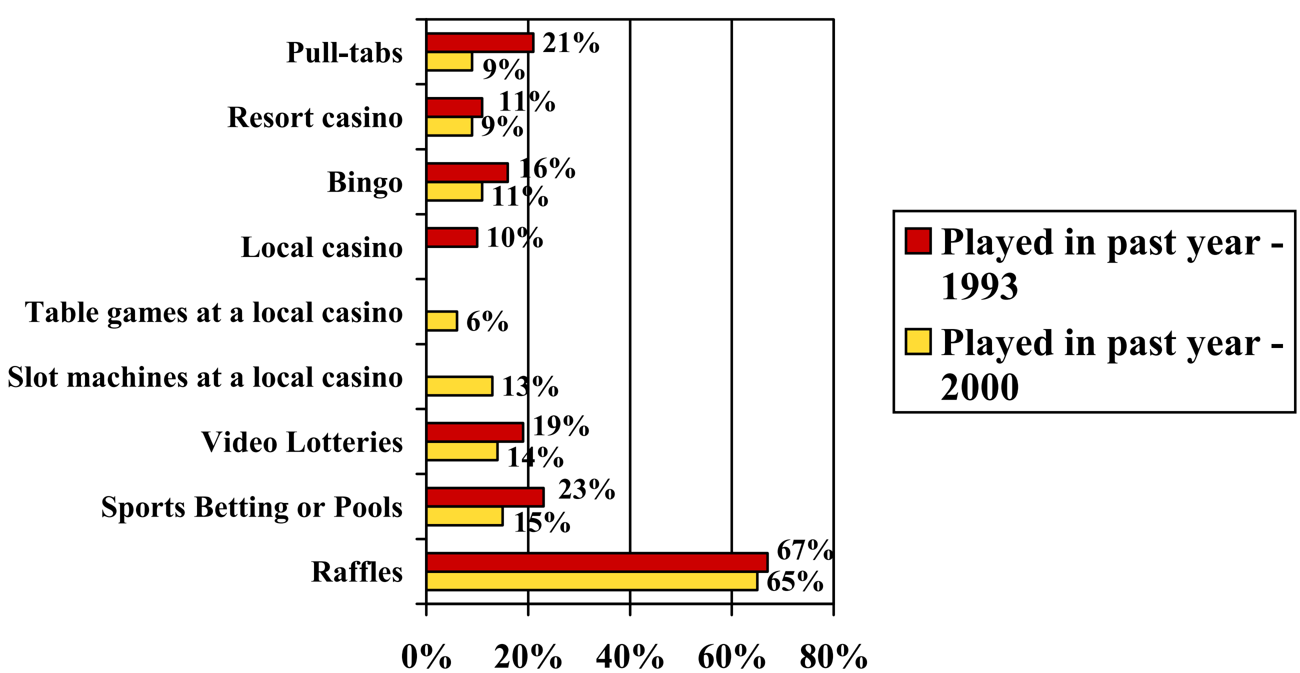
Portion of Disposable Income Spent on Games (out of $100)



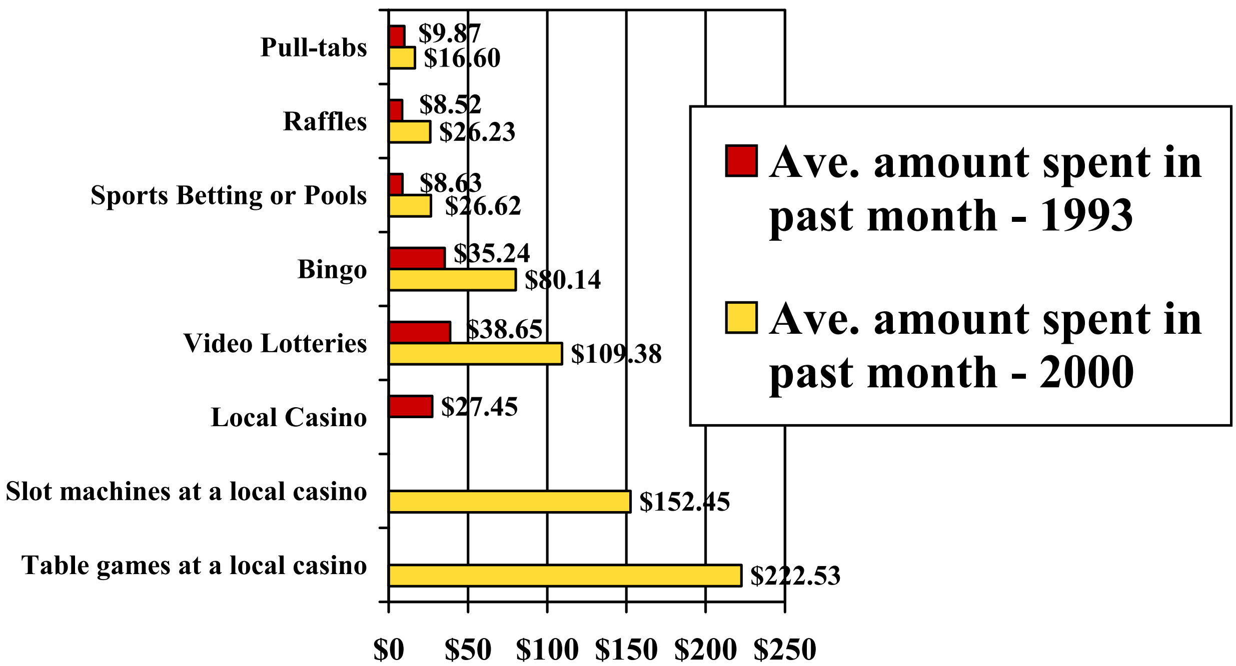
Comparison with 1993

Compared to 1993, the same proportion of the population is spending money on gaming but each player is spending more.

Change in play behaviour 1993-2000



Change in amount spent 1993-2000



4. RECEPTIVITY TO A CHANGE IN GAMING AVAILABILITY

A very strong majority of game players of any type of game would like to see the availability of that game in Alberta remain the same.
The exception is **Internet gambling** where the majority of respondents would like to see it less available.
Raffles had the highest percentage of respondents (but still less than 14%) who would like to see an increase in availability, whereas both **Internet Gambling** and **Video Lotteries** had the lowest percentage of respondents (2%) who would appreciate an increase in these types of gaming.

Q2d

Would you like to see lotteries made more or less widely available in Alberta, or remain the same?

	% Response
More	4.9
Same	82.1
Less	12.9

n=1456

Would you like to see Break-opens, Pull-tabs or Nevada Tickets made more or less available in Alberta, or remain the same?

	% Response
More	3.7
Same	77.1
Less	19.2

n=1325

Would you like to see Sports or other kinds of betting pools made more or less available in Alberta, or remain the same?

	% Response
More	4.4
Same	80.6
Less	15.0

n=1396

Would you like to see Raffles or fund raising tickets made more or less available in Alberta, or remain the same?

	% Response
More	13.7
Same	79.4
Less	6.9

n=1474

Would you like to see Internet Gambling made more or less available in Alberta, or remain the same?

	% Response
More	2.0
Same	39.4
Less	58.6

n=1263

Would you like to see Table games at a local casino made more or less available in Alberta, or remain the same?

	% Response
More	4.3
Same	66.7
Less	29.0

n=1449

Would you like to see Slot machines at a local casino made more or less available in Alberta, or remain the same?

	% Response
More	4.3
Same	57.8
Less	37.9

n=1471

Would you like to see Resort casinos made more or less available in Alberta, or remain the same?

	% Response
More	6.7
Same	65.4
Less	27.8

n=1423

Would you like to see Video Lotteries (in licensed establishments) made more or less available in Alberta, or remain the same?

	% Response
More	2.1
Same	49.7
Less	48.3

n=1442

Would you like to see Horse racing at a race track or at an off-track location made more or less available in Alberta, or remain the same?

	% Response
More	6.6
Same	78.7
Less	14.7

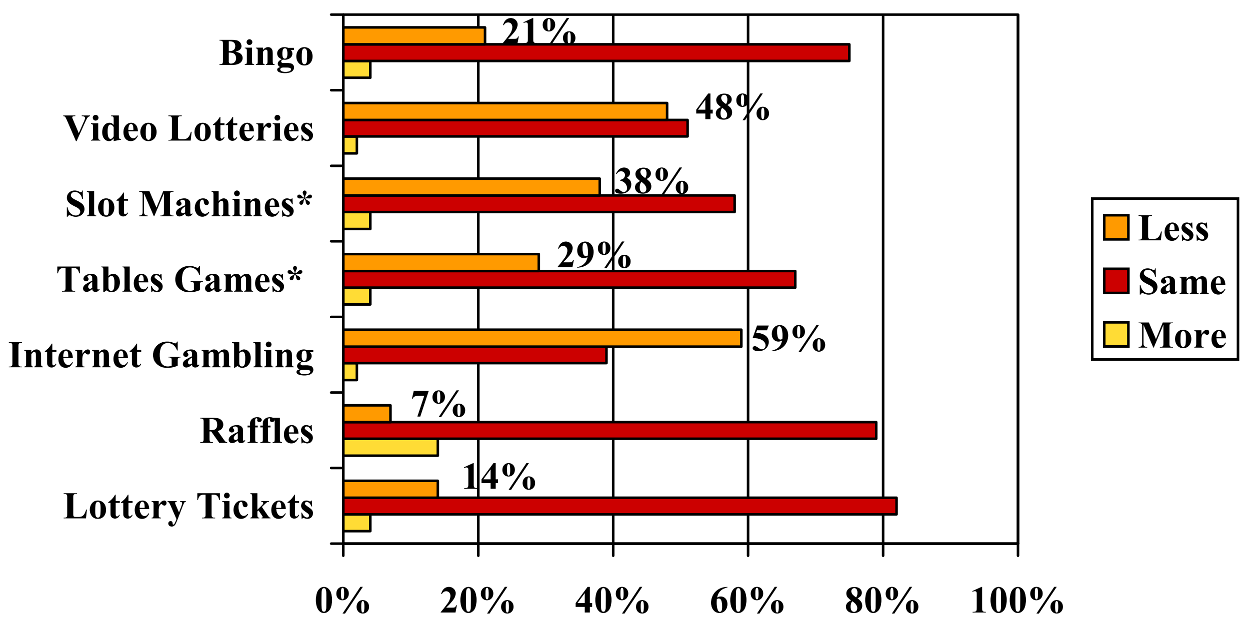
n=1407

Would you like to see Bingo in a bingo hall made more or less available in Alberta, or remain the same?

	% Response
More	3.7
Same	75.4
Less	20.9

n=1458

Desired Change to Availability



*Those in Central Alberta are the least likely to desire less availability and those in North Alberta are the most likely.

5.1 FUTURE GAMING ACTIVITY

Respondents given a list of gaming activities were asked for their likelihood of playing in the next four weeks. Only **Lotto 649** received a majority of responses indicating that the respondents would probably or definitely play in the next month.

Q3: In the next four weeks…

Would you say you will definitely play, probably play, probably not play or definitely not play Lotto 649?

	% Response
Definitely play	22.7
Probably play	34.7
Probably not play	15.7
Definitely not play	26.9

n=1531

Would you say you will definitely play, probably play, probably not play or definitely not play The Plus?

	% Response
Definitely play	14.3
Probably play	22.0
Probably not play	16.4
Definitely not play	47.4

n=1521

Would you say you will definitely play, probably play, probably not play or definitely not play Super 7?

	% Response
Definitely play	5.9
Probably play	18.4
Probably not play	18.0
Definitely not play	57.7

n=1525

Would you say you will definitely play, probably play, probably not play or definitely not play Sports Select?

	% Response
Definitely play	0.8
Probably play	3.3
Probably not play	13.1
Definitely not play	82.7

n=1522

Would you say you will definitely play, probably play, probably not play or definitely not play The Extra?

	% Response
Definitely play	5.0
Probably play	11.4
Probably not play	17.7
Definitely not play	65.8

n=1506

Would you say you will definitely play, probably play, probably not play or definitely not play Instant Tickets?

	% Response
Definitely play	5.4
Probably play	21.7
Probably not play	19.7
Definitely not play	53.1

n=1524

Would you say you will definitely play, probably play, probably not play or definitely not play Western 649?

	% Response
Definitely play	7.9
Probably play	21.6
Probably not play	22.6
Definitely not play	48.0

n=1526

Would you say you will definitely play, probably play, probably not play or definitely not play Video Lotteries?

	% Response
Definitely play	1.7
Probably play	6.8
Probably not play	12.9
Definitely not play	78.6

n=1524

Would you say you will definitely play, probably play, probably not play or definitely not play Pick Three?

	% Response
Definitely play	0.1
Probably play	2.5
Probably not play	16.1
Definitely not play	81.3

n=1499

Would you say you will definitely play, probably play, probably not play or definitely not play Sports or other event betting pools?

	% Response
Definitely play	0.9
Probably play	5.0
Probably not play	15.1
Definitely not play	79.0

n=1528

Would you say you will definitely play, probably play, probably not play or definitely not play Bingo in a bingo hall?

	% Response
Definitely play	2.4
Probably play	7.2
Probably not play	11.8
Definitely not play	78.6

n=1527

Would you say you will definitely play, probably play, probably not play or definitely not play Raffles or fund raising tickets?

	% Response
Definitely play	5.1
Probably play	41.7
Probably not play	28.9
Definitely not play	24.3

n=1520

Would you say you will definitely play, probably play, probably not play or definitely not play Table games in a local casino?

	% Response
Definitely play	0.9
Probably play	2.9
Probably not play	12.3
Definitely not play	83.9

n=1529

Would you say you will definitely play, probably play, probably not play or definitely not play Internet Gambling?

	% Response
Definitely play	0.3
Probably play	0.5
Probably not play	4.5
Definitely not play	94.7

n=1524

Would you say you will definitely play, probably play, probably not play or definitely not play Gambling at a resort casino

	% Response
Definitely play	0.8
Probably play	2.6
Probably not play	12.2
Definitely not play	84.5

n=1529

Would you say you will definitely play, probably play, probably not play or definitely not play Break-opens, Pulls-tabs or Nevada tickets?

	% Response
Definitely play	1.2
Probably play	5.1
Probably not play	18.1
Definitely not play	75.6

n=1518

Would you say you will definitely play, probably play, probably not play or definitely not play Slot machines in a local casino?

	% Response
Definitely play	1.4
Probably play	6.3
Probably not play	13.3
Definitely not play	78.9

n=1529

Would you say you will definitely play, probably play, probably not play or definitely not play Horse race betting at a race track?

	% Response
Definitely play	0.9
Probably play	4.4
Probably not play	12.0
Definitely not play	82.7

n=1528

Would you say you will definitely play, probably play, probably not play or definitely not play Off-track horse race betting?

	% Response
Definitely play	0.2
Probably play	2.1
Probably not play	9.8
Definitely not play	87.8

n=1529

5.2 RECEPTIVITY TO NEW GAMES

For a selected list of gaming activities, respondents were further asked if they would be likely to play in the next year.

The activity with the highest probability of play in the next year is **Instant tickets from a dispensing machine**—just under a quarter of respondents indicated their intention of engaging in this. For the rest, Internet Gambling was the least likely to be played in the next year although all activities queried received a strong majority of no-play answers to this question.

Q4

Would you be likely to play Instant tickets from a dispensing machine in the next year if it was made available?

	% Response
Yes	21.7
No	78.3

n=1514

Would you be likely to play Break-opens from a dispensing machine in the next year if it was made available?

	% Response
Yes	8.9
No	91.1

n=1513

Would you be likely to play a TV lottery game show in the next year if it was made available?

	% Response
Yes	11.2
No	88.8

n=1506

Would you be likely to play a province wide lottery game called Keno, drawing numbers every 5 minutes, in the next year if it was made available?

	% Response
Yes	12.2
No	87.8

n=1499

Would you be likely to play Internet gambling in the next year if it was made available?

	% Response
Yes	1.6
No	98.4

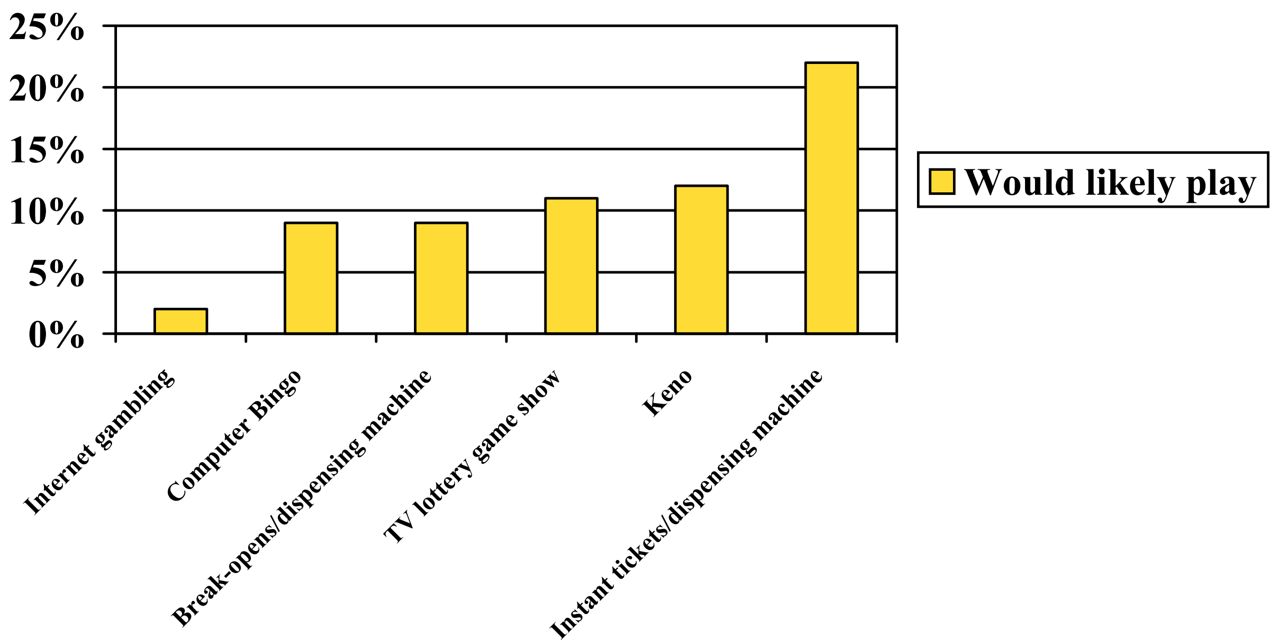
n=1526

Would you be likely to play Bingo played on a computer device in a bingo hall in the next year if it was made available?

	% Response
Yes	8.9
No	91.1

n=1523

Potential of New Games



6. GAMING LOCATIONS

Game players were asked for their likelihood of playing different gaming activities at a number of locations.

The majority-preferred location for playing Video Lotteries is in bars and lounges although both a location devoted to VLTs and a gaming room in a hotel received almost as high a response preference.

Q5

Would you like to play Video Lotteries at a…?

	% Response
Bars and Lounges	77.7
Location devoted to VLTs	71.9
Gaming Room in a Hotel	70.7
Local Casino	68.6
Resort Casino	59.7
Native Casino on Reserve Land	39.5
Race Track	33.4
Bingo Hall	21.7

n = 179

Would you like to play Slot machines at a…?

	% Response
Local Casino	84.4
Resort Casino	70.9
Gaming Room in a Hotel	57.8
Bars and Lounges	54.6
Location Devoted to VLTs	51.8
Native Casino on Reserve Land	42.2
Race Track	32.1
Bingo Hall	17.4

n = 177

Would you like to play Ticket Lotteries at a…?

	% Response
Lottery Ticket Centres	89.2
Bars and Lounges	30.8
Gaming Room in a Hotel	29.8
Resort Casino	24.7
Location Devoted to VLTs	24.3
Native Casino on Reserve Land	22.3
Local Casino	21.0
Bingo Hall	20.9
Race Track	20.4

n = 672

Would you like to play Instant Tickets at a…?

	% Response
Lottery Ticket Centres	88.6
Bars and Lounges	46.9
Gaming Room in a Hotel	35.4
Local Casino	29.2
Bingo Hall	28.8
Resort Casino	28.3
Location Devoted to VLTs	28.1
Race Track	25.5
Native Casino on Reserve Land	24.3

n = 423

Would you like to play Instant Tickets from a Dispensing Machine at a…?

	% Response
Lottery Ticket Centres	83.8
Bars and Lounges	63.5
Gaming Room in a Hotel	52.1
Location Devoted to VLTs	42.6
Bingo Hall	41.4
Local Casino	39.2
Resort Casino	38.6
Native Casino on Reserve Land	34.3
Race Track	32.0

n = 284

Would you like to play Keno, drawing numbers every five minutes, at a…?

	% Response
Local Casino	62.8
Lottery Ticket Centres	62.7
Bars and Lounges	59.8
Gaming Room in a Hotel	58.0
Resort Casino	55.6
Location Devoted to VLTs	50.1
Native Casino on Reserve Land	43.0
Bingo Hall	39.3
Race Track	33.6

n = 171

Would you like to play Break-opens at a…?

	% Response
Lottery Ticket Centres	66.8
Bars and Lounges	58.8
Bingo Hall	56.9
Gaming Room in a Hotel	44.3
Location Devoted to VLTs	39.9
Local Casino	36.7
Native Casino on Reserve Land	33.8
Resort Casino	31.5
Race Track	30.7

n = 84

Would you like to play Break-opens from a Dispensing Machine at a…?

	% Response
Bars and Lounges	84.8
Gaming Room in a Hotel	68.8
Bingo Hall	55.8
Location Devoted to VLTs	55.4
Local Casino	52.4
Resort Casino	50.4
Race Track	45.0
Native Casino on Reserve Land	42.3

n = 110

Would you like to play Sports Select at a…?

	% Response
Lottery Ticket Centres	79.2
Bars and Lounges	66.8
Gaming Room in a Hotel	54.5
Local Casino	41.7
Resort Casino	41.7
Location Devoted to VLTs	33.0
Race Track	31.5
Native Casino on Reserve Land	30.4
Bingo Hall	21.2

n = 71

Would you like to play Off Track Horse Race Betting at a…?

	% Response
Race Track	84.7
Bars and Lounges	55.6
Gaming Room in a Hotel	52.8
Resort Casino	38.9
Local Casino	35.5
Native Casino on Reserve Land	25.8
Location Devoted to VLTs	21.5
Bingo Hall	1.4

n = 49

Would you like to play Internet Gambling at a…?

	% Response
Gaming Room in a Hotel	94.5
Resort Casino	75.8
Bars and Lounges	71.4
Local Casino	62.1
Location Devoted to VLTs	61.7
Native Casino on Reserve Land	56.2
Race Track	42.2
Bingo Hall	33.9

n = 19

Would you like to play Regular Bingo at a…?

	% Response
Bingo Hall	98.5
Native Casino on Reserve Land	32.2
Local Casino	25.0
Resort Casino	23.5
Race Track	6.5

n = 146

Would you like to play Bingo on a Computer Device at a…?

	% Response
Bingo Hall	88.1
Local Casino	46.5
Resort Casino	39.3
Native Casino on Reserve Land	34.8
Race Track	23.2

n = 113

All respondents—players and non-players—were asked for their opinion on where the various gaming activities should be available.
In the case of **VLTs, casinos** were the greatest majority preferred location. Of the non-casino options, **a location devoted to VLTs** was preferred by a large majority of respondents, with bars and lounges, although still with a majority, dropping to a much lower position of preferred location options.
For **Slot machines** the preferred non-casino location would be a **Gaming room in a hotel.**

Q5a: Should players be able to play Video Lotteries at a …?

	% Response
Resort Casino	89.4
Local Casino	89.2
Location Devoted to VLTs	78.2
Gaming Room in a Hotel	72.6
Native Casino on Reserve Land	69.3
Bars and Lounges	60.1
Race Track	52.8
Bingo Hall	45.9

n = 1073

Should players be able to play Slot Machines at a…?

	% Response
Resort Casino	93.9
Local Casino	92.4
Gaming Room in a Hotel	65.2
Native Casino on Reserve Land	68.2
Location Devoted to VLTs	62.9
Bars and Lounges	54.5
Race Track	46.2
Bingo Hall	38.6

n = 1129

Should players be able to play Keno, drawing number every five minutes, at a…?

	% Response
Local Casino	86.5
Resort Casino	85.6
Gaming Room in a Hotel	69.7
Native Casino on Reserve Land	8.0
Location Devoted to VLTs	66.0
Lottery Ticket Centres	59.9
Bingo Hall	58.3
Bars and Lounges	55.0
Race Track	54.8

n = 1015

Should players be able to play Break Opens from a dispensing machine, at a…?

	% Response
Local Casino	84.1
Resort Casino	83.7
Gaming Room in a Hotel	73.6
Location Devoted to VLTs	71.5
Native Casino on Reserve Land	69.9
Bars and Lounges	65.9
Bingo Hall	65.7
Race Track	61.4

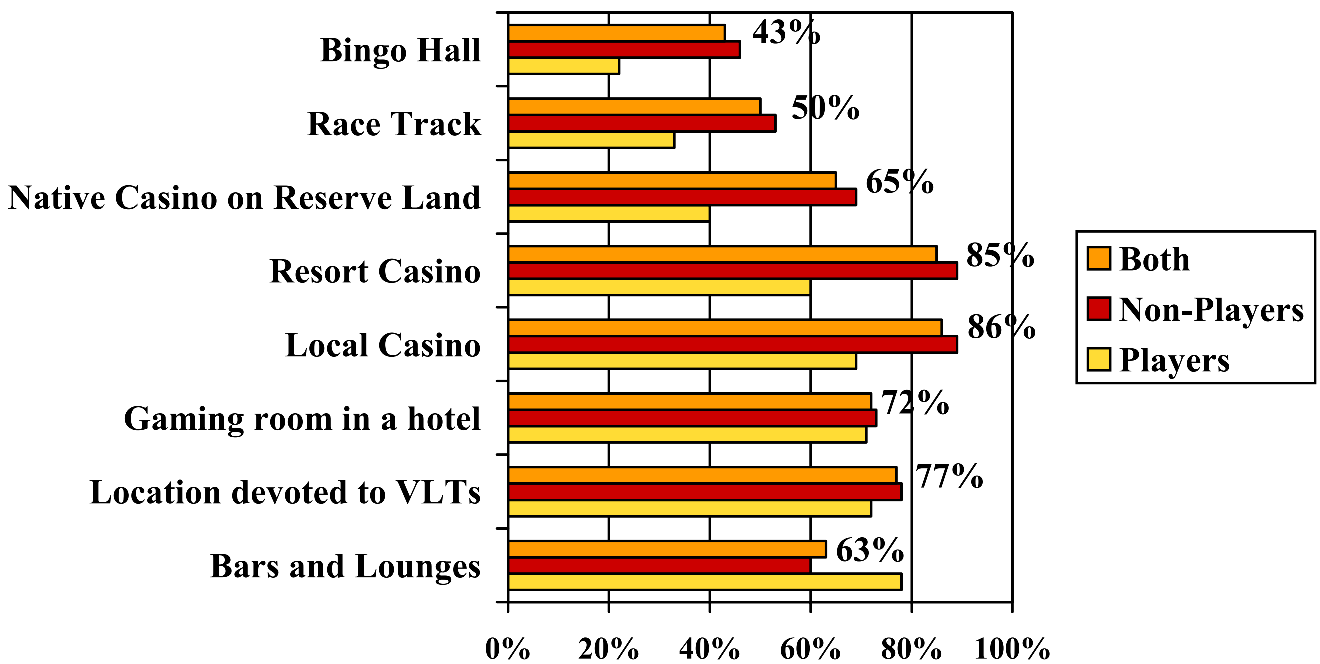
n = 1015

Should players be able to play Bingo on a Computer at a …?

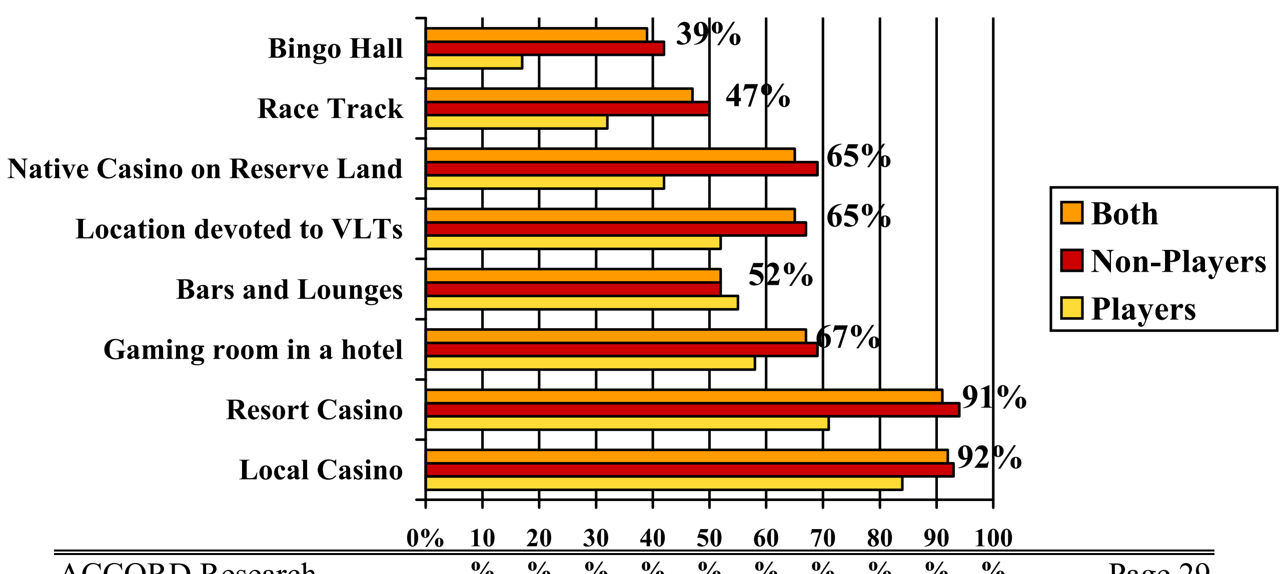
	% Response
Bingo Hall	89.0
Resort Casino	77.1
Local Casino	73.7
Native Casino on Reserve Land	67.7
Race Track	53.3

n = 1125

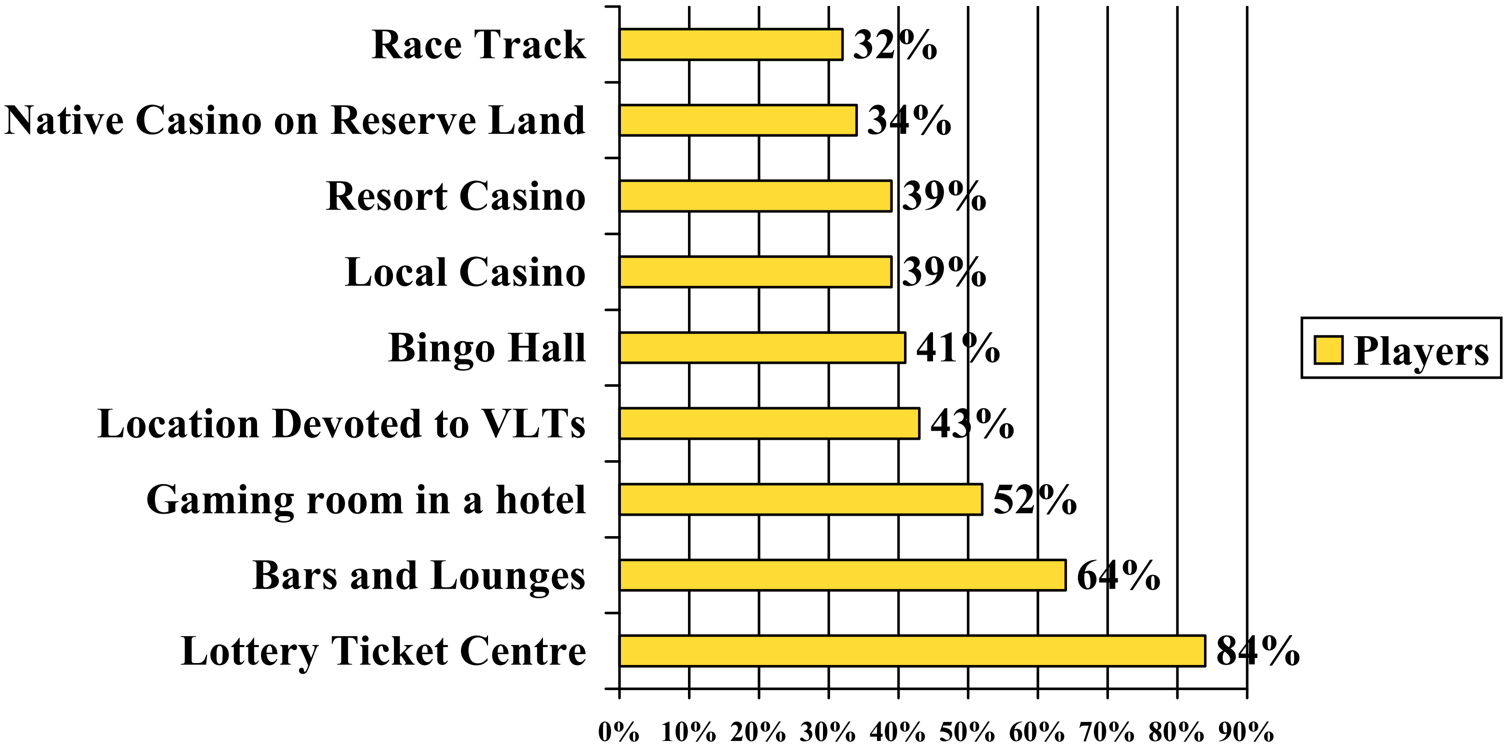
Desired location of VLT availability



Desired location of slot machine availability



Desired Location of Instant Tickets from a Dispensing Machine



7. GAMING BEHAVIOUR

7.1 CASINOS

Casino players were asked for their probability of playing particular games when they go to a casino.
Almost 50% of these respondents said they would definitely play **Regular slot machines** at a casino. **Blackjack** and **Video slot machines** were also popular with at least a quarter of casino-visiting respondents.

Q6

When you go to a casino, do you usually play Video slot machines?

	% Response
Definitely play	27.4
Probably play	30.7
Probably not play	12.2
Definitely not play	29.7

n=296

When you go to a casino, do you usually play Regular slot machines?

	% Response
Definitely play	47.7
Probably play	35.3
Probably not play	6.0
Definitely not play	11.0

n=300

When you go to a casino, do you usually play Blackjack?

	% Response
Definitely play	28.2
Probably play	27.2
Probably not play	7.8
Definitely not play	36.7

n=294

When you go to a casino, do you usually play Electronic horse race game?

	% Response
Definitely play	5.7
Probably play	15.3
Probably not play	15.7
Definitely not play	63.3

n=300

When you go to a casino, do you usually play Roulette or Wheel game?

	% Response
Definitely play	9.1
Probably play	23.8
Probably not play	16.4
Definitely not play	50.7

n=298

When you go to a casino, do you usually play Baccarat?

	% Response
Definitely play	1.0
Probably play	5.8
Probably not play	16.1
Definitely not play	77.1

n=292

When you go to a casino, do you usually play Craps?

	% Response
Definitely play	3.7
Probably play	13.5
Probably not play	12.8
Definitely not play	70.0

n=297

When you go to a casino, do you usually play Pit poker?

	% Response
Definitely play	5.7
Probably play	12.5
Probably not play	13.9
Definitely not play	67.9

n=296

When you go to a casino, do you usually play Mini-Baccarat?

	% Response
Definitely play	0.7
Probably play	4.1
Probably not play	15.4
Definitely not play	79.8

n=292

When you go to a casino, do you usually play Room poker?

	% Response
Definitely play	6.4
Probably play	11.7
Probably not play	12.8
Definitely not play	69.1

n=298

When you go to a casino, do you usually play Keno?

	% Response
Definitely play	6.1
Probably play	20.5
Probably not play	17.7
Definitely not play	55.6

n=293

When you go to a casino, do you usually play Sports book?

	% Response
Definitely play	2.1
Probably play	5.8
Probably not play	13.7
Definitely not play	78.4

n=291

When you go to a casino, do you usually play 'Other' games?

	% Response
Definitely play	4.1
Probably play	5.2
Probably not play	2.6
Definitely not play	88.1

n=193

7.2 VIDEO LOTTERIES

VLT players were asked about their playing behaviour, including length of play, amount spent and effect on play behaviour of other games and on winnings.

In a single play the average VLT player will spend 47 consecutive minutes at a machine spending $36.68.

Fifty-two percent of VLT players indicated that VLTs have had no effect on their overall gaming winnings.

Fifty-six percent indicated that VLTs have had no effect on the amount they are spending on gaming. Thirty-five percent indicated that the introduction of VLTs has caused them to increase their spending.

Over 80% of VLTs players indicated that VLTs have had no effect on their spending on table casino games, break-opens, bingo, horse race betting, instant tickets or lottery tickets.

Seventy-one percent of those who play VLTs like to socialize at the same time, 19% prefer to just play VLTs and 11% have no preference.

Q7
In general when you play Video Lotteries, how many consecutive minutes or hours do you usually play?

Mean	0.7839 hours

n=208

Q7b: How much cash do you put into the machine each time you play VLTs in a visit to a VLT establishment?

	% Response
0	0.9
1	4.3
2	5.2
3	1.4
4	0.5
5	19.9
6	0.5
10	12.3
15	0.9
20	25.1
25	2.8
30	1.9
35	0.5
40	4.3
50	6.6
60	2.8
80	0.9
100	2.2
200	2.4
400	0.5
700	0.5
1000	0.5

n=211

Mean	$36.68

Q8

How has the introduction of Video Lotteries affected your overall winnings at gaming or gambling?

	% Response
Increased	24.0
Neither	52.0
Decreased	24.0

n=204

How has the introduction of Video Lotteries affected the amount you spend on table-casino games?

	% Response
Increased	5.8
Neither	83.1
Decreased	11.1

n=207

How has the introduction of Video Lotteries affected the overall amount you spend gaming or gambling?

	% Response
Increased	35.3
Neither	55.6
Decreased	9.2

n=207

How has the introduction of Video Lotteries affected the amount you spend on break-opens?

	% Response
Increased	2.5
Neither	87.6
Decreased	10.0

n=201

How has the introduction of Video Lotteries affected the amount you spend on bingo?

	% Response
Increased	1.5
Neither	87.3
Decreased	11.3

n=204

How has the introduction of Video Lotteries affected the amount you spend on Instant tickets?

	% Response
Increased	3.3
Neither	87.7
Decreased	9.0

n=211

How has the introduction of Video Lotteries affected the amount you spend at the race track?

	% Response
Increased	3.4
Neither	87.9
Decreased	8.7

n=207

How has the introduction of Video Lotteries affected the amount you spend on Lottery Tickets

	% Response
Increased	5.3
Neither	86.1
Decreased	8.6

n=209

Q9
When you play video lotteries, do you prefer to…

	% Response
Go to a licensed establishment primarily to play VLTs	18.6
To socialize (drink, dance, visit) as well	71.0
No preference	10.5

n=210

7.3 SLOT MACHINES

Slot Machine players were asked about their length of play, amount spent, effect on play behaviour of other games and on winnings and casino play preferences.
In a single play the average Slot machine player will spend 1 consecutive hour at a machine spending $39.78.
Sixty-three percent of Slot machine players indicated that Slots have had no effect on their overall gaming winnings.
Sixty-seven percent indicated that Slots have had no effect on the amount they are spending on gaming. Twenty-four percent indicated that the introduction of Slots has caused them to increase their spending.
Over 80% of players indicated that Slot machines have had no effect on their spending on table casino games, break-opens, bingo, horse race betting, instant tickets or lottery tickets and VLTs. Sixty-nine percent of players prefer to just play slots and not table games, 22% percent enjoy doing both and 9% have no preference.

Q10a
In general when you play slot machines, how many consecutive minutes or hours do you usually play?

Mean	1.033 hours

n=195

Q10b
How much cash do you put into the machine each time you play slot machines in a visit to a gaming establishment?

	% Response
0	0.5
1	3.6
2	2.6
3	1.0
4	0.5
5	10.9
10	16.1
15	1.0
19	0.5
20	32.8
25	2.6
30	2.1
40	7.8
50	5.7
55	0.5
60	1.6
80	0.5
95	0.5
100	4.7
200	2.1
400	0.5
500	1.0
1000	0.5
Mean	$39.78

n=192

Q10c

How has the introduction of slot machines affected your overall winning at gaming or gambling?

	% Response
Increased	15.2
Neither	63.4
Decreased	21.5

n=191

How has the introduction of slot machines affected the overall amount you spend gaming or gambling?

	% Response
Increased	23.9
Neither	67.0
Decreased	9.1

n=197

How has the introduction of slot machines affected the amount you spend on table casino games?

	% Response
Increased	6.2
Neither	82.5
Decreased	11.3

n=194

How has the introduction of slot machines affected the amount you spend on Instant tickets?

	% Response
Increased	3.5
Neither	83.8
Decreased	12.6

n=198

How has the introduction of slot machines affected the amount you spend on Break-opens?

	% Response
Increased	0.5
Neither	88.1
Decreased	11.4

n=193

How has the introduction of slot machines affected the amount you spend on VLTs?

	% Response
Increased	7.6
Neither	80.3
Decreased	12.1

n=198

How has the introduction of slot machines affected the amount you spend on bingo?

	% Response
Increased	2.0
Neither	86.7
Decreased	11.2

n=196

How has the introduction of slot machines affected the amount you spend on Lottery tickets?

	% Response
Increased	7.1
Neither	84.3
Decreased	8.6

n=197

How has the introduction of slot machines affected the amount you spend at the race track?

	% Response
Increased	2.1
Neither	90.7
Decreased	7.2

n=194

Q10d

When you play slot machines at a casino, do you prefer to…

	% Response
Just play slot machines	69.4
Play slot machines and table games	22.3
No preference	8.3

n=193

8. GAMING OPERATING RESPONSIBILITY

All respondents were asked (unaided) who they thought was responsible for operating different gaming activities and facilities.

In every case, to a greater or lesser degree, most respondents named **the provincial government** as having responsibility for operating that game or facility.
In no instance did a majority of respondents name the provincial government. However, over 40% of respondents named the provincial government as having responsibility for **Regular Lottery games, Video Lotteries and Local Casinos.**
About a third named **Individual Venue Owners** as having responsibility for **Bingo Halls** and **Race Tracks.**
The provincial government and **Individual Venue Owners** were both named by just over a third of respondents as having responsibility for **Slot Machines**.

Q11: Who do you think is responsible for operating…

A: Regular lottery games like lotto 649

	% Response
Provincial government	40.3
Federal government	26.9
Government (unspecified)	12.5
Gaming Commission	5.2
Individual venue owners/private ownership	5.1
Provincial Gaming Commission	2.7
Lottery association/organization/committee/commission	2.6
Lottery corporation/companies	1.8
Lottery Board	1.6
Western Canada Lottery Station/commission/foundation	1.1
Alberta Lotteries	1.1
Lottery foundation	1.0
Federal gaming commission	0.9
Western lottery corporation/foundation/centre	0.7
Customers/general public/taxpayers	0.7
Treasury board/department	0.4
Charities/non-profit organization	0.4
Municipal governments	0.4
Sports organizations	0.2
Canada Lotto Foundation	0.2
Crown corporation	0.2
No one	0.1
Gaming Association/body/board	0.1
Western Express	0.1
First Nations	0.1
Minister of Lotteries	0.1

regular lottery games continued	
Unspecified Organizations	0.1
Elected board	0.1
Stores	0.0
Lottery ticket centres	0.0
Schools	0.0
Not applicable answer	0.0
Refused	0.1
Don't Know	10.1

n = 1530

Q11b Video lotteries

	% Response
Provincial government	44.3
Individual venue owners/private ownership	27.4
Government (unspecified)	9.8
Gaming commission	6.0
Federal Government	4.5
Provincial gaming commission	2.8
Municipal governments	2.0
Customers/general public/taxpayers	0.9
Alberta Lotteries	0.8
Gaming Association/body/board	0.8
Lottery board	0.8
Lottery association/organization/committee/commission	0.6
Charities/non-profit organizations	0.5
Alberta Gaming	0.4
Crooked guy/greedy bastards/distasteful people	0.2
Western Canada Lottery Station/commission/foundation	0.2
Unspecified Organizations	0.2
Not applicable answer	0.2
Federal gaming commission	0.1
Gaming company/corporation/industry	0.1
Race Track Commission	0.1
Lottery corporations/companies	0.1
Lottery foundation	0.1
No one	0.1
Western Lottery corporation/foundation/centre	0.1
Canada Lotto Foundation	0.0
Refused	0.1
Don't Know	13.7

n = 1529

Q11c: **Local casinos**

	% Response
Individual venue owners/private ownership	46.0
Provincial government	26.6
Government (unspecified)	7.8
Municipal governments	7.6
Charities/non-profit organizations	6.3
Gaming commission	4.7
Provincial Gaming Commission	2.9
Federal Government	2.3
First Nations	1.5
Customers/General Public/Taxpayers	0.8
Gaming Association/body/board	0.8
Unspecified Organizations	0.6
Alberta Lotteries	0.5
Mafia/mob/criminals	0.4
Alberta Gaming	0.3
Crooked guy/greedy bastards/distasteful people	0.2
Lottery association/organization/committee/commission	0.2
Gaming company/corporation/industry	0.1
Not applicable answer	0.1
Should be banned	0.1
ABS	0.1
No one	0.1
Lottery board	0.1
Elected board	0.1
Western Lottery Corporation/foundation/centre	0.1
Sports Organizations	0.1
Bingo Association	0.1
Don't Know	11.6

n = 1529

Q11d: Bingo halls

	% Response
Individual venue owners/private ownership	33.8
Charities/non-profit organizations	24.2
Provincial government	17.5
Municipal governments	9.9
Government (unspecified)	5.3
Gaming commission	5.1
Customers/general public/taxpayers	4.5
Provincial Gaming Commission	2.6
Churches/religious organizations	2.4
Unspecified organizations	2.1
Bingo associations	1.3
Federal government	1.2

bingo halls continued	
Sports organizations	1.1
First Nations	1.1
Alberta Gaming	0.7
Schools	0.5
Gaming association/body/board	0.4
Lottery association/organization/committee/commission	0.3
Not applicable answer	0.3
Lottery board	0.2
Alberta Lotteries	0.2
Elected board	0.1
ABS	0.1
Lottery corporations/companies	0.1
Federal gaming commission	0.1
Mafia/mob/criminals	0.1
No one	0.1
Should be licensed	0.1
Refused	0.0
Don't Know	13.7
Don't Know	10.1

n = 1530

Q11e: Race tracks

	% Response
Individual venue owners/private ownership	34.9
Provincial government	18.2
Municipal governments	9.2
Government (unspecified)	5.2
Race track committees/organizations/commission	4.9
Gaming commission	4.7
Provincial gaming commission	2.8
Horse owners/jockey club/agriculture society	2.5
Stampede board	2.3
Federal government	2.2
Northlands	2.0
Customers/general public/taxpayers	1.0
Charities/non-profit organizations	0.7
Alberta gaming	0.4
Exhibition board	0.4
Mafia/mob/criminals	0.4
Gaming association/body/board	0.3
Not applicable answer	0.2
Unspecified organizations	0.2
Alberta Lotteries	0.2
Crooked guy/greedy bastards/distasteful people	0.2

race tracks continued	
Lottery association/organization/committee/commission	0.1
Western Lottery Corporation/foundation/centre	0.1
Gaming company/corporation/industry	0.1
Bookies	0.1
Lottery board	0.1
Sports Organizations	0.1
No one	0.1
Don't Know	23.5

n = 1518

Q11f: Slot machines

	% Response
Provincial government	35.7
Individual venue owners/private ownership	35.3
Government (unspecified)	10.2
Gaming Commission	5.8
Federal government	4.5
Provincial gaming commission	3.3
Casinos	3.2
Municipal governments	2.4
Customers/general public/taxpayers	1.5
Charities/non-profit organizations	1.5
Alberta Gaming	0.8
First Nations	0.5
Not applicable answer	0.5
Alberta Lotteries	0.5
Gaming associations/body/board	0.4
Lottery association/organization/committee/commission	0.3
Mafia/mob/criminals	0.3
Crooked guy/greedy bastards/distasteful people	0.2
Crown corporation	0.2
Unspecified organizations	0.1
Western Canada Lottery Station/commission/foundation	0.1
Gaming company/corporation/industry	0.1
Lottery foundation	0.1
Minister of Lotteries	0.1
Lottery ticket centres	0.1
Lottery corporations/companies	0.1
Should be licensed	0.1
Federal gaming commission	0.1
Lottery board	0.1
No one	0.1
Western Lottery corporation/foundation/centre	0.1

Slot machines continued	
Northlands	0.1
Refused	0.1
Don't Know	10.5

n = 1522

Respondents were further asked for their opinion as to who should be responsible for operating the same games or facilities.
Responses were much more varied. More than a third felt that the **Federal Government** should be responsible for **Regular Lottery Games, Video Lotteries and Slot Machines.** Around a quarter of respondents felt that the Western Canada Lottery station/ commission/ foundation should be responsible for operating Local Casinos, Bingo Halls and Internet Gambling. About the same number felt that the Provincial Government should be responsible for Internet Gambling.
A very small percentage felt that the provincial government should be responsible for Video Lotteries.

