

OLG Modernization Plan: Presentation to the City of Peterborough

March 5, 2013



OLG Background

- 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

- 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 Ottawa, 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

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
- OLG Slots at Kawartha Downs opened in November 1999

Ontario Mayors on Hosting a Gaming Site

“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 receive on average about \$4 million a year from the slots operation at the Rideau Carlton Raceway, that helps provide services to the residents of Ottawa.”

Jim Watson, Mayor of Ottawa

“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

“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

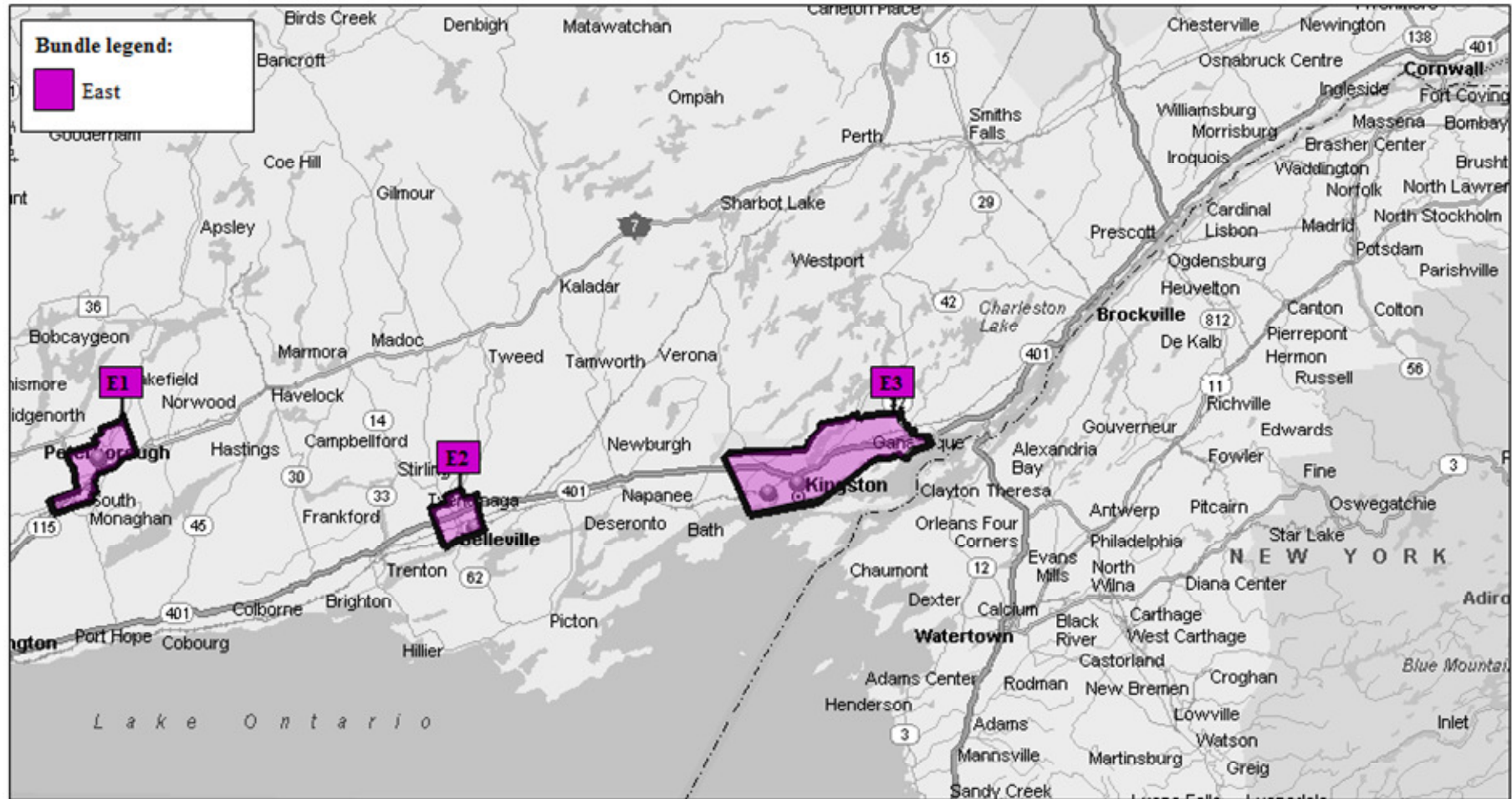
OLG is currently implementing a plan to modernize its lottery and gaming operations to:

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

ModernOLG.ca

- Updated information on OLG's Modernization Plan
- Recent print and broadcast news stories
- Video links:
 - President & CEO
 - Mayors of existing host municipalities
 - Police Chiefs
- Responsible Gambling Information and Reports

RFPQ Gaming Bundle 2 (East) Includes Zone E1, E2, E3



Gaming Bundle	Number of Gaming Zones included	Gaming Zones included in Gaming Bundle	Maximum Number of Electronic Gaming Positions	Maximum Number of Live Table Gaming Positions
East	3	E1: Includes the Kawartha Downs site	600	180
		E2: Area around the City of Belleville	300	180
		E3: Includes the OLG Casino Thousand Islands	600	300

