

Responsible Gaming Strategy, 2011

March 25, 2011



INTRODUCTION

Responsible Gaming Strategy, 2011

The new *Responsible Gaming Strategy* is our government's opportunity to revisit and rethink its approach to gambling into the future.

This strategy follows 2005's *A Better Balance: Nova Scotia's First Gaming Strategy*, in which the previous government tried to create a better balance between revenue generation and social responsibility in delivering gambling in the province.

The new *Responsible Gaming Strategy* sets forth a plan for gambling in Nova Scotia that ensures a responsible, sustainable, and accountable approach to gambling, problem gambling, research, and governance.

Understanding the Issue

A majority of Nova Scotians partake in some form of gambling on a regular basis. For most of these gamblers, this is an entertaining pastime. However, we know that for some, gambling is a risky activity that can cause serious harm, not only to the gamblers, but to their friends, families, and communities.

According to the 2007 Gambling Prevalence Study, 87 per cent of adults had gambled at least once in the past year. About 76 per cent of adults had purchased lottery-type ticket games, while 13.6 per cent of adults had gambled on VLTs, and 17.2 per cent of adults had played casino games. This study also indicated that there were an estimated 19,000 adult Nova Scotians scoring at moderate to severe levels of problem gambling, with 28,000 adults scoring as being at risk.

Knowing the Facts

Nova Scotia spends more on problem gambling—\$6.41 per capita—than any other province (average \$3.53 per capita).

Since 2005, after extensive research, government has made specific changes with respect to VLTs:

- A reduction in the hours of operation, with machines being shut off at midnight and the elimination of the midnight to closing time-frame.
- The removal of 1,000 VLTs.
- The implementation of two software changes that slowed game speed by 30 per cent.
- Disabling the “stop button” feature.

The *My-Play* system, which was installed on all VLTs in the province in 2010, allows players to track spending and play.

One hundred per cent of net revenues generated by gambling are returned to the province. This money goes to fund programs, including sport, services, and infrastructure developments that benefit all Nova Scotians.

The gambling industry has undergone dramatic changes in recent years; traditional gambling products are declining in popularity at the same time that Internet gambling is on the rise. This presents new challenges and new debate about how Nova Scotia will address this issue.

Being Accountable

Nova Scotians have told us they want a properly regulated industry, responsive to changing markets and emerging research findings. They want easy access to relevant information on the state of gambling in the province. Nova Scotians expect their government to put their health and well-being first.

This strategy will build and expand upon the foundation created by the 2005 strategy. It addresses the issues that matter to today's families. It lays out a reasonable plan for continuing to deliver gambling in Nova Scotia in a way that is responsible, open, and efficient. At the same time, it is not intended to anticipate or answer every issue that might arise. Rather, it provides a set of values and objectives that will guide the government in its approach to its statutory "conduct and manage" function.

The Strategy Development Process

On May 11, 2010, the provincial government announced the launch of a process for the new *Responsible Gaming Strategy*. The scope of the new gambling strategy was set out in *Terms of Reference* (Appendix A), and included five key areas of focus:

Responsible Gaming Strategy—Key Areas of Focus

- Assessment of the impact of the 2005 Gaming Strategy
- Determination of the video lottery *My-Play* system enrolment model
- Evaluation of the emerging phenomenon of Internet gaming and the approaches open to Nova Scotia to address this burgeoning enterprise
- Review of the governance of gaming in the province
- Discussion with Nova Scotia's First Nations about the role of gaming in their communities and future development strategies

A number of additional areas of focus were identified through the research and consultation process undertaken during strategy development. These include

- Nova Scotia's approach to gambling research.
- the growing concern related to underage gambling and youth gambling addiction.
- concerns relating to provincial marketing and advertising standards for gambling products and services.
- the need to increase the reach of Nova Scotia's prevention and treatment services for problem gamblers.
- concerns relating to the declining revenues in Nova Scotia's charitable gambling and harness-racing sectors.
- the importance of optimizing the full range of benefits associated with responsible gambling.

The development of the *Responsible Gaming Strategy* was led by an independent consultant with extensive experience in government policy development. The development process comprised an intensive research program, a multi-tiered consultation process with key stakeholders and the Nova Scotian public, and input from a specially constituted advisory committee of deputy ministers chosen because their portfolios have responsibility for some aspect of gambling within the province.

The development process proceeded through six main stages: (1) research, (2) consultations with key stakeholders, (3) submissions from the general public, (4) meeting with the Advisory Committee, (5) the drafting of the strategy, and (6) presentation of the draft strategy to the Government of Nova Scotia.

The first stage consisted of an extensive research process involving the review of a broad range of academic papers and studies, policy papers, investigative reports, jurisdictional reviews, corporate reporting documents, and legislation relating to gambling issues in Nova Scotia and abroad.

