ALBERTA GAMING
LICENSING POLICY REVIEW

STAKEHOLDER CONSULTATIONS
- FINAL REPORT -

Prepared by: Cameron Strategy Inc.

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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.

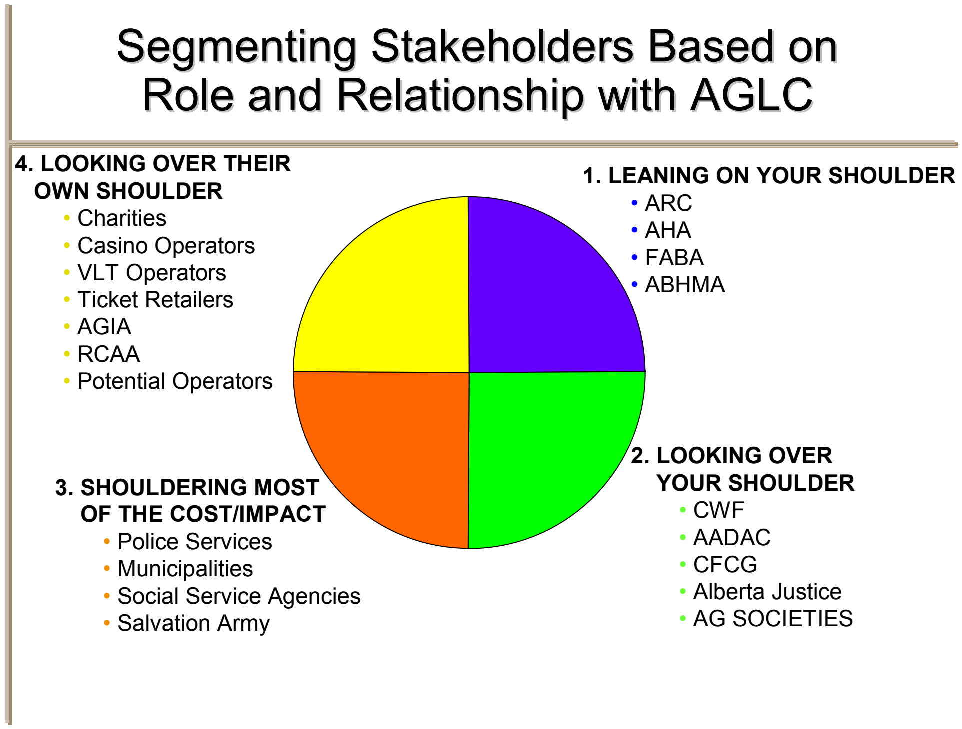
From most critical to most positive, they are described below:

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.



