

## Questions and Answers

### ***Responsible Management, Responsible Play in a Responsible Environment***

#### ***A Responsible Approach to Gaming in New Brunswick***

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#### **General**

**1. What is this new responsible gaming policy and what does it involve?**

- The new responsible gaming policy focuses on improving controls and security of New Brunswick's gaming environment or the operation of gaming activities. It revolves around Responsible Management and Responsible Play in a Responsible Environment.
- There are four main components: major reforms to the video lottery program, enhanced responsible gaming initiatives and funding, strengthened gaming policy for charitable organizations and a Request for Proposals (RFP) for one destination casino in the province.

#### **VLTs**

**2. How will this new gaming policy deal with VLTs in the province? Will there be any limits on numbers or where they can be located?**

- All video lottery terminals will be hosted in age-controlled environments. By April 1, 2009, there will no longer be any VLTs in restaurants.
- The number of video lottery sites will be reduced across New Brunswick by more than 50%. The number of sites will be capped at 300 from the 625 sites currently in the province. The number of video lottery terminals will be reduced by nearly 25% - from 2,650 VLTs to 2,000.
- Limits on the number of video lottery terminals allowed in one establishment will be adjusted. There will be two classes created, one with up to 10 terminals allowed, and the other will permit 15 to 25 terminals. No more than 20 of the larger sites will be permitted in the province.
- A moratorium will be placed on the approval of new video lottery terminals for at least a year until the new model is implemented.

**3. What do you hope to accomplish by reducing the number of sites and VLTs?**

- Our goal is to bring a new level of responsibility and control to the video lottery program. We believe that by reducing the number of sites and terminals and setting a cap we can bring a higher level of confidence, integrity and responsibility to the program.

**4. What do you mean by a moratorium? How long will it be in place?**

- We anticipate that the moratorium will be lifted in October 2008. By that time, negotiations with the preferred proponent for the casino initiative will be complete and the regulations for the new video lottery program will be in place. Until that time, and once the current backlog of applications is taken care of, siteholder approvals will be on hold.

**5. What is the Atlantic Lottery Corporation's role in the new VLT program?**

- The Atlantic Lottery Corporation (ALC) will continue to operate the video lottery program as it currently does. The ALC will have an important task and that is to manage the video lottery program as effectively as it can and to undertake the reduction in the number of sites and terminals. The ALC will also be assisting with the development of appropriate business standards that will be implemented under the new model.

## **Responsible Gaming**

**6. How will this policy deal with problem gambling? Will it include more funding for responsible gaming and addictions services?**

- Government funding for responsible gaming programs will be doubled to \$1.5 million. Addiction and Mental Health Services at the Department of Health will receive an additional \$250,000 over and above current funding of \$757,000. In addition, the Lotteries Commission will invest \$500,000 in new funding for public education, awareness and research initiatives.
- Gaming service providers will be required to incorporate gaming initiatives and corporate social responsibility standards as part of their operations. This will include mandatory staff training.
- Experts will be engaged to provide advice and recommendations on developing a responsible gaming program for New Brunswick. As well, the province will collaborate with other jurisdictions on responsible gaming activities, research and strategies.

**7. In terms of encouraging responsible gaming, you say that you are doubling the funding. Is this enough money to deal with this problem?**

- We are very serious about our new focus on responsible management, responsible play in a responsible environment. By doubling the funding, we are providing a significant investment in responsible gaming initiatives. In the first year, the program will be fleshed out and we want to see a needs assessment undertaken to make sure that the funding is adequate.

However, the program must be more fully developed before we can do that. We will take another look at this down the road to make sure we have the funding right.

## **Charitable Gaming**

### **8. How will the new policy deal with charity bingos, poker and other charitable gaming?**

- Charitable gaming provides an important source of revenue for many charities and not-for-profit organizations in our province.
- Eligible charities can be issued a licence or permit for such events as bingos, raffles, Monte Carlo events and break-open ticket sales. In 2006-2007, nearly 830 licences were issued which helped raise \$13.7 million for charitable purposes.
- There needs to be a stronger regulatory framework for charitable gaming and the new responsible gaming policy makes a commitment to introduce legislation to provide for a regulatory regime for this sector.

