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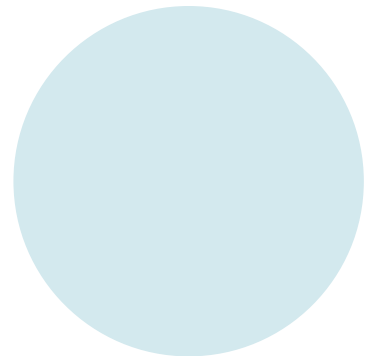
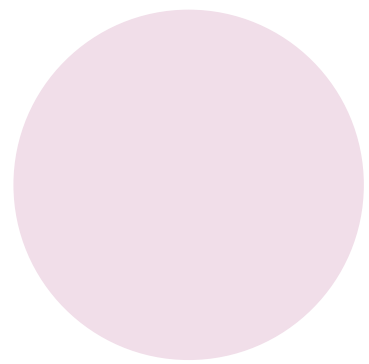
MESSAGE FROM THE BOARD CHAIR

As the Board Chair of the Alberta Gaming Research Institute, I am pleased to introduce the Fourth Annual Report for the year ending March 31, 2004. It has been a very ambitious and rewarding year for the Institute building on the foundation of past years.

The spectrum of gambling related research in Alberta in the four domains: bio-psychological, sociocultural, economic and policy-related continues to be our primary focus. Numerous studies were completed and their results made available both within the research communities and to the general public. An expanding group of new investigators is being attracted to the field of gambling research, as reflected in the immediate response to the developmental 'small grants program' that was initiated during this fiscal year. I am particularly pleased with the significant role we have played in a range of Board identified strategic initiatives. More information on these collaborative, inter-provincial, national, and tri-university studies is provided in this report. The under-represented domains of economics and public policy are receiving special attention. Our educational activities are also increasing in scope through our annual conferences, our visiting speakers program and an increasingly popular website.

We continue to respond to the advice and input of the Alberta Research Gaming Council and are pleased with the extent to which we have been able to solidify linkages with national and international research affiliates. We take pride in the high quality and research integrity of Institute sponsored research and consider the recognition the Institute receives for its leadership to be a privilege - one that we don't take lightly. On behalf of the Board, I confirm our commitment to develop research expertise and sponsor high quality, independent research that best informs Albertans of how gambling affects society as well as informing policies about our "duty to care" for those adversely affected.

Nady el-Guebaly, MD



MESSAGE FROM THE EXECUTIVE DIRECTOR

In 2003-04, collaborative research affiliations and joint initiatives were increasingly the focus of the Institute's attention. The Institute's vision of achieving 'an institute that is internationally recognized for its contribution to the scientific knowledge base in gambling research' has been the aim with extensive effort being invested in establishing, developing, and implementing scientifically endorsed inter-provincial, national, and international initiatives. The section 'Strategic Partnership and Collaborative Initiatives' provides an overview of the major new projects, each in an area identified as being of broad research significance.

As with the three previous years that the Alberta Gaming Research Institute has been fully operational, the annual call for proposals attracted a multi-disciplinary range of researcher interest. Eight new projects received peer-reviewer endorsement and commenced research activity under this program. In addition, modest support for preliminary research activity was initiated under a new 'Small Grants' program. During 2003-04, four proposals of exceptional quality were approved.

Internationally recognized experts were invited to present their views on the status of the current research as well as their advice on areas where further research is required. In November 2003, Dr. William (Bill) Eadington presented 'Research challenges around gambling: what we need to know, and how to get there', and, in March 2004, Dr. Kate Spilde presented 'First Nations / Indian Gaming Issues in North America'. Both of these lecture presentations were given at the University of Alberta and delivered

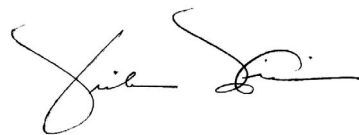
via teleconference to the University of Calgary and University of Lethbridge. Initial planning was undertaken for the 3rd Annual Conference on Gambling Research in Alberta: Treatment of Problem Gambling, which was co-sponsored with the University of Calgary, and held at the Banff Centre (May 2004). More information on these events is available on the Institute website.

It has been particularly gratifying to be directly involved in establishing the leadership position of Alberta's academic researchers into the still relatively new, and multi-faceted, field of gambling research. The advice and support of the Alberta Gaming Research Council has been invaluable to achieving this, as has, the funding support of the provincial government through the Alberta Lottery Fund. Special recognition, I believe, is due for the commitment and resource support provided by the Institute partner universities. The wide recognition and international endorsement received by the Institute serves as a tribute to their sound research reputations and is critical towards meeting the Institute's mission 'to significantly improve Albertans' knowledge of how gambling affects society'.

Once again, I take this opportunity to thank you for your endorsement and growing interest in the work of the Alberta Gaming Research Institute. For my part, I wish to re-affirm my commitment to ensuring that the highest standards of research excellence are achieved and maintained. I welcome your comments on this Annual Report, encourage you to attend our public topical research forums, or call to discuss any of the Institute's research.

Sincerely,

Vickii Williams



THE ALBERTA GAMING RESEARCH INSTITUTE...

VISION: AN INSTITUTE THAT IS INTERNATIONALLY RECOGNIZED FOR ITS CONTRIBUTION TO THE SCIENTIFIC KNOWLEDGE BASE IN GAMBLING RESEARCH.

MISSION: TO SIGNIFICANTLY IMPROVE ALBERTANS' KNOWLEDGE OF HOW GAMBLING AFFECTS SOCIETY.

The primary aim of the Alberta Gaming Research Institute, a consortium of the University of Alberta, University of Calgary, and University of Lethbridge, is to support academic research related to gambling. It is achieved through building research capacity at the partner Universities, sponsoring specific research initiatives, organizing colloquia and conference events, and disseminating information via the library and resource service program and other publication mechanisms, both print and electronic (www.abgaminginstitute.ualberta.ca).

Collaboration among these research universities provides the Institute with considerable versatility and the opportunity to match research expertise with specific projects. The Institute also fosters interdisciplinary and inter-University research both provincially and internationally. The Institute is an entity linking researchers, policy-makers, community organizations, the gambling industry, other major stakeholders, and the general public in improving understanding of the impacts of gambling.

The operational/administrative hub for the Institute is located on the University of Alberta campus. It is staffed by an Executive Director, Administrative Assistant and temporary project staff. The Institute Librarian is located at the University of Lethbridge.

ALBERTA GAMING RESEARCH INSTITUTE BOARD

The Institute is governed and managed by a Board consisting of seven Directors, two members appointed by and from each partner University and the Chair of the Alberta Gaming Research Council. The Executive Director serves in an advisory role to the Board (for more information see inside back cover).

ALBERTA GAMING RESEARCH COUNCIL

The Alberta Gaming Research Council is a broad-based advisory group to the Minister of Gaming. The Council is made up of nine members, including constituency representatives (industry, seniors, First Nations, community), one from each of the following organizations: Alberta Alcohol and Drug Abuse Commission, Alberta Health and Wellness, Alberta Gaming, and the Alberta Gaming Research Institute Board Chair. The Council was established to identify research priorities and help direct the research activities of the Institute.

INSTITUTE (PARTNER) UNIVERSITIES

The Institute universities that comprise the Alberta Gaming Research Institute are the University of Alberta, University of Calgary, and University of Lethbridge. Capacity-building activities related to promoting and developing gambling research are the focus of the partner universities. In addition to promoting specific research initiatives, each University employs a 'node coordinator' whose primary responsibility is to identify and stimulate interest in gambling research and to promote interdisciplinary as well as cross-university and external collaborative arrangements. Institute support for capacity-building includes funding faculty positions and research assistantships, sponsoring visiting scholars, and contributing to researcher establishment costs.

FOCUS AND PURPOSES

The focus of the Institute is to facilitate and support academic research that can be used to frame and implement effective public policies and responsible gaming and gambling practices while contributing to the scientific knowledge base. The core purposes are expressed in the following points:

1. to expand the depth and breadth of scientific knowledge of gaming and gambling in four broad and overlapping domains:
 - a. bio-psychological and health care,
 - b. economic,
 - c. socio-cultural
 - d. government and industry policy and practice
2. act as a clearinghouse for gaming research

3. act to facilitate the ready access to, and the development of, the applicable library collections of the Institute Universities
4. forge strong collaborative links with national and international scholars and organizations involved in gaming/gambling research and studies
5. provide education about current knowledge through research publications and reporting of research results
6. sponsor research that is peer reviewed, of the highest academic quality and related to emergent gaming activities
7. to the extent reasonably possible, promote research in priority areas identified in annual calls for research proposals

We've moved

Effective April 1, 2004, the administrative hub of the Alberta Gaming Research Institute relocated on the University of Alberta campus. The address of the new location is:

HUB Mall
(University of Alberta campus)
8909S - 112 Street
Edmonton, Alberta
Canada T6G 2C5

All other coordinates
(e-mail addresses, phones, and fax
number) remain the same.