Concurrent with the research initiative, a multi-tiered information gathering process was conducted through discussions with a broad range of key stakeholders in government departments and agencies, the gambling industry, First Nations communities, advocacy groups, businesses and commercial organizations, and not-for-

profit and charitable organizations or groups with interests in gambling in Nova Scotia. (See Appendix B for a summary of the stakeholder meetings). Stakeholders were encouraged to provide written submissions, and many did so.

In addition to holding meetings with key stakeholders, the strategy leader asked a broad range of other individuals and organizations with an interest in gambling, including VLT retailers, for their views.

The general public was invited to provide input through a website that offered three potential response channels: e-mail, a toll-free phone number, or regular mail. Submissions were received from more than 50 individuals and organizations.

At the end of the consultation phase, the strategy leader met with the Deputy Ministers' Advisory Committee to present the results of the research and consultation before drafting the strategy document.

THE IMPACT OF THE 2005 GAMING STRATEGY AND THE PATH FORWARD

It has been six years since the release of *A Better Balance: Nova Scotia's First Gaming Strategy*. The 2005 gaming strategy set a clear course for Nova Scotia: to strike a better balance between social responsibility and revenue generation. As a result of the commitment to excellence demonstrated by numerous government agencies, community organizations, and gambling industry members, the objectives of the first gambling strategy were, for the most part, achieved.

The gambling industry, both in Nova Scotia and abroad, has changed dramatically since the release of the first Gaming Strategy, principally as a result of the exploding popularity and growth of Internet gambling. Appendix C, Summary of Key Developments, provides an overview of milestone events in gambling since 2005—in Nova Scotia and nationally/internationally—including the implementation of measures undertaken under the auspices of the first gaming strategy.

Adapting to the pace of change requires an active plan for the future that moves beyond the measures and vision of five years ago. The 2005 gaming strategy did not make mention of Internet gambling, although this phenomenon was clearly underway at the time. The gambling industry in Nova Scotia now requires a strategy with the flexibility to be able to address current issues while, at the same time, being able to effectively anticipate and respond to emerging issues in gambling. Moreover, public policy responses also have to be informed by targeted, high-quality, independent research. A new approach to gambling oversight and social responsibility is also required.

A VISION FOR THE FUTURE OF GAMBLING IN NOVA SCOTIA

Nova Scotia remains committed to promoting a sustainable, socially responsible and accountable approach to gambling.

Leveraging its reputation as an internationally recognized leader in responsible gambling, Nova Scotia will continue to maintain a strong commitment to reducing harm and minimizing risks, while continuing to conduct, manage, operate, and regulate gambling to optimize the benefits to its citizens.

The *Responsible Gaming Strategy, 2011* will meet the following goals:

- Develop a new coordinated and collaborative approach to gambling research that will establish Nova Scotia as a world leader in high-quality gambling research and further enhance Nova Scotia's already well-recognized efforts in this area.
- Create a new, cross-departmental partnership model to provide oversight and to manage the social responsibility dimensions of gambling through the continuation of the Deputy Minister's Advisory

Committee on Gambling.

- Continue efforts to proactively minimize the risks associated with problem gambling by undertaking measures to reduce the number of VLTs through attrition, by introducing a mandatory informed-choice model for VLTs, and by fostering associated research initiatives designed to inform public policy decisions and to minimize gambling harms.
- Increase the effectiveness of treatment programs by taking a population health approach and more actively engaging communities in harm reduction and addiction management issues.
- Open up a new dialogue with First Nations on gambling.
- Create a new governance framework with the agility to respond to emerging issues in the rapidly changing and evolving gambling industry.
- Act to address challenging issues in the charitable gambling sector.
- Enhance public understanding of the benefits of gambling revenue in supporting high-quality programs and services for Nova Scotians.
- Decline to introduce new games or forms of gambling (e.g., electronic keno, Internet gambling) unless and until it is first established that the new forms of gambling can be introduced with effective harm-mitigation measures.

VLTs AND INFORMED PLAYER CHOICE TECHNOLOGY

Significant changes to Nova Scotia’s VLT network were implemented as part of the 2005 Gaming Strategy. Research into the impact of these changes (e.g., removal of 1000 VLTs, reduction in hours of operation, reduction in the speed of games by 30 per cent, and disabling the “stop” button) suggests positive outcomes. These changes also resulted in reduced VLT revenues and profits.

During the extensive consultation undertaken as part of this strategy development exercise, many stakeholders expressed the view that VLTs continue to give rise to serious problems for some individuals involved in gambling. Some stakeholders and members of the public want to see VLTs further reduced in number or eliminated from Nova Scotia. Other stakeholders and members of the public whose businesses, communities, or not-for-profit operations rely on VLT revenues were very concerned about the impact of measures that would result in a further revenue decrease.

Stakeholders were also clear in calling for continued development and implementation of measures to minimize the harm associated with VLTs through changes to the machines’ accessibility, venue features, and machine features. The effectiveness of any measures taken should be confirmed through high-quality research.

Evidence supports the fact that VLTs are a maturing product line and are unlikely to be a stable source of revenue for governments or businesses that rely on these revenues over the long term.

