

NEW GAMES

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A. Introduction

This section discusses the background to new gaming activities. It deals with new games considered for introduction to (a) the province or (b) licensed gaming facilities or other locations where gaming activities are available.

This section provides an assessment of the current situation regarding new games in Alberta. Some of the key views and perspectives of adult Albertans and stakeholders regarding new games are provided. This section concludes with recommendations.

B. Background

This section refers to:

- ***New games considered for introduction to the province*** - includes gaming activities that possess features or methods of delivery that are deemed to be significantly different from the features or methods of delivery of gaming activities currently available in the province.
- ***New games considered for introduction to licensed gaming facilities or other locations where gaming activities are available in the province*** – includes gaming activities that are currently available in the province but proposed for introduction to locations or venues where they were unavailable previously (for example, pull tickets sales before they were introduced to association bingo halls).

Specific examples of new games would include:

- an entirely new gaming activity (for example, the dice game craps before it was authorized in casinos in 2000);
- the use of a new technology or medium for an existing gaming activity (for example, electronic bingo consoles, pull ticket vending machines for the sale of pull tickets, instant ticket lottery vending machines for sale of instant lottery tickets, television lottery shows to conduct lotteries, the use of the computer to access or deliver gaming activities^{*}).

New games do not include minor variations of existing technologies or gaming activities. The following, among others, are not considered new games:

- a new theme for a slot machine, that is, the exterior appearance and complementary slot games provided;
- a new ticket lottery game, for example, new Scratch'n Win ticket; and
- a new variation of an approved card game to a casino facility, for example, another variation of blackjack.

From time to time the Commission receives proposals for new games from charitable groups, facility operators and others. Those groups or operators are sometimes approached by suppliers who wish to bring their products into the province. In turn the charities and operators will approach the Commission to consider the new games.

A well-defined policy and related procedures are required to manage properly, consistently and effectively new gaming activities in the province. A comprehensive analysis is required of proposals for new games to determine the viability of the new game; its operating costs; whether it generates an appropriate return to charitable, non-profit, public and community-based initiatives; and its impact on existing gaming activities.

* Refer to the section “The Use of the Internet for Gaming” for a discussion of that topic.

C. New Games Policies

Gaming policies must conform to the legal gaming framework which is comprised of the *Criminal Code* (Canada), *Gaming and Liquor Act* (Alberta) and the *Gaming and Liquor Regulation* (Alberta). The *Criminal Code* provides all lottery schemes are illegal except for those that are licensed or authorized by a provincial government.

The *Gaming and Liquor Act* specifies the Commission may make policies respecting gaming on behalf of the provincial government. The act requires gaming activities must be authorized or licensed by the Commission. Any gaming supplies or materials must be registered with the Commission and the Commission must authorize anyone dealing in gaming supplies.

When the Commission is requested to consider introducing a new game, the Commission will review the request on its own merits. The Commission lacks a comprehensive set of policies or criteria that specifically address the introduction of a new game.

D. Current Situation Assessment

From time to time, charitable organizations and gaming facility operators request the Commission consider introducing a new game or gaming activity to a charitable gaming facility. Often, the proposed new games involve the use of electronic technology. Suppliers often suggest or promote the idea of a new game with charitable organizations and facility operators, who in turn approach the Commission with a formal request to introduce the new game.

Bingo associations are requesting consideration be given to introduce electronic bingo and five-minute keno to their licensed bingo facilities, to help boost attendance and sales. Members of the casino industry have also been interested in introducing new games such as five-minute keno to casino facilities to add to the mix of electronic gaming activities already available.

Charities that have been licensed to sell pull tickets have asked that pull ticket vending machines be permitted in their facilities halls as an efficient method of delivering this gaming activity to their patrons.

In the examples mentioned, each of the new games requires the use of electronic gaming devices to deliver the gaming activity. Under provisions of the *Criminal Code*, any gaming activities operated through a computer or electronic device must be conducted and managed by the provincial government. In Alberta, the Commission is the gaming authority that acts on behalf of the provincial government.

The Commission must carefully consider the views of the public and stakeholders, the economic and social impact on the community and the effect on other gaming activities before approving new games or adopting new electronic technologies or other media, such as television to play bingo. Among other requirements, an examination is needed of the investment required to provide such new games, the costs to introduce them and the potential benefits to accrue to charitable, non-profit or public initiatives.

For more details of legal requirements for lottery schemes, see the appendix “Legislative Requirements and Considerations.”

E. Landscape of Other Provinces

A number of provinces in Canada have introduced games that are not available in Alberta. These games would be considered new games if introduced to this province.

