LEADING TOGETHER

The evolution of responsible gambling in Canada

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Agenda

• Background: Gambling in Canada
• Responsible Gambling Framework
• The notion of “player sustainability”
• Video Lottery Terminals (VLTs)
• Internet gambling
• Branding RG
• Data analytics
• Voluntary Self-Exclusion
• RG Standards
• Leading together: collaboration across jurisdictions
GAMBLING IN CANADA

Background
Canada

*A Primer*

- Constitutional federation: – Federal government
  10 provinces/3 territories

- Federal government retains exclusive authority over criminal law matters (including gambling)

- Geography:
  – 2nd largest country, almost 10 million sq. km.
    (3.9 million sq. mi.)
  – 6 time zones

- Population: 35 million
Gambling in Canada

Overview

• Criminal Code of Canada (Federal)
  – Broad prohibitions against gaming and gaming-related activities
  – Legal forms of gambling authorized through specific exceptions within the Code

• Gaming business lawfully conducted primarily by only two groups:
  – Provincial Governments
  – Charitable/Religious Organizations licensed by a Province
Gambling in Canada

History

• Laws against gambling date back to enactment of Criminal Code in 1892
• Historical development throughout early-mid 20th century legalizing certain forms of gaming – (e.g.) horserace betting, select games at fairs/exhibitions
• 1969 – Federal and provincial governments allowed to conduct lotteries, expansion of charitable gambling under a provincial licence
• 1985 – Provinces delegated exclusive authority over the “conduct and management” of lotteries and “lottery schemes”
Gambling in Canada

Current Status

• Permitted forms of gambling as a business:
  – Lottery schemes by Provincial Governments
  – Lottery schemes by charitable/religious organizations
    • Pursuant to a licence issued by provincial authority
    • Proceeds for charitable/religious purpose
  – Other forms of legal gambling:
    • By a board of a fair/exhibition
    • Pari-mutuel wagering on horse racing (joint federal provincial regulation)
    • Private bets between individuals
Gambling in Canada

Current Status

• Provinces must maintain “conduct & management” of:
  – Gaming operated through a computer, video device
    or slot machine (“electronic gaming”);

• In practise, achieved through:
  – Direct delivery (operation of venues), or
  – Direct oversight of third parties (First Nation/Indian
    operators and/or other private operators)
Gambling in Canada

Current Status

• “Conduct and management” requires being the “operating mind” of the enterprise, which may include oversight of:
  – Finance
  – Operations
  – Broad policy
  – Responsible gaming
Gambling in Canada

Main Types

• Lottery
  – Five regional lottery organizations
  – Two national games: Lotto 649 and Lotto Max
  – Variety of regional games including ticket lottery, scratch tickets, Keno, sports products

• But for this discussion, we’ll focus on:
  – Traditional land-based casinos
  – VLTs
  – Internet
Gambling in Canada

Main Types

Casinos
• Approximately 75 sites
• Individual provinces: from 0 to 36 sites
• Most include player card loyalty programs
Gambling in Canada

*Main Types*

Video Lottery Terminals (VLTs) (“pokies”)
- Form of electronic gaming machine (EGM);
- Available in 8 provinces (exc. Ontario and BC)
Gambling in Canada

Main Types

Internet

• Varying types of legal internet gambling available in British Columbia, Manitoba, Quebec, New Brunswick, Nova Scotia, PEI and Newfoundland
RG in Canada

• Virtually all Canadian jurisdictions approach to RG evolves from:
  – Imposed legislation/regulation
  – Public policy perspective:
    Obligation to manage in way that will mitigate social harms
  – Sensitivity to social license required to operate
  – Or some combination of the above
• Typically RG areas include:
  – Advertising/marketing restrictions
  – Mandatory training
  – Self-exclusion program
  – Help Lines and access to free counselling
Framework for RG

The Reno Model* Principles

1. Commitment to reducing incidence (and ultimately the prevalence) of gambling–related harm;
2. Key stakeholders work collaboratively to inform and evaluate public policies
3. Key stakeholders will identify priorities and create action plans with recognized time frames
4. Public policies will be guided by scientific research; industry will use research to create policies and programs
5. Action plans will be monitored and evaluated using scientific methods.