In 2010, Nova Scotia initiated a new province-wide card-based player system for VLTs: the *My-Play* system. Based on an early assessment, this informed player choice tool provides real benefits by encouraging safe and responsible gambling behavior.

The *My-Play* system provides the player with

- historical information on the total amount spent and the time played by day, week, month, and year.
- information on current in-play activity, including the amount spent and the amount cashed out in the current session.
- the ability to set spending and time limits by day, week, month, or year.
- the ability to immediately stop play for 24, 48, or 72 hours.

Research on the *My-Play* system shows promising results on the potential value of this system to a broad group of players. Preliminary results from recent research indicate that all players may benefit, with the higher-risk

group more likely to take advantage of the system and the tools. Longitudinal research is being conducted to determine the overall impact of the *My-Play* system on player behaviour.

Stakeholders were sharply divided over whether *My-Play* should be made voluntary or mandatory for VLT users.

In regard to VLTs, the Government of Nova Scotia will

- continue the moratorium on the addition of any new VLTs in Nova Scotia.
- gradually reduce VLTs through natural attrition such that any electronic gambling machines available as a result of a business closing will be retired from the system and will not be transferable.
- undertake further targeted research aimed at harm reduction and mitigation measures associated with VLTs, including
 - further slowing the speed of play on VLTs.
 - altering the maximum bet on VLTs.
 - placing warning labels directly on VLTs that provide information about the odds and randomized nature of wins.
 - investigating the elimination of the appearance of “near misses” during VLT play.
 - implementing changes to basic requirements for VLT host venues to reduce the potential for excessive play.
- adopt a policy development process related to VLTs that is based on the following guiding principles:
 - Nova Scotia should continue to strive to reduce its reliance on revenue from VLTs.
 - Due consideration should be given to vulnerable populations at greater risk for developing VLT-related gambling problems.
 - VLT policies ought to be formulated in a manner that acknowledges the present reality that many stakeholders rely on VLT revenues to sustain their operations and that the loss of these revenues would also have significant adverse impacts.
 - Proactive efforts should be made to reduce the intense stigmatization of VLTs and VLT players. This stigmatization serves to polarize the dialogue about VLTs in a manner that makes meaningful discussion difficult.
- explore all strategic directions using a balanced approach that considers the impacts on both public health and revenue generation.
- adopt the *My-Play* system on a mandatory basis by providing both light and full enrolment options to players.
 - To ensure that Nova Scotians are able to optimally use the full range of positive features on the *My-Play* card, while allowing VLT retailers and First Nations the time to adjust their business models, the *My-Play* system will be introduced in a staged manner.
 - The system will remain voluntary until April 1, 2012, following which its use will become mandatory and universally required on all VLTs in the province. This lead-in period will enable all partners to help the VLT players, the retailers, and the public at large to better understand the functions and benefits of the *My-Play* system.
 - The government will work with key partners to initiate a province-wide marketing campaign designed to dispel some of the myths associated with the card and to promote the use of the card during the lead-in period.
- discourage any return to unregulated VLT machines (the so-called “grey machines”). The province will implement appropriate regulatory controls to ensure that any vendors convicted of using grey machines will, among other sanctions, also forfeit their right to hold other provincially issued licences for their business, including the right to sell tobacco and liquor.

INTERNET GAMBLING

The Internet is a game changer. It is altering the way in which Nova Scotians work, learn, and shop and, increasingly, how they gamble. Growing numbers of Nova Scotians are turning to Internet gambling websites. Gambling via mobile phones is also expected to become increasingly popular in coming years.

Internet gambling is the fastest growing part of the gambling industry and has expanded rapidly in recent years. The world's first online casino was launched 1995. Ten years ago, there were an estimated 250 Internet gambling sites. By the end of the third quarter of 2009, there were 2,500 active Internet gambling sites operating from approximately 50 different jurisdictions.

Globally, Internet gambling is a \$25 billion dollar industry and is expected to continue its rapid growth. As a result, players face a number of potential risks related to privacy, security, and identity theft. Furthermore, while many gambling websites are run by legitimate enterprises that offer fair odds, some exploit novice and unwary players through skewed odds and fraudulent or unethical business practices.

Offering Internet gambling services to Canadians is illegal unless the website is operated by a province or its designated agent(s). However, because most Internet gambling operators are located offshore, they have no connection to Canada; they operate beyond the effective reach of Canadian criminal prosecution.

Despite laws that make gambling on offshore Internet sites a criminal activity, the vast majority of Canadians believe that online gambling is legal. A March 2010 Ipsos Reid survey found that 71 per cent of Canadians and 72 per cent of Maritimers believe that Internet gambling is legal. Moreover, nearly half of Canadians (49 per cent) believe that online gambling is currently regulated by government.

Internet gambling has been well established in Europe for more than a decade.

The trend in Canadian and international jurisdictions is toward the gradual, managed liberalization of Internet gambling. The experience in the United States, one of the few jurisdictions that has attempted a prohibition on Internet gambling, suggests that attempts to block access to Internet gambling sites or limit financial transactions would be impractical, expensive, and very likely ineffective.

