

Problem and Responsible Gambling Strategy

Proposal for Enhancement
to Address Increasing Problem
Gambling Needs in Alberta

2005–2006

Approved April 2005
(AADAC and AGLC Board)

AADAC

Alberta Alcohol and Drug Abuse Commission
An Agency of the Government of Alberta

Alberta
GAMING AND LIQUOR
COMMISSION

PROPOSAL FOR FUNDING Problem and Responsible Gambling Programs in 2005–2006

1. Introduction

The Problem and Responsible Gambling Strategy

In early 2004, the Alberta Alcohol and Drug Abuse Commission (AADAC) and the Alberta Gaming and Liquor Commission (AGLC) developed a new joint strategy intended to guide the development and delivery of responsible gambling and problem gambling programs in a more co-ordinated, collaborative, comprehensive, complementary and sustainable manner.

The purpose of the new joint Problem and Responsible Gambling Strategy is to continually review emerging trends and issues in the field and ensure that there is a shared understanding and commitment to priorities and actions in the problem and responsible gambling area.

This proposal for funding is based on the review of trends and shared priorities contained within the *Problem and Responsible Gambling Strategy (Draft 2005–2010)*.

Government's Commitment

The government has formally expressed commitment to social responsibility in gaming in these ways:

Maintaining support to AADAC

In 1994, the government designated AADAC as the agency to address problem gambling through the provision of information, prevention, treatment, and research services.

Prioritizing lottery funding

Beginning in 1995, the government made the funding of problem gambling prevention, education and treatment a priority, through the Alberta Lottery Fund.

Lotteries and Gaming Summit '98

The government made a commitment to increase “the amount and public visibility of gambling addiction prevention and treatment programs” and to dedicate more resources to gaming research, as well as to the prevention and treatment of problem gambling. As a result of this, the Alberta Gaming Research Institute, funded through the Alberta Lottery Fund, was formed in November 1999.

2. Current Situation

Alberta Government Business Plan

The issue of problem and responsible gambling is related to a number of the government's business plan goals. A priority in the Government of Alberta's 2003–2006 business plan is that "Albertans will be healthy." Based on a commitment to social responsibility in the areas of gaming and liquor, this goal is supported further in the business plans of the Ministry of Gaming, the Alberta Gaming and Liquor Commission (AGLC), the Ministry of Health and Wellness, and the Alberta Alcohol and Drug Abuse Commission (AADAC).

Roles and Responsibilities

The regulation and provision of gambling and the sale and service of liquor are accompanied by a responsibility to mitigate potential harm from these activities. The Department of Gaming, AGLC and AADAC have roles and responsibilities in the development and delivery of social responsibility policies and programs. Gaming stakeholders, including the gaming industries and charities, also have important roles to play.

AADAC Funding

Funding for AADAC's social responsibility programs related to problem gambling has grown by 41.60% over the last four years, from \$3.6 million in 2000–2001 to \$5.1 million in 2003–2004. The current annual funding represents 0.43% of the government's proceeds from provincial lottery operations in this fiscal year (2005–2006).

Lottery Revenue

The government's share of provincial lottery revenue (VLTs, slots, ticket lotteries) increased by 71.50%, from 1997–1998 (\$700 million) to 2003–2004 (\$1.2 billion). Revenue is expected to continue to increase in the future, although at a slower pace, as new casinos and other gaming facilities are established, in First Nations and other communities in the province.

Cross-Canada Funding for Gaming

In 2005–2006, the Government of Alberta plans to spend \$9.8 million on issues related to gambling. This includes \$5.1 million on problem gambling prevention and treatment (AADAC), \$3.2 million on responsible gaming programs (Alberta Gaming and Liquor Commission) and \$1.5 million on gambling research (AGRI). At this amount, \$9.8 million or 0.79% of annual gaming revenue (\$1.2 billion), Alberta ranks fifth in Canada, behind Saskatchewan (1.53%), Quebec (1.25%), Nova Scotia (1.22%) and Ontario (1.20%) in terms of funding dedicated to problem gambling programs.