Zone E1

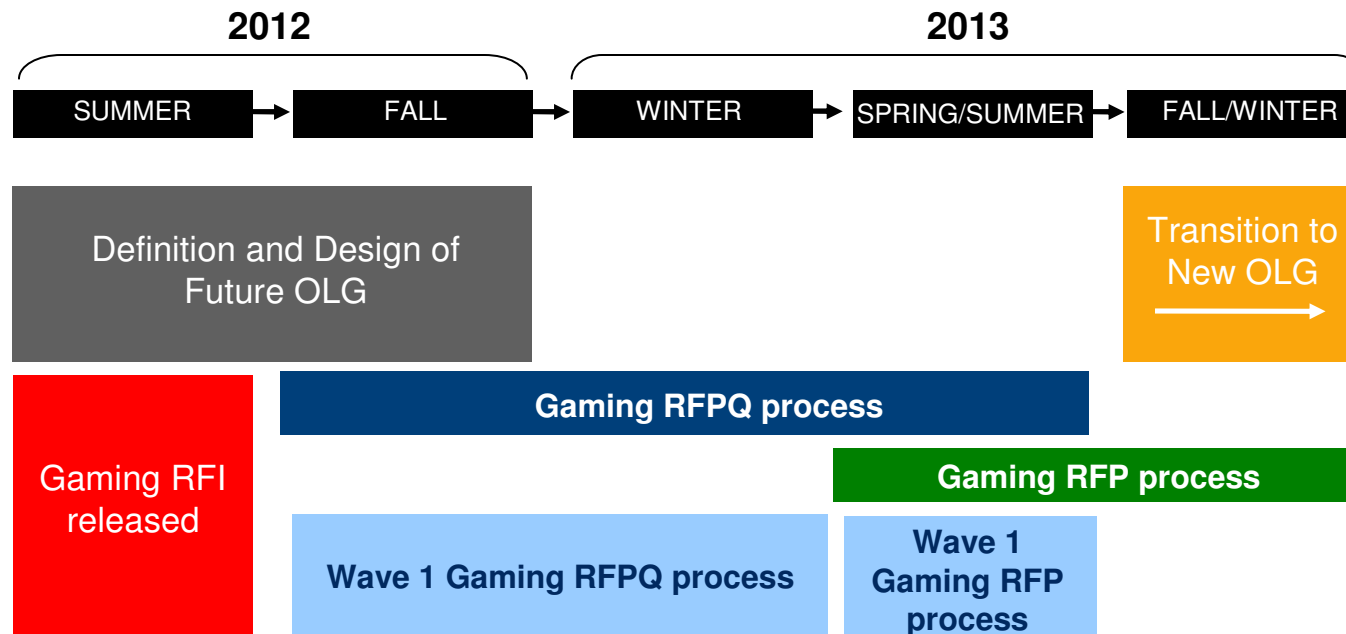
● Bingo hall part of revitalization

□ Current facility

Includes: City of Peterborough, Peterborough County (Township of Cavan-Monaghan, Township of Ottanabee-South Monaghan, Township of Smith-Ennismore-Lakefield)



Strategic Procurement Milestones for Gaming



Gaming Zone E1: Includes City of Peterborough

- Maximum number of electronic gaming positions: 600
 - Maximum number of live table gaming positions: 180
- As a comparison:
- Existing facility in zone, OLG Slots at Kawartha Downs has 450 slot machines

Life to Date Benefit Summary

Township of Cavan-Monaghan
Benefit Summary
OLG Slots at Kawartha Downs
(Life-to-date from November 1999)

SOURCE	BENEFIT TO COMMUNITY
Wages and benefits to gaming employees	\$96.3 million
Host municipalities' share of slot revenue (5% – 2%)	\$39.8 million
Purchases from local and regional vendors	\$21.1 million
OLG corporate sponsorship for local community events	\$225,516

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">■ The municipality must ask the public what it thinks of establishing a gaming site in the community.■ This is a requirement under legal regulation
Pass a resolution supporting the establishment of the gaming site	<ul style="list-style-type: none">■ OLG will not establish a new gaming site within a community without clear municipal approval and support■ This is a requirement under legal regulation
Get zoning approval for a gaming site	<ul style="list-style-type: none">■ Municipalities may begin identifying possible locations or geographic areas for a gaming site including an existing location, if applicable■ Municipalities may want to zone to allow for various amenities at a gaming site such as slots, table games, entertainment venue, hotel, etc.
Enter into a host municipal funding agreement with OLG	<ul style="list-style-type: none">■ OLG pays a portion of slots revenues from its gaming sites to the municipalities that host them■ The Mayor and City Council must endorse this base funding model agreement■ In the event of relocation, the agreement will remain intact. The only change to the agreement in the event of relocation will be an official change of address amendment

Host Funding Model

- 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 counselling 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](#)



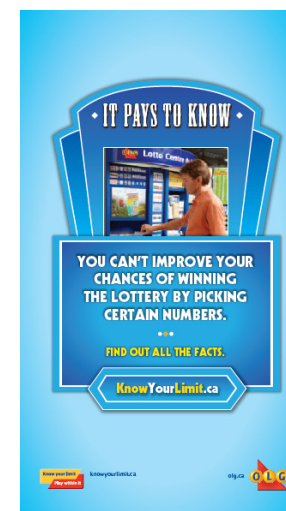
What's Your Gambling IQ?
[Take the Quiz](#)



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

- MARGI kiosks-gaming floor
- knowyourlimit.ca 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

Questions and Answers