

Prince Edward Island Responsible Gaming Strategy

Leadership, Integrity
and Responsibility



Lotteries
Commission

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Leadership, Integrity and Responsibility: A Responsible Gaming Strategy for Prince Edward Island

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Foreword from Minister Wesley Sheridan

On behalf of the Government of Prince Edward Island, I am pleased to present Leadership, Integrity, and Responsibility: A Gaming Strategy for Prince Edward Island.

This strategy will place Prince Edward Island at the forefront in achieving responsible gaming - preventing and reducing the problems that can arise from gaming, while maximizing its positive social and economic aspects for Islanders.

As a foundation of this strategy, Prince Edward Island will lead the nation in reducing the availability of Video Lottery Terminals (VLTs). When this strategy is fully implemented, PEI will have the fewest VLT sites per capita in Canada and fewest VLTs per capita in Atlantic Canada.

This strong action to prevent the negative impacts of gaming is complemented by a range of measures to promote responsible gaming by Islanders, to ensure the fairness and integrity of play and to help Islanders adversely affected by excess.

The strategy also charts a forward-looking course, setting out an action plan to ensure that Islanders benefit as fully as possible from gaming. Under the strategy, gaming revenues will be targeted to activities and events that enhance and strengthen our social fabric. Government will work closely with charitable organizations to help them adapt their gaming fundraising to a changing and challenging competitive environment. And government will maximize the economic benefits to P.E.I. from responsible gaming.

This strategy will provide the leadership to ensure both responsibility and integrity throughout the gaming sector in Prince Edward Island well into the future.

In closing, my thanks go to the many organizations and individuals who contributed to this, Prince Edward Island's first-ever responsible gaming strategy. Their advice and insights were valuable to me and to the team which worked to develop this strategy. These views were diverse and often deeply held, and this strategy has sought to strike a balance that will produce the best possible outcome for the Island.

Sincerely,



Wesley J. Sheridan
Minister Responsible for the PEI Lotteries Commission

Leadership, Integrity and Responsibility: A Responsible Gaming Strategy for Prince Edward Island

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Leadership, Integrity and Responsibility: A Responsible Gaming Strategy for Prince Edward Island

Introduction

Gaming has a long history on Prince Edward Island. From games of bingo at the local hall, to friendly card tournaments, to picking a favourite horse to win the Gold Cup and Saucer Race, Islanders have long enjoyed playing games of chance for fun and entertainment. Over the years, revenues from gaming have supported many worthwhile causes and met many needs among our charitable organizations and our communities.

Recent years, however, have seen a rapid rate of social, economic and technological change in all domains of our lives. Gaming is no exception. It has grown very quickly worldwide, propelled by the development of new gaming products and the increased accessibility provided by new communications technologies. These trends have both responded to and reshaped consumer attitudes and gaming behaviours. In Prince Edward Island, as elsewhere, the changing scope and scale of gaming has increased both its risks and its potential benefits.

Government must show leadership in preventing and reducing the negative impacts of gaming, while ensuring that its benefits are realized for Islanders as fully as possible.

This strategy, *Leadership, Integrity, and Responsibility: A Responsible Gaming Strategy for Prince Edward Island* has been developed to achieve those goals. Over the last year officials have carried out research and consultations to develop the strategy and plan set out in this report.

Prince Edward Island's first-ever responsible gaming strategy is based on the evidence provided by recent in-depth research into trends and patterns of problem gambling in PEI, complemented by input from a wide range of stakeholder organizations. It seeks to balance the diverse views and priorities expressed by researchers, gaming consumers, charitable organizations,

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addictions treatment providers, gaming product providers and others in order to achieve responsible gaming in Prince Edward Island.

The strategy opens with a brief description of the evolution of gaming and its regulatory regime in Prince Edward Island. Next, it highlights and analyzes the key trends shaping the development of this strategy. The strategy then sets out its guiding principles, based on the core themes of leadership, integrity, and responsibility. In support of those principles, an action plan is detailed; one with an integrated, balanced range of measures to prevent and ameliorate the harms of gaming while ensuring Islanders benefit from any revenues derived from responsible play.

Background

The practice of gaming stretches back into ancient times and takes place in societies around the world. In Canada, gaming was formally legalized just over a century ago when small raffles were permitted. Between 1906 and 1925, lotteries were introduced, on-track betting was allowed and a special exemption was given to agricultural fairs allowing organizers to operate gambling venues. In the past three decades, governments across Canada have significantly increased their involvement in and regulation of gambling.

In Prince Edward Island, the *Lotteries Commission Act* was passed in 1976, establishing the Commission as the body responsible to manage and operate gaming activities in Prince Edward Island on behalf of Government or a Government partnership. The Act also empowers Government to make regulations regarding all aspects of gaming activities in the province.

In 1985, provinces were given exclusive control of gaming in Canada. The *Criminal Code* of Canada provides that gaming is lawful if it is conducted and managed by a government of a province, or if a charitable or religious organization is licensed by

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a province to conduct and manage a lottery scheme under prescribed terms and conditions.

In fulfillment of this responsibility, the Government of PEI has established a regulatory framework over the years:

- The PEI Lotteries Commission Bylaws, 1976, set out detailed provisions on the functioning of the Commission.
- The Atlantic Lottery Regulations, 1976, empower the Lotteries Commission to enter into an agreement with the three other Atlantic Provinces to establish the Atlantic Lottery Corporation (ALC).
- The Provincial Super-Loto Regulations, 1978, enable the Atlantic Lottery Corporation to participate in national lotteries such as Super-Loto held by the Interprovincial Lotteries Corporation.
- The Gaming Centre Control Regulations, 2005, set out the regulatory regime governing the operation of electronic gaming devices, i.e. Video Lottery Terminals.