Holistic Approach to Treatment

Most gamblers entering AADAC treatment have other addictions such as alcohol and other drug use. AADAC's approach to treatment is a holistic one, whereby multiple addictions are addressed together in treatment planning.

Levies Under the Gaming Act

Other jurisdictions have introduced a dedicated problem gambling levy. New Zealand, for example, has set a levy under the Gambling Act 2003 to fund the costs of its integrated problem gambling strategy, which addresses prevention and minimization of harm associated with gambling. The levy rates, publicly announced in September 2004, reflect a range of percentages related to the amount of money wagered and lost and the degree of resultant harm: non-casino gaming machines (pubs, clubs), 1.11%; casinos, 0.51%; racing and sports betting, 0.57%; NZ Lotteries Commission, 0.14%.

Gambling Statistics

It is estimated that "moderate-risk" gamblers comprise 3.90% of the adult population in Alberta (about 89,000 adults) and another 1.30% are "problem" gamblers (about 29,900 adults). The problems experienced by gamblers affect their families and communities, often damaging employment, legal, health, and family life areas.

Higher Percentage of Revenue From Problem Gamblers

Data released by Dr. Robert Williams from the University of Lethbridge (2005), indicated that 35% of revenue from gambling in Ontario comes from problem gamblers. He reported that in Alberta, 39% of gambling revenue comes from problem gamblers. Although Dr. Williams recognizes there may be some problems with the precision of his estimate, there is growing evidence suggesting that a significant percentage of gambling revenue comes from problem gamblers. On average, each of the 118,000 "problem gamblers" in Alberta spent \$3,966 on gambling activities. The per capita expenditure on gambling activities in Alberta is \$641 (2004).

3. Key Risk Indicators

Public Opinion

Albertans expect that any growth in gaming activity is strictly controlled and managed and that the government is socially responsible in deciding gaming policy and provides programs to mitigate social risks. If problems escalate, or are perceived to grow, public support for gaming, in particular, will erode. This may well affect future revenue from gaming.

Liability

The province conducts and manages provincial lotteries and thus has a duty of care to mitigate the potential harm to individuals, families, and society from these activities. Concerns have been raised about the social costs of gaming. Lawsuits have been launched in other jurisdictions (e.g., a class action suit in Quebec is seeking \$700 million, claiming the provincial government failed to warn the public of the potential danger of becoming addicted to VLTs).

Increasing Demand for Treatment

The population is growing and legal gambling is becoming even more available. People are also more aware of the symptoms of addictive behaviour and more likely to seek treatment. For these reasons, the demand for problem gambling treatment is expected to continue to grow, as are the costs associated with treatment.

Societal Costs From Preventable Outcomes

There is a need for ongoing public awareness about the possible consequences of gambling. To prevent lawsuits, the government must inform Albertans of the dangers and the help available.

Youth Risks

In The Alberta Youth Experience Survey 2002, 41.20% of Alberta youth reported they had gambled at least once in the previous 12 months. Of those who had gambled, 9.50% displayed gambling problems or hazardous gambling patterns.

Crisis Episodes

In a recent report, one in five subjects reported having lost control of their gambling in the previous year. Problem gambling crisis episodes are reported by 65% of those who report out-of-control gambling (these are most often moderate-risk or problem gamblers).

4. Emerging Issues and Trends in Gambling

Casino Expansion

Alberta has 16 casinos with table games and three racing entertainment centres (RECs) with slot machines. Alberta has a combined total of 7,075 slot machines. In January 2005, the Alberta Gaming and Liquor Commission reported that there are five casinos in Step 8, the final stage of the licensing process. There are currently three casino applications approved to Step 7. Plans for the new and expanded casinos will nearly double the current number of slot machines.