PERFORMANCE HIGHLIGHTS

The following is a summary of the performance of the Institute with respect to its core businesses, from April 1, 2003 to March 31, 2004.

1

DEVELOP AND PROMOTE GAMBLING-RELATED RESEARCH PROGRAMS

- Eight new high quality research initiatives were approved for Major Grant funding based on expert recommendations through a peer review process
- Four Strategic Partnership and Collaborative Initiative Grants were awarded based on Institute Board identified high priority research areas
- Research activity continued on nineteen previously funded research projects (ten were completed during the year)
- Two research reports, and citations to numerous academic journal publications, related to the completed research projects were posted on the website and their findings communicated via other Institute publications and media coverage
- The range of disciplines (and sub-disciplines) supported includes medicine, addictions, psychology, history, sociology, tourism, gerontology, mathematics, computing science, criminology, physical education and recreation, statistics, anthropology, native studies, leisure studies, economics, and human ecology
- Numerous Institute-funded research articles were accepted for publication in scholarly journals, including the Analyses of Social issues & Public Policy, International Gambling Studies, Journal of Management, Journal of Experimental Social Psychology and Journal of Clinical Psychiatry
- Institute-funded researchers presented papers and lectures at major conferences and annual meetings of professional associations including the 12th International Conference on Gambling and Risk-Taking; Rethinking Addiction, How Gambling

and Other Behavioral Disorders are Changing the Concept and Treatment of Alcohol and Substance Use Disorders Conference; Discovery 2003: Responsible Gambling Council Conference; National Association of Gambling Studies Annual Conference (Australia); American Psychiatric Association Annual Meeting; National Association of Gambling Studies Annual Conference; and, 2004 Western Social Science Association Meeting

- Research node coordinators at the three Institute universities continued to generate and promote interest into gambling-related research, participated in an Inter-provincial Forum (September 2003) brought together to identify research priorities and initiate collaborative projects, and were members of the research team that developed the major multi-disciplinary longitudinal study proposal
- Two Visiting Speakers lectures were presented on the U of Alberta campus, and delivered via teleconference to the U of Calgary and U of Lethbridge

2 DEVELOP AND SUSTAIN A GAMBLING-RELATED RESEARCH INFRASTRUCTURE

- Institute-funded researchers from all three partner universities incorporated gaming components into undergraduate courses, one graduate course, and numerous guest lectures
- Increasing numbers of university students at the Institute universities and other post-secondary institutions, were exposed to gaming and gambling issues through coursework and guest lectures, research assistantships, and research collaboration
- Four Small Grants were awarded for developmental research activities with a particular view to attracting new researchers to the field of gambling research and/or facilitating preliminary collaborations between researchers
- Katherine Diskin, a doctoral student in psychology at the University of Calgary, won the 2003 Honourary Izaak Walton Killam Memorial Scholarship for her research into the effects of a single motivational intervention on problem gambling behaviour
- Funding was approved for supporting the establishment of an 'economics position'

- The Institute librarian responded to approximately 158 requests for research assistance (e.g. literature reviews, research findings) from researchers and the general public
- Over 10,500 visitors accessed the resources on the Institute's website
- Librarians at the three consortium universities collaborated to develop a comprehensive collection of research materials relevant to gambling. The Institute has one of the most extensive gaming collections of materials in Canada. As of March 31, 2004, a total of 115 digitized items were included in the Institute's institutional repository and 758 documents were indexed in its Gambling Literature Online Database

3 ESTABLISH AND ENCOURAGE NATIONAL AND INTERNATIONAL GAMBLING-RELATED RESEARCH LINKAGES

- New research linkages were established and collaborative projects initiated with various provincial, national and international organizations (e.g. Law Commission of Canada, Canadian Centre for Substance Abuse, Inter-provincial Forum participant agencies and researchers, Australian National University)
- An extensive and diverse disciplinary group (pool of over 100) gambling experts from outside Alberta (including other provinces, USA, UK, Australia, New Zealand) agreed to contribute their expertise for peer review of research grant applications
- Institute sponsored gambling Visiting Speaker events (topics: Dr. William (Bill) Eadington, Professor of Economics and Director of the Institute for the Study of Gambling and Commercial Gaming, University of Nevada (Reno) and Dr. Kate Spilde, Senior Research Associate, Harvard Project on American Indian Economic Development, Kennedy School of Government, and formerly, Director of Research for the National Indian Gaming Association) attracted a diverse audience (interested public, policy makers, regulators, industry, researchers, treatment agency representatives)

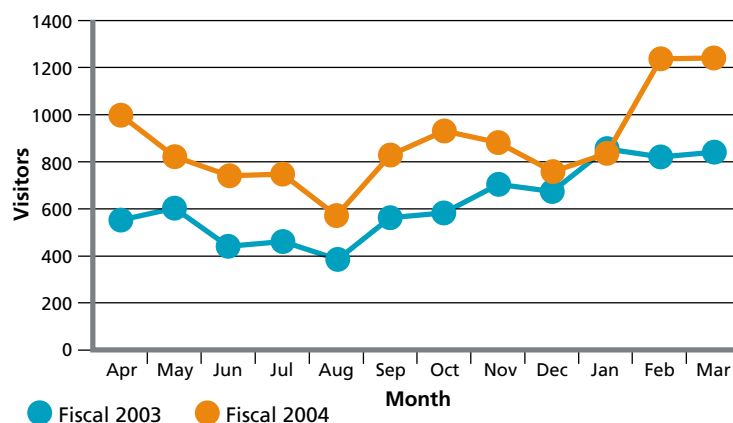
4 ESTABLISH AND EFFICIENTLY CONDUCT GAMBLING-RELATED RESEARCH GOVERNANCE AND ADMINISTRATION

- The Institute conducted 2003-04 research Major Grants review process and initiated the Small Grants process
- Distributed bi-monthly Institute newsletter Research Reveals... an update on gambling research in Alberta to a wide audience (17,000 hardcopies produced cost-efficiently) in addition to posting the newsletter on the Institute website
- Completed negotiations to establish and implement inter-provincial/inter-agency Strategic Partnership and Collaborative Initiatives
- Produced 2002-03 Annual Report, report card, and promotional documents and developed public service announcement for telecast
- Responded to steadily increasing number of queries to the central administrative office (e.g. through website, by phone, and in person)
- Administered and oversaw Institute operations

COMMUNICATIONS

To significantly improve Albertans' knowledge of how gambling affects society, the Institute disseminates information on Institute sponsored initiatives and directs researchers and the general public to specific documents or other information relating to gambling research. Most of the items referenced in this section are available from the Institute's website (www.abgaminginstitute.ualberta.ca). On average, over 875 visitors per month visited this information-rich resource over the course of the year.

Institute Web Site Visitors - Comparison of 2002-03 and 2003-04



The Institute has continued its work with 'Access The Education Station' to develop short public service announcement (psa) videos that communicate the Institute's mandate, highlight research results, and announce public events. During the 2003-04 fiscal year, these psas were aired on Access television and posted on the Institute website.

Production continued of the Institute's bi-monthly newsletter, 'Research reveals...an update of gambling research in Alberta'. Issues were posted on the Institute website and print copies distributed to the Institute mailing list and included as inserts in the Alberta Alcohol and Drug Abuse Commission (AADAC) 'Developments' newsletter. Each issue featured Institute sponsored research initiatives and events including highlights from Visiting Speaker presentations.

Increasingly, attention was focused on gambling-related research as evidenced in the Canadian Universities in the Media, Winter 2004: Media Analysis Report (Cormex Research, p.10). Of the University of Alberta's top 30 faculty experts identified as receiving the highest level of media exposure, the Alberta Gaming Research Institute's Media Contact, Dr. Garry Smith, Gambling Research Specialist, ranked 15th.

RESEARCH PUBLICATIONS

Research Reports

Munro, B. E. (2003). *Seniors who gamble: A summary review of the literature, 2003*. Edmonton.

Smith, G. J., & Wynne, H. J. (2004). *VLT Gambling in Alberta: A Preliminary Analysis*. Edmonton.

Refereed Journal Articles

Diskin, K. M., Hodgins, D. C., & Skitch, S. A. (2003).

Psychophysiological and subjective responses of a community sample of video lottery gamblers in gambling venues and laboratory situations. *International Gambling Studies*, 3(2), 133-148.

Diskin, K. M., Hodgins, D. C. (2003). Psychophysiological and subjective arousal during gambling in pathological and non-pathological video lottery gamblers. *International Gambling Studies*, 3(1), 37-51.

Hodgins, D.C. & Petry, N. (2004). Cognitive-behavioral treatment. In Grant, J. & Potenza, M.N. (Ed). *Pathological Gambling A Clinical Guide to Treatment*. New York: American Psychiatric Association Press.

McGowan, V. (2003). Counter-story, resistance and reconciliation in online narratives of women in recovery from problem gambling. *International Gambling Studies*, 3(2), 115-131.

McGowan, V.M. & Nixon, G. (in press). Blackfoot traditional knowledge in resolution of problem gambling: Getting gambled and seeking wholeness. *Canadian Journal of Native Studies*.