Since these regulations were established, they have been amended on a number of occasions to take account of new gambling products, technologies, trends, and issues.

Under this legislative framework, the Minister responsible for the PEI Lotteries Commission is responsible for overall leadership, direction, and control of gaming in PEI. These responsibilities are exercised through the PEI Lotteries Commission, which consists of the Minister responsible, the Deputy Provincial Treasurer, and one other member from the public service, normally a second deputy minister. Gaming operations in PEI are the responsibility of the Atlantic Lottery Corporation, a Crown Corporation established and owned by the four Atlantic Provinces. The ALC operates provincial gaming programs such as video lottery, Atlantic 6/49, and various scratch and win games, deals with businesses licensed to sell tickets and operate electronic gaming devices, and, in PEI, operates the Charlottetown Driving Park and Entertainment Centre.

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The gaming sector in PEI includes a diverse range of stakeholders. A number of community organizations sponsor and operate gaming activities to raise charitable revenues, including the Royal Canadian Legion, Kiwanis and Lions Clubs. Some 194 retailers in communities across PEI are licensed to sell lottery tickets and products, and a further 85 licensed entertainment establishments are licensed to operate a total of 386 Video Lottery Terminals (VLTs). As well, the ALC operates the Charlottetown Driving Park and Entertainment Centre, a tourism destination racino offering harness racing betting and fine dining. This location has a further 200 VLTs, and Texas Hold'em Poker.

Stakeholders also include gaming consumers and the services and organizations that work on their behalf. While many Islanders enjoy problem-free gaming, a smaller group of Islanders experience problems with gaming or are at risk of developing problems. These individuals have access to a treatment program at PEI Addiction Services established earlier this decade, complemented by self-help groups in the community such as Gamblers Anonymous.

Environmental Scan: Key Trends

To be effective, this strategy must be founded on knowledge and understanding of current trends, their impacts and the issues arising from those. The most significant of those are outlined below. Where applicable, a more detailed analysis is included as background information for the action measures set out later in this strategy.

Consumer trends:

- As in other provinces, gaming is very common in Prince Edward Island, with about four-fifths of all adults participating at least a few times a year.
- The most popular forms of gaming in PEI are lotteries, charitable gaming and instant-win tickets.

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Gaming Strategy

- Overall participation in virtually all forms of gaming decreased between 1999 and 2005 except for lotteries, which increased. Weekly participation rates, however, were more stable.
- Per capita spending on gaming among adult Islanders is below the national average and trending downward.

“Per capita spending on gaming among adult Islanders is below the national average and trending downward.”

Problem gambling:

- Provincial and national research studies indicate that 1.6% of Islanders are moderate risk gamblers or problem gamblers. This rate is stable over time and is similar to, or lower than, other provinces.

Pressures on charitable gaming:

- Gaming is a significant source of revenue for many community organizations in PEI, with over 1,000 licenses issued in 2006-07. Raffles account for over three-quarters of all licenses.
- Charitable organizations in PEI have expressed concern that their gaming revenues are declining.
- Revenue from bingo was just over \$3.2 million in 2006-07, down slightly from \$3.3 million the year before. Net revenue after prizes and expenses saw a bigger drop, however, from \$1.7 million to 1.2 million.

“Charitable organizations in PEI have expressed concern that their gaming revenues are declining.”

The changing gaming marketplace:

- Local competition for resident and visitor gaming dollars is increasing with the planned construction of a casino in Moncton.
- New gaming alternatives offered over the Internet represent a diverse, unregulated, and rapidly developing source of competition for Prince Edward Island.

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Changing regional and national approaches:

- Several provinces have developed gaming strategies or expanded their regulatory frameworks in the past few years to move toward a more responsible gaming sector.
- Nova Scotia released “A Better Balance,” their first gaming strategy in 2005, which detailed additional resources for treatment and prevention, targeted education programs for youth and seniors, cutting the number of VLTs, removing the stop button, slowing the speed of play, and reducing hours of operations, First Nations gaming arrangements, help for the charitable sector, and improvements to accountability and decision-making overall.
- In 2008 New Brunswick released Responsible Management, Responsible Play in a Responsible Environment, which outlined plans for a destination casino, a stronger charitable gaming policy, new partnership models, new Responsible Gaming Initiatives, and VLT Reform.
- These initiatives and their impacts have been analyzed, providing valuable information and insights to the development of this strategy.

Guiding Themes and Principles

Core Themes

This strategy is defined by three core themes: leadership, integrity, and responsibility.

The trends described above make it clear that strong *leadership* is needed to set the best course for gaming in Prince Edward Island in a changing environment. Realistic leadership recognizes

“ This strategy is defined by three core themes: leadership, integrity, and responsibility.”

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that gambling is a social activity that has occurred for thousands of years in societies worldwide – an activity that if excessively restricted will only be driven underground, doing more harm and less good. Many Islanders enjoy gaming, and it is Government’s position that they should have the choice to do so – but that gaming must take place in an environment of fair and responsible play.

Leadership meets the challenge of finding a balance between the diverse views, needs, and concerns of those affected both positively and negatively by gaming, guided by the best and most recent research available.