Electronic Gaming

Studies show that Albertans who play electronic gaming machines demonstrate higher problem gambling prevalence rates. There is a growing trend among other jurisdictions to increase problem gambling prevention efforts directed at this target audience.

Online Gaming

In 2002, there were approximately 1,400 online gambling sites operating in 54 jurisdictions, and approximately 14 million users of Internet gambling web sites. Online gaming offers easy access and increases users' isolation; this may lead to more problem gambling in Alberta.

Barriers to Treatment

Expanded treatment services are needed to address barriers such as stigma in attending traditional treatment programs. Manitoba is piloting a project that places problem gambling consultants in casinos, and New Zealand is offering telephone counselling; these programs are starting to show the potential of innovative points of intervention with problem gamblers.

Canadian Comparison

A Canadian Gambling Digest report released in September 2004 ranked Alberta as first in per capita gaming expenditures (at \$641), second in percentage of moderate-risk and problem gamblers (at 5.20%, as reported in individual provincial prevalence surveys), and third in the Statistics Canada National Prevalence Survey (at 3%). Alberta ranked eighth in percentage of government gaming revenue spent on problem gambling at 0.52%, with a range from 0.38% (Newfoundland) to 1.53% (Saskatchewan).

Litigation

Litigation is a growing concern for governments and the gaming industry. Litigation is currently underway in France and Australia. In Canada, there is litigation underway in Quebec, Nova Scotia and Ontario. The basis of litigation has tended to be the "duty to warn" the public of the addictive qualities of electronic gaming machines. A recent report in Ontario indicated that 35% of gaming revenues came from gamblers with moderate to severe problems. This has implications for the provision of public information and evidence-based interventions that assist people in understanding responsible gambling, randomness, odds and house edge.

Increased Funding

In January 2005, both Ontario and Manitoba announced responsible gambling strategies with significant increased funding for problem gambling research and programs. Alberta has the highest per capita gaming expenditure (\$641) among Canadian provinces. It is important to consider

increases in funding to enhance programs and awareness campaigns to mitigate possible lawsuits in Alberta.

Suicides Related to Gambling

In Alberta approximately 2% of suicides were gambling-related in 2000, 2001 and 2002. One report indicated that 14% of problem gamblers attempted suicide, compared with 4% of the general population.

5. Current Strategies and Action Programs

Responsible Gambling

The Alberta Gaming and Liquor Commission (AGLC) has been involved since 1994 in actively promoting responsible gambling practices and supporting programs that reduce the risk of problem gambling. The AGLC website provides information on responsible and problem gambling policies, strategies and programs currently in place.

Casino and Racing Entertainment Centre (REC) Voluntary Self-Exclusion Program

This program has been available since 2000 and currently over 2,900 people are participating in the program. Enhancements to this program are desired: for example, counsellors acting as case workers, giving clients more help than is currently available.

Industry Training and Awards Program

All registered gaming workers and VLT retailer staff are required to take responsible gambling awareness training. Many AGLC staff are also participating in this training program. The program includes problem gambling awareness, intervention training and referral techniques. An awards program is in place for VLT retailers who promote responsible gaming practices on their premises.

VLT Responsible Gaming Features (RGFs)

The new VLTs have incorporated “reality checks” to help players manage their gambling behaviour. These include a permanent clock, dollars and credits displayed, pop-up reminder on length of play and a scrolling monitor message with the AADAC toll-free Help Line number. An independent researcher is currently evaluating the effectiveness of the RGFs.

Education and Prevention

A number of problem gambling education and prevention products are distributed in gaming venues:

- player information pamphlets that provide information, dispel myths about gambling, help players evaluate their current behaviour and provide information about where to get help for those experiencing problems
- AADAC Help Line posters with the toll-free number
- stickers on the terminals (both VLTs and slot machines) that advertise the toll-free Help Line number and reiterate the prohibition of minors policy
- the toll-free Help Line number printed on the back of all tickets, including VLT cash-out tickets, and on all lottery ticket products and publications

Regulation and Policy Enforcement

The AGLC has adopted a broad range of strategies, policies and programs to promote responsible gambling practices.