Tavares, H., Martins, S. S., Lobo, D. S., Silveira, C. M., Gentil, V., & Hodgins, D. C. (2003). Factors at play in faster progression for female pathological gamblers: An explanatory analysis. *Journal of Clinical Psychiatry*. 64, 433-438.

Tavares, H., Zilberman, M. L., & el-Guebaly, N. (2003). Are there cognitive and behavioral approaches specific to the treatment of pathological gambling? *Canadian Journal of Psychiatry*, 48(1), 22-27.

Williams, R. J., & Wood, R. T. (2004). The proportion of gaming revenue derived from problem gamblers: Examining the issues in a Canadian context. *Analyses of Social Issues & Public Policy*, 4(1), 1-13.

Wohl, M. J. A., & Enzle, M. E. (2003). The effects of near wins and losses on self-perceived personal luck and subsequent gambling behavior. *Journal of Experimental Social Psychology*, 39, 184-191.

Published Conference Proceedings

Walls, W. D., & Harvey, P. (in press). Laboratory economics as a research tool in the study of gambling markets. *Proceedings of the National Association of Gambling Studies 13th Annual Conference*. Canberra, Australia: NAGS.

Williams, R. J., Connolly, D., Wood, R. T., & Currie, S. (in press). Prevention of problem gambling: Lessons learned from two Alberta programs. *Proceedings of the National Association of Gambling Studies 13th Annual Conference*. Canberra, Australia: NAGS.

PUBLIC RELATIONS

Newsletter: Research Reveals (with feature article)

• Volume 3

Issue 3 - February / March 2004: Dr. David Crockford, University of Calgary (Measuring Brain Function in Pathological Gamblers)

Issue 2 - December 2003 / January 2004: 3rd Annual Conference on Gambling Research, Treatment of Problem: A Vision for the Future

Issue 1 - October / November 2003: Dr. Chris Hosgood, University of Lethbridge (From Vice to Popular Pastime: A History of Gambling in Alberta)

• Volume 2

Issue 6 - August / September 2003: Dr. Catherine (Cathy) van Ingen, University of Alberta (Fantasy Games, Real Dollars: Sport Gambling in Cyberspace)

Issue 5 - June / July 2003: Drs. Garry Smith, University of Alberta, Harold Wynne, Wynne Resources, Tim Hartnagel, University of Alberta (What is the Link Between Gambling and Criminal Activity?). ; Tracy Schrans, Focal Research Consultants (Responsible Gaming Features on Video Lottery Terminals: A Step Towards More Responsible Gambling?)

Issue 4 - April / May 2003: Dr. Sandy O'Brien, University of Alberta (The Bingo Experience: Is it Really Negative?)

• Special Issue

Conference Summary: By Rhys Stevens, Institute Librarian, University of Lethbridge (Conference 2003: Prevention of Problem Gambling)

Visiting Speakers

First Nations / Indian Gaming Issues in North America

- Dr. Kate Spilde, Senior Research Associate, Harvard Project on American Indian Economic Development, Kennedy School of Government

Research Challenges Around Gambling: What We Need to Know, and How to Get There - Dr. William (Bill) Eadington, Professor of Economics and Director of the Institute for the Study of Gambling and Commercial Gaming, University of Nevada (Reno)

Videos

- Corporate Video Highlights (4.7 Mb)
- *A Social History of Gambling in Alberta to 1970* - Dr. Chris Hosgood (QuickTime, 3.82 Mb)
- *Self-Directed Gambling Recovery Volunteers* - Dr. David Hodgins (QuickTime, 3.15 Mb)
- *3rd Annual Conference on Gambling Research, Treatment of Problem Gambling: A Vision for the Future*, Promotional Video (QuickTime, 3.0 Mb)

INSTITUTE DOCUMENTS

- 2002-03 Annual Report
- 2002-03 Report Card
- 2004-07 Business Plan
- 2003-04 Research Grant Guidelines & Grant Application
- Small Research Grant Guidelines and Grant Application
- Call for Posters, *3rd Annual Conference on Gambling Research, Treatment of Problem Gambling: A Vision for the Future*

MEDIA ENQUIRIES

- The Institute and researchers at the consortium universities, including Node Coordinators, were frequently contacted by members of the media for articles featuring Institute-sponsored research in newspapers, magazines, and on radio talk shows.
- The enquiries were mainly regional and there has been an increasing number from national and international media.

GENERAL ENQUIRIES

- Enquiries were also received from the general public, gambling related organizations/treatment centres/research institutes, and researchers/students not affiliated with the Institute. Examples of these enquiries include requests for copies of/information about Institute-funded research project reports; casino licenses; gambling related statistics; and information about the research grant programs.

'Research challenges around gambling' Visiting Speaker

Dr. Bill Eadington, Nov. 24, 2003

Dr. Eadington's presentation discussed recent developments, knowledge gaps, and research agendas pertaining to the gambling and commercial gaming industries. Themes included the socio-economic costs and benefits of different types of permitted gambling; the economic implications of alternative ownership and market structure regimes for casino gaming; the implications of technological developments on problem gambling; and, the need to understand the actual impacts of harm minimization strategies.

LIBRARY COLLECTIONS AND CLEARINGHOUSE

Based on the approved Institute Library & Clearinghouse Workplan, the library continued to expand and improve upon its range of traditional and web-based services. A major focus for the year was the library's creation of an online institutional repository which contains full-text of numerous historically significant gambling materials. Digital copyright permissions were obtained for each item included in the collection and are maintained on file at the University of Calgary's Image Centre. As a result of such innovative services, the number of requests for library services in both traditional and online formats continues to increase. The Institute Librarian is based at the University of Lethbridge Library.

THE INSTITUTE LIBRARY'S 2003-04 ACTIVITIES INCLUDED:

Acquisition of print and electronic materials for Institute gaming collections

Institute researchers and all Albertans have access to one of the most extensive gaming collections of materials in Canada. In 2003-04, \$30,000 was spent on materials. Included in these purchases were scholarly gambling-related books, journals, videos, and other items that are housed in libraries at the partner universities. Examples include *Gambling and the public interest* (2003) by Peter Collins and *At odds: Gambling and Canadians, 1919-1969* (2003) by Suzanne Morton.

Development of innovative web-based technologies designed to facilitate access to these collections

The Institute's institutional repository initiative involved selecting historically significant gambling publications, obtaining copyright permissions, and digitizing the materials. These items were then added to the University of Calgary's digital collections and catalogued for online retrieval (URL: <https://dspace.ucalgary.ca>). As of March 31, 2004, a total of 115 digitized items were accessible in the collection and more will be added as they become available.

The Gambling Literature Online Database (gaming.uleth.ca) is another of the Library's online initiatives. The database provides a centralized location for gaming researchers to locate and hyperlink to online gaming-related publications. In 2003-04, the search interface for this product was improved and numerous other resources added to the collection. As of March 31, 2004, 758 documents were indexed in the Database.

Response to detailed information inquiries from Institute-funded researchers and members of Alberta's public

Over the course of the year, the Institute Library received 158 separate requests for reference assistance, literature reviews, or instruction assistance (compared to 132 in 2002-03). Through the provision of quality services, the library has increasingly come to be viewed as a trusted and reliable source of gambling research information.

Dissemination of Institute findings / current awareness services

The Institute Librarian is responsible for developing and maintaining the website. Institute-funded research reports, newsletters, library resources, and other announcements are all made available in a timely manner from this site.

Print copies of Institute research reports and newsletters are also produced and distributed to interested individuals, organizations, and libraries. The librarian has also had several journal and newsletter articles accepted for publication in 2003-04.

Coordination of library activities with Institute stakeholders

The Institute Librarian worked closely with the Institute's Executive Director to plan and promote Institute conferences, Visiting Speaker events, and reporting activities over the past year. In addition, the Librarian liaised with the partner universities' libraries and librarians to develop, promote, and enhance library services.

RESEARCH DOMAINS

The Alberta Gaming Research Institute's research initiatives balance applied and theoretical research. Because gambling is a multi-faceted research subject, it is important that the Institute recognize the broad parameters of gambling research, the numerous academic disciplines and sub-disciplines involved, and the diversity of topic areas.

Within the wide spectrum of gambling research, proposals and research activity are solicited within four broad domains:

BIO-PSYCHOLOGICAL AND HEALTH CARE

Research in this domain typically emanates from the academic disciplines of biology, physiology, medicine, genetics, bio-ethics, health and wellness promotion, and psychology.

From the biological side, the research centres on whether, and to what extent, an individual's gambling behavior is affected by dysfunctional bodily systems or under- or over-supplies of various bodily fluids, chemicals, enzymes, or hormones. Another potential line of inquiry focuses on the relationship between gambling behavior and physical and emotional health and the extent to which pathological, or problematic, gambling constitutes particular problems for the health care system.