Q11: Who do you think should be responsible for operating:

Qllg: Regular lottery games like lotto 649

	% Response
Federal government	38.7
Provincial government	22.3
Government (unspecified)	9.5
Western Canada Lottery Station/commission/foundation	6.2
Crown corporation	5.9
Lottery board	4.3
Not applicable answer	3.4
Provincial Gaming commission	2.4
Gaming commission	2.2
Alberta Lotteries	2.1
Lottery association/organization/committee/commission	1.5
Lottery ticket centres	0.9
Lottery corporations/companies	0.7
Individual venue owners/private ownership	0.5
Treasury board/department	0.4
No one	0.3
Lottery foundation	0.2
Municipal governments	0.1
Canada Lotto Foundation	0.1
First Nations	0.1
Minister of Lotteries	0.1
Stores	0.1
Charities/non-profit organizations	0.1
Gaming association/body/board	0.1

Regular lottery games continued	
Don't Know	7.8

n = 1522

Q11h: Video lotteries

	% Response
Federal government	35.8
Western Canada lottery station/commission/foundation	17.7
Lottery association/organization/committee/commission	5.8
Provincial government	5.8
Government (unspecified)	5.7
Crown corporation	4.9
Alberta lotteries	4.1
Provincial gaming commission	3.4
Gaming commission	2.0
Canada Lotto Foundation	2.0
Not applicable answer	2.0
Lottery board	1.3
Sports organizations	0.8
Minister of Lotteries	0.5
No one	0.5
Treasury board/department	0.5
Federal gaming commission	0.4
Municipal governments	0.4
Lottery foundation	0.3
Western Lottery Corporation/foundation/centre	0.3
Lottery ticket centres	0.3
Customers/general public/taxpayers	0.3
Individual venue owners/private ownership	0.2
Lottery corporations/companies	0.2
Stores	0.1
Gaming association/body/board	0.1
Western express	0.1
Gaming company/corporation/industry	0.1
Unspecified organizations	0.1
Don't Know	9.6

n = 1524

Q11i: Local Casinos

	% Response
Western Canada Lottery station/commission/foundation	26.9
Federal government	23.7
Alberta lotteries	14.4
Gaming commission	6.9
Canada Lotto Foundation	5.8

Local casinos continued	
Provincial gaming commission	5.2
Government (unspecified)	4.0
Crown corporation	3.9
Lottery association/organization/committee/commission	3.1
Provincial government	2.7
Minister of Lotteries	2.0
Lottery board	1.5
Treasury board/department	0.9
Western express	0.8
Municipal governments	0.8
Not applicable answer	0.7
Individual venue owners/private ownership	0.5
Sports organizations	0.5
Federal gaming commission	0.5
No one	0.4
Gaming association/body/board	0.4
Lottery foundation	0.3
Western Lottery Corporation/foundation/centre	0.2
Lottery ticket centres	0.2
Customers/general public/taxpayers	0.2
Unspecified organizations	0.2
Alberta gaming	0.1
Stores	0.1
Lottery corporations/companies	0.1
Refused	0.0
Don't Know	6.7

n = 1529

Q11j: Bingo Halls

	% Response
Western Canada Lottery Station/commission/foundation	22.9
Federal government	17.9
Gaming commission	15.3
Alberta Lotteries	12.4
Provincial gaming commission	10.2
Crown corporation	4.7
Gaming company/corporation/industry	3.0
Government (unspecified)	2.6
Lottery board	2.6
Canada Lotto Foundation	2.0
Not applicable answer	1.6
Provincial government	1.6
Lottery association/organization/committee/commission	1.4
Minister of Lotteries	0.9

Bingo halls continued	
Western Express	0.5
Municipal Governments	0.4
Treasury board/department	0.4
Gaming association/body/board	0.3
Federal gaming commission	0.3
Individual venue owners/private ownership	0.3
No one	0.2
Customers/general public/taxpayers	0.2
Charities/non-profit organizations	0.1
Lottery foundation	0.1
Lottery ticket centres	0.1
Unspecified organizations	0.0
Don't Know	6.9

n = 1519

Q11k: Race Tracks

	% Response
Western Canada Lottery Station/commission/foundation	25.9
Federal government	22.2
Alberta Lotteries	12.4
Canada Lotto Foundation	5.2
Provincial Gaming Commission	4.1
Crown corporation	3.7
Lottery board	3.7
Government (unspecified)	3.7
Provincial government	3.0
Churches/religious organizations	2.4
Lottery association/organization/committee/commission	2.0
Crooked guy/greedy bastards/distasteful people	2.0
Race track committees/organizations/commission	2.0
Gaming commission	1.6
Elected board	1.4
Minister of Lotteries	0.9
Treasury board/department	0.8
Not applicable answer	0.8
Municipal governments	0.6
Lottery foundation	0.5
Customers/general public/taxpayers	0.4
No one	0.3
Gaming Association/body/board	0.3
Federal gaming commission	0.3
Unspecified organizations	0.2
Bookies	0.2
Individual venue owners/private ownership	0.1

Race track continued	
Charities/non-profit organizations	0.1
Casinos	0.1
Lottery corporations/companies	0.1
Stores	0.1
Lottery ticket centres	0.1
Don't Know	13.2

n = 1529

Q11l: Slot machines

	% Response
Federal government	31.2
Western Canada Lottery Station/commission/foundation	22.8
Canada Lotto foundation	6.0
Alberta Lotteries	5.7
Provincial Gaming commission	5.0
Lottery association/organization/committee/commission	4.6
Provincial government	4.6
Government (unspecified)	4.4
Crown corporation	4.4
Gaming commission	2.7
Lottery board	2.1
Sports organizations	2.0
Not applicable answer	1.0
Treasury board/department	1.0
Western Lottery corporation/foundation/centre	0.9
Minister of Lotteries	0.7
No one	0.5
Municipal governments	0.5
Lottery corporations/companies	0.4
Gaming association/body/board	0.3
Customers/general public/taxpayers	0.3
Federal gaming commission	0.3
Lottery foundation	0.2
Individual venue owners/private ownership	0.1
Lottery ticket centres	0.1
Western express	0.1
Alberta gaming	0.1
Stores	0.1
Unspecified Organizations	0.0
Don't Know	7.0

n = 1528

Q11m: Internet gambling

	% Response
Provincial government	21.5
Lottery association/organization/committee/commission	21.3
Federal government	11.5
Western Canada Lottery Station/commission/foundation	5.1
Race track commission	5.0
Mafia/mob/criminals	4.8
Government (unspecified)	4.2
Not applicable answer	3.0
Crown corporation	2.8
Schools	1.3
Bingo Associations	1.0
Provincial Gaming Commission	1.0
Minister of Lotteries	0.9
Alberta Lotteries	0.8
Gaming commission	0.8
Northlands	0.7
First Nations	0.7
Treasury board/department	0.6
Customers/general public/taxpayers	0.5
Canada Lotto foundation	0.5
Municipal governments	0.5
Lottery board	0.3
Exhibition board	0.3
Horse owners/jockey club agriculture society	0.3
Stampede board	0.2
Lottery ticket centres	0.2
Gaming association/body/board	0.2
No one	0.2
Lottery foundation	0.1
Charities/non-profit organizations	0.1
Federal gaming commission	0.1
Individual venue owners/private ownership	0.1
Should be banned	0.1
Refused	0.1
Don't Know	21.3

n = 1529

9. GAMING KNOWLEDGE

Respondents were asked to consider how well informed they were about various gaming activities.
Regular Bingo was the activity about which the highest percentage of respondents felt very well informed. **Video Lotteries** and **Coin Dispensing Slot Machines** were also familiar to at least a quarter of respondents.

Five Minute Keno, Electronic Bingo and Internet Gambling were familiar to the least number of respondents.

Q12
How well informed do you feel you are about how to play Sports Select?

	% Response
Very well informed	12.8
Somewhat informed	15.3
Not very well informed	14.8
Not informed at all	57.0

n=1517

How well informed do you feel you are about how to play Video Lotteries

	% Response
Very well informed	18.8
Somewhat informed	25.7
Not very well informed	15.1
Not informed at all	40.4

n=1520

How well informed do you feel you are about where to play Video Lotteries?

	% Response
Very well informed	29.9
Somewhat informed	30.5
Not very well informed	13.4
Not informed at all	26.2

n=1516

How well informed do you feel you are about how to play five minute Keno?

	% Response
Very well informed	3.7
Somewhat informed	9.0
Not very well informed	13.5
Not informed at all	73.7

n=1514

How well informed do you feel you are about how to play Sports Select?

	% Response
Very well informed	12.8
Somewhat informed	153
Not very well informed	14.8
Not informed at all	57.0

n=1517

How well informed do you feel you are about how to play regular bingo?

	% Response
Very well informed	41.2
Somewhat informed	37.0
Not very well informed	10.2
Not informed at all	11.6

n=1528

How well informed do you feel you are about how to play electronic bingo?

	% Response
Very well informed	3.4
Somewhat informed	8.6
Not very well informed	17.3
Not informed at all	70.7

n=1517

How well informed do you feel you are about how to play Casino table games?

	% Response
Very well informed	8.7
Somewhat informed	26.4
Not very well informed	18.3
Not informed at all	46.5

n=1521

How well informed do you feel you are about how to bet on horse racing?

	% Response
Very well informed	11.3
Somewhat informed	23.4
Not very well informed	16.0
Not informed at all	49.2

n=1521

How well informed do you feel you are about how to play coin dispensing slot machines?

	% Response
Very well informed	25.6
Somewhat informed	31.3
Not very well informed	13.8
Not informed at all	29.4

n=1520

How well informed do you feel you are about internet gambling?

	% Response
Very well informed	3.3
Somewhat informed	7.6
Not very well informed	12.9
Not informed at all	76.2

n=1515

How well informed do you feel you are about where to purchase break-opens?

	% Response
Very well informed	13.9
Somewhat informed	23.2
Not very well informed	16.9
Not informed at all	46.0

n=1506

10. GAMING PROCEEDS DISTRIBUTION

More respondents tended to feel very well informed about the proceeds of **Raffles** than they did about any other form of gaming. **Bingo** proceeds were also a perceived well-understood area.
There were low levels of perceived understanding about the distribution of proceeds from Horse Races and Slot Machines.

Q13a
How well informed do you feel you are about where the proceeds from various types of gaming go such as Bingo?

	% Response
Very well informed	15.5
Somewhat informed	37.0
Not very well informed	17.0
Not informed at all	30.5

n=1512

How well informed do you feel you are about where the proceeds from various types of gaming go such as Casinos?

	% Response
Very well informed	6.9
Somewhat informed	21.3
Not very well informed	21.1
Not informed at all	50.7

n=1514

How well informed do you feel you are about where the proceeds from various types of gaming go such as Lotteries?

	% Response
Very well informed	8.7
Somewhat informed	39.7
Not very well informed	21.0
Not informed at all	30.6

n=1525

How well informed do you feel you are about where the proceeds from various types of gaming go such as Video Lotteries?

	% Response
Very well informed	8.4
Somewhat informed	24.8
Not very well informed	20.1
Not informed at all	46.8

n=1519

How well informed do you feel you are about where the proceeds from various types of gaming go such as Horse races?

	% Response
Very well informed	4.1
Somewhat informed	9.6
Not very well informed	17.9
Not informed at all	68.3

n=1510

How well informed do you feel you are about where the proceeds from various types of gaming go such as Raffles?

	% Response
Very well informed	27.7
Somewhat informed	45.0
Not very well informed	10.5
Not informed at all	16.9

n=1515

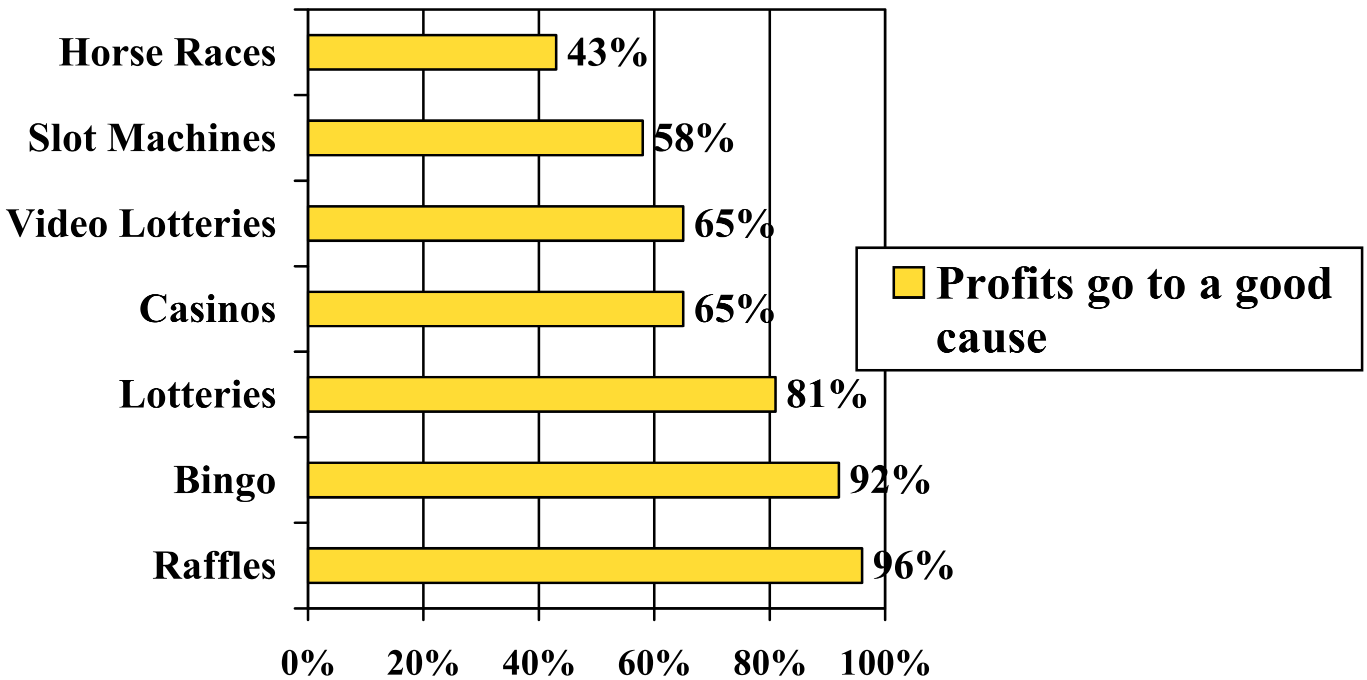
How well informed do you feel you are about where the proceeds from various types of gaming go such as Slot machines?

	% Response
Very well informed	5.8
Somewhat informed	19.3
Not very well informed	21.6
Not informed at all	53.3

n=1516

For almost all of the named gaming activities the majority of respondents felt that the proceeds went to a good cause.
There was almost a consensus that **Raffles** proceeds go to a good cause. All other proceeds destinations were viewed favourably by a majority of respondents with the exception of Horse Races.

Attitudes Towards Gaming Profits



The majority of respondents had no recollection of hearing, seeing or reading anything about the distribution of gaming proceeds. For those who could recall information, newspapers were their primary source of information.
For the majority of these aware respondents the information they had noticed made them feel positive about AGLC. Feelings about the Alberta government were somewhat less likely to be positive. A third of respondents felt that information received made them feel negative about spending money on Lotteries.

Q14a
Can you recall hearing, seeing or reading anything recently about where gaming proceeds went?

	% Response
Yes	19.8
No	80.2

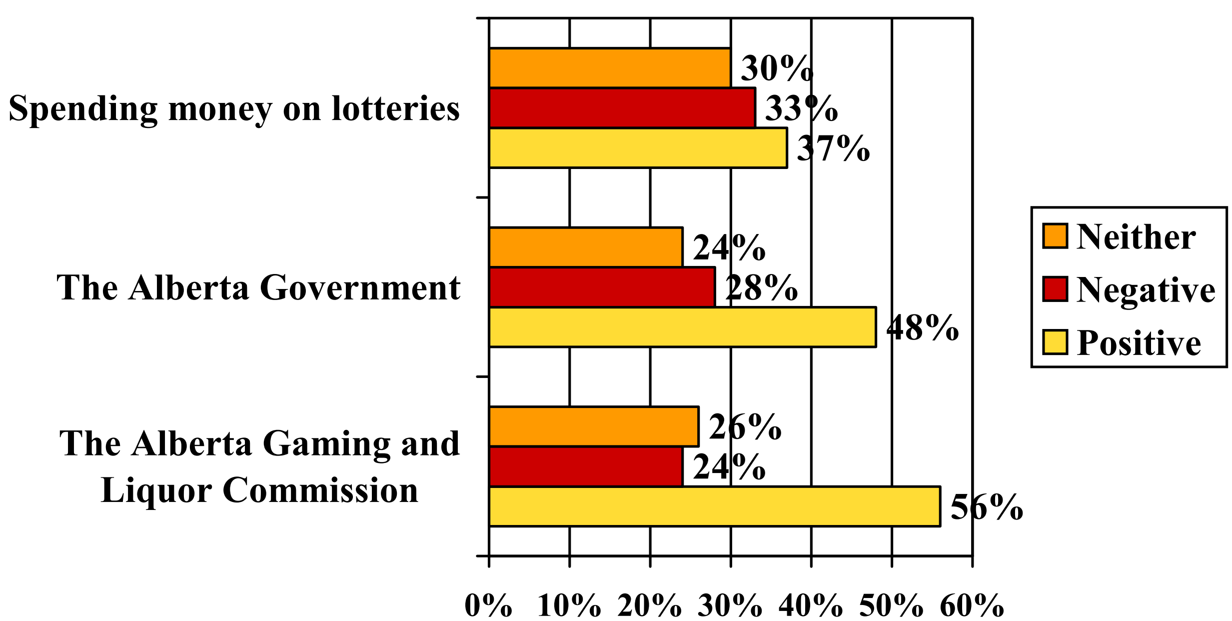
n=1522

What is your primary source of information about where the proceeds from gaming go? (First mention)

	% Response
Newspapers	52.6
Television	13.0
Radio	6.6
Media (unspecified)	5.6
Involvement (volunteer/employment) connected to gaming	5.3
Friends/word of mouth	4.6
Flyers/circulars/mail/pamphlets	2.9
Through charity of gaming agency	2.9
Magazines	2.7
Buying raffle/lottery tickets	2.2
Through participation/attendance at gaming facility	2.1
Native Bands	1.1
Awareness of dispute/controversy	1.0
Through schools	1.0
Billboards	0.9
Internet	0.8
Gambling help groups	0.7
Government report	0.4
Other	5.8
Don't Know	2.9

n = 297

Effects of Seeing or Hearing About the Distribution of Gaming Proceeds



Those who had no recollection of hearing, seeing or reading where proceeds go were asked to give their opinion as to where they think proceeds go. Almost fifty percent of this group felt that gaming proceeds go to the Government (unspecified). Almost a third felt that proceeds go to Charities.

Q14b
Where do you think the proceeds from gaming go?

	% Response
Government	49.3
Charities	32.6
Community organizations	19.2
Casinos (owners, organizers, operators)	18.3
Sports and recreation	17.3
Health care	9.1
Community facility enhancement	7.6
Education and schools	6.8
Non-profit organizations	2.6
"Into someone's pocket"	2.5
Arts and Culture	2.4
Social Service	2.0
Grants, programs (unspecified)	1.7
Administration/salaries	1.3
Gambling addiction organizations	1.1
Winners, prize money	0.9
Infrastructure, roads	0.9
To taxes	0.5
Politician's pockets/corrupt politicians	0.5
To a god cause	0.4
Natives, reserves	0.3
Organized crime, the mob	0.3
To the debt	0.2
Lottery fund	0.2
Don't Know	0.2

n = 1190

All respondents were asked for their preferred recipient of gaming proceeds. **Charities** were a favoured destination for a third of respondents, followed closely by **Health Care.** Education and Schools and Community Organisations were also frequent mentions.

Q14d
Where would you like the proceeds from gaming to go?

	% Response
Charities	34.9
Health Care	29.1
Education and Schools	23.2
Community Organizations	20.9
Community Facility Enhancement	14.7
Sports and Recreation	14.2
Government	11.3
Children's/youth help programs	5.2
Gambling addiction	4.1
Homeless (also shelters)	3.9
Arts and Culture	3.4
Social programs	2.1
Seniors, pensions	2.0
Infrastructure/transportation/roads	1.9
Owners (of gaming facilities/machines	1.9
Reducing taxes	1.8
Non-profit organizations	1.8
Good causes/where it's most needed	1.7
To people/the public/general problems	1.7
Debt/deficit reduction	1.6
Other health research (including diabetes)	1.6
Nowhere (wants gambling eliminated)	1.5
Low cost housing	1.3
To me/in my bank account/my pocket	1.2
Environment/wildlife	1.2
Cancer research/foundation	1.0
Women's shelters	0.9
No change	0.9
Winners/prizes	0.8
The disabled/handicapped	0.7
Disabled children/sick children/children's hospital	0.7
Addictions (unspecified)	0.6
Alcohol/drug addiction	0.6
To the specific community or area where the gaming is played	0.6
SPCA	0.5
Business incentives/employment generation	0.5
Do not use proceeds for general revenue, standard and needed	0.5
Family/parents (including low income family health and dental)	0.5
Student loans/grants/scholarships	0.4
NHL teams	0.4
Food banks	0.3
Lower gasoline costs	0.3
Police	0.3

Where proceeds should go continued	
Churches	0.3
Camp for kids	0.2
Heart and lung research/foundation	0.2
Foreign aid	0.2
Agriculture	0.1
Victim services	0.1
Playgrounds	0.1
Ronald McDonald House	0.1
Other	5.1
Don't Know	5.8

n = 1515

Attitudes Toward Proceeds Distribution

Think proceeds go to…

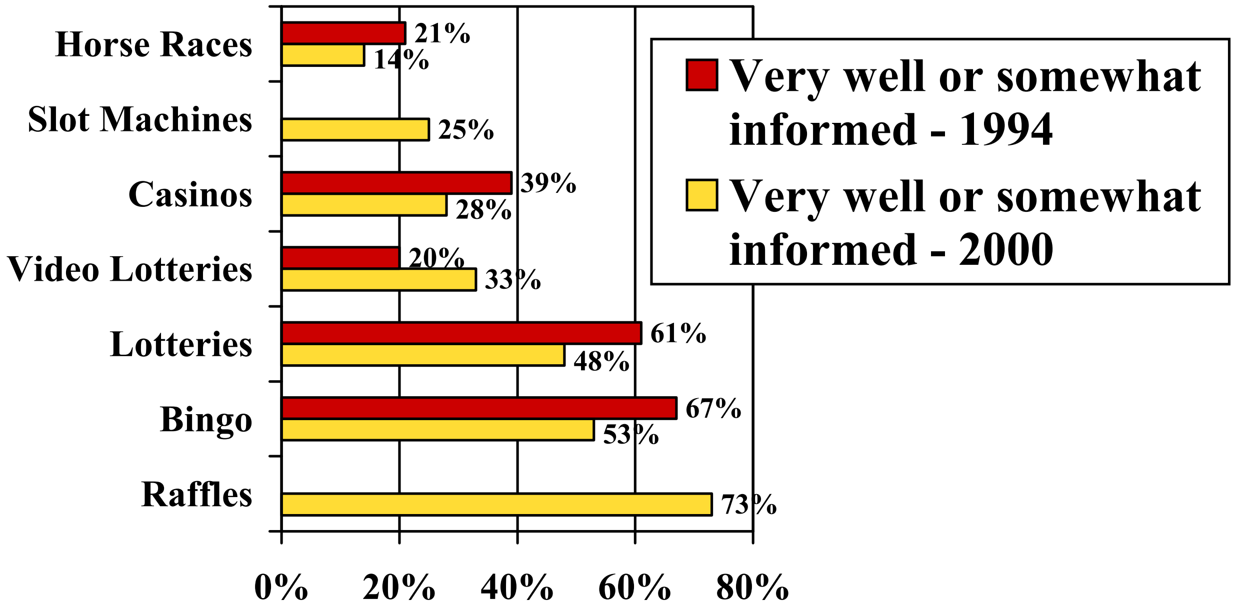
Government (38%)
Charities (26%)
Community Organizations (15%)
Casino owners/organizations (15%)
Sports and Recreation (13%)
Health Care (7%)

Would like proceeds to go to…

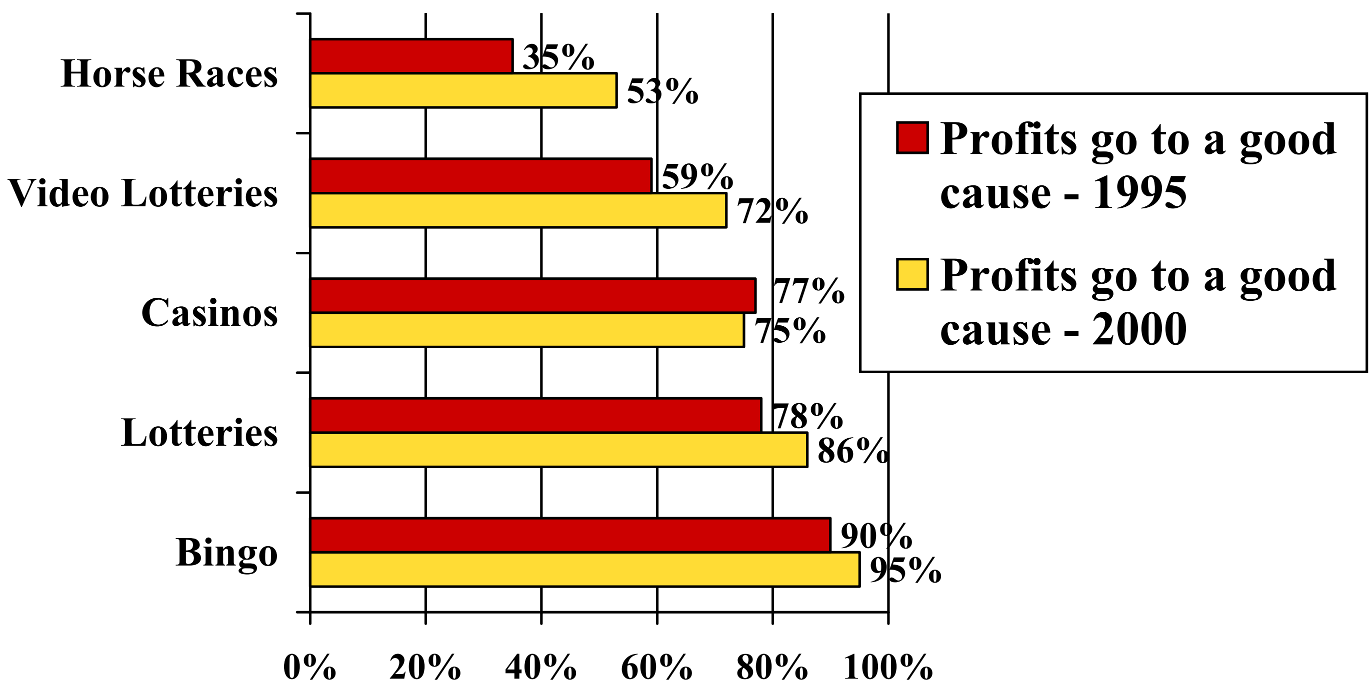
Charities (35%)
Health care (29%)
Education and Schools (23%)
Community Organizations (21%)
Community Facility Enhancement (15%)
Sports and Recreation (14%)

There is a strong correlation between perceived knowledge of and attitudes towards proceeds distribution.
Those who feel better informed have a more positive attitude towards where proceeds go.

Perceived Knowledge of Proceeds Distribution 1994 and 2000



Shift in Attitudes Toward Gaming Profits 1995-2000



Among those who feel informed

11. GAMING ATTITUDES

All respondents were read a list of statements about lotteries and gaming in Alberta and asked to report how they felt about each statement on a scale of agreement or disagreement with each statement.

The statement that received the highest percentage of completely agree responses was "**Lotteries are a form of gambling."** This statement received a very high percentage of agreement. More than half of all respondents also completely agreed with the statement **"It is up to each individual to control their own gambling."**

On the other end of the scale, "**People should have access to gaming in a bar, hotel or nightclub"** was the most frequently totally disagreed with statement at close to a quarter of respondents. Other statements that were more likely to receive a high percentage of completely disagree ratings were "Gaming takes advantage of poorer Albertans" and "Gaming is an evil influence on society."

Q16

Lotteries are a form of gambling

	% Response
Totally Disagree	1.6
2	0.7
3	1.4
4	2.8
5	6.0
6	10.5
Completely Agree	77.0

n=1527

Regular lotteries like Lotto 649 are becoming more popular

	% Response
Totally Disagree	2.5
2	2.4
3	9.0
4	19.9
5	22.4
6	17.1
Completely Agree	26.7

n=1444

People should have access to gaming in a bar, hotel or nightclub

	% Response
Totally Disagree	22.8
2	10.9
3	10.5
4	14.3
5	17.1
6	9.5
Completely Agree	14.9

n=1519

Gaming takes advantage of poorer Albertans

	% Response
Totally Disagree	20.6
2	10.4
3	12.1
4	10.6
5	13.8
6	9.7
Completely Agree	22.8

n=1517

Video Lotteries are becoming more popular

	% Response
Totally Disagree	3.4
2	2.5
3	8.7
4	17.9
5	21.7
6	17.3
Completely Agree	28.6

n=1397

Video lotteries are more addictive than regular lottery games like Lotto 649

	% Response
Totally Disagree	8.7
2	4.3
3	6.0
4	9.4
5	12.9
6	16.9
Completely Agree	41.6

n=1429

Gaming is an evil influence on society

	% Response
Totally Disagree	19.8
2	12.5
3	12.9
4	13.2
5	15.2
6	7.7
Completely Agree	18.7

n=1517

Lotteries are operated fairly and honestly

	% Response
Totally Disagree	7.5
2	6.3
3	14.1
4	20.0
5	21.6
6	15.8
Completely Agree	14.8

n=1396

People should be able to play slot machines year round

	% Response
Totally Disagree	9.2
2	4.3
3	6.3
4	11.4
5	15.4
6	14.8
Completely Agree	38.5

n=1515

More controls should be placed on where and when people can play Video Lotteries

	% Response
Totally Disagree	12.3
2	8.7
3	8.5
4	1.1
5	14.7
6	12.7
Completely Agree	32.0

n=1507

There is too much gaming in Alberta

	% Response
Totally Disagree	12.6
2	10.8
3	12.4
4	16.8
5	19.7
6	7.9
Completely Agree	19.7

n=1490

Governments are dependent on lotteries as a source of revenue

	% Response
Totally Disagree	5.9
2	5.0
3	7.2
4	13.4
5	17.8
6	16.3
Completely Agree	34.3

n=1476

Increased access to gaming and gambling will create more problems then it is worth in Alberta

	% Response
Totally Disagree	10.3
2	6.6
3	9.5
4	13.2
5	16.1
6	12.6
Completely Agree	31.6

n=1520

Lotteries are a god way to raise revenue because only the willing pay

	% Response
Totally Disagree	14.2
2	7.8
3	11.4
4	12.6
5	18.5
6	12.9
Completely Agree	22.6

n=1511

More money should be spent to inform Albertans about where the lottery proceeds go

	% Response
Totally Disagree	3.6
2	2.4
3	3.6
4	8.4
5	15.8
6	18.6
Completely Agree	47.5

n=1523

It is up to each individual to control their own gambling

	% Response
Totally Disagree	4.4
2	4.1
3	6.2
4	6.0
5	10.2
6	12.1
Completely Agree	56.9

n=1523

Video lotteries are more addictive than slot machines

	% Response
Totally Disagree	14.6
2	10.5
3	10.4
4	19.2
5	16.1
6	11.9
Completely Agree	17.4

n=1331

In the case of **VLTs**, respondents were more likely to agree (than disagree) that **"Video Lotteries are becoming more popular."** They were also more likely to agree that **"More controls should be placed on where and when people can play Video Lotteries."**

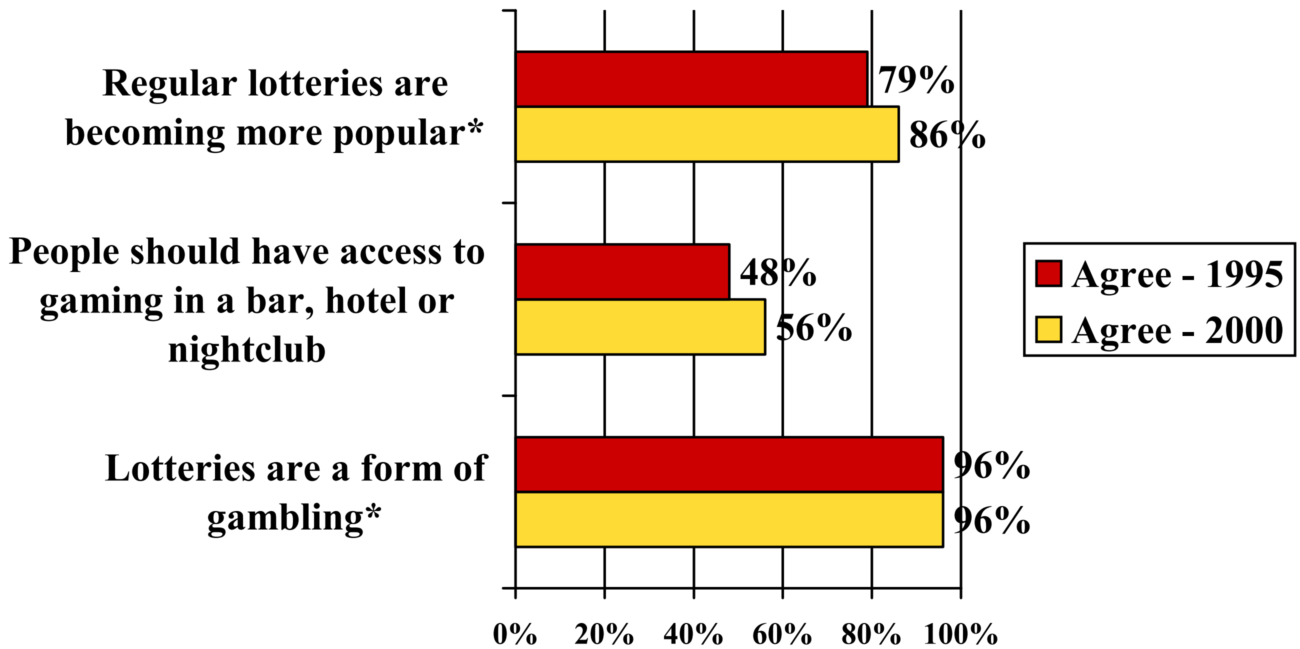
There are few regional differences in these attitudes:

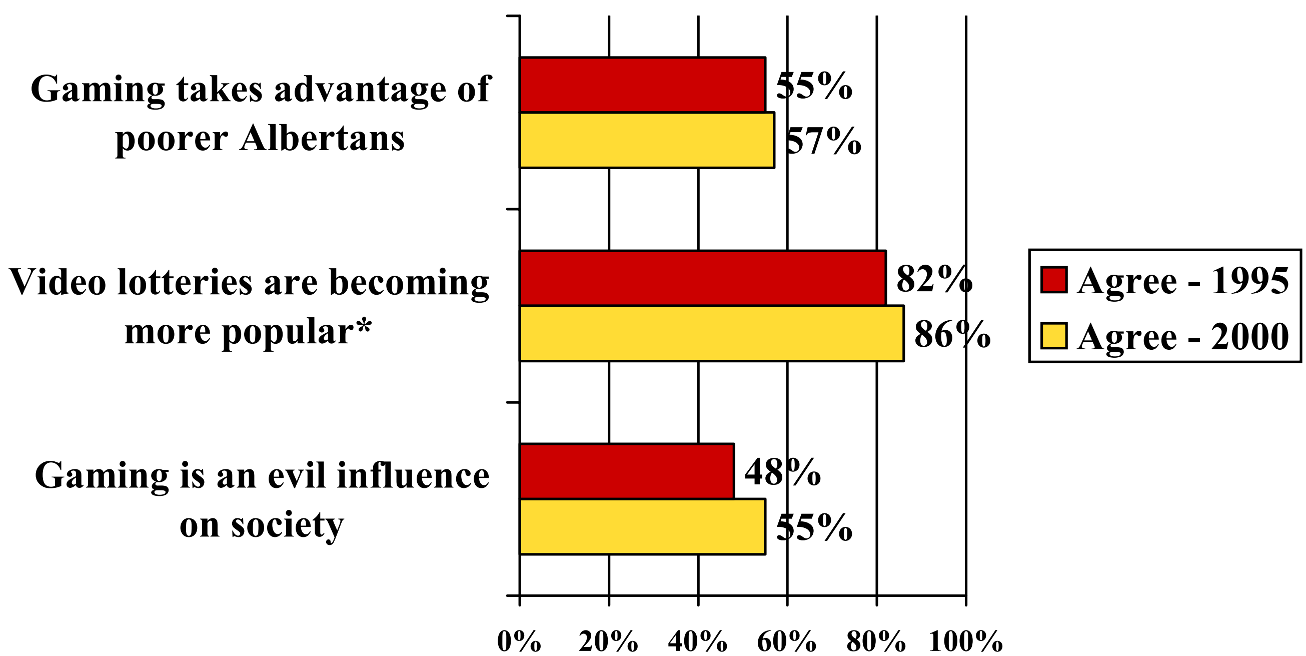
Those in Southern Alberta are less likely than those in Northern Alberta to want more controls on where people can play VLTs.
Those in Northern Alberta are the most likely to believe that VLTs are becoming more popular.

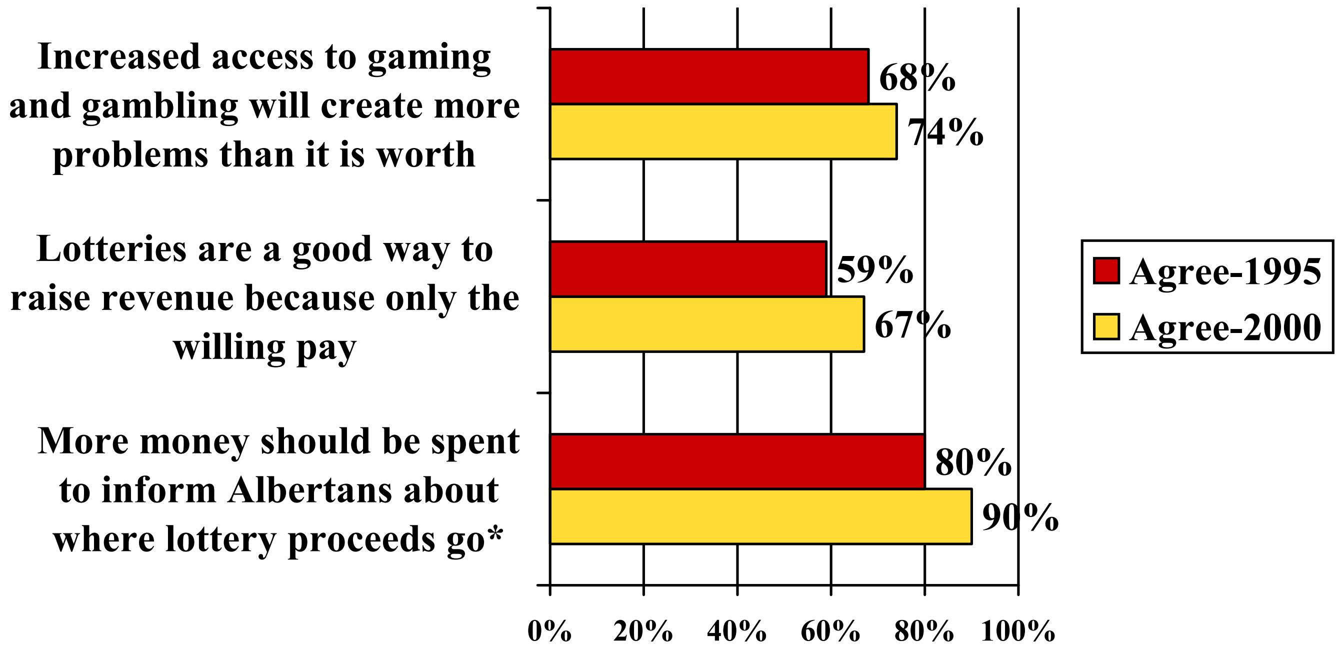
Comparison with responses from 1993/1994

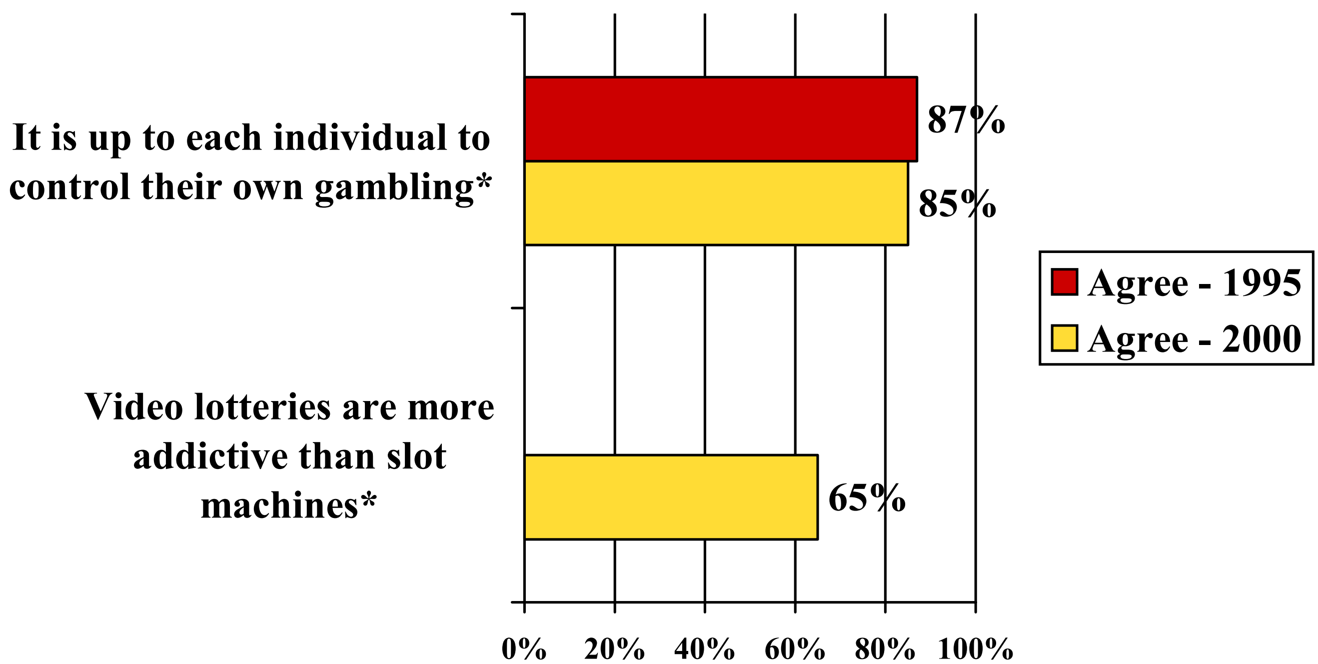
General attitudes towards gaming have changed little since 1993/1994 although opinion towards VLTs is significantly more negative now, particularly in Northern Alberta.