There is little agreement on the prevalence of Internet gambling in Nova Scotia, with estimates varying considerably. Market research indicates that Nova Scotians spent approximately \$23 million on Internet gambling in 2009, the vast majority of this money going to offshore operators. Realistically, the number of Nova Scotians involved in Internet gambling can be expected to grow rapidly in future years.

There is a natural concern expressed by stakeholders and the general public in regard to the rise of Internet gambling. Hence, for Nova Scotia, the cautionary principle should underpin any future consideration of this phenomenon.

Public concerns in respect to Internet gambling arise from the following considerations.

The relative newness of Internet gambling means that we do not yet have a full understanding of its likely social, health, and economic impacts. This is a critically important factor. Research on the impact of Internet gambling on the development of gambling problems is inconclusive at this time.

Research findings do, however, raise enough concerns to dictate that a very cautious approach to Internet gambling be taken and points to the need for further in-depth research and analysis.

A new study recently launched by Harvard University and *BWIN*, a large European gambling operator, using an established database of 40,000 Internet gamblers, may, when the research is complete, provide more definitive insights into potential harms associated with Internet gambling.

Preliminary research also indicates that Internet gamblers represent a different demographic than traditional gamblers (i.e., those who regularly play ticket lotteries, casino games, or VLTs). Internet gamblers tend to be younger, are more likely to be male, and are typically better educated with higher incomes than traditional players.

Because of the heavy Internet use typical of youth, this demographic is of particular concern when it comes to Internet gambling, both with respect to the ease with which they can access gambling websites while underage and the potential for incurring harm from excessive Internet gambling.

Any future consideration of the regulation of Internet gambling would have to take into account the full range of potential harms associated with this phenomenon.

In the absence of clear empirical evidence related to the full range of risks and potential harms associated with Internet gambling, Nova Scotia will not become involved in Internet gambling.

In regard to Internet gambling the Government of Nova Scotia

- will *not* expand Internet gambling to include poker or casino-style games.
- will, as part of its gambling research agenda, consider existing and emerging research results related to Internet gambling as well as design and undertake any further research that is required to better understand this phenomenon. Part of this effort will focus on identifying best practices and policies with respect to the regulation of Internet gambling. The research will focus on the impacts of regulated Internet gambling on key population health, economic, and social measures.

THE GOVERNANCE OF GAMBLING

Established in 1976, the Atlantic Lottery Corporation (ALC) is owned by the governments of the four Atlantic provinces. The ALC is the “operator” of gambling and gambling products in Atlantic Canada.

As one of four principal shareholders in the Atlantic Lottery Corporation (ALC), Nova Scotia has the benefit of an experienced, multi-jurisdictional operator. The ALC operates under the aegis of a board of directors. Nova Scotia appoints two members of this eight-member board.

In Nova Scotia, the Nova Scotia Gaming Corporation (NSGC) is the organization appointed by the Government of Nova Scotia, pursuant to Part I of the Gaming Control Act, to conduct and manage casinos and other lottery schemes on the province’s behalf. NSGC is a Crown corporation whose sole shareholder is the Province of Nova Scotia. NSGC is managed by a five-member board of directors appointed by the province. The board appoints a CEO, who oversees NSGC’s day-to-day business.

Under Part II of the Gaming Control Act, the Alcohol and Gaming Division (AGD) of the Nova Scotia Department of Service Nova Scotia and Municipal Relations is responsible for the regulation of gaming in the province.

The Office of Aboriginal Affairs is involved in the development of gaming agreements with First Nations.

Governance models for the management of gambling activities vary considerably across Canada. In Nova Scotia, the conduct-and-manage functions related to gambling are currently managed in a separately constituted corporation—the NSGC. These functions could be managed as a separate branch within an existing department of government. Some provinces have augmented the conduct-and-manage function through the creation of a “gaming commission,” a body comprising members appointed by order-in-council and constituted to provide a level of independent oversight, advice, and counsel to the minister responsible.

The present governance framework in Nova Scotia has been in place since 1995. Gambling in Nova Scotia has had a challenging history. At the outset, having a dedicated corporation designed to undertake the conduct-and-manage role related to gambling likely made sense. Government-regulated gambling was a growing business; it was in a building phase and there were many complicated issues to be addressed in relation to the sector. As noted in this review, the traditional gambling sector in Nova Scotia is in decline.

Over time, the role of the NSGC evolved, and it became centrally involved in social responsibility initiatives related to gambling. During the public consultation associated with the creation of the 2011 Gambling Strategy, stakeholders raised the issue of the perception of conflict that arises with the NSGC: on the one hand, having

responsibility for the conduct and manage function and, on the other hand, having a significant role in social responsibility initiatives and in conducting research into responsible gambling.

