

**GAMBLING WATCH NETWORK – ONTARIO – MAY 2002 OSUM CONFERENCE
UPDATE – GAMBLING POLICY AND SLOT MACHINE EXPANSION**

RACETRACK LOCATION FOCUS INCLUDED

DATE: May 2002

TO: OSUM Conference Participants
"Striking the Balance"

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New website: www.gamblingwatch.ca
NOTE: GWN-O 6 POINT PLAN – appendix page

Dear Conference Participants and Interested Persons:

CONTENTS

BACKGROUND INFORMATION UPDATE FOR YOUR ASSISTANCE

1. Ontario gambling policy issues and concerns.
2. Ontario slot machine expansion issues and concerns – racetrack issues included.

Note: Items marked '+' can be mailed to you. Items marked '*' are available to you from our central e-mail contact at gamblingwatch@skynet.ca.

The following are summary points only. Additional policy concerns apply.

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INTRODUCTION

- a) There has been a very significant expansion of rapid electronic gambling locally into Ontario communities over the past two years. To date, this includes reel, and now video slots. Long-term citizen impacts have **not** been monitored, as yet. This has been a **fundamental shift in terms of local access to slot machines**.

Please be aware that in 12 racetrack locations, arrangements occurred that resulted in – **rarely** used – 13 Provincial Ministerial Zoning Orders issued for a total of thousands of slots at these tracks (approximately 8,600 slots). These orders in many cases precluded local choice or prior debate / education, public consultation. This is an apparent unprecedented issuance of ministerial orders – especially in organized municipalities.

OHRIA had passed an October 1998 unanimous Board decision to lobby the Provincial Government to issue Provincial Zoning Orders at all 18 tracks.

The Ontario Harness Horse Association was subsidizing tracks that did not have slot zoning by March 31, 2001. They could have chosen to make a decision to continue this industry sharing program. A formal GWN/O request (with rationale) asking OHHA to continue 'pooling' was sent August, 2001.

- b) **Ontario is now in a formal Provincial Government gambling moratorium – a pause – instituted June 2000.** However, this is for expanded "gaming facilities" only. **There has been no public announcement that the moratorium will be lifted by Government**, either for tracks without slots, or for new track/slot

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INTRODUCTION *(continued)*

locations and/or charity casinos. However, track slot holds could have been lifted by Spring of 2002. The reality is that, to date, the public is not informed.

SUMMARY POINTS

Here is baseline data to use as a starting point. All data can be substantiated, as you may request:

1. **Councils that sign Slot Revenue Sharing Agreements with the Ontario Lottery and Gaming Corporation will be agreeing to the following points:**
 - i) “whereas” clauses that include, in part, this slot installation is... “in the public good...”;
 - ii) no local termination clause option;
 - iii) obligation to pay for any additional policing out of the 5%;
 - iv) no guarantee on future machine numbers or type (new video slots are game-style, increasing the risk of the illusion of skill; no public approval was required);
 - v) no reference to funding for Impact Studies in Racetrack agreements;
 - vi) appearance of “forever” agreements, with no local dismantling options if future problems arise; and
 - vii) awareness that this can be a 24 hour, 7 day per week, 365 day per year operation.

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SUMMARY POINTS *(continued)*

2. **A priority concern is the delay in a (multi-faceted) Ontario-wide Problem Gambling Public Awareness Campaign / PAC.** This was originally packaged and ready to go in September 2000. The dissemination of this information has not yet happened. The initial step has not included planned multiple media education and prevention messages. *GWNO documentation on this issue had been forwarded to the Ministry in charge of gambling (then under Min. Hudak), and prior to the Ministries of Health, Education plus Children's Services. All Medical Officers of Health, and the Chief Medical Officer of Health of Ontario also received formal input.*

3. **The Annual Report of the Ontario Problem Gambling Helpline (OPGH) for 2000 and 2001** can be received by calling 519-439-0174. Two facts from this Report worth noting:
 - a. "During 2000 and 2001 fiscal year, the OPGH received 6,212 calls, an increase of 36% from the previous year"; and
 - b. "slot machines were the most frequently cited gambling activity of callers to the Helpline in the past year (42.5%)".

