

# PRESENTATION TO THE VAUGHAN COMMITTEE OF THE WHOLE

May 28, 2013

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| Communication    |
| SP CW: May 28/13 |
| Item: 1          |

# OLG is the steward for gambling entertainment in Ontario

## OLG'S PURPOSE

Enhance Ontario's  
economic development

Promote responsible  
gambling

Generate revenues for  
the Province

Ensure the public good

## Key Facts About OLG

- About 8 million people in Ontario played lotteries at least once last year (80% of adult population).
- 2.7 million Ontarians went to an OLG gaming site at least once last year (27% of adult population).
- OLG has the best funded program for problem gambling treatment, prevention and research in North America and has won international awards and acclaim for its Responsible Gambling programming
- Over the last seven years, OLG contributed between \$1.7 and \$2.0 billion annually to the Province

OLG will only locate gaming sites in communities that want gaming and have said so clearly and explicitly

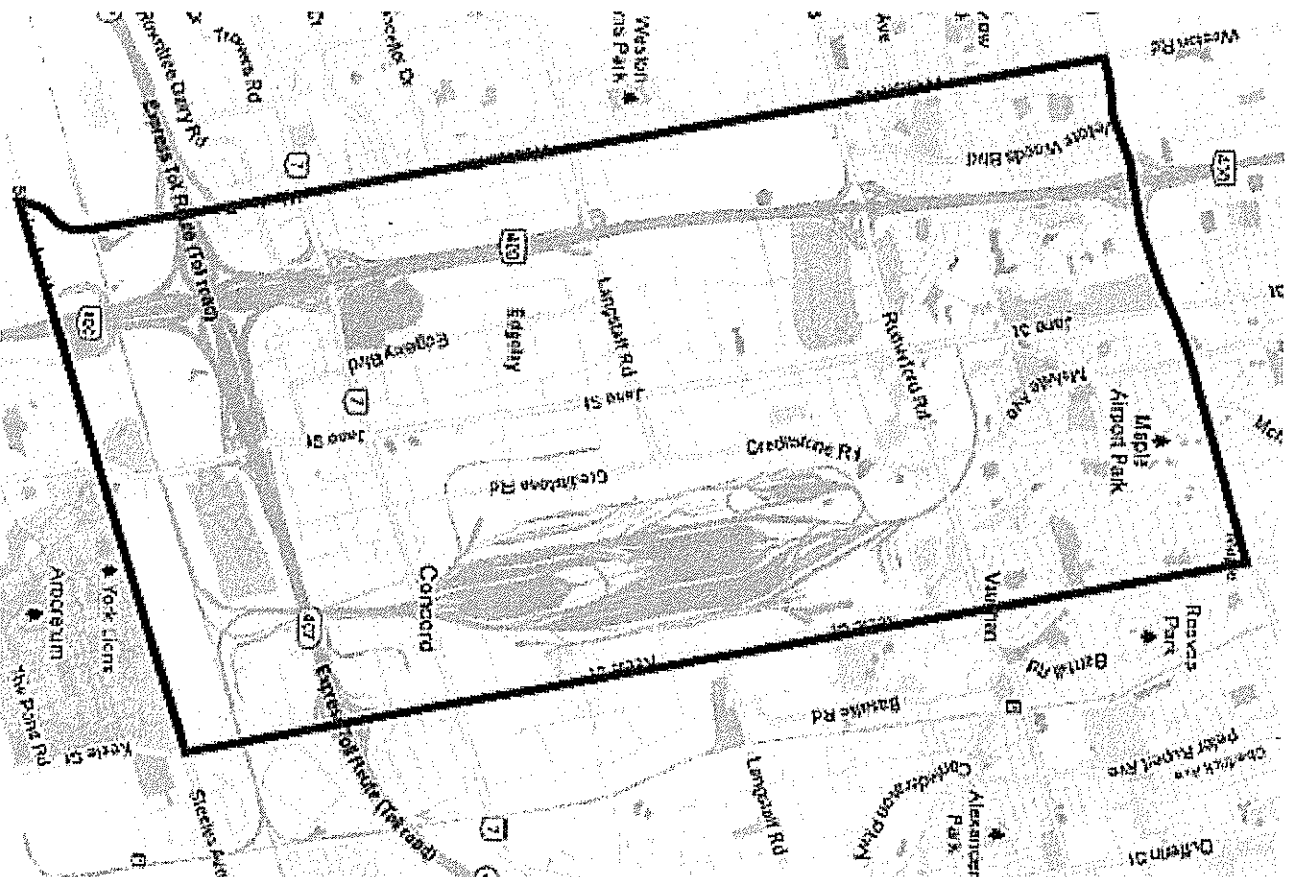
### 3 Basic Steps

1. Each municipality passes a resolution confirming interest in hosting a gaming facility, based on public input.

2. OLG chooses a private sector operator through a fair and transparent procurement process for each zone/host community. OLG to ensure that potential operators understand the wishes of the host municipality.