Several research streams are prominent in the psychological realm, including examining the psychological processes that facilitate or inhibit gambling behavior; analyzing an individual's motives for gambling; understanding peculiarities in gambler's understanding of probability theory; probing the tendency of problem gamblers to engage in irrational thinking patterns; comparing the psychological characteristics of a gambling addiction with other addictive behaviors; the efficacy of various problem gambling treatment programs; and, examining the degree to which a person's gambling preferences, frequency and style of play are influenced by various psychological attributes.



SOCIO-CULTURAL

Studies in this domain emerge from the academic disciplines in the social sciences, humanities, law, family studies, gerontology, and leisure studies. Generally, this research focuses on: exploring the patterns in societal, including specific populations, gambling behaviors; determining how individual characteristics are linked to gambling activity; understanding the social consequences of widespread gambling activity including the effect on social agencies; and, ascertaining the social conditions that accommodate, and conversely discourage, gambling.



ECONOMIC

The introduction of new gambling formats to a jurisdiction usually produces conflicting effects, some positive and some negative. Legislative endorsement for gambling is ostensibly based on the premise that the social and economic good of the activity outweighs the costs that may result. Clearly, the benefits of gambling are tangible and readily quantifiable in economic terms, whereas the social and economic costs of the activity tend to be hidden, indirect, not immediately noticeable, and impossible to measure precisely. Research in this domain is usually conducted by specialists in economics, business, law, and tourism and includes cost-benefit analyses of various gambling formats (legal or illegal) or gambling in general within a jurisdiction; studies examining the feasibility of legalized gambling as an economic development tool; the effectiveness of legalized gambling as a tourist draw; the impact of expanded legal and illegal gambling; the impact of increased gambling on police services and the judicial system; and, the extent to which money may be laundered through legal gambling activities and venues.



GOVERNMENT AND INDUSTRY POLICY AND PRACTICE

Sound government policy and the best practices of industry should be informed by high quality research. The primary focus of research in this domain is to educate government, industry, and the public on gambling-related issues and to research gambling public policy and practices. Theoretical and applied research from many fields may be applicable to this domain. A number of disciplines inform this research area, including political science, law, sociology, leisure studies, and history, with a view to identifying regulatory and public policy arrangements that will optimize the benefits from gambling while reducing the harm.



GRANTING PROGRAMS

OBJECTIVES OF THE ALBERTA GAMING RESEARCH INSTITUTE GRANTING PROGRAMS

- To develop knowledge in topics related to gaming and gambling
- To support collaborative research on gaming issues
- To promote the contribution of Alberta's researchers to gambling research and support related capacity building at the participant universities
- To disseminate information and share expertise on gaming research

SMALL GRANTS

The purpose of the Small Grants program is to promote the development of research capacity in the Institute universities with a general focus on the four identified domains. These awards could, for example, be used for the development of pilot projects, annotated literature reviews, instruments or questionnaires, or the administration of surveys. A particular, but not exclusive, focus is assisting newer gambling researchers, graduate students, and post-doctoral fellows, to submit successful applications to other granting agencies and/or to the Institute's annual Major Grants program. The maximum award under this open application program is \$10,000 with, normally, up to one year for completion.

Small Grants awarded in 2003-04

Group therapy for women problem gamblers: perceived effectiveness



[N. Piquette-Tomei, Faculty of Education, U of L; E. McCaslin, Regina Qu'Appelle Health District; S. Corbin Dwyer, U of Regina]

This pilot project proposes to examine 'effective counselling practices' for women problem gamblers. More specifically, it aims to explore the impact of a group therapy approach in addressing the needs of these women using an action research approach. Implications for improving gambling treatment will be considered in the context of their experiences.

Examining the impact of gambling on elderly women



[C. Rose, R. Williams, G. Nixon, School of Health Sciences, U of L]

Senior women will be interviewed in focus groups to gain an in-depth understanding of their lived experiences with problem and pathological gambling. In addition senior women will be queried about their experiences, if any, regarding treatment for their problem gambling so as to facilitate designing an effective group intervention for problem/pathological senior women gamblers.

Testing the string theory of gambling: why people gamble when they are bound to lose



[W. Shead, A. Mendritzki, D. Hodgins (supervisor), Department of Psychology, U of C]

The purpose of this study is to test the string theory of gambling proposed by Rachlin (1990). This theory attempts to explain people's attraction to gambling. More specifically, it offers a theoretical framework to help understand why people gamble despite unfavourable betting conditions. A review of the relevant literature indicates that no studies have been conducted to try to validate this theory.

Gambling and ethics



[G. Smith, Gambling Research Specialist, Faculty of Extension, U of A; J. McMillen, Australian National University]

The purpose of this research initiative is twofold: (1) to complete a collaborative research paper on Gambling and Ethics and (2) complete the research required to produce a book on the Canadian gambling scene (which has been solicited by the University of Alberta Press).

MAJOR GRANTS

The fourth annual call for proposals (CFP) under the Institute's Major Grants program was conducted from May through October 2003. In May, the CFP was posted with proposals due by the end of June; during July and August, the review process was conducted; and, in September and October, the reviewer feedback was compiled, approval decisions made, and award letters issued. The intent of this granting program is to elicit researcher identified important areas of research from across

the four domains while building research capacity in the Institute universities. The involvement of research assistants and new academics is encouraged. Guidelines require that a principal investigator (PI) have faculty status at one of the Institute universities. Peer reviewers (i.e. those with expertise in the specific research field) are solicited from a roster of international experts. Their feedback is critical to the subsequent awarding decisions. The maximum award under the Major Grants program is \$80,000/year with a two-year funding limit.

In the 2003-04 cycle, eight Major Grant proposals were approved. The disciplinary backgrounds of the principal investigators include: psychology, native studies, physical education, computer engineering, business, public policy, and psychiatry. The research teams are comprised of national and international research affiliates as well as treatment agency representatives.

Major Grants awarded in 2003-04

Regulating internet gambling through the banking and credit industry



[P. Bowal (PI), Haskayne School of Business, U of C]

Issues of Canadian constitutional jurisdiction will be analyzed and recommendations proposed for regulating online gambling. It will examine the issue of what makes Internet-mediated gambling so attractive and economical to set up is what makes it dependent on the global processing of financial transactions through the banking and credit card industry. Accordingly, government regulation of Internet gambling can be achieved through regulation of these commercial industries.

An empirical approach to developing low-risk gambling guidelines



[S. Currie (PI), Clinical Psychologist, Addiction Centre, Foothills Medical Centre, U of C; D. Hodgins, Dept. of Psychology, U of C; N. el-Guebaly, Dept. of Psychiatry, U of C; J. Wang, Dept. of Psychiatry, U of C; H. Wynne, Wynne Resources]

The objective of this project is to develop a set of low-risk gambling guidelines using data from the Canadian Problem Gambling Index which was collected in a 2002 national population survey. Expert opinion from gambling researchers and clinicians will be sought on the feasibility and appropriateness of the guidelines before broader dissemination.

A review of technical aspects of customer-centric internet gambling literature



[B. Homayoun Far (PI), Dept. of Electrical and Computer Engineering, U of C]

The goal of this project is to conduct two literature reviews which will address the questions: What has been published about Internet gaming from a technical point of view? What constitutes a customer-centric Internet gaming system? In recent years, the gaming industry has been strongly affected by the increasing popularity of Internet gaming. Although it is about 500 times cheaper to design and operate an online gaming business, it is reported that the payoffs are not as promising as for conventional gaming and the competition to attract customers is so intense that only the customer-centric sites may survive.

Validation of the gambling cognitions inventory



[D. Hodgins (PI), A. Holub, Dept. of Psychology, U of C]

The Gambling Cognitions Inventory (GCI), a new scale measuring gambling-related cognitive distortions, was developed and administered to 220 undergraduate students. The current project aims to validate the GCI using a sample of problem and pathological gamblers. This step in scale development is essential for establishing the psychometric properties and clinical utility of the GCI.

A transtheoretical perspective on individual determinants of help-seeking for and change in gambling problems



[D. Hodgins (PI), C. Mansley, Dept. of Psychology, U of C; G. Purvis, J. Fraser, Nova Scotia Addiction Services]

The aim of this project is to attempt to provide descriptive and exploratory information about help-seeking and behaviour change in problem gamblers. Specifically, the project will: 1) assess measures of Transtheoretical Model constructs as they relate to problem gambling behaviour, 2) attempt to gain an understanding of what motivates problem gamblers to attempt behaviour change and/or to seek assistance to effect that change, and 3) explore and describe different aspects of and influences on help-seeking from the PGs' point of view

and in their own words, with particular attention to the roles of insight and attitudes toward help-seeking.

An exploratory study of the influence of gaming revenue on Alberta amateur sport organizations



[D. Mason (PI), I. Reade (PI), Faculty of Physical Education, U of A; G. Smith (PI), Gambling Research Specialist, Government Studies,

Faculty of Extension, U of A; L. Thibault (PI), Faculty of Sport Management, Brock University; J. O'Hara, School of Humanities, University of Western Sydney]

The aim of this study is to explore how reliance upon gaming revenue has affected Alberta's provincial amateur sport organizations (PASOs). This study will focus on three areas: 1) identifying groups of similar organizations within the population of PASOs, and how gaming revenues may have impacted these different groups; 2) examining how gaming revenues influence the structure, operations, and strategies of PASOs; and 3) exploring how gaming revenues have affected administrators (volunteer executives and paid staff) within these organizations. The results will further our understanding of the impact that gaming revenue has on its beneficiary organizations and constituents, while increasing our knowledge of institutional pressures and changes within nonprofit organizations.