Integrity is essential to public trust in gaming, and to attaining the highest and fairest level of benefits from gaming. This strategy further strengthens the regulatory regime ensuring fairness and integrity in gaming. Islanders who choose to partake in gaming must be assured that their chances of winning are not only fairly represented, but equal to all other players.

The theme of ***responsibility*** is at the heart of this strategy. Responsibility means preventing and reducing adverse impacts for those Islanders who have difficulty setting limits on their play. It means making the best possible use of the significant revenues generated by gaming for good works in our society. It means partnership with community organizations to help them adapt to and meet the challenges of a changing gaming marketplace. And it means supporting small businesses across PEI – retailers, entertainment venues, horsemen – to gain a fair share of the benefits of gaming.

To fulfill these themes, five key principles have been developed to guide this strategy.

Guiding Principles

Social Responsibility: To be socially responsible is to consider the effect of your actions on everyone in your community.

To offer socially responsible gaming alternatives, Government must fulfil certain obligations. Government must build broad

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public awareness about gaming, ensure that each and every player has access to information on gaming products, and, where necessary, provide services for the treatment of problems with gaming.

To ensure social responsibility, Government must also be cognizant of, and strive to eliminate, illegal gaming enterprises that do not provide the same degree of social responsibility in gaming.

Public Trust: The public should be confident that any product offered by the Government or its agent will be fair and equitable to all. Integrity will be the foremost consideration for any product offered or sanctioned by the Government of Prince Edward Island.

Player Protection: Player protection means more than just offering a fair game. It encompasses the total experience that a person has when engaging in gaming activities. It requires products to be offered responsibly, through channels that ensure integrity both in delivery and in the determination of winners.

It means that gaming must be supported with treatment and prevention programs for those who lose control of their experience. Player protection, linked with social responsibility, is the foremost consideration in this responsible gaming strategy.

Strengthened Communities: Government involvement in gaming has two primary purposes: to ensure the protection of its citizens, and to guarantee that funds from gaming are given back to the community. Government will consider the needs of all stakeholders throughout execution of this strategy.

Responsible Fiscal Management: The mandate to manage gaming carries obligations. Government must be fiscally responsible, providing returns from gaming activities to support community initiatives.

Achieving a Responsible Gaming Sector: Action Plan

Prevent Problem Gaming: Sharply Reduce VLT Sites and Numbers

Issue

Research clearly demonstrates that Video Lottery Terminals are the gaming product most strongly associated with problem gambling. As a result, VLTs are the component of the sector that is of greatest concern to Islanders, and the focus of much discussion and debate.

Strategic Direction

Over the next two years, Government will make PEI a national leader by sharply reducing Video Lottery Terminal (VLT) sites and numbers.

Background

In the 1980s, PEI saw the emergence and rapid expansion of illegally operated video poker machines. This ‘grey area’ market was totally unregulated, offering the players no assurance as to the integrity of the game. The machines were operated in places where minors had easy access, such as convenience stores. Revenues earned were not declared, meaning that monies collected did not make their way into health care or social systems to develop or fund programs for those who were vulnerable to excess.

In 1991, Government intervened, establishing regulations to address these concerns. Through this intervention, guidelines were established for fair play and a portion of revenues was directed back to taxpayers. Over time, regulations were strengthened further when VLTs were restricted to licensed establishments, reducing the number of sites and restricting access by youth. In 2003 the Atlantic Lottery Corporation became

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the sole operator of the VLT program on behalf of the Government of PEI.

In recent years, research has provided mounting evidence on the role of VLTs in problem gaming. In his 2006 study, Professor Jason Doiron found that participants who engaged in VLT gambling in the year prior to the survey were 38 times more likely to have a gambling problem than non-VLT gamblers. Noting that most Islanders who develop problems with gambling do so in relation to VLT play, he called for a decrease in the availability of VLTs on PEI: *“Availability of VLTs is related both to the total number of VLTs in the province and the total number of venues containing VLTs. The most effective approach to decreasing availability would be lowering both of these numbers.”*

Clearly, the question is not whether the regulations should become more stringent, but rather, how much more stringent they should become.

Some have called for a complete ban on VLTs. Enforcement agencies across Canada strongly feel, however, that if legal video lottery terminals were totally removed from licensed establishments, illegal machines would proliferate, driving gambling underground. Such gambling would not offer the controls and supports available in a responsible gaming environment.

Government has a responsibility to balance the desire of Islanders to have access to a regulated system of video lottery terminals with the need to reduce the availability of the machines to those who may experience problems playing within their limits.

To strike this balance, a deliberate planned consolidation and reduction of video lottery terminals will be undertaken.

Actions

- (A) The number of video lottery sites will be reduced by 50% across Prince Edward Island.**

“The number of video lottery sites will be reduced by 50% across Prince Edward Island.”

Prince Edward Island will become a national leader, with the lowest number of sites per capita. A reduction in access to VLTs is widely recognized as an effective way to increase social responsibility in VLT programs. A phased reduction will be implemented upon the introduction of site business and performance standards.

(B) The number of video lottery terminals will be reduced by 20% on Prince Edward Island.

This reduction in the number of VLTs by 20% will make Prince Edward Island the leader in Atlantic Canada for the lowest number of VLTs per capita.

(C) Commissions will be reduced for siteholders with more than five video lottery terminals.