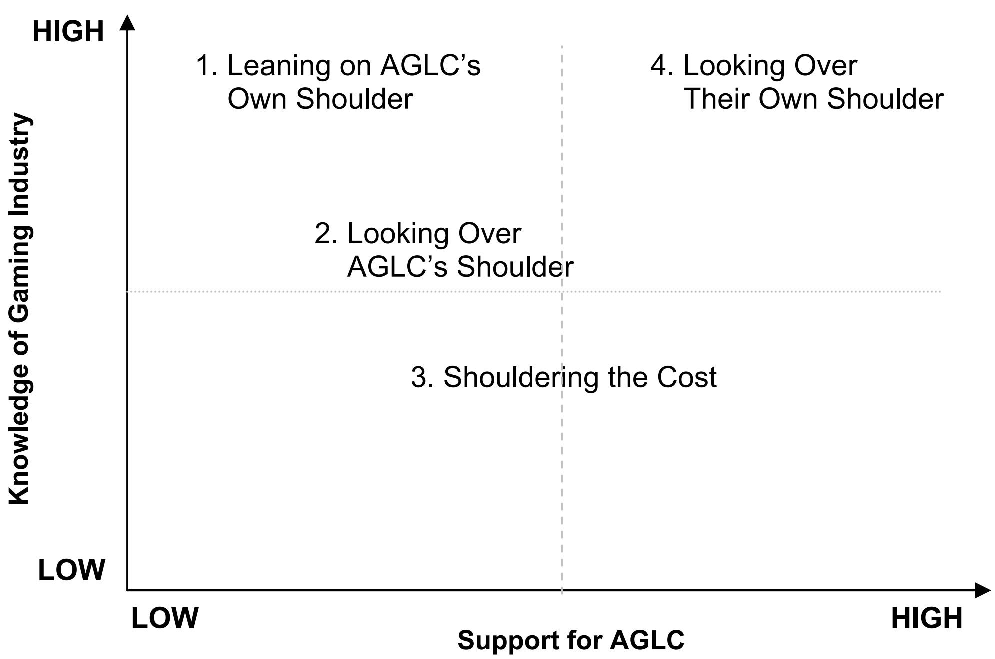
B. Segment 2: Fairly Critical of AGLC

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.

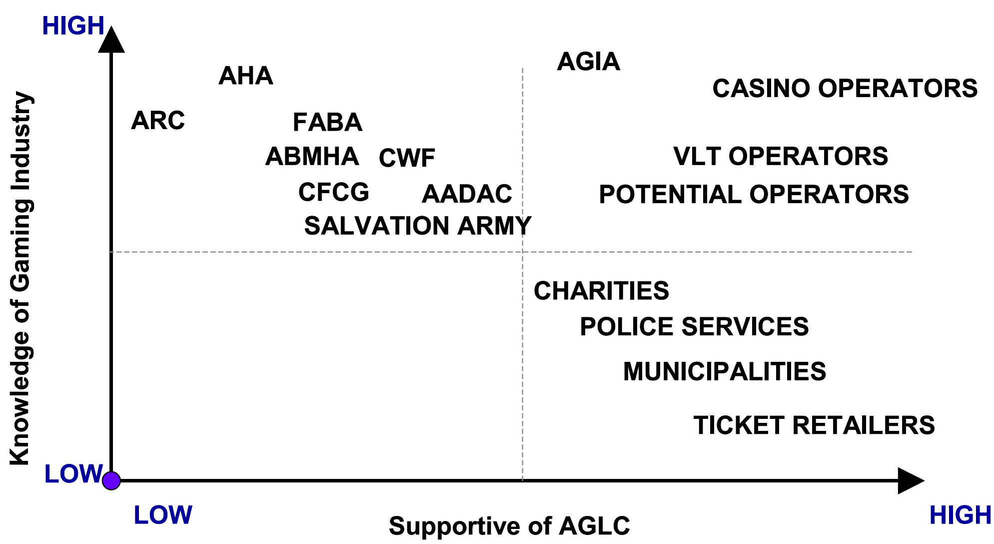
It is not surprising that these groups (who are the primary beneficiaries of increased gaming revenue) are generally supportive of AGLC's efforts to balance demands for growth and its responsibility for controlling that growth.

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.

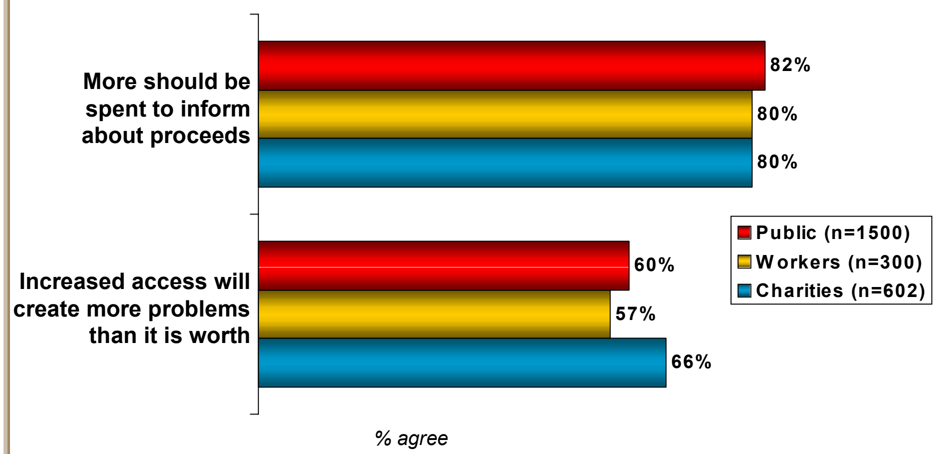
Not surprisingly, charitable organizations and most of the operators are fairly satisfied with the current method of fund distribution (in particular the recent move to establish community lottery boards to distribute some of the money from the Alberta Lottery Fund). Nevertheless, those groups which 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.