3. OLG works with the municipality and the selected operator to determine the location of the new site. For the host municipality, zoning and development restrictions are key tools to ensure that whichever site is chosen, it is of the utmost benefit to the community. Before a site is built, all three parties need to be in agreement: the private sector operator, the municipality and OLG, subject to Minister's approval.

Vaughan is included in the CI gaming zone



### Vaughan CI Boundaries

- Major Mackenzie Dr. to the North
- Keele St. to the East
- Steeles Ave. to the South
- Weston Rd. to the West

### CI Gaming Zone Facts

Permitted gaming sites: 1  
Permitted slots: Up to 5,000  
Permitted tables: TBD

# An integrated gaming entertainment centre in Vaughan could generate significant benefits including additional revenue, new jobs, and capital investment

| Integrated Gaming Entertainment Centre in Vaughan |                                                                                                                                                                                              |
|---------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Hosting Fee                                       | Est. \$32M annually                                                                                                                                                                          |
| Direct jobs                                       | 8,000-10,000                                                                                                                                                                                 |
| Indirect jobs                                     | ~5,000                                                                                                                                                                                       |
| Construction jobs                                 | ~3,000 (for 3 years)                                                                                                                                                                         |
| Average salary                                    | \$50,000-\$70,000 (incl. benefits)                                                                                                                                                           |
| Capital investment                                | \$1.2B-\$1.5B                                                                                                                                                                                |
| Other benefits                                    | <ul style="list-style-type: none"><li>■ Property taxes</li><li>■ Rent (depending on site)</li><li>■ Local, in-province, and out-of-province visitors</li><li>■ Follow-on build-out</li></ul> |

Vaughan is estimated to receive approximately \$32M annually from hosting a new, integrated gaming entertainment centre

### Municipal hosting fee model

- OLG pays all host municipalities a fee calculated using a fair and equal funding formula based on slot revenue and table revenue generated at the facility in their community
- There are no restrictions on how municipal payments must be spent
- Slot revenues make up the bulk of revenue at gaming sites
- OLG estimates that a new integrated gaming entertainment centre in Vaughan could generate a hosting fee of approximately \$32M at opening in 2018.

| Slot revenue  | Municipal Share |
|---------------|-----------------|
| First \$65M   | 5.25%           |
| Next \$135M   | 3.0%            |
| Next \$300M   | 2.5%            |
| Over \$500M   | 0.5%            |
| Table revenue | Municipal Share |
| All           | 4.00%           |

## Responsible gambling is a top business priority for OLG

### OLG POSITION

## We don't want problem gamblers playing our games

Responsible Gambling (RG) has grown dramatically since 1990s:

- Ontario has one of best Responsible Gambling structures in the world
- \$54 million largest funding envelope in North America
  - \$40 million: Ministry of Health directs to treatment, research, prevention
  - \$14 million: OLG's internal RG program
- OLG's role in RG is now well defined, and its program is designed and delivered with independent, provincially-funded agencies



[gamblingresearch.org](http://gamblingresearch.org)



**camh**  
Centre for Addiction and Mental Health  
Centre de toxicomanie et de santé mentale



**RESPONSIBLE  
GAMBLING  
COUNCIL**

# OLG monitors research to inform its approach to Responsible Gambling

## Trends related to gambling behaviours

- Slots/casino gambling have been in Ontario since 1994 – population experienced with this gambling form
- Existing research on the positive/negative social impacts of gambling expansion reveals mixed findings on effects on problem gambling rates, social costs, employment, business development, and crime
- Research on prevalence rates of severe or moderate gambling problem
  - 3.4 per cent of adult Ontarians (Responsible Gambling Council)
  - 1.2 per cent (Williams and Volberg)
- No new forms of gambling are being introduced, so dramatic increase in problem gambling cases not anticipated
- Greater increases in cases could be anticipated if, for example, VLTs in hospitality environments were being introduced
  - The Province has been clear that VLTs will not be introduced as part of OLG's modernization strategy



# OLG manages problems gambling risks through a robust and dynamic strategy

## Training and RG culture for employees

- OLG provides training on how to identify red-flag behaviours and is supported by reinforcement actions such as RG leaders and teams at all sites, and support from RG Resource Centre staff at casinos
- OLG's Fatigue Impairment Policy allows gaming staff to trespass players demonstrating signs of fatigue
- The World Lottery Association has awarded OLG its highest certification for RG, and included OLG's employee training program as part of Responsible Gaming Framework's global best practices