The current commission for all siteholders is 20%. A new class of sites will be established for siteholders with more than five video lottery terminals, and the commission level for those sites will be reduced from 20% to 15%.

(D) Business and performance standards will be developed and introduced to all video lottery retailers.

The Prince Edward Island Lotteries Commission and the Atlantic Lottery Corporation will develop site and business standards for providers of integrated gaming products. These standards will include an open and transparent process for selection of sites, which will be applied to carry out the 50% reduction in sites called for under Action A above.

Siteholders' agreements will be modified to include business and service standards, including customer service levels, minimum staffing, and site cleanliness.

“The number of video lottery terminals will be reduced by 20% on Prince Edward Island.”

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(E) Prince Edward Island branches of the Royal Canadian Legion which currently have VLTs will not be impacted.

The 11 Royal Canadian Legion branches which currently have VLTs will not be affected by the reduction in site numbers. This measure recognizes the crucial role that VLT revenue plays in the ongoing success and viability of a number of Legion branches. Legions will be expected to participate in the responsible gaming measures and requirements outlined in the following section.

Lead Organization

Government will direct the Atlantic Lottery Corporation to develop site standards and to implement required changes to the Video Lottery Terminal network.

As well, government will request that Atlantic Lottery Corporation provide options for adjustment allowances for those siteholders impacted by this consolidation.

Timing of Implementation

Within six months:

- The Prince Edward Island Lotteries Commission and the Atlantic Lottery Corporation will develop site and business standards for all siteholders within the Video Lottery Program in Prince Edward Island.

Within twelve months:

- The consolidation of VLTs in the western portions of the province will be completed.

Within eighteen months:

- The consolidation of VLTs in the eastern portions of the province will be completed.

“Prince Edward Island branches of the Royal Canadian Legion which currently have VLTs will not be impacted.”

Prevent Youth Gaming

Issue

Despite existing restrictions on gaming by youth, research indicates that a high proportion of Island youth participate in gaming, and that problem gamblers are far more likely than non-problem gamblers to report gaming during childhood and youth.

Strategic Direction

Government will amend legislation and establish compliance measures to further restrict access by youth to gaming products and activities.

Background

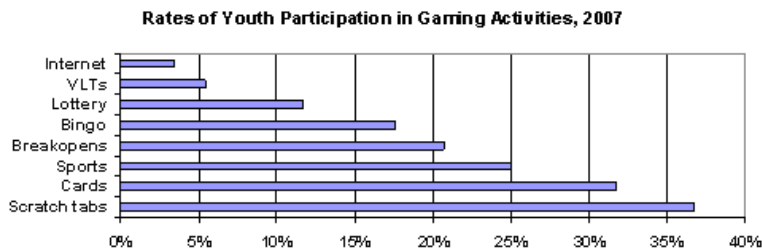
Currently, in Prince Edward Island, youth must be 18 years of age to purchase tickets, and 19 to play VLTs.

Despite these restrictions, successive *Student Drug Use Surveys* indicate extensive participation in gaming among youth. The *2007 Survey* found that overall, 59% of students in Grades 7, 9, 10, and 12 had played one or more of nine gambling activities for money in the year preceding the survey. Two-thirds of males had taken part in gaming, compared to one half of females. Gaming participation increased steadily with age, rising from 46% in Grade 7 to 70% in Grade 12. About 6% of students reported using false identification or lying about their age in order to gamble. Three per cent of students were at risk of developing gambling problems, while 1.6% met the definition of problem gambling. Males were three times as likely as females to be at-risk or problem gamblers. Young people are increasingly accessing unregulated online gaming sites. This is introducing them to a higher-risk, higher-stakes form of gaming than had been previously available.

“Government will amend legislation and establish compliance measures to further restrict access by youth to gaming products and activities.”

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Participation by form of gaming is shown in the chart below.



In his 2006 study, Professor Doiron found that problem gamblers were far more likely to have begun gambling at a young age. Almost half of all problem gamblers, 44%, reported gambling before the age of 16, compared to 16% of non-problem gamblers. Problem gamblers were more than four times as likely as non-problem gamblers to have a big win early, at 63% compared to 14%. Almost one-third of problem gamblers reported playing cards for money with acquaintances during childhood, and one-quarter had played bingo. VLT play or betting on games of skill was each reported by 6% of problem gamblers. All these rates were far higher than among non-problem gamblers, whose main form of childhood gaming was lotteries.

Professor Doiron recommended “... *development of new legislation and intensified enforcement of existing legislation related to prohibiting of gambling among minors....*” As well, he called on organizers of charitable gaming events to play a role in preventing children from participating in these activities.

Actions

- (A) Age of majority legislation will be amended to establish the age at which gaming is permitted.**

Government will make PEI a Canadian leader by implementing legislation on the age of majority for the purchase of gaming products, making it illegal for young people under the age of 19 to buy lottery products.

“Age of majority legislation will be amended to establish the age at which gaming is permitted.”

(B) Retailers will be educated on the age of majority changes.

Government will fund a Retailer Education and Monitoring project to ensure compliance with the new requirements on age of majority. The Atlantic Lottery Corporation has recently established a Retailer Education and Monitoring Program. This provides retailers with in-depth information about the regulations surrounding the sale of lottery products as well as a “secret shopper” program to ensure these products are not sold to minors. The Province will enhance this with the introduction of its own education and monitoring program.

Lead Organizations

Provincial Treasury staff will develop legislative amendments on behalf of the Minister responsible.