Investigating the efficacy of the 'Gambling Decisions Program': an early intervention program for problem gamblers



[G. Smith (PI), Gambling Research Specialist, Government Studies, Faculty of Extension, U of A; E. Robson, Health Strategy Researcher, J. Edwards, Public

Health Research Scientist, Public Health, Capital Health; S. Newman, Dept. of Psychiatry, U of A]

"Gambling Decisions" is an early intervention program for people whose gambling is starting to cause problems in their lives - low and moderate risk gamblers. It is not a program for severe problem gamblers whose lives are seriously negatively affected by their excessive gambling. In a one year controlled community trial in the Capital Health Region, Edmonton, in 1998-1999, clients reduced their average monthly gambling spending from \$608 starting the program to \$112 after the six week program, and when assessed at one year, it dropped

to \$73 (Robson, Edwards, Smith and Colman, 2002). The first evaluation of Gambling Decisions was managed by a health agency and operated by community health nurses. The program was designed so that it could be adopted for use in addictions agencies and counselling centres as well as health agencies, using professional staff from all of these different backgrounds. This project expands the delivery focus of "Gambling Decisions" to include all three delivery options. The sites for participation will be selected from Northern Alberta communities that have high problem gambling prevalence rates.

A second purpose of the project is to identify and address, the mental health and related money management needs of clients undergoing treatment in the Gambling Decisions program.

Examining gambling and problem gambling in Albertan aboriginal communities



[R. Williams (PI), School of Health Sciences, U of L; L. Frank, Dept. of Native American Studies, U of L; G. Nixon, School of Health Sciences, U of L; H. Wynne,

Wynne Resources]

This project will use participatory action research (PAR) to investigate gambling in selected Aboriginal communities in Alberta. The two participating communities will conduct the research themselves, with the research team facilitating this process. The anticipated outcomes are: a) a better understanding of the socio-cultural nature of gambling and problem gambling in these communities; b) the development of a strategic action plan to address the issue of problem gambling in the community; and, c) communities that have been mobilized through this process to effectively implement the action plans.

Continuing and completed (in 2003-04) projects from prior Major Grant award cycles

For brevity, only the principal investigator/applicant's name is included with the title of the research project. Synopses of the initiatives and a complete listing of researchers is available on the Institute website. Projects that were **COMPLETED IN 2003-04** are identified.



Using on-line survey techniques to profile the Internet gambler: a pilot study

[R. Wood, Dept. of Sociology, U of L]



Prevention of problem gambling: a school-based intervention

[R. Williams, School of Health Sciences, U of L]



Economic analysis of alternative betting duty regimes - COMPLETED IN 2003-04

[W. D. Walls, Dept. of Economics, U of C]



The effect of culture on gambling - COMPLETED IN 2003-04

[G. Walker, Dept. of Physical Education and Recreation, U of A]



Gambling, identity, and community: evaluating the place of chance in the formation of moral cultures

[W. Ramp, Dept. of Sociology, U of L]



Developing a gambling awareness and prevention program: impacting gambling behavior in prison populations

[G. Nixon, School of Health Sciences, U of L]



Problem gambling in the Asian-Canadian community in Calgary

[D. Lai, Faculty of Social Work, U of C]



The influence of substance dependence and mood disorders on outcome from pathological gambling

[D. Hodgins, Dept. of Psychology, U of C]



Proportion of gaming revenue derived from problem versus non-problem gamblers - COMPLETED IN 2003-04

[R. Williams, School of Health Sciences, U of L]



A preliminary analysis of video lottery terminal gambling in Alberta - COMPLETED IN 2003-04

[G. Smith, Gambling Research Specialist, Government Studies, Faculty of Extension, U of A]



Seniors and gambling: towards a better understanding - COMPLETED IN 2003-04

[G. Nixon, School of Health Sciences, U of L]



Understanding how gamblers really think: psychological and cultural aspects that motivate gamblers

[V. McGowan, School of Health Sciences, U of L]



Effects of a motivational interview on problem gambling behaviour

[D. Hodgins, Dept. of Psychology, U of C]



Functional magnetic resonance imaging of pathological gamblers - COMPLETED IN 2003-04

[D. Crockford, Dept. of Psychiatry, Faculty of Medicine, U of C]



Impact of statistical knowledge on gambling attitudes and behaviour of university students - COMPLETED IN 2003-04

[D. Connolly, Dept. of Mathematics & Computer Science, U of L]



A social history of gambling in Alberta to 1970 - COMPLETED IN 2003-04

[C. Hosgood, Dept. of History, U of L]



Preventing relapse in former gamblers - COMPLETED IN 2003-04

[D. Hodgins, Dept. of Psychology, U of C]



How near wins and near losses affect gamblers' self-perceptions, risk estimations, and future gambling behaviour

[M. Enzle, Dept. of Psychology, U of A]



A consumer model for the regulation of gaming

[P. Bowal, Faculty of Management, U of C]

STRATEGIC PARTNERSHIP AND COLLABORATIVE INITIATIVE GRANTS

In response to the continuing need for research investigation into various aspects of gambling, the Institute Board undertook to engage Institute universities' researchers in high priority topics; to attract new researchers from specific disciplinary backgrounds (see section of this report on 'Capacity-Building at Institute Universities'); and, to develop strategic research alliances and collaborative arrangements with other jurisdictions and affiliated organizations.

The common interest and importance placed on these priorities was confirmed at the Inter-provincial Forum held in September 2003 in Toronto, Ontario. Attendees at the Forum included representatives of gambling research funding agencies together with recognized researchers in the field.

Strategic Partnership and Collaborative Initiative Grants awarded in 2003-04

'What is a crime?' Challenges and alternatives



[C. Campbell (PI), Dept. of Criminology, Douglas College, New Westminster, BC; G. Smith, Gambling Research Specialist, Government Studies, Faculty of Extension, U of A; T. Hartnagel, Dept. of Sociology, U of A]

Organizational affiliates: Law Commission of Canada (LCC - lead agency); Alberta Gaming Research Institute (AGRI); Ontario Problem Gambling Research Centre (OPGRC)

The goal of the overall project is to develop an analytical framework for understanding the processes that both underlie and inform responses to unwanted behaviour, including the impacts of choosing various response and control mechanisms (e.g. the formal legal process, regulatory codes, health and education programs). It aims to determine why certain behaviours are criminalized while others are not.

On March 28, 2003, the LCC released its discussion paper, What is a Crime? Challenges and Alternatives. Its primary purpose was to stimulate discussion and debate on a range of issues and questions relating to why certain behaviours are defined and responded to as 'criminal' or 'unwanted'.

To further its work on this project, the LCC commissioned six multidisciplinary case study research projects to examine the factors that contribute to the definition of these types of behaviour and the mechanisms and techniques that are/have been employed in response to certain behaviour. The case study topics include:

- Medical fraud and over-billing
- Welfare fraud
- Information privacy
- Gambling
- Aboriginal harvesting
- Civility and neighbourhood order/disorder in an urban setting

Although each case study will act as a 'stand alone' piece by providing in-depth analysis of the behaviour(s) being examined, they will also serve a collective purpose by informing the Law Commission's overall

work on the 'What is a Crime?' project. It is anticipated that the results of the case study research, as well as that of the Commission's engagement process, will be instrumental in helping the LCC prepare its final report to Parliament on this important issue.

Measuring Problem Gambling in Adolescent Populations



[J. Wiebe (PI), Research Director, Responsible Gambling Council (Ontario) & Research Associate, Canadian Centre for Substance

Abuse; H. Wynne, Gambling Research Specialist, Wynne Resources; R. Stinchfield, Clinical Psychologist & Asst. Prof., Dept. of Psychiatry, U of Minnesota Medical School; H. Skinner, Prof. and Chair, Dept. of Public Health Sciences, Faculty of Medicine, U of Toronto; J. Tremblay, Clinical Researcher, Ubalde-Villeneuve Rehabilitation Centre and ALTO, Quebec; Expert panel - comprised of approx. 15 researchers including 2 Alberta university researchers: G. Smith, Gambling Research Specialist, Government Studies, Faculty of Extension, U of A; R. Williams, School of Health Sciences, U of Lethbridge]

Organizational affiliates: Canadian Centre for Substance Abuse (CCSA - lead agency); AGRI; Addictions Foundation of Manitoba; Ministère de la Santé et des Services sociaux, Quebec; Ministry of Public Safety and Solicitor General, BC; Nova Scotia Gaming Foundation; OPGRC

The purpose of this research project is three-fold:

- (1) to reconceptualize the construct of 'problem gambling' in the adolescent population;
- (2) to operationally define gambling and problem gambling in the adolescent population; and,
- (3) to develop a measure in the form of a survey instrument that will identify adolescent problem gamblers in the general population.