Shift in Attitudes Toward Gaming 1995-2000









12. IDEAL GAMING FACILITY

Respondents were asked to imagine they were going to design their ideal gaming facility. They were asked to rate the appeal of a number of different features of that ideal facility. The most appealing features for a large majority of respondents are '**Security'** and **a 'Clean modern environment.'**

'Intimate atmosphere', 'Themed décor' and 'Fast-food service' were the features least likely to receive an 'extremely appealing' rating. Less than a quarter of respondents rated these features at a high level of appeal.

Q16.2

Themed Decor

	% Response
Extremely appealing	23.1
2	12.2
3	20.4
4	18.3
5	10.4
6	6.2
Not at all appealing	9.4

n=646

Intimate Atmosphere

	% Response
Extremely appealing	20.3
2	12.2
3	20.8
4	18.6
5	12.1
6	5.1
Not at all appealing	10.9

n=645

Modern Furnishings and Equipment

	% Response
Extremely appealing	50.1
2	16.8
3	14.0
4	7.2
5	5.1
6	2.2
Not at all appealing	4.6

n=649

Live Entertainment

	% Response
Extremely appealing	30.4
2	11.2
3	18.3
4	13.8
5	9.8
6	4.3
Not at all appealing	12.1

n=651

Spacious Surrounding

	% Response
Extremely appealing	50.5
2	19.9
3	12.8
4	5.9
5	5.2
6	1.4
Not at all appealing	4.3

n=649

Fast Food Service

	% Response
Extremely appealing	23.8
2	12.1
3	18.5
4	15.8
5	13.8
6	5.4
Not at all appealing	10.7

n=647

Seated Dining

	% Response
Extremely appealing	34.5
2	14.9
3	18.5
4	11.2
5	6.9
6	4.9
Not at all appealing	8.9

n=649

Convenient Parking

	% Response
Extremely appealing	64.7
2	16.1
3	6.9
4	3.7
5	2.9
6	1.2
Not at all appealing	4.4

n=652

Liquor Service

	% Response
Extremely appealing	32.6
2	10.1
3	1631
4	14.4
5	9.2
6	5.1
Not at all appealing	12.4

n=651

Non-Smoking Sections

	% Response
Extremely appealing	60.1
2	7.7
3	0.9
4	5.9
5	4.2
6	2.0
Not at all appealing	12.3

n=649

Security

	% Response
Extremely appealing	75.5
2	11.7
3	3.9
4	2.5
5	.4
6	0.8
Not at all appealing	4.3

n=649

Easily Identifiable Staff

	% Response
Extremely appealing	63.9
2	14.6
3	8.6
4	4.0
5	2.8
6	1.7
Not at all appealing	4.5

n=651

Clean Modern Environment

	% Response
Extremely appealing	70.7
2	13.1
3	4.1
4	4.0
5	2.1
6	1.2
Not at all appealing	4.8

n=652

13. 1 PERCEPTIONS OF PROBLEM GAMBLING

Respondents were presented with a list of different games and gaming activities and asked to rate them on a scale from being harmless entertainment to hard gambling.

Internet gambling, Video Lotteries and **Coin operated slot machines** were the most likely to be considered as hard gambling.

Q17: Hard gambling vs. Harmless Entertainment

Raffles

	% Response
Harmless Entertainment	41.2
2	22.5
3	14.4
4	9.7
5	6.7
6	1.5
Hard Gambling	4.0

n=1509

Regular Bingos

	% Response
Harmless Entertainment	17.3
2	12.4
3	15.7
4	17.0
5	17.1
6	8.5
Hard Gambling	12.1

n=1510

Pull-Tabs

	% Response
Harmless Entertainment	19.0
2	12.5
3	18.0
4	19.1
5	15.0
6	6.3
Hard Gambling	10.1

n=1397

Five Minute Keno

	% Response
Harmless Entertainment	11.0
2	6.3
3	13.8
4	20.2
5	17.8
6	10.7
Hard Gambling	20.3

n=1239

Instant Tickets

	% Response
Harmless Entertainment	19.3
2	16.3
3	18.6
4	15.8
5	14.2
6	6.0
Hard Gambling	9.8

n=1499

Video Lotteries

	% Response
Harmless Entertainment	6.0
2	2.4
3	6.7
4	11.4
5	16.8
6	18.4
Hard Gambling	38.2

n=1472

Horse Race Betting

	% Response
Harmless Entertainment	8.0
2	3.7
3	9.8
4	14.9
5	20.1
6	16.3
Hard Gambling	27.2

n=1500

Sports Select

	% Response
Harmless Entertainment	16.1
2	11.7
3	21.2
4	16.6
5	17.0
6	6.7
Hard Gambling	10.7

n=1406

Local Casino Table Games

	% Response
Harmless Entertainment	5.7
2	3.5
3	8.2
4	13.5
5	18.0
6	17.6
Hard Gambling	33.4

n=1486

Coin Dispensing Slot Machines

	% Response
Harmless Entertainment	7.8
2	3.9
3	9.0
4	14.3
5	17.2
6	17.8
Hard Gambling	30.0

n=1502

Resort Casinos

	% Response
Harmless Entertainment	8.4
2	4.6
3	10.7
4	14.2
5	18.3
6	13.8
Hard Gambling	30.0

n=1489

Internet Gambling

	% Response
Harmless Entertainment	5.5
2	1.8
3	6.5
4	9.6
5	13.8
6	16.1
Hard Gambling	46.7

n=1389

Lotteries like Lotto 649

	% Response
Harmless Entertainment	20.7
2	15.2
3	18.2
4	16.3
5	13.7
6	7.3
Hard Gambling	8.6

n=1515

Bingo Played on a Computer Device in a Bingo Hall

	% Response
Harmless Entertainment	11.7
2	9.1
3	13.4
4	19.1
5	18.0
6	10.4
Hard Gambling	18.3

n=1433

Harmless Entertainment or Hard Gambling?

	Mean
Raffles	2.38
Pull-tabs	3.58
Instant tickets	3.47
Regular bingo	3.78
5 minute Keno	4.41
Video Lotteries	5.39
Horse Race Betting	4.93
Local Casino table games	5.22
Resort Casinos	4.91
Lotteries like Lotto 649	3.43
Sport Select	3.70
Coin dispensing slot machines	5.03
Internet Gambling	5.59
Bingo played on a computer device in a bingo hall	4.27

13.2 PROBLEM GAMBLING

Respondents were further asked for their top-of-mind impressions of which kind of gambling they would associate with 'problem gambling.'

Video Lotteries was mentioned (unaided) more frequently than any other gaming activity as 'problem gambling'—by just over 40% of respondents as a first mention and by more than half of all respondents as a combination of all mentions
Casino table games and **Slot machines** were other frequent mentions as types of problem gambling.

Q18
When you hear the words 'problem gambling' what kind of gambling comes to mind first? First Mention

	% Response
Video lotteries	43.1
Casino table games	18.9
Slot machines	13.1
Addictive/compulsive gambling	12.7
Horse racing	2.8
Bingos	2.6
Card games (all mentions)	1.6
All types of gambling	1.5
Poor people/spending beyond your means	0.8
Internet gambling	0.4
Regular lottery games	0.4
Bar gambling	0.3
Broken families	0.1
Games aren't the problem, people are	0.1
Illegal gambling	0.1

Problem gambling continued	
Instant tickets	0.1
Pull tabs	0.1
Sports betting	0.1
Refused	0.1
Other	1.0
Don't Know	0.2

n=1530

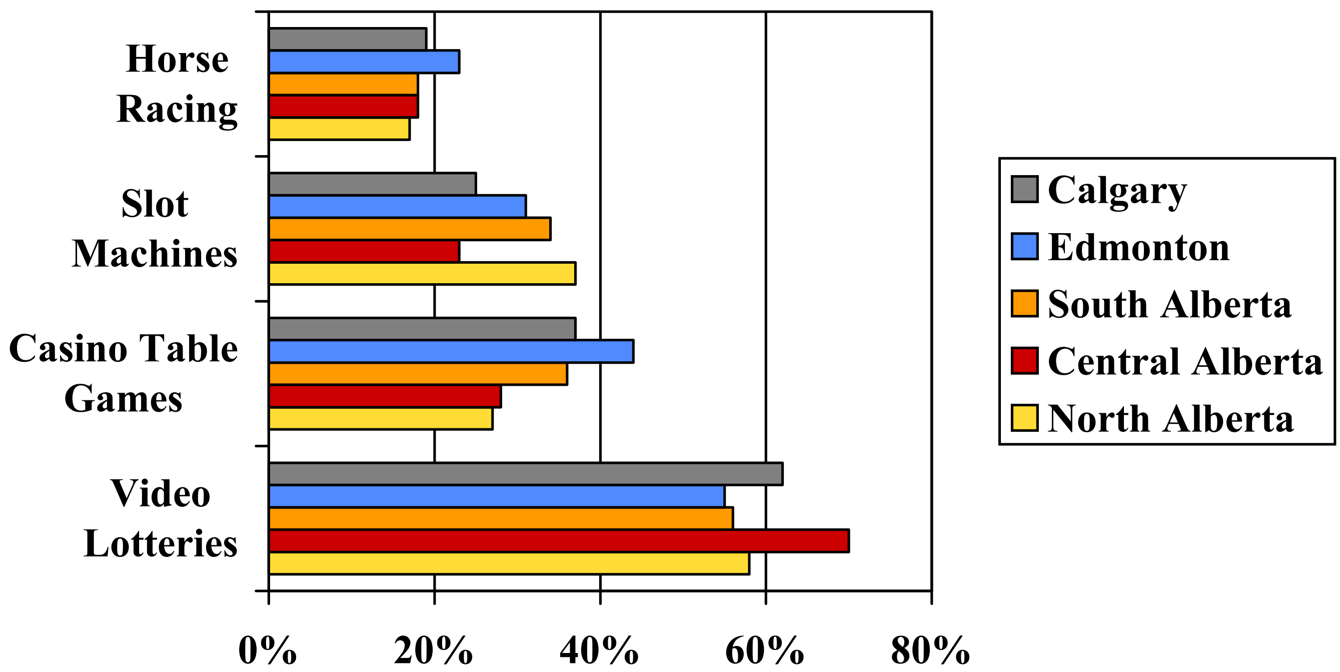
All Mentions

	% Response
Video lotteries	59.0
Casino table games	38.9
Slot machines	27.9
Horse racing	19.3
Bingos	18.0
Addictive/compulsive gambling	16.1
Card games (all mentions)	6.4
Regular lottery games	5.9
Internet gambling	3.4
All types of gambling	2.2
Poor people/spending beyond your means	1.3
Sports betting	0.7
Instant tickets	0.6
Bar gambling	0.5
Pull tabs	0.4
Illegal gambling	0.4
Sport select	0.3
alcoholism	0.2
Broken families	0.1
Stock market	0.1
Keno	0.1
Betting in general	0.1
Games aren't the problem, people are	0.1
Refused	0.1
Other	1.9
Don't Know	0.2

n = 1529

Looking at regional responses, those in Central Alberta mentioned Slot machines less often than respondents in other regions. Those in Northern Alberta mentioned Table Games on first mention more than any other region.

Games Associated With Problem Gambling—open ended



Respondents were next read a list of gambling activities and asked if they thought that activity either causes or is associated with any problems in Alberta.
A very high percentage of respondents felt that **Video Lotteries** are a problem—more than any other gaming activity presented. Other gaming activities with a high frequency of connection with problems are Slot Machines, Casino Table Games and Internet Gambling.

Q19

Regular lottery games

	% Response
Yes	37.9
No	62.7

n=1474

Bingos

	% Response
Yes	53.2
No	46.8

n=1490

Horse track betting

	% Response
Yes	68.2
No	31.7

n=1454

Video Lotteries

	% Response
Yes	85.7
No	14.2

n=1468

Casino table games

	% Response
Yes	76.7
No	23.3

n=1474

Break-opens (Pull-tabs)

	% Response
Yes	34.2
No	65.7

n=1358

Slot Machines

	% Response
Yes	80.5
No	19.4

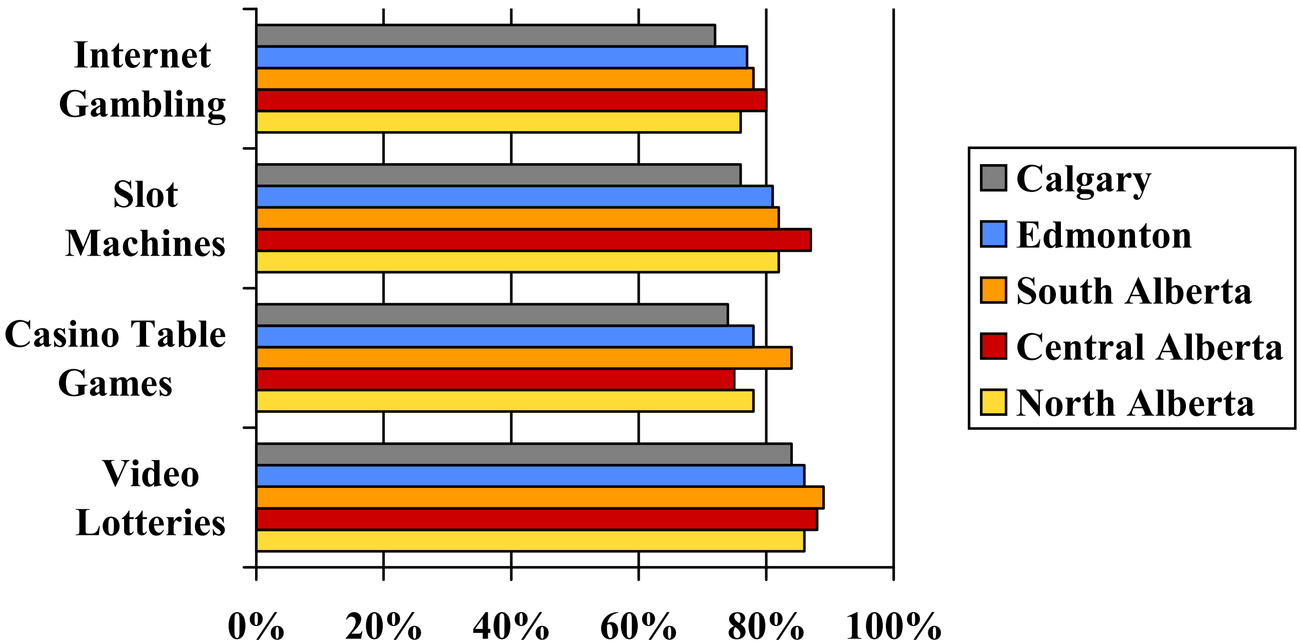
n=1487

Internet Gambling

	% Response
Yes	75.9
No	24.1

n=1313

Games Associated With Problem Gambling—direct question



A majority of respondents reported that over the past year problems associated with gambling in Alberta had increased or got worse.
Those in Northern Alberta were the most likely to say that problems had increased.

Q20
Over the past year do you thing problems associated with gambling in Alberta have…

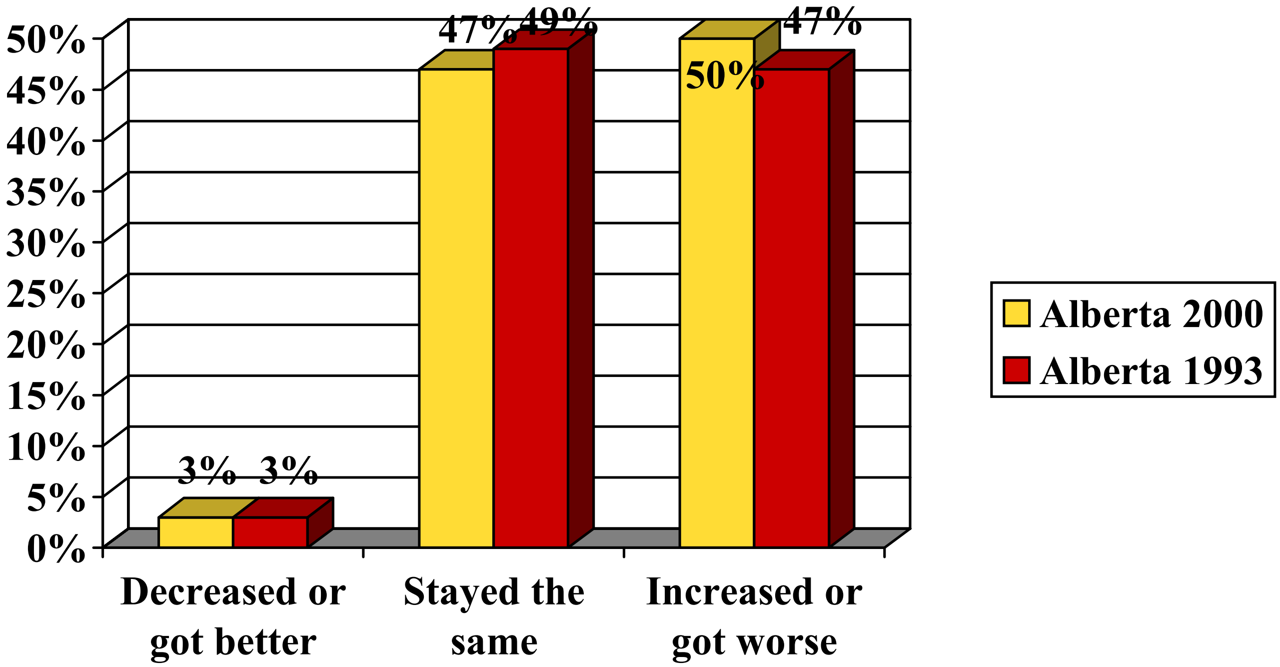
	% Response
Increased or got worse	51.9
Stayed the same	45.0
Decreased or got better	3.1

n=1367

Comparison with 1993

In 2000, more Albertans than in 1993 appear to feel that problems associated with gambling have got worse or increased.

Over the Past Year, Do You Think Problems Associated With Gambling in Alberta have…



14. PSYCHOGRAPHIC RESPONSES

All respondents were read a list of statements of how different people approach life and asked to rate how much they agreed or disagreed with each statement.

Almost half of all respondents strongly agreed that **'It's more important to understand my inner self than it is to be rich and powerful.'**
Other statements that received a high percentage of strong agreement ratings were **'I feel very comfortable with technology such as computers, instant banking machines or video games,'** and **'I prefer to work quietly behind the scenes without causing waves.'**
Statements that respondents were more likely to disagree with were 'Whether or not you make it in life is mostly determined by luck.' 'Most nights of the week I am out at a social event of some sort' and 'I think I would, or do, enjoy trading stocks on the internet.'

Q21

I pay close attention to what successful people are doing

	% Response
Disagree totally	14.9
2	13.5
3	14.0
4	16.6
5	17.8
6	10.4
Agree completely	12.9

n=1524

I enjoy introducing a small element of danger into my life

	% Response
Disagree totally	22.6
2	14.6
3	12.1
4	15.0
5	16.8
6	7.5
Agree completely	11.4

n=1529

I am more experimental than traditional

	% Response
Disagree totally	17.2
2	11.6
3	13.7
4	18.1
5	15.8
6	9.7
Agree completely	13.9

n=1521

It's very important to me to feel I am part of a group

	% Response
Disagree totally	19.9
2	13.0
3	14.2
4	17.0
5	14.6
6	9.3
Agree completely	12.0

n=1521

Life should be enjoyed as much as possible today without worrying about the future

	% Response
Disagree totally	16.2
2	11.5
3	12.9
4	12.9
5	16.9
6	8.7
Agree completely	20.8

n=1523

Most nights of the week I am out at a social event of some sort

	% Response
Disagree totally	44.0
2	19.6
3	11.2
4	7.7
5	7.3
6	4.5
Agree completely	5.6

n=1524

I like to win and enjoy the feeling that I have beaten the rest of the world

	% Response
Disagree totally	23.5
2	14.3
3	11.9
4	14.2
5	15.5
6	7.6
Agree completely	13.0

n=1512

I enjoy a challenge, pitting myself against the odds

	% Response
Disagree totally	13.8
2	9.8
3	11.7
4	14.8
5	20.7
6	12.5
Agree completely	16.9

n=1517

I prefer to work quietly behind the scenes without causing waves

	% Response
Disagree totally	10.9
2	8.0
3	12.8
4	16.3
5	17.0
6	12.0
Agree completely	22.9

n=1520

People should have the right to do what they want to do, even it if could hurt them

	% Response
Disagree totally	19.9
2	9.9
3	12.2
4	12.7
5	15.7
6	9.9
Agree completely	19.7

n=1520

Everything is changing too fast today

	% Response
Disagree totally	17.2
2	11.2
3	13.4
4	16.8
5	15.3
6	8.2
Agree completely	17.9

n=1526

I feel very comfortable with technology such as computers, instant banking machines or video games

	% Response
Disagree totally	11.2
2	5.0
3	6.9
4	9.9
5	15.7
6	17.5
Agree completely	33.7

n=1529

Whether or not you make it in life is mostly determined by luck

	% Response
Disagree totally	52.9
2	19.4
3	9.7
4	6.7
5	5.7
6	2.4
Agree completely	3.3

n=1530

I often feel left out of decisions that affect me

	% Response
Disagree totally	31.4
2	18.5
3	13.4
4	1.3
5	10.3
6	6.5
Agree completely	8.7

n=1512

It's more important to understand my inner self than it is to be rich and powerful

	% Response
Disagree totally	5.1
2	2.8
3	6.0
4	11.6
5	12.3
6	16.2
Agree completely	46.1

n=1518

I think I would, or do, enjoy trading stocks on the internet

	% Response
Disagree totally	47.5
2	13.4
3	8.0
4	8.8
5	10.1
6	5.2
Agree completely	6.9

n=1502

15. COMMUNICATION ON GAMING

More than a third of respondents named **Newspapers** as their primary source of information about gaming. TV was another common gaming information source named by just under a quarter of respondents.

Q22
What is your primary source of information (if any) about gaming? First Mention

	% Response
Newspaper	38.1
TV	22.5
Word of mouth	11.8
None	7.2
Personal experience	6.1
Radio	3.3
Ads/Brochures	1.6
Magazines	1.5
Media	1.1
Work	1.0
Internet	0.9

Primary source of information continued	
Community involvement	0.6
Lottery booth tickets	0.5
Bars and restaurants and hotels	0.4
This phone call	0.4
At the bingo hall/casinos	0.3
Gaming commission	0.3
Luck Magazine	0.2
Other signs/banners at community events	0.2
ADAC/gamblers anonymous/anti-gambling social service	0.2
Construction Site Signs (Community facilities)	0.1
Other	1.8

n=1509

All Other Mentions

	% Response
Newspaper	61.6
TV	49.4
None	39.0
Word of mouth	22.9
Magazines	7.9
DK/NS	5.4
Ads/Brochures	4.4
Internet	3.5
Work	1.7
Media	1.6
Other signs/banners at community events	1.1
Community involvement	1.0
Lottery booth tickets	0.9
Luck Magazine	0.8
Festival Poster of Arts Events Programs	0.6
At the bingo hall/casino	0.6
This phone call	0.5
Bars and restaurants and hotels	0.5
Construction Site Signs (Community facilities)	0.4
ADAC/gamblers anonymous/anti-gambling social service	0.4
Gaming commission	0.3
Books/reading about it	0.2
School	0.1
Other	3.0

n = 1530

16. LEISURE ACTIVITIES

When asked about their leisure activities, a very high, 99% of respondents reported having gone to a **restaurant** in the past year. Other common activities were going to a **private party** or to a **movie** in the past year.

Q23

In the past year have you gone to a movie?

	% Response
Yes	75.1
No	24.9

n=1530

In the past year have you gone to live theatre?

	% Response
Yes	41.7
No	58.3

n=1527

In the past year have you gone to a live concert?

	% Response
Yes	40.2
No	59.8

n=1529

In the past year have you gone to a neighborhood pub?

	% Response
Yes	53.6
No	46.4

n=1529

In the past year have you gone to a sports bar?

	% Response
Yes	37.0
No	63.0

n=1530

In the past year have you gone to a tavern (with live entertainment)?

	% Response
Yes	44.4
No	55.6

n=1526

In the past year have you gone to a night club (with dancing)?

	% Response
Yes	41.9
No	58.1

n=1530

In the past year have you gone to a restaurant?

	% Response
Yes	98.6
No	1.4

n=1530

In the past year have you gone to a hall party?

	% Response
Yes	33.6
No	66.4

n=1513

In the past year have you gone to a rave?

	% Response
Yes	4.8
No	95.2

n=1507

In the past year have you gone to a private party?

	% Response
Yes	78.0
No	22.0

n=1530

In the past year have you gone to a live sporting event?

	% Response
Yes	54.5
No	45.5

n=1530

In the past year have you gone to a games parlor (i.e. bowling alley, pool hall)?

	% Response
Yes	39.5
No	60.5

n=1528

In the past year have you gone to a museum/gallery?

	% Response
Yes	50.9
No	49.1

n=1530

In the past year have you gone to an exhibition/tradeshow

	% Response
Yes	59.7
No	40.3

n=1527

The average restaurant-going respondent went to a restaurant 6 times in the past year. Movies and private parties were both attended 1.5 times on average.

Q24
How may times in the past month have you gone to a movie?

	% Response
0	36.9
1	28.4
2	18.8
3	6.9
4	3.9
5	1.8
6	0.9
7	0.5
8	0.3
9	0.1
10	0.8
12	0.3
15	0.1
20	0.1
25	0.1
100	0.1

n=1146

How may times in the past month have you gone to live theatre?

	% Response
0	65.9
1	25.9
2	4.9
3	1.3
4	0.8
5	0.6
6	0.3
10	0.2

n=637

How many times in the past month have you gone to a live concert?

	% Response
0	63.8
1	27.0
2	4.9
3	1.5
4	1.8
5	0.2
6	0.2
7	0.2
8	0.2
10	0.2
15	0.2

n=614

How many times in the past month have you gone to a neighborhood pub?

	% Response
0	31.5
1	27.9
2	19.1
3	5.2
4	6.5
5	2.5
6	1.1
7	0.5
8	0.9
10	2.0
11	0.1
12	0.6
15	0.6
16	0.1
20	1.1
30	0.2
100	0.1

n=815

How many times in the past month have you gone to a sports bar?

	% Response
0	44.3
1	27.4
2	15.4
3	4.4
4	2.8
5	2.1
6	0.4
7	0.2
8	0.4
10	1.2
13	0.2
15	0.4
20	0.4
25	0.2
30	0.2
120	0.2

n=566

How many times in the past month have you gone to a night club (with dancing)?

	% Response
0	41.8
1	22.3
2	11.9
3	4.2
4	6.1
5	3.3
6	2.4
7	1.3
8	1.4
9	0.2
10	2.4
12	1.1
15	0.6
20	0.8
22	0.2
26	0.2

n=637

How many times in the past month have you gone to a tavern?

	% Response
0	45.3
1	28.2
2	12.4
3	5.0
4	3.1
5	1.8
6	1.3
7	0.6
8	0.4
9	0.4
10	0.3
12	0.1
13	0.1
15	0.1
16	0.1
17	0.1
20	0.3
50	0.1

n=677

How many times in the past month have you gone to a restaurant?

	% Response
0	3.4
1	11.1
2	16.3
3	13.9
4	14.0
5	8.5
6	7.8
7	1.8
8	3.3
9	0.3
10	7.1
11	0.1
12	2.8
13	0.1
14	0.2
15	2.1
16	0.1
17	0.1
18	0.1
20	3.9
22	0.1
24	0.1
25	0.6
28	0.1
30	1.7
31	0.1
35	0.1
48	0.1
60	0.2
90	0.1
100	0.2

n=1502

How many times in the past month have you gone to a rave?

	% Response
0	41.9
1	39.2
2	12.2
3	1.4
5	2.7
9	1.4
28	1.4

n=74

How many times in the past month have you gone to a private party?

	% Response
0	34.3
1	32.1
2	19.5
3	6.8
4	2.7
5	1.6
6	0.5
7	0.3
8	0.6
9	0.1
10	0.3
12	0.5
15	0.1
18	0.1
20	0.3
24	0.2
50	0.1

n=1192

How many times in the past month have you gone to a live sporting event?

	% Response
0	55.4
1	21.2
2	7.3
3	3.2
4	3.4
5	1.1
6	1.1
7	0.2
8	2.0
9	0.1
10	2.2
11	0.1
12	0.5
13	0.1
14	0.1
15	0.4
16	0.2
17	0.1
20	0.5
25	0.2
30	0.4
40	0.1

n=831

How many times in the past month have you gone to a games parlor?

	% Response
0	51.7
1	24.8
2	10.1
3	5.8
4	3.5
5	1.3
6	0.3
7	0.7
8	0.2
10	0.8
13	0.2
15	0.3
20	0.5

n=602

How many times in the past month have you gone to a museum/gallery?

	% Response
0	59.9
1	27.1
2	7.3
3	2.2
4	0.9
5	0.4
6	0.1
7	0.5
8	0.4
10	0.3
17	0.1
20	0.3
30	0.3
90	0.1
100	0.1

n=776

How many times in the past month have you gone to an exhibition/tradeshow?

	% Response
0	70.1
1	23.8
2	4.6
3	1.0
4	0.3
6	0.1

n=910

How many times in the past month have you gone to a …?

	Mean
Movie	1.49
Live theatre	1.10
Live concert	0.57
Neighborhood pub	2.21
Sports bar	1.58
Tavern (with live entertainment)	1.34
Night club (with dancing)	2.07
Restaurant	6.12
Hall party	0.66
Rave	1.32
Private party	1.45
Live sporting event	1.67
Games parlor (i.e. bowling alley, pool hall)	1.20
Museum/gallery	1.05
Exhibition/tradeshow	0.38

II. SEGMENTATION ANALYSIS

Three types of information were used to produce various segments or clusters
- **Gaming and Life Psychographic Factors**
- **Gaming Attitude Factors**
- **Gaming play Factors**

The cluster analysis was used to produce a six segment solution.

Psychographic Factors included the following:

- **Attitudes towards gaming in Alberta**
- **Thrill-seeking behaviour**
- **Control of own life, comfort with change**
- **Addictiveness of games**
- **Popularity of games**
- **Introverted behaviour**
- **Attitudes towards lotteries**

Gaming attitude factors in terms of which games are considered hard gambling vs. soft gambling include:

Hard:
- Casino table games
- Slot machines
- Video lotteries
- Resort Casinos
- Internet gambling
- 5 minute Keno
- Computer bingo

Soft:
- Raffles
- Instant Tickets
- Lotteries
- Pull Tabs
- Sport Select
- Bingo
- Computer Bingo

Gaming play factors include:

Lotteries:

- ❑ The Plus

- Lotto 649
- Western 649
- Super 7
- The Extra

Challenge Games:

- Table games at a casino
- Sport Select
- Sports or other betting pools
- Internet gambling
- Pick 3

Traditional Games:

- Bingo
- Video Lotteries
- Slot Machines
- Instant tickets
- Break Opens

Horse Race Betting:

- Horse race Betting at a track
- Off Track Horse Race Betting

The six segments determined through cluster analysis are:

Gaming Opponents
- Opposed to gaming for moral and social reasons

Detached Non-gamers
- Do not want to be involved
- Will oppose gaming if pushed

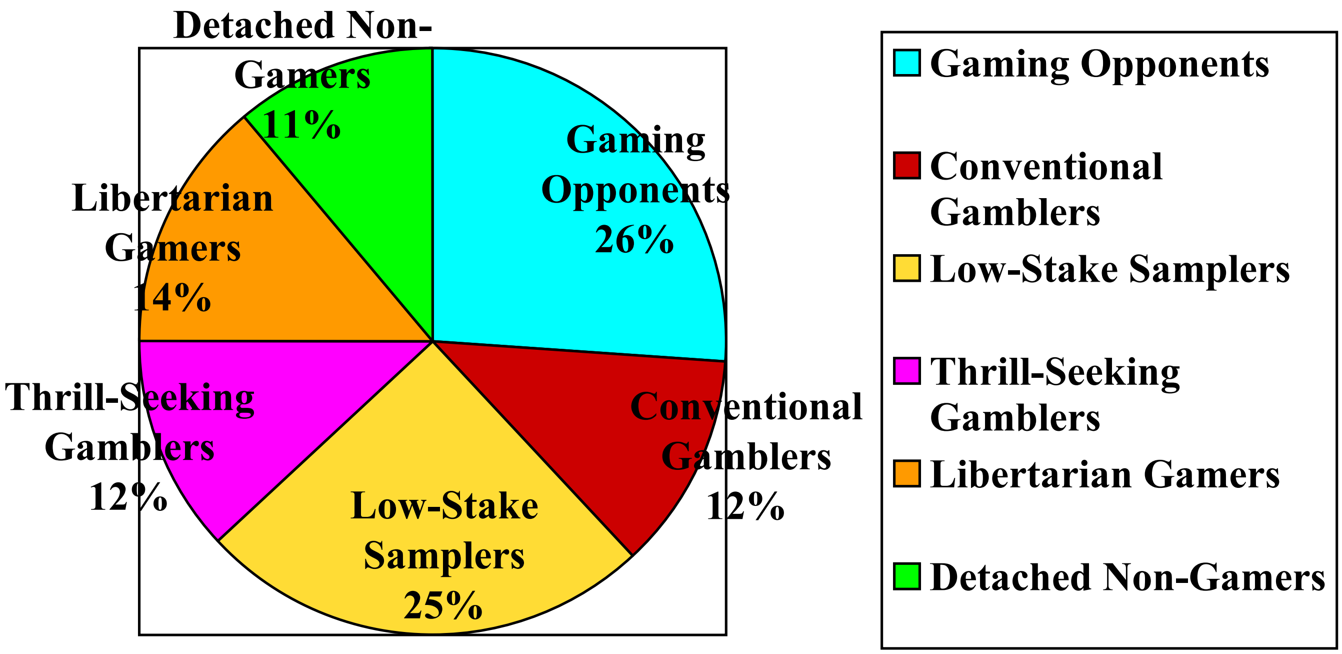
Low-stakes Samplers
- Play low-stakes games
- Not risk-takers

Conventional Gamblers
- Mainstay of games such as bingo, lotteries and VLTs
- Lower income/education

Thrill-seeking Gamblers
- Young and social, risk-takers
- Spend the most on gaming

Libertarian Gamers
- Individualistic and strongly support open access to gaming

Gaming Segments



2000

- Gaming Opponents (26%)
- Detached Non-Gamers (11%)
- Low-Stake Samplers (25%)
- Conventional Gamblers (12%)
- Thrill-Seeking Gamblers (12%)
- Libertarian Gamers (14%)

- 1994
- Prohibitionists (15%)
- Uninvolved Critics (8%)
- Concerned Dabblers (29%)
- Traditional Players (21%)
- Interactive Gamblers (8%)
- Challenge Fans (19%)

Conventional Gamblers include many more VLT players than the Traditional Players Segment.
Detached Non-Gamers are not nearly as vocally critical as Uninvolved Critics.
Some of those who may have been Traditional Players but who are not interested in VLTs may have moved to join the Concerned Dabblers, producing a Low-Stakes Samplers segment with an increased share of the Lottery Ticket players.
Others who may have been Traditional Players may have moved into the Gaming Opponents segment.

GENERAL GAMING ATTITUDES

	Gaming Opponents	Detached Non-Gamers	Low-Stake Samplers	Conventional Gamblers	Thrill-Seeking Gamblers	Libertarian Gamers
General Gaming Attitudes	Clearly, Gaming Opponents have a very negative attitude towards gaming. They believe that it is a negative influence on society, taking advantage of poorer Albertans. They believe increased access to gaming causes problems and they would like greater controls on access to gaming such as video lotteries. Gaming Opponents feel lotteries are not a good way of raising revenues. Furthermore, they feel that the government is dependent on these revenues. Members of this group would also like the Alberta government to do more to inform Albertans about where lottery proceeds go.	Detached Non-Gamers are the only group that does not believe that lotteries are a form of gaming. They are also the least likely to believe that lotteries are becoming more popular. They don't think that the government should spend money on informing Albertans about lottery proceeds. However, other than the Gaming Opponents, Detached Non-Gamers are the least likely to believe that the individual should control their own gaming. They generally do not support access to gambling.	While Low-Stake Samplers believe that the government is dependent on lotteries, they feel that this is a good way to raise revenues. They agree that VLTs are more addictive than slots but also believe that individuals should control their own gambling habits. They would also like the Alberta government to spend money to inform Albertans about lottery proceeds.	There is a fair degree of support for access to gaming from Conventional Gamblers. They think people should have year round access to slots and that individuals should control their own gambling habits. They do however agree that video lotteries are becoming more popular and that they are more addictive than lotteries. Conventional Gamblers also believe the government is dependent upon lottery revenues.	Attitudes towards gaming within this group are not particularly extreme in either direction. Overall, Thrill-Seeking Gamblers support access to gaming and they believe the individual is responsible for controlling their own gambling. They do not believe that the government is dependent on lottery revenues or that gaming is an evil influence on society.	Libertarian Gamers are the strongest supporters of access to gaming in bars and hotels generally and to slots, on a year round basis. They do not believe that there is too much gaming in Alberta or that there should be greater controls placed on access to VLTs. They do not feel gaming is evil or that it takes advantage of poorer Albertans. They do believe that gaming is a good way to raise revenues.

GENERAL LIFE ATTITUDES

	Gaming Opponents	Detached Non-Gamers	Low-Stake Samplers	Conventional Gamblers	Thrill-Seeking Gamblers	Libertarian Gamers
Life Attitudes	Members of this group do not enjoy taking chances and they think ahead to the future. They are not particularly extroverted and they believe people should be protected from engaging in activities that may be harmful to them.	While Detached Non-Gamers claim to be experimental, they feel things are changing too fast and do not feel in control of their lives. They also believe people should be able to do as they wish.	On average, Low-Stake Samplers are not into taking risks, they are not experimental, they plan for the future and they think things are changing too fast. They are also not very sociable.	While traditional gamblers like to work behind the scenes, they enjoy being part of a group. They believe things are changing too fast but they like to live for the moment and to beat the odds.	Thrill-Seeking Gamblers are very sociable. While they like to be noticed, they enjoy being part of a group and they pay attention to what others are doing. They like to experiment, take risks and beat the odds. They are comfortable with change.	Libertarian Gamers are somewhat more individualistic than Thrill-Seeking Gamblers. They don't need to be part of a group or pay attention to what others are doing. They believe people should be free to do as they wish even if it hurts them. Like Thrill-Seeking Gamblers, they enjoy a little risk and like to beat the odds. They live for the moment, like to experiment, and they are comfortable with change and new technology. They feel they are in control of their lives.

GAMING HABITS

	Gaming Opponents	**Detached Non-Gamers**	**Low-Stake Samplers**	**Conventional Gamblers**	**Thrill-Seeking Gamblers**	**Libertarian Gamers**
Gaming Habits	There is little gaming within this segment. The primary gaming is raffles and lottery tickets. Although 50% of this group has bought a lottery ticket in the past year, this is less than any other segment. Seventy percent of all Albertans bought a lottery ticket last year. Gaming Opponents are the second largest purchasers of raffle tickets (63%).	There is not a great deal of gaming within this group. They are less likely than the average to play all games, particularly those games that traditional gamblers play, such as lotteries, video lotteries and bingos. Of the lotteries that they do play Super 7 and Western 649 are near the top. Only Gaming Opponents play fewer games than Detached Non-Gamers.	Members of this group play many lottery tickets, instant tickets and raffles. They are the largest raffle ticket purchasers. Lottery tickets that they often buy are the Plus, Super 7, the Extra, Western 649 and Lotto 649. They indicate that these patterns will continue into the future.	Members of this group enjoy lotteries, instant tickets, break-opens, raffles, slots, video lotteries and bingo. This group purchases more lottery tickets, instant tickets and break opens than any other group. Lotteries they are particularly fond of are The Plus, Western 649 and Lotto 649. They indicate that they will also likely play the Plus and Super 7. This group plays more video lotteries and bingo than any other group. They indicate that this will continue into the future. As for slots, Conventional Gamblers are on a par with Thrill-Seeking Gamblers.	Members of this group enjoy sport select, sport betting, table games, slots, video lotteries and horse racing. They also enjoy instant tickets. This group plays more sport betting, sports select, table games and horse racing than any other group. They play as much slots as do Conventional Gamblers. They enjoy sports related games. Thrill-Seeking Gamblers indicate they will continue to play a great deal of sport select, sport pools, table games, slots and horse racing betting.	Members of this group play many games. However, there is no one game that this group plays more than any other group. One quarter of Libertarian Gamers enjoy sports pools and sport betting. Three quarters buy lottery tickets and almost a half buy instant tickets. Some Libertarian Gamers also play video lotteries, slots and casino table games. Members of this group indicate that they will continue to play video lotteries into the future.

NON-GAMING ACTIVITIES

	Gaming Opponents	**Detached Non-Gamers**	**Low-Stake Samplers**	**Conventional Gamblers**	**Thrill-Seeking Gamblers**	**Libertarian Gamers**
VLT Habits	Of those Gaming Opponents that play VLTs, 29% say that their playing has decreased their spending on lottery tickets.	Detached Non-Gamers that play VLTs feel that their playing has had no effect on their spending on other games.	While the majority of VLT players claim to go to bars to both socialize and play, 30% of Low-Stake Samplers indicate they prefer to just play VLTs.	While less than a quarter of VLT players believe that VLTs have increased their gaming winnings, 42% of Conventional Gamblers believe VLTs have increased their gaming winnings.	While most VLT players feel that their playing has had no effect on their gaming spending, 60% of Thrill-Seeking Gamblers believe VLTs have increased their spending.	Libertarian Gamers that play VLTs feel that their playing has had no effect on their spending on other games.
Slot Machine Habits	There is very little slot playing within this group.	There is very little slot playing within this group.	Slots have not increased winnings or spending within Low-Stake Samplers	While only about 15% of all slot players feel that slot machines increase their overall gaming winnings, over 30% of Conventional Gamblers believe that slots have increased their gaming winnings.	While about a quarter of all slot players believe that slots have increased their total gaming spending, Almost 40% of Thrill-Seeking Gamblers feel slots have increased their spending.	While about 65% of all slot players prefer to just play slots when at a casino, over 80% of Libertarian Gamers prefer to just play slots.

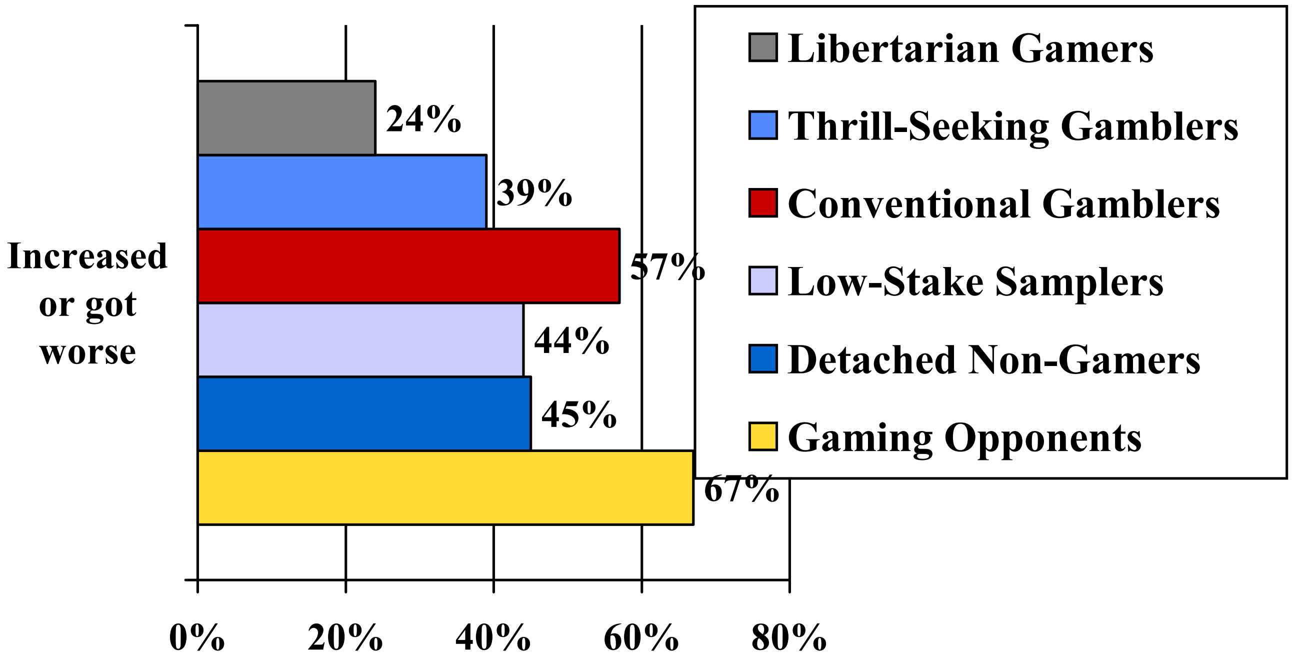
Non-Gaming Activities	Members of this segment are the most likely to attend live theatre and visit museums and galleries.	Members of this group participated about as often or less often than the average Albertan in any of the activities presented in this survey.	Members of this group go to more museums/ galleries and trade shows/ exhibitions than the average.	Many of the members of this segment like to go to pubs, taverns, night clubs and games parlours. They also attend trade shows/ exhibitions.	This is the most active group in terms of going out. They go out to many places and often. These places include movies, pubs, sports bars, taverns, night clubs, restaurants, private parties, sporting events and games parlours. Although few people overall go to raves, more members (17%) of this group go to raves than any other segment.	Members of this group are not as active as the Thrill-Seeking Gamblers but they go out far more often than average. They often go to restaurants and a great many of them go to movies, pubs, sports bars, taverns, night clubs and game parlours.