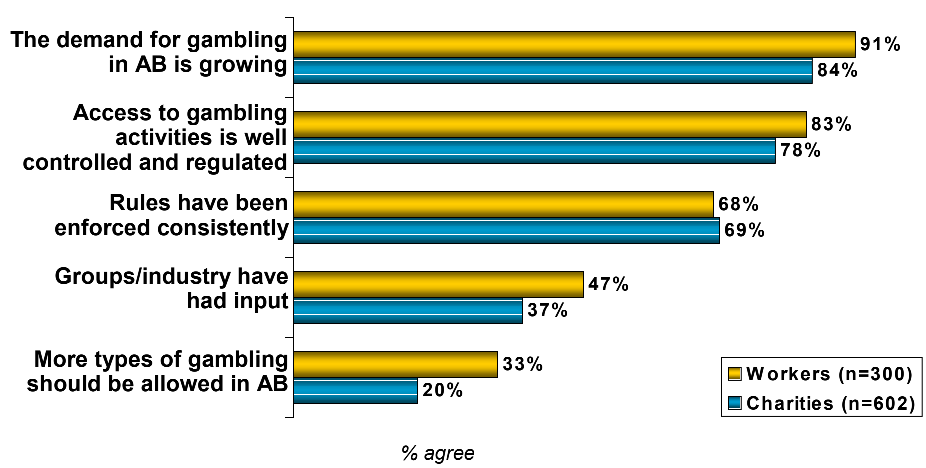
The desire to spend money to inform Albertans about fund distribution is universal. Not surprisingly, charitable organizations have concerns about allowing more types of gambling into Alberta (only 20% agreed that this should happen), and also tend to believe (more so than the public or industry) that increased access to gaming activities will create more problems in the province.

Attitudes to Gambling



Source: AGLC Charitable Groups Survey

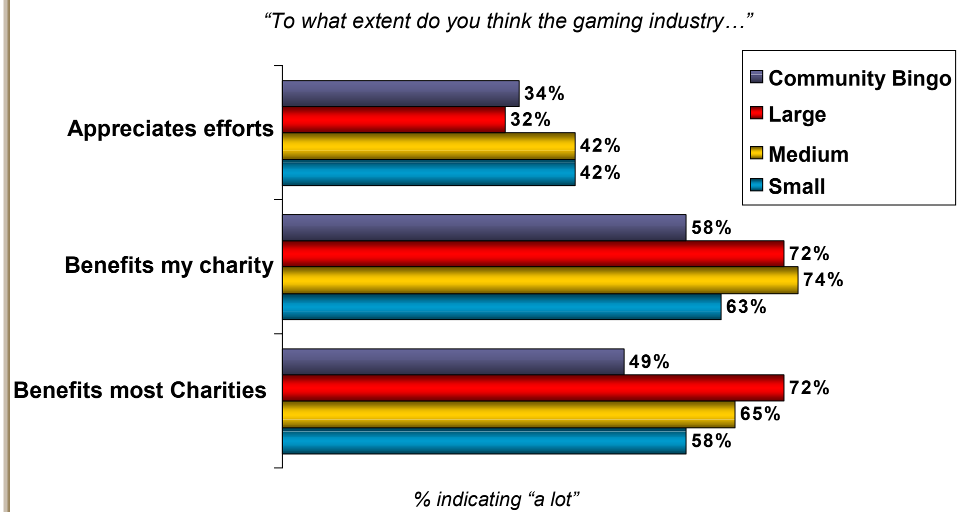
Contrasting Attitudes to Gambling



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



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.