It is predicated on the perspective that problem gambling is a public health issue that has a deleterious effect on the health and well being of individuals (including adolescents), families, and the community.

This research project will be undertaken in two phases over a two-year period. In the first phase, the research will focus on reconceptualizing the problem gambling construct, specifying an operational definition of it to guide the development of a survey instrument, and developing an initial version of the survey instrument and evaluating its reliability and content validity. In the second phase, the instrument will be validated

for assessing youth gambling and identifying adolescent problem gamblers in the general population.

Social and economic impact of gambling



[Inter-provincial team of researchers with international expert (advisory) panel - research team being confirmed]

Organizational affiliates: CCSA (lead agency); Ministry of Public Safety and Solicitor General, BC (Steering Committee Chair); AGRI; OPGRC

In September 2000, an international symposium was held in Whistler, BC to discuss issues involved in estimating the social and economic impact of gambling. The meeting was organized by the CCSA in partnership with a number of provinces, including Alberta, British Columbia, Manitoba, Quebec and Ontario.

The purpose of the symposium was to explore the feasibility of establishing an internationally acceptable methodology for estimating the social and economic impact of gambling. Studies to date have used a variety of methods, sometimes based on questionable assumptions, and have produced a wide range of estimates. None to date can be considered definitive when measured against contemporary research standards.

The Whistler Symposium brought together persons with experience and expertise in social and economic impact estimation, and produced a report which describes a preliminary methodology by which impact estimation can be conducted. An international steering committee was also established from the Symposium. It was mandated to oversee the further refinement of the estimation methodology and the development of attribution factors.

The steering committee recommended that a realistic short term goal (i.e. two-year time frame) is to evolve the methodology to the point where it can be presented as a set of draft international guidelines for impact estimation, along with a research agenda that identifies the data requirements for implementation. Medium term goals are to undertake the identified research in order to establish the required Canadian and international data sets; to develop and test the guidelines in different settings; and, to refine the model accordingly. In the longer term, the goal is to apply the newly developed impact estimation methodology to comprehensive cost benefit analyses of gambling in various jurisdictions.

This proposal focuses on the identified short term goals.

Factors influencing the development of responsible gambling: a prospective study



[Research team/Steering Committee: Dr. Nady el-Guebaly, Head, Addiction Centre, Foothills Medical Centre &

Professor, Dept. of Psychiatry, Faculty of Medicine, U of Calgary; D. Hodgins, Professor, Dept. of Psychology, Faculty of Social Sciences, U of Calgary; G. Smith, Gambling Research Specialist, Government Studies, Faculty of Extension & Professor Emeritus, U of Alberta; R. Williams, Professor, Addictions Counselling Program, School of Health Sciences, U of Lethbridge; R. Wood, Assistant Professor, Dept. of Sociology, Faculty of Arts, U of Lethbridge; D. Schopflocher, Biostatistician, Health Surveillance, Alberta Health and Wellness & Adjunct Professor, Epidemiology, Dept. of Public Health Sciences, Faculty of Medicine & Adjunct Professor, Faculty of Nursing, U of Alberta; V. Williams, Executive Director, AGRI]

Organizational affiliates: AGRI (lead agency); other provincial/researcher participation under negotiation

Gambling is a normative activity in the Alberta population, with 82% of the adult population having gambled in the past year. Although the large majority of Albertans gamble responsibly, there is a small percentage that experience significant problems. The design of effective educational and legislative strategies to minimize the harm caused by gambling hinges on understanding the factors that promote responsible gambling and/or make people susceptible to problem gambling.

Longitudinal studies are the optimal methodology for investigating such questions. This methodology has been used extensively and successfully in the fields of health, mental health, sociology and addiction. Unfortunately, there is a dearth of longitudinal studies of gambling. Two unpublished studies followed adults. It is this important gap in the research literature that provided the impetus to assemble a cross-disciplinary and cross-university Alberta research team to develop the present proposal.

The present project intends to study prospectively 2000 Albertans over a five-year period from 2004 to 2009. There will be five age cohorts with 400 in each cohort: 13-15 year olds; 18-20 year olds; 23-25 year olds; 43-45 year olds; and 63-65 year olds. Fifty percent of each cohort will be derived from the general population and fifty percent from a 'high risk' sample of individuals who are at elevated risk for developing gambling problems because of their greater expenditure and frequency of gambling. The entire sample will be selected by means of random digit dialing stratified by region (Edmonton, Calgary, and rural Alberta). The initial interview will be conducted face-to-face and comprehensively assess all individual and societal variables potentially relevant to gambling behavior. Individuals will be contacted a minimum of four more times, on an annual basis.

The development of a comprehensive model of gambling behavior will elucidate several questions: What are the normal patterns of continuity and discontinuity in gambling behavior? What bio-psychosocial variables and behavior patterns are most predictive of current and future responsible gambling and problem gambling? What is the impact of gambling availability, legislative initiatives, and prevention programs on the development of problem and responsible gambling? And, how do all of these things vary as a function of age and gender? These are all questions whose answers will inform effective educational and public policy initiatives to maximize the benefits of gambling and minimize the harm. Finally, it is anticipated that the richness of the resulting database will also serve as a valuable resource for many other non-gambling investigations by other research groups.

Building Research Capacity

Confirming the benefit of supporting pilot, developmental, and collaborative research initiatives, four projects, bringing together a total of eleven new and established researchers were approved in the first year of the Small Grants program.

'The Effect of Culture on Gambling'

G. Walker (PI), Dept. of Physical Education and Recreation, U of Alberta
In an area where relatively little research has been conducted, this study aimed to address the effect ethnicity may have on the prevalence of gambling among Chinese/Canadians who reside in a major Canadian city (Edmonton) and compare the findings to British/Canadians in the same city. The study provides important information on this under-studied ethnic group's gambling behaviour. A manuscript has been accepted for publication in early 2005. The publication of related research articles is also pending (citations and/or links will be posted on the Institute website).

CAPACITY - BUILDING AT INSTITUTE UNIVERSITIES

In keeping with its goal of developing research capacity at Alberta's three principal research universities, on an annual basis, the Institute allocates funds to promote and support high quality research. Some of the approved purposes for which the funding may be used include: faculty, post-doctoral fellowships, and/or research assistance position funding and costs associated with attracting scholars who can make significant long-term contributions to gaming and gambling research, scholarship, and education. The funds also support researcher set-up and associated research program development costs, such as engaging Visiting Scholars as system resources, and colloquia and/or symposia activities. Each of the Institute universities has a 'Node Coordinator' to serve as a liaison with the host university's researchers and the Institute hub. Their expertise was increasingly sought by media to provide commentary on gambling issues.

In 2003-04, two new capacity-building initiatives received Board approval. Firstly, the *Small Grants* program (see '*Granting Programs*') was initiated with the predominant focus of expanding the disciplinary range, developing collaborative research projects, and, most particularly, encouraging newer researchers to the field, either through modest support of standalone projects or in affiliation with more established researchers. The second involved providing 'seed funding' to attract research involvement from the disciplinary perspective of 'economics' to the field of gaming- and gambling-related research. This earmarking of funds recognized the continuing interest in, and need for research into, for example, the social costs vs. the economic benefits of gambling.

The previous sections in this document, in particular, the '*Granting programs*' and '*Communications*' sections contain more specific information related to capacity-building at the Institute universities.

In 2003-04, the Institute universities' capacity-building activities included:

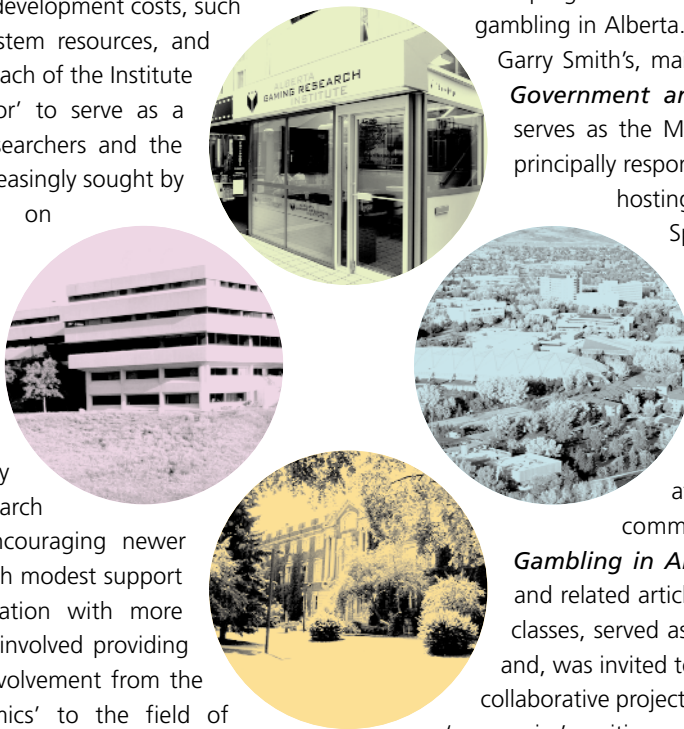
U OF ALBERTA

Funding from the Institute supported .6 of a gambling researcher's (Government Studies, Faculty of Extension) salary as well as a post-doctoral fellow (Faculty of Physical Education and Recreation), whose research program focused on a historical review of aboriginal gambling in Alberta. The U of Alberta Node Coordinator, Dr. Garry Smith's, main area of research is on the domain of ***Government and industry policy and practice***. He serves as the Media Contact for the Institute and was principally responsible for arranging the presentation and hosting of Dr. Mark Dickerson as a Visiting Speaker in June 2003. (See pullout on page 20)

In his capacity as a senior researcher in the field of gambling research, Dr. Smith was engaged in several of the major Institute collaborative research projects; made conference presentations; consulted with government and community groups; (co)authored the ***VLT Gambling in Alberta: A Preliminary Analysis (2004)*** and related articles; delivered guest lectures to University classes, served as an expert witness in legal proceedings; and, was invited to participate in several inter-jurisdictional collaborative projects. He was also involved in developing the 'economics' position proposal.