Each gaming activity section in this report (for example, “Bingo,” “Casino Gaming,” etc.) contains a landscape of other provinces which may identify gaming activities in other provinces that are not available in Alberta. For example, the landscape under the bingo section indicates B.C. has introduced electronic bingo. The pull ticket section indicates B.C. and Saskatchewan, for example, have introduced pull ticket vending machines.

F. Summary of Findings – Public Views and Stakeholder Consultations

Stakeholder Consultations

The Gaming Licensing Policy Review process included obtaining the views and perspectives of the Alberta public, both players and non-players, and stakeholder groups. This summary of findings presents a snapshot of those views and perspectives focusing on new gaming activities.

The findings are divided as follows:

- *Public* - The views and attitudes of adult Albertans about gaming activities in the province.
- *Stakeholders* - The views and perspectives of stakeholder groups. Stakeholders are either directly involved in the gaming industry, or indirectly involved through the services they provide or through some related experience or interest. Most stakeholders have knowledge of at least some of the gaming licensing policies currently in effect. Others will be fully aware of those licensing policies, in particular as they may apply to the gaming activity with which they are directly involved.

Public

In May 2000, during the Gaming Licensing Policy Review, the views and perspectives of adult Albertans were sought through public opinion research.

The research indicates most adult Albertans want the availability of any type of current game activity in the province to remain the same.

Some Albertans indicated they would play the following new games if they were made available in the next year: five-minute keno (12%), TV lottery game show (11%), break-opens or pull tickets from a dispensing machine (9%) and bingo on a computer device in a bingo hall (9%).

When asked where they thought certain games should be played, Albertans in general indicated:

- five-minute keno should be played at the local casino (87% response), resort casino (86%), gaming room in a hotel (70%), First Nations casino on reserve land (68%), location devoted to VLTs (66%), lottery ticket centres (60%), bingo hall (58%), bars and lounges (55%) and race track (55%);
- pull tickets or break opens from a dispensing machine should be played at the local casino (84% response), gaming room in a hotel (74%), location devoted to VLTs (72%), First Nations casino on reserve land (70%), bingo hall (66%), bars and lounges (66%) and race track (61%); and
- bingo on a computer should be played at bingo hall (89% response), resort casino (77%), local casino (74%), First Nations casino on reserve land (68%), race track (53%).

When asked about how familiar they are with all new gaming activities, respondents were least familiar with five-minute keno, electronic bingo and Internet gambling.

Among the gaming activities that were felt to be “hard” gambling (versus harmless entertainment), respondents included five-minute keno and electronic bingo. A number of other gaming activities were viewed as being “harder,” including Internet gambling and the existing gaming activities of video lotteries, casino table games and slot machines.

Stakeholders

Stakeholders were consulted in September and October, 2000, during the Gaming Licensing Policy Review. The consultations included interviews with representatives of stakeholder groups and a representative survey of charities and gaming workers in the province.

Industry Stakeholders

The general view of the majority of the public, charities and members of the gaming industry is the availability of gaming activities that are already permitted in the province should remain the same.

During the consultations, gaming workers and charitable organizations indicated some support for more types of gaming to be allowed in the province (charities 20%, gaming workers 33%). When asked for their views about having keno in bars or bingo halls, 41% of workers and 28% of charities were in favour of it. Both gaming workers and charities believe the demand for gaming in the province is growing.

Stakeholders firmly support the charitable model of gaming in the province (which includes bingo, casinos, raffles and pull tickets).

Most gaming workers, charities and other members of the gaming industry feel the Commission is doing either a very good or fairly good job of regulating the gaming industry.

A bingo industry association expressed its desire to introduce new games to bingo association halls, such as keno, to compete with electronic gaming such as nickel slots in casinos which, it believes, have drawn away customers from bingo.

A major exhibition representative felt one of the challenges facing the Commission is to take advantage of the potential for growth in electronic gaming, such as more interactive games. The representative also felt there needs to be a balance between demands for further private sector growth in gaming and the requirement to control growth for the public good.

Another major exhibition representative felt the introduction of electronic bingo to bingo halls may be a good way to help the bingo industry.

A gaming industry association felt certain new games, such as keno, belong in age-restricted facilities such as casinos or lounges. Lottery ticket retailers indicated interest in introducing keno to the ticket lottery network.

Advocacy Foundation and Problem Gambling Treatment Agency

A problem gambling treatment agency representative expects new games will be introduced in the future, because consumers like change and new products. They are concerned about who may be targeted by the new games, citing an interactive compact disc (CD) being used in another jurisdiction that the agency felt introduces gaming to younger people. The representative felt electronic games also have more appeal to younger people which could pose problems in the future. The agency believes it is important to promote the sense of responsibility among the public in dealing with gaming.