The Reno Model

Assumptions underlying RG strategies

1. Safe levels of gambling participation are possible
2. Gambling provides a level of recreational, social and economic benefits to individuals and the community
3. A proportion of participants, family, others can suffer significant harm as a consequence of excessive gambling
4. Total social benefits of gambling must exceed total social costs
5. Abstinence is a viable and important, but not necessarily essential, goal for individual with gambling-related harm
6. For some who have developed gambling-related harm, controlled participation and a return to safe levels of play represents an achievable goal.
The Reno Model

Choice and Informed Choice

- The ultimate decision to gamble resides with the individual and represents a choice
- To properly make this decision, individuals must have the opportunity to be informed
Evolution of RG

<table>
<thead>
<tr>
<th>Passive</th>
<th>Engaged</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problem gambling awareness</td>
<td>Prevention Education</td>
</tr>
<tr>
<td>Posters</td>
<td>Interactive kiosks</td>
</tr>
<tr>
<td>Brochures</td>
<td>Educational videos</td>
</tr>
<tr>
<td>Signage</td>
<td>Player involvement activities</td>
</tr>
<tr>
<td>Contests and giveaways</td>
<td>Promotional events</td>
</tr>
</tbody>
</table>

LEADING TOGETHER
Responsible Gambling

Information Centres

• RGICs originated in Winnipeg, Man in 2002, with initial expectations focused on providing problem gambling response and treatment referral

• Idea quickly expanded to include nearly all casino gaming facilities in Canada

• Major facilities staffed and incorporate much broader mandates:
  – Player-focused promotional programming (75%)
  – Gaming staff resource, RG training (15%)
  – Support for Self-Exclusion enrolment and critical incidents (10%)

• Smaller facilities host self-serve centres supported by technologies like interactive kiosks
Responsible Play

Information Centres

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The notion of PLAYER SUSTAINABILITY
OLG Customer Vision

The Sustainable Player

PREVENTION
Informed Choice

OLG works to:
• Educate on myths & facts
• Habitualize safe play habits

ULTIMATE OBJECTIVE:
Reduce incidence of problem gambling cases developing

SUSTAINABLE PLAYER

Gambles problem-free throughout life
Makes informed choice based on knowledge of facts, own play habits
Includes casual, social, regular player profiles

MITIGATION
Bridge to Help

OLG staff work to:
• Interact with players showing red-flag behaviour signs
• Refer to free counselling
• Voluntary Self-Exclusion

ULTIMATE OBJECTIVE:
Reduce harm

SUSTAINABLE PLAYER
What’s Needed

**RG as Player Experience**

**TOOL**
- Account-based play
- Risk assessment algorithms
- Limit setting tools
- Self Assessments

**IMPACT**
- Inform polices: e.g. Marketing, Player Interactions
- Personalized, direct player communication

RG must be integrated with marketing communications
# Building Value for Players

Average Play data – all participants:
Pre and Post Promo Play

<table>
<thead>
<tr>
<th>Category</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Days played</td>
<td>-5%</td>
</tr>
<tr>
<td>Avg. Visit Duration</td>
<td>-1.7%</td>
</tr>
<tr>
<td>Avg. Session Count</td>
<td>-0.8%</td>
</tr>
<tr>
<td>Avg. Coin in $</td>
<td>0.2%</td>
</tr>
<tr>
<td>Avg. House Net Win $</td>
<td>6.1%</td>
</tr>
<tr>
<td>Avg. Handle Pulls</td>
<td>-0.7%</td>
</tr>
</tbody>
</table>
VLT’S and INTERNET GAMBLING
Video Lottery Terminals

VLT’s, Pokies.