PROBLEM GAMING ATTITUDES

	Gaming Opponents	Detached Non-Gamers	Low-Stakes Samplers	Conventional Gamblers	Thrill-Seeking Gamblers	Libertarian Gamers
Harmless Gaming vs. Hard Gambling	Gaming Opponents rated VLTs, internet gambling, local casino table games, slot machines and resort casinos as the hardest forms of gaming. The scores ranged from 6.34 out of 7 for VLTs to 5.89 for resort casinos. Members of this group rated all forms of gaming except Raffles as greater than 4.	The top forms of hard gambling for Detached Non-Gamers are internet gambling, VLTs, local casino games and slots. Scores for these five ranged from 5.30 to 4.68.	The top forms of hard gambling for Low-Stakes Samplers are internet gambling, VLTs, local casino table games, slots and resort casinos. Scores for these five ranged from 5.98 to 5.15.	The top forms of hard gambling for Conventional Gamblers are internet gambling, local casino games, VLTs, slots and horse race betting. For these five, the scores ranged from 5.72 to 4.95.	The top five forms of hard gambling for Thrill-Seeking Gamblers are VLTs, internet gambling, local casino table games, slots and resort casinos. Scores for these five ranged from 5.12 to 4.52.	Libertarian Gamers rated all forms of gaming as less than a 4 out of 7. Their top five are internet gambling, horse race betting, local casino games, slots and resort casinos. Scores for these five ranged from 3.19 to 2.54.

	Gaming Opponents	Detached Non-Gamers	Low-Stake Samplers	Conventional Gamblers	Thrill-Seeking Gamblers	Libertarian Gamers
Problem Gambling Attitudes	Almost 70% of Gaming Opponents believe problems associated with gambling have got worse in Alberta over the past year. When asked what form of gaming respondents identified with the term "problem gambling," VLTs were the first mention for the majority of members of every group. For Gaming Opponents the second most frequent first mention was table games at a casino (16%). When asked about specific games, more members of this group agreed that each game was associated with problem gambling than any other group. Sixty-eight percent of Gaming Opponents agreed that lotteries are associated with problem gambling compared to 35% of all Albertans.	About 45% of Detached Non-Gamers believe problems associated with gambling have got worse over the past year. Like all segments except Libertarian Gamers, a majority of Detached Non-Gamers agreed that VLTs, table games, slots and horse race betting are associated with problem gambling. Other than VLTs, 16% of Detached Non-Gamers mentioned table games first as a form of gaming associated with problem gambling. Fourteen percent mentioned slots.	About 45% of Low-Stake Samplers believe problems associated with gambling have got worse over the past year. Low-Stake Samplers are as likely or less likely than Conventional Gamblers, to identify each form of gaming with problem gambling. As with all other groups (except Libertarian Gamers), a majority of Low-Stake Samplers agreed that VLTs, table games, slots and horse race betting are associated with problem gambling. As a game associated with problem gambling, the second most frequent first mention was table games at a casino (18%).	While Conventional Gamblers are strong gamers, over 50% of them believe problems associated with gambling in Alberta has got worse over the past year. Other than VLTs, about 16% of Conventional Gamblers mentioned slots first as a game associated with problem gambling. When all games mentioned are considered, VLTs, casino table games and slots come out on top. This is a consistent result for all segments. When questioned about specific games, all groups identified VLTs, table games, slots and horse track betting the most often. The difference between segments is less the order in which they place games along the gambling spectrum and more the degree of severity they place on these games.	Less than 40% of Thrill-Seeking Gamblers believe problems associated with gambling have got worse over the past year. Thrill-Seeking Gamblers are the second least likely to identify each form of gaming with problem gambling. Other than VLTs, 14% mentioned table games first as a form of gaming associated with problem gambling. Thirteen percent mentioned slots.	Less than 25% of Libertarian Gamers believe problems associated with gambling have got worse over the past year. Libertarian Gamers are the least likely to identify each form of gaming with problem gambling. Unlike any other segment, a majority disagreed that any form of gaming was associated with problem gambling with the exception of VLTs. Other than VLTs, 19% of Libertarian Gamers identified casino table games first as a game associated with problem gambling.

Over the Past Year, Do You Think Problems Associated With Gambling in Alberta Have…



For all segments, Video Lotteries were mentioned first by a majority of respondents as a form of gaming associated with "problem gambling."
Other than VLTs, games most often associated with problem gambling are table games, slots, horse race betting and internet gambling.
The difference between segments is not in the games associated with problem gaming but the extent to which they are seen as problematic.

GAMING ACCESS ATTITUDES

	Gaming Opponents	Detached Non-Gamers	Low-Stake Samplers	Conventional Gamblers	Thrill-Seeking Gamblers	Libertarian Gamers
Gaming Access Attitudes	Gaming Opponents would like every form of gaming to be reduced or to remain the same. They would like to see less access to internet gambling, table games at casinos, slot machines and VLTs. They would like access to sport betting, horse race betting, bingo, lotteries, break-opens, and raffles to remain the same. With the exception of raffles, even for those games, to which Gaming Opponents would like access to remain the same, at least 30% of them would like to see a reduction. This includes lotteries for which only 10% of all Albertans would like to see a reduction.	The attitudes of Detached Non-Gamers towards access to gaming is in line with that of the typical Albertan. That is, a clear majority would like to see no change in access to any gaming except for VLTs, internet gambling and slots. About 50% would like to see a reduction in access to the first two and over 35% would like to see a reduction in access to slots.	Like Conventional Gamblers, Low-Stake Samplers would like to see access to gaming remain the same with a few exceptions. About 20% would like to see a reduction in access to table games at casinos and about 30% would like to see a reduction in access to slots. Over 40% would like a reduction in access to VLTs and over 55% would like a reduction in access to internet gambling.	Conventional Gamblers would like to see access to gaming remain the same. There is a sizable minority that would like access to some games reduced. These games are raffles, slots, VLTs and the internet. About 20% of Conventional Gamblers would like to see less access to slots, about 30% would like to see less access to VLTs and raffles, and 45% would like to see less access to internet gambling.	Over 20% of Thrill-Seeking Gamblers would like to see an increase in access to horse race betting. Other than that, they would like to see access to gaming remain about the same. About 30% of this group would like to see a reduction in VLTs and internet gambling and 20% would like a reduction in access to bingos and slots.	Libertarian Gamers are the most supportive of access to gaming. With the exception of only two games, no more than 10% of Libertarian Gamers would like a reduction in any form of gaming. The exceptions are VLTs (20% of this group would like a reduction in access) and internet gambling (30% would like a reduction). Libertarian Gamers are the most likely to agree that people should have access to gaming in a bar, hotel or nightclub.

GAMING PROCEEDS-KNOWLEDGE AND ATTITUDES

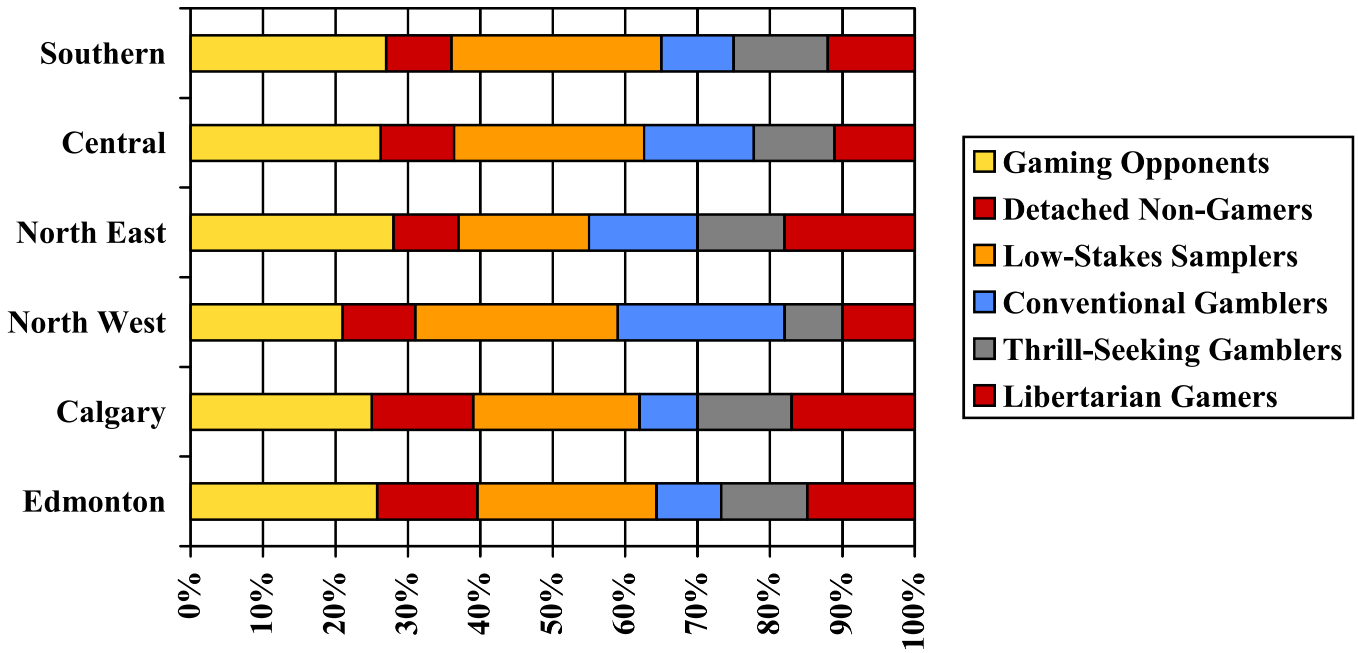
	Gaming Opponents	Detached Non-Gamers	Low-Stake Samplers	Conventional Gamblers	Thrill-Seeking Gamblers	Libertarian Gamers
Perceived Knowledge of Gaming Proceeds	Gaming Opponents' perceived knowledge of gaming proceeds distribution matches that of the average Albertan. That is, they believe they are somewhat informed about the distribution of proceeds from Bingos, Lotteries and Raffles. They believe they are not informed on the distribution of proceeds from casinos, VLTs, horse races and slots.	Like Gaming Opponents, Detached Non-Gamers' perceived knowledge of gaming proceeds matches that of the average Albertan.	As with Gaming Opponents, Low-Stake Samplers' perceived knowledge of gaming proceeds matches that of the average Albertan. The only exception is that they feel a little better informed about Bingo proceeds than the average.	Conventional Gamblers stand out from the average in that they feel particularly uninformed about the distribution of casino and lottery proceeds.	Thrill-Seeking Gamblers feel more informed about casino, VLT, horse race and slot proceeds than the average. However like the average Albertan, they generally feel uninformed on these games.	Generally Libertarian Gamers feel less informed than other segments on the proceeds from a number of games. They do not feel informed about bingo or lottery proceeds. They generally feel informed about raffle proceeds but less informed than other segments. They also feel even less informed than others about slot proceeds.

	Gaming Opponents	Detached Non-Gamers	Low-Stake Samplers	Conventional Gamblers	Thrill-Seeking Gamblers	Libertarian Gamers
Gaming Proceeds Attitudes	For most forms of gaming, Gaming Opponents are less likely to agree that the proceeds go to a good cause. While all segments agree that the proceeds of bingos and lotteries go to a good cause, Gaming Opponents are less likely to agree. Just over 50% of them feel the proceeds from VLTs and casinos go to a good cause which again is less then the 65% of the general population that feel this way. They do not believe that the proceeds from slots go to a good cause, while the general consensus is that they do. Furthermore, while most Albertans do not feel the proceeds from horse race betting go to a good cause, Gaming Opponents feel particularly strongly on this point.	Detached Non-Gamers are generally in line with the feeling of the average Albertan on proceeds distribution. The majority feels that the proceeds from casinos, VLTS and slots go to a good cause. A clear majority feels that the proceeds from bingos, lotteries and raffles go to a good cause. They tend to disagree that the proceeds from horse race betting go to a good cause.	Like the Conventional Gamblers, Low-Stake Samplers are more likely than the average to feel that VLT proceeds go to a good cause. They are also fairly evenly split on the issue of horse race betting proceeds.	Conventional Gamblers stand out from the average Albertan in that they are even more likely to feel that the proceeds from VLTs and slots go to a good cause and they are less negative about horse race betting proceeds.	While not as negative about the distribution of gaming proceeds as Gaming Opponents, Thrill-Seeking Gamblers are less positive than the average on a number of games. They do feel that the proceeds from bingo go to a good cause but less so than any group except the Gaming Opponents. They are fairly evenly split on the issue of proceeds from slots and casinos, which is less than the general approval from most Albertans. Thrill-Seeking Gamblers are also the second most likely to disagree that horse race betting proceeds go to a good cause. Gaming Opponents are the first.	Libertarian Gamers generally agree that the proceeds from all forms of gaming go to a good cause. They are the only group that has this opinion about the proceeds from horse race betting.

DEMOGRAPHICS

	Gaming Opponents	Detached Non-Gamers	Low-Stake Samplers	Conventional Gamblers	Thrill-Seeking Gamblers	Libertarian Gamers
Demographics	Gaming Opponents comprise about one quarter of the population. This is the most educated segment with over 46% having completed a college or university degree. Sixty-one percent of Gaming Opponents are female.	The demographic composition of this group is also fairly typical of Albertans generally. Members of this group are more likely than any other segment to have seen little or no change in their income. They also tend to come from households with few children. There are proportionally more of them in Calgary and Edmonton than other groups	Low-Stake Samplers are older than average – more than 73% are over 35 – and most of them are married. They are of average income and education levels.	This segment is about two thirds female; proportionally fewer of them live in Calgary or Edmonton than any other segment; and more of them reside in central Alberta. They are less educated (less than 18% have a university or college degree) and they tend to have lower than average incomes. Less than 10% are employed professionals compared to 18% of the Alberta Population. Almost one quarter is in semi-skilled clerical or sales positions, again compared to 18% of the Alberta population.	This is the youngest segment with 46% of the members being under 25. This is reflected in the disproportionate number of them that are still students. Thrill-Seeking Gamblers as a whole tend to have relatively high incomes, particularly given their young age, and on average they have seen their income rise recently. The majority of them are single.	The demographic composition of this group is fairly close to that of all Albertans. The primary difference is that more of them are in full time employment than the average and therefore have above average incomes. Fifteen percent of them are in skilled craft professions, compare to 7% of the Alberta population.

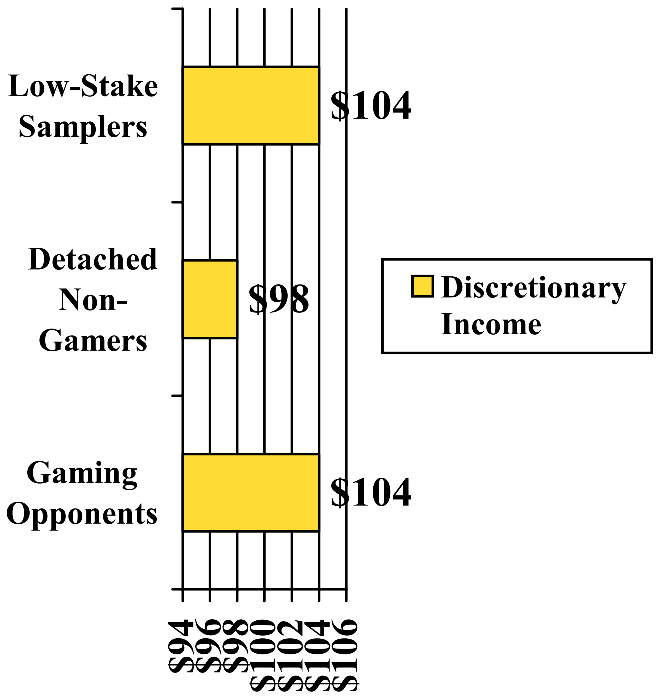
Demographics by Cluster, by Region slide

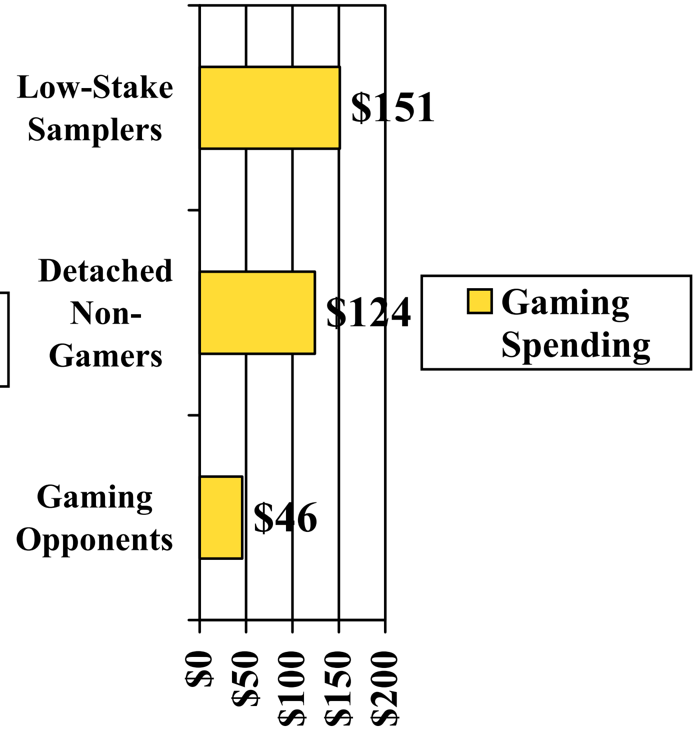


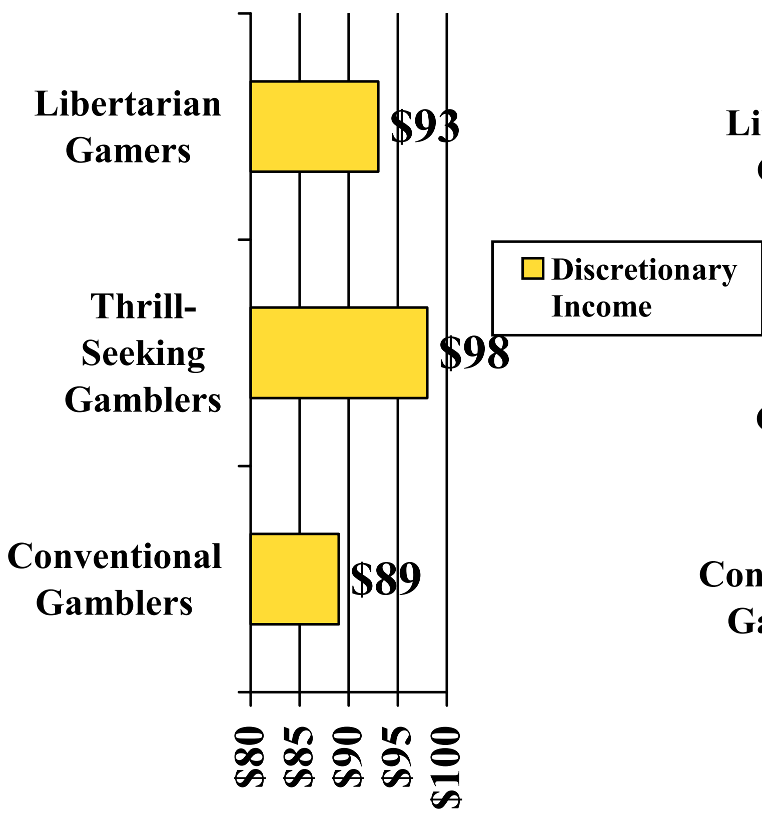
SPENDING PROFILE

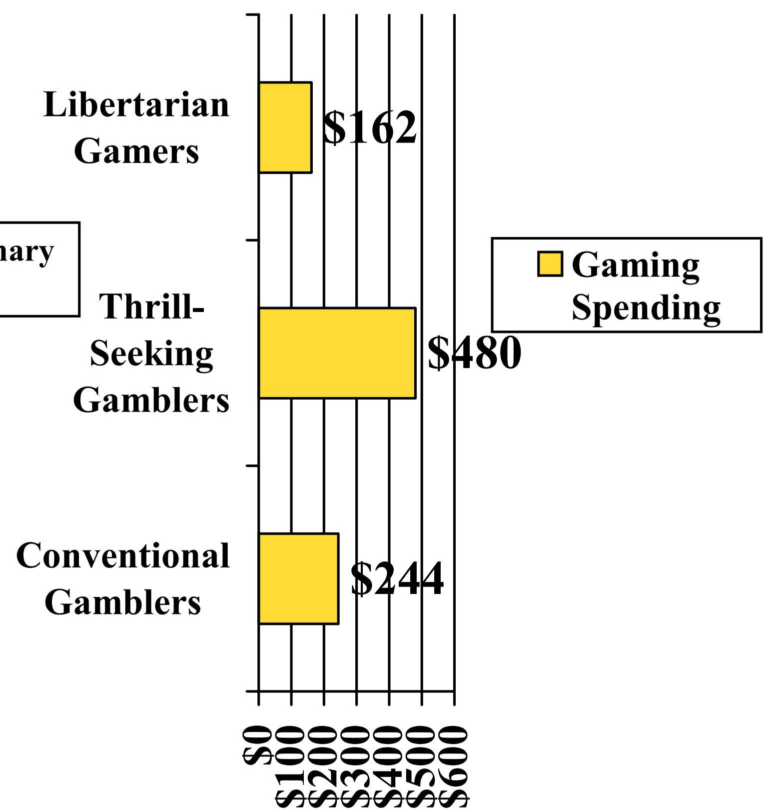
	Gaming Opponents	Detached Non-Gamers	Low-Stake Samplers	Conventional Gamblers	Thrill-Seeking Gamblers	Libertarian Gamers
Spending Profile	Gaming Opponents, Low-Stake Samplers and Detached Non-Gamers have the most discretionary income by segment. However, the differences between groups overall are small. For every $100 in discretionary income that the average Albertan has, the average Gaming Opponent has $104. The difference in gaming spending is much larger. For every $100 the average Albertan spends on gaming, the average Gaming Opponent spends less than $50.	Detached Non-Gamers have about the same amount of discretionary income as Low-Stake Samplers and they spend a little less on gaming. For every $100 the average Albertan spends, the average Detached Non-Gamer spends $124.	Low-Stake Samplers have about the same amount of discretionary income as Gaming Opponents but they spend three times as much on gaming. For every $100 the average Albertan spends on gaming, the average Low-Stake Sampler spends $150.	Conventional Gamblers have the least discretionary income. For every $100 the average Albertan has, the average Conventional Gambler has less than $90. However, they spend the second greatest amount on gaming. For every $100 the average Albertan spends, the average Conventional Gamblers spends $244.	Of the three segments that participate in gaming the most, Thrill-Seeking Gamblers have the most discretionary income. Their discretionary income is about equivalent to that of the average Albertan. Their spending though, is almost 5 times that of the average Albertan. For every $100 the average Albertan spends, the average Thrill-Seeking Gambler spends $480.	Libertarian Gamers have slightly less discretionary income than Thrill-Seeking Gamblers, although the difference is small. For every $100 the average Albertan has, the average Thrill-Seeking Gambler has about $93. Libertarian Gamers spend less than Thrill-Seeking Gamblers or Conventional Gamblers but more than Low-Stake Samplers, Gaming Opponents or Detached Non-Gamers. For every $100 the average Albertan spends, the average Libertarian Gamer spends $162.

Spending Profile









PREFERRED VLT LOCATION

	Gaming Opponents	Detached Non-Gamers	Low-Stake Samplers	Conventional Gamblers	Thrill-Seeking Gamblers	Libertarian Gamers
Preferred VLT Location	Gaming Opponents would prefer to see video lotteries in resort or local casinos. Just over 50% of VLT players within this segment would also be happy to see them in a gaming room in a hotel. Those that do not play VLTs within this group would also be fine with VLTs being available in a location devoted to VLTs.	Over 60% percent of Detached Non-Gamer VLT players would like to see video lotteries made available in a location devoted to VLTs. There is no other location that a majority of the VLT players within this group would like to see video lotteries. Non-players would be willing to see them in a number of locations including casinos, a location devoted to VLTs and hotel gaming rooms.	Over 77% of Low-Stake Sampler VLT players would like video lotteries to remain in bars and lounges. Sixty-seven percent would like video lotteries to be available in a hotel gaming room. Again, non-players of VLTs within this segment would also be willing to see VLTs in any of these locations.	Eighty-eight *insert* percent of VLT players within the Conventional Gamblers segment would like video lotteries to be available in bars and lounges. Over 80% would also be happy to see them in a location devoted to video lotteries or in a gaming room in a hotel. Sixty-eight percent of Conventional Gambler VLT players would also like to see video lotteries in casinos. Non-players of VLTs within this segment would also be willing to see VLTs in any of these locations.	Like Conventional Gamblers, Thrill-Seeking Gambler VLT players would like video lotteries to remain in bars and lounges. They would also be happy to see them available in local or resort casinos, hotel gaming rooms and locations devoted to VLTs. Non-players of VLTs within this group would be willing to see VLTs in any of these locations.	Libertarian Gamer VLT players would like to see video lotteries remain in bars and lounges. They would also be happy to see them available in local casinos, hotel gaming rooms and locations devoted to VLTs. Non-players of VLTs within this group would be willing to see VLTs in any of these locations.

Those who play VLTs primarily want them in bars. Those who are opposed to VLTs primarily want them in casinos or eliminated. A majority of all groups would like them in casinos, hotel gaming rooms or a location devoted to VLTs.
Eighty per cent of the largest VLT playing group would like them in hotel gaming rooms or a location devoted to VLTs, 60% would like them in casinos.
Moving VLTs to a hotel gaming room or a location devoted to VLTs would reduce the risk of losing VLT players that is involved in moving VLTs to casinos.

POTENTIAL FOR A NEW CASINO

	Gaming Opponents	Detached Non-Gamers	Low-Stake Samplers	Conventional Gamblers	Thrill-Seeking Gamblers	Libertarian Gamers
Potential for a New Casino	Few Gaming Opponents play casino table games or slots. In fact, 50% of Gaming Opponents would like a reduction in access to table games and 60% would like a reduction in access to slots. Not only would Gaming Opponents not be interested in a new Casino, they would react negatively to it.	About 10% of Detached Non-Gamers play slots and very few of them play table games. They are quite negative towards access to casino games. Over ¼ would like a reduction in table games and over 1/3 would like a reduction in slots. While not as severe as that amongst Gaming Opponents, the reaction to a new casino from Detached Non-Gamers would be negative.	There is some slot playing amongst, Low-Stake Samplers and not much table game playing. Twenty percent of them would like a reduction in access to casino table games and 30% would like a reduction in access to slots. Again, there is not much call for a new casino within this group. It is not clear if Low-Stake Samplers would react negatively to a new casino.	One third of Conventional Gamblers play slots. They are on a par with Thrill Seeking Gamblers as the largest slot-playing segment. Despite this fact, over 20% would like to see a reduction in access to slots. Less than 10% would like an increase. This is due in part to concerns regarding the addictive nature of slots. Few Conventional Gamblers play table games. All in all there is not much of a call for a new casino within this group.	If there is room for a new casino, it is within this segment. One quarter of them play table games and 1/3 play slots. Almost 20% would like an increase in access to table games and almost 15% would like an increase in access to slots. These are not necessarily the same individuals. In fact a total of 25% of Thrill-Seeking Gamblers would like to see greater access to slots, table games or both. There is little to no opposition to a new casino within this group	About 10% of Libertarian Gamers play casino table games and 16% play slots. About 10% would like an increase in access to slots, table games or both. The call for a new casino within this group is not large but there isn't a significant opposition either.

There is no call for a new casino. Thrill-seeking Gamblers and Libertarian Gamers would be attracted to a new casino, while Low-stakes Samplers and Conventional Gamblers would not be interested in a new casino and some would even be opposed.
Many Detached Non-Gamers would be opposed, but this opposition would likely not result in any action. Gaming Opponents would be strongly opposed. Public reaction to a new casino would be noticeably, but not overwhelmingly, negative.

POTENTIAL FOR A HOTEL GAMING ROOM

	Gaming Opponents	Detached Non-Gamers	Low-Stake Samplers	Conventional Gamblers	Thrill-Seeking Gamblers	Libertarian Gamers
Potential of a Hotel Gaming Room	There is minimal support for any gaming to be available anywhere, but amongst those Gaming Opponents that play slots, over 50% would like to see them available in a hotel gaming room. Over 50% of non-players would also not object to them being in such a location.	Detached Non-Gamers are the least likely to want games available in a hotel gaming room. There is little gaming amongst this segment to start with and the attitudes of players and non-players alike is that gaming should not be overly intrusive. There is some interest in having keno, break-opens and break-opens from a dispensing machine being available in a hotel gaming room. However, the numbers within this group that are actually interested in these games are so low there is little validity to them.	Almost 70% of VLT players within this group would like VLTs available in hotel gaming rooms. About 55% of those that purchase break-opens and about 65% of those that participate in off-track horse race betting would like to do so in a hotel gaming room. Almost 60% of those interested in keno and almost 75% of those interested in purchasing break-opens from a dispensing machine would enjoy doing so in a hotel gaming room. In all of the above cases non-players showed equal or stronger support for these games being available in a hotel gaming room.	About 80% of VLT players within this group would like VLTs available in a hotel gaming room. About 55% of slot players would like slots in a hotel gaming room. About 70% of those that indicated they would play keno would like it available in such a location. The same applies to those that indicated they would purchase instant-tickets from a dispensing machine. In all of the above cases non-players showed equal or stronger support for these games being available in a hotel gaming room. About 80% of those interested in break-opens from a dispensing machine and 70% of those that are not interested, would be happy with these dispensing machines being in a hotel gaming room.	Over 75% of VLT players within this group would like VLTs to be available in hotel gaming rooms. Sixty percent of slot players feel the same about slots and 80% of break-open purchasers feel the same about break-opens. Of those interested in keno, 60% said they would be happy to see it made available in a hotel gaming room. Sixty-five percent of those interested in purchasing instant tickets from a dispensing machine and about 70% of those interested in purchasing break-opens from a dispensing machine would like those dispensing machines made available in hotel gaming rooms. Again, in all of the above cases non-players showed equal or stronger support for these games being available in a hotel gaming room.	About 70% of VLT players within this group would like VLTs to be available in hotel gaming rooms. The same percentage of those that purchase break-opens would like to be able to do so in a hotel gaming room. Also, 50% of those that purchase instant tickets would like to do so in such a location. Over 65% of those interested in playing keno, almost 60% of those interested in purchasing instant tickets from a dispensing machine, and 70% of those interested in purchasing break-opens from a dispensing machine would like to do so in a hotel gaming room. Once again, in all of the above cases non-players showed equal or stronger support for these games being available in a hotel gaming room.

There is demand for instant tickets and break-opens from either dispensing machines or some other form in hotel gaming rooms.
There is demand for Keno to be available in hotel gaming rooms.
Many would like VLTs in hotel gaming rooms while some would like slots in hotel gaming rooms.
There is little opposition to the above—the group most opposed is not Gaming Opponents, yet rather, the Detached Non-Gamers.
Public support for hotel gaming rooms is strong.

POTENTIAL TO EXPAND OR INCREASE GAMING

	Gaming Opponents	Detached Non-Gamers	Low-Stake Samplers	Conventional Gamblers	Thrill-Seeking Gamblers	Libertarian Gamers
Potential to Expand or Increase Gaming	Member of this group would like to see no change or a reduction in gaming in general. They are particularly in favour of a decrease in internet gambling, table games, slots, and video lotteries. They are not particularly opposed to lotteries or raffles.Greater controls on access to VLTs would please members of this group although they would rather VLTs not be accessible at all. Gaming Opponents are against gaming because of its negative social impact. Many are also morally opposed to gaming – "it is evil." Thus, there is little room to expand gaming within this group.	Detached Non-Gamers are not fond of quick changes. While they feel people should do as they want and on the issue of gambling the majority believe it is up to the individual to control their own habits, fewer members of this group have this attitude towards gambling than any other group. There is very little gaming within this group and it is unlikely that it will increase. For the most part Detached Non-Gamers would rather not be bothered with gaming and any attempt to involve them may only be received negatively.	Low-Stake Samplers are supportive of the government using gaming to raise revenues. They are not, however, themselves interested in overly challenging or overly risky games. They are not particularly into gaming as a form of social activity. If gaming is going to be increased within this group it is most likely going to be in the number of lottery and instant tickets purchased. Only 20% said they would purchase an instant ticket from a dispensing machine, which is as low as any segment except the Gaming Opponents. While the majority of Low-Stake Samplers would like to see the availability of video lotteries remain the same, over 40% would like to see it reduced. Thirty percent would also like a reduction in access to slots.	Members of this segment would like to see greater availability of raffles and bingo. They are the mainstay for traditional Bingo, instant tickets and break-opens. Not surprisingly, they are the most likely to purchase an instant ticket from a dispensing machine (1/2 indicated an interest), a break-open from a dispensing machine (1/3 indicated an interest), or play computer bingo (1/3 indicated an interest). A third of Conventional Gamblers also indicated that they would be interested in playing Keno. There is some interest in the reduction of access to slots and VLTs, which members of this group play extensively. Thirty percent would like a reduction in VLTs and 20% would like a reduction in slots. However, less than 15% want a reduction in both.	Thrill-Seeking Gamblers are responsive to new types of gaming. Almost ½ said they would purchase an instant ticket from a dispensing machine; 1/3 said they would be interested in a TV lottery game show; and 1/3 said they would play Keno. Thrill-Seeking Gamblers will also definitely continue to play sports related games (including horse race betting), casino table games and slots. They have explicitly indicated a desire for an increase in access to horse race betting and they are unlikely to be opposed to an increase in table games or slots. There is a 30% contingent of Thrill-Seeking Gamblers that would like to see a reduction in VLT accessibility. There is also a 20% that would like a reduction in bingo - probably because of a lack of interest, not because they disapprove.	Libertarian Gamers enjoy sport related games and they buy lottery and instant tickets. There is some VLT, slot and casino game playing. They are not opposed to gaming in any way but they are less eager than Thrill-Seeking Gamblers. They are somewhat less likely to go out on the frequent basis that Thrill-Seeking Gamblers do and are less likely to be in search of new entertainment experiences. Libertarian Gamers are most likely to be interested in new forms of sport related games or lotteries. Also, over ¼ of them indicated an interest in buying an instant ticket from a dispensing machine.

GENERAL INFORMATION SOURCES

	Gaming Opponents	Detached Non-Gamers	Low-Stake Samplers	Conventional Gamblers	Thrill-Seeking Gamblers	Libertarian Gamers
Gaming Information Sources	Of those that have read or heard something about gaming in Alberta, half of them saw it in the newspaper – over 10% mentioned TV. This pattern holds true for all segments, with the number mentioning a newspaper varying between 46%-59% and those mentioning TV varying between 8%-21%. Newspapers and TV are also mentioned the most frequently when respondents are asked their primary source of information on gaming. Forty percent of Gaming Opponents mentioned newspapers as their primary source and 65% mentioned it as a source. Over 20% of Gaming Opponents mentioned TV as their primary source and 55% mentioned it as a source.	Over 40% percent of Detached Non-Gamers mentioned newspapers as their primary source and almost 70% mentioned it as a source. Less than 20% mentioned TV as their primary source and about 50% mentioned it as a source.	Almost 50% of Low-Stake Samplers mentioned newspapers as their primary source and 70% mentioned it as a source. Twenty-three percent mentioned TV as their primary source and 54% mentioned it as a source.	Conventional Gamblers are the least likely to mention newpapers as their primary source of information on gaming. Twenty percent mentioned newspapers as their primary source and 48% mentioned it as a source. Over 25% of Conventional Gamblers mentioned TV as their primary source and 52% mentioned it as a source.	Over 30% percent of Thrill-Seeking Gamblers mentioned newspapers as their primary source and over 60% mentioned it as a source. About 25% mentioned TV as their primary source and almost 50% mentioned it as a source.	Over 30% percent of Libertarian Gamers mentioned newspapers as their primary source and over 50% mentioned it as a source. About 25% mentioned TV as their primary source and about 40% mentioned it as a source.

COMMUNICATION STRATEGY

	Gaming Opponents	Detached Non-Gamers	Low-Stake Samplers	Conventional Gamblers	Thrill-Seeking Gamblers	Libertarian Gamers
Communication Strategy	Gaming Opponents are unlikely to be convinced by arguments regarding the right of the individual to gamble or the benefits of the proceeds of gaming. Gaming Opponents are the segment that agrees most strongly that more money should be spent to inform Albertans about where lottery proceeds go. It is probable though that this is with the hope that this knowledge will convince other not to gamble. For casinos, lotteries and raffles, Gaming Opponents do show an improvement in opinion on gaming proceeds with increased knowledge – but it is small. There is very little that AGLC can do to appeal to this segment.	This is the only segment that does not strongly or completely agree that more money should be spent to inform Albertans about where lottery proceeds go. Detached Non-Gamers are a difficult group to communicate with. While a majority agrees that it is up to the individual to control their own gaming, they believe this less than any other group. They might accept the argument that there are benefits from the distribution of gaming proceeds. However, given that they do not want to see money spent on communications from AGLC, too large a campaign would be poorly received. Furthermore, the relation between positive attitudes towards proceeds distribution and increased knowledge of distribution tends not to hold for Detached Non-Gamers	Low-Stake Samplers make up a quarter of the Alberta population. Since the opinions of Gaming Opponents (which also make up a quarter of the population) are unlikely to change, Low-Stake Samplers are an important group to communicate with. They have indicated that they are responsive both to the argument that the individual should be responsible for their own gaming habits and that the proceeds from gaming benefit society.	Conventional Gamblers have some concerns about the government's dependence on gaming revenues. They do not feel very informed about the distribution of casino and lottery proceeds. There are gains to be made in communicating the benefits of proceeds distribution to members of this group. A positive correlation between casino proceeds knowledge and attitudes exists within this group. While Conventional Gamblers support the argument that the individual should control their own gaming habits, there are fears within this group about the addictive nature of VLTs. Sixty-seven percent of them believe problems associated with gambling have got worse over the past year – mostly in connection to VLTs. Communicating with members of this group on this issue would also be advantageous.	Thrill-Seeking Gamblers are supportive of the right of the individual to control their own gaming. They are not, however, convinced that the proceeds go to a good cause. This is definitely a group that could be targeted for information on proceeds distribution. There is a strong correlation between increased knowledge of proceeds distribution and positive attitudes towards proceeds. This is particularly true for bingo proceeds, horse racing proceeds, raffle proceeds and slot machine proceeds. It does not hold for VLT proceeds.	Libertarian Gamers are more likely than any other group to believe gaming proceeds go to the government. Despite the fact that they are no more likely to identify the government as a desirable recipient of these proceeds, they have the most positive attitude towards proceeds distribution. They also claim the least knowledge of the distribution of gaming proceeds. This all points to the fact that Libertarian Gamers are not generally concerned about the distribution of proceeds. Their attitudes towards gaming are based more on the right of the individual to gamble and their own desire to gamble, than on perceived benefits or ills to society. This group is AGLC's strongest supporter. Targeting them may be like preaching to the converted.

III. CONCLUSIONS AND RECOMMENDATIONS

- The research clearly shows that increasing the cap on VLTs would be very negatively received by the majority of Albertans. Even if changes are made to VLT distribution, it is essential that these change are not perceived as increasing access in any way. It needs to be clearly perceived as a change of venue.
- There is a strong correlation between a positive attitude towards gaming and knowledge of proceeds distribution. The more informed people are about where their money goes, the more positive is their attitude towards gaming.
- General opinions about gaming have remained relatively unchanged since 1995. However, public perception towards VLTs has become significantly worse. A plebiscite held today may not produce significantly different results but opinions towards VLTs would definitely not have improved.
- Gaming opponents, at 26% of the sample population and Low Stakes Samplers,at 25%, are probably the segments with the highest proportion of adult Albertans comprising just over 50% of the adult population in Alberta. They are an important group to consider when making policy decisions.
- Gaming was cited as an important issue by only 1.3 % of adult Albertans surveyed and was 19th in order of issues mentioned. The three most frequently mentioned issues were healthcare, education and taxes.
- There is wide public support for moving VLTs to casinos. However, this move risks losing some VLT players. VLT s can be moved to hotel gaming rooms or a location devoted to VLTs—either of which would be a popular move with non-players and not opposed by players.
- There is no demand from the public for more casinos. On the other hand there would likely not be significant opposition to a new casino. Caution should be exercised in any initiatives in this direction.
- Players would prefer to keep VLTs in bars and lounges However, if VLTs were removed from bars and lounges and relocated to hotel gaming rooms or a specific VLT location the majority of players (71% and 72% respectively) would continue to play. Bingo halls are the <u>least</u> favoured location for VLT players to play VLTs.
- Only 4% of Albertans want increased access to both table games and slot machines. At least 28% of Albertans called for a reduction in all types of casino gaming in Alberta. Even among players of table games, there is little demand for increased availability. While 20% of table players want increased accessibility to table games, the same percentage of players would like to see a reduction in availability. Whereas only 11% of slot players want an increase in accessibility to slot machines, 21% would like to see a reduction in slot machine availability.
- New games such as Keno, instant tickets from vending machines and pull-tab vending machines could likely be introduced into hotel gaming rooms with little opposition. Although there is less support for these new products being introduced into locations devoted to VLTs there is still general overall support. Players would be unlikely to oppose these games being made available at these locations. In general, there is little opposition to introducing Keno or pull-tabs from a dispensing machine into any location However, only 12% and 9% of respondents (respectively) indicated they would play these games if they were made available.
- Pull-tickets have experienced the greatest decline in player participation rates—down by 12% since 1993.Bingo and VLTs have both experienced similar declines of 5% in participation rates. However, player expenditures in all areas have increased significantly.
- Internet gaming is considered to be a very dangerous activity and could certainly generate significant opposition from the majority of Albertans. This opposition would occur with or without media attention.
- In general there are no significant regional differences between the market segments. The most opposition to increasing the availability of gaming would come from Calgary, Edmonton and Southern Alberta. Those in

Central and NorthWest Alberta are potentially most in favour of increasing the availability of gaming. Northeastern Alberta is the most polarised region in the province on this issue. It is highly recommended that some form of local public consultation take place, even if only through surveys, before increasing the availability of gaming in the municipality.

- Nearly 70% of players indicated that the introduction of Slot Machines has had no effect on their gaming expenditures overall.
- Conventional Gamblers (12%) and Thrill-Seeking gamblers (12%) are probably the segments with the lowest proportion of adult Albertans. However, they comprise the majority of frequent players.
- Gaming Opponents (26%) are not likely to change their views towards gaming—regardless of the message—and would naturally oppose the addition of a new casino.

APPENDIX A: QUESTIONNAIRE

Region:

Calgary
Edmonton
North Alberta
Central Alberta
South Alberta

AGLC Questionnaire

Hello, this is ___________ from ACCORD Research, the University of Calgary's market research company. Today we are conducting a survey with Albertans on different types of leisure activities.

Screening:

May I speak with someone in your household who is at least 18 years of age and who most recently celebrated a birthday?

(Repeat intro if necessary to new respondent)

1) Gender: (DO NOT ASK)

Male……………………………………….1
Female……………………………………..2

1b) Are you or is anyone in your household employed by any of the following?

A market research firm	Yes	No
The media	Yes	No
Advertising agency	Yes	No
The gaming industry	Yes	No

(If employed by any of the above, thank and terminate)

1c) Thinking of the issues facing people here in Alberta today, which one do you feel is the most important? (Probe) Are there any others that you feel are important? (Record up to 3 answers)
First Mention:

____

Others (up to two answers):

____

____

Section A: Play and Spending Behaviour

(Ask box 1, 2, 3, in order. Rotate items within each box)

2a) **In the past year have you bet or spent money on** (read list)
(If "NO" skip to next game)

b) **How many times in the past 4 weeks have you played or spent money on that activity?**
(If played in the past 4 weeks, ask Q2c)

c) **Approximately how much have you spent on** (Read games played) **in the last month?**
(If they say "nothing", ask for clarification of playing or how they played but did not spend any money)

d) (For Any type of lottery game, ask): **Would you like to see gaming activity made more or less widely available in Alberta, or would you like to see its availability remain the same?**

(For all other specific games, ask): **Would you like to see** (Insert game/activity) **made more or less widely available in Alberta, or would you like to see its availability remain the same?**
(ASK ONLY FOR THOSE THAT DO NOT HAVE X's IN QUESTION 2D)

	Q.2a PAST YEAR			Q.2b # TIMES PAST MONTH	Q.2c AMOUNT SPENT	Q.2d AVAILABILITY			
	Yes	No	DK/ NS			More	Same	Less	DK/ NS
Box 1: Any type of lottery ticket	1	2 SKIP TO BOX #2	9			1	2	3	9
Lotto 649	1	2	9		$	X	X	X	X
The Plus	1	2	9		$	X	X	X	X
Super 7	1	2	9		$	1	2	3	9
The Extra	1	2	9		$	1	2	3	9
Western 649	1	2	9		$	X	X	X	X
Pick Three	1	2	9		$	X	X	X	X
Sport Select (ProLine or Over/Under)	1	2	9		$	1	2	3	9
Instant Tickets (Scratch and Win)	1	2	9		$	1	2	3	9
Box 2: Break-opens, Pull-tabs or Nevada tickets	1	2	9		$	1	2	3	9
Sports or other kinds of betting pools with friends or co-workers	1	2	9		$	1	2	3	9
Raffles or fund raising tickets	1	2	9		$	1	2	3	9
Internet Gambling	1	2	9		$	1	2	3	9
Box 3: Table games at a local casino	1	2	9		$	1	2	3	9
Slot machines at a local casino	1	2	9		$	1	2	3	9
Gambling at a resort casino (such as Reno/Las Vegas)	1	2	9		$	1	2	3	9
Video lotteries (in licensed establishments)	1	2	9		$	1	2	3	9
Horse racing at a race track or at an off-track location	1	2	9		$	1	2	3	9
Bingo at a bingo hall	1	2	9		$	1	2	3	9

3) Thinking of the next four weeks, how likely are you yourself to play any of the following games? Would you say you will definitely play, probably play, probably not play, or definitely not play…

ROTATE?