The PEI Lotteries Commission will develop the Retailer Education and Monitoring Program.

Timeframe for Implementation

Within six months:

- Drafting of legislative and regulatory amendments will be completed.

Within twelve months:

- The Retailer Education and Monitoring Program will be developed and implemented.

Promote Responsible Gaming

Issue

Public education, awareness and research all play vital roles in preventing problem gaming.

When players understand they are participating in a game of chance, one that is random and without guarantees, they will have a better chance of playing within their limits.

For those who face difficulties in playing within their limits, more intensive early intervention supports must be available.

Strategic Direction

To promote and support responsible gaming, government will enhance resources for education, awareness, research, and treatment.

Background

The core elements of a responsible approach to industry management include providing clear and accurate information to players, investing in research to better understand the issues surrounding problem gaming and ensuring access to treatment for anyone who does experience a problem.

P.E.I. is fortunate to already have a strong research foundation to guide its work. The detailed studies by Professor Jason Doiron in 1999 and again in 2006 provide valuable baseline data on which to measure the impacts of this strategy. This made-in-P.E.I. research is complemented by a growing body of research and experience in other jurisdictions.

Among other valuable findings, this research indicates that attitudes and beliefs about gaming differ dramatically between problem and non-problem gamblers. The *1999 Gambling Prevalence Study* found that problem gamblers are likely to have

“Public education, awareness and research all play vital roles in preventing problem gaming.”

“To promote and support responsible gaming, government will enhance resources for education, awareness, research, and treatment.”

a distorted perception of their likelihood of winning and to overestimate their control over outcomes.

Existing measures demonstrate the benefits of providing information to address misperceptions and support appropriate choices by players. In 2005 the Charlottetown Driving Park and Entertainment Centre (CDPEC) established a Responsible Gaming Information Centre. This centre has proven to be a successful model offering support services to players, including information on sources of assistance and support for those experiencing problems. In addition, ALC currently has in operation at CDPEC a computer program that calculates how much it would cost a player per hour/month/year to play slots at varying levels of betting.

This element of the strategy builds on the progress that has already been made in awareness and research.

Actions

(A) Government will match the national average by designating 1.5% of gaming revenues to support Responsible Gaming initiatives.

Based on 2007-08 revenues of \$15.4 million, this commitment represents an investment of over \$230,000 in responsible gaming measures. This is in addition to monies already allocated by the Department of Health for Addictions Services.

These dedicated funds will go toward public education and awareness, targeted information programs for at-risk gamblers, research, and treatment for people experiencing gambling problems. Education and research measures are set out below, and enhanced treatment programs are described in the following section.

“Government will match the national average by designating 1.5% of gaming revenues to support Responsible Gaming initiatives.”

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(B) Information supports to help players make appropriate choices will be expanded both within and beyond the Charlottetown Driving Park Entertainment Centre.

The Responsible Gaming Information Centre (RGIC) model at the CDPEC will be extended throughout the industry to ensure the consistent delivery of these services for players. The RGIC program and service concept will be scaled to fit each venue in which it is offered.

The Province will expand the MARGI (Mobile Access to Responsible Gaming Information) program. MARGI is a machine that illustrates the randomness of the VLTs. It is currently housed at the CDPEC but will also be taken where needed to provide further education.

A computer program, which is currently used at the Responsible Gaming Centre at the CDPEC, allowing people to calculate the costs of various levels of VLT play will be placed online on the Department of Health website -- allowing people to access this information from the privacy of their own homes.

Government will also hold discussions with the Atlantic Lottery Corporation to explore some innovative approaches to encourage players at the CDPEC to play within their limits. One potential approach will have responsible gaming messages to scroll briefly across the screen of video lottery terminals after 30 minutes of consecutive play. Another measure would see recorded responsible gaming messages being played at intervals across the sound system at the CDPEC. These messages would provide a short break in focus, allowing and encourage players to stop for a moment and think about the time and resources they are dedicating to game play.

(C) Public messaging in support of responsible gaming will be increased.

A key recommendation in Professor Doiron's 2006 study was a call for increased television advertising on responsible gaming. The impact on youth of televised poker tournaments and other gambling activities was a particular concern. *"To counteract the*

"A computer program, ..., allowing people to calculate the costs of various levels of VLT play will be placed online on the Department of Health website..."

pro-gambling messages delivered by these programs, it is recommended that televised responsible gambling messages be delivered as well.”

To expand public messaging on responsible gaming, the Atlantic Lottery Corporation will develop a partnership model to strengthen connections with other stakeholders. In keeping with the Government’s emphasis on preventing gaming by youth, the ALC will place particular emphasis on strengthening its partnership with the education system.

(D) An Advisory Council on Responsible Gaming will be established.

An Advisory Council on Responsible Gaming will be established to offer guidance on the distribution of the funding dedicated to responsible gaming initiatives.

The Council will include members from the addictions services field, post-secondary institutions and the responsible gaming staff at the Charlottetown Driving Park Entertainment Centre. The Council’s mandate will include reviewing and considering research proposals on gaming study and examining the effectiveness of existing and future responsible gaming initiatives. The Council may also provide advice on collaborative responsible gaming initiatives with other jurisdictions, particularly within the Atlantic Region.

Lead Organizations

The PEI Lotteries Commission will facilitate the collection and distribution of funds to support future responsible gaming programs.

ALC will play a lead role in developing the education and awareness components of this strategy through the execution of a scaled Responsible Gaming Information Centre to all gaming locations in Prince Edward Island.