A clear finding of the review of gambling in Nova Scotia is that the governance and management of social responsibility related to gambling in Nova Scotia could benefit from a more coordinated approach among key government stakeholders. A further important finding noted that the manner in which Nova Scotia currently manages gambling research could also be significantly improved and benefit from a new approach that enshrines increased coordination, independence, and the requirement for peer-reviewed research.

Similar to other models, and in the interest of a more streamlined and efficient approach, it makes sense to move the conduct-and-manage function related to gambling in Nova Scotia into an existing government department.

In regard to governance, the Government of Nova Scotia will

- migrate the conduct-and-manage function for gambling from the NSGC to a division within the Department of Communities, Culture and Heritage.
- continue with the cross-departmental Deputy Ministers' Advisory Committee on Gaming established to assist in the strategy development process. The advisory committee will be supported by a working committee of officials. The advisory committee's mandate will be as follows:
 - To manage horizontal issues related to gambling across departments and with particular reference to the social responsibility dimensions of gambling.
 - To conduct outreach and engage broad stakeholder interests—including industry—in the social responsibility mandate.
 - To effectively address complex public policy issues associated with gambling and social responsibility.
 - To proactively address emerging issues in gambling at a time when the gambling industry is undergoing rapid change—a phenomenon that is expected to accelerate in the future.

The committee will also assist in the migration of the conduct-and-manage function to the Department of Communities, Culture and Heritage.

- work with the Nova Scotia Health Research Foundation (NSHRF) to develop a *centre of excellence* in gambling research. Gambling Awareness Nova Scotia (formerly the Nova Scotia Gambling Foundation) will be integrated into this organization. With this new approach, Nova Scotia is committed to becoming a world leader in high-quality gambling research. Current funding levels for gambling research derived from gambling revenues will be entrusted to the new research organization. Among other things, this new approach will
 - develop a comprehensive set of standards/measures to guide the conduct of gambling research in Nova Scotia.
 - create a standard of research excellence that incorporates guidelines for openness, transparency, independence, and peer review.
 - establish funding allocation algorithms for the distribution of funds to projects that meet the standard of research excellence.
 - establish a directory of qualified researchers.
 - set the research agenda in collaboration with the Deputy Ministers' Advisory Committee on Gambling.
 - come forward with a proposed model for gambling research, including governance.
 - be responsible for the execution and oversight of gambling research in Nova Scotia and also for building collaborative relationships and partnerships with universities and potential national/international partners.
 - require research results, other than those involving sensitive financial and business information, to be

- made readily available to other researchers, stakeholders, and the general public.
- transmit to the NSHRF the list of research themes identified by stakeholders throughout the consultation for the gambling strategy. These will include
 - research into best practices and standards for gambling research.
 - the conduct of a properly formulated socio-economic study on the impact of gambling.
 - research to improve service delivery and increase the number of problem gamblers seeking treatment.
 - identification of best practices in problem gambling prevention and treatment.
 - research into treatment and prevention initiatives targeted at vulnerable populations.
 - research into emerging player choice technologies, particularly those with predictive modelling functionality.
 - changes to VLTs to further minimize potential harm, such as by reducing betting limits or further slowing the speed of play.
 - broad-based research into Internet gambling, including prevalence of use and user demographics, the nature of the interface, and the potential impact on youth.
 - research into best practices in accurately measuring online gambling prevalence.
 - the impact of the broader electronic gaming culture on Internet gambling and problem gambling rates, especially for youth.

GAMBLING AND NOVA SCOTIA'S FIRST NATIONS

Gambling is a significant revenue generator for Nova Scotia's First Nations. These revenues are used for economic development and for health, education, and social services on reserve. First Nation leaders involved in gambling have leveraged these resources to the advantage of their people and their communities.

During this information gathering process, First Nations leaders identified a number of key issues and challenges facing their communities in respect to gambling. First Nation Chiefs made the following observations:

- Gambling is a matter of historical aboriginal interest.
- Gambling revenues are important to the social and economic well-being and development of First Nations communities, and First Nations are concerned about the long-term sustainability of the current level of VLT revenues.
- First Nations are concerned about the age and maintenance standards of the present VLT network.
- First Nations are very concerned about the potential impacts of the proposed *My-Play* informed player choice system on the First Nations VLT network.
- There is a need to shift public discourse about gambling in the province from a focus on its negative aspects to a more balanced dialogue that considers all facets of gambling, both beneficial and detrimental.

Regarding its relationship with First Nations in respect to gambling, the Government of Nova Scotia will

- initiate a broad-based dialogue with First Nations about gambling, touching on the themes and concerns identified above.
- proceed with the renegotiation of First Nation gambling agreements where they are due to expire.
- work proactively with First Nations to address the range of issues that affect the business climate for gaming in Nova Scotia.

HARNESS RACING

The harness racing industry makes significant contributions to the Nova Scotia economy, particularly in rural areas.