- Widely dispersed (usually in drinking establishments); RG a significant challenge
- Historical RG: voluntary time setting, play in $$ instead of credits, on-screen clock, promotional material
- Several provinces modernizing terminals and central operating system -- greater flexibility to incorporate RG features:
  - Development of educational video
  - Voluntary player pre-commitment tools (time and money)
  - More informed decision making
- Nova Scotia’s MyPlay
  - Mandatory card-based play management system
  - Access to personal account and responsible gaming features including:
    - Play history report
    - Current session feedback
    - Limited setting
    - Timeouts.
## INTERNET

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>ALC, BCLC launch internet sports lottery product sales</td>
</tr>
<tr>
<td></td>
<td>Product offerings broaden to include lottery, interactives, and bingo</td>
</tr>
<tr>
<td>2010</td>
<td>BCLC launches internet casino games (PlayNow.com)</td>
</tr>
<tr>
<td></td>
<td>LQ launches poker (Espacejeux)</td>
</tr>
<tr>
<td>2011</td>
<td>BCLC joins Canadian Poker Network, launches poker</td>
</tr>
<tr>
<td>2013</td>
<td>MLC launches PlayNow.com</td>
</tr>
<tr>
<td>Late 2013</td>
<td>OLG to launch PlayOLG.ca</td>
</tr>
</tbody>
</table>
Internet Gambling

• Typical RG features include:
  – Weekly wallet limit set by player
  – Pre-commitment tools (time/money)
  – Self-exclusion
  – Responsible play information/tips
  – Self-evaluation tools
  – Links to problem gambling help resources
  – Play history and current session information
  – Session reminder pop-ups

• Prominence and ability to gain direct access varies greatly by site

• Challenge: How to deliver high level of commitment to responsible gambling, yet remain competitive with unregulated players.

• Standards in development (more on this later)
BRANDING RESPONSIBLE GAMBLING
Background

- Research indicated that despite investment, many players:
  - don’t know what’s being done or have appreciation for investment
  - equate responsible gambling with “problem gambling”
  - see responsible gambling information being good for everyone, but not THEM.

Conclusion

*the term “responsible gambling” is itself problematic except in context of problem gambling information/referral*
Background

*When people hear “responsible gambling” they think:*

- Invisible
- Boring
- Conservative
- Impersonal
- Overbearing
- Authoritarian
# Background

<table>
<thead>
<tr>
<th>What people think when they hear “responsible gambling”</th>
<th>What we’d like them to think</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invisible</td>
<td>Friendly</td>
</tr>
<tr>
<td>Boring</td>
<td>Supportive</td>
</tr>
<tr>
<td>Conservative</td>
<td>Approachable</td>
</tr>
<tr>
<td>Impersonal</td>
<td>Knowledgeable</td>
</tr>
<tr>
<td>Overbearing</td>
<td>Credible</td>
</tr>
<tr>
<td>Authoritarian</td>
<td></td>
</tr>
</tbody>
</table>
RG Background

- In 2009 BCLC introduced GameSense
- Separates concepts related to responsible gambling (education/prevention) from problem gambling
- Stigma significantly diminished
- Tone: conversational, friendly
- Personality: approachable
  - Engaging/humourous
  - Serious when that’s required
- Look and feel common across wide variety of programming and communication elements
RG Background
RG Background

Results

- Public awareness of both prevention programming and PG treatment services has been increasing
- Player interactions increasing
- Service providers have become strong endorsers; gaming staff more interested

![Player Interactions Graph]

- 2012: 43,828
- 2011: 42,301
- 2010: 34,898
- 2009: 17,458

Thousands
DATA ANALYTICS
Game Change

RG Data can impact behaviour

Informed Choice

• Based on individual’s actual behaviour
• Tells story, builds a profile over time
• Can better affect player behaviour and minimize harm
Internet Gaming

RG Integration

RG at core of player experience

Support
Site Design
Game Design
Feedback
Data
Education
Tools
Internet Gaming

Stakeholder Input

Planning, Research & Stakeholder Engagement

- Literature Review & Benchmark
- Player & Public Research
- Consultation Paper to specialist stakeholders
- Roundtable discussions
- Final consultation paper
- Recommendations built into RG requirements
- RG requirements part of RFP process
# Internet Gaming