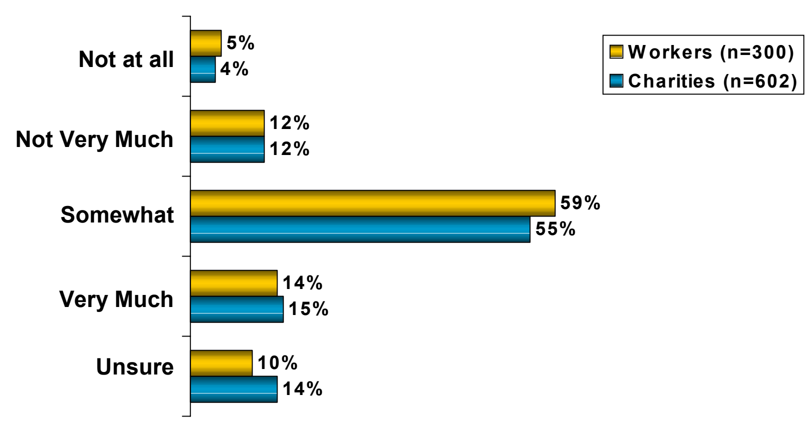
There is less consensus on the issue of where that growth is coming from. To address some of the criticisms of growth among the advocacy stakeholders it may be necessary to produce authoritative data on the profile of gamblers. If such a study indicated that the province is not simply generating more 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?

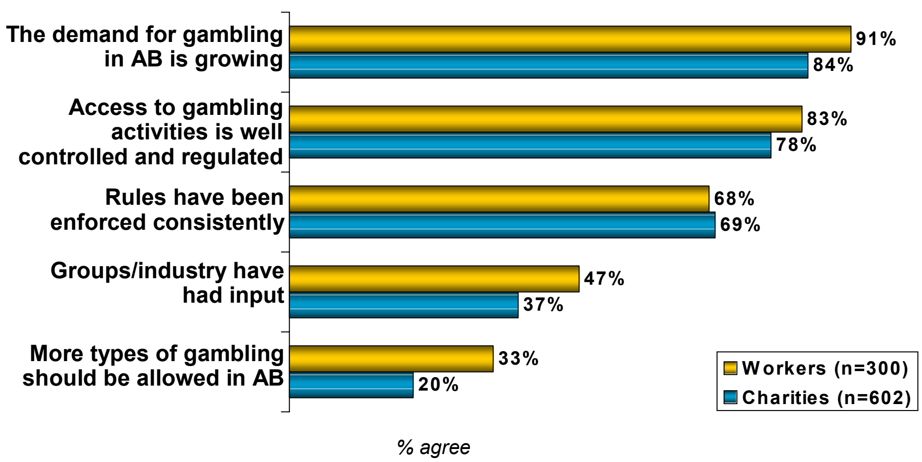
Industry

	(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%

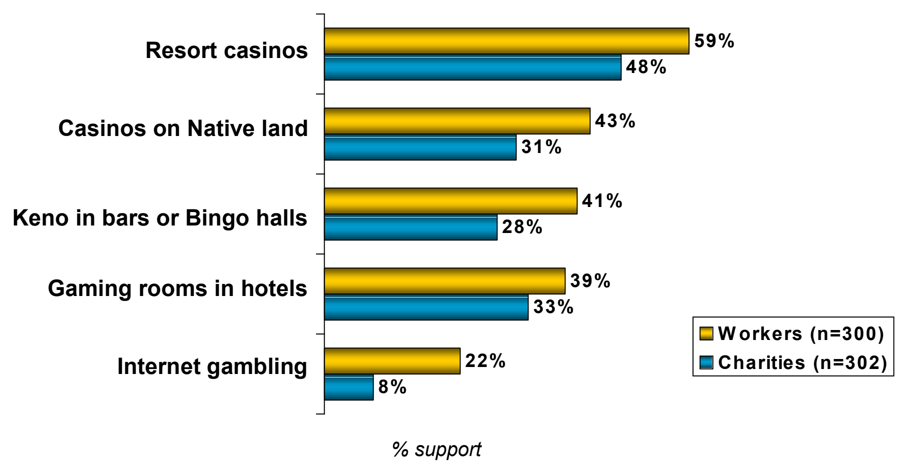
Contrasting Attitudes to Gambling



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.