A compulsive gambling foundation felt introducing keno to bingo halls is an expansion of electronic gaming that would increase the prospect of minors playing bingo. They feel Internet gaming is a significant problem and steps should be taken by government to control it (even though none of the provincial governments in Canada conducts and manages a gaming website).

G. Primary Issues and Recommendations

Arriving at Recommendations

The first step in the process to arrive at recommended policies regarding new gaming activities was to determine how the current gaming policies address the introduction of new games in the province.

The next step was to obtain the perspectives and views of Albertans and stakeholders about new games and gaming in general. Those views were taken into account in the next step, to assess current policies and how they may be improved to address new games in Alberta over at least the next five years.

As policy strategies took shape, the following question was asked: How well do the policy strategies measure up to the key elements of the province's licensing policy framework? For example, questions asked included:

- Does a policy strategy meet the requirements of the *Criminal Code* (Canada) and the *Gaming and Liquor Act* (Alberta)?
- Is it consistent with government's broad policies for gaming?
- Does it fit within the objectives and goals of the Ministry's three-year business plan?

Only policy strategies that met the basic requirements of the policy framework would be considered further and recommendations developed accordingly.

Primary Issues

The Gaming Licensing Policy Review, with views of the public and in consultation with stakeholders, identified a number of issues related to new games. These issues and the respective recommendations appear under two topics as follows.

A. AVAILABILITY, ACCESSIBILITY, EXPANSION, NETWORK ACTIVITIES

Generally, Albertans feel the current availability of gaming activities in the province should remain the same. Many feel certain new gaming activities such as electronic bingo or rapid keno, if they were to be available, belong in venues dedicated to gaming activities, such as licensed casino facilities, licensed bingo facilities or race tracks.

Some stakeholders support the introduction of new types of gaming activities. Various groups involved in charitable gaming activities, such as association bingo, want to introduce new types of electronic gaming activities to their facilities to compete with those offered in other gaming venues, such as nickel slots in casinos.

The introduction of such new games should be subject to consistent and stringent criteria prior to their introduction.

POLICY POSITION:

1. The Commission will be accountable in its activities and transparent in the policies, procedures and processes related to gaming activities.

The public and stakeholders expect gaming policies, procedures and processes are transparent and the Commission is accountable for the decisions it makes. To satisfy this expectation regarding new games specifically, and fulfill its mandate and associated responsibilities, the Commission should formalize a process and criteria to review proposals for new gaming products or services, a process that should take into account the guiding principles for gaming.

NEW GAME RECOMMENDATION – 1

- **The approval process for a new gaming activity should involve four major steps, as follows:**

Step One – Initial Assessment

The proponent of a new gaming activity must provide to the Commission, including a business plan and other required information, which will allow the Commission to arrive at a sound preliminary assessment related to the viability of the proposed new game. If the new game has merit, the next step will be initiated.

The Commission would evaluate the proposal using criteria such as:

- compliance with the requirements of the *Criminal Code* (Canada), *Gaming and Liquor Act* (Alberta) and *Gaming and Liquor Regulation* (Alberta);
- the demand from consumers (market potential) for the proposed new game;
- the benefits to be derived for charitable, non-profit, public or community-based initiatives;
- the requirements to deliver the proposed new game with integrity and in a socially responsible manner;
- the feasibility of the proposed new game when all costs are considered;
- the impact the proposed new game will have on other existing gaming activities; and
- the manner in which the proposed new game would be delivered, including the proposed location from which the new game is to be conducted or delivered.

The proposal must also clearly indicate how the revenue from the new game would be divided among prizes, expenses, administration and, ultimately, proceeds to charitable, non-profit, public or community-based initiatives.

Step Two – Obtaining Community Views

The Commission will determine the type and extent of public input required regarding the proposed new game. Such input may range from public consultations or the express consent of a community to considering community objections. The decision in this regard will be affected, among other considerations, by the proposed new game, including its type, where it would be available, financial benefit/cost, and impact on existing gaming activities.

Step Three - Final Commission Review

The Commission will forward the proposal and results of its final review including results from public input, for review and consideration by the Board of the Commission.

Step Four - Licensing

The Board of the Commission will consider the proposal and results of the Commission's review on their own merits. The new game will be authorized subject to the Board's approval.

The four recommended steps are depicted in “Figure 7-1: New Gaming Activity Approval Process.”

B. GENERAL POLICY REQUIREMENTS

1. POLICY POSITION & RECOMMENDATION:

NEW GAMES RECOMMENDATION - 2

An approved or licensed new game will be subject to the guiding principles for gaming activities in the province and to terms and conditions that are consistent with those for other gaming activities.

Comment – The appropriate policies and terms and conditions will apply to a new gaming activity after it has been approved for use in the province, to ensure the integrity of the gaming activity and that it meets all other requirements.

Figure 7-1: New Gaming Activity Approval Process

