

OLG Modernization Plan:  
Presentation to the  
Town of Collingwood  
Town of Wasaga Beach  
Clearview Township  
Township of Springwater

October 16, 2012



# OLG Background

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- OLG is the steward for gambling entertainment in Ontario
- OLG's purpose is four-fold:

Promote responsible  
gambling

Enhance Ontario's  
economic  
development

Generate revenues  
for the Province

Ensure the  
public good

# OLG Background

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- OLG is an agency created by the Government of Ontario
- OLG and its affiliates employ 18,000 people at gaming sites and corporate offices across Ontario
- OLG oversees or directly operates 24 gaming sites in places such as Brantford, London, Milton, Windsor and Ajax.
- Over the last seven years, OLG contributed between \$1.7 and \$2.0 billion annually to the Province
- OLG contributes over \$40 million annually to Ontario's problem gambling strategy

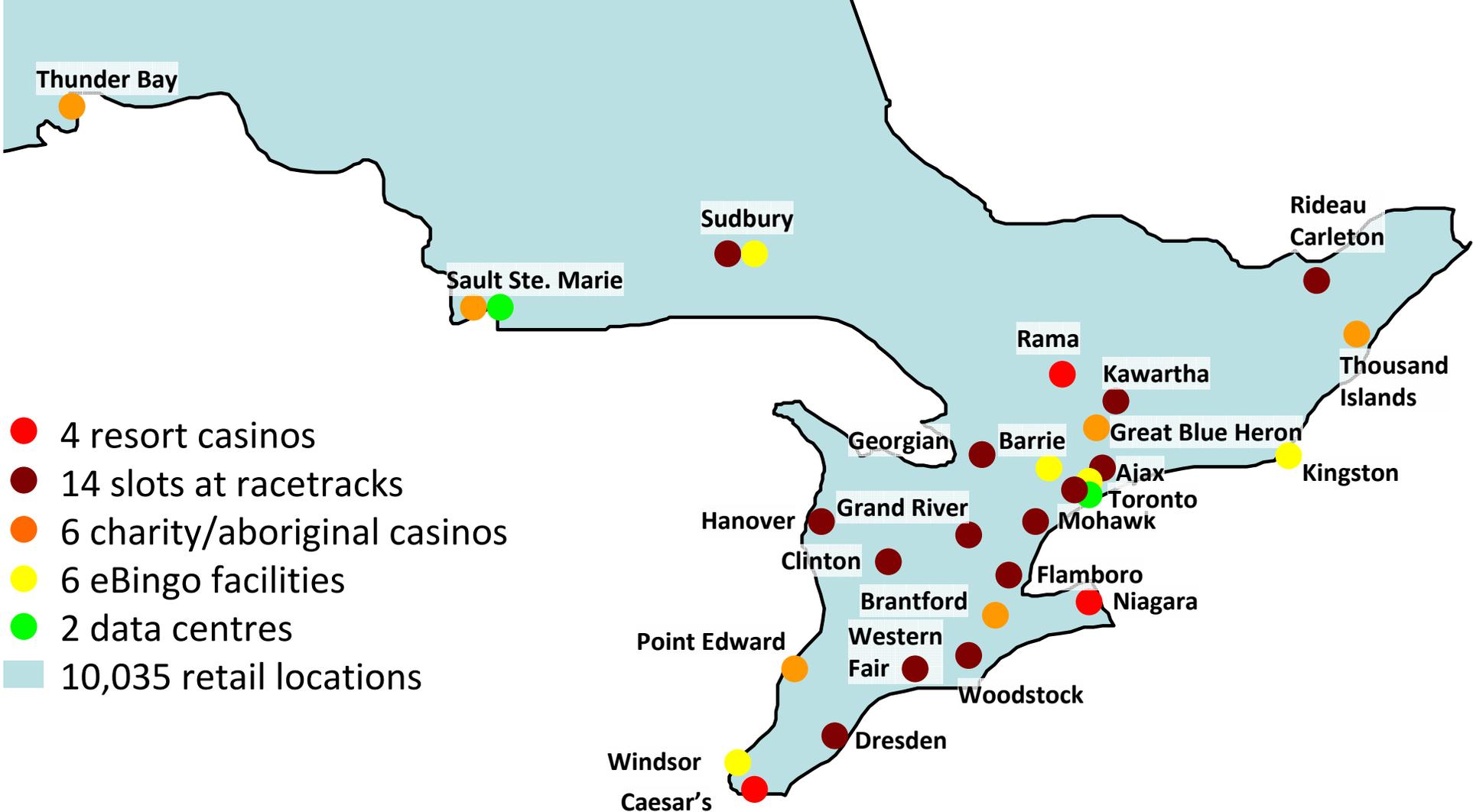
# Lottery and Gaming in Ontario

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Lottery and gaming have been a part of Ontario's entertainment and tourism industries for decades

- Wintario began in 1975
- Ontario's first casino was opened in Windsor in 1994
- Slots-At-Racetracks were launched in 1998

# Current Gaming Sites in Ontario



- 4 resort casinos
- 14 slots at racetracks
- 6 charity/aboriginal casinos
- 6 eBingo facilities
- 2 data centres
- 10,035 retail locations

# Ontario Mayors on Hosting a Gaming Site

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“Its an immense relationship based on not only on the financial aspects but more importantly growing and making sure our city is a very dynamic city.”

*Joe Fontana, Mayor of London*

“It’s exceeded our expectations. The dollars we have received have gone back into projects to develop. Now we have completely revitalized our downtown 100%.”

*Chris Friel, Mayor of Brantford*

“The operation is an asset for the city. Clean well run operation so it reflects well on the city. Its been a win-win situation since the beginning of the operation.”

*Bob Brantina, Mayor of Hamilton*

“We’ve had a very strong relationship with OLG. The people have seen directly that this is not only a job creator, its an economic benefit for them and gets right to the bottom line of the financial viability of their municipality and the quality of life in their municipality.”

