

OLG Modernization Plan:
Presentation to the
City of Hamilton

September 19, 2012



OLG Background

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

Promote responsible gaming

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

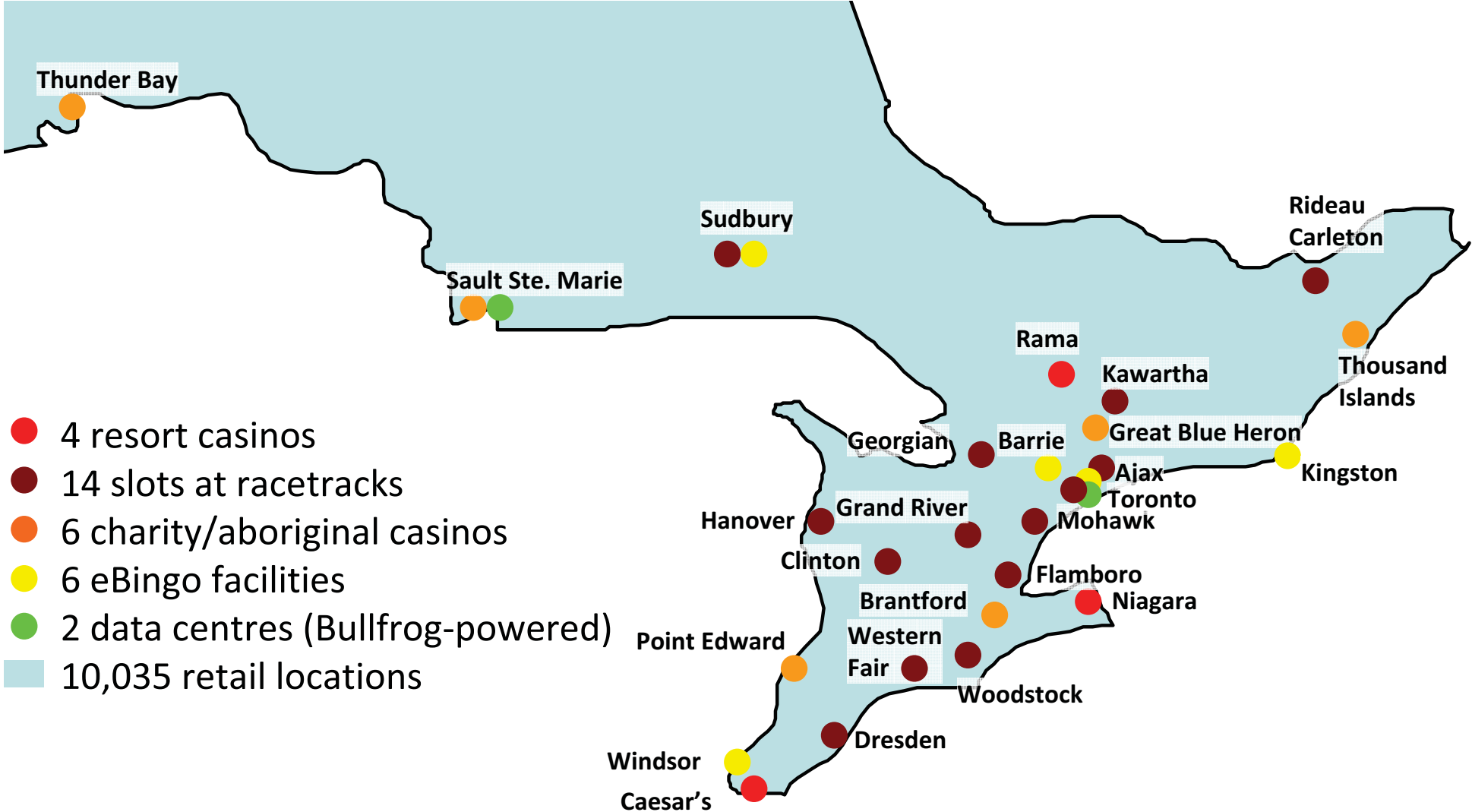
- Wintario began in 1975
- Ontario's first casino was opened in Windsor in 1994
- Slots-At-Racetracks were launched in 1998
- OLG Slots at Flamboro Downs opened in October 2000

Life to Date Benefit Summary

City of Hamilton Benefit Summary (Life-to-date from October 2000)

SOURCE	BENEFIT TO COMMUNITY
Wages and benefits to gaming employees	\$134.8 million
Host municipalities' share of slot revenue (5% – 2%)	\$51.1 million
Purchases from local and regional vendors	\$34.0 million
OLG corporate sponsorship for local community events	\$526,973