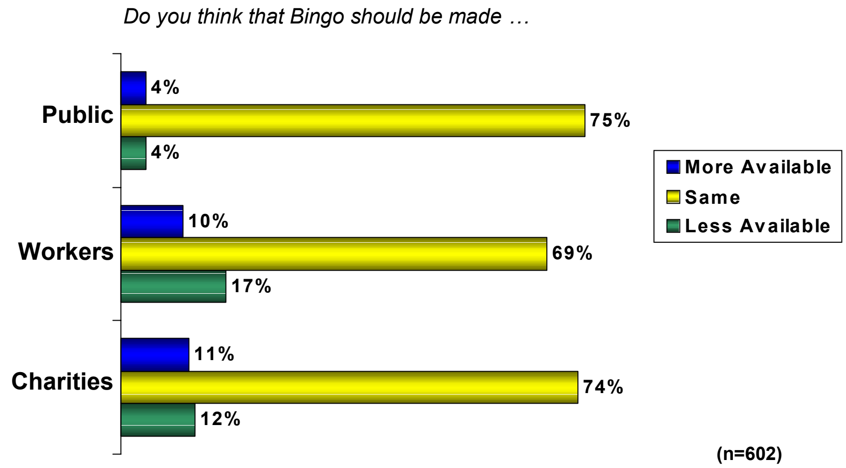
Extent of Support for New Forms of Gambling



Source: AGLC Charitable Groups Survey

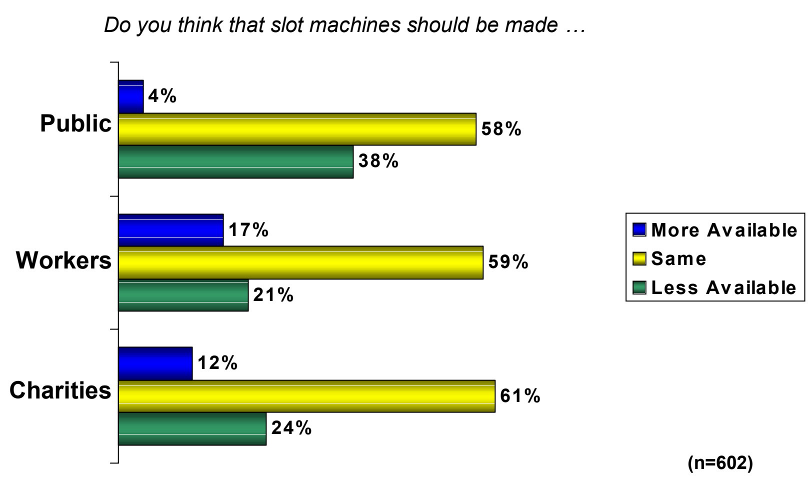
The majority of the public, industry and charitable organizations interviewed indicated that the availability of bingo in the province should remain at its current level. Consistent with the perceived harmful effects of VLTs, approximately 50% of the public, industry and charitable organizations felt VLTs should be less widely available in Alberta.