This is confirmed in a recently undertaken economic impact analysis completed by Canmac Economics Limited for the Nova Scotia Harness Racing Industry Association and released in September 2008. This study found that harness racing made the following contributions to the provincial economy in 2007:

- \$7.6 million in direct GDP increases and \$16.5 million in total GDP increases
- \$5.3 million in direct household income increases and \$10.9 million in total household income increases
- 181.3 person years in direct employment increases and 448.0 person years in total employment increases

These contributions are concentrated in Nova Scotia's rural areas.

The Nova Scotia Harness Racing Industry Association also reported that there is growing interest in harness racing and pointed out that the industry has a positive impact on tourism and the agricultural sector, which is experiencing considerable challenges.

Racers and horse racing aficionados travel from track to track, thereby having a positive impact on tourism.

Horse breeding and the development of trainers and riders is an export industry, one in which Nova Scotia has achieved considerable acclaim and recognition.

The harness racing sector is seeking additional financial assistance over the next five years to complete necessary infrastructure upgrades at the three race tracks in Nova Scotia.

In regard to harness racing, the Government of Nova Scotia

- will continue to work with the Nova Scotia Harness Racing Industry Association to support this rural industry.
- will *not* endorse the development of a Racino.

CHARITABLE GAMBLING

Charitable gambling revenues have an important impact on Nova Scotia's communities. These revenues are directed at assisting seniors, persons with disabilities, sport, and organizations such as volunteer fire departments.

Unfortunately, these revenues are in steep decline. The decline is primarily because of the decreasing popularity of traditional bingo, which is the mainstay of charitable gambling.

Charitable bingo operators identified the expansion of their younger adult player demographic as being pivotal to their future sustainability. In order to make this shift, bingo operators identified the need for the introduction of new technologies and business innovations that would attract younger players.

Charitable bingo operators also noted that some minor regulatory changes would serve to assist the industry and enhance its sustainability.

In regard to charitable gambling, the Government of Nova Scotia will

- work with charitable bingo operators to assess regulatory issues and the viability of introducing new technologies and business models in the charitable gambling sector as a means to enhance this sector's profitability and long-term viability.
- emulate approaches taken in other jurisdictions to develop a web-based resource that provides easily accessible information and assistance for individuals or organizations interested in staging charitable gambling operations.

OTHER ISSUES THAT CAME FORWARD DURING THE CONSULTATION

1. Enhanced Prevention and Treatment of Gambling Problems

Nine out of ten Nova Scotians with gambling problems are not seeking treatment for their addiction.

Stakeholders identified several key barriers to help-seeking by problem gamblers, including

- the stigma faced by individuals with gambling problems that prevents them from coming forward.
- lack of awareness that the expertise of addiction treatment services extends to treating individuals with gambling problems.

In regard to treatment and prevention services, the Government of Nova Scotia will

- work through the Department of Health and Wellness, in partnership with the district health authorities, to achieve the following:
 - Improve the quality, accessibility, and range of options to address risk and problem gambling, including through increasing accessibility for more isolated populations.
 - Establish stronger linkages between gambling treatment services and other health and community services.
 - Place greater emphasis on social marketing campaigns that dispel common myths about gambling, counter the stigmatization of problem gambling, highlight the full spectrum of potential future consequences (e.g., financial losses, mental health issues, relationship breakdowns) associated with problem gambling, make the community aware of behaviours indicative of problem gambling, and encourage earlier help-seeking or interventions by family and friends.

2. Gambling and Nova Scotia's Youth

Research indicates that Nova Scotian youth and young adults are at risk for developing gambling problems. This is a matter of on-going concern to many stakeholders consulted during the strategy development process.

In regard to youth gambling, the Government of Nova Scotia will

- work through the Department of Health and Wellness, in partnership with the district health authorities, to build on strategies and approaches aimed at increasing awareness of youth gambling and youth problem gambling and developing and implementing measures designed to mitigate the impacts on youth.

3. Gambling Marketing and Advertising

Many stakeholders were concerned with gambling advertising and marketing.

Upon further examination, the province has in place independently developed and externally reviewed regulated advertising standards that are reflective of current best practices for the advertising and marketing of gambling products and services.

Those involved in the gambling industry need to be sensitive to the issues of marketing and advertising and adhere to the *Nova Scotia Gaming Corporation Code of Advertising Standards*. These standards are reviewed and updated on an annual basis.

In regard to gambling marketing and advertising, the Government of Nova Scotia will

- Commit to continued periodic reviews of its *Code of Advertising Standards* by independent responsible gambling experts in order to ensure that the code remains current with the best practices.

APPENDIX A: TERMS OF REFERENCE

2011–2016 Responsible Gaming Strategy

Objective

- To renew the five-year Responsible Gaming Strategy for the years 2011–2016 to ensure provincial gaming objectives of economic sustainability and social responsibility continue to be met for the future.

Scope

- The 2011–2016 Responsible Gaming Strategy will examine the elements reviewed as part of the April 2005 Gaming Strategy including the business of gaming, prevention, treatment, research and the overall structure across government established to effectively govern and regulate these matters.
- Key areas of focus will include an assessment of the strategies undertaken as part of the April 2005 Gaming Strategy, including the pilot of a card-based player management tool.
- Other areas of focus will include the emerging area of internet gambling, governance and other government structures and additional areas as identified through the consultation process.