Current Gaming Sites in Ontario



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

Ontario Mayors on Hosting a Gaming Site

“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

“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

Zone SW9

-  Bingo hall part of revitalization
-  Current facility

Includes: City of Hamilton, Halton Region (City of Burlington)



Proposed Gaming Zone: City of Hamilton

- Most of the City of Hamilton is included in SW9, with portions of the rural areas in Hamilton around the City excluded.
- Allowed range of slot machines: Up to 1,200
 - As a comparison:
 - OLG Slots at Flamboro Downs has 801 slot machines
 - OLG Slots at Rideau has 1,275 slot machines
- Allowed range of table games: TBD

Potential Revenue to Community

- OLG pays a portion of its slot revenue to host communities
- The City of Hamilton is aware of the benefits from hosting OLG Slots at Flamboro Downs
- OLG Slots at Rideau can be used as another comparator

City of Ottawa
Benefit Summary
(Life-to-date from Feb 2000)

SOURCE	BENEFIT TO COMMUNITY
Wages and benefits to gaming employees	\$164.4 million
Host municipalities' share of slot revenue (5% – 2%)	\$44.0 million
Purchases from local and regional vendors	\$50.1 million
OLG corporate sponsorship for local community events	\$1.2 million

Requirements for Establishing a New Gaming Site

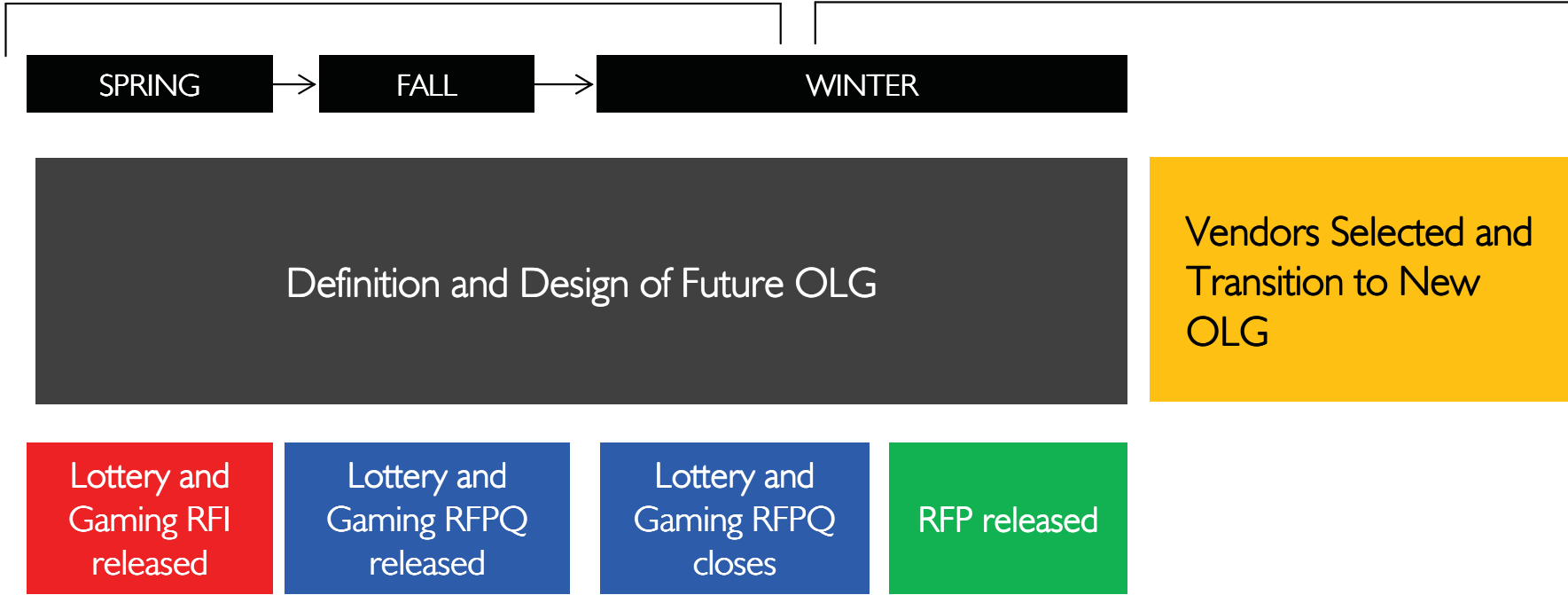
- Before OLG can establish a new gaming site in a municipality, the municipality must first do several things:

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 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 revenues from its gaming sites to the municipalities that host them.■ The Mayor and City Council must endorse this base funding model agreement

Timeline

2012

2013



Responsible Gambling in Ontario

OLG POSITION

We don't want problem gamblers playing our games -
Responsible Gaming 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 Gaming 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



Questions and Answers