Gaming Support – Bingo



Source: AGLC Charitable Groups Survey

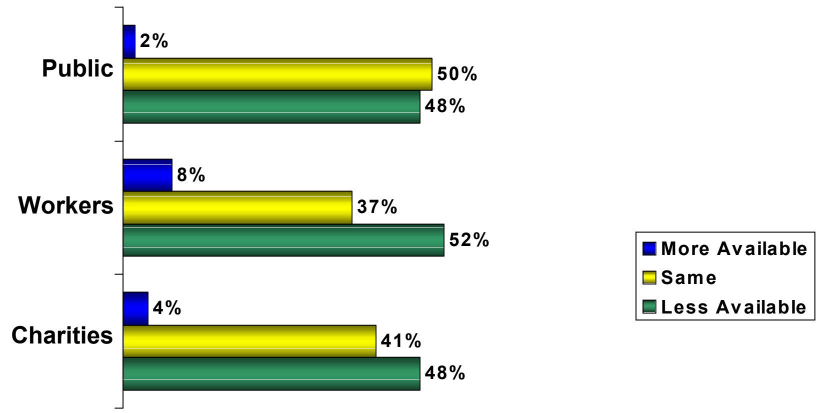
Gaming Support – Slot Machines



Source: AGLC Charitable Groups Survey

Gaming Support – VLTs

Do you think that VLTs should be made …



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

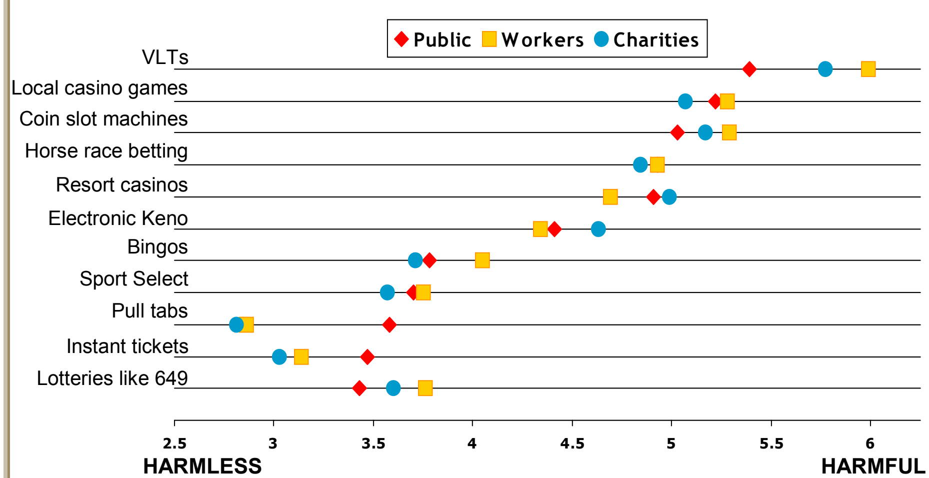
To arrive at an authoritative summation of the extent of problems associated with gambling would ultimately involve a very thorough cost/benefit analysis. The stakeholders who most clearly stated the need for this exercise were municipalities, several of whom noted that "full cost accounting" (totaling 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 <u>looking over their own shoulder</u> 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 <u>machines</u> allowed, but the number of <u>locations</u>. 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

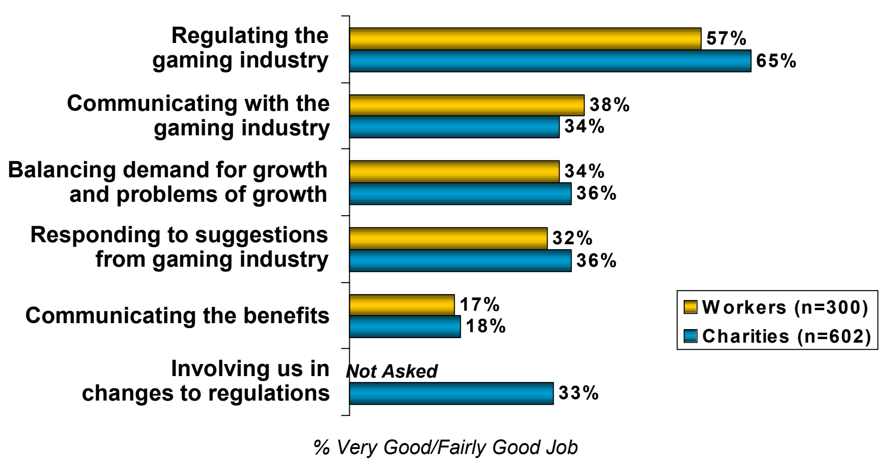
8.1 RATING AGLC'S PERFORMANCE

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
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….