U OF CALGARY

Funding from the Institute supported a faculty position (Dept. of Psychology, Faculty of Social Sciences) in addition to varied research assistantships. Dr. David Hodgins, the U of Calgary's Node Coordinator, has developed a well-recognized research program in the area of gambling treatment. He maintained an active research laboratory in the Dept. of Psychology; held a bi-weekly gambling researcher discussion group; supervised three doctoral students (all of whom have received Institute grants), two masters' students and one undergraduate student; and, taught a graduate course with a gambling component. One of his doctoral students, Kate Diskin, was the recipient of the very



prestigious **2003 Honourary Izaak Walton Killam Memorial Scholarship**. Many of his students have received external project funding, including through national granting agencies.

In addition to a significant number of conference presentations and research publications, Dr. Hodgins was co-chair (with V. Williams, Executive Director, Alberta Gaming Research Institute) of the **3rd Annual Conference on Gambling Research in Alberta: Treatment of Problem Gambling** (held May 20 - 22, 2004). In this capacity, he was principally responsible for planning the conference program as well as coordination of a meeting of international treatment experts.

U OF LETHBRIDGE

Institute funds at the U of Lethbridge support a faculty position (psychologist) in the School of Health Sciences as well as .5 of a research associate position, who assists faculty members with the development and implementation of gambling research. Dr. Rob Williams serves as the U of Lethbridge's Node Coordinator. He has an active research program, including several concurrent initiatives in many areas of gambling research; supervised two masters' students; and, taught two gambling-research focused courses, including *'Gambling: economic, social and health issues'* (Health Sciences 3700).

During 2003-04, Dr. Williams made numerous presentations at national and international conferences and (co)authored several articles for peer-reviewed publications (either pending or published). He was very active in promoting multi-disciplinary interest in gambling research at the U of Lethbridge.

2003 Honourary Izaak Walton Killam Memorial Scholarship

Katherine Diskin, a doctoral student in psychology at the U of Calgary, won this award for her research into the effects of a single motivational intervention on problem gambling behaviour. Killam Pre-Doctoral Scholarships are awarded to graduate students of outstanding calibre. She adds this to her Social Sciences and Humanities Research Council Doctoral Fellowship, Alberta Heritage Foundation for Medical Research Award, and National Council on Problem Gambling (NCPG) award for best master's thesis.

'Responsible Gambling' Visiting Speaker

On June 5, 2003, the U of Alberta node hosted a seminar titled *'Electronic Gaming Machine Players and the Factors that Lead to Impaired Control'*. It was conducted by Dr. Mark Dickerson, a psychology professor at the University of Western Sydney, Australia and recognized expert on problem gambling and related psychological issues. His presentation focused on *'responsible gambling'* and included aspects related to consumer protection, community/consumer awareness and education, and harm minimization and treatment.

ALBERTA GAMING RESEARCH INSTITUTE FINANCIAL STATEMENTS

MARCH 31, 2004

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23	Statement of Financial Position
24	Statement of Operations
25	Statement of Cash Flows
26	Notes to the Financial Statements
31	Schedule of Expenses

AUDITOR'S REPORT

To the Board of the Alberta Gaming Research Institute

I have audited the statement of financial position of the Alberta Gaming Research Institute as at March 31, 2004 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the management of the Institute. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Institute as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Edmonton, Alberta
June 7, 2004

Original Signed by
Fred J. Dunn, FCA
Auditor General

Note: The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

**ALBERTA GAMING RESEARCH INSTITUTE
STATEMENT OF FINANCIAL POSITION**

AS AT MARCH 31, 2004

	2004	2003
Assets		
Cash (Note 4)	\$ 3,426,158	\$ 3,184,066
Accounts receivable (Note 5)	14,797	18,156
Prepaid expenses	8,193	2,083
Capital Assets (Note 6)	3,762	1,567
	<u>\$ 3,452,910</u>	<u>\$ 3,205,872</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 34,401	\$ 12,062
Deferred revenue	2,550	-
	<u>36,951</u>	<u>12,062</u>
Net Assets		
Net assets at beginning of year	3,193,810	447,635
Net operating results	222,149	2,746,175
Net assets at end of year	<u>3,415,959</u>	<u>3,193,810</u>
	<u><u>\$ 3,452,910</u></u>	<u><u>\$ 3,205,872</u></u>

The accompanying notes and schedule are part of these financial statements.

Approved by the Board:

Original signed by Rick Szostak

Signature

Chair, Audit Committee

Position

July 9, 2004

Date

Original signed by Sheila T. Murphy

Signature

Member, Audit Committee

Position

July 12, 2004

Date

ALBERTA GAMING RESEARCH INSTITUTE STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2004

	2004 Budget	2004 Actual	2003 Actual
Revenues			
Contributions from the Department of Gaming	\$ 1,500,000	\$ 1,500,000	\$ 4,000,000
Interest and Other Revenue	-	60,149	17,110
	1,500,000	1,560,149	4,017,110
Expenses (Schedule)			
Research	1,760,000	890,817	809,638
Infrastructure and Library	210,000	204,997	240,690
Research Linkages	35,000	59,684	37,036
Research Administration	200,000	182,502	183,571
Total Expenses	2,205,000	1,338,000	1,270,935
Net Operating Results	\$ (705,000)	\$ 222,149	\$ 2,746,175

The accompanying notes and schedule are part of these financial statements.

**ALBERTA GAMING RESEARCH INSTITUTE
STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED MARCH 31, 2004

	2004	2003
Operating Transactions		
Net Operating Results	\$ 222,149	\$ 2,746,175
Non-cash items:		
Amortization	1,996	3,307
Loss on Disposal of Capital Assets	309	-
Decrease in Accounts Receivable	3,359	2,515,376
Increase in Prepaid expenses	(6,110)	(650)
Increase in Accounts payable and accrued liabilities	22,339	10,763
Increase in Deferred Revenue	2,550	-
Decrease in Deferred Contributions	-	(2,500,000)
Cash Flows from Operating Transactions	246,592	2,774,971
Investing Transactions		
Purchase of capital assets	(4,500)	-
Cash Flows from Investing Transactions	(4,500)	-
Net Cash Provided	242,092	2,774,971
Cash, Beginning of Year	3,184,066	409,095
Cash, End of Year	\$ 3,426,158	\$ 3,184,066

The accompanying notes and schedule are part of these financial statements.

ALBERTA GAMING RESEARCH INSTITUTE NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2004

Note 1 Authority and Reporting Entity

The Alberta Gaming Research Institute (the Institute) is an unincorporated organization. It is a research consortium comprised of the University of Alberta, the University of Calgary, and the University of Lethbridge (the Institute Universities). Relations between the Institute and the Government of Alberta are defined in an Agreement between the Institute Universities and the Alberta Government dated November 20, 2002. The Institute is directed by a Board comprised of seven members including two appointees (senior administrators and researchers) from each of the three Institute Universities in addition to the Chair of the Alberta Gaming Research Council who is appointed by the Minister of Gaming.

As required under the Agreement, the Institute reporting entity for the purpose of these financial statements is that portion of Institute operations funded by the Department of Gaming. The Institute Universities contribute certain services and supplies, including research and administrative personnel and services, to the consortium. The fair value of these contributions, and the cost of these services and supplies, is not reflected in these financial statements.

Note 2 Purpose

The purpose of the Institute is to:

- expand the breadth and depth of scientific knowledge into gambling;
- provide education about current knowledge through research publications and reporting of research results;
- provide research related to emergent gaming activities;
- act as a clearinghouse for literature related to gambling research; and,
- forge strong collaborative links with national and international scholars and organizations involved in gaming/gambling research and studies.

Note 3 Summary of Significant Accounting Policies and Reporting Practices

Revenue

All revenues are reported on the accrual method of accounting. Cash received for which goods or services have not been provided by year-end is recorded as deferred revenue.

