POLICY DEVELOPMENT REVIEW PROCESS

A Process of Reviewing the Framework for Gaming Licensing Policies

Gaming policy development occurs within a framework consisting of legislation, regulation and existing gaming policies.

This framework may be compared to a building or physical structure. The Gaming Licensing Policy Review may be compared to a building inspection or assessment, aimed at determining the condition of the building and what may be needed to ensure it remains sound to meet current and future demands.

The foundation determines how large the building may be. In this case, the *Criminal Code* of Canada is the foundation for provincial gaming legislation. The *Gaming and Liquor Act* (Alberta) and *Gaming and Liquor Regulation* (Alberta) comprise the building's physical framework which are built upon the foundation for gaming.

The guiding principles for gaming may be compared to standards for construction. Those standards include ones that determine how tall the building may be based upon the strength of the foundation, the construction methods by which the structure will be built, the durability of the materials used in the structure, among others.

General gaming policies may be compared to the exterior of a building, which give the building its outward appearance but also are intended to preserve and protect the integrity of the building. Specific gaming policies, including the terms and conditions that apply to holders of gaming licences, and agreements with private operators or retailers of gaming activities, determine how the interior of the building will appear.

The structure is maintained and supported by the Alberta Gaming and Liquor Commission and by gaming stakeholders, all who have a part and interest in insuring the building's integrity and security.

What Shape is the Building in Today?

One of the first steps is to examine the foundation because it supports the structure that is built upon it. The inspection also involves examining the exterior of the building to ensure that it protects and preserves the integrity of the structure. The interior finishing and mechanical features are also checked for minor defects or damage caused by normal wear and tear which may need to be fixed, upgraded or maintained, to meet current standards.

An initial inspection of current gaming licensing policies was conducted at the outset of the Gaming Licensing Policy Review. The elements, or policy topics, of each gaming activity were closely examined to determine their current "state of repair."

That preliminary assessment is provided in Figure 1. The assessment served as a starting point, to initiate consultations with stakeholders and obtain their views and perspectives. These, along with findings in other jurisdictions, were considered in arriving at recommended adjustments or improvements. The government will decide whether any of those are to be made.

Figure 4-1: Preliminary "Inspection" Report

Activity	Policy Topics										
	Legislation, Regulation, Enforcement	Principles	Public Interest, Social Responsibility	Eligibility	Revenue	Financial Security & Controls	Network Activity	Availability, Accessibility	Expansion	Technology	Research
Bingo Gaming	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Red	Yellow
Casino Gaming	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Red	Green	Yellow
Slots	Green	Yellow	Yellow		Yellow	Red	Yellow	Yellow	Red	Green	Yellow
Video Lotteries	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Red	Red	Red	Yellow
Ticket Lotteries	Green	Yellow	Yellow	Green	Yellow			Green	Yellow	Red	Yellow
Raffles	Green	Yellow	Green	Green	Green	Green	Green	Green	Green	Yellow	Yellow
Pull Tickets (Break-Open)	Green	Yellow	Green	Green	Yellow	Green	Green	Yellow	Yellow	Yellow	Yellow
Internet Gaming	Red	Yellow	Yellow	Red	Red	Red	Red	Red	Red	Red	Red
New Games	Yellow	Yellow	Yellow	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow

Legend	Description
Good	(Green) Policies are specific, comprehensive and adequate for the foreseeable future.
Fair	(Yellow) Policies may require some clarification and should be reviewed in the near future.
Need Work	(Red) Policies require immediate attention.

For purposes of the preliminary "initial inspection" report, the policy topics as used in the figure above, mean the following:

Legislation, Regulation, Enforcement - Refers to compliance with statutory, regulatory, contractual and policy requirements.

Principles - Refers to the underlying philosophy, principles or direction for the conduct and management of charitable gaming and provincial lotteries in Alberta.

Public Interest, Social Responsibility - Public interest refers to the well being of the public in matters of gaming, including ensuring the public is well informed about gaming activities, or may readily obtain information if desired. Social responsibility refers to the measures, actions or provisions for the socially responsible delivery of gaming activities.

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Eligibility - Regarding charitable gaming activities: refers to the definition of a charity for purposes of issuing gaming licences and the allowable uses of charitable proceeds from charitable gaming activities. Regarding provincial lotteries: refers to the definition of an eligible retailer (for ticket lotteries, slots, or VLTs).

Revenue - Refers to the manner in which revenue from gaming is divided among prizes, expenses, administration and to the primary beneficiaries of gaming proceeds; that is, charitable, non-profit, public and community-based initiatives.

Financial Security and Controls - Financial security refers to a deposit, letter of credit, or some other form of consideration given to assure the fulfillment of an obligation. Financial controls refers to the systems and procedures to protect the revenue generated from gaming activities.

Availability, Accessibility - Refers to the extent of the availability (how much) and accessibility (locations) of gaming activities to players.

Expansion - Refers generally to the expansion of gaming activities. It includes an expansion either in the size or number of gaming facilities and venues. It also includes an expansion in the types or amount of gaming activities offered in gaming facilities and venues, or elsewhere, within the province.

Technology - Refers to the electronic hardware and software used to deliver gaming products and services.

Research - Refers to close careful study into specific gaming matters or issues.

For the definitions of each gaming activity identified in Figure 1, please refer to the respective sections of this report that specifically deal with each gaming activity (for example, "Bingo," "Casino Gaming," "Slot Machines" and so on).

Process for Policy Development

The Gaming Licensing Policy Review process comprised four phases as follows:

1. *Development of Preliminary Strategies* - A cross-section of senior Commission managers and key staff identified emerging issues and suggested potential strategies to address those issues. These were a starting point for the policy review process. These were taken forward to the next phase, "Research and Consultations."

2. *Research and Consultations* - Stakeholder consultations were held regarding issues and strategies identified in step 1. Market research was also conducted to determine current public and player gaming attitudes, perceptions and behaviours. A literature search was undertaken to identify pertinent, significant studies, reports and other literature related to gaming.

3. *Findings and Analysis* - Key findings from the market research, stakeholder consultation and literature search were reviewed against the preliminary strategies to address primary issues. The initial strategies were revised as appropriate to reflect the key findings.

4. *Development of Recommendations and Final Report* - Recommendations to address identified issues were developed based on the analysis of key findings and incorporated into the final report.

The model depicted below represents the relationship among each of the four phases.

Figure 4-2: Policy Development Model

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   (Issue)    (Issue)        (Issue)
       (Issue)          (Issue)

Phase 1          ┌─────────────────────────┐
                 │  Preliminary Strategies  │
                 └─────────────────────────┘

Phase 2   ┌──────────────┐      ┌──────────────────┐
          │   Research    │      │  Consultations   │
          └──────────────┘      └──────────────────┘

Phase 3   ┌─────────────────────────────────────────┐
          │           Findings and Analysis          │
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Phase 4   ┌─────────────────────────────────────────┐
          │    Recommendations and Final Report      │
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