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
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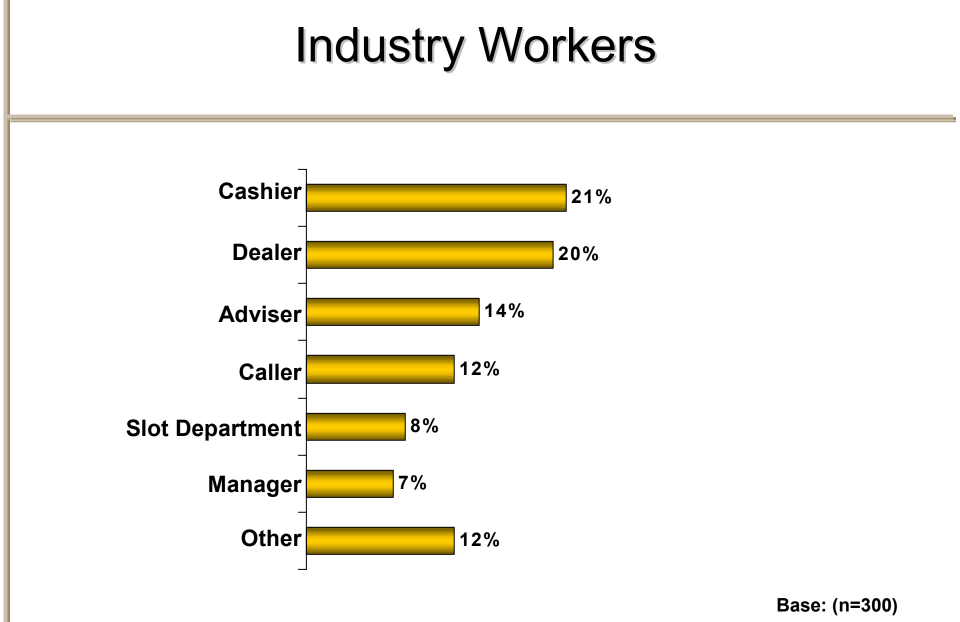
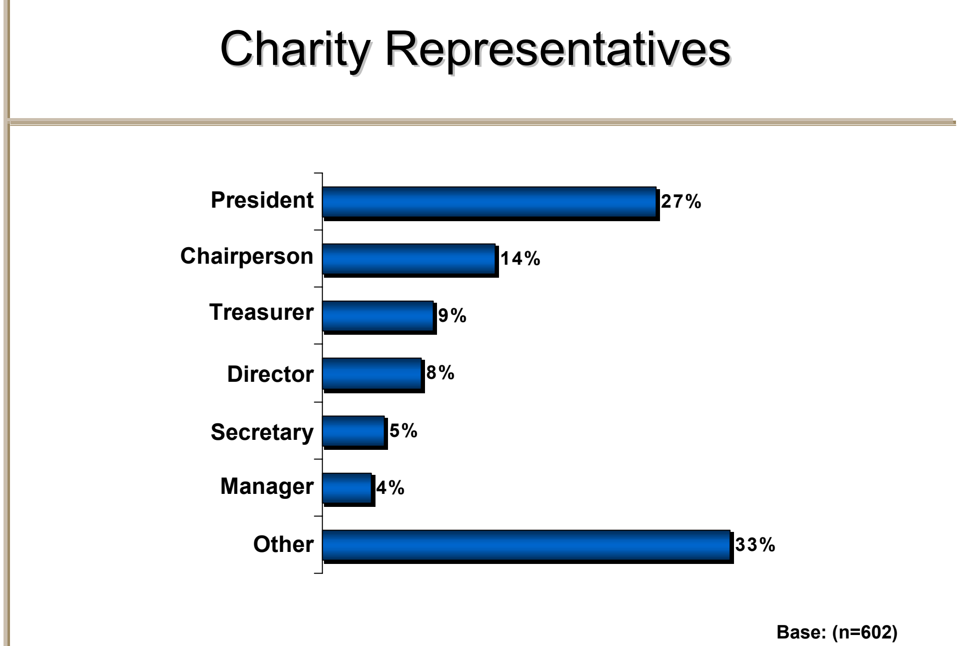
DO NOT ASK: TELEPHONE NUMBER:
(___ ___ ___) ___ ___ ___ - ___ ___ ___ ___

INTERVIEWER'S SIGNATURE: ______________________________
DATE: ___________________________

PROFILE OF INDUSTRY WORKERS & CHARITY REPRESENTATIVES



Source: AGLC Charitable Groups Survey



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