Research

The Alberta Gaming Research Institute (AGRI) was formed in 1999 to study the effects of gaming and provide sound information on which to base the Alberta government's gaming policy decisions. AGRI receives \$1.5 million per year from the Alberta Lottery Fund. The AGLC and AADAC also conduct independent research on issues within their respective mandates.

Partnerships

AADAC and the AGLC work closely together to develop strategies that advance the objectives of each organization regarding problem and responsible gambling. In addition, the AGLC participates in national organizations such as the Canadian Partnership for Responsible Gambling and the Interprovincial Lottery Corporation.

6. Priority Action Areas

The Problem and Responsible Gambling Strategy is directed by five strategic elements. The following short- and long-term directions have been identified under each of these elements.

Leadership and Co-ordination

VISION · Partners in the Strategy are responsible for proactively addressing emerging trends and issues in the field, administering effective policy and programs, and co-ordinating efforts to achieve significant improvements against established targets.

Short-term actions

- Implement the Problem and Responsible Gambling Strategy and develop key outcome measures.
- Revitalize the provincial stakeholders meeting.
- Enhance internal consultation within AADAC and AGLC.

Long-term direction

- Enhance connections with the Alberta Gaming Research Institute and other groups both provincially and nationally.

Prevention

VISION · A range of prevention programs will increase knowledge and understanding and reduce the harm associated with problem gambling, especially among youth. New strategies will increase responsible gambling practices among those who gamble and will examine the link between alcohol use and gambling activity.

Short-term actions

- Through venue marketing and public awareness campaigns, provide more information on problem and responsible gambling in a variety of formats to patrons in casinos and other gambling venues.
- Develop problem gambling public service announcements for airing on television and radio across Alberta.
- Plan forums and stakeholder meetings to share research and promising practice, and to identify emerging issues with stakeholders across Alberta.

Long-term direction

- Develop a problem gambling community grants program for demonstration projects across Alberta.
- Enhance websites for youth, teachers and parents with information related to problem gambling.
- Develop new youth programs for teens and young adults, to be delivered through colleges and universities.

Harm Reduction and Treatment

VISION · A range of interventions and supports engages those with moderate and serious gambling problems and assists them and their families to alleviate problems and improve their health. New strategies address barriers to treatment and increase access to counselling and other supports for those with gambling problems who are not participating in traditional treatment options.

Short-term actions

Implement a number of strategies that will support earlier intervention with problem gamblers and increase access to counselling services:

- Expand “Deal Us In” training program.
- Review and enhance vendor training for VLT and bingo operators.
- Expand the Voluntary Self-Exclusion program (AGLC). AADAC to offer training component to VSE clients and families.
- Pilot problem gambling consultants on-site at casinos.
- Enhance telephone counselling intervention service.
- Expand the Gambling Decisions program, a harm-reduction approach.

Long-term direction

- Develop web-based counselling services.
- Offer training and intervention programs at financial institutions and other non-traditional points.
- Implement provincial public awareness campaigns identifying the harms associated with gambling.

Research

VISION · Research ensures that programs and services are assessed against best practice evidence. Emerging issues are monitored to inform future planning and to provide Albertans with timely information pertaining to problem gambling research in the province.

Short-term actions

Evaluate new programs for improved access to treatment services and responsible gambling resources.

- Conduct literature reviews of findings from other jurisdictions.
- Continue environmental scanning.

Long-term direction

- Track trends and monitor best practices in the field.
- Evaluate programs and initiatives on an ongoing basis.

Policy Development and Business Planning

VISION · Policies and decisions that affect the status of problem gambling in the province are informed by careful consideration of current trends, research and practice.

Short-term actions

- Ensure that funding for programs is included in future discussion regarding gaming expansions.

Long-term direction

- Conduct joint AADAC-AGLC Board discussion on gaming expansions and impact on programs.
- Review policies between AADAC and AGLC.