*Steve Parish, Mayor of Ajax*

# Modernizing Gaming in Ontario

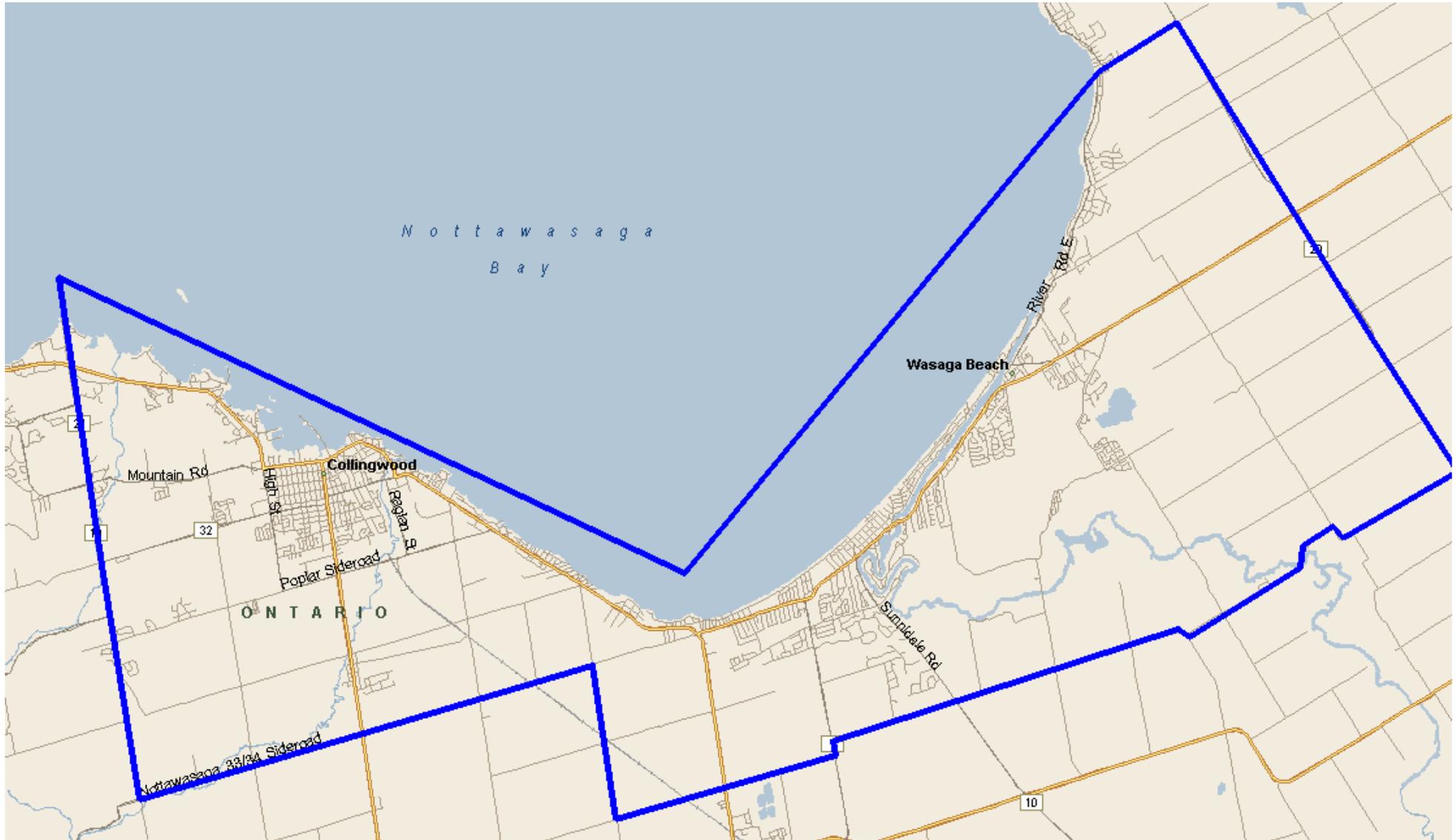
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OLG is currently implementing a plan to modernize its lottery and gaming operations to:

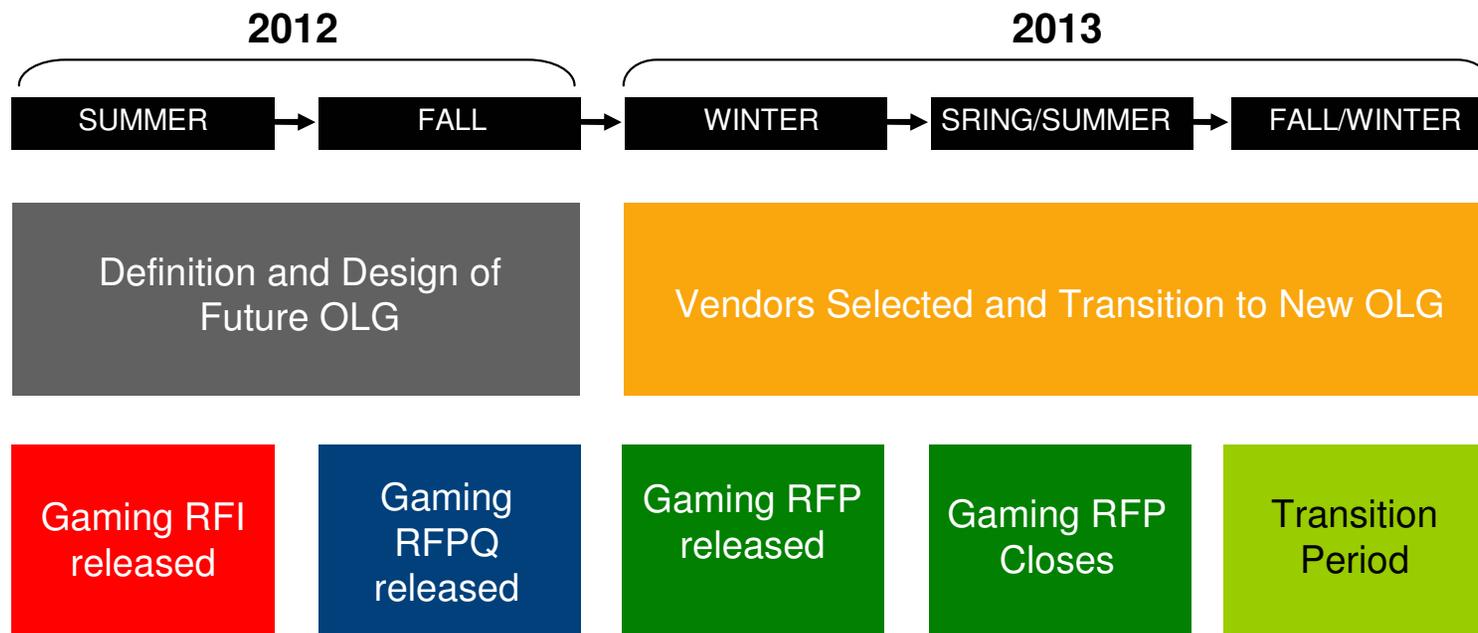
1. Become more customer focused
2. Expand regulated private sector delivery of lottery and gaming
3. Renew OLG's role in oversight of lottery and gaming