## Building Solutions

### RG Playbook

- Guides implementation of RG for iGaming
- Policies, procedures, processes, use cases, roles & responsibilities, KPIs, risk management
- Will evolve with experience

### Operating Policies

1. Self-Exclusion
2. Marketing & Advertising
3. Informed Decision-Making
4. Assistance to Players
5. Responsible Game & Site Design
6. Employee Engagement
7. Underage Play
VOLUNTARY SELF-EXCLUSION
# Self-Exclusion

## Continuous Improvement

### Recommendation

1. Supplement current “enforcement” model of SE with greater supports
2. Replace One-Size-Fits-All Approach – more flexibility
3. Clarify role of the operator: address expectation of self-excluders
4. Expand registration access points
5. Specific SE training for all staff
6. Provision of Take-Home Material
7. Follow-up contact to encourage referral take-up etc.
8. De-activate loyalty program for self-excluder
9. Encourage up-take of counseling
10. Variable ban length from 6 month to lifetime
11. Enhance Detection of self-excluders reentering premise

### OLG Action

- New RGC role in SE, Enhanced communications, Improved staff training
- New terms for ban length (“indefinite” or 6 months or 1 year)
- Off-site registration now available
- SE form is explicit and clear
- Greater communications on SE (brochure, stakeholder outreach)
- Off site registrations
- Developing a proposal for SE training for security staff
- Brochure written, distributed
- RGRC staff play this new role
- Winner Circle card de-activated
- RGRC staff enhance efforts, Security staff hand out brochure
- 3 options are available: 6 months, 1 year, indefinite
- Facial recognition
## Self-Exclusion

### Continuous Improvement

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>OLG Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>12. Classify/flag patrons most likely to breach</td>
<td>In progress</td>
</tr>
<tr>
<td>13. Automate the database</td>
<td>Database is live</td>
</tr>
<tr>
<td>14. Use risk-management tool to flag high-risk self-excluders on database</td>
<td>In progress</td>
</tr>
<tr>
<td>15. Establish escalating protocol for multiple breaches</td>
<td>In new policies and procedures</td>
</tr>
<tr>
<td>16. Forfeiture of Winnings – winnings should be kept in trust funds</td>
<td>In progress – to be implemented when regulation is available</td>
</tr>
<tr>
<td>17. Ban Renewal – proactive outreach at end of the ban period</td>
<td>RGRC staff part of reinstatement meeting</td>
</tr>
<tr>
<td>18. Active reinstatement – interview process</td>
<td>RGRC staff will be part of reinstatement meeting</td>
</tr>
<tr>
<td>19. Make SE available to non-casino venues (lotteries, bingo)</td>
<td>In progress</td>
</tr>
<tr>
<td>20. Build awareness of SE</td>
<td>Brochure to be distributed widely, outreach to treatment, bankruptcy trustees</td>
</tr>
<tr>
<td>21. Enhance Staff Training</td>
<td>Enhanced training for staff with guidelines on situations to suggest SE to players</td>
</tr>
<tr>
<td>22. Consider additional regulatory oversight (e.g. fines for operators)</td>
<td>AGCO is implementing regulatory program for RG program, including SE</td>
</tr>
</tbody>
</table>
## Self-Exclusion

### Detection Requirements

Decision to implement FR required the following criteria:

<table>
<thead>
<tr>
<th>SYSTEM PERFORMANCE</th>
<th>RESPECT FOR PRIVACY</th>
<th>EASE OF OPERATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Sufficient “true hit” rate</td>
<td>• “Privacy by design” approach</td>
<td>• Security officers use terminals at podium</td>
</tr>
<tr>
<td>• Acceptable “false positive” rate</td>
<td>• Protection of images/data to exceed industry standards</td>
<td>• System allows officers to review images that appear with a “hit”, in order to “make call”</td>
</tr>
<tr>
<td>• Defensible cost</td>
<td>• Images of non-self-excluders had to be deleted</td>
<td>• Operate seamlessly with surveillance systems</td>
</tr>
</tbody>
</table>
Proving Concept