Development and Oversight Model

- Development of the Responsible Gaming Strategy will be managed by an experienced, independent Leader who has previously served in a senior leadership capacity in the public or private sector. The leader will be familiar with government policy development, be experienced in consulting with a wide range of stakeholders, and have an unbiased view of gaming and the gaming industry.
- An Advisory Committee of deputy ministers will provide input and advice on areas of focus.
- The Province, through its agencies, will provide administrative support to the Leader, to ensure the process is well-organized and completed in a timely manner.

Reporting Model

- The Leader will report to the Minister responsible for Part I of the *Gaming Control Act*.

APPENDIX B: STAKEHOLDER CONSULTATIONS

Stakeholder	Date(s)	Venue
<i>Assembly of Mi'kmaq Chiefs of Nova Scotia</i>	June 4, 2010	Membertou First Nation Sydney, Nova Scotia
<i>Lounge and Beverage Room Association of Nova Scotia</i>	June 8 & July 20, 2010	1785 Barrington Street Halifax, Nova Scotia
<i>Game Over VLTs</i>	June 9, 2010	1785 Barrington Street Halifax, Nova Scotia
<i>Great Canadian Gaming Corporation / Casino Nova Scotia</i>	June 16, 2010	Casino Halifax Halifax, Nova Scotia
<i>Nova Scotia Dept. of Health Promotion & Protection</i>	June 17 & July 7, 2010	1601 Lower Water Street Halifax, Nova Scotia
<i>Nova Scotia Harness Racing Industry Association</i>	June 25, 2010	Bedford, Nova Scotia
<i>District Health Authorities – Chief Executive Officers</i>	June 25, 2010	Victoria General Hospital Halifax, Nova Scotia
<i>Nova Scotia Gambling Awareness Foundation</i>	June 25, 2010	Advisory Council on the Status of Women Halifax, Nova Scotia
<i>Addiction Services – Annapolis Valley & South West</i>	July 5, 2010	Annapolis Valley Health Centre Kentville, Nova Scotia
<i>Addiction Services – Guysborough and Antigonish Strait, Cumberland County and Colchester / East Hants</i>	July 6, 2010	St. Martha's Regional Hospital Antigonish, Nova Scotia
<i>Addiction Services – Capital Health</i>	July 7, 2010	Nova Scotia Hospital Dartmouth, Nova Scotia
<i>Dooly's Inc.</i>	July 14, 2010	1785 Barrington Street Halifax, Nova Scotia
<i>Royal Canadian Legion – Nova Scotia / Nunavut Command</i>	July 14, 2010	Nova Scotia / Nunavut Command Dartmouth, Nova Scotia
<i>Alcohol and Gaming Division</i>	July 20, 2010	1785 Barrington Street Halifax, Nova Scotia
<i>Marsh, Joe</i>	July 27, 2010	Teleconference
<i>Nova Scotia Dept. of Agriculture</i>	July 27, 2010	1741 Brunswick Street Halifax, Nova Scotia
<i>Nova Scotia Dept. of Health</i>	July 30, 2010	1690 Hollis Street Halifax, Nova Scotia
<i>Nova Scotia Gaming Corporation</i>	Aug. 10, 2010	1785 Barrington Street Halifax, Nova Scotia

APPENDIX C: SUMMARY OF KEY DEVELOPMENTS

Summary of Key Developments in the Gaming Industry since 2005

2005

April	Nova Scotia releases its first Gaming Strategy. The Atlantic Lottery Corporation (ALC) introduces the first interactive games to its PlaySphere website. Great Britain passes The Gambling Act 2005, which legalizes and creates a regulatory regime for Internet gambling.
May 31	The Great Canadian Gaming Corporation (GCGC) acquires Metropolitan Entertainment Group and assumes ownership and control of the Halifax and Sydney casinos.
Jul. 1	The hours of operation for off-reserve VLTs in Nova Scotia are reduced, with all off-reserve machines required to shut down between midnight and closing.
August	ALC opens the Charlottetown Driving Park Entertainment Centre, which is now part of the Red Shores Racetrack and Casino complex.
Oct. 5	NSGC and CNS open a new Responsible Gambling Resource Centre at the Halifax casino.
Nov. 1	800 VLTs are removed from licensed off-reserve establishments throughout the province.

2006

Jan. 1	The province disables the stop button feature on all VLTs and reduces the speed of play by 30%.
June	GCGC nears completion of a \$22 million renovation to the Halifax and Sydney casinos.
Jun. 22	NSGC and CNS open a new Responsible Gambling Resource Centre at the Sydney casino.
August	NSGC and ALC launch <i>Support4Sport</i> , which brands existing scratch tickets, to provide a suite of lottery products where 100% of the profit is designated to support sports in Nova Scotia.
September	ALC introduces Hold 'em Poker to PlaySphere.
Sept. 29	NSGC introduces its first Social Responsibility Charter.
Sept. 30	The United States passes the Unlawful Internet Gambling Enforcement Act, which bans many forms of Internet gaming.
October	A CBC investigative report reveals that retailers in Ontario were winning the lottery more often than was statistically expected, raising significant questions about the security of lottery systems in Canada.
Oct. 3	NSGC hosts the first Youth Gambling Prevention Summit in Halifax.