# Zone C7 in Simcoe County

Includes: Collingwood, Wasaga Beach, Clearview, Springwater



# Critical Procurement Milestones



# Proposed Gaming Zone: Zone C7

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- Allowed range of slot machines: Up to 300
  - As a comparison:
    - OLG Slots at Hanover Raceway has 131 slot machines
    - OLG Slots at Clinton Raceway has 123 slot machines
    - OLG Slots at Dresden Raceway has 116 slot machines
  
- Allowed range of table games: TBD

# Potential Revenue to Community

- OLG pays a portion of its slot revenue to host communities
- As an example of how a municipality in Zone C7 might benefit from hosting a gaming site, OLG Slots at Hanover can be used as a comparator

## Town of Hanover Benefit Summary (Life-to-date from February 2001)

SOURCE	BENEFIT TO COMMUNITY
Wages and benefits to gaming employees	\$ 41.5 million
Host municipalities' share of slot revenue (5% – 2%)	\$ 9.7 million
Purchases from local and regional vendors	\$ 4.4 million
OLG corporate sponsorship for local community events	\$ 186,877

# Potential Revenue to Community

- As another example of how a municipality in Zone C7 might benefit from hosting a gaming site, OLG Slots at Clinton can be used as a comparator

## Municipality of Central Huron Benefit Summary (Life-to-date from August 2000)

SOURCE	BENEFIT TO COMMUNITY
Wages and benefits to gaming employees	\$ 39.4 million
Host municipalities' share of slot revenue (5% – 2%)	\$ 6.8 million
Purchases from local and regional vendors	\$ 4.3 million
OLG corporate sponsorship for local community events	\$ 162,038

# Potential Revenue to Community

- As another example of how a municipality in Zone C7 might benefit from hosting a gaming site, OLG Slots at Dresden can be used as a comparator

## Municipality of Chatham-Kent Benefit Summary (Life-to-date from April 2001)

SOURCE	BENEFIT TO COMMUNITY
Wages and benefits to gaming employees	\$ 39.3 million
Host municipalities' share of slot revenue (5% – 2%)	\$ 6.6 million
Purchases from local and regional vendors	\$ 0.2 million
OLG corporate sponsorship for local community events	\$ 132,997

# Requirements for Establishing a New Gaming Site

- Before OLG can establish a new gaming site in a municipality, the municipality must first do several things:

REQUIREMENT	WHAT IT MEANS
Seek public input on the establishment of a gaming site	<ul style="list-style-type: none"><li>■ The municipality must ask the public what it thinks of establishing a gaming site in the community.</li><li>■ This is a requirement under legal regulation.</li></ul>
Pass a resolution supporting the establishment of the gaming site	<ul style="list-style-type: none"><li>■ OLG will not establish a new gaming site within a community without clear municipal approval and support</li><li>■ This is a requirement under legal regulation</li></ul>
Get zoning approval for a gaming site	<ul style="list-style-type: none"><li>■ Municipalities may want to zone to allow for various amenities at a gaming site such as slots, table games, entertainment venue, hotel, etc.</li></ul>
Enter into a host municipal funding agreement with OLG	<ul style="list-style-type: none"><li>■ OLG pays a portion of revenues from its gaming sites to the municipalities that host them.</li><li>■ The Mayor and City Council must endorse this base funding model agreement</li></ul>

# Host Funding Model

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- OLG pays a portion of revenues from its gaming sites to the municipalities that host them.
- Before OLG can establish a new gaming site in a municipality, the municipality must endorse the Municipality Contribution Agreement, which outlines the base funding model:
  - 5.25% for the 1st \$65 million of net Slot Revenue; plus
  - 3.00% on the next \$135 million of net Slot Revenue; plus
  - 2.50% on the next \$300 million of net Slot Revenue; plus
  - 0.50% on the remainder of net Slot Revenue.

# Responsible Gambling in Ontario

## OLG POSITION

We don't want problem gamblers playing our games -  
Responsible Gambling is a top business priority

Responsible Gambling (RG) has grown up dramatically since gambling expansion of 1990s:

- Ontario now has one the best Responsible Gambling structures in the world
- OLG's role is now well defined. Strong supports will be part of the plan.
- OLG designs and delivers RG program with independent agencies
- No new forms of gambling are being introduced, and Ontario's population is experienced with lottery and slots/casino gambling:
  - Dramatic increase in problem gambling cases are unlikely – this would not be anticipated if, for example, VLTs were being introduced

# OLG Strategy: To Prevent and Mitigate Effects of Problem Gambling

*Operator's role is defined by points of contact with players: staff interactions, marketing, data*



**Evolution of Responsible Gambling: 2 decades of government-sponsored gambling has generated:**

- RG field informed by research, supported by clinicians, researchers, prevention specialists
- Gambling operators with defined RG role that is integrated with experts to commonly support gamblers

# Responsible Gambling Plan to Support Modernization

Extend comprehensive OLG supports and counseling services commensurate with Plan, including:

- All operators will be required to adhere to rigorous external standards/controls (AGCO regulation, “RG Check” from RG Council)
- Support CAMH with new world-leading suite of internet counselling through heavy OLG promotion
- Free gambling/credit counselling in every community with a gaming site
- Leading new technology will make time/money limits part of slot machines, driven by data analysis of play patterns
- Training to teach and reinforce staff to respond to red-flag signs
- Integration of OLG efforts with independent services: RG Centres at all gaming sites, off-site Self-Exclusion with counsellors across 20 offices

OLG designs and delivers its RG program with provincially funded specialist agencies, and will devise a detailed initiatives with these groups to support Optimization Plan

# Education is Customized by Touch-point

## Resource Centres



- At all gaming sites
- 8 staffed centres at sites with 60% of all OLG visits
- Support Self-Exclusion

## Employees

- Address myths
- Suggest breaks
- Observe fatigue
- Counselling, Self-Exclusion



## Interactive Tools



Cost of Play Calculator.  
[Calculate Now](#)



Can You Beat the Odds?  
[Play Pick a Card Now](#)



What's Your Gambling IQ?  
[Take the Quiz](#)



The Slot Machine: What Every Player Needs to Know  
[Watch the Video](#)

- MARGI kiosks-gaming floor
- [knowyourlimit.ca](http://knowyourlimit.ca) tools
- *It-Pays-to-Know* kiosks

## Lottery



**158,376** interactions in 2012

**Hundreds** of daily interactions

**47,265** MARGI players in 2012

**5.3M** Lotto callers heard message, 2012

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# Questions and Answers