

PURPOSE OF THE GAMING LICENSING POLICY REVIEW

Introduction

Gaming has experienced dramatic growth in many jurisdictions throughout the world over the past 10 years. The Province of Alberta is no exception.

In Alberta, gaming activities generated gross sales (before prizes) of \$14.6 billion in fiscal 2001, of which more than \$13.1 billion was returned to players as prizes.

In fiscal 2001, \$988 million in net revenue was placed in the Alberta Lottery Fund from ticket lotteries, slot machines and VLTs. Alberta Lottery Fund revenue is used in more than 8,000 specific charitable, non-profit, public and community-based initiatives across Alberta. In addition, charitable groups earned approximately \$171 million from casino, bingo, raffles and pull tickets, to help support thousands of charitable community programs or activities across Alberta.

Since 1991, net revenue to the Lottery Fund and charities has grown from \$235 million to more than \$1.1 billion per year. That level of growth emphasizes the importance of maintaining the integrity of gaming activities and of achieving the appropriate balance between the social capacity and fiscal capacity for gaming activities in the province.

The Minister of Gaming requested a review of gaming licensing policies in December 1999. The aim of the review is to arrive at clearly set out procedures and processes to address proposals related to the growth or expansion of gaming activities.

The Minister directed, during the Gaming Licensing Policy Review, the Alberta Gaming and Liquor Commission (the Commission) to suspend consideration of requests to license or approve new casinos, casino expansions or re-locations, new games and new gaming environments.

Objective

The objective of the Gaming Licensing Policy Review is:

To recommend gaming licensing policies that will address issues of growth in gaming and continue to ensure the effective regulation and socially responsible delivery of gaming activities in the province over the next five years.

During the review, the Commission obtained the views of Albertans and consulted with stakeholders who represent a range of community and industry perspectives. Their views played a key part in the development of gaming licensing policy recommendations.

Prior consultations that dealt with gaming were also to be taken into account. Examples of those consultations include the Bingo Industry Review (September 1999), Lotteries and Gaming Summit '98 (July 1998), the Native Gaming Committee Review (April 1996) and the review conducted by the Lotteries Review Committee (August 1995).

Achieving a Balance

Gaming activities, through the proceeds they generate, provide numerous benefits for Albertans. They also create serious issues for those who experience problems with their gambling. In this regard, Albertans expect the government to manage and control gaming activities and to do so in a socially responsible manner.

In addressing issues of growth, the government is expected to achieve a balance between the social and fiscal capacities for gaming activities in the province.

In this context, social capacity refers to public acceptance for gaming activities and the social impacts of gaming activities. The level of public acceptance is dynamic and changes over time. It is influenced by the apparent or perceived overall benefits of gaming activities and the apparent or perceived overall harm or costs associated with those activities. The level of acceptance may be tempered by views in the population about the responsibility of individuals to manage their own affairs. Social capacity also requires policy-makers be mindful of, and be able to respond to, changing demographics.

The fiscal capacity refers to the realistic financial projections regarding the potential for growth, based on consumer demands and demographics. In addition, fiscal capacity takes into account the effect of the growth or decline of gaming activities upon individuals personally and upon business enterprises in the province.

In the ongoing process to achieve an appropriate balance, the government must ensure the integrity of gaming activities, consistency and fairness in the rules, accountability for the proceeds that are generated, and that gaming proceeds are directed to approved charitable, non-profit, public and community-based initiatives.