2007

February	NSGC releases the findings of the research into its Informed Player Choice System (IPCS), which provides a suite of responsible gambling features for use with VLTs. ALC introduces Millionaire Life, a new special event lottery product.
Feb. 8	NSGC issues a request for proposals (RFP) for the development of a province-wide video lottery IPCS.

	ALC introduces iBingo and Pick'n Click games to PlaySphere.
May	Former Nova Scotia Department of Environment and Labour (now Labour and Workforce Development) awards a contract to Alberta-based Anielski Management Inc. to conduct a socio-economic study of gambling in Nova Scotia, to be completed in May 2008.
May 8	NSGC issues an RFP for a broad-scope review of lottery security issues arising from the discovery of greater-than-expected retailer lottery wins in Ontario.
June 27	KMPG wins RFP for review of lottery security issues.
September	Great Britain's The Gambling Act 2005 comes into force.
October	NSGC launches The Responsible Gambler social marketing campaign, a multimedia (television, radio, and print) campaign aimed at raising awareness about responsible gambling behaviour.
November	A report by Dr. Jeffery Rosenthal, retained by NSGC to analyze lottery retailer winnings in Nova Scotia, concludes that retailers in Nova Scotia, as in other Canadian jurisdictions, were winning more often than would be statistically expected.
Nov. 19	Cape Breton-based Techlink Entertainment is awarded the contract for the video lottery IPCS.

2008

—	NSGC launches <i>GamTalk</i> , the first national online peer-based gambling support service in Canada.
	NSGC launches the Mobile Access to Responsible Gambling Information (MARGI) in the Halifax and Sydney casinos.
Apr. 23	KMPG releases its report into lottery security in the Atlantic Provinces.
May 22	NSGC issues an RFP for the development of <i>BetStopper</i> , an Internet content-blocking utility intended to assist parents in filtering gaming websites from their children.
September	The province releases the final report of the 2008 Nova Scotia Adolescent Gambling Exploratory Research project.
Oct. 6	NSGC launches a responsible gambling website dedicated to providing the public and players with important information to make informed decisions and helping to prevent problems before they start.
Oct. 16	The province releases the results of the 2007 Adult Gambling Prevalence Study.

2009

Feb. 11	Sen. Jean-Marie Lapointe introduces Bill S-226, which would make it illegal to operate VLTs outside of casinos and racetracks.
March	NSGC begins field testing the video lottery IPCS developed by Techlink.
Mar. 2	NSGC and ALC introduce new Keno game in approximately 180 bars and restaurants throughout the province.
May	NSGC launches <i>BetStopper</i> , which is available free to Nova Scotian families. Several bills are introduced in the American Senate and House of Representatives which, if passed, would repeal the ban on Internet gaming and set up a regulatory framework for its operation and management.
June	The province receives the first full draft of the socio-economic study report from Anielski Management Inc., over a year after the target deadline.
Sept. 18	NSGC is awarded a Level Four certification by the World Lottery Association (WLA) for operating at the highest level of social responsibility standards. Nova Scotia is one of the first jurisdictions in the world to be certified at this level.

- Sept. 21 The province announces that it will exit Keno, effective October 22, as a result of the game’s failure to live up to revenue projections.
- Sept. 29 Bill S-226 survives a second reading and is referred to the Standing Senate Committee on Legal and Constitutional Affairs. The bill was not debated before the close of the session on December 30, 2009.
- Oct. 1 Amendments to the Atlantic Lottery Regulations provide for scrutiny of the payout of lottery tickets to retailers, requiring the registration of lottery equipment suppliers and approvals standards for new lottery products and ALC internal controls.

2010

- January The province terminates the contract with Anielski Management Inc.
- February ALC, Loto-Québec, and the British Columbia Lottery Corporation announce that they have signed a memorandum of understanding concerning the creation of a common electronic platform to support Internet gambling.
- Feb. 26 The Australian Productivity Commission tables a report before Parliament recommending that the country’s restrictions on Internet gaming be repealed and the country proceed with an agenda of “managed liberalization” of Internet gambling.
- March NSGC begins distributing Toolkits for legal and medical professionals who may deal with youth gambling problems.
- May New Brunswick opens its first casino in Moncton.
- May 11 The province launches the process for the development of the 2011 Responsible Gaming Strategy.
- July ALC attains Level IV certification from the WLA.
- Jul. 15 The B.C. government rolls out the first government-sanctioned online casino in North America on its PlayNow website.
- Jul. 31 The Techlink-developed IPCS, now renamed *My-Play*, is scheduled to be introduced into all VLTs in Nova Scotia.