The pattern of calls to the Helpline relating to concerns with slot machines continue to represent the greatest problem across all Ontario Health Care Planning Regions into 2002.

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SUMMARY POINTS *(continued)*

4. **“Revenues” referred to from slot machines actually represent collective citizen losses.** The breakdown for every dollar left behind in a slot machine at tracks is:
 - i) Ontario Lottery and Gaming Corporation - 75¢ (2¢ to problem gambling)
 - ii) Racetrack Operator - 10¢
 - iii) Horse People - 10¢
 - iv) Municipality - 5¢

5. The Ontario Provincial Government is aware that **slot operations at tracks and “charity” casinos have a primary market that is “local”**. +From the Government’s own May 2000 Report done by KPMG Accountants: “The primary trade area generally includes “local” population (i.e. within a 30-minute drive time...)”... and, “secondary markets were also identified (i.e. within 1 and 1 ½ hour’s drive time)”. +These are **not** tourist-based style casinos, nor are the majority in border locations. Long-term impacts will be largely local and regional.

6. The government **documented plans to carry out long-term Impact Studies of ...”Social and Economic Impacts on Communities Exposed to Increased Gambling Opportunities” in racetrack regions** (+RFP #98-025, August 1998), **were never instituted**. Therefore, **completed** study data from local and “feeder” regions of racetrack slot locations is **not** yet available. This impact data is needed for planning in the future public interest.

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SUMMARY POINTS *(continued)*

7. Local parents, the general public, and those working with youth are largely **unaware of known extensive Canadian and global research indicating existing problem gambling levels among adolescents and youth** (2 to 4 times the levels of the general adult population). *You can ask for our one page “Youth Appendix” page with web sites and contacts listed.* Gambling awareness is **not** yet a required part of school core curriculum subjects included with health or life skills. Researchers note that youth need this education repeated regularly, long before the age of 19. *You can also ask for the 2 page Press Release on the Canadian hosted May 2001 “2nd International Think Tank on Youth Gambling”. This is a known global issue.*
8. Slot machine impacts have not peaked yet; they are still in what government knows to be in their “honeymoon” period stage in terms of long-term implications.
9. Data on persons presenting for treatment has been released only up until April 2000. Even then, slot machine difficulties topped the list of reasons for seeking help (37.7%) – Source: DATIS, Ontario; www.opgrc.org. Please note that these 9 points do not cover all present concerns.

CONCLUSION

The Provincial government was not obliged to lift any current slot moratorium. Government is also fully aware that impacts of new slot / casino operations are currently in their “incubation” stage. Long-term impacts of these sites usually take three years to

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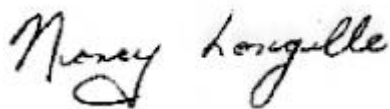
RACETRACK FOCUS INCLUDED

CONCLUSION *(continued)*

develop. **Gambling expansion is a known public health issue.** Numerous recent Ontario and Canadian public health related reports document increasing concerns with the implications of Provincial and national gambling policies. ***You can request our two-page References Offered**, which includes contacts for several of these Reports.* For example, the **Autumn 2000 Canadian Public Health Association (CPHA)** unanimously passed a Paper (by Dr. David Korn, University of Toronto) and formal resolutions which said in part... **“CPHA should: endorse the position that expansion of gambling in Canada has significant health and public policy impacts.”**

Thank you for your review of this information. **Direct communication is welcomed at any time.** Material on a full range of issues is available to you, as you may wish.

Sincerely yours,



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APPENDIX: GWN-O 6 POINT PLAN

cc GWN-O Resource Communication File