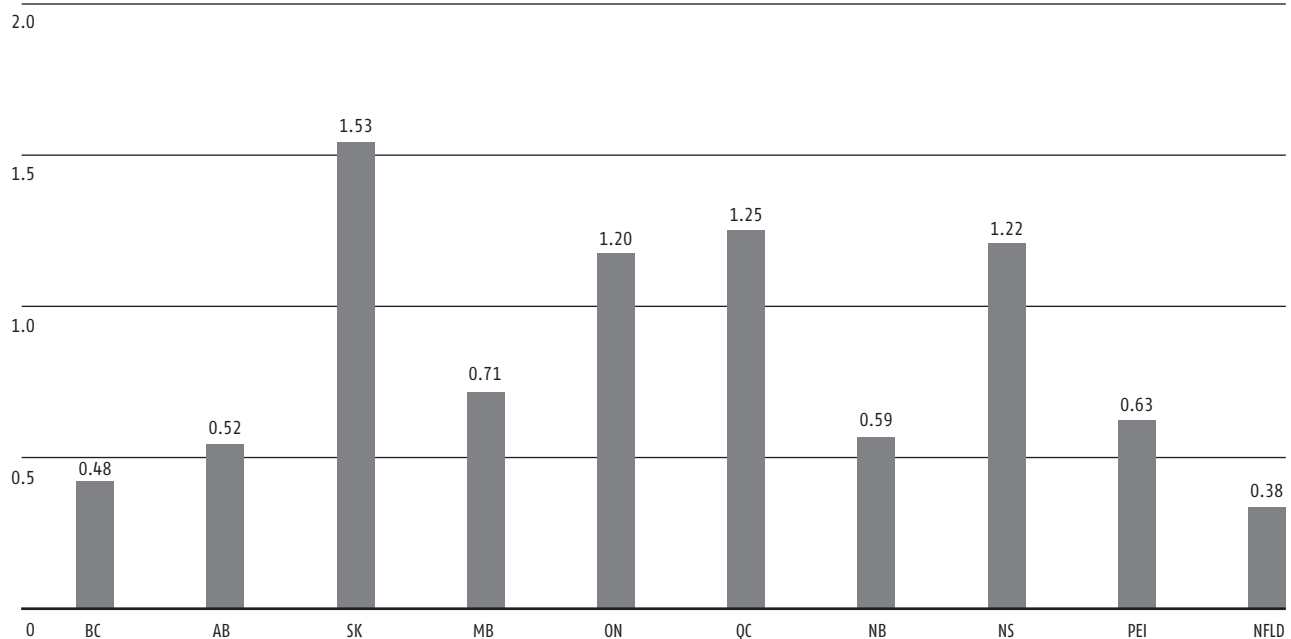
APPENDIX A

Provincial and National Comparisons

A Canadian Gambling Digest report released in September 2004 ranked Alberta

- first in per capita gaming expenditures (\$641)
- second in percentage of moderate-risk and problem gamblers (at 5.20%, as reported in individual provincial prevalence surveys: Alberta's rate has been fairly consistent for a number of years, but it has been consistently high)
- third in the Statistics Canada National Prevalence Survey (at 3%)
- eighth in percentage of government gaming revenue spent on problem gambling at 0.52%, with a range from 0.38% in Newfoundland to 1.53% in Saskatchewan (the point spread on this has increased now that Ontario has announced a provincial problem gambling strategy including \$36 million for 2004–2005 and Manitoba has augmented its strategy)

Percentage of Government Gaming Revenue Spent on Problem Gambling



Distributions to problem gambling include money for treatment, prevention and research. Across Canada, the average percentage of government gaming revenue spent on problem gambling is 0.85%. Saskatchewan spends the greatest portion of its gaming revenue on problem gambling (1.53%).