Expenses

Grants are recorded as expenses when all the terms and conditions of eligibility have been met and the Institute has authorized payment of the grant.

Assets

Capital assets are recorded at historical cost less accumulated amortization. Capital assets are amortized on a

Note 3 Summary of Significant Accounting Policies and Reporting Practices (continued)

straight-line basis over their estimated useful lives at the following annual rates:

Furniture and equipment	20%
Computer equipment	33%

Liabilities

Liabilities represent all financial claims payable by the Institute at the fiscal year end.

Net Assets

Net assets represent the difference between the value of assets held by the Institute and its liabilities.

Fair Value

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. The fair values of cash, accounts receivable and accounts payable and accrued liabilities are estimated to approximate their book values.

Intellectual Property

Intellectual property rights with respect to all research conducted with the financial support, or under the auspices, of the Institute are governed by the policies of the Institute University with which the researcher is affiliated. These rights do not accrue directly to the Institute and are not recognized in these financial statements. The Government of Alberta and the Institute Universities are entitled to freely use and copy, other than for commercial purposes, any intellectual property so created.

Note 4 Cash

Cash is held in trust by the University of Alberta. Interest earned on the Institute's cash balance is credited to the Institute and is reflected in these statements.

Note 5 Accounts Receivable

Accounts receivable are unsecured and non-interest bearing.

	2004	2003
Department of Gaming	\$ -	\$ 682
Other	14,797	17,474
	\$ 14,797	\$ 18,156

Note 6 Capital Assets

	2004			2003
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and equipment	\$ 1,222	\$ 835	\$ 387	\$ 631
Computer equipment	4,500	1,125	3,375	936
Total	\$ 5,722	\$ 1,960	\$ 3,762	\$ 1,567

Note 7 Grants to Institute Universities

Grants are provided to the Institute Universities for capacity building, nodal research development, library and collections, and research node administration for gaming related operations. The following table provides an accounting for the grant funds received, and amounts spent by the Institute Universities, to the year-end. Any unspent funds held by an Institute University at the conclusion of these programs or activities will be returned to the Institute.

	2004			2003	
	University of Alberta	University of Calgary	University of Lethbridge	Total	Total
Opening balance	\$ 104,710	\$ 74,559	\$ 57,554	\$ 236,823	\$121,017
Funding					
Capacity building	100,000	100,000	100,000	300,000	300,000
Nodal research development	30,000	30,000	60,000	120,000	120,000
Library and collections	-	-	150,000	150,000	165,579
Research Node Administration	15,000	15,000	15,000	45,000	45,000
Cohort study	-	-	-	-	(4,724)
	145,000	145,000	325,000	615,000	625,855
Total Funding Available	249,710	219,559	382,554	851,823	746,872
Actual Expenditures	110,820	122,810	285,929	519,559	510,049
Unexpended Funds	\$ 138,890	\$ 96,749	\$ 96,625	\$ 332,264	\$236,823

The balance of unexpended funds represents funding for new and continuing projects.

Note 8 Commitments

The Institute has the following commitments:

Year	Research Grants (a)	Lease (b)	New location space improvements (b)	Total
2005	\$ 1,108,121	\$ 12,817	\$ 9,566	\$ 1,130,504
2006	407,397	12,818	-	420,215
2007	350,000	-	-	350,000
2008	458,977	-	-	458,977
Total	\$ 2,324,495	\$ 25,635	\$ 9,566	\$ 2,359,696

(a) Research Grants

The Institute has three types of granting programs. In response to an annual call for proposals for major grants (maximum of \$80,000/annum for up to two years) and open application period for small (developmental) grants (maximum of \$10,000 for up to one year), the Board approves researcher identified initiatives. As of fiscal year 2003-04, strategic Board directed, collaborative and multidisciplinary initiatives in areas of identified research need were added to the Institute's purview. Major grants and strategic initiatives must receive peer reviewer endorsement prior to Board approval. During the year, the Board approved \$1,858,977 over 5 years for a cohort study by all three Institute Universities.

The funds are held in the Institute's central account and administered by the Executive Director.

Upon approval of a major or small research grant, and receipt of confirmation of any necessary ethics or other approvals from the host Institute University's Research Services Office, the Institute authorizes payment of 80% of the first year approved award. The remaining 20% is withheld pending satisfactory interim reporting by the principal investigator/researcher. For these types of awards extending beyond one year, authorization of subsequent period amounts is subject to satisfactory reporting and funding availability. Commitments for these awards include the balance of the approved grant awards, subsequent period amounts, and any other approved grant requests for which the researcher has not yet met all of the eligibility criteria.

(b) Lease

The Institute has a lease with the University of Alberta for the period July 1, 2003 to March 31, 2006. To increase accessibility and accommodate the increased business activity of the Institute, effective April 1, 2004, the lease was transferred (with no penalty) to a new campus location (\$12,818/annum payable at \$1,068/month). The Letter of Understanding regarding this move was signed on January 22, 2004 and necessary space improvements and computer technical changes were contracted.

Note 9 Economic Dependence

The Institute receives its principal funding from the Department of Gaming. Interest on the trust account held at the University of Alberta is deposited to this account. The three-year agreement between the Alberta Government and the Institute, which expires March 31, 2005, provides funding of \$1,500,000 annually. The Institute's ability to maintain viable operations is dependent upon continued support from the Alberta Government.

Note 10 Related Party Transactions

During the year, the Institute authorized deposits of a total of \$19,738 to research accounts of two Institute Board members, in their capacity as principal researchers. A balance amount of \$2,225 was returned to the Institute from one of these grant accounts and a further \$14,567 was receivable at year end because the research projects were completed under-budget.

Note 11 Budget

The 2003-04 budget was approved by the Institute's Board of Directors on December 16, 2002.

ALBERTA GAMING RESEARCH INSTITUTE SCHEDULE OF EXPENSES

SCHEDULE

FOR THE YEAR ENDED MARCH 31, 2004

	2004 Budget	2004 Actual	2003 Actual
Research			
Grant competition/strategic research (1)	\$ 1,250,000	\$ 443,817	\$ 389,638
Research support funding (2)	-	30,000	30,000
Position and developmental funding (3)	420,000	327,000	300,000
Nodal research development (4)	90,000	90,000	90,000
	1,760,000	890,817	809,638
Infrastructure and Library			
Library and collections (5)	150,000	150,000	186,244
Events, colloquia (6)	15,000	9,997	9,446
Research nodes (7)	45,000	45,000	45,000
	210,000	204,997	240,690
Research Linkages			
Communications (8)	15,000	45,479	23,374
Exchange (9)	20,000	14,205	13,662
	35,000	59,684	37,036
Research Administration			
Personnel costs (10)	150,000	152,997	147,023
Administrative hub (11)	50,000	29,505	36,547
	200,000	182,502	183,571
Total Expenses	\$ 2,205,000	\$ 1,338,000	\$ 1,270,935

Note 1 Includes annual research grant competition and Board identified areas of strategic, interjurisdictional, and interorganizational collaborative research.

Note 2 One-time researcher start-up to University of Lethbridge (2003 – University of Calgary).

Note 3 Grants to Institute Universities (\$100,000/university/year) to attract research scholars, small grant developmental funding and support for targeted position (economics).

Note 4 Grants to Institute Universities (\$30,000/university/year) to develop internal research expertise.

Note 5 Grant to the University of Lethbridge to build and maintain a special collection of gambling publications at the Institute Universities. The grant also provides funding for specialized information services to interested parties on gambling and gaming matters, development and maintenance of the Institute website, and funding for a junior grade professional librarian.

Note 6 Supports program of formative and summative learning events, visiting speakers, annual conference, and forums.

Note 7 Costs associated with administering node operations including local/rotating board meetings, internal and administrative support.

Note 8 Includes print materials and promotional broadcasts (series of research information spots on ACCESS television), annual report development, writing, and production costs and conference attendance by Institute representatives to facilitate information dissemination.

Note 9 Includes support for Alberta scholars to travel to other locales to investigate gambling-related matters as well as the travel of national and foreign scholars to Alberta to assist with Institute research.

Note 10 Salary and benefits compensation (Executive Director and administrative support).

Note 11 Includes business and board members meeting travel and hub operational requirements.

ALBERTA GAMING RESEARCH INSTITUTE BOARD OF DIRECTORS 2003-04

Dr. Nady el-Guebaly

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Professor, Department of Psychiatry
Division Chief, Addiction Division
Faculty of Medicine
University of Calgary

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Department of Economics
Associate Dean
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Dr. Rick Szostak, University of Alberta; Sheila Murphy, Alberta Gaming Research Council; Dr. Nady el-Guebaly (Chair), University of Calgary; Vickii Williams, Executive Director; Dr. Edd LeSage, University of Alberta; Catherine Anley, Administrative Assistant; Dr. Dennis Fitzpatrick, University of Lethbridge; Dr. Pam Sokol, University of Calgary
Centre: Dr. Chris Hosgood, University of Lethbridge



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Board Members:	Mike Lewcio, Faculty of Extension, University of Alberta

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