	Definitely Play	Probably Play	Probably Not Play	Definitely Not Play	DK/ NS
Lotto 649	1	2	3	4	9
The Plus	1	2	3	4	9
Super 7	1	2	3	4	9
The Extra	1	2	3	4	9
Western 649	1	2	3	4	9
Pick 3	1	2	3	4	9
Sport Select	1	2	3	4	9
Instant Tickets	1	2	3	4	9
Video Lotteries	1	2	3	4	9
Sports or other event betting pools	1	2	3	4	9
Bingo in a bingo hall	1	2	3	4	9
Table games in local casino	1	2	3	4	9
Gambling at a resort casino	1	2	3	4	9
Slot machines in a local casino	1	2	3	4	9
Raffles or fund-raising tickets	1	2	3	4	9
Internet gambling	1	2	3	4	9
Break-opens, Pull-tabs or Nevada tickets	1	2	3	4	9
Horse race betting at a race track	1	2	3	4	9
Off track horse race betting	1	2	3	4	9

4) Would you be likely to play any of the following games or activities in the next year if they were made available? (Read list, for each game/activity would play, ask rest of Q5)

ROTATE?

	Yes	No	DK/ NS
Instant (scratch and win) tickets from a dispensing machine	1	2	9
Break-opens (pull-tabs) from dispensing machine	1	2	9
TV lottery game show	1	2	9
A province-wide lottery game called Keno, drawing numbers every 5 minutes	1	2	9
Internet Gambling	1	2	9
Bingo played on a computer device in a bingo hall	1	2	9

ASK ONLY PLAYERS OF THE FOLLOWING GAMES (FROM Q2 and Q4)

5) Games and activities can be played in a number of different locations. Would <u>you</u> like to play (insert game) **at a** (Insert place— Rotate—Read all places for each game before asking next game)?

	Local Casino	Resort Casino	Bingo Hall	Bars and Lounge	Gaming Room in a Hotel	Location Devoted to VLTS	Native Casino on Reserve Land	Lottery Ticket Centres	Race Track
Video Lotteries								X	
Slot machine that dispenses coins								X	
Ticket lotteries									
Instant (scratch and win) tickets									
Instant (scratch and win) tickets from a dispensing machine									
A lottery game called Keno, drawing numbers every five minutes									
Break opens (pull tabs)									
Break opens (pull tabs) from a dispensing machine								X	
Sport Select									
Off track horse race betting								X	
Internet gambling								X	
Regular Bingo				X	X	X		X	
Bingo played on a computer device				X	X	X		X	

ASK ONLY THOSE WHO DO NOT PLAY GAMES (ALSO FROM Q2 and Q4)

5a.) Although you may not play the following games, in your opinion where do you think players should be able to play the following? Should they be able to play (game) **at a** (Insert place)—(Rotate—Read all places for each game before asking next game)? (ADD DK IF RESPONDENT DOESN'T KNOW)

	Local Casino	Resort Casino	Bingo Hall	Bars and Lounge	Gaming Room in a Hotel	Location Devoted to VLTS	Native Casino on Reserve Land	Lottery Ticket Centres	Race Track
Video Lotteries								X	
Slot machine that dispenses coins								X	
A province-wide lottery game called Keno, drawing numbers every five minutes									
Break opens (pull tabs) from a dispensing machine								X	
Bingo played on a computer device				X	X	X		X	

6) (Ask only if "Go to local or resort casino" Q2a) **When you go to a casino, which of the following games do you usually play?** (Read list, rotate) **Would that be definitely play, probably play, probably not play or definitely not play?**

	Definitely Play	Probably Play	Probably Not Play	Definitely Not Play
Video slot machine	1	2	3	9
Regular slot machines	1	2	3	9
Blackjack (including Let it ride, multi-action, Lucky 7s)	1	2	3	9
Roulette or wheel game	1	2	3	9
Craps	1	2	3	9
Mini-baccarat	1	2	3	9
Keno	1	2	3	9
Electronic horse race game	1	2	3	9
Baccarat	1	2	3	9
Pit poker (including Caribbean progressive games, played against dealer)	1	2	3	9
Room poker (including Texas holdem, 7 card stud, Omaha, dealer does not play)	1	2	3	9
Sports book	1	2	3	9
Other (specify) ______________________	1	2	3	9

ASK ONLY THOSE WHO PLAYED VLTs IN THE LAST YEAR FROM Q2a. OTHERS SKIP TO QUESTION 10

7a.) **In general when you play video lotteries, how many consecutive minutes or hours do you usually play?**

__________minutes

__________hours

b.) **How much cash do you put into the machine** (that is, how much do you wager out of pocket, not including credits) **each time you play VLTs in a visit to a video lottery** (VLT) **establishment?**

$_____________

8.) **How has the introduction of Video Lotteries affected** (Read list—rotate) **Would you say it has increased or decreased?** (READ LIST)

	Increased	Neither	Decrease	Unsure
__**a)**Your overall winnings at gaming or gambling?	1	2	3	9
__**b)**The overall amount you spend gaming or gambling?	1	2	3	9
__**c)**The amount you spend on table casino games?	1	2	3	9
__**d)**The amount you spend on Break-opens (pull-tabs)?	1	2	3	9
__**e)**The amount you spend on bingo?	1	2	3	9
__**f)**The amount you spend at the race track?	1	2	3	9
(Always ask g and h last)				
__**g)**The amount you spend on Instant (scratch and win) Tickets?	1	2	3	9
__**h)**The amount you spend on lottery tickets?	1	2	3	9

9) **When you play video lotteries, do you prefer to** (Read list)?

Go to a licensed establishment primarily to play video lotteries?……...1
or
To socialize (drink, dance, visit) as well……………………………….2
(No preference)……………………………………………………....3
Unsure/DK)……………………………………………………………9

ASK ONLY THOSE WHO PLAYED SLOTS IN THE LAST YEAR FROM Q2a. OTHERS SKIP TO QUESTION 11

10a.) In general when you play slot machines, how many consecutive minutes or hours do you usually play?

__________minutes

__________hours

10b.) How much cash do you put into the machine (that is, how much do you wager out of pocket, not including credits) **each time you play slot machines in a visit to a gaming establishment?**

$_____________

10c.) How has the introduction of Slot Machines affected… (Read list—rotate) **Would you say it has increased or decreased?** (READ LIST)

	Increased	Neither	Decrease	Unsure
a) Your overall winnings at gaming or gambling?	1	2	3	4
b) The overall amount you spend gaming or gambling?	1	2	3	4
c) The amount you spend on table casino games?	1	2	3	4
d) The amount you spend on Break-opens (pull-tabs)?	1	2	3	4
e) The amount you spend on bingo?	1	2	3	4
f) The amount you spend at the race track?	1	2	3	4
g) The amount you spend on Instant (scratch and win) Tickets?	1	2	3	4
h) The amount you spend on VLTs?	1	2	3	4
i) the amount you spend on lottery tickets?	1	2	3	4

(Always ask g, h and i last)

10d.) When you play slot machines at a casino, do you prefer to (Read list—rotate sections)?

Just play slot machines?……...1
or
Play slot machines and table games…...……………………………….2
(No preference)……………………………………………………...3
Unsure/DK)…………………………………………………………9

SECTION C: KNOWLEDGE LEVELS
ASK EVERYONE

11) Who do you think is responsible for operating (Read list, rotate, record exact response)

__**a)**Regular lottery games like Lotto 649 ______________________________
__**b)**Video lotteries ______________________________
__**c)**Local Casinos ______________________________
__**d)**Bingo Halls ______________________________
__**e)**Race Tracks ______________________________
__**f)**Slot Machines ______________________________

11a.) Who do you think *should* be responsible for operating…

__**a)**Regular lottery games like Lotto 649 ______________________________
__**b)**Video lotteries ______________________________
__**c)**Local Casinos ______________________________
__**d)**Bingo Halls ______________________________
__**e)**Race Tracks ______________________________
__**f)**Slot Machines ______________________________
__**g)**Internet gambling ______________________________

12) How well informed do you feel you are about…? (Read list, rotate) **Would you say that you are very well informed, somewhat informed, not very well informed, or not at all informed?**

	Very well Informed	Somewhat Informed	Not very well Informed	Not informed at all	DK/ NS
__**a)**How to play Sports Select?	1	2	3	4	9
__**b)**How to play Video Lotteries?	1	2	3	4	9
__**c)**Where to play video lotteries?	1	2	3	4	9
__**d)**How to play 5 minute Keno?	1	2	3	4	9
__**e)**How to play regular bingo?	1	2	3	4	9
__**f)**How to play electronic bingo?	1	2	3	4	9
__**g)**How to play Casino table games?	1	2	3	4	9
__**h)**How to bet on horse racing?	1	2	3	4	9
__**i)**How to play coin dispensing slot machines?	1	2	3	4	9
__**j)**Internet gambling?	1	2	3	4	9
__**k)**Where to purchase break-opens(pull-tabs)?	1	2	3	4	9

13a.) **How well informed do you feel you are about where the proceeds** (profit after prizes and operating expenses) **from** (insert game) **go…Would you say you are very well informed, somewhat informed not very well informed of not at all informed?**

(For each game "very well," "somewhat" or "not very well" informed, ask 13b IMMEDIATELY)

b) Do you think the profits generated by (GAME), after distributing prizes and paying operating costs, go to a good cause or not?

	Q.13a					Q.13b		
	Very Well Informed	Somewhat Informed	Not Very Well Informed	Not Informed At All	DK/NS	Yes Good Cause	No	DK/NS
i) Bingo………………	1……………	2…………	3……………	4………..	9	1……	2……	9
ii) Casinos……………	1……………	2…………	3……………	4………..	9	1……	2……	9
iii) Lotteries…………	1……………	2…………	3……………	4………..	9	1……	2……	9
iv) Video Lotteries……	1……………	2…………	3……………	4………..	9	1……	2……	9
v) Horse races………..	1……………	2…………	3……………	4………..	9	1……	2……	9
vi) Raffles……………	1……………	2…………	3……………	4………..	9	1……	2……	9
vii) Slot machines ……	1……………	2…………	3……………	4………..	9	1……	2……	9

14a) **Can you recall hearing, seeing or reading anything recently about where gaming proceeds went?** (Note: Proceeds are the profits made by gaming)

Yes……………………1**----> Go to 14c**
No……………………2**-----> Go to 14b**
DK/NS…………………9**-----> Go to 14b**

IF YES TO Q14A
14c) **Did that make you feel positive or negative about…**

	Positive	Negative	Neither	DK/NS
i) The Alberta Gaming and Liquor Commission…………	1………….	2…………	3………….	9
ii) The Alberta Government………………………………	1………….	2…………	3………….	9
iii) Spending money on lotteries………………………….	1………….	2…………	3………….	9

ASK EVERYONE
b) **Where do you think gaming proceeds go?** (DO NOT READ LIST: CHECK ALL MENTIONS)

Sports and Recreation……………………. 01
Community Organizations………………. 02
Government……………………………… 03
Health Care……………………………….. 04
Arts and Culture………………………….. 05
Charities………………………………….. 06
Education and Schools…………………… 07
Community Facility Enhancement……… 08
Other (Specify)____________________ 98
DK/NS …………………………………… 99

14d) Where would you <u>like</u> the proceeds from gaming to go? (DO NOT READ LIST: CHECK ALL MENTIONS)

Sports and Recreation	01
Community Organizations	02
Government	03
Health Care	04
Arts and Culture	05
Charities	06
Education and Schools	07
Community Enhancement	08
Other (SpecifyBelow)	

____

____

DK/NS	99

SECTION D: GENERAL GAMING ATTITUDES

15.1) Now I would like to read you a list of statements which could be made about lotteries and gaming in Alberta. And by gaming I mean going to bingo, to a casino, to the race track, playing video lotteries, or other similar activities. Please tell me how you feel about each statement on a scale of "1" to "7" where "1" means you disagree totally with the statement and "7" means you agree completely with it. Remember, you can give any number between "1" and "7". (Read list, rotate)

	Totally Disagree	Strongly Disagree	Somewhat Disagree	Agree	Somewhat Agree	Strongly Agree	Completely Agree	DK/ NS
a) Lotteries are a form of gambling	1	2	3	4	5	6	7	9
b) People should have access to gaming in a bar, hotel or nightclub	1	2	3	4	5	6	7	9
c) Regular lotteries like Lotto 649 are becoming more popular	1	2	3	4	5	6	7	9

d) Gaming takes advantage of poorer Albertans…….…… 1…………….. 2………… 3……………. 4………. 5…………….. 6………… 7………. 9
e) Video lotteries are becoming more popular……… 1…………….. 2………… 3……………. 4………. 5…………….. 6………… 7………. 9
f) Gaming is an evil influence on society…….…… 1…………….. 2………… 3……………. 4………. 5…………….. 6………… 7………. 9
g) People should be able to play slot machines year round in a casino……..… 1…………….. 2………… 3……………. 4………. 5…………….. 6………… 7………. 9
h) There is too much gaming in Alberta…………… 1…………….. 2………… 3……………. 4………. 5…………….. 6………… 7………. 9
i) Video lotteries are more addictive than regular lottery games like Lotto 649… 1…………….. 2………… 3……………. 4………. 5…………….. 6………… 7………. 9
j) Lotteries are operated fairly and honestly……….… 1…………….. 2………… 3……………. 4………. 5…………….. 6………… 7………. 9
k) More controls should be placed on where and when people can play video lotteries……………… 1…………….. 2………… 3……………. 4………. 5…………….. 6………… 7………. 9
l) Governments are dependent on lotteries as a source of revenue…………………. 1…………….. 2………… 3……………. 4………. 5…………….. 6………… 7………. 9
m) Increased access to gaming and gambling will create more problems than it is worth in Alberta…………………. 1…………….. 2………… 3……………. 4………. 5…………….. 6………… 7………. 9
n) Lotteries are a good way to raise revenue because only the willing pay……….. 1…………….. 2………… 3……………. 4………. 5…………….. 6………… 7………. 9
o) More money should be spent to inform Albertans about where the lottery proceeds go.. 1…………….. 2………… 3……………. 4………. 5…………….. 6………… 7………. 9
p) It is up to each individual to control their own gambling………………….. 1…………….. 2………… 3……………. 4………. 5…………….. 6………… 7………. 9

ALWAYS ASK Q LAST

q) Video lotteries are more addictive than slot machines… 1…………….. 2………… 3……………. 4………. 5…………….. 6………… 7………. 9

16) **Imagine you were going to design your ideal gaming facility. I'm going to read you a list of features that could be part of that ideal facility. Using a scale of 1 to 7, where "1" means extremely appealing and "7" means not at all appealing, please tell me how appealing each of these features would be to you.** (Rotate)

	Extremely Appealing						Not At All Appealing	DK/ NS
Theme décor	1	2	3	4	5	6	7	9
Modern furnishings and equipment	1	2	3	4	5	6	7	9
Spacious surroundings	1	2	3	4	5	6	7	9
Intimate atmosphere	1	2	3	4	5	6	7	9
Live entertainment	1	2	3	4	5	6	7	9

Fast food service	1	2	3	4	5	6	7	9
Seated dining	1	2	3	4	5	6	7	9
Liquor service	1	2	3	4	5	6	7	9
Security	1	2	3	4	5	6	7	9
Clean, modern environment	1	2	3	4	5	6	7	9
Convenient parking	1	2	3	4	5	6	7	9
Non-smoking sections	1	2	3	4	5	6	7	9
Easily identifiable staff	1	2	3	4	5	6	7	9

17) **Now I am going to read to you a list of different games and gambling activities and I'd like you to tell me whether you personally think each one is harmless entertainment or hard gambling. On a scale from 1 to 7 where 1 is harmless entertainment and 7 is hard gambling, how would you rate** (Read list, rotate)

	Harmless Entertainment				Hard Gambling			DK/ NS
a) Raffles	1	2	3	4	5	6	7	9
b) Pull tabs	1	2	3	4	5	6	7	9
c) Instant tickets	1	2	3	4	5	6	7	9
d) Regular Bingos	1	2	3	4	5	6	7	9
e) 5 minute Keno	1	2	3	4	5	6	7	9
f) Video lotteries	1	2	3	4	5	6	7	9
g) Horse Race Betting	1	2	3	4	5	6	7	9
h) Local Casino table games	1	2	3	4	5	6	7	9
i) Resort Casinos	1	2	3	4	5	6	7	9
j) Lotteries like Lotto 649	1	2	3	4	5	6	7	9
k) Sport Select (Proline, Over/Under)	1	2	3	4	5	6	7	9
l) Coin dispensing slot machines	1	2	3	4	5	6	7	9
m) Internet gambling	1	2	3	4	5	6	7	9
n) Bingo played on a computer device in a bingo hall	1	2	3	4	5	6	7	9

SECTION E: PERCEPTIONS OF THE EXTENT OF GAMBLING PROBLEMS
ASK EVERYONE

18) **One of the issues that I would like to talk with you about concerns gambling problems here in Alberta. When you hear the words "problem gambling" what kind of gambling comes to mind first? Can you think of anything else?**

	First Mention	All Other Mention
Casino table games	1	1
Video lotteries	2	2
Horse racing	3	3
Bingos	4	4
Addictive/compulsive gambling	5	5
Card games (all mentions)	6	6
Slot machines	7	7
Regular lottery games	8	8
Internet gambling	9	9
Other (specify)________	98	98
DK/NS	99	99

19) **Next I am going to read you a list of gambling activities, and for each I would like you to tell me if you think that activity either causes or is associated with any problems in Alberta**. (Read list, rotate)

		Yes	No	DK/NS
__i)	Regular lottery games	1	2	9
__ii)	Horse track betting	1	2	9
__iii)	Casino table games	1	2	9
__iv)	Bingos	1	2	9
__v)	Video lotteries	1	2	9
__vi)	Break opens (pull tabs)	1	2	9
__vii)	Slot machines	1	2	9
__viii)	Internet gambling	1	2	9

20) **Over the past year do you think problems associated with gambling in Alberta have:**

Increased or got worse	1
Stayed the same	2
Decreased or got better	3
DK/NS	9

SECTON F: PSYCHOGRAPHICS
ASK EVERYONE

21) **Here are some general descriptions of how different people approach life. Each statement describes an approach to life. Please tell me how you feel about each statement on a scale from 1 to 7, where 1 means you disagree totally and 7 means you agree completely.**
ROTATE EXCEPT, ALWAYS ASK P LAST

	Disagree Totally				Ag Complet	
a) I pay close attention to what successful people are doing	1	2	3	4	5	6
b) I enjoy introducing a small element of danger into my life	1	2	3	4	5	6
c) I am more experimental than traditional	1	2	3	4	5	6
d) It's very important to me to feel I am part of a group	1	2	3	4	5	6
e) Life should be enjoyed as much as possible today without worrying about the future	1	2	3	4	5	6
f) Most nights of the week I am out at a social event of some sort	1	2	3	4	5	6
g) I like to win, and enjoy the feeling that I have beaten the rest of the world	1	2	3	4	5	6
h) I enjoy a challenge, pitting myself against the odds	1	2	3	4	5	6
i) I prefer to work quietly behind the scenes without causing waves	1	2	3	4	5	6
j) People should have the right to do what they want to do, even if it could hurt them	1	2	3	4	5	6
k) Everything is changing too fast today	1	2	3	4	5	6
l) I feel very comfortable with technology such as computers, instant banking machines or video games	1	2	3	4	5	6
m) Whether or not you make it in life is mostly determined by luck	1	2	3	4	5	6
n) It's more important to understand my inner self than it is to be rich and powerful	1	2	3	4	5	6
o) I often feel left out of decisions that affect me	1	2	3	4	5	6
p) I think I would, or do, enjoy trading stocks on the internet.	1	2	3	4	5	6

SECTION G: Other questions
ASK EVERYONE

22) **What is your primary source of information (if any) about gaming** (DO NOT READ LIST, RECORD FIRST AND ALL OTHER MENTIONS)?

	First	Other
1) TV	_____	_____
2) Newspapers	____	____
3) Magazines	____	____
4) Word of Mouth	____	____
5) Luck Magazine	____	____
6) Ads/Brochures	____	____
7) Construction Site Signs (Community facilities)	____	____
8) Festival Posters of Arts Events Programs	____	____
9) Other signs/banners at community events	____	____
98) Other______________________________________	____	____
97) None	____	____
99) DK/NS	____	____

23) **Now I am going to read you a list of different types of leisure activities. In the past year have you gone to a…** (Read list, Rotate)?

24) IF YES IN Q23, ASK: **How many times in the past month have you gone to a…**(Read list/Rotate)?

	Q23	Q24(# of Times)
1) Movies	____	____________
2) Live theatre	____	____________
3) Live concert	____	____________
4) Neighborhood pub	____	____________
5) Sports bar	____	____________
6) Tavern (with live entertainment)	____	____________
7) Night club (with dancing)	____	____________
8) Restaurants	____	____________
9) Hall party	____	____________
10) Rave	____	____________
11) Private parties	____	____________
12) Live sporting event	____	____________
13) Games parlours (i.e. bowling alley, pool hall)	____	____________
14) Museums/galleries	____	____________
15) Exhibitions/trade shows	____	____________

SECTION H: DEMOGRAPHICS
ASK EVERYONE

These final questions are for statistical purposes only.

25) **Into which of the following categories does your age fall:**

18 to 24 years	1
25 to 34	2
35 to 44	3
45 to 54	4
55 to 64	5
65 to 74	6
75 and older	7
Refused	9

26) **What is the highest level of schooling that you have obtained?**

Grade 8 or less	1
Some high school	2
Completed high school	3
Technical/vocational school above high school level	4
Some college or university	5
College or university degree/diploma	6
Post-graduate degree (master, doctoral or equivalent)	7
Refused	9

27a) What one category best describes your current marital status?

Single	1
Married or co-habitating	2
Divorced/widowed/separated	3
Refused	9

27b) Including yourself how many persons live in your household? __________

27c) And how many of these are under 18 years of age? _________

28a) What is your occupational status: Are you… (Read list)

Employed full time	01
Employed part time	02
Self employed full time	03
Self employed part time	04
a Student	05
a Homemaker	06
Unemployed	07
Unable to work	08
Other	98
DK/NS	99

28b) In two words what would you describe your occupation as? ______________________

28c) Has your household income increased, decreased or remained about the same in the past year?

Increased……………………………………………………….1
Decreased………………………………………………………2
Remained the same…………………………………………….3

28d) Did you or anyone in your household become unemployed for a portion of or all of last year?

Yes……………………………………………………………..1
No……………………………………………………………….2
DK………………………………………………………………9
Refused…………………………………………………………96

29) Which of the following categories best describes your total <u>personal</u> annual income before taxes? (Read List)

Under $10,000	1

$10,000 to $19,999	2
$20,000 to $29,999	3
$30,000 to $39,999	4
$40,000 to $59,999	5
$60,000 to $79,999	6
$80, 000 and over	7
Refused	9

30) Which of the following categories best describes the total annual income, before taxes, of all members of your household? (Read list)

Under $25,000	1
$25,000 to $39,999	2
$40,000 to $59,999	3
$60,000 to $79,999	4
$80,000 to $99,999	5
$100,000 and over	6
Refused	9

31) Have you made either of the following two major purchases in the past year?

A new car	1
A new or larger home	2
Neither/No purchase	3
Refused	9

32) Thinking of all the money that you spend on necessities (food, shelter, clothing, transportation, etc), if, after paying for all these necessities, you had $100 remaining, your disposable income, how much of this $100 would you spend on

Casino $______________
Lotteries $______________
VLTs $______________
Bingo $______________
Horse Races $______________

33) After paying for all your necessities (food, shelter, clothing, transportation, etc) what percentage of your personal monthly income would you say is your disposable income—that is money you can use at your discretion?

____________%

34) How many years have you lived in Alberta? (Enter 0 if less than 1 year) ____________years

35) In what city/town/village/hamlet/municipal district do you live? _____________________

36) What are the first three digits of your postal code? ___ ___ ___

37) Could I please have your first name or initial in case my supervisor needs to verify that this interview was conducted appropriately? ______________

Thank you, those are all the questions I have to ask you. I greatly appreciate your taking the time to complete this survey. Have a good afternoon/evening.

Interviewer comments:

-

APPENDIX B: CODING GUIDES

Q1c Thinking of the issues facing people here in Alberta today, which one do you feel is the most important?

01 Healthcare (Bill 11, Privatization, medicare, cutbacks, lack of dr.'s)
02 Nurses Strike
03 Taxes (including flat tax)
04 Old age Security
05 Education (funding and cutbacks)
06 Farming/Agricultural concerns
07 Housing (cost of)
08 Cost of Living (wages)
09 Employment
10 Environment (pollution, pesticides)
11 Government (general, provincial, responsiveness, leadership, lack of info, honesty, forcing bills through)
12 Economy
13 Business
14 Aging population/Senior Issues
15 Gaming/Gambling (bad, addictive, deteriorates society)
16 Price of Oil and Gas
17 Government Wasteful Spending
18 Gun Control.Registration
19 The Media
20 Social Services Issues (homelessness, poverty, welfare, disability)
21 Abortion
22 Childcare
23 E. Coli Scare
24 Federal Government
25 Young Offenders
26 The Debt
27 Substance Abuse (alcoholism, FAS, drinking and driving)
28 Cutbacks/ lack of funding
29 Transportation system
30 Alberta Alliance change
31 Opposed to Ralph Klein
32 Parks
33 The Family
34 Judicial System
35 Crime
36 Same-sex Marriage
37 Oil Industry
38 Animal Rights
39 World Petroleum Conference
40 The Election
41 Smoking Issues
42 Weather

43 First Nations Issues
44 Population Growth
45 Worker's Compensation Board
46 Youth Issues
47 Spiritual Issues
48 Provincial Professional Sports (Flames and Oilers)
49 Unions
50 High Utilities Cost

Question 14a (1): Where did you find out about where gaming proceeds went?

01 Newspapers Unspecified

02 Newspapers Specified
- Edmonton Journal (12)
- Calgary Sun (4)
- Calgary Herald (13)
- National Post (3)
- Drumheller Mail (2)
- North Shore Newspaper
- Stratford Standard
- Globe and Mail
- Edmonton Sun
- Lord Minister Booster
- Meridine Booster
- Sherwood Park News
- Fort Saskatchewan News
- Red Deer Advocate

03 Television

04 Radio

05 Friends, Word of mouth

06 Through Schools

07 Magazines
- Alberta Report
- Luck Magazine

08 Native Band

09 Through Charity or Gaming Agency

10 Government Report

11 Awareness of Dispute/Controversy

12 Flyers, Circulars, Mail, Pamphlets

13 Involvement (volunteer/employment) connected to gaming

14 Billboards

15 Through participation/attendance at gaming facility

16 Buying raffle/lottery tickets

17 Media Unspecified

18 Gambling Help Groups

19 Internet

Question 14b (c): Where do you think gaming proceeds go?

01 Sports and Recreation
02 Community Organizations
03 Government
04 Health Care
05 Arts and Culture
06 Charities
07 Education and Schools
08 Community Facility Enhancement
09 Owners, Organizers, Operators, Casinos
10 To Gaming Commissions, Organizations, Industry in General
11 Organized Crime, The Mob
12 "Into someone's pocket"
13 Winners, prize money
14 Natives, reserves
15 Gambling Addiction Organizations
16 To taxes
17 Grants, programs (unspecified)
18 Infrastructure, Roads
19 To the Debt
20 Social Services
21 To a good cause
22 Non-profit Organizations
23 Lottery Fund
24 Administration, Salaries
25 Politician's pockets, Corrupt politicians

Question 14d: Where would you like the proceeds from gaming to go?

01 Sports and Recreation
02 Community Organization
03 Government
04 Health Care
05 Arts and Culture
06 Charities
07 Education and Schools
08 Community Facility Enhancement
09 Children's/Youth Help and Programs
10 Poor, Needy, those on Welfare
11 Reducing Taxes
12 Gambling Addiction
13 Women's Shelters
14 Social Programs
15 Foreign Aid
16 NHL Teams
17
18 Lower Gasoline Costs
19 Infrastructure, Transportation, Roads
20 Winners, Prizes
21 Student Loans, Grants, Scholarships
22 Non-profit Organizations
23 Good Causes, Where it's the most needed
24 Owners (of gaming facilities, machines)
25 Low cost housing
26 The Disabled/Handicapped
27 Wants Gambling Eliminated
28 Environment, Wildlife
29 To people, the public, general problems, general social improvement
30 Seniors, Pensions
31 Alcohol/Drug Addiction
32 "To me", "in my pocket", "in my bank account"
33 SPCA
34 Debt/Deficit Reduction
35 Business incentives, Employment generation
36 Homeless (also shelters)
37 To the specific community or area where the gaming takes place
38 Camp for kids
39 Heart and Lung research/foundation
40 Cancer research/foundation
41 Other Health research (including diabetes)
42 Disabled Children, Sick Children, Children's Hospitals
43 Addictions Unspecified
44 Agriculture

45 No change to how distribution currently occurs
46 Food Banks
47 Ronald McDonald House
48 Victim Services
49 Research, Unspecified
50 Police
51 Churches
52 Family, Parents (including low income family health and dental)
53 Do not use proceeds for general revenue, standard and needed services
54 Playgrounds

Q22 What is the primary source of information about gaming?

13 Personal Experience
14 Media
15 Radio
16 Internet
17 Lottery booth /tickets
18 Community Involvement
19 Bars, restaurants and hotels
20 At Bingo Halls/Casinos
21 Gaming Commision
22 This phone call
23 Work
24 Adac/gamblers anonymous/ Anti-gambling social service
25 Books/reading about it
26 School

Question 37_6: Explanation for why total expenditure of potential $100 discretionary income on gambling does not equal $100.

01 Opposed to gambling, Doesn't like

02 Does not gamble or play any of the listed games

03 Sporadic/Occasional gambler, Rarely gambles

04 Light gambler, Not much of a gambler

05 Religious objection to gambling

06 Doesn't play all listed games

07 Has a gambling problem

09 Wouldn't spend all disposable income on gambling

10	Would spend on other leisure/entertainment
11	Would put money to better/other use, other priorities
12	On a low budget, Would spend on necessities
13	Would need more discretionary income to spend any on gaming
14	Would put money into savings/investments
15	Only/mainly buy lottery/scratch tickets
16	Only/mainly play VLTs
17	Only/mainly bet on horse races
18	Only/mainly bet at casinos
19	Only/mainly play bingo
21	Not enough time/limited access to gambling
22	No reason given for not spending all the money

ALBERTA GAMING
LICENSING POLICY REVIEW

STAKEHOLDER CONSULTATIONS
- FINAL REPORT -

Prepared by: Cameron Strategy Inc.
November, 2000

Prepared for: Alberta Gaming and Liquor Commission

TABLE OF CONTENTS

1.0 AIMS AND OBJECTIVES

This report summarizes the findings from an extensive stakeholder consultation process conducted by Cameron Strategy Inc. on behalf of the Alberta Gaming and Liquor Commission. The overall aim of the research was to obtain the assistance and involvement of stakeholders in the licensing policy review process that was initiated in December 1999. A secondary aim was to create a process of systematic on-going and open consultation between the AGLC and various stakeholder groups.

Specific objectives set by the AGLC were to:

- Confirm or clarify positions that are already known among stakeholders.
- Obtain relevant and valuable new points of view in order to learn more about the priorities and perspectives of the stakeholder groups.
- To establish better relationships with stakeholders that will allow for a more pro-active on-going consultation process in the future.

This report aims to summarize the common themes that emerged from the series of consultations, identify the conflicting interests that may not be easily resolved, and outline the potential opportunities facing the Alberta Gaming and Liquor Commission in developing and implementing consistent policies. Current views expressed in this report are derived from extensive notes taken by the author throughout the individual consultations, augmented by quantitative telephone surveys.

2.0 BACKGROUND

2.1 THE LICENSING POLICY REVIEW

Gaming has experienced dramatic growth in many jurisdictions throughout Canada and the United States over the past decade. The province of Alberta is no exception. In fact, since 1991 net revenues derived from gaming have grown by over 300% in Alberta - from $235 million to more than $1 billion.

Given the level of growth which has been experienced in the gaming sector, and to ensure that any possible further expansion is balanced against the fiscal and social capacity of the province, the Minister of Gaming requested a review of gaming licensing policies in December 1999. A moratorium was placed on considering requests to license or approve new casinos, casino expansions or relocations, new games and new gaming environments while the licensing policy review was carried out.

The scope of the licensing policy review is to determine whether or not existing gaming licensing policies are current, comprehensive, clearly defined and specific. An earlier component of the licensing policy review conducted by Cameron Strategy involved a thorough literature review and analysis of gaming policy and procedures in Alberta and other jurisdictions.

2.2 STAKEHOLDER CONSULTATION METHODOLOGY

The stakeholder consultation process involved both qualitative and quantitative research. A series of facilitated discussions and executive meetings with 36 stakeholder groups throughout Alberta were conducted during the months of September and October 2000. (For a complete listing of the stakeholder groups consulted, please refer to Appendix 1.)

In addition to the qualitative feedback, quantitative surveys were also conducted. These surveys included conducting a representative telephone survey with 602 representatives of charitable organizations, drawn from the entire cross-section of charities in Alberta, based on size and location. The surveys were conducted in September 2000. A second telephone survey of 300 industry workers from bingos and casinos was conducted at the same time. Separate from this report, a public telephone survey of Albertans was conducted by Accord Research.

2.3 THE REPORT STRUCTURE

This report combines both qualitative and quantitative feedback. In order to present the findings in a clear and organized fashion, Cameron Strategy has attempted to segment various groups of stakeholders based upon commonalities in their approach to gaming issues and their relationship to the Alberta Gaming and Liquor Commission.

While Cameron Strategy took detailed notes of each consultation, an exact verbatim record was not kept in order to encourage frank and honest responses and facilitate a constructive two-way dialogue. The primary intent of the report is to highlight common themes, conflicting interests and potential opportunities for the AGLC to respond to stakeholder input as part of the licensing policy review process.

2.4 ISSUE ANALYSIS

Detailed findings from the stakeholder consultation process can be reviewed under seven major headings:

1. **Segmenting stakeholder groups according to common attitudes toward AGLC and levels of knowledge of the industry**; four distinct segments have been identified. (Section 4.0)

2. **Fund distribution**, which strikes to the heart of the debate over gaming in Alberta, including questions such as "where does the money go?" (which has been a common refrain for close to a decade). In delving into reaction toward current fund distribution, inevitably questions arise about the structure of gaming in Alberta, including how the Charitable Model is set up, and what should constitute charity eligibility. (Section 5.0)

3. **Managing growth**, including concerns about cannibalization of different products, the perceived responsiveness of the Ministry of Gaming to changes in what the public wants, and an assessment of how the AGLC is dealing with its fiscal and social responsibilities. (Section 6.0)

4. **Perceptions of problems**, including questions raised by many of the stakeholders about the extent to which a cost/benefit analysis can or should be conducted, what the priorities of the AGLC should be, and concerns about prevention and treatment. (Section 7.0)

5. **Consistency**, an issue raised constantly by the industry, in particular concerns about ensuring that a level playing field exists, resolving VLT distribution issues, and strengthening enforcement of existing policies. (Section 8.0)

6. **Integrity**, including a summary of why most stakeholders rated AGLC's performance highly in this regard, regardless of some of the operational irritants. (Section 9.0)

7. **Policy support**, which can be summarized by examining common themes which emerged across all stakeholder groups, conflicting interests, and the potential opportunities facing the Ministry of Gaming in responding to these common themes and conflicting interests. (Section 10.0)

3.0 SEGMENTING STAKEHOLDERS

3.1 BY SECTOR

Given the extensive breadth of the consultation process, there are many levels upon which the results can be analyzed. At the most general level, conclusions can be summarized by organization (i.e. segmented and analyzed based on the structure and nature of each stakeholder group that was consulted) or by issue (highlighting common and divergent views across stakeholder groups on the key topics identified as most important to resolve).

3.2 BY ROLE AND RELATIONSHIP TO AGLC

Stakeholders can be segmented into four groups based upon:

- Their role in the gaming industry.
- The tone of their relationship to the AGLC.
- What they seek to gain from the AGLC.

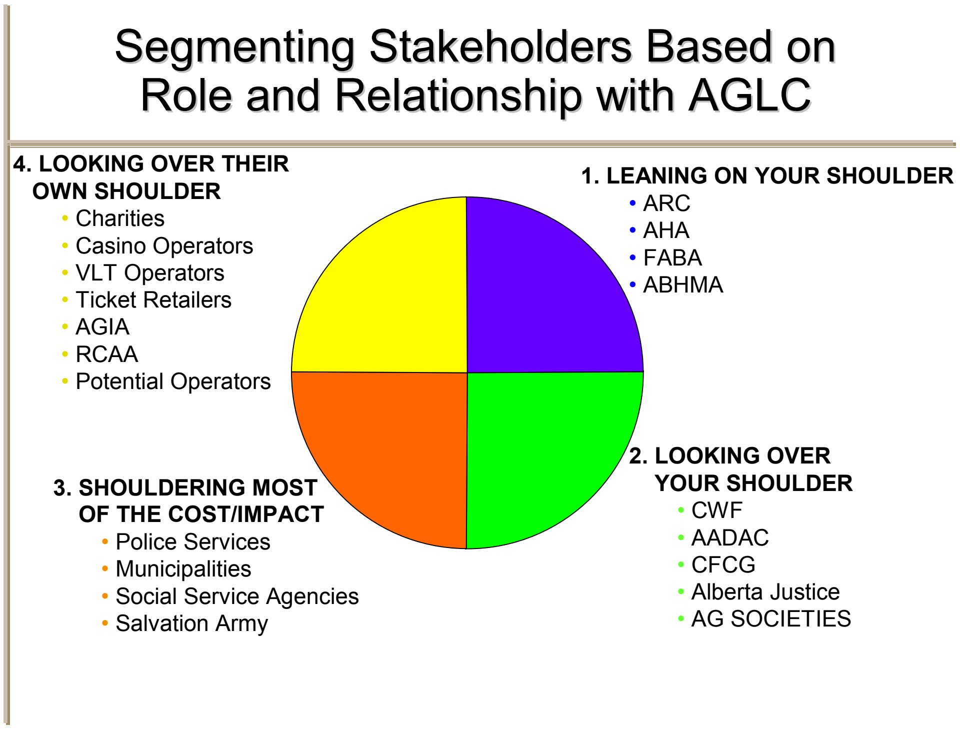
From most critical to most positive, they are described below:

A. Segment 1: Most Critical of AGLC

The most critical stakeholder groups that are LEANING ON AGLC's SHOULDER, are concerned about a variety of perceived problems resulting from changes in the industry. This segment includes the bingo industry, the Alberta Racing Corporation and the Alberta Hotel Association. Each organization, in its own way, views the changes that have occurred in the industry suspiciously, pointing to the introduction of newer products (such as first VLTs, then slots, now expanded casinos) to explain their own disappointing performance. As a result of the various ills they see afflicting them, their relationship with the AGLC is characterized by a high level of distrust and, in some cases, jurisdictional squabbling.

Attempts to work effectively with these organizations to satisfy their respective membership will be fraught with pitfalls, partially due to the fractured nature of their own organizations. Given the numerous competing interests within these organizations, it is not surprising that attempts to revitalize their industries sometimes get bogged down due to a lack of consensus about how to address changes in their shrinking component of the gaming sector.

Despite the negative tone of much of the communication between AGLC and these critical stakeholders, they do possess a high level of knowledge of the gaming industry in Alberta. They tend to try to use their understanding of changes in player patterns (such as the downward trend in spending on bingo and horse racing) to reiterate their contention that the AGLC should make special allowances to help them turn things around.



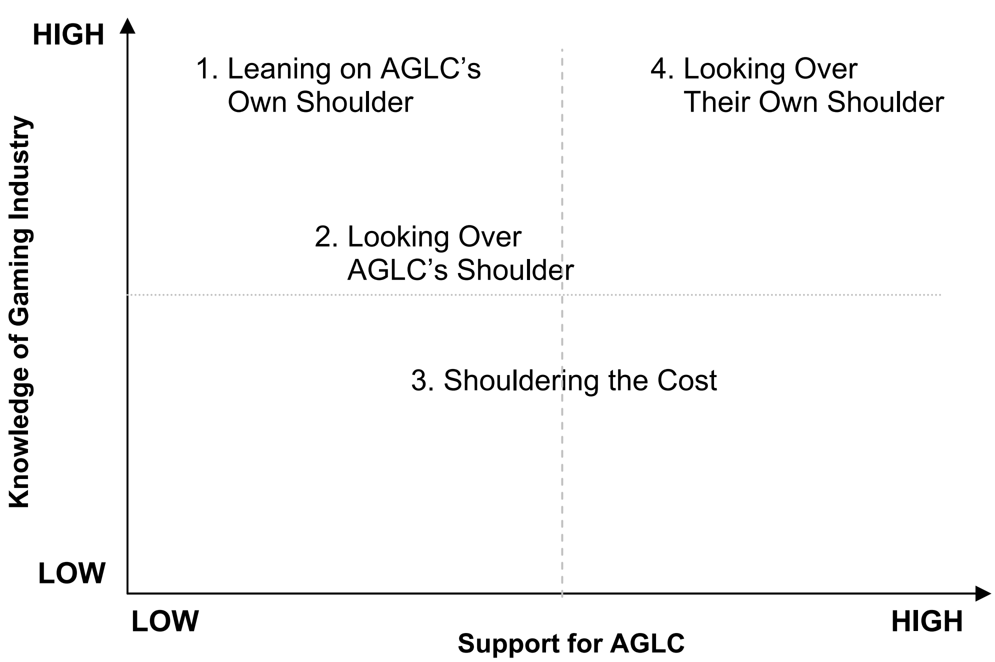
B. Segment 2: Fairly Critical of AGLC

Groups who are LOOKING OVER AGLC's SHOULDER include the Canada West Foundation, AADAC and, to some extent, the large Agricultural Societies and Exhibitions (in particular the Calgary Stampede and Northlands). These stakeholders are somewhat wary of AGLC's success in generating continually increasing gaming revenues. They also tend to believe they know as much, if not more, about the industry (or its negative impact) than the AGLC.

In the case of advocacy groups, this wariness about the looming negative impact of gaming expansion is not always voiced in harsh black and white terms. There is an acknowledgement that the AGLC has done a good job – so far – in balancing growth with a manageable amount of negative reaction. Nevertheless, they expect more to be done to accurately measure the full cost of gambling in Alberta and to mitigate its impact. Advocacy groups also point to the numerous variety of unanswered questions regarding the total impact of gambling on Alberta's society.

Stakeholders who are looking over AGLC's shoulder display a high level of knowledge about the origins of the industry (which Agricultural Societies take pride in launching). They also have a better than average recollection of where the revenues go.

Each of these organizations wants more recognition from the AGLC of their inherent rights and expertise, as well as (of course) a bigger slice of the gaming pie to devote to their projects. In the case of Agricultural Societies, perhaps the strongest case for acknowledging their special rights or privileges is the argument they can make for being the original backbone of the volunteer based Charitable Model in Alberta. On the other hand, groups such as Canada West Foundation and AADAC would readily accept playing the role of informed "social conscience" of the AGLC. The common thread among these divergent groups is their desire to have AGLC respect and acknowledge their independence, while still providing significant support through the Lottery Fund.



C. Segment 3: Fairly Supportive of AGLC

There is a third group of stakeholders who generally feel they are SHOULDERING MOST OF THE COST/IMPACT of AGLC's success. Included in this segment are various police services and some of the municipalities (in particular the social services directors at the municipal level). These stakeholders are not very well informed and have rarely (if at all) been consulted by AGLC in the past. This contrasts markedly with the high level of previous consultation and background knowledge of the groups looking over AGLC's shoulder.

Despite a general consensus among police services and most municipalities that they shoulder a great deal of the negative cost of gaming expansion, these stakeholders are not on the whole negative toward the AGLC. In fact, they were pleasantly surprised to have been consulted by the AGLC and they were genuinely interested in having an on-going dialogue. The main challenge for these groups is ensuring AGLC allocates sufficient resources (in time and money) to begin to address potential problems with crime, licensing / zoning approvals and administration.

Two examples are:

1. The acknowledgement by police services that they do not have enough staff to focus as closely as they should on matters related to gambling (which could be partially addressed by funding a joint forces agreement).
2. Inadequate (or non-existent) funding of the administrative expenses of the Community Lottery Board in Edmonton.

Although there was a definite undertone of moral concern about problem gambling in most of the police service and municipality discussions, these stakeholders accept it is the province's responsibility to determine gaming policy. They believe it is AGLC's responsibility to keep them (and the public they serve) better informed about where gaming revenues go, what problems are being caused, and what is being done to alleviate those problems.

D. Segment 4: Most Supportive of AGLC

The fourth and most supportive segment of stakeholders are LOOKING OVER THEIR OWN SHOULDERS at the fast changing gaming landscape and the shifting competitive environment. Included in this segment are casino operators, many VLT operators, the AGIA and most charities.

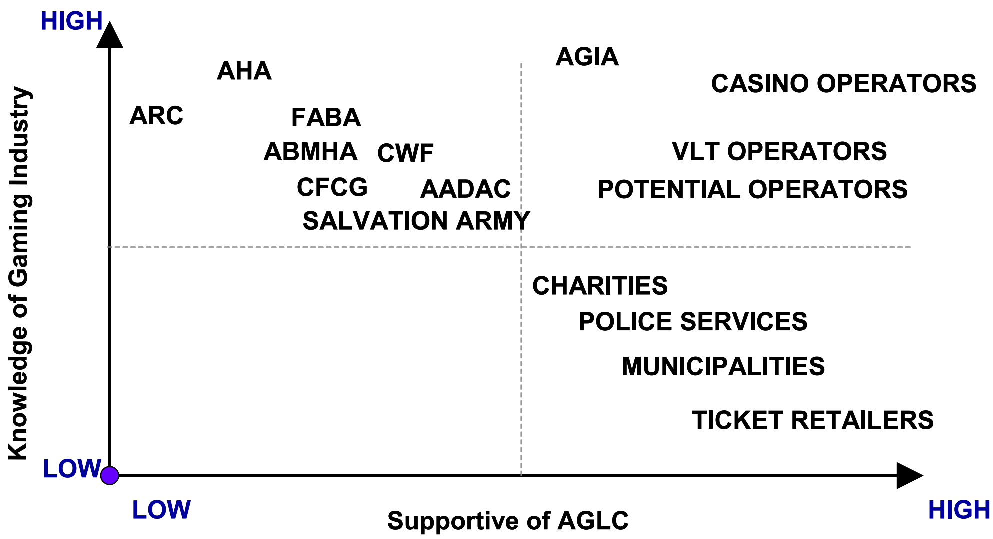
It is not surprising that these groups (who are the primary beneficiaries of increased gaming revenue) are generally supportive of AGLC's efforts to balance demands for growth and its responsibility for controlling that growth.