## Technology

- OLG is building in precommitment tools into the gambling experience: time and money limits for online gambling, and the slot machine of the future, supported by a data analytics program
- Facial recognition technology is implemented at all OLG sites to effectively identify self-excluders, along with real-time alerts, facial recognition technology

## Informed Choice

- OLG has increased awareness and knowledge by directly educating gamblers on risks, safe play and where to get help
- 117,664 patrons used interactive learning tools, while 158,376 visited RGRCs for information or event participation in 2011-12
- Winner's Circle members' past year's carded slot play history is available online, and reports and access are being expanded and improved
- Innovative solutions to floor design including location of ATMs will be required through OLG's RFP

# OLG manages problems gambling risks through a robust and dynamic strategy

## Standards

- Slot machine features are regulated by the Alcohol and Gaming Commission of Ontario (AGCO)
- New AGCO regulatory standard for responsible gambling
- OLG sites will meet "RG Check", accredited program assessing slot/casino venues
- OLG attained the highest level of accreditation by the WLA for its RG program
- Gaming sites adhere to Ontario's liquor laws; all gaming staff are Smart Serve certified

## Self-Exclusion and Other Support Services

- RG Resource Centres are available at all OLG gaming sites; Addictions counseling services are available in every casino site community
- *Off-Site Self-Exclusion* support, allows people to enroll at a treatment centre other than an OLG gaming facility
- Creation of a video that motivates self-excluders to seek gambling treatment
- Implementation of mandatory reinstatement tutorials for self-excluders wanting to return to gambling

# Atlantic City casinos

## Gaming Stats

- 12 Casinos
- 29,000 Slots
- 1,700 Table Games
- 1.5M sq ft gaming floor space

- |   |                   |
|---|-------------------|
| A | Borgata Casino    |
|   | • 260 Table Games |
|   | • 3,475 Slots     |
| B | Golden Nugget     |
|   | • 74 Table Games  |
|   | • 1,454 Slots     |
| C | Caesars           |
|   | • 179 Table Games |
|   | • 2,343 Slots     |
| D | Ballys            |
|   | • 206 Table Games |
|   | • 3,268 Slots     |
| E | Resorts           |
|   | • 89 Table Games  |
|   | • 2,125 Slots     |
| F | Trump Taj Mahal   |
|   | • 189 Table Games |
|   | • 2,721 Slots     |
| G | Showboat          |
|   | • 112 Table Games |
|   | • 2,604 Slots     |
| H | Revel             |
|   | • 120 Table Games |
|   | • 2,500 Slots     |



# Atlantic City integration



= Restaurants\Hospitality

## Selected Statistics\*

- Greater AC- Hammonton Population: 274,338
- Casino Employees 32,823
- NJ Unemployment Rate 16% (pre hurricane)
- AC Unemployment Rate 21% (pre hurricane)

### Transit

- Commuter Train
- jitney mini bus
- Taxi

### Landmarks within 3 KM of casinos

- Absecon Lighthouse
- Boardwalk
- Steel Pier
- Boardwalk Hall
- Convention Centre – 500k sq ft

\* Approximate Figures / Source NJ Casino Control Commission / Media Publications





# Melbourne casino

## A

### Crown Casino

- 500 Table Games
- 2,500 Machines
- Cost \$2 Billion (1997)
- 5.5M sq ft (2 city blocks)
- State's largest single site private sector employer
- 10,000 employees
- 50,000 patrons / day
- 120,000 / day on major game days
- 3 Hotels with 1,600 rooms
- 16 Crown restaurants

## B

### Melbourne Convention & Exhibition Centre

- 323,000 sq ft
- Largest in Southern Hemisphere

Source Crown Melbourne Ltd, 2010 & 2012



# Melbourne integration



= Restaurants\Hospitality

## Selected Statistics\*

- Pop. 4.1M Greater Melbourne Area
- Melbourne Unemployment: 5.7%
- Vaughan Unemployment: 6.2%

### Transit

- Tram
- Subway
- Toll Roads

### Major Landmarks (dist from casino)

- Aquarium (0.6 km)
- Queen Victoria Mkt (2.5 km)
- Melbourne Museum (3.4 km)
- Cricket Grounds (2.7 km)
- Zoo (5 km)

\* Approximate figures. Source: Google maps / Media publications



OLG has worked closely with host municipalities across Ontario for almost 20 years