“To expand public messaging on responsible gaming, the Atlantic Lottery Corporation will develop a partnership model to strengthen connections with other stakeholders.”

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PEI Addictions Services, the CDPEC, and post-secondary institutions will provide their expertise to the Advisory Council on Responsible Gaming.

Timing of Implementation

Within six months:

- The strategy to scale and execute the Responsible Gaming Information Centre concept to all gaming locations will be completed.
- The funding designated for Responsible Gaming will be allocated to this strategy's education, research, and treatment priorities.
- The Advisory Council on Responsible Gaming will be formed with a clear mandate and goals.
- A computer program, currently found at the CDPEC, to calculate the costs of VLT play will be available online.

Within twelve months:

- The Province will expand the MARGI program to further inform players.
- An enhanced social marketing campaign on responsible gaming will be developed and introduced.

Within two years:

- Scaled versions of the Responsible Gaming Information Centre will be implemented in all gaming locations on Prince Edward Island.

“The Advisory Council on Responsible Gaming will be formed with a clear mandate and goals.”

Enhance Treatment Services

Issue

Most people who use gaming products play responsibly and within their limits. But research indicates that a small proportion of Islanders have a gambling problem or are at some risk of developing a gambling problem. In offering gaming products, government also has a responsibility to offer the services necessary to help these Islanders avoid or overcome their problems.

Strategic Direction

Government will expand resources for treatment of problem gambling.

Background

Problem gambling takes a toll on individuals, their families, and their communities. Reducing that toll must be a key priority for this strategy. The prevention and early intervention measures outlined above will help to prevent problem gambling, reducing its prevalence in the medium and long term. But it is also essential to help those who are already encountering problems.

In 1999, research indicated that about 3% of adults surveyed were problem gamblers. In response, a gambling addiction program was established in recent years by PEI Addiction Services. The program's services include screening and assessment, short-term in-patient stabilization if necessary, individual counselling, group therapy, psycho-educational sessions, family counselling, after-care, long-term follow-up, and referral to other agencies such as Gamblers Anonymous and Credit Counselling Services.

Case plans are individualized and are tailored to meet the specific needs of each client. Following stabilization as needed, clients may engage in individual counselling and/or a three-week outpatient group rehabilitation program which is followed by a six-month aftercare program. The group program includes

“Government will expand resources for treatment of problem gambling.”

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psycho-educational sessions on shame, managing cravings, lifestyle changes, stress management, the impact of addiction on families, cognitive distortions and self-defeating beliefs.

The findings of the detailed follow-up study by Professor Doiron in 2006 are not directly comparable to those of the 1999 study since different categories and methodologies were used. Generally, however, the study indicated that rates of problem gambling had remained relatively stable, and were similar to those found in other provinces. Less than 1% of adult Islanders had a gambling problem; 0.6% were at moderate risk of developing a problem; and 1.2% had a low risk of developing a problem. As well, the study found significantly higher rates of mental health and substance use issues among problem gamblers, indicating a need for responsive, multi-faceted services.

Actions

(A) A full-time gambling addiction specialist position will be established at PEI Addiction Services.

The full-time gambling addictions specialist will provide public education and raise awareness about problem gambling. Recognizing that individuals often suffer from dual or multiple addictions, the addictions specialist will also work closely with addiction staff throughout the province to build their awareness of the signs of problem gaming in their clients. As well, he or she will liaise with other addictions staff across PEI to develop comprehensive treatment plans for those in need. The specialist will also work with responsible gaming information sites to update materials and supply more when needed, and will provide materials to physicians and psychologists.

(B) A 24-hour problem gambling hotline will be established.

Resources will also be invested in a 24-hour help line for problem gamblers. In his 2006 study, Doiron found that problem gamblers were significantly more likely than average to engage in suicidal thoughts and behaviours. He noted, *“It is important that people who experience gambling problems have access to supports in times of crisis when suicidal ideation and behaviours are most*

“Resources will also be invested in a 24-hour help line for problem gamblers.”

likely to occur. Twenty-four hour support (e.g., via telephone) provides a measure of support in time of crisis.”

The establishment of such a hotline will ensure timely access to help, and appropriate information and support to meet the needs of the person seeking assistance.

(C) A group information program will be established to help at-risk gamers.

Education plays a vital role in reducing problem gambling. As such, a new program will be developed to offer information sessions to at-risk gamblers. This program will include in-depth information about the randomness of VLT play, as well as discussing alternative problem-solving and coping skills.

Timing of Implementation

Within six months:

- The group information session will be developed.

Within twelve months:

- The gaming addictions specialist position will be filled.
- The 24-hour telephone support line for problem gamblers will be established.
- The group information session will be implemented.

Ensure Integrity and Fairness

Issue

The public needs to have complete trust in the integrity of the gaming sector. They must have assurance that every gaming participant has a fair and equal chance to win, and they must feel that regulations reflect Island values.

Strategic Direction

Government will enhance, update, and strengthen the regulatory environment for the gaming industry in Prince Edward Island to reflect best practices, to keep player protection and industry integrity at the forefront, and to continue to reflect the values of Islanders.

Background

In the fall of 2006, media reports in Ontario raised concerns about higher than expected levels of retailer wins on lotteries. These reports led to scrutiny and action by gaming providers across Canada. In the Atlantic Region, KPMG was contracted to provide an independent external review of the integrity of the gaming operations conducted by the Atlantic Lottery Corporation.