Most of the concerns they expressed center around consistency. They strongly believe the AGLC should develop consistent policies that can be applied "across the board". Many of these stakeholders note that AGLC has not always been consistent in developing and applying policies in the areas of VLT distribution, multiple VLT licenses and casino expansion, although they also overwhelmingly think it is best not to dwell on the past or focus on past injustices. Instead they look optimistically – yet slightly nervously – at the prospect of continued growth in consumer demand for gaming.

The reason they are looking over their own shoulders is that there are so many potential changes that could impact their businesses. Some casino operators and VLT retailers believe the gambling saturation point is close to being reached in Alberta and they use this argument as a rationale for supporting the VLT cap and carefully considering new casino development. The one common element across these stakeholders is the desire for a level playing field where everyone knows the rules.

Another way to examine the stakeholder groups is by level of knowledge and support for the AGLC. Assessing knowledge of the industry and levels of support for AGLC's efforts produces the following chart:

Stakeholder Groups by Knowledge and Support for AGLC



4.0 FUND DISTRIBUTION

4.1 WHERE THE MONEY GOES

Concerns about fund distribution have been identified in numerous public opinion polls and research documents throughout the 1990s. Those concerns, which are also evident in the stakeholder consultations, can be expressed in three questions:

1. Where does the money go? (i.e. does it go to general revenues or directly to charities?)

2. How are the funds distributed? (i.e. who makes the ultimate decisions on prioritizing recipients?)

3. How much money is generated by gaming in Alberta?

Recent public opinion research indicates that only a small minority of Albertans can accurately recall where the money goes. Nevertheless, most people in the province desire more information about fund distribution, and would even support the use of public funds to inform Albertans about where the money goes. (see Accord Research for AGLC, June 2000).

Although awareness of fund distribution is higher among stakeholder groups than the general public, the levels of knowledge about fund distribution vary widely by stakeholder segment.

Stakeholder groups which have the highest level of knowledge about fund distribution include:

- Groups that are leaning on AGLC's shoulder, such as the Alberta Racing Corporation, FABA, and the Alberta Hotel Association.
- Stakeholders who are looking over their own shoulders, including casino and VLT operators, the AGIA, and most charitable organizations.

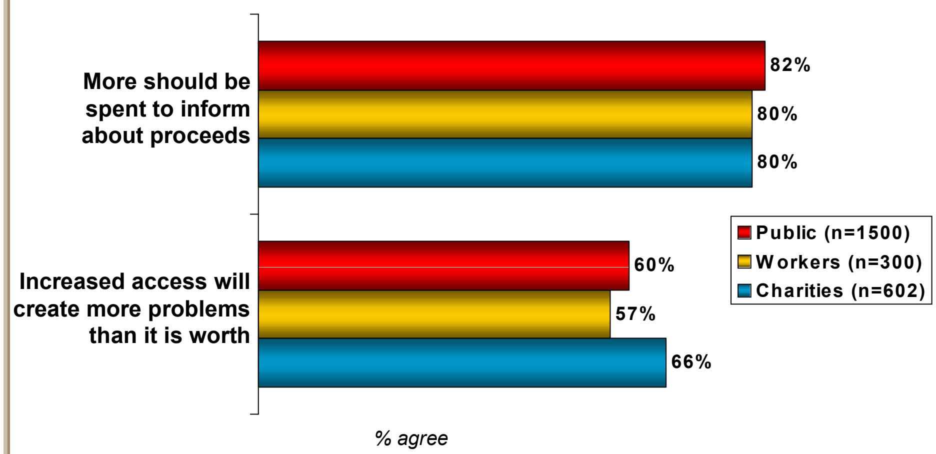
Not surprisingly, charitable organizations and most of the operators are fairly satisfied with the current method of fund distribution (in particular the recent move to establish community lottery boards to distribute some of the money from the Alberta Lottery Fund). Nevertheless, those groups which are most critical of the AGLC, such as the ARC, the AHA, FABA, and the ABHMA, are somewhat dissatisfied with the current structure of fund distribution in Alberta. In particular, they point to inconsistencies in the formulas by which revenues are derived and distributed. Some of these concerns strike to the core of what constitutes the Charitable Model in Alberta.

Despite the fairly high level of knowledge of some stakeholder groups about fund distribution, it is apparent that much more work needs to be done to educate even the key stakeholders in the province about fund distribution. For instance, many of the stakeholder groups which are looking over the shoulder of the AGLC (such as the Canada West Foundation, AADAC, and the Canadian Foundation for Compulsive Gambling) are not highly informed about where the money goes. In fact, one of these stakeholders was still under the impression lottery funds went to general revenues.

Stakeholder groups which are shouldering most of the costs, including police services and municipalities, have very little knowledge of where the money goes, and most of them are quite surprised at the size of the gaming pie. Once these groups are informed about the magnitude of gaming revenues, their concerns about under funding for their own efforts to deal with some of the negative fall out from gaming are exacerbated. For instance, upon hearing about the rate of growth in gaming revenues in Alberta, many police services felt that the AGLC or the Ministry of Gaming should be setting aside funding to deal with joint forces operations and other targeted initiatives. The same is true among municipalities (particularly the social service agencies in those municipalities) which feel that more dedicated funding from the Ministry of Gaming to deal with social problems stemming from gambling is warranted.

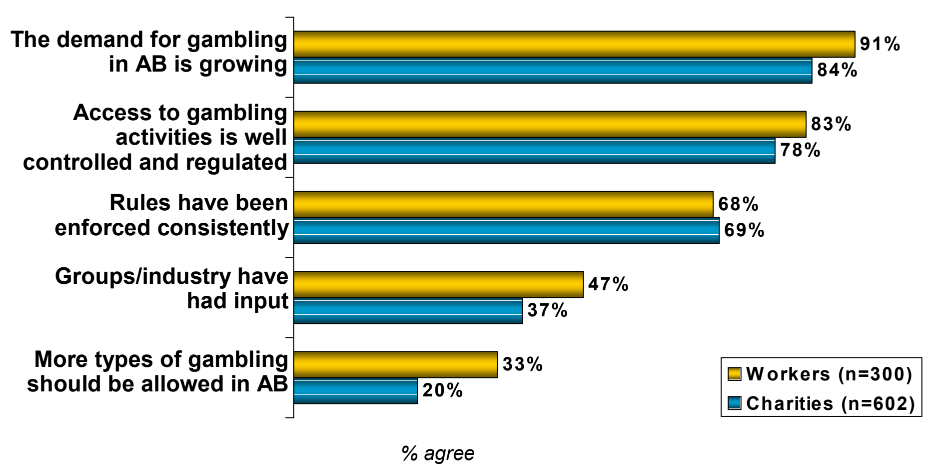
The desire to spend money to inform Albertans about fund distribution is universal. Not surprisingly, charitable organizations have concerns about allowing more types of gambling into Alberta (only 20% agreed that this should happen), and also tend to believe (more so than the public or industry) that increased access to gaming activities will create more problems in the province.

Attitudes to Gambling



Source: AGLC Charitable Groups Survey

Contrasting Attitudes to Gambling

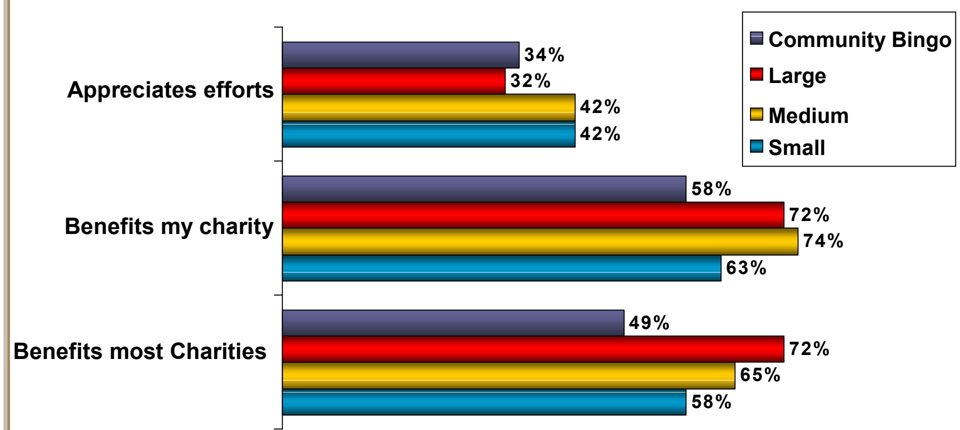


Source: AGLC Charitable Groups Survey

While close to 40% of those in charitable organizations believe that the gaming industry appreciates their efforts, about 10% feel entirely unappreciated. Nevertheless, the majority of charities (65%) felt that the gaming industry was of benefit to their charitable organization, and close to 60% felt that the industry also benefited other charities.

Extent of Perceived Benefits/Appreciation of Charities by Industry

"To what extent do you think the gaming industry…"



% indicating "a lot"

Source: AGLC Charitable Groups Survey

4.2 The Charitable Model

Although there is only minimal awareness of how the Charitable Model in Alberta differs from other jurisdictions, some of the principles underlying the model are widely supported. These include:

- Widespread, open access to charitable gaming revenues by charities and social groups throughout the province.
- A belief that the direct involvement of charities in the process helps to legitimize and add integrity to the collection of gaming revenues.
- The sense that Alberta has struck an appropriate balance between respecting private sector interests (by allowing - under certain rules and regulations - private sector companies to make a profit from gaming), while still ensuring that the bulk of revenues go to social or community causes (either directly to the charities involved or indirectly through the Alberta Lottery Fund).

Across almost all stakeholder groups, there was an acknowledgement that the Charitable Model in Alberta is preferable to having the government entirely running gaming (as in the case in Ontario) or the private sector running gaming (as is the case in some US jurisdictions). Cameron Strategy believes that one of the primary motivational factors underlying this support for the Charitable Model is the widespread belief of Albertans in the strength and vitality of volunteerism in the province.

The only small airing of discontent about the Charitable Model came from a few of the operators; VLT operators and, to some extent, the Alberta Hotel Association, believe that extending the Charitable Model to more visibly incorporate VLTs will be beneficial. Stakeholders associated with VLTs believe that by having revenues directly linked to charities (as is the case in terms of proceeds going to a charity running a casino), support for gaming increases. These groups believe that some of the opposition to VLTs could be reduced or blunted by allowing the public to see more directly the causes which are supported by generation of VLT revenues.

The only other minor suggestion of altering the Charitable Model in Alberta came from some casino operators who believe that in some instances having charities involved in the operations was simply “window dressing”. A few people said they thought that the volunteers’ energies could be better spent focusing on working for the good of the cause that they represent rather than running chips or counting money.

4.3 CHARITY ELIGIBILITY

Clearly defining which charities are eligible to receive funds from the Alberta Lottery Fund will be essential to ensure the long-term viability of the Charitable Model. Although charity eligibility did not emerge as one of the major topics of conversation among stakeholders, there are two issues which did surface consistently:

1. What causes qualify? Across numerous stakeholder groups there were anecdotal comments regarding the appropriateness of certain so called charity organizations in receiving funding. Many of these seemed to stem from situations where a charity that was established many years ago had outgrown or out-lived its direct cause (for instance the parents of a minor hockey team whose children had now grown up, but who still qualified as a charity and used the revenues for other purposes). There appears to be some sentiment among stakeholders that a review of charity eligibility is in order. Such a review would likely lead to a cleaning up or tightening up of some of the rules surrounding charity eligibility that have been in existence for many years.

2. Other questions raised (by groups working with social services or facilitating charities) centered around how the province can bring worthy causes which are now outside the Charitable Model into the revenue stream. Examples included women's shelters or homeless initiatives which may not have the organizational resources or experience to apply for funding, but which desperately need funding. Some stakeholders even noted the causes which are currently outside the Charitable Model (many of which are new) may in fact be more worthy than some of the more "marginal" charities now firmly ensconced in the system.

5.0 MANAGING GROWTH

Most stakeholders give full credit to the AGLC for effectively managing growth in gaming revenues over the past five years. Even among stakeholders advocating a reduction in gaming availability in the province, there is a grudging acceptance that the AGLC has done a good job at facilitating expansion with a minimum of public outcry. Nevertheless, each stakeholder group has specific concerns about growth management.

5.1 CANNIBALIZATION

The most contentious issue with respect to managing growth is product cannibalization. It is not surprising to find that the stakeholder groups which are most critical of AGLC (including the ARC and FABA), blame the organization for the extent of cannibalization which they believe has occurred to their products. This is not unique to Alberta; in other jurisdictions with which the author has had experience, such as Texas, Oregon and Ohio, consistent themes which emerged there and also in Alberta include:

- Growing resentment among bingo industry players about the declining player base and revenue streams. Most of this resentment is directed at the government authority responsible for regulating gaming, but video lotteries are typically singled out as the primary cause.
- Horse racing is in the same category; throughout North America (with only a handful of exceptions), the overall handle and size of purses have been declining consistently over the past decade. Much of the industry blames the expansion in video lotteries for cutting into their traditional player base.
- These concerns are driven by a belief that the introduction of VLTs and now slot machines as well as expanded casinos continues to hurt their products.

It is not the intent of this report to delve deeply into the market dynamics which have led to the decline of horse racing and bingo. Nevertheless, this decline (which is very clearly stated by FABA in its submission to the licensing policy review) plays a large role in driving the policies and positions of the most critical stakeholder groups.

One common refrain heard from both the FABA and ARC consultations was the perceived need for greater product differentiation. These organizations look to AGLC to help them differentiate their product. The premise is that horse racing and bingo could be helped by offering unique games or, in their words, responding better to the changing demands of players. One example is the SEGA horse racing game, one of numerous contentious issues raised by ARC. Specific issues of contention with respect to the SEGA horse racing games are:

- The revenue split with operators is thought to represent an unwarranted exception to general practices.
- Racing centres should have had an opportunity to have the machines exclusively as a point of differentiation from casinos and lounges.

5.2 Responsiveness

In order to manage growth effectively, the AGLC must balance the desire to be responsive to changing player tastes (used as a rationale for further expansion of gaming products), and the need to carefully monitor the social and fiscal capacity of the province (as part of the overall responsibility for managing gaming in Alberta). With respect to responsiveness, most stakeholders believe that the expansion in gaming products which has occurred in Alberta over the past five years is desired by players, as illustrated by the numbers of people flocking to new casinos, and the increasing amounts wagered on various types of gaming. Even stakeholder groups who focus on dealing with treatment and prevention of gambling problems admit that player demand for various types of gaming has increased.

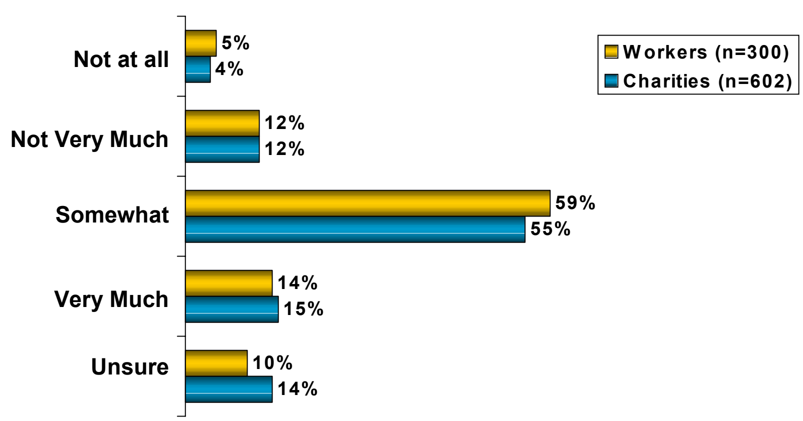
There is less consensus on the issue of where that growth is coming from. To address some of the criticisms of growth among the advocacy stakeholders it may be necessary to produce authoritative data on the profile of gamblers. If such a study indicated that the province is not simply generating more revenue from the same existing base of players, this data could defuse criticism.

There is considerable variation in the reaction to the licensing policy review process among stakeholder groups. Most of the advocacy groups which are looking over the AGLC's shoulder, such as the Canada West Foundation, AADAC, the Canadian Foundation for Compulsive Gambling, Northlands and Stampede, support the licensing policy review process. Other stakeholder groups are either unaware of the extent of consultation which has occurred previously, or are skeptical of the need for another review. In fact, many of the industry operators saw the licensing policy review process as a political stalling tactic which is necessary but not necessarily useful. On the other end of the spectrum, stakeholders such as police services and municipalities that have rarely, if ever, been consulted by the AGLC, welcome the review process and would like to institute a more regular system of consultation.

5.3 Rules and Regulations on Gaming

The majority of industry workers and charitable organizations believe that the current rules and regulations on gaming in the province somewhat reflect the desires of Albertans. Even among those who thought it did not reflect Albertans' desires, nearly half of them could not indicate how the rules and regulations could be improved. One thing they do suggest, both from industry and charity, is the need for more public and industry input.

Extent Current Regulations Reflect Albertan's Desires



Source: AGLC Charitable Groups Survey

How Could the Rules and Regulations be Changed to Better Reflect Desires?

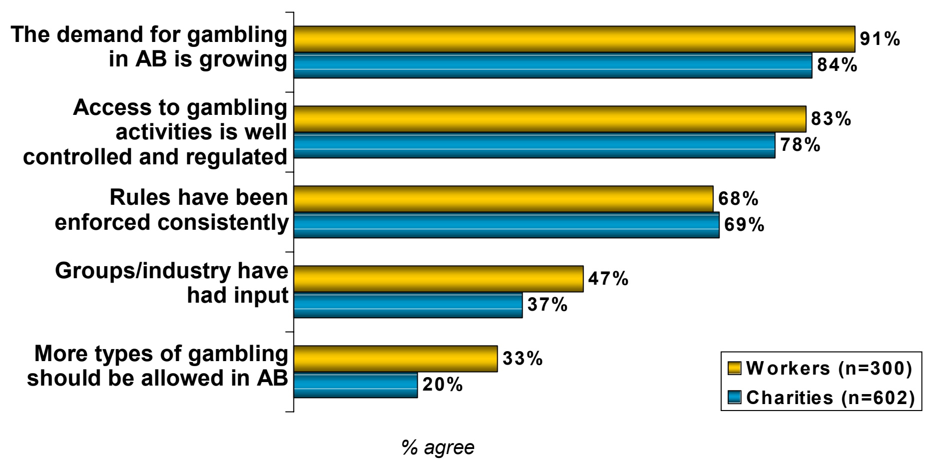
Industry

	(n=300) %
More Public/Industry input	16%
Cannot/should not be changed	4%
Look at payout structures	3%
Educate people about rules and regulations	2%
24 hour bingo halls and casinos	2%
Don't Know	48%

Charity

	(n=602) %
Surveys like this/more citizen input/focus groups	15%
More access to rules/clear information available	5%
Charitable groups should have more input	5%
Information on where money goes	4%
Don't Know	42%

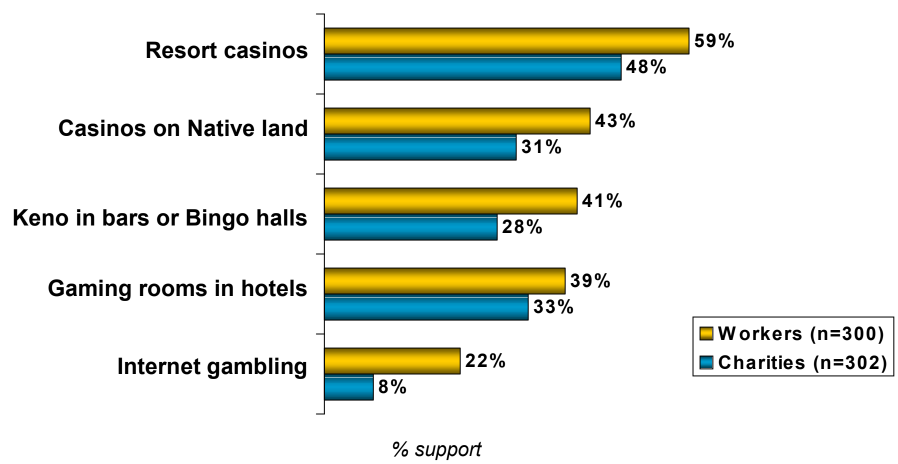
Contrasting Attitudes to Gambling



Source: AGLC Charitable Groups Survey

Industry workers are also more in favour of allowing new types of gambling into the province than are charitable organizations. Industry workers indicated a considerable level of support for resort casinos (59% are in favour of this new form of gambling), and a moderate level of support for casinos on native land (43%), and Keno in bars or bingo halls (41%). The majority of respondents did not favour Internet gambling, although again industry workers were more positive towards this new form of gambling than were charities.

Extent of Support for New Forms of Gambling

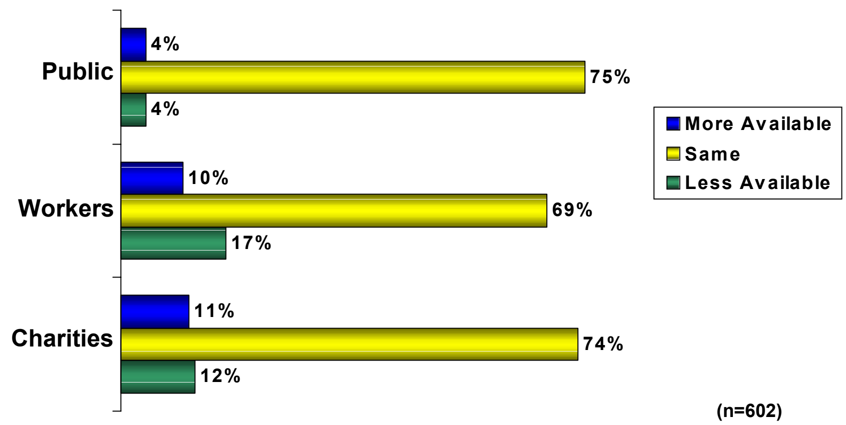


Source: AGLC Charitable Groups Survey

The majority of the public, industry and charitable organizations interviewed indicated that the availability of bingo in the province should remain at its current level. Consistent with the perceived harmful effects of VLTs, approximately 50% of the public, industry and charitable organizations felt VLTs should be less widely available in Alberta.

Gaming Support – Bingo

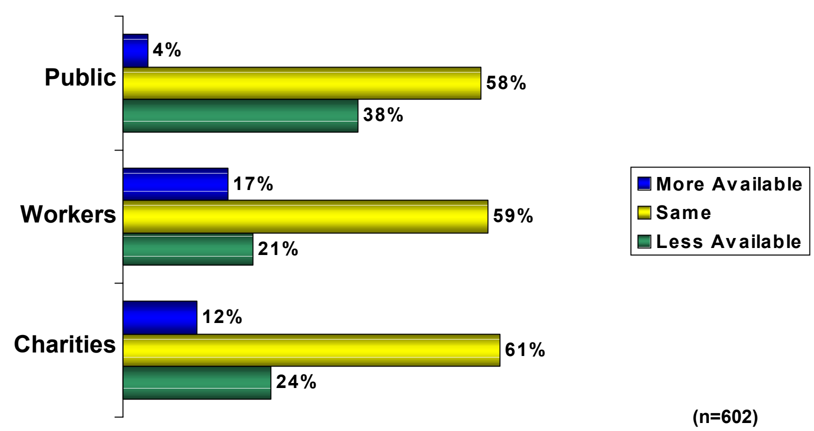
Do you think that Bingo should be made …



Source: AGLC Charitable Groups Survey

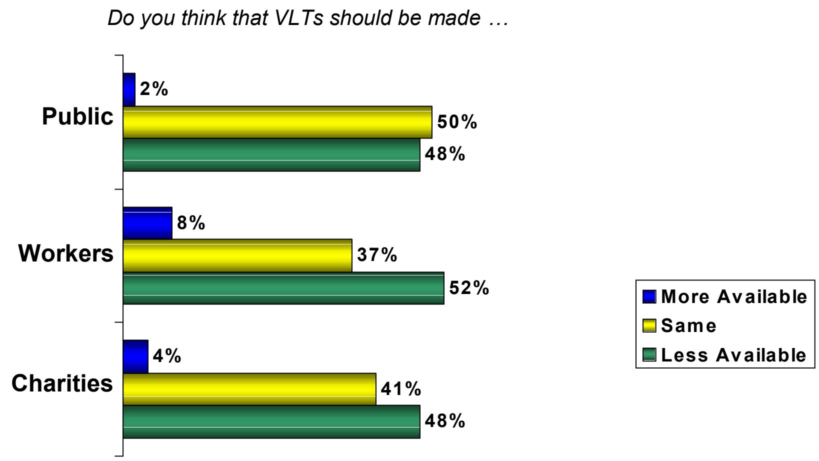
Gaming Support – Slot Machines

Do you think that slot machines should be made …



Source: AGLC Charitable Groups Survey

Gaming Support – VLTs



Source: AGLC Charitable Groups Survey

5.4 RESPONSIBILITIES

One of the keys to striking the right balance between responsiveness and responsibility is to communicate effectively to the public about the funds which have been generated and where those funds are being distributed. Many of the industry operators consulted believe that the AGLC could tell its story better, if they would "stop apologizing for growth". There is a sentiment among pro-expansion stakeholders that the AGLC has been on the defensive too much, and should be more proactive in communicating the benefits which accrue from gaming throughout the province.

On the other hand, stakeholder groups which are shouldering most of the cost (i.e. the negative social and economic impact) believe that the province has in some cases abdicated its responsibility for accurately assessing the net impact of gaming. They desire more funding to deal with some of the negative consequences of expanded gaming. It is interesting to note that this sentiment is not expressed by the groups dealing directly with treatment and prevention such as AADAC and the Canadian Foundation for Compulsive Gaming, but rather by groups with lesser knowledge of the gaming industry (such as municipalities and the police services).

To balance responsiveness and responsibility will involve on the one hand acknowledging that the AGLC is responding to player demands for more entertainment choices, while at the same time ensuring the public that the integrity of the system is being maintained at a high level despite rapid growth. From an industry perspective, it will be important to communicate that the AGLC is also responding to the industry's desire to invest in new facilities and new games, while at the same time fulfilling its responsibility to generate revenue for use by charitable organizations throughout the province through this new growth. Finally, it will be important to note that the desires of charities for adequate, stable funding for their community based initiatives has been acknowledged, while at the same time monitoring and addressing potential social problems linked to gambling. This will involve listening to the concerns of community groups about properly funding prevention and treatment programs (through AADAC and other agencies) and communicating the AGLC's efforts to balance responsiveness and responsibility for the benefit of all Albertans.

6.0 PERCEPTION OF PROBLEMS

While there was widespread consensus among the public and specific industry stakeholder groups about the good job AGLC has done in managing growth, there is considerable disagreement over the cause and extent of problems associated with gambling. On the one hand, the most negative stakeholder group (organizations that are leaning on the AGLC's shoulder) believe that problems associated with gaming have been over publicized and are already adequately funded. For instance, the ARC, AHA and FABA are more likely to believe that the media has overstated the extent of problems. On the other hand, groups that are looking over AGLC's shoulder, such as the Canada West Foundation, AADAC and some agricultural societies, believe that the AGLC may actually be minimizing the extent of problems.

6.1 COST/BENEFIT ANALYSIS

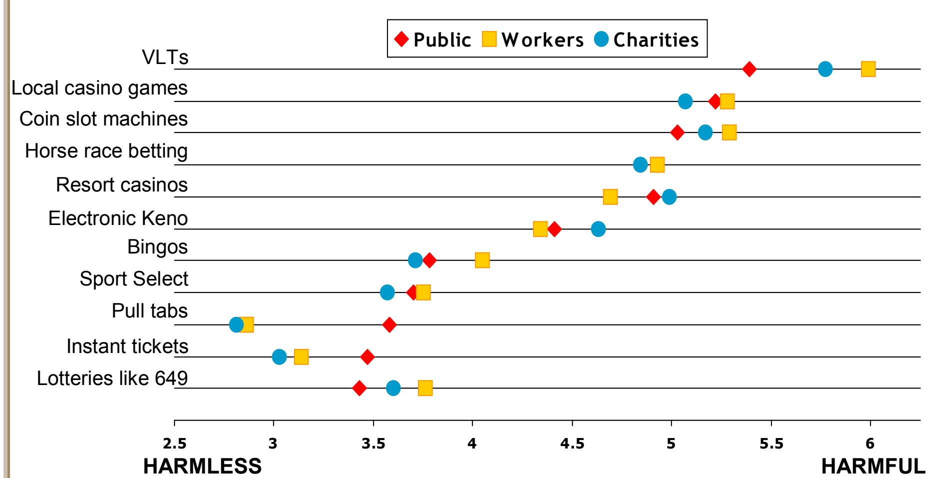
To arrive at an authoritative summation of the extent of problems associated with gambling would ultimately involve a very thorough cost/benefit analysis. The stakeholders who most clearly stated the need for this exercise were municipalities, several of whom noted that "full cost accounting" (totaling the negative impact as well as the revenues derived from gaming) would be desirable. Some of these groups such as the Red Deer Municipal Government believe that if full cost accounting were carried out, the province would quickly see that there is a net negative cost to gaming. The more pro-expansion industry groups that are looking over their own shoulder would gladly support some type of cost/benefit analysis, since they are confident that it would show a net benefit to Alberta. These groups are also very supportive of funding prevention and treatment initiatives in conjunction with the government.

6.2 PRIORITIES

Stakeholder groups which feel they are shouldering most of the cost of the expansion of gaming spent some time discussing how they must prioritize their efforts to deal with the negative fallout from gaming. For instance, both police services and social service agencies at the municipal level feel that their first priority is dealing with any of the crime, poverty or social hardship caused by gaming, rather than spending their time gathering statistical data to link these incidents with problem gambling. Police services are a good example; some of the police services stakeholders noted since gambling tends to be a softer crime (compared to the harder more violent types of crime) the first priority of police services should be to deal with the harder edged and more visible crime. This is not to say that police services minimize the seriousness of crimes associated with gambling, but they do believe that in an era of ever-increasing demands on their services and decreasing funding to meet those challenges, they must prioritize their workload.

One way of establishing perceived priorities with respect to "problem" gambling is to view the spectrum of gaming among the public, industry workers and charities. Among all three groups, VLTs are rated as most harmful, followed by local casino games, casino slot machines, and then horse race betting and resort casinos. Given the extent of publicity surrounding VLTs, it is not surprising to find that VLTs are perceived to be most harmful gaming product.

Perceived Spectrum of Gaming



Many industry workers and charity representatives could not comment on where the AGLC should focus most of its attention in the current licensing and policy review.

Of those who had an opinion common suggestions included focusing upon:

- Addiction and addiction education.
- Communication of how proceeds are dispersed.
- Clarification and consistent application of rules, regulations and licensing policies.
- Communicating with charities, industry and public and allow input.

INDUSTRY	(n=300)
• Proceeds should go to worth causes	8%
• Addiction in general	5%
• Who gets licenses	3%
• Limit growth of all forms of gambling	3%
• Educate public on gambling issues	3%
• End underage gambling	3%
• Enforcing rules	2%
• Public/industry input	2%
• Communicate better with industry	1%
• Treat groups fairly/more consistently	1%
• Simplify rules/too strict	1%

CHARITY	(n=602)
• Look at problem of addition, educate about addiction	10%
• Communication: what they are doing, where $ go	9%
• Make gambling less accessible	7%
• Disperse funds fairly to charities only	6%
• Keep games clean/organized crime out/legitimate charities	5%
• Explain/clarify rules/licensing	4%
• More input and involvement from charities	3%
• Monitor use of proceeds	3%

6.3 Prevention and Treatment

Most of the stakeholders consulted acknowledge that the Government of Alberta has begun to invest in prevention and treatment programs. Nevertheless, there is very sketchy knowledge of the specifics of the initiatives launched, and some vague concerns about whether the level of funding devoted to prevention and treatment programs is sufficient. Stakeholders which are most critical of AGLC (such as the groups that are leaning on its shoulder) believe that potential problems have been adequately addressed. In contrast, organizations that are looking over AGLC's shoulder believe that more needs to be done to measure the impact and fund the response. This is particularly true of the advocacy groups. Despite their concern about the lack of adequate measurement, there was almost no awareness of the new initiative to fund the Alberta Gaming Research Institute.

On the municipal and police level, many stakeholders acknowledge that joint efforts are required to collect data more consistently and share information on a province-wide basis. Furthermore, many of the industry operators expressed a desire to actively participate in prevention and treatment funding and training. This suggests that there may be opportunities for organizations like AADAC to coordinate industry wide seminars and training courses for problem gambling intervention tactics with some financial support from industry.

AADAC forms the cornerstone of the Government of Alberta's strategy for prevention and treatment of problem gambling. While AADAC has succeeded in putting forward a few programs, by no means does it consider itself an expert in dealing with gambling problems. Since AADAC's entire budget comes from gaming revenues, it is not surprising to find that the organization has a respectful and constructive working relationship with the AGLC. Nevertheless, it may be wise to consider some of the questions that other stakeholders raise such as:

- Should AADAC be the only agency responsible for funding prevention and treatment programs?
- Should other organizations such as the Canadian Foundation for Compulsive Gambling also be supported in their efforts to design and build treatment and prevention programs?

7.0 CONSISTENCY

7.1 A LEVEL PLAYING FIELD

Stakeholders with a vested interest in the expansion of gambling in Alberta would like AGLC to simply set the rules in place and let gaming providers compete fairly. More than anything, they seek a level playing field:

- between different types of VLT operators (the hotels with their multiple licenses vs. the lounges with a handful of machines);
- between casino operators (First Nations vs. other operators); and,
- between large and small players (ABS vs. other smaller players).

Consistency is also desired by other stakeholder groups, but in the case of stakeholders who are looking over the AGLC's shoulder, they would like better more consistent enforcement of intervention strategies and policies restricting the growth of the industry. The most critical stakeholder groups such as the ARC, AHA and FABA are convinced that the organization has not played by its own rules. They cite numerous examples of inconsistently applied policy. On the other hand, groups that are shouldering most of the cost of the expansion would like to be more consistently consulted about the implications of expanded gaming in Alberta.

7.2 VLT DISTRIBUTION

Perhaps the most explosive aspect of the growth of gaming in Alberta has been the government's policy toward VLT distribution. Based upon the way VLTs were initially launched and then rolled out, a number of inconsistent policies emerged. These included the emergence of the multiple license policy and the seemingly arbitrary decision to reduce the number of VLTs assigned to a permit holder who sells his business, from seven to four.

The issue around which much of the pro or anti gambling sentiment has raged in Alberta over the past five years concerns not only the number of VLT machines allowed, but the number of locations. In other words, public opinion (and some stakeholders) suggests that opposition to VLTs would be reduced if the points of distribution were reduced. During the VLT plebiscite debate the option of keeping the same number of VLTs but consolidating them into fewer locations was never put before the public, however there are several stakeholder groups and much of the public which would choose that as the most palatable option. Such a move, however, would fundamentally restructure the industry and could lead to devastating economic impact among the numerous hotel and lounge operators throughout the province who now rely on VLT revenues.

7.3 Enforcement

There were no stakeholders who suggested that the AGLC was not properly enforcing the age restrictions with respect to gambling, however there were some more minor irritants with respect to consistency in enforcing existing policies. Perhaps the most contentious is the debate over allowing children to attend small-scale community bingos. Regardless of the rationale for the AGLC allowing small-scale community bingos to permit children to attend, the impact such a move has on the perception of consistency in enforcement is dramatic. AGLC must ask itself if the cost (i.e. a potential dilution of the AGLC's image as a responsible enforcer of age limits) is justified by the resulting benefit for a handful of rural bingo associations.

8.0 INTEGRITY

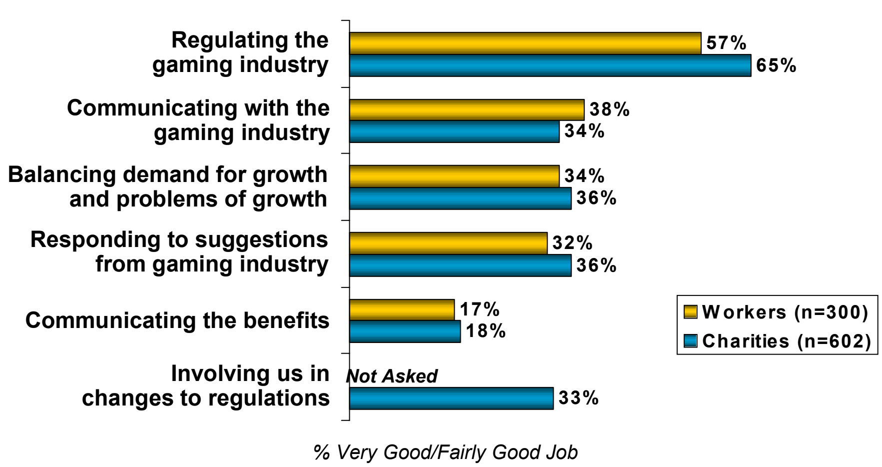
8.1 RATING AGLC'S PERFORMANCE

One of the most positive conclusions to emerge from the stakeholder consultations was the high regard almost all stakeholders had for the integrity and the professionalism of the AGLC as an organization. No stakeholder group believed that the AGLC's integrity had been called into question as a result of some of the policies it had produced or actions it had taken in the past five to eight years.

AGLC's performance as a regulator of the gaming industry is rated fairly highly across most of the stakeholder segments, with a few exceptions among the groups which are leaning on the AGLC such as the ARC and FABA. Results from the quantitative telephone interviews with industry workers and charitable organizations also underline the fact that:

- Two-thirds of the representatives of charities throughout the province (65%) rate the AGLC's performance in regulating the gaming industry as very or fairly good.
- Over half of bingo and casino workers (57%) also rate the AGLC as a very or fairly good as a regulator.

Rating of the AGLC's Performance



Source: AGLC Charitable Groups Survey

8.2 Operational Irritants

Despite the overall impression among most stakeholders that the AGLC was an organization that operated with a high degree of professionalism and integrity, there were some operational irritants highlighted. These included:

- Doing a less than adequate job in communicating consistently with the gaming industry and responding to their suggestions.
- Doing a relatively poor job in communicating the benefits of gaming to the population of the province.

Most of the criticisms of the AGLC point to a desire for greater transparency and dialogue between industry stakeholders and AGLC senior management. Among industry stakeholders such as casino operators, a few raised questions about whether the AGLC operates "like a true business would". They cited the apparent lack of technology support staff to keep slot machines operational as an example of lost revenue due to insufficient staffing (which conceivably would not happen in the private sector).

8.3 Professionalism

Some of the most critical stakeholder groups with respect to AGLC policy, such as the Canada West Foundation and the Canadian Foundation for Compulsive Gambling, rate the professionalism of AGLC quite highly. On the other extreme, groups such as the ARC and FABA question the organization's professionalism in making tough decisions and in clearly communicating those decisions. These critical organizations point to exceptions that have been made or allowances that have been granted to other operators as an example of the lack of professionalism or consistency in AGLC decisions. The rapid expansion of slot machines in a number of casinos is held up as one example of AGLC's inconsistency.

9.0 POLICY SUPPORT

9.1 COMMON THEMES

Common themes which emerged across most of the stakeholder groups can be summarized as follows:

1. Throughout all of the consultations, the most common desire expressed was for organizations to receive more funding to meet their specific needs. For some organizations this meant providing funding for treatment and prevention programs or education, whereas others had very specific capital projects in mind. Regardless of how the desires were couched, the fundamental point is that despite revenues in the range of $1 billion dollars, the combined wish lists of stakeholders in the province totals more than $1 billion.

2. There is a perceived need for more reliable data on the extent of potential problems arising from gambling in Alberta. This was raised consistently among law enforcement and social service agencies, but it is also something that most of the stakeholders concur with. Perhaps a program should be considered to raise the profile of the Alberta Research Institute and solicit ideas for worthy projects they could undertake.

3. Throughout the province, across all stakeholder groups, there is a widespread belief that more money should be spent by the Alberta Government to inform and educate the citizens of the province about where proceeds from gaming are distributed. This has been a consistent theme identified in numerous surveys throughout the 1990s. Given the new direction from the Ministry of Gaming to begin the “brand” the Alberta Lottery Fund, now may be an ideal time to develop plans for a long-term public affairs promotional campaign.

4. Despite the numerous competing agendas among stakeholders in the province, almost all of them can agree that the AGLC has done a fairly good job in managing growth responsibly. With only a handful of exceptions, stakeholder groups in the province believe that the rapid rise in revenues from gaming have been managed in a sustainable way that has provoked a minimum amount of public backlash.

5. Most stakeholders welcomed this review process and they noted that stakeholder input should be sought by the AGLC on a more regular basis.

9.2 CONFLICTING INTERESTS

The major points of conflict within the gaming industry in Alberta are likely to revolve around the distribution of proceeds and access to those revenues. Even the most ardent anti-gambling advocacy groups do not expect to roll back or even cap the growth of gaming in Alberta. These organizations do, however, believe that a more just and equitable allocation of funding toward treatment, prevention and education is the only responsible route for the Government of Alberta to take.

Most of the conflicts will stem from competing interests jockeying for a bigger piece of an expanding pie. For instance, casino operators in the province (both current and potential developers) anticipate a continued growth in demand for gaming products, particularly in Calgary. The main point of contention is how the province will deal with First Nations gaming. Depending upon the rules and regulations under which First Nations can operate casinos, the impact could alter the gaming industry in Alberta dramatically. Most of the fears about the introduction of First Nations casino centres on whether or not they will be allowed to offer unfair competitive advantages (such as free food or discounted hotel rooms).

9.3 POTENTIAL OPPORTUNITIES

Alberta faces tremendous challenges in balancing the desire of players for greater quality and variety of gaming products on the one hand, and a need to devote sufficient resources for education, prevention and treatment of problem gambling. Despite these challenges, there are significant opportunities to establish Alberta as a model jurisdiction when it comes to the structure of the gaming industry and how benefits are derived for the entire province. Many of the opportunities hinge upon a successful updating of the Charitable Model. The fundamental underlying principles of the Charitable Model should form the cornerstone of any new policy framework: volunteers in charities throughout the province working to derive direct benefit from gambling which will go to support many worthy causes.

Expansion of casino facilities and the introduction of any new types of games (such as Keno) will have less dramatic impact on the public opinion landscape than any adjustment to the distribution of VLTs. The opportunity now exists to restructure some of the old policies, correct some of the anomalies which have grown up inside the old policy framework, and publicly state the government's commitment to balance responsiveness and responsibility on the gaming issue.

Striking the proper balance will involve responding to the desires of players for a better quality product, the desires of charities for greater stable revenue sources, and the desires of operators to invest in building new facilities. Nevertheless, these objectives will have to be weighted against the acknowledgment that police services, social service agencies, and organizations working to educate, prevent and treat problem gambling must receive funds on a more stable and consistent basis. The maturation of the gaming industry in the province demands it.

Because gambling is such a potentially divisive moral issue, the majority of Albertans, including almost all stakeholder groups, would not advocate prohibition of gaming in the province. They will, however, embrace a policy that acknowledges the important role of volunteers and charities within Alberta, the vital function that gaming plays to support these activities, and the increased emphasis the government is prepared to place on properly funding regulation, education, prevention and treatment of gambling problems.

APPENDIX

METHODOLOGY

Executive Discussions

- AADAC: 1 Executive Meeting
- Agricultural Societies: 6 Executive Meetings
- Advocacy Groups: 2 (CWF, Canadian Compulsive Gambling Foundation)
- AGIA: 1 Executive Meeting
- AHA & ARFA: 2 Executive Meetings
- Alberta Justice: 1 Executive Meetings
- FABA: 2 Meetings with FABA Executive
- Municipalities-4 – Edmonton, Red Deer, Grand Prairie, Calgary
- Police Services-5 – RCMP, EPS, CPS, LPS, MHPS
- Salvation Army
- Potential Casino Applicants

Facilitated Group Discussions

- ABHMA: 1 Focus Group
- Ticket Retailers: 4 Focus Groups
- Video Retailers: 4 Focus Groups
- Casino Operators: 2 Focus Groups
- RCAA: 1 Focus Group

Telephone Interviews

- Industry Workers:
  - 300 telephone interviews
  - representative sample of Alberta
  - 15 minute survey
  - analyzed by type of establishment
- Charitable Organizations:
  - 600 telephone interviews
  - representative sample of charities by size (S, M, L) and region
  - 15 minute survey
  - booster sample of Community Bingo Licensees

Alberta Gaming & Liquor Commission
Focus Group Screener

Good morning/afternoon/evening, may I please speak to ______. Hello _____. I'm _______ from Cameron Strategy Inc, a research company in Calgary, and we are conducting focus groups on behalf of the Alberta Gaming and Liquor Commission. Focus groups are informal group discussions about a variety of topics that last around 90 minutes. If you qualify to attend and you show up for the session, you will receive $50 to thank you for your time.

1. Are you over the age of 18?

   Yes
   No Thank and explain the quota has been filled

Thank you. You qualify to attend. The focus group will be conducted in ______on ______ at _____. Can you attend at this time?

If for some reason you cannot attend, please call this # to let us know so we can get someone else in your place.

Alberta Gaming & Liquor Commission
Executive Consultations
Screener

Good morning/afternoon/evening, may I please speak to ______.   Hello _____. I'm _______ from Cameron Strategy Inc, a research company in Calgary, and we are conducting executive consultations on behalf of the Alberta Gaming and Liquor Commission. Your name was put forward as an important person to speak to regarding the AGLC stakeholder consultation.

The interview will take approximately 1 hour, and will be conducted with yourself, an executive of the AGLC, and a representative from Cameron Strategy. Please feel free to invite other key people from your company who may wish to contribute to the research.

The interview will be conducted in ______on ______ at _____. Are you interesting in attending?

AGLC STAKEHOLDER CONSULTATION
- DISCUSSION GUIDE -

1. Introduction (10 minutes)

- Introductions of participant names / roles
- Explain purpose of session:

  Gaming has experienced dramatic growth in many jurisdictions throughout Canada and the United States over the past 10 years. The Province of Alberta is no exception.

  In Alberta, gaming activities generated gross sales (before prizes) of $12.5 billion last year. Since 1991 net revenue to the Lottery Fund and Charities has grown from $235 million to more than $1 billion, an increase of 331%.

  That level of growth emphasizes the importance of maintaining the integrity of gaming activities and of ensuring that any further growth or expansion is balanced against the fiscal and social capacity of the province.