### **9. Do you intend to licence charitable Texas Hold'em tournaments?**

- We intend to license charity Texas Hold'em tournaments as part of the new policy. We will be ready to do that in early in 2008. We are working on the licensing provisions now and we will release more details on this after Christmas. **Licences for these tournaments will be for charitable organizations only, not for commercial use.**

### **10. Will you consult charitable organizations on the changes to charitable gaming?**

- We will be seeking their feedback on the proposed changes. Licensees will be asked to provide input on charitable responsible gaming improvements.

## **Casino**

### **11. Why does the policy include authorization for a destination casino?**

- In recent years, a number of interested parties have approached government asking us to allow this type of facility to be built and operated in the province.
- In addition, tourism numbers from 2002 to 2006 have dropped dramatically, from 2 million visitors in 2002 to 1.57 million in 2006 – a drop of 25%. We have to reverse this trend to bring our province to self sufficiency by 2026. A destination casino will add to the many different experiences we can offer visitors to our province.
- **Absolutely no provincial government funding will be involved in the design, construction, equipping, financing or operation of the destination casino complex.**

- If a suitable proposal is submitted through the RFP process for a casino, it would make New Brunswick the ninth province with this type of facility.

**12. When could the gaming facility be up and running?**

- The earliest that a gaming facility would be operational would be in 2010.

**13. How did you decide where the destination casino would be constructed?**

- Part of the proposal process was for proponents to do market research and select a suitable site for a destination casino.

**14. What other kinds of services or facilities are attached to the destination casino?**

- The casino complex will be comprised of three completely separate and distinct buildings: a hotel, the Palladium (a multifunction entertainment and convention centre), and the casino will be integrated into one linear design. The buildings will be connected by an interior corridor that allows internal access to all three buildings.
- The hotel will feature 128 rooms, a pool, a spa and a coffee shop.
- The Palladium features functional space which is divisible into one, two or three rooms, and offers up to 1,500 retractable theatre-style seats, allowing the floor to be used in either the theatre-stepped or flat-floor mode. The Palladium will have the capacity to host theatre and musical productions of up to 1,500 seats (with proper stage), and banquet seating for weddings or similar events in rooms that can hold from 125 seats to over 1,400, and classroom seating from 288 people to more than 1,400.

**15. How much revenue does the province expect from the casino?**

- Our expert advisors undertook an analysis of the market potential in New Brunswick. They suggest that the gross gaming revenue potential for a single casino in New Brunswick is in the area of \$50 million. This means the province would receive approximately \$25 million in revenue. Of course, if the gross gaming revenue is higher, would receive proportionately more. In addition, the casino will pay an annual registration fee of \$50,000.

**16. What is there in the policy with regards to gaming and First Nations communities?**

- The government is continuing its dialogue with First Nation communities on the issue of responsible gaming. In 2006-2007, eight First Nation communities received \$7.5 million which the provincial government returns to them through gaming revenue sharing agreements.

### **17. What is the *Gaming Control Act*?**

- The *Gaming Control Act* was introduced in the Legislature on May 23, 2008 and received Royal Assent on June 18, 2008. Part 2 was proclaimed on June 26, 2008, in order to establish the New Brunswick Lotteries and Gaming Corporation (previous Lotteries Commission of New Brunswick).
- The *Lotteries Act* and its regulations will be repealed once the *Gaming Control Act* is proclaimed in its entirety.

### **18. What is the New Brunswick Lotteries and Gaming Corporation? What happened to the Lotteries Commission of New Brunswick?**

- On June 26, 2008, Part 2 of the *Gaming Control Act* was proclaimed. Under this part, the Lotteries Commission of New Brunswick continues as a body corporate under the name New Brunswick Lotteries and Gaming Corporation.
- Under the new *Gaming Control Act*, the Lotteries Commission of New Brunswick will eventually be transformed into two separate government entities: the New Brunswick Lotteries and Gaming Corporation (NBLGC) and the Gaming Control Branch under the Department of Public Safety.
- The NBLGC is the business entity that is responsible for the conduct and management of all provincial gaming. The NBLGC manages the service provider agreement with the casino operator and acts as the New Brunswick shareholder in the ALC. In addition, the NBLGC, in partnership with other stakeholders departments, is responsible for the development and implementation of the province's responsible gaming initiatives.
- The regulatory function will be transferred to the Gaming Control Branch, created under the new *Act* as a branch of the Department of Public Safety. The Lieutenant-Governor in Council will appoint a Registrar who will be the head of the branch and as such, will be responsible for the regulation and control of provincial gaming as well as the regulation, control and licensing of charitable gaming in the province.