KPMG's report was released in May 2007 with 23 recommendations to strengthen and ensure the integrity of gaming operations. Since the report, the Atlantic Lottery Corporation has invested over \$5 million in additional measures to protect players and ensure the integrity of gaming, including:

- Holders of tickets other than Breakopen tickets must sign their tickets prior to validation by the retailer.
- Retailers must immediately return all winning and non-winning tickets and applicable validation slips to ticket holders.
- All retailers now have ticket checkers, devices which allow verification by the ticket holder.
- Forward-facing LED screens were installed at many retailers, showing the ticket holder any prize won within the retailer's limits or indicating a larger price for confirmation with ALC.

This strategy will build on those measures with additional action to secure the integrity and fairness of gaming and ensure that Islanders are protected.

Actions

(A) Regulations will be strengthened to provide increased oversight of all gaming activities in Prince Edward Island.

The Prince Edward Island Lotteries Commission will strengthen the regulatory framework that provides oversight on all gaming within Prince Edward Island, including the Atlantic Lottery Corporation.

Government will ensure the applicable recommendations from the KPMG Report are implemented by the Atlantic Lottery Corporation.

(B) The current regulatory framework will be updated to industry best practices.

An industry review of the regulatory environments across Canada will be completed to update Prince Edward Island’s regulations to meet the best practices for regulation, within the recommended framework. This will ensure Prince Edward Island’s regulatory environment is as robust as any in Canada.

(C) Additional resources will be provided to the Prince Edward Island Lotteries Commission to strengthen its capacity to oversee gaming on Prince Edward Island.

The PEI Lotteries Commission will be provided resources to establish and enforce an enhanced regulatory framework.

Lead Organizations

The PEI Lotteries Commission will develop and implement a new regulatory framework for Prince Edward Island.

Government will provide resources to the PEI Lotteries Commission to enable it to strengthen its regulatory framework and activities.

“Regulations will be strengthened to provide increased oversight of all gaming activities in Prince Edward Island.”

Prince Edward Island

Timing of Implementation

Within six months:

- An updated structure for the Lotteries Commission will be completed.
- An industry review of the regulatory environment in Canada and recommendations on best practices will be completed.

Within twelve months:

- The new regulatory framework will be finalized and implemented.

Maximize Social Benefits of Revenues

Issue

Gaming revenues represent a substantial resource which must be allocated as effectively as possible to support the social development and well-being of Islanders and Island communities.

Strategic Direction

The Prince Edward Island Government will develop a strategy to allocate all lottery revenues to good works in Prince Edward Island.

Background

Prince Edward Island's reliance on gaming revenues is the lowest in Canada, at 1.4% compared to a national average of 2.4% in 2006-07. That year, government-operated gaming revenue (after prizes but before expenses) in P.E.I. was \$378 per adult Islander, compared to a national average of \$543 and a high of \$860 in Alberta. Furthermore, reliance on gaming revenues is declining, dropping from 1.9% in PEI and 3% nationally in 2002-03.

“The Prince Edward Island Government will develop a strategy to allocate all lottery revenues to good works in Prince Edward Island.”

While Government's dependence on gaming revenues is comparatively low, there can be no question that those revenues have provided valued resources over the years to support public good works in Prince Edward Island. During its first three decades, from its founding in 1976 to 2006-07, the Atlantic Lottery Corporation returned almost \$250 million to the Province of PEI. Currently, over one-third of ALC gross revenues are paid to the four provincial shareholders. In PEI, in 2007-08, this amounted to over \$15.4 million in 2007-08.

Income obtained by the Government from gaming will be allocated by the Lotteries Commission to good works throughout Prince Edward Island. This practice of designating lottery revenues for various causes is in place at a large number of lotteries throughout North America. At the current time, the 2009 Canada Games offer an excellent opportunity to support sport, the community and health promotion in general.

Actions

(A) The existing distribution of lottery funds will be reviewed, with a goal of focusing revenues in the areas of sport, the community and health promotion.

A clear understanding of the current distribution of revenues is required to ensure the future model will provide continuity in benefits where critically needed. A review of the current distribution model will be conducted by the Prince Edward Island Lotteries Commission.

(B) A framework for distributing funds under the new model will be developed.

A new framework will be developed to distribute lottery funds in a way that maximizes their benefits. This framework will be open and transparent, responding to the wish of Islanders to know how and where lottery proceeds are directed.

“A review of the current distribution model will be conducted by the Prince Edward Island Lotteries Commission.”

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Lead Organization

The Lotteries Commission will be responsible for developing and implementing the new funding model for allocation of gaming revenues in Prince Edward Island.

Timing of Implementation

Within three months:

- The existing distribution of gaming funds will be reviewed.
- Core programs/elements that must be reflected in the new policy will be identified.
- Baseline information will be incorporated into the development of the new funding strategy.

Within six months:

- A new framework for the public distribution of gaming revenues will be developed.

Within eight months:

- Revenues from gaming in Prince Edward Island will be allocated in the 2009-10 Budget to various good causes through the Prince Edward Island Lotteries Commission.

Strengthen the Charitable Sector

Issue

Charitable gaming represents a vital and necessary form of funding for public good works in Prince Edward Island. In recent years these revenues are declining, creating hardship for many valued organizations and reducing the funds available for many worthwhile causes.

Strategic Direction

Government will engage all stakeholders in developing a plan to revitalize charitable gaming in Prince Edward Island and sustain these revenues for public good.