  The Minister of Gaming requested a review of gaming licensing policies. He also directed that, during the licensing policy review, the Alberta Gaming and Liquor Commission (AGLC) suspend consideration of requests to license or approve new casinos, casino expansions or relocations, new games and new gaming environments.

  The scope of the Licensing Policy Review is to determine whether or not existing gaming licensing policies are current, comprehensive, clearly defined and specific in terms of the licensing procedures and processes to be followed by the Alberta Gaming and Liquor Commission (AGLC). Where polices may be lacking in any of these respects, revisions are to be recommended as appropriate to the Minister of Gaming for consideration.

  <u>Stakeholder Consultation</u>

  During the review, the AGLC is consulting with stakeholders who represent a range of community and industry perspectives. Stakeholder views will be considered in the development of licensing policy.

- Thank you for taking the time to meet with us to discuss your views on gaming policy and licensing in Alberta.
- All input from stakeholders is being carefully considered before a summary report is submitted to the Minister, so your candid views are encouraged and appreciated.

2. Awareness Of and Reaction To Current Review

- Prior to being contacted for this consultation, how familiar were you with the scope and purpose of the current gaming licensing review? **(very, somewhat, not very, not at all familiar)** What had you heard? From what source?
- I want to know how familiar you are with elements of previous consultations that are being incorporated into the current review. Are you familiar with any other consultations?
- For each element – ask awareness, and impressions of the process and outcome.
    - Bingo Industry Review (September'99)
    - Lotteries and Gaming Summit (July'98)
    - Native Gaming Review Committee (April'96)
    - Lotteries Review Committee (August'95)
- How familiar were you with that?
- Were you consulted?
- How did you feel about the process or the outcome?

3. Scope and Impact of Gaming in Alberta

- What do you feel is the main challenge the AGLC needs to address as part of this gaming and licensing policy review?
- Have you or your organization noticed growth in demand over the past two years from players of lotteries and other gaming products in Alberta? If so, how has that growth impacted you or your organization?
- What specific types of products or games do you think Albertans are playing more frequently now than they were two years ago?
- Where do you see the greatest potential for growth in gaming in Alberta?
- What do you see as the major limits to growth? (Probe for consumer demand, economic limits, policy limits, social capacity concerns.)
- What do you think the term social capacity means?
- What do you think community capacity means?
    - tolerance?
    - demand?
- To what extent do you think the AGLC has effectively balanced the growth in demand for gaming and the need to respect the social and economic capacity of Alberta to gamble?
- What could the AGLC be doing better to assist your organization in responding to growth in consumer demand?
- What could the AGLC be doing better to balance the challenges of increased gaming demand and the need to monitor the social capacity of Alberta?

- Do you think Albertans are more aware now of where the money raised from gaming goes than they were two years ago? Why / why not? Has this changed the way people have reacted to gaming? Win what ways?

4. General Impressions of Gaming Issues

- What would you say are the top issues or problems which have arisen within the gaming industry in Alberta in the past year?
- What could the AGLC do to respond to those issues?
- In general, the AGLC has faced a variety of challenges, which we can discuss in 3 core areas:
  - i. Policy topics
  - ii. Strategic issues
  - iii. Tactical considerations

  i. Policy Issues
  Which ones do you see as crucial to address? Why? **(Probe for casino expansion, First Nations casinos, VLT multi-licensing, VLT distribution, retaining the charitable model, guiding principles.)**

  ii. Strategic Issues
  What strategic issues do you see as important to consider? (In other words, market trends, advertising, research, product cannibalization, etc.) How should the AGLC address them?

  iii. Tactical Considerations
  What kinds of more tactical concerns need to be addressed? **(Probe for enforcement issues, security / network challenges, etc.)**

- Do you think existing policies have been consistently applied or not? Why? How can consistency of application be improved?

5. Specific Reactions to Initiatives

- Among some of the key gaming issues we have discussed, which one do you think requires the most urgent attention by the AGLC? Why? Probe for:
  - Internet Gaming
  - Casino Expansion
  - First Nation Casinos
  - VLT Licensing
  - VLT Distribution
  - Bingo
  - Charity Eligibility
  - Social Capacity / Problems
- (see Section 4 of Blue Book – custom questions for each sector/stakeholder group)

6. Final Comments / Issues

- What are the areas of gaming policy or licensing you think the AGLC needs to spend more time considering?
- Are there certain topics that the newly established Alberta Gaming Research Institute should be pursuing?
- What ways can you suggest to keep the lines of communication open on an ongoing basis between the gaming industry and AGLC?
- Do you have any final thoughts or comments?

Thank you for your input.

ADDENDUM ON KEY TOPICS

1. With respect to CASINO EXPANSION, what do you see as the key issues to address?

- Probe to gauge reaction toward:
  - Freeze on development pending policy review (was it reasonable, expectations about lifting the freeze)
  - Slot machine growth (dramatic rise in revenues and potential impact on problem gambling)
- What role should the AGLC play …
  - In determining future casino developments? In setting a number of slots in casinos? In mitigating the effect of First Nations casinos on casino gaming in Alberta?

2. With respect to FIRST NATIONS GAMING, what do you see as the key issues to address? How should the AGLC address those?

- Probe for reaction to:
  - Recent announcements on First Nations casinos
  - Ensure the charitable model is retained while still taking First Nations issues into account

3. With respect to VLT MULTIPLE LICENSE POLICY, what do you see as the major issues? How should the AGLC address those?

- Specifically, probe reaction to:
  - Initial Dec. 31, 2000 deadline and extension to Dec. 31, 2001
  - Creation of hotel facility gaming rooms

4. With respect to VLT DISTRIBUTION, what are the major issues and how should AGLC address them:

- Probe for specific reaction to:
  - Retaining the 6000 cap
  - Policy of optimization and establishing criteria to decide on locations based on performance measures

5. With respect to BINGO, what are the major issues and how should the AGLC address them?

- Probe for specific reaction to:
  - Implementing Bingo review recommendations
  - Possibility of introducing Keno and Electronic Bingo
  - Considering pull ticket dispensing machines in Bingo halls and Legions

6. With respect to CHARITY ELIGIBILITY FOR LICENSES, what are the major issues and how should AGLC address them?

- Probe for specific reaction to:
  - Waiting periods
  - Greater consistency and clarity in defining charity eligibility

7. With respect to GUIDING PRINCIPLES, what do you see as the major challenge for AGLC and how should it be addressed?

- Probe for specific reaction to:
  - Developing a formal set of guiding principles
  - AGLC's role to balance sustained revenue and control / protection of social capacity

SIZE (# of members): (watch quotas)	
CHARITY NAME:	
LOCATION:	

CLASS:
Seniors 1
Medical 2
Religious 3
Sport/Recreation 4
Social 5
Education 6
Youth 7
Cultural 8
Service 9
Arts 10

ALBERTA GAMING STAKEHOLDER SURVEY
- CHARITABLE GROUPS -
- Final SEPTEMBER 11, 2000 -

Hello, this is _____________ from Cameron Strategy, an Alberta based opinion and marketing research firm. We are assisting the Alberta Gaming & Liquor Commission in conducting a review of gaming licensing and policy in the Province, and we were given a list of names of people associated with various charitable organizations in Alberta. Are you _______________? I would like to speak with that person about their views of the gaming industry in Alberta.

[WHEN CORRECT PERSON IS SELECTED, ASK:]

I would just like to confirm that you are part of ____________________________. **(IF NOT, ASK TO SPEAK TO SOMEONE WHO DOES AND RE-INTRODUCE OR THANK & TERMINATE)** This is important research, and your participation will help greatly in understanding the attitudes of all Albertans toward gaming and gambling in our province. This research is completely confidential and results will be grouped together for reporting. Would you have time now to answer some questions?

8. Gender: **(DO NOT ASK)**

   Male 1
   Female 2

9. What role do you play in the **(NAME OF CHARITY)**? **(PROBE FOR TYPE OF JOB)**

   ____

   ____

   ____

10. What do you personally think is the greatest **challenge** facing Alberta's gaming industry right now?

____

____

____

____

11. For each statement I am about to read, please tell me if you strongly agree, somewhat agree, somewhat disagree or strongly disagree that …? **(READ LIST)**

		Strongly Agree	Somewhat Agree	Somewhat Disagree	Strongly Disagree	Unsure
a.	The demand for gambling in Alberta is growing	1	2	3	4	9
b	More types of gambling should be allowed in Alberta...	1	2	3	4	9
c.	Access to gambling activities is well controlled & regulated................................	1	2	3	4	9
d.	Increased access to gaming will create more problems than it is worth in Alberta	1	2	3	4	9
e.	More money should be spent to inform Albertans about where lottery proceeds go...........................	1	2	3	4	9
f.	Rules for various forms of gaming have been enforced consistently by the AGLC	1	2	3	4	9
g.	Charitable groups have had input into the way the industry is structured	1	2	3	4	9

12. Based on what you have seen or heard, over the past year do you think that problems associated with gambling in Alberta have … **(READ LIST)**

Increased or gotten worse................. 1
Stayed the same 2
or Decreased/gotten better............... 3
(Unsure) 9

13. Why do you say that?

____

____

____

14. a) To what extent do you think the current rules and regulations on gaming in Alberta accurately reflect the desires of most people in the Province?

Not at all 1
Not very much 2
Somewhat 3
or Very much .... 4 **– SKIP TO Q. 8**
(Unsure) 9

7. b) How could the existing rules and regulations be changed to better reflect what Albertan's want?

____

____

____

15. Would you like to see the following types of gambling made more or less widely available in Alberta, or would you like to see its availability remain the same … **(READ LIST)**

	More Available	**Same Availability**	**Less Available**	**DK/NS**
Slot machines in local casinos	1	2	3	9
Bingo……………………………………..	1	2	3	9
On video lotteries in bars and lounges…………………………………..	1	2	3	9

9. Do you support or oppose establishing the following types of gambling in Alberta….? Is that strongly or somewhat oppose?

	Strongly support	Somewhat support	Somewhat oppose	Strongly oppose	DK/NS
Large resort casinos in Alberta	1	2	3	4	9
Casinos on Native land	1	2	3	4	9
Electronic Keno in bars or Bingo Halls	1	2	3	4	9
On the Internet	1	2	3	4	9
At expanded gaming centres in selected hotels or bars	1	2	3	4	9

10. How well informed do you feel you are about where the proceeds (profit after prizes and operating expenses) from various types of gaming go such as … **(READ LIST)**

	Very Well Informed	Somewhat Informed	Not very Well Informed	Not At All Informed	DK/ NS
i) Bingo	1	2	3	4	9
ii) Casinos	1	2	3	4	9
iii) Lotteries	1	2	3	4	9
iv) Video lotteries	1	2	3	4	9
v) Horse races	1	2	3	4	9

11. How well informed do you think *other* Albertans are about where the proceeds from various types of gaming go? Are they**….(READ LIST)**

Very well informed............................ 1
Somewhat informed 2
Not very well informed....................... 3
Not at all informed 4
DK/NS 9

12a. Can you recall hearing, seeing or reading anything recently about where gaming proceeds went? (NOTE: Proceeds are the profits made by the lotteries or other forms of gambling.)

Yes .... 1 **ASK Q.12b**
No.. 2 **skip to question 14**
DK/NS 9

12b. What is your primary source of information?

____

____

____

13. Did that information make you feel positive or negative about … **(READ LIST, ROTATE)**

	Positive	Negative	Neither	DK/NS
__i) The Alberta Gaming and Liquor Commission..	1	2	3	9
__ii) The Alberta Government	1	2	3	9
__iii) Spending money on gaming or lotteries..	1	2	3	9
__iv) Donating your time to the charity.........	1	2	3	9

14. To what extent do you think the gaming industry in Alberta … **(READ LIST)** . Is that not at all, a little, or a lot?

	Not At All	A Little	A Lot	DK/NS
Benefits <u>most</u> charitable organizations...........	1	2	3	9
Benefits the charitable organization you work for	1	2	3	9
Appreciates the efforts of charitable organizations	1	2	3	9

15. Now I am going to read you a list of different games and gambling activities and I'd like you to tell me whether you personally think each one is harmless entertainment or hard gambling. On a scale from 1 to 7 where "1" is harmless entertainment and "7" is hard gambling, how would you rate …? **(READ LIST)**

		HARMLESS ENTERTAINMENT				**HARD GAMBLING**			**DK/ NS**
a.	Pull tabs	1	2	3	4	5	6	7	9
b.	Instant tickets	1	2	3	4	5	6	7	9
c.	Bingos	1	2	3	4	5	6	7	9
d.	Electronic Keno	1	2	3	4	5	6	7	9
e.	Video lottery terminals......................	1	2	3	4	5	6	7	9
f.	Horse race betting............................	1	2	3	4	5	6	7	9
g.	Local casino table games.................	1	2	3	4	5	6	7	9
h.	Resort casinos	1	2	3	4	5	6	7	9
i.	Lotteries like lotto 6/49	1	2	3	4	5	6	7	9
j.	Sport Select (Pro line, Over/Under) ..	1	2	3	4	5	6	7	9
k.	Coin dispensing slot machines..........	1	2	3	4	5	6	7	9

16. Finally, I'd like you to tell me if you think the AGLC has done a very poor, fairly poor, OK, fairly good or very good job at … **(READ LIST)**

	Very Poor	**Fairly Poor**	**OK**	**Fairly Good**	**Very Good**	**DK/NS**
Regulating the gaming industry........	1	2	3	4	5	9
Responding to suggestions from the gaming industry	1	2	3	4	5	9
Balancing the demand for growth and potential problems of growth in gaming..	1	2	3	4	5	9
Communicating the benefits of gaming to Albertans	1	2	3	4	5	9
Communicating with the gaming industry..	1	2	3	4	5	9
Involving charities in changes to regulations.......................................	1	2	3	4	5	9

17. What do you think the AGLC should focus most of its attention on in the current licensing and policy review?

____

____

____

DEMOGRAPHICS

This final question is for statistical purposes only.

18. Into which of the following categories does your age fall?

18 to 24 years	1
25 to 34 years	2
35 to 44 years	3
45 to 54 years	4
55 to 64 years	5
65 years or older	6
Refused / Not Stated	9

Thank you, those are all the questions I have to ask you. I greatly appreciate your taking the time to complete this survey and participating in the AGLC review of licensing and policy.

DO NOT ASK: TELEPHONE NUMBER

(___ ___ ___) ___ ___ ___ - ___ ___ ___ ___

INTERVIEWER'S SIGNATURE: ______________________________

DATE: _________________________

Location:___________________________________

CLASS:
Bingo worker.............. 1
Casino worker............ 2
Community
Bingo Licensee 3
(watch quota)

ALBERTA GAMING STAKEHOLDER SURVEY
- INDUSTRY WORKERS -
- SEPTEMBER 11, 2000 -

Hello, this is _____________ from Cameron Strategy, an Alberta based opinion and marketing research firm. We are assisting the Alberta Gaming & Liquor Commission in conducting a review of gaming licensing and policy in the Province, and we were given a list of names of people who work in the industry. Are you ___________________________? I would like to speak with that person about their views of the gaming industry in Alberta.

[WHEN CORRECT PERSON IS SELECTED, ASK:]

I would just like to confirm that you work in the gaming industry. **(IF NOT, ASK TO SPEAK TO SOMEONE WHO DOES AND RE-INTRODUCE OR THANK & TERMINATE)** This is important research, and your participation will help greatly in understanding the attitudes of all Albertans toward gaming and gambling in our province. This research is completely confidential and results will be grouped together for reporting. Would you have time now to answer some questions? Would you have time now to answer some questions?

1. Gender: (DO NOT ASK)

   Male... 1
   Female 2

2. What role do you play in the industry? **(PROBE FOR OCCUPATION/TYPE OF JOB)**

   ____

   ____

   ____

3. What do you personally think is the greatest **challenge** facing Alberta's gaming industry right now?

____

____

____

4. For each statement I am about to read, please tell me if you strongly agree, somewhat agree, somewhat disagree or strongly disagree that …? **(READ LIST)**

		Strongly Agree	**Somewhat Agree**	**Somewhat Disagree**	**Strongly Disagree**	**Unsure**
a.	The demand for gambling in Alberta is growing	1	2	3	4	9
b	More types of gambling should be allowed in Alberta..	1	2	3	4	9
c.	Access to gambling activities is well controlled & regulated..............................	1	2	3	4	9
d.	Increased access to gaming will create more problems than it is worth in Alberta	1	2	3	4	9
e.	More money should be spent to inform Albertans about where lottery proceeds go..........................	1	2	3	4	9
f.	Rules for various forms of gaming have been enforced consistently by the AGLC	1	2	3	4	9
g.	People in the gaming industry have had input into the way the industry is structured..............................	1	2	3	4	9

5. Based on what you have seen or heard, over the past year do you think that problems associated with gambling in Alberta have … **(READ LIST)**

    Increased or gotten worse................. 1
    Stayed the same 2
    or Decreased/gotten better............... 3
    (Unsure) 9

6. Why do you say that?

____

____

____

7. a) To what extent do you think the current rules and regulations on gaming in Alberta accurately reflect the desires of most people in the Province?

   Not at all 1
   Not very much 2
   Somewhat 3
   or Very much .... 4 **– SKIP TO Q. 8**
   (Unsure) 9

7. b) How could the existing rules and regulations be changed to better reflect what Albertan's want?

____

____

____

8. Would you like to see the following types of gambling made more or less widely available in Alberta, or would you like to see its availability remain the same … **(READ LIST)**

	More Available	**Same Availability**	**Less Available**	**DK/NS**
Slot machines in local casinos	1	2	3	9
Bingo……………………………………..	1	2	3	9
On video lotteries in bars and lounges…………………………………..	1	2	3	9

9. Do you support or oppose establishing the following types of gambling in Alberta….? Is that strongly or somewhat oppose?

	Strongly support	Somewhat support	Somewhat oppose	Strongly oppose	DK/NS
Large resort casinos in Alberta	1	2	3	4	9
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At expanded gaming centres in selected hotels or bars	1	2	3	4	9

10. How well informed do you feel you are about where the proceeds (profit after prizes and operating expenses) from various types of gaming go such as … **(READ LIST)**

	Very Well Informed	Somewhat Informed	Not very Well Informed	Not At All Informed	DK/ NS
i) Bingo	1	2	3	4	9
ii) Casinos	1	2	3	4	9
iii) Lotteries	1	2	3	4	9
iv) Video lotteries	1	2	3	4	9
v) Horse races	1	2	3	4	9

11. How well informed do you think *other* Albertans are about where the proceeds from various types of gaming go? Are they….

Very well informed............................ 1
Somewhat informed 2
Not very well informed...................... 3
Not at all informed 4
DK/NS 9

12a. Can you recall hearing, seeing or reading anything recently about where some gaming proceeds went? (NOTE: Proceeds are the profits made by the lotteries or other forms of gambling.)

Yes .... 1 **– ASK Q.12B**
No.. 2 **SKIP TO Q.14**
DK/NS 9

12b. What was your primary source of information?

____

____

____

13. Did that information make you feel positive or negative about … **(READ LIST, ROTATE)**

	Positive	**Negative**	**Neither**	**DK/NS**
__i) The Alberta Gaming and Liquor Commission..	1	2	3	9
__ii) The Alberta Government	1	2	3	9
__iii) Spending money on gaming or lotteries...	1	2	3	9

14. Now I am going to read you a list of different games and gambling activities and I'd like you to tell me whether you personally think each one is harmless entertainment or hard gambling. On a scale from 1 to 7 where "1" is harmless entertainment and "7" is hard gambling, how would you rate …? **(READ LIST)**

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c.	Bingos	1	2	3	4	5	6	7	9
d.	Electronic Keno	1	2	3	4	5	6	7	9
e.	Video lottery terminals......................	1	2	3	4	5	6	7	9
f.	Horse race betting............................	1	2	3	4	5	6	7	9
g.	Local casino table games.................	1	2	3	4	5	6	7	9
h.	Resort casinos	1	2	3	4	5	6	7	9
i.	Lotteries like lotto 6/49	1	2	3	4	5	6	7	9
j.	Sport Select (Pro line, Over/Under) ..	1	2	3	4	5	6	7	9
k.	Coin dispensing slot machines..........	1	2	3	4	5	6	7	9

15. Finally, I'd like you to tell me if you think the AGLC has done a very poor, fairly poor, OK, fairly good or very good job at … **(READ LIST)**

	Very Poor	**Fairly Poor**	**OK**	**Fairly Good**	**Very Good**	**DK/NS**
Regulating the gaming industry........	1	2	3	4	5	9
Responding to suggestions from the gaming industry	1	2	3	4	5	9
Balancing the demand for growth and potential problems of growth in gaming	1	2	3	4	5	9
Communicating the benefits of gaming to Albertans	1	2	3	4	5	9
Communicating with the gaming industry	1	2	3	4	5	9

16. What do you think the AGLC should focus most of its attention on in the current licensing and policy review?

____

____

____

DEMOGRAPHICS

This final question is for statistical purposes only.

17. Into which of the following categories does your age fall?

18 to 24 years.................................. 1
25 to 34 years.................................. 2
35 to 44 years.................................. 3
45 to 54 years.................................. 4
55 to 64 years.................................. 5
65 years or older 6
Refused / Not Stated 9

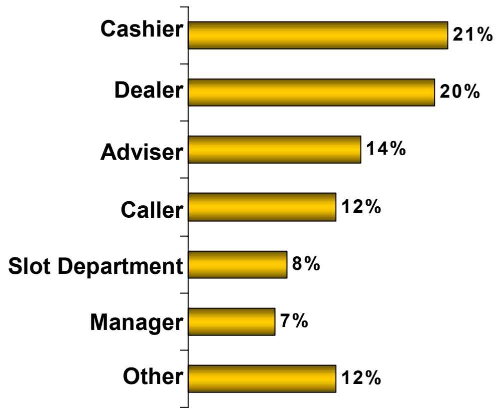
Thank you, those are all the questions I have to ask you. I greatly appreciate your taking the time to complete this survey and participating in the AGLC review of licensing and policy.

DO NOT ASK: TELEPHONE NUMBER:
(___ ___ ___) ___ ___ ___ - ___ ___ ___ ___

INTERVIEWER'S SIGNATURE: ______________________________
DATE: ___________________________

PROFILE OF INDUSTRY WORKERS & CHARITY REPRESENTATIVES

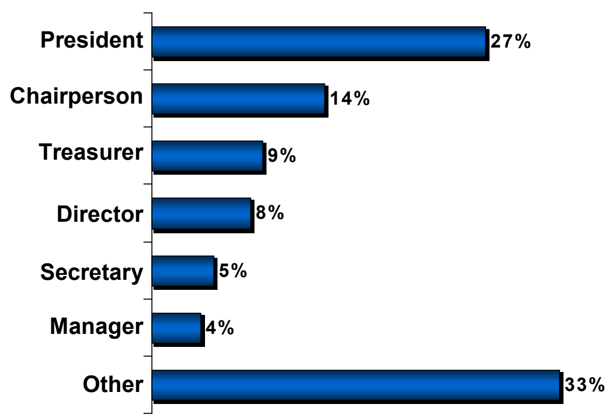
Industry Workers



Base: (n=300)

Source: AGLC Charitable Groups Survey

Charity Representatives



Base: (n=602)

Source: AGLC Charitable Groups Survey

ALBERTA GAMING LICENSING POLICY REVIEW

TECHNICAL APPENDIX
SUMMARY OF INDIVIDUAL CONSULTATIONS

Prepared by: Cameron Strategy Inc.

December, 2000

Prepared for: Alberta Gaming and Liquor Commission

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APPENDIX STRUCTURE

Summaries of the individual meetings with each specific stakeholder group are contained within this appendix. They are organized into four sections based upon the segments identified in the main body of the report. These include:

1. Most Critical of AGLC (leaning on AGLC's shoulder)
2. Fairly Critical of AGLC (looking over AGLC's shoulder)
3. Fairly Positive Toward AGLC (shouldering most of the impact)
4. Most Positive Toward AGLC (looking over their own shoulder)

The reader is cautioned that these summaries have been prepared by Cameron Strategy Inc. on the basis of handwritten notes taken during the sessions. Early in the consultation exercise it was decided to forgo audiotaping of the sessions, therefore an exact verbatim record is not available. The intent of these summaries is to capture the main points which each of the stakeholder groups raised.

SEGMENT ONE: LEANING ON AGLC'S SHOULDER

1.1 Federation of Alberta Bingo Associations (FABA)

Due to the extensive input FABA had to contribute and the time allotted at the beginning of the consultations, two sessions were held with FABA rather than the normal one session.

During the first session on September 1st, 2000 FABA began by underlining their belief that an overall comprehensive review of gaming was long overdue. They then expressed concern that bingo was not even mentioned in the terms of reference. Consistent with almost all other stakeholder feedback, FABA believed that the public needs to know how the money from gaming is being handled (i.e. where the money is coming from and how it is being spent).

FABA is "really upset" about continually being targeted with respect to the issue of minors and gambling. They do not believe that bingo is addictive due to its slower pace and smaller jackpots. They also mentioned that many of their more rural associations wanted the 1998 rules prohibiting minors overturned.

Most of the remainder of the initial session with FABA was spent outlining how bingo revenues have decreased from 1993 to the present, due to the introduction of VLTs and slots. Central to this discussion was the issue of the desire of FABA to introduce new games, which they described as progressive games and games of second chance. FABA is in favour of linked games but on the whole was hesitant about allowing liquor in bingo halls, because only a few halls have workers who are all of legal drinking age.

FABA returned to the issue of differentiating bingo from other forms of gambling, stressing that bingo is a more social game than most other forms of gambling, and needs AGLC's help to survive and compete. FABA also made the point that more transparency was desirable in licensing, and that perhaps slot revenues should be pooled province-wide rather than by community as it is now. With respect to the issue of registration and testing of bingo staff, FABA noted that testing is a new concept which may be unnecessary but believes that most associations would comply. On the issue of Native Casinos, the central question FABA raised was how the benefits would be shared in order to be important to avoid disparities between the Native communities and the broader Native community in each region of the province. Native casinos could have a negative impact on some associations due to the location and proximity.

In the second session with FABA held on October 25th, 2000 (near the end of the consultation process), FABA identified the main challenges facing AGLC as credibility and consistency. They believe that there should be a definitive plan, rather than ad hoc development as is now the case. They also stressed that the public have a right to know that approvals are fair, equitable and unbiased. With respect to bingo, they maintain that fairness and equitability has not been the norm due to the number of new casinos, VLTs and slot machines that AGLC has approved.

During that timeframe, the only change FABA believes has been made to help bingo is the introduction of satellite bingo, loonie pots and some limited progressives. Although they recognize that these have been beneficial, their concern is that bingo is purely entertainment whereas slots and VLTs are harder edged gambling. Competing against such a hard-edged form of gambling presents challenges which FABA believes AGLC should help them with. FABA returned to the concept that bingo has more of a community and social atmosphere rather than being conducive to addiction.

On the topic of cannibalization, FABA believes that although it is not AGLC's direct responsibility, they should allow bingo to be more customer oriented to respond to the cannibalization that has occurred. This would involve allowing bingo associations to have more flexibility and programming for linked progressives and perhaps even Keno. FABA believes that by having linked games (i.e. within Calgary), there would be a local winner every game which would be a key point of differentiation and a key benefit for bingo. This type of local or regional flexibility was seen to be a potential asset for bingo.

On the issue of Keno, FABA believes that a separate room for Keno machines would be okay and that many halls would want to have a linked Keno game that only requires a remote linked station. FABA also maintains that some halls would want to have slots (even if they were separated from the rest of the hall). On the issue of potential problems with respect to slot access at bingo halls that are not age restrictive, FABA was unclear about how this would be handled. There seemed to be some resentment about the fact that casinos are “taking baby boomer games and turning them into slots”, whereas bingo halls cannot compete with the current roster of games.

FABA also pointed out that “we don’t have the authority or mandate to speak for community bingos but we are the only organization speaking for charitable and not-for-profit groups.” Nevertheless, FABA believes that ensuring the viability of bingo means developing a long-term vision which allows more than what is currently available. In other words, they want to have some flexibility to allow customers to win a little bit and have a few big prizes, although they are opposed to the concept of AGLC forcing consolidation of a number of smaller bingos into large halls with more products to offer. They also would like flexibility or relaxations with respect to how promotional dollars are spent (i.e. referring to the $100 limit on ads per day) and the 10/65 formula.

Fundamentally, FABA believes that every decision AGLC makes affects every other sector in the gaming industry. They pointed out the inconsistency of expansion having occurred even while a moratorium was in place.

In addressing the issue of having paid workers on the floor, FABA said that owners want them, however, the FABA membership have stated that they do not want “the BC model”. Their main concern is maintaining the charity model. Paid floor worker decisions have been tabled to FABA’s SAGM for further consideration.

Finally, coming back to the issue of integrity, FABA believes that there should be some kind of cooling off period before senior AGLC staff could accept a position with a gaming or liquor-related business (i.e. 6 months to one year for executive staff in most government departments). They believe that without such a cooling off period, AGLC's credibility and integrity is put at risk. They also point out that the gaming industry has been in constant turmoil for the past three years and the department is constantly being reinvented, including significant turnover in senior positions.

1.2 Alberta Bingo Hall Managers Association (ABHMA)

A facilitated group discussion was held with the Alberta Bingo Hall Managers Association on September 6th, 2000. The first topic raised was awareness of various reviews. There was a sense that the bingo industry review "hasn't seemed to go anywhere". Although it was felt that some issues had been addressed, many of the bingo hall managers were startled to find out that there is another review underway. This reinforced the sense that they always seemed to be "in limbo". In terms of key challenges facing AGLC and the bingo industry, the ABHMA believes that over control and over regulation are key issues to address. Clearly defining the role of partner, competitor and regulator will be essential. The ABHMA believes that they are competing desperately with casinos (in particular nickel slots), and that the people who play these machines are the same people as bingo players.

Similar to the sentiment expressed by FABA, the ABHMA believe that bingo is "the poor cousin", whereas casinos get what they want over and over again. Ultimately, they are looking for a bigger payout and quicker games, which boils down to progressives that appeal to their customers.

The ABHMA seems frustrated with the fact that people's lifestyles have changed and they are seeking out new games. Although they know that bingo needs to grow and that its revenues are declining, they can offer no concrete way to turn their fortunes around. With respect to the Charitable Model, they believe that Community Lottery Boards are not visible enough, and that people seldom hear where the money goes. They also believe that bingo players do care about where the money goes and that they play to support the charities. At this point they raised the question of what is an acceptable rate of return to a charity and whether it should be tied to the gross revenue or it should be on a sliding scale.

The ABHMA believes that their player base is being cannibalized by slot machines and to revitalize bingo might require introducing Keno (particularly if it is linked to the casinos) plus pull tickets. They believe that satellite may have ruined some special bingo games and that currently bingo is not diverse enough to attract sufficient customers. There is a sense that since bingo halls are an entertainment facility, they should be able to offer a number of different games to customers with less restrictions than is currently the case. In particular, they point to the Manitoba system in this regard, which they view as faster paced and able to entice some casino players back. They believe that in some cases there is too much regulation to protect the few weak associations and that a plan to rationalize the number of halls to guarantee a decent rate of return might be worth investigating.

1.3 The Alberta Hotel Association (AHA)

An executive discussion was held with the Alberta Hotel Association on September 6th, 2000. In addition to a summary of the meeting described below, a copy of a September 28th, 1999 document presented to the Minister of Gaming (The Gaming Room Concept) was also presented. The meeting with the AHA began with a discussion of the belief of AHA that the gaming revenue pie has to be split more equitably and that the current Charitable Model in Alberta should be changed to include VLTs. One of the central assertions of the AHA is to have the VLT revenue stream included in the Charitable Model because "without it we're under fire every day". They back up this position by stating that most Albertans do not know that gaming revenue from hotel lounges contributes to the lottery fund, which is why they are "under the gun". The AHA believes this places them on an uneven playing field relative to casino operators.

The AHA makes the point that "we are part of every community" and that their hoteliers support charities in every region of the province. They believe that there are too many layers right now in the distribution of lottery dollars back to local communities. They maintain that if revenues from operators went directly to certain community groups, the public would react more positively towards VLTs.

With respect to the issue of establishing gaming rooms, the AHA contends that Alberta is not competitive internationally and that "30% of hotel guests want to do some gaming". They believe that by creating the right atmosphere or ambience so that people do not have to leave their hotel, revenues from travellers would be generated, rather than from the local community.

They also made the point that many of the machines now in use are old and have not been updated to the extent that they should be. The AHA thinks people are getting tired of the same old game and that new games coming out of Las Vegas are much better than the games offered in Alberta.

On the topic of gambling problems or addictions, the AHA believes that it is not a major issue but that more could be done in terms of communicating the steps the AGLC and the industry are taking together to address these problems.

The AHA believes that perhaps the best potential for growth is in First Nations casinos, however, the central question is “how do you keep all of Alberta on the same level playing field”? They returned again to the issue of social capacity and concerns about limits to growth. They believe that it is better to consolidate the number of locations for VLTs because “the public doesn’t want them on every corner”. In this regard, they believe that getting rid of the wait list is not necessarily a good thing and that too wide a distribution of VLTs would definitely not be in the industry’s best interests. Furthermore, they do not believe that the economic capacity has yet been reached and they stand by the view that gaming is perceived more as entertainment today than it was five years ago.

Touching on other forms of gaming, the AHA commented that Internet gambling is far too accessible, making control difficult. Fundamentally, they favour a balanced approach to growth and control. To the AHA this would involve having a good strategy for a full public campaign that communicates more effectively about the programs and initiatives being launched to address gaming problems.

The AHA commented that the AGLC is creating a problem with the way in which casino development is being handled. They believe that by having “only a handful of owners” controlling the industry, and the AGLC “choosing the winners and losers”, problems could be created in the future. They believe that a set of minimum criteria or quality standards should be established for gaming facilities, extending beyond the simple necessities of a Class A liquor license. Finally, they wholeheartedly support establishing and maintaining an on-going communication process, perhaps even with an occasional open session with key executives. With respect to the Alberta Gaming Research Institute, there was no real awareness of who they are and what they are doing.

1.4 The Alberta Racing Corporation (ARC)

The executive discussion with representatives of the Alberta Racing Corporation (ARC) took place on September 13th, 2000 and began with a discussion of the extent of awareness of previous consultation processes. The ARC is very familiar with the details of development in the gaming sector in Alberta, and the various studies and consultations undertaken over the past five years.

The ARC understands that their issues are fairly subjective, in the sense that they represent one industry, however, they feel that every time there is an increase in gaming they fall further and further behind. They point out that whereas horse racing used to be 75% of the total gaming revenues, they are now 5% of the gaming mix. To address these challenges, they believe that racing should be dealt with by the AGLC in a coordinated strategy for expansion; otherwise horse racing revenues will continue to diminish.

In essence, the ARC would like to see an integrated gaming strategy that addresses the issues of cannibalization (in particular the perceived decrease in racing revenues as a result of VLTs and slots being introduced). They acknowledge that although this probably seems good from AGLC's perspective, they are looking at the economic impact on the racing industry and they want a managed approach that includes racing.

ARC then spent some time discussing current performance including the fact that they might come within $2 million of last year's handle and that net sales are going up. Nevertheless, they believe that their player base is getting older and they need to re-educate a younger audience. They point to the SEGA horse racing machines as an example of a product that has not helped; they believe they could have been a point of differentiation if racing entertainment centres had exclusivity for that product.

ARC believes that their real mission is to find a way to expand the interest in racing, but that the industry in Alberta has, in effect, flowed beyond them. They point to the fact that in some respects they are not in the best locations (compared to casinos choosing more central thoroughfares to locate). They spent some time discussing the issue of the teletheatre network, lamenting that while people are spending money on racing offshore, not a dollar goes to the racing industry in Alberta. They understand that part of this is related to the fact that there is not enough racing, the purses are smaller, and some of the competition (i.e. Churchill Downs, Flamboro, etc.) have created a virtual simulcast dynasty. Ultimately, they would like to see full fields with good purses but there are a number of limits to their growth, including:

- Not enough money going into the breeding business in Alberta.
- Sales in Alberta not being sufficient to breed a horse.
- Not having enough money to market effectively and compete with other forms of entertainment.
- The introduction of large, modern casinos (such as Yellowhead).
- The fact that some people in the horse racing industry are being forced to leave the province to go to Ontario or elsewhere.

- A three-year process to get new breeding stock into place which involves either a huge commitment or a huge risk.
- The belief that any further expansion of gaming will continue to hurt the racing industry.

On the issue of the social capacity for gaming in Alberta, the ARC believes that the province has not yet reached capacity and if expansion is undertaken, gaming revenues will increase. They believe that Alberta can become a true destination for gaming. With respect to balancing the demand for gaming and regulation or control of the industry, they believe that regardless of their differences with AGLC, the right balance has been struck so far. Nevertheless, they expressed disappointment that VLTs were still in neighbourhood pubs, and that the distribution network has stayed the same, rather than concentrating the distribution in fewer locations.

The most contentious issues revolved around the ARC's belief that the AGLC is simply not listening to them. Examples include their May 18th letter to the Minister, and their pleas (which they believe have gone unheeded) to let them manage the racing business. Fundamentally, they believe that some of the AGLC's decisions have "condemned racing to mediocrity". This belief that government policy has severely damaged the industry led them to call for the Racing Renewal Initiative to be reworked. They pointed out that they probably need $20 million per year to satisfy the needs of the industry, but they are only generating one-third of that amount now.

The ARC pointed to some success in terms of marketing (more people having seen their ads and holding the handle at the previous year's level). Nevertheless, they believe that they are not being allowed to do what they were supposed to do according to the original legislation covering horse racing. This strikes to the heart of the policy debate:

- What should the distribution channel be for VLTs and slot machines?
- The belief that new distribution channels will probably hurt horse racing further.
- The hope that maybe Northlands can expand if the policy allows for more VLTs or slots.
- The sense that the AGLC has chosen winners (casino operators, some VLT retailers and charities) and forgotten about the losers (horse racing and bingo).
- The belief that AGLC's policies have to allow people in the industry to grow, by providing some incentive, changes and a mix of product.

ARC spent some time discussing the Charitable Model and the fact that horse racing was supposed to be different. They believe that casino operators feel they now have a right of entitlement to make a high level of profit, whereas many of the casinos used to be run as a collection of charities. They pointed to ABS as an example of a company motivated by profit that is fast developing a monopoly position in the market. Nevertheless, the ARC does support the Charitable Model and they have no problem with how the money generated from gambling is being distributed.

The ARC was familiar with the Alberta Gaming Research Council, and even suggested some areas for them to investigate including:

- Problem gambling and policy drivers.
- How much gaming expansion is too much?
- How various forms of gaming are impacting each other.

The ARC believes that an on-going dialogue is needed to deal with issues such as Internet gambling, First Nations casinos, and the use of new technology in teletheatre or off-track betting. Up until now, they believe that many of these issues have been handled in a crisis mode, which does not enable constructive discussions to occur about marketing. They are frustrated by what they see as a lack of ideas between themselves and AGLC.

To sum up, the ARC sees their organization being isolated “much like an island”. They have a deep sense of frustration that they are not being allowed to do the job they were supposed to do, and that they will not be effective in the future due to the way in which the AGLC is interpreting the current legislation.

SEGMENT TWO: LOOKING OVER AGLC'S SHOULDER

2.1 Alberta Justice

An executive discussion was held with representatives from Alberta Justice on October 2nd, 2000. Alberta Justice stated that their main concern is to maintain the integrity of the gaming industry. They pointed out that they do not participate in policy debates, but are more focused upon whether legislation is in place to ensure the sustainability of the chosen policies. In this regard, they highlighted some specific examples of questions which they are working on, including:

- Proposed Criminal Code amendments from British Columbia designed to modify the sections which legalize gambling in certain circumstances.
- The involvement of charities in electronic gaming.

Alberta Justice believes Albertans are happy with the level of enforcement currently in place, but they understand that as more players enter the market and the gaming industry becomes more complicated new systems will be needed to deal with the industry. In that regard, they believe that it is important for Alberta Justice to coordinate efforts with AGLC. On a broader level, this coordination effort should extend to include how to specifically track criminal data on the source of crime or gaming.

They returned to the issue of integrity citing the Nanaimo Bingo Association scandal in BC as an example of the "tight rope" which governments sometime walk. This is particularly true with respect to the large amounts of money now being generated. They believe that the industry has evolved from being unsophisticated to the state where it is now much more capital intensive and highly sophisticated. They discussed the issue of the limited number of casino licenses, how to make bingo more attractive, and the revenue splits for different charities and large casinos.

The issue of charity eligibility was discussed, as was the role of volunteers in a more sophisticated modern casino. They questioned whether it makes sense to have amateurs doing the job of a cashier, for instance, and whether the government is now "stretching it pretty thin" in interpreting the clause "conduct and manage". In a sense, Alberta Justice believes that the government may be too far removed from determining if an organization is worthy; they see charity eligibility as a historical problem with different departments making different decisions and various jurisdictions having a variety of interpretations. Fundamentally the question boils down to how to evaluate who should be the beneficiary.

On the issue of First Nations casinos, Alberta Justice discussed potential expansion and underlying consumer motivations for visiting a First Nations casino. They expressed some concern about the long-term ramifications of over expanding First Nations gaming on the assumption that destination-based casino marketing will work to draw large numbers of Albertans to casinos on First Nations land outside major cities.

Alberta Justice also discussed the issue of Internet gaming, in particular the debate over PEI introducing Internet gaming. Attempting to identify things that AGLC and Alberta Justice could do better, they pointed to the possibility of joint training for police forces in order to "get people on the same page". They pointed out that the RCMP downsized their commitment to gaming because it was not a priority (i.e. it was not life threatening), but that joint forces or specialization makes sense because there is so much money now involved. The key challenge, they believe, is to concentrate on protecting the business of gambling and the integrity of AGLC.

Alberta Justice also wondered if it may be desirable to have a higher profile or permanent presence in terms of inspection at casinos. They believe that currently the AGLC is not visible at all, despite acting as a resource to some of the security staff at casinos. They also point out that Alberta is the only jurisdiction in Canada without an active presence in casinos.

On the issue of the multiple license policy for VLTs, Alberta Justice believes that any effort to take machines out of current jurisdictions will probably lead to legal action. With respect to establishing gaming rooms, they raise the question of potential market saturation. They also point out the increasing dependence on revenue from VLTs in current locations and the challenges which would be faced if any redistribution was launched.

2.2 Canada West Foundation (CWF)

The executive discussion with the Canada West Foundation took place on September 12th, 2000. This session opened with CWF expressing satisfaction that they were given an opportunity to provide their viewpoint in examining the scope of gaming in Alberta. They asked a number of questions about the composition and structure of the review process, including whether or not religious organizations and organizations dealing with gambling problems were included in the consultations.

Based upon previous research they have conducted, CWF believes that there is a broad consensus on the need for public consultation in Alberta prior to any expansion of gaming. Once again, they focused on the process that would be put into place for such a consultation, expressing their desire for public meetings and discussions and perhaps "deliberative polling". Deliberative polling was summarized as gathering a cross section of ordinary citizens over a two or three day period, providing them with the best resource people (including advocates on both sides), and seeing what kind of consensus emerges. CWF believes that while the downside to such a process is its expense, the upside is the end result: a summary of "reasoned" opinion.

Senior representatives of CWF were unaware that revenues generated from gaming were no longer going to general revenues. They believe that a much larger proportion of money generated should be spent on education and treatment, including perhaps advertising to inform Albertans about why they should or should not gamble. The emphasis, they believe, should be placed on being responsible.

CWF discussed the role of the Alberta Gaming Research Institute (AGRI). They were very familiar with a number of the key people involved. Some of the issues which they believe the AGRI should focus on include determining the total social costs/benefits and debating different models for incorporating public input. They even suggested investigating if municipalities might have a say in supporting or opposing gaming on a plebiscite basis, as is the case in Ontario.

The primary challenge CWF sees facing the AGLC is credibility. They explained that the reason they are so focused on process is that they believe that the process (of being open and accountable) is important to establishing AGLC's credibility. For instance, if the AGLC is seen as the arena of "the advocates", they may represent special interests rather than the public interest.

On the topic of Internet gambling, they express concerns that if Internet gambling were introduced in Alberta, the province would be an exporter of social costs. They do understand that sports betting promises the greatest potential on the Internet, but that a number of social, political and economic factors need to be considered.

The CWF believes that Alberta's status as the only Charitable Model of Gaming in Canada is very important. To them, this underpins the integrity of the entire industry. They mentioned that they have studied the charitable sector in detail, and that charities fear change. They went on to point out that a Direct Access Funding Model such as BC is not as good as Alberta's Charitable Model because in Alberta charities enjoy the ability to direct the revenue. CWF believes that the Charitable Model, and the direct involvement of volunteers and charities in the process, is important in keeping the system "as transparent as possible".

They summed up the meeting by suggesting that Alberta produce some kind of report on the annual state of gambling in the province perhaps modelled after the annual Harrah's Report. They believe such a report for the current year could be a good forum to discuss First Nations casinos and how the government proposes to equitably and responsibly develop First Nations casinos.

2.3 Alberta Alcohol and Drug Abuse Commission (AADAC)

An executive discussion was held with representatives of AADAC on September 14th, 2000. The key issues AADAC identified that they felt AGLC must address include:

- How AGLC will reconcile being promoter, regulator and profiteer from gaming.
- How Albertans' attitudes are changing towards gaming, not just the amount of money spent on gaming.
- The need to visibly identify concerns about problem gambling in Alberta.

AADAC believes that it is natural for people in the province to focus upon the positive benefits derived from the money generated by gaming, but they also believe that it is time to acknowledge and give weight to the other side of the issue: addiction. They believe that a more balanced way of putting this forward would be to identify competing interests (industry, government, people with social concerns, charities) and examine how they feel about various different issues.

One of the key topics raised by AADAC was First Nations casinos. AADAC has some concerns about First Nations being designated as both the charity and the operator, since they believe that other people in the industry and the public at large will view it as a potentially divisive issue. AADAC also stressed the need for balancing the economic and social capacity of Alberta when considering growth. AADAC believes it is important to invite all participants to the table to share in the responsibility of determining appropriate policy. They expressed support for the stakeholder consultation process because they understand the importance of establishing on-going consultations with the various parties.