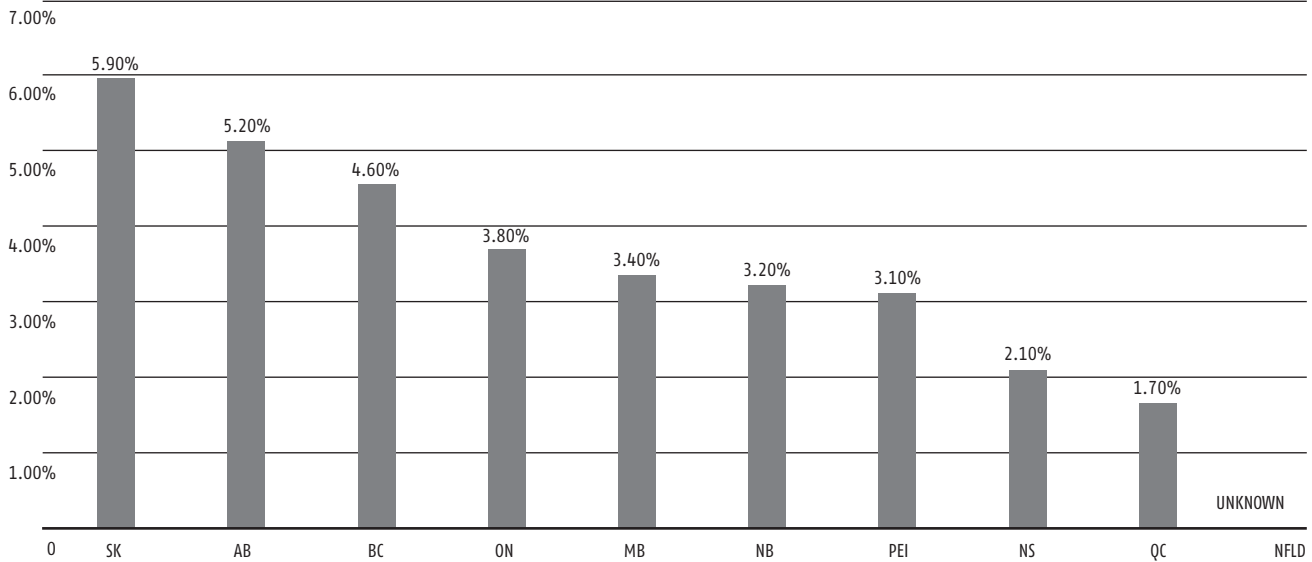
Source: Canadian Gambling Digest 2004, the Partnership for Responsible Gambling

Currently, Alberta directs \$6.6 million of annual gaming revenue to problem gambling. At this amount, Alberta ranks fifth in Canada, behind Saskatchewan (1.53%), Quebec (1.25%), Nova Scotia (1.22%) and Ontario (1.20%) in terms of funding dedicated to problem gambling programs.

The Alberta government’s share of provincial lottery revenue (VLTs, slots, ticket lotteries) has increased by almost 68% in four years to almost \$1.2 billion in 2002–2003 from \$700 million in 1997–1998. The revenue is expected to grow further in the future, although at a slower pace, as new gaming facilities are established, including traditional and First Nations on-reserve casinos.

It is estimated that moderate-risk gamblers comprise 3.90% of the adult population in Alberta (about 89,000 adults) and another 1.30% are problem gamblers (about 29,900 adults). The problems they experience affect the gambler’s family and community, with implications for employment, criminal justice, health, and family life.

About 5.20% of adult Albertans (about 118,000 people) experience moderate to severe problems with gambling. Alberta ranks second in problem gambling prevalence as reported by individual provincial prevalence surveys. The following graph shows problem gambling prevalence by province.



In The Alberta Youth Experience Survey 2002, 41.20% of Alberta youth reported they had gambled at least once in the previous 12 months. Of those who had gambled, 9.50% displayed gambling problems or hazardous gambling patterns.



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For more information, contact your local AADAC office,
call 1-866-33AADAC or visit our website at www.aadac.com