Background

Prince Edward Island is blessed with a strong and vibrant range of community and volunteer organizations working to better their communities. Gaming represents a significant source of revenue to those organizations. In 2006-07, PEI issued over 1,000 licenses for charitable gaming, including over 750 raffles, 28 bingo licenses, 3 casino licences, and 240 other gaming activities. While data were not available on total charitable proceeds from these activities, bingo net revenues alone were over \$1.2 million.

These revenues, although significant, represent a decline from past years. In consultations for this strategy, non-profit groups expressed strong concern about this decline and its implications for their good works. Similar trends exist in other provinces, and are linked to a range of factors including competition from other forms of entertainment and from new gaming technologies, and declining volunteer participation. However, evidence from other jurisdictions also indicates that their charitable sectors have been able to revitalize their gaming revenues through product and venue enhancements.

To explore how those benefits might be attained for the Island's charitable organizations, the PEI Lotteries Commission will facilitate a sector discussion to identify and implement opportunities to drive revenue growth in charitable returns from gaming.

“Government will engage all stakeholders in developing a plan to revitalize charitable gaming in Prince Edward Island and sustain these revenues for public good.”

Prince Edward Island

Actions

(A) Stakeholders will be engaged in the development of a charitable gaming strategy.

The PEI Lotteries Commission will engage charitable and industry organizations in a process to develop a strategy on charitable gaming.

(B) The feasibility of new product opportunities will be investigated.

New revenue sources are required to sustain and grow charitable bingo operations on Prince Edward Island. Examples exist within the charitable gaming industry of new product opportunities that have helped to revitalize the sector in other jurisdictions. These will be, in close consultation with the charitable sector, carefully examined for their relevance to PEI's needs.

(C) Revenues from gaming will be dedicated to stem the decline of charitable gaming revenues.

In the short-term, the Government would earmark funds to ensure returns from charitable bingo operations remained stable.

Lead Organization

The PEI Lotteries Commission, in close consultation with stakeholders will lead development and implementation of the earmarking strategies to support charities and the stakeholder engagement process.

ALC will lead the investigation and development of any new products as well as any execution as identified by the stakeholders.

Timing of Implementation

Within three months:

- A plan will be developed surrounding the engagement of all stakeholders in the charitable gaming industry in Prince Edward Island.

Within six months:

- The Lotteries Commission and ALC will have met with all relevant industry stakeholders.

Within twelve months:

- A new industry-built charitable gaming strategy will be developed.

Secure Economic Benefits

Issue

Increasing competition from gaming providers outside Prince Edward Island and on the Internet poses challenges to PEI's gaming sector and the revenues that it generates for reinvestment in PEI.

Strategic Direction

Government will initiate a review of the CDPEC's brand image and product offerings to promote a strong, responsible gaming sector in Prince Edward Island.

Background

The competitive landscape for gaming in Atlantic Canada is rapidly changing. Prince Edward Island's gaming industry faces diverse and rapidly evolving competitive threats – not only locally from casinos in New Brunswick and Nova Scotia, but also

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from far-reaching, illegal Internet gaming operations. The level of competition, from both land-based and Internet threats, is steadily increasing to a point where PEI's economic benefits from gaming will be impacted unless actions are taken.

Government needs to ensure the strength of Prince Edward Island's existing gaming offering by embracing the products and services required to compete on a level playing field. In addition to providing gaming alternatives to Islanders for fun and entertainment, the gaming industry is also an important component of PEI's tourism product. A failure to meet the competition could prove detrimental to future visitation on the Island. Revenues from gaming could also be lost to the province and to Islanders if competitiveness falters.

The continued competitiveness of the CDPEC may require product and branding changes. It is necessary to explore the changing gaming marketplace and to adapt to new challenges and opportunities with a plan for future branding and new product offerings, consistent with the Government's commitment to responsible gaming.

Action

The CDPEC's brand image, including marketing focus and positioning changes, will be reviewed.

The Atlantic Lottery Corporation will provide options for Government's consideration on any potential rebranding, marketing focus, and gaming product offerings.

Lead Organization

ALC will provide Government with any potential product implementations at the CDPEC.

Government will review these options in the context of its strong commitment to responsible gaming, balanced with the necessity of revenue protection on behalf of the citizens of the province.

Timing of Implementation

Within six months:

- ALC will provide Government with options on potential rebranding, marketing focus and gaming product offerings.

Within nine months:

- A new marketing strategy will be developed for implementation for the 2009 tourist season.

Conclusion

The Government of Prince Edward Island has recognized the need for a clear framework to maximize the benefits and contain the risks of gaming in Prince Edward Island, founded on core themes of integrity and social responsibility.

This strategy sets out an action plan for implementation over the next two years. Some measures will be implemented immediately. Others will be put in place over a longer time frame to allow the research and development needed for sound programs and measures. To realize the benefits of the strategy, Government is committed to making decisions in a timely way.

To best serve Islanders, this strategy must be a living document, one that can adapt and respond to demand and circumstance. To fulfill this goal, the strategy will be consistently reviewed, and updated as needed. Government will continue to monitor, evaluate and measure the impacts of this strategy as it is implemented, and will take action on findings.

What will remain constant is Government's commitment to creating a fair and level playing field inside a consistently responsible environment for those who choose to participate in gaming in this province.

“To realize the benefits of the strategy, Government is committed to making decisions in a timely way.”