AADAC also believes that the industry and AGLC have to be jointly involved in taking responsibility for problem gambling. Organizing and delivering problem gambling training techniques and clarifying various roles are part of that shared responsibility. Fundamentally, they expect AGLC to assure a certain level of quality; in other words protect the public interest and uphold the integrity of the organization, which they believe is currently high.

The most important challenge AADAC identifies from the growth in the industry is the increase in demands for prevention, intervention and research. They do not believe that capacity has been reached, however, they do sense that Alberta is at “a novice stage” of funding for education, prevention and treatment programs. They spent some time discussing various strategies for measuring gambling problem prevalence and targeting high risk groups (such as young adult males). They acknowledge that they could be doing a better job of monitoring and sharing information with other problem gambling associations such as Gambler’s Anonymous.

The issue of addiction was discussed at length, in particular the challenges associated with cross-addiction and the potential problems which might emerge as a result of introducing First Nations casinos. With respect to First Nations casinos, they point to the experience of the American Native gaming industry and expressed the hope that a dedicated set of funds would be set aside to address potential First Nations problem gambling. AADAC strongly believes in stakeholder consultation, and they encouraged the AGLC to continue consulting with stakeholders in order to be aware of decisions about to be made and to help balance the demand for growth and social responsibility.

AADAC underlined the need to be strategic in the government’s approach to providing resources for problem gambling (rather than simply setting aside a certain percentage of the revenues). They worried about the potential for the emergence of a parallel system for dealing with Native problem gambling that might ignore the commonly built infrastructure in the province. They point out that they are working toward normalization and integration in a holistic approach alongside existing agencies. They stress that they look at addiction broadly, not in isolation, and therefore the major concerns or potential problems which they identify are:

- Addressing the issue of availability (they believe that increased access to multiple locations for gambling creates more of a problem than concentrating some of these opportunities for gambling in fewer locations).

- Internet gambling, which they see as a huge potential problem, but they admit that they are virtually helpless to control it.

Similar to other organizations consulted, AADAC believes that there should be more money spent to inform and educate Albertans, not only about where the money goes but also where people can go for help. They stress that in order to have a reasoned informed and reasonable debate about the sustainability of the gambling industry, AGLC's role will be primarily one of quality assurance. This will involve anticipating growth in player demand while still maintaining integrity in regulating the industry and dealing with problems.

They identified the Alberta Gaming Research Institute as an idea which holds great promise, however, they believe that this organization might further complicate or delay action on problem gambling. Drawing upon their own organization, they believe it will be important to identify indicators of success (in their case caseloads and call levels) for the AGRI.

On the issue of new games, AADAC questioned whether the attractiveness of new games simply moves money around rather than drawing more players into the market. They expect new games to be introduced because they realize that consumers like change and new products, however, they are concerned about who they believe is being targeted. They mentioned the Quebec example of an interactive CD which they believe introduces gambling to young people. They also point out that electronic games have greater appeal among young people and this could pose problems in the future. Nevertheless, they maintain that rather than acting as a prohibitionist organization, they aim to promote an individual's sense of responsibility in dealing with alcohol or gambling. To AADAC this means having the resources to provide information so that people have options to make a personal choice in changing their own behaviour.

2.4 The Canadian Foundation on Compulsive Gambling (CFCG)

An executive discussion was held with the Canadian Foundation on Compulsive Gambling on October 11th, 2000. They exhibited very little awareness of the stakeholder consultation process, and although they were involved in the Medicine Hat Summit in 1998, they were disappointed with the results because they felt they were not allowed to specifically discuss VLTs. In terms of consultation, they pointed out that they have an annual stakeholders meeting with AADAC which seeks to help problem gamblers, and that some of the gambling industry are now coming to the meetings. They also met recently with the Alberta Gaming Industry Association in Red Deer to discuss how to help problem gamblers.

They described at length the work that the foundation does in high schools, workplaces and churches to discuss compulsive gambling including:

- 330 presentations last year.
- Their desire to expand beyond the Edmonton area.
- The lack of funds to expand to Calgary despite the need.

The key concern for the CFCG is receiving more funding for problem detection and treatment. They pointed out that they have been turned down numerous times by AADAC in applications to develop or deliver new programs. They also pointed out the need for a safe house or halfway houses for after care and the lack of a treatment centre in Edmonton. They believe that treatment never ends and "unless you've been there you can't understand it". Therefore, they believe that they could play a more prominent role in helping address compulsive gambling if their funding was increased.

The Foundation thinks that AADAC protects the empire they have built and that more should be done to privatize delivery of treatment and prevention programs to independent organizations like themselves. They pointed out an inconsistency: AADAC does the counselling and treatment but wants the Foundation to do the outreach and education. However, the Foundation does not have enough money to expand their services.

Their concern about lack of funding is growing stronger as the perceived need for information grows along with the revenues being generated in the industry. As they put it, "why not take more than $3 million and put it towards information and education when $925 million is being generated?"

On a policy front, the Foundation would like to see the government remove VLTs from bars and restaurants and put them in casinos in order to restrict access to gaming. They believe that self-exclusion does not work because it does not apply to VLTs. The problem is made worse by the perception that every day gambling is promoted: for instance, ads for 6/49 on the front page of the newspapers. Ultimately, they think that more could be done to explain potential problems and the fact that gambling could be harmful to people.

The Foundation is concerned about First Nations casinos, since they believe that they will lead to heightened gambling problems and other associated problems with liquor or drugs. They expressed deep concern that while they are unable to get their message out (due to lack of funding), the advertising for the lottery industry is rampant. They point out that kids can go to the corner store and see lottery tickets displayed and that Sports Select has successfully targeted male youths. On the other hand, there is no room for them to place material at such locations.

They realize that basically it comes down to money. They do not have enough money to get their message out and even organizations dealing with some of the potential fall out from gambling (such as the Edmonton Police) have to reduce their numbers based on lack of funding. They also think that more people would consult the Foundation if they knew it was staffed by people who had encountered problems with gambling previously.

The biggest challenge they identify is the fact that the government, in effect, has become addicted to gambling. They see it as a hidden tax on people who cannot afford it. Although they do not think there is anything inherently evil about gambling, when it starts to hurt people they believe that a stand should be taken.

Access to money in locations where gambling occurs is another key concern for the Foundation. They think it is far too easy to get money when there is a bank machine right next to VLTs or cash machines in casinos.

They stressed that they are not for or against gambling, but that they merely promote responsibility and part of that responsibility is taking care of people who are "victimized". They maintain that while casinos may be slightly better than having a lot of VLTs distributed throughout the province, they think the government should start to slowly remove VLTs. This is based on the premise that VLTs are too accessible and represent hard-core gambling.

They would like to see more research done through the Alberta Gaming Research Institute; however, they think it important that the government wait for the outcome of consultations like this one before proceeding with expansion.

With respect to some specific games, Keno in bingo halls is viewed by the Foundation as an expansion of electronic gaming which would raise the prospect of underage kids playing bingo. They also think that the Internet is a very large problem and that steps should be taken by government to try to control it. Fundamentally, they would like to see resources to help prevent problem gambling and they think that the AGLC could start by looking closer at the Medicine Hat Summit recommendations.

2.5 Agricultural Associations

Executive discussions were held with six agricultural associations or exhibitions including:

- The two large fairs:
  - Northlands (September 6th, 2000)
  - Calgary Stampede (September 12th, 2000)
- Three mid-sized exhibitions:
  - Lethbridge (September 25th, 2000)
  - Camrose (September 21st, 2000)
  - Evergreen Park in Grande Prairie (September 27th, 2000)
- 1 small agricultural society:
  - Stony Plain

In general, Agricultural Associations were well informed about changes in the gaming industry. Given the ground breaking role which horse racing and lotteries at major fairs played in the initial growth of the industry in Alberta, it is not surprising to find these association speak in terms of being an industry founder. For the most part, they view AGLC in a respectful but cautious manner, since they believe that they helped spawn the organization in the first place.

This sense of ownership of the industry leads many agricultural associations to assume they have a "right" to a large share of gaming proceeds. Regardless of how each organization couched their requests for funding (whether as an inherent right or a demonstrated need for a good cause), securing money from the AGLC/Lottery fund was their top priority.

Northlands (September 6th, 2000)

Northlands began the meeting by emphasizing the vital role the organization has played developing the gaming industry since 1908. This "founder legacy" includes establishing the first casino in Alberta in 1967. They believe the current grants they receive stem in part from this legacy.

Northlands is quite knowledgeable about previous consultation processes, but they expressed some concern about not being asked for input on First Nations casinos and the bingo review.

Main challenges they see facing the AGLC include:

- Ensuring equitable charity access to revenues.
- Dealing with the growth of slots and VLT revenue; they think a few mistakes were made in rolling out VLTs initially.
- Addressing the defacto dominance of ABS in the market; they appreciate their professionalism in working with Northlands as a partner, but they see them as the only player capable of such support in the province.
- Taking advantage of the growth potential for electronic gaming (i.e. building more interactive games and having more effective promotions).
- Putting racing back on track.

The main limits to growth they identify are primarily political; they see problems raised in the media as fairly minor, and they think AGLC is doing well in responding to concerns about social capacity for gaming (including funding treatment and prevention programs). They believe social concerns about VLTs have "reached the high water mark" and are now receding, and they credit the AGLC with doing a "very good job" on that front. Since they hold AGLC's integrity in high regard, they wonder why the delay in providing more slot machines (which they think the public sees no problem with).

Northlands says they need a commitment to more slot machines in order to help revitalize the racing industry. They back up their request with the assertion that control of VLTs/slots would be much greater if there were fewer locations. After all, they say, the AGLC and Northlands exist to serve the public. To better serve the public they feel it will be necessary to:

- Communicate more effectively with the public about the plan for community decision making regarding lottery proceeds.
- Raise awareness of where the money goes.

- Balance the demands for further private sector growth in gaming and the need to control the growth for the public good.
- Help Northlands address some of its tactical challenges.

The tactical challenges they identified include:

- Having more timely technical support to avoid machine down time.
- More sophisticated analysis of game mix, machine placement/ configuration.
- Resolving concerns about the SEGA horse racing game.
- Instituting some type of customer relationship management system to track and reward players.

Finally, Northlands believes that:

- Gaming rooms in hotels will not work successfully.
- Native gaming will not affect current casinos.
- The multiple license policy makes no sense.
- Fewer locations with more machines would work better than the current system.

Calgary Stampede (September 12th, 2000)

The Stampede has made a number of previous submissions to the AGLC, including to the Judy Gordon Committee as far back as 1995. The first issue they raised was how to accurately define who a charity is. They believe that due to a lack of performance measurement some charities doing work of little or no proven value are getting the same funding as charities doing great work.

As the Stampede sees it, AGLC's main challenge is keeping everyone in the industry happy. They believe the industry in Alberta is doing well, particularly as a result of the introduction of VLTs and then slots, but those changes have not occurred without cost, such as:

- Their own casino's relatively poor performance (which they relate to location).
- Horse racing's continued decline.

They seem to believe the capacity exists to build another one or two large destination casinos in Calgary (to attract Americans, Japanese and other tourists), but they also recognize there are sizeable social issues such as addiction. The Stampede believes tourism in the major cities and province would have benefited from the development of a restricted number of destination casinos at the initial casino introduction stage. They also believe the existing charitable model for casino operations does not lend itself to the introduction of the destination casino concept, which would require a review of revenue sharing arrangements. While there may be capacity to add destination casinos in the larger markets, the Stampede believes existing casinos would suffer if such casinos were introduced based on a non-level playing field.

They attribute most of the negative media coverage of gaming to VLTs being “too much in peoples’ faces”. Nevertheless, they see great potential for industry expansion if it is done properly, which they think means telling Albertans about the role of volunteer boards for charities investing the revenues back into communities. They also wish AGLC would play more of an oversight role, independent of government.

Generally, they give the AGLC good marks for balancing the demands of growth and its social responsibilities. Nevertheless, they think now is a time for the province to step back and re-examine the industry since the province no longer needs the money as much as it did initially. They also reiterated their assertion that they deserve some type of royalty for “being there” when gaming was started.

Mistakes AGLC could rectify include:

- Reinstating their exclusive license for casino gambling during the Stampede.
- Spending more money to inform people about lottery proceeds and the role of Community Lottery Boards.
- Shifting the media/public focus to the good things gaming revenues fund, rather than concentrating on the total amount of revenues generated.
- Dedicating more money to AADAC and other prevention and treatment initiatives.

They see progress being made on a number of these fronts, including AADAC funding and convening regular security/enforcement meetings.

Finally, they seek greater consistency from AGLC in terms of:

- Seeking input from stakeholders.
- Applying existing policies.
- Communicating pending changes.
- Developing policies on new gaming such as Internet gambling.
- The way in which Stampede receives funding through the Lottery Fund and the Community Lottery Board.

Lethbridge Exhibition (September 25th, 2000)

Lethbridge Exhibition initially asked a number of questions about how much revenue is generated in Alberta and where the money goes. Clearly there needs to be more communication on a number of fronts, judging from the lack of knowledge of proceed distribution or the consultation process (which they support).

The main challenges they identify are:

- Resolving the role of the private sector in the industry (what kinds of guidelines/criteria are there?).
- Developing guidelines for Community Lottery Boards to distribute funds (for instance they were turned down for capital funds because they had a "healthy balance sheet".
- Dealing with the growth in demand, in particular racing entertainment centres and efforts to benefit/stimulate live racing.
- People becoming more conscious of addictions as a limit to growth.

They believe that they often "get forgotten" because of their status as a B-circuit track. They think there is probably a saturation point for gambling, but that it has not been reached yet. AGLC's efforts to balance growth and responsibility are rated poorly by Lethbridge Exhibition because to them "it seems to have gone wild lately". As a result, they think that now is a good time for the province to draw back and "assess what we're doing".

They returned to their initial questions about where the money goes, expressing concern that the public knows very little about it and they were told not to promote the fact the Lethbridge Exhibition receives lottery money. The Exhibition looked at other fairs which received money and questioned why they them (i.e. Red Deer) and not us. In this regard, they believe the lack of a convention and visitors bureau hurts them.

They are not in favour of having separate First Nations casinos because they believe in having a level playing field. On other issues the Lethbridge Exhibition believes that:

- Moving VLTs into gaming rooms might be a good idea because "if you can't make it [as a lounge/bar] without VLTs, maybe you shouldn't be in business".
- The province should be proud of the Charitable Gaming Model because in most other states/provinces the money goes to the government or the private sector, and not to charities.

- The AGLC listens well to industry input, but faces challenges in consistently applying policies, for instance in grandfathering for Calgary and Edmonton fairs, and still trying to treat other fairs equitably.
- The province might want to examine when and how to get involved in Internet gambling to maintain some control and keep money in the province over the next 10 years.
- Electronic Bingo might be a good idea to help the bingo industry.
- Lethbridge often gets forgotten, both in terms of gaming issues and in the equally important area of tourism development.

Camrose Regional Exhibition (September 21st, 2000)

Camrose was aware of the review and had sent correspondence to the Minister regarding an application for a permanent casino and major capital funding program. They see the main challenges for AGLC as:

- Managing the growth in revenues (which they think AGLC has done a good job with so far).
- Addressing public concerns (such as addiction problems) effectively.
- Rectifying some of their technical issues with slot machines (i.e. not having tech support on site).
- The growth that will occur if the VLT cap is removed.

They also pointed out they have a really good relationship with AGLC staff and inspectors. They believe the public would react positively to issuing them a casino license because they operate as a not-for-profit organization, they distribute funds in the community and they add value in tourism to Camrose and area.

They see the growth in consumer spending on gaming continuing and they think it is better to keep some of that money in the community rather than having people (such as seniors) spend it in places like the Dakotas or Regina.

In the past 2-3 years they have witnessed a positive change in tolerance toward gambling in the region, despite the opposition of some small vocal religious groups. To further reinforce this trend they support AGLC spending money to tell Albertans about lottery proceed distribution. They maintain that to keep gaming revenues growing a concerted “selling job” about the benefits is required. This means paying attention to potential social costs, which they think AGLC is doing well now.

Camrose Exhibition also noted:

- The possible introduction of hotel gaming rooms would reinforce their case for a casino license.
- First Nations casinos probably would not affect them.
- They are concerned about the downloading of services from the province to municipalities, which increases the pressure on charities to do more social programs.
- Without the Charitable Gaming Model "we'd be in real trouble".
- More gaming revenue would be directly targeted to local charities (in a more visible way).
- Tightening charity eligibility guidelines is advisable, and AGLC should have an education process about who qualifies and why.
- They would like AGLC's help in gearing up for the 202 Alberta Summer Games.
- Why are non-profits paying for a license if Alberta is making one billion dollars from gaming?
- AGLC is obliged to get involved in resolving the status of horse racing in the gaming mix and ensuring the Racing Renewal Initiative benefits everyone.

Finally, they suggested AGLC consider convening a permanent advisory board from throughout the province (rural and urban) as an easy low cost way to get on-going feedback and disseminate information from AGLC to local communities.

Evergreen Park (Grande Prairie – September 27th, 2000)

Evergreen Park was unfamiliar with the licensing policy review until the meeting was established, but they were involved in the Medicine Hat Summit. Fundamental issues for Evergreen are:

- Not developing a parallel process for Native Gaming or bingo (they do not believe in special status for anyone).
- Improving methods for distributing the Lottery Fund (but not through local Community Lottery Boards because they become too politicized).
- Clarifying the criteria for fund distribution to Community Lottery Boards.
- Dealing effectively with growth in demand for gaming (such as slots).
- Being able to operate machines on "dark days" during the summer (when there are sufficient people to make it profitable).

- Becoming more self-sufficient by building a convention centre and having slot machines operational throughout the summer, not just on race weekends.
- Improving the quality/newness of the machines.

They also believe concerns about social problems/capacity are overrated, due to some church groups raising attention to these issues. They see more tolerance now for gaming in the community than in the past, and they think the AGLC should:

- Publicize what they are doing on prevention and treatment.
- Promote where the money goes.
- Recognize Exhibitions' role/rights in starting gaming in the province.
- Allocate separate money for agricultural societies because they helped put the infrastructure for the Charitable Model into place.
- Put facts about the Lottery Fund in the paper.
- Address their concerns about First Nations casinos.
- Continue consultation efforts like this in future years.

Stony Plain Agricultural Society

As one of the smaller rural Agricultural Associations, Stony Plain feels like it is "outside the fence looking in compared to other bigger Ag societies". While they had heard of the Licensing policy Review, they had little awareness of any of the other consultations which had taken place.

Being situated in Stony Plain, which voted out VLTs, they feel "really caught up in the moral issues of gambling". The moral conflict centres on the fact they depend on gaming money ("it keeps us going") but they know the community has serious social and moral concerns. Their concerns are:

- The potential of a Native casino going into Enoch.
- The disparity between rural and urban charities (due to higher revenues per event in the city they see urban casinos as "a pot of gold rural areas can't get at").
- The long-term implications of the government becoming wealthy (and dependent) from gaming revenues.
- Ensuring gaming revenues go to the most deserving causes (such as food banks and children's services).
- Adapting to changing player demands (bingo wanting Keno or electronic bingo to compete against VLTs).
- Each Community Lottery Board having different rules for granting money.

They believe the marketplace will determine the limits to growth and that placing caps on certain games will have no effect as long as there are people with disposable income to keep playing. On the issue of social capacity, Stony Plain Agricultural Society thinks that most people want the proceeds (and have no problem applying for funding) but they want gaming hidden. They think the AGLC has done "reasonably well" in balancing growth and social responsibility, saying, "it could have exploded" in the government's face.

They returned to their complaint that most of rural Albertans cannot access the bulk of the dollars being spent in casinos, pointing out the irony that gambling prohibitionists are concentrated in rural Alberta where the "tangible benefits" from gambling are lowest. They lament the situation they find themselves in: they cannot come up with enough capital spending projects to receive matching funds so they do not get very much money. "All I can access is bingo and a casino once every two years".

They fear that while gaming revenue is increasing "the little guys out here are dying," and wish there were a better way for some of this money to be made available to smaller organizations. They also worry about charity eligibility (to ensure the most deserving charities get the cash) and they wonder how First Nations casinos could be run to ensure a level playing field (i.e. not allowing Native groups to be both charity <u>and</u> operator).

2.6 Salvation Army (October 25, 2000)

The Salvation Army representatives noted that their national ethics policy:

- Prohibits them from being associated with gambling in any form.
- Requires strict adherence to the fund raising code of ethics.

They started the consultation by commenting that the number of families in crisis due to addiction has been increasing in Alberta recently. Pinpointing how many of those cases were caused by gambling is very difficult because they "serve our clients with dignity, so we don't ask why".

They admit that while casinos and VLTs are very addictive, "gaming is here to stay" in Alberta. They were unaware of how much money was generated from gambling and had even less knowledge about where gaming proceeds went. They asked a number of questions about what percentage of proceeds are directed toward treatment and prevention, suggesting that 3% to 5% might be an appropriate amount.

The Salvation Army welcomed the consultation, noting that the invitation to meet with the AGLC stimulated a lot of interest in examining their policies and practices in dealing with problems caused by gambling. They believe AGLC has not yet struck the right balance in terms of the amount of money reinvested back into programs for families. They also expressed some concern about charity eligibility (i.e., who qualifies for funding and how that is determined).

They pointed out that the Salvation Army is not recommending prohibition of gambling (“we can’t even get prohibition of smoking in restaurants”). They simply think the government needs to be more responsible for the social harm caused by gambling: “we’re raking in a billion dollars … how much is being spent to deal with problems?” They concluded that “we’re human. There will always be the desire to have more than we currently have - that’s what motivates people to gamble … that’s why the government needs to be responsible.”

SEGMENT 3: FAIRLY CRITICAL (SHOULDERING MOST OF THE IMPACT)

3.1 Municipalities

A total of five in-person consultations were held with municipalities between September 5th and 29th, 2000.

Alberta Association of Municipal Districts and Counties (AAMDC)

The AAMDC noted that VLTs are now an important component in many communities because the value of some small hotels or lounges is based on VLT revenue. As a result they think AGLC should show sensitivity to the VLT revenue stream and the importance of maintaining the network. Some of the concerns they expressed were:

- How AGLC plans to deal with the legal wrangling over implementing VLT votes in some communities.
- The potential impact on rural municipalities of Native Casino expansion (i.e. increased costs for roads and social services).
- Maintaining the credibility and integrity of the Charitable Model.
- Ensuring the revenue stream for charities in outlying areas from things like Nevada tickets (so that groups like Nevada tickets (so that groups like Legions and Kinsmen will not need to turn to local municipal councils for funding support).

The AAMDC believes there is a growing acceptance of gambling in general and VLTs in particular in Alberta, but they think support could be further strengthened by:

- Making proceed distribution more transparent.
- Ensuring rural areas get their fair share of the gaming revenues (they pointed out that as rural communities start to rebuild - i.e. Bragg Creek community hall - they need equal access to the level of funds available through busy urban casinos).
- Addressing addiction problems (which they think are more visible in small communities).
- Clarifying how the government raises and spends gambling revenues (which they know will be an emotional issues because of debates about whether certain types of expenditures – i.e. hospital equipment – should came from gambling revenues or from general revenues).
- Spending more on public education programs (showing Albertans where the money goes).

The AAMDC believes gambling problems are more easily identifiable than most people think. They point out they do not represent their members on issues concerning the morality of gaming. Nevertheless, they can speak in favour of more fair equitable access of rural communities and small municipalities to proceeds from gaming. They acknowledge that there is likely to be more gaming expansion ("because the government is very industry driven") but that they would like to see access to gaming funds for small communities written into policy. In that way gaming revenues will not be subject to change due to political reasons.

City of Edmonton

The Mayor was quite supportive of the process of consulting stakeholders and was generally positive toward the expansion of gaming facilities in Edmonton. Similar to most municipalities, there was little exact knowledge or awareness of how the industry is currently structured, what the scope is, or where the bulk of gaming proceeds go.

Discussion initially focused on issues of establishing better co-ordination between AGLC and Edmonton regarding zoning and licensing applications. As Mayor Smith put it: "We have a dilemma – we don't have all the information we need on some applications."

Concerns were expressed by social services about how to better tie distribution of proceeds to the municipality to offset the perceived cost (i.e. "we tend to have higher spending in Edmonton, and we need to deal with the problems"). Questions were also raised about how to collect data to measure the potential impact on charities of bingos getting less revenue now that VLTs and casinos are seemingly cannibalizing players.

The issue of administrative support for Edmonton's Community Lottery Board also arose. The concern was that Edmonton City Council had funded an administrative shortfall for two years running (in the range of $50,000) which really should be absorbed by the AGLC.

Although it was acknowledged gambling can cause some problems, the Mayor was of the opinion that it is "a huge plus for the City" ("Big cities handle it….my advice would be to get off the fence and start talking positively about the economic impact. People like to gamble, and I like it from an economic point of view").

Others around the table agreed that a lot of good causes are supported through the Lottery Fund, but reservations were expressed about keeping security and safety high as the industry expands. Further to this point, the view was expressed that "gambling belongs in casinos", and VLTs should be removed from bars because “to go to a casino takes an effort…to gamble on a VLT at a neighborhood pub doesn’t”.

Discussion shifted to the issue of the stringency and thoroughness of security checks for potential casino owners. Assurances of the integrity of the process were given, but the Mayor recommended making the rigorous process more visible to the public.

On the issue of First Nations Gaming, the Mayor asked, “Why should they be treated any differently?” The sentiment that First Nations should “play by the same rules” as other casino operators was echoed consistently throughout all other consultations across the entire spectrum of stakeholder groups.

The issue of utilizing casino expansion to stimulate business growth for hotels/conference centers was discussed, with the Mayor noting that he personally thought small casinos in hotels could be a good idea, particularly if such a project was linked to convention facility expansion.

Suggestions were made to deal proactively with the Community Lottery Board administrative expenses, as well as AGLC and municipalities working more closely together to have a process “that helps us both deal with potential casino expansion”.

In closing, the Mayor noted that AGLC “should tell its story better…the two Big Cities are the key and sitting down and working together is really important”. A suggestion was made to have people from Planning, AGLC, and senior City Managers sit down and discuss issues of gaming regularly once a year.

City of Calgary

The City of Calgary identified a number of concerns including:

- The potential impact of having to deal with social costs and infrastructure costs related to the Tsuu T'ina Casino development. They think there should be some way for AGLC to help offset costs.
- Employee addiction or problems caused internally.
- The sense that City Council is opposed to new casino development, even an upscale casino.
- Developer buying land with plans for casinos and then playing the City off against the AGLC/government.
- The status of Resortport and racing entertainment centres in general.
- Tightening/clarifying charity eligibility guidelines (i.e. should the Tsuu T'ina be a charity; is there a mechanism for tracking how they spend their charity money?).

Much of the conversation focused on clarifying the status of various types of gaming activities and addressing the issue of fairness and consistency. Fairness of proceed distribution was raised, including:

- Ensuring that worthy, needy groups get funding despite not being well organized in how to apply for Community Lottery Board funding.
- Having a level playing field between Native casinos and other casinos.

The issue of consistency involved:

- Consistently applying rules between Calgary and an adjacent native community (in term of what type of entertainment is allowed).
- Telling people more consistently about where the money goes, so there will be more support on an on-going basis.
- Continuing AGLC's good job in regulating the gaming industry.
- Giving the public a better understanding of how Community Lottery Boards work and how to apply for funds.

The City of Calgary thinks AGLC could be doing a much better job communicating how much money is being raised, who it is going to support, and how those decisions are made. They also think AGLC could improve efforts to work together in partnership with municipalities on zoning issues related to gaming applications. They welcome increased consultations so the province and each city will better understand their respective positions.

Similar to other municipalities, Calgary raised the issue of not being compensated sufficiently to deal with some of the costs of increased gambling (including infrastructures, policing and social costs).

There was also a sense that Calgary is unique in that it conducts an annual census and therefore could work with the AGLC to come up with a few questions to determine the impact of gambling. The cost of adding questions was estimated at $18,000, and it was thought they could include demographic questions profiling who gambles.

On the whole, Calgary thought the AGLC was doing a good job balancing growth and social responsibility, but needed to help Community Lottery Boards get greater recognition. They also sought more data comparing the extent of gambling problems by jurisdiction was needed.

Finally, Calgary expressed satisfaction with the current consultation process, and mentioned they would like to sit down again with AGLC senior management to review the report with City staff and elected officials.

City of Grande Prairie

The City of Grande Prairie began by discussing a number of liquor related issues, then identified some of their key gaming concerns as:

- Racing entertainment centres.
- First Nations casinos (and ensuring a level playing field with other operators).
- Impact of the VLT plebiscite.
- Need to study the social and economic impacts more carefully.

Grande Prairie sees itself as a major regional hub, where increasing numbers of people from the 200,000+ drawing area in BC and Alberta come to shop and gamble. They are open to the concept of having casinos with convention/hotel facilities that would act as another element attracting traffic and tourism dollars to the city. They believe the entertainment “angle” is very important; i.e., making gaming facilities with the right ambience and full service entertainment offerings to attract people from outside the community.

Grande Prairie also thinks that if VLT revenues went more directly to charities it would help strengthen support for them. They strongly support the Charitable Model, and in the case of VLTs think it should be expanded if possible. In their view, there should be room in the growing gaming business for both the big quality players and “the smaller guys”.

They think that although there is now a bit better knowledge of where proceeds go, the AGLC could do a better job in reinforcing "how fortunate we are" to have such a revenue stream. They also think AGLC could improve by:

- Putting more money into problem identification and treatment, through AADAC.
- Educating Albertans about gaming benefits.
- Putting same rules for Native casinos in place as there are for other casinos.
- Allowing private sector to continue to bid to build better casinos, offering a nicer experience on a more professional level.

The fundamental principles Grande Prairie thinks AGLC should focus upon are to keep the industry fair and clean. Only in this way do they believe the social, fiscal and political capacity of the industry will be maximized. They applaud AGLC's efforts so far, noting "it's good to see you're out there doing this type of work already".

Red Deer Municipality

The City of Red Deer expressed concern about the rapid expansion of gaming in Alberta, citing results from VLT plebiscites in recent years in which the public appeared split on the issue of retaining or removing the terminals from their communities. It was felt that more public involvement in the approval process for licences, such as public hearings, would give Albertans greater opportunities for direct input and would allow the Commission to better understand community support or lack of support, for licence applications. It was also felt such hearings should be held in the community where the licensee will operate.

The city sees its role as dealing only with land use issues related to a gaming establishment, consistent with the Municipal Government Act. Such issues include appropriate zoning for casinos, traffic noise, and other impacts on adjoining neighbourhood properties. The city views the province as continuing in its role to license such establishments because it believes the province has the capacity to deal with the negative social impacts in the communities.

The city supports and recommends that the province increase funding to deal with the negative aspects of gambling. It was also felt that an extensive social impact analysis should be undertaken to give Albertans sound research and information on the effects of gambling. The city believes such analysis would form the basis for sound policy development and help determine the direction of gaming well into the future.

They support AGLC's consultation efforts and would like to have more opportunities to provide feedback to the Ministry on policy while it is being developed.

3.2 Police Services

Five executive consultations were held with the following police services between September 14th and October 2nd, 2000:

RCMP	September 14th, 2000
Edmonton	September 14th, 2000
Lethbridge	September 25th, 2000
Medicine Hat	October 2nd, 2000
Calgary	October 9th, 2000

RCMP

Representatives of the RCMP commented that this is the first time they had been asked for their input on gaming issues. They welcomed the opportunity to respond. First they raised a number of questions about the expansion of gaming, including:

- Do we know the impact of gaming that is already in place?
- How can we assess the impact of future expansion?
- How should/could we separate changes related to gaming from other issues (i.e., the increase in VLTs occurred at the same time liquor hours were lengthened)?
- What is the best way to capture information about the impact of gaming on families, including anecdotal feedback about spousal abuse or suicides (they thought maybe Victim Services could look into it)?
- Are social problems on reserves going to increase if casinos are introduced?
- Has anybody been able to accurately measure the impact/cost of gaming? (They suggested maybe the University of Alberta should look into it, but were pleasantly surprised to hear of the Alberta Gaming Research Institute.)

The RCMP believe it would be wise to ask local commanders (the people on the “front lines”) about the impact of gambling. From this input, they think Alberta may be able to address the question of whether we are at the saturation point yet. Ultimately, they would like to see better information on the social impact and understand more about public opinion on the topic.

They spoke at some length of the potential negative impact of gaming to damage the social fabric, and the effect this might have on community policing efforts. They suggested widening these consultations to include the Association of Chiefs of Police, in order to sensitize various forces to gaming issues. Part of the challenge they see is in facilitating more discussion and creating the right questions to ask.

Another challenge they identified is striking the right balance between demands for growth and social responsibility, which they feel requires having the proper information and presenting a full cost benefit analysis. This could involve a longitudinal study over many years.

They pointed out that the RCMP used to have dedicated gaming units, but no longer does, despite an increase in gaming activities. They note that gathering intelligence data on gaming requires resources which means having the government set its priorities. If investigating illegal gaming activity is a priority, then more resources for policing will be required. They cite Ontario as an example of a jurisdiction with a dedicated illegal gaming unit, but “there’s nothing like that here”. The RCMP notes that gambling issues are provincial but Alberta does not put any money directly into policing it.

They express concern about the potential for First Nations casinos to be “a powder keg”. Further consultation and cooperation between police forces on and off reserves will be necessary to address the concerns, they feel.

They would be pleased to see AGLC initiate an exchange of information on gaming across forces. Such a forum could discuss both operational issues and strategic issues.

Edmonton Police Service (EPS)

The EPS believes that gaming touches on so many things that it is tough to say what the total impact is. They believe much can be learned from the US experience (“we’re 6-10 years behind the Americans”). Similar to the RCMP and other police services, the EPS sees a need for better collection and analysis of data on gambling.

They question how anyone can accurately qualify and quantify the impact unless the province collects or obtains the necessary information.

They question how much the province wants to pay to deal with the cost of increased gambling. They point to new or expanded casino facilities and the potential for increased traffic problems, issues with crowd behaviour, and therefore, increased workloads for EPS, which is already stretched. EPS also raised the question of whether police should be directly involved in casino security (as is the case in Ontario). They fear the inevitable spin-offs of more casinos will be increased loan sharking, drug dealing and associated violent crime that extend beyond the casino facility itself. Despite these challenges, the EPS believes the demand for police services as a result of gaming expansion should be estimated before expansion occurs. Among other things, they realize the City of Edmonton does not have the money to meet its commitments, "so law enforcement will suffer". They point out that "clearing up the mess [associated with gaming] is a lot more tedious and expensive than bringing in the dollars".

The EPS acknowledges there will be negative social costs, but thinks the AGLC, through AADAC is doing a pretty good job addressing those issues. They do believe that AADAC could improve with more education and co-ordination of information gathering. The EPS is also willing to work with any social or law enforcement agency to determine the likely consequences of increased gaming and coming up with an appropriate "societal response" to such consequences.

To strike the right balance, EPS thinks AGLC will have to substantiate the link between gaming and crime and then properly fund prevention efforts.

They understand setting aside money for dedicated policing activities in gaming is ultimately a political decision, but it is best to get proactive now before illegal gaming gets a foothold in the province. They admit that until now the government has acted responsibly in handling VLT expansion, but they think with the expansion of casinos, the industry has taken a big leap, with big risks, EPS would be happy to see joint forces agreements struck with the AGLC. They believe such an initiative would show some social responsibility by giving more resources to law enforcement agencies.

Lethbridge Police Services (LPS)

Lethbridge Police Services reiterated many of the issues raised by the RCMP and EPS, including:

- The need for better collection of statistics on gambling.
- Establishing the extent of the link between crime and gaming.
- Trying to better understand the total impact (costs versus benefits).
- The need for the government or AGLC to fund better policing and enforcement efforts.

- Getting away from anecdotal evidence about the impact (suicides, fraud) by flagging data on a file for review by AGLC or AGRI.

LPS believes education of police services as well as the public is critical. They believe that accessibility of VLTs is a big part of the problem, but that First Nations casinos would make problems worse. They think the AGLC has done a fairly good job of balancing growth and social responsibility but that more resources need to be dedicated to addressing policy and prevention programs. They see gaming growing and think if something is not done soon to address problems, they will soon hear about it from the public. Similar to other police service they suggest the AGLC look into establishing a permanent regulatory or police presence in casinos. They point out it is one thing to know gaming is growing, it is another to commit the resources to deal effectively with that growth.

Medicine Hat Police Services (MHPS)

MHPS raised all of the same issues as other police services, which can be summarized as:

1. A need for more regular formal information sharing among AGLC and police services.

2. The need to track statistical data on gaming crime more effectively.

3. The necessity of properly funding these policing and information initiatives by setting aside additional money from lottery funds (through JFOs?).

MHPS thinks AGLC has handled the growth in gaming responsibly thus far (the growth has not seemed overwhelming) but that as the industry grows, better policing and intelligence data will be required. They suggest instituting a per capita grant from the province to deal with such issues. With such a fund, they believe some dedicated resources could be committed. Otherwise, with limited resources, they will continue to deal with the violent crimes first, not the “softer” crime such as gambling.

Calgary Police Services (CPS)

The CPS meeting began with a comment that there were insufficient resources to deal with gambling complaints. Similar to other sessions with police representatives, the CPS decried the lack of dedicated funding for policing and the inadequacy of efforts to collect and analyze statistics about the impact of gambling.

They identified numerous concerns about problem gambling such as:

- Domestic violence
- It's hidden impact on increases in related crime
- Money laundering and loan sharking

The CPS believes that the problems created by gambling – sanctioned by the government – have not been properly addressed. Similar to other law enforcement agencies, they called for greater cooperation between AGLC, communities and individuals to come up with strategies to address problem gambling. Ultimately they believe the government needs to infuse some cash in order to properly fund efforts by police and others to deal with the situation they created.

To balance social impact costs with the reality of expanding gaming requires stable sustainable funding of a JFO, according to the CPS. They question the wisdom of expanding gaming due to their concern for quality of life issues. They see the primary challenge of AGLC to be creating a strategic framework dealing with prevention and intervention with respect to gambling problems. Like many other forces, they see an urgent need for better data on the extent of gambling problems. They also support establishment of a JFO, funded by the government's lottery and gaming revenues.

SEGMENT FOUR: POSITIVE TOWARD AGLC (LOOKING OVER THEIR OWN SHOULDER)

The fourth segment consulted consisted of:

- The Alberta Gaming Industry Association
- Casino Operators (in Calgary & Edmonton)
- Casino Applicants (Remai Ventures & Oasis)
- Video Retailers (in Calgary, Edmonton, Lethbridge & Grande Prairie)
- Ticket Retailers

4.1 The Alberta Gaming Industry Association (AGIA)

The AGIA had an extensive amount of input to provide about the licensing review process, current policies and emerging challenges.

The AGIA welcomed the review process, but expressed considerable cynicism about the fact that "there have been lots of reviews, but a lack of action and outcomes". They said the industry's patience is "wearing thin" as people see one study after another while important issues are not being addressed. They raised attention to a number of irritants such as:

- The date of the multiple room license decision approaching with no clear decision, thereby putting some expansion plans on hold.
- A sense that AGLC reacts to problems rather than being proactive; as they put it: why fear the public mood - it has changed to be more supportive of gaming.
- How the media overstates the perceived problems of addiction.
- Their desire to grow the gaming business as partners with government, rather than operating it as an arm of government.
- The need to more quickly replace aging equipment.

The AGIA believes discussions about the social capacity in Alberta (or problems associated with gaming) are self-defeating; they assert that "people are voting with their wallets". They would prefer to see AGLC move away from operating in a reactive crisis mode to any alleged problem. Because AGIA thinks gaming is not a key issue on the electoral agenda (i.e. less than 1% say it is an important issue in recent polls), they think that small groups who oppose gaming are being allowed to dominate the agenda. They believe the province has successfully balanced the benefits and social costs by being sensitive to moral issues. The trick, in their view, is to avoid having moral issues dominate the political agenda.

As a result of their very positive views of gaming, they think the AGLC could improve by:

- Not avoiding (or being scared of) talking about how much money gaming generates).
- Stressing the spin-off benefits of training, high tech service.
- Improving service and maintenance levels/standards.
- Using more gambling revenues to improve the system.
- Taking a harder line with VLT retailers who do not meet aesthetic or operating standards.
- Continue to study addiction problems to come up with more effective programs (the bingo representative insisted their industry does not have the same extent of addictiveness; this view was not shared by other AGIA spokespeople).

The AGIA points to the size and importance of the industry ("it's the second largest revenue generator in the province") as proof of their advice to be proud and tell the story better. They see gaming as a recession proof entertainment business which should be better recognized. The AGIA went on to debate the issue of product cannibalization (in particular declining bingo and horse racing revenues) but could come up with no consensus on the cause or the cure.

The AGIA raised a number of policy questions, such as:

- What the role of industry and government should be in setting gaming industry standards (i.e. New Mexico Gaming Association sets its own standards).
- Liquor privatization being a good model to follow for gaming (i.e. letting the market forces decide if there is capacity for additional gaming facilities).
- The importance of being clear on how First Nations casino revenues would be disbursed; they think it is crucial to have a level playing field with respect to use of proceeds and to ensure the entire process is transparent and accountable.
- The challenges of addressing Internet gambling (the AGIA thinks AGLC cannot ignore it, but to legitimize it would also cause problems).
- Accessibility for any new products like Keno; they thought it would be better to be in age controlled locations such as casinos or liquor lounges.
- The need for greater capital investment (which will yield good returns).

- Their support in principle for an open competitive RFP process for establishing new casinos.

Finally, the AGIA stressed the importance of AGLC seeking feedback about policy prior to finalization.

4.2 Casino Operators

Casino operators in both Edmonton and Calgary noted a number of concerns:

- The LPR was viewed as a political “stalling tactic”.
- Wanting the same rules to apply to everyone – rather than having separate rules for First Nations casinos.
- The Charitable Model has “served us all well” and efforts should be made to reinforce it rather than threaten it.
- While the industry has evolved in a balanced controlled, way, they need to know where it is headed in 6 or 9 or 12 months.
- Hotel gaming rooms; the potential they have to push things to the saturation point.

Casino operators are cautiously supportive of AGLC’s efforts to regulate the industry but they are definitely looking over their shoulder at potential competitors (such as hotel gaming rooms or Native casinos). They feel that any further growth (with perhaps Calgary as the exception) would jeopardize the current success of the industry.

Their main worry is that although many current operators “have invested millions”, there is no reliable game plan for the industry to move forward. Most of all, they seek assurance of certain rules and market limits. They went on to detail how a small change in percentage proceeds given to a First Nations could upset the competitive balance (by allowing them to offer discount meals or hotel rooms). As they put it: “Why change a system that is working well now?” Provided that First Nations casinos play by the same rules, they are fully prepared to compete. To ensure comparable rules for expansion, they welcome efforts by AGLC to “raise the bar” by setting and enforcing certain minimum performance standards.

They believe there is still room for carefully planned expansion of facilities and games in Alberta, as long as existing rules are maintained.

Operators give AGLC credit for working with them to do an excellent job on enforcement and regulation of the industry thus far. Challenges AGLC will have to face in the future include:

- Addressing Internet gambling (either moving to prohibit it or using it for some types of betting such as Sports Select).
- Providing tech support when and where the industry needs it (i.e., after midnight at a busy casino).

4.3 Casino Applicants

Potential operators who applied for a casino license prior to the announcement of the moratorium were also interviewed. These applicants showed only a minimal awareness of previous or current review initiatives. The main challenges they identified for AGLC were:

- To strengthen support for gaming among the general public.
- To tell Albertans where the money goes.
- To maintain the strengths of the Charitable Model (in particular the volunteer base).

They see growth occurring in slots and higher end casino products appealing to Baby Boomers. They also identify tourism as a key component due to their focus on destination gaming. Their views on a variety of issues can be summarized as follows:

<u>First Nations Casinos:</u>

- inevitable
- level playing field
- impact on role of charities questioned

<u>VLTs:</u>

- incorporate them more fully into the Charitable Model through signage

<u>Internet:</u>

- huge problems if the government moves to control it or use it
- need to move cautiously

<u>Charity Eligibility:</u>

- needs to be reviewed carefully

4.4 Video Retailers

VLT retailers were fairly well informed about changes occurring in the gaming industry. Similar to casino operators, they see the main challenges of AGLC as:

- Fighting negative public opinion.
- Ensuring consistency in applying existing rules.
- Keeping up-to-date (by upgrading the machines).
- Having better maintenance.
- Resolving the multiple license policy once and for all.

VLT retailers think the AGLC has done a pretty good job in balancing growth and social responsibility, but they think improvements could be made by:

- Acknowledging the importance of VLT revenue.
- Telling people where the money goes.
- Incorporating VLTs into the visible Charitable Model (by having signs indicating where the money goes).
- Treating VLTs the same way as casinos (i.e. allowing more room for expansion).

In general, VLT retailers seem to not want to “rock the boat” by expanding the VLT network, but they do seek clarity about the rules for the number of machines and the ability to transfer machines if a lounge is cold. Some acknowledged that the VLT network in Alberta was one of the most successful in part due to the 6000 cap. Nevertheless, there is a sense that if the multiple license policy is allowed to stand, then existing owners who have reached performance targets should be allowed to expand the number of machines.

In general, there was support for the concept of optimizing the network by setting minimum standards of returns and enforcing those standards by, if necessary, removing extra machines. This was seen as a good way to keep providing machines to those on the waiting list.

4.5 Ticket Retailers

Ticket retailers (or traditional lottery retailers) were very enthusiastic in their support for AGLC and their willingness to offer advice to improve lottery sales. They were less helpful in adding insights regarding the gaming industry as a whole, or any non-lottery type of game in particular.

Aside from identifying certain operational things the AGLC could improve upon (such as better utilization of the system to send internal messages, the lost opportunity due to not have special event scratch tickets and more/better promotion of Sports Select), ticket retailers only had a few concerns:

- VLTs raising concerns about the whole industry, and in some cases leading to problem gambling.
- A lack of promotion/education about where lottery revenues go.
- The desire among some operators to introduce Keno to the system (like in BC).

Most retailers viewed competition between different ticket retailers and between tickets and other forms of gaming, as inevitable, although a few complained about the proximity of competing ticket retailers.