Facial Recognition

- Measured approach to developing the system
- Privacy by Design
- Used staff control groups to measure system performance
- Lighting and pose are key to facial recognition success
- Field trial at Woodbine to validate system performance
- Rollout to all sites
Other Detection Measures

- Older versions of facial recognition have not proven to be as effective; testing new 3D process, early results promising
- Launched License Plate Recognition (LPR) with excellent results
- Disentitlement of winnings
- Age-related ID check
RESPONSIBLE GAMBLING STANDARDS
Existing Standards

• WLA RG Framework
• RG Check
• Canadian Industry National Standards Framework
National Standards

Vision

For Canadian ‘conduct & manage’ operators to lead industry participation in the global evolution of RG standards, across the types of gambling offered by its members
National Standards

Phases

When complete, the framework will:

- Express common elements upon which the RGSC agrees:
  - Statements of risks
  - Basic and enhanced standards statements
  - Control activities that might include:
    - program areas & initiatives
    - processes for verification or assessment
    - metrics beyond the “core” set upon which ILC-RGSC agrees
- Maintain an active inventory of program elements, and would function as a place to deliberate control activities
National Standards

Phases

Multiple phases focus on common elements of members’ RG programs:

1. Voluntary Self-Exclusion (VSE) Standard
2. RG Tool Requirements Standards
3. Employee Engagement Standard
4. Player/Public Education Standard
5. Research Standard
6. Marketing Communications Standard
7. Stakeholder Relations Standard
National Standards

Progress-to-Date

• Creation of vision, objectives, key work plan elements
• Risk and standard statements definitions
• Review and analysis of 15 internationally respected CSR standards
• Review and analysis of existing RG standards developed by third parties, other jurisdictions and industries
• Development of draft risks, standards and control activities for:
  – Voluntary Self-Exclusion
  – Employee Training
Leading Together

Collaboration Across Jurisdictions
Gaming in Canada

Challenges

- Structure created by the Criminal Code creates challenges:
  - Each provincial government has its own gaming “conduct and management” agency (or agencies)
  - Each provincial framework differs
Gaming in Canada

Challenges

Cooperative efforts between provinces are voluntary:

– Only long-standing, formalized inter-provincial relationship is through the Interprovincial Lottery Corporation (ILC) to sell ticket lottery products – includes all provinces

– Coordinated responsible gambling initiatives can be difficult to implement. No requirement for provinces to work together or to achieve the same standards.
Responsible Gambling

in Canada

• Public Health mandate/recognition has grown considerably over the past 10-12 years

• Increased public demand for, and recognition of, sustainability – players and business

• All jurisdictions have implemented responsible gambling programs that focus on awareness, prevention, research and treatment
Responsible Gambling in Canada

- Challenges of developing and implementing coordinated national responsible gambling initiatives
  - Dispersed locations
  - Multiple oversight authorities and operators
  - Local focus on issues and opportunities
  - Lack of collaboration can (and has!) result in duplication of effort, inconsistent programming approaches.
Responsible Gambling

Collaboration

• Canadian Partnership for Responsible Gambling (CPRG):
  – 2002: First exercise to formalize collaboration
  – Approx 15 members
  – “conduct and management” authorities, regulators, prevention and awareness providers, treatment providers
  – Diverse group – some challenges finding common focus
  – www.cprg.ca
Responsible Gambling

Collaboration

• ILC Responsible Gambling Sub-Committee (2010)
  – Exclusively “conduct and management” agencies; includes all
  – Senior representation from each organization

• National responsible gambling strategy
  – Identifies opportunities in the areas of:
    • Communication to players and public;
    • Research;
    • Gaming staff training; and,
    • Program design and development.
Collaboration

• Benefits to inter-jurisdictional collaboration:
  – Exposure and access to a network of best practices
  – Credibility for provincial and national initiatives
  – Informed policy development
  – Managed pace of adopting new practices
  – Understanding of national and global RG trends
  – Advancing common interests including standardizing
  – RG approaches to emerging technologies
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