



research reveals...

an update on gambling research in ALBERTA

About The Alberta Gaming Research Institute

The Alberta Gaming Research Institute is a consortium of the Universities of Alberta, Calgary, and Lethbridge. Its primary purpose is to support and promote research into gaming and gambling in the province. The Institute's identified research domains include bio-psychological and health care, socio-cultural, economic, and government and industry policy and practice. The Institute aims to achieve international recognition in gaming-related research. It is coordinated by a Board of Directors working in collaboration with the Alberta Gaming Research Council. The Institute is funded by the Alberta government through the Alberta Lottery Fund.

OUR MISSION:

To significantly improve Albertans' knowledge of how gambling affects society

Your comments and queries are welcome either by e-mail abgaming@ualberta.ca or phone 780.492.2856.

4th Annual Alberta Conference on Gambling Research

THE 4TH ANNUAL ALBERTA CONFERENCE ON GAMBLING RESEARCH "Public Policy Implications of Gambling Research" will take place on March 31 and April 1, 2005 at the University of Alberta, Edmonton, Alberta.

The rapid proliferation of legal gambling in Canada over the past several decades has led to an increasing reliance on gambling revenues by provincial governments. At the same time, a growing body of empirical research has contributed greatly to our understanding of gambling's impacts on individuals and society. Despite this enhanced knowledge base, a gulf exists between research evidence and gambling public policy.

The aim of this conference is to provide a rational debate on gambling policy development and to explore how gambling research might be integrated into the process. In so

doing, leading Albertan, Canadian, and international researchers will address issues such as the following: How is gambling policy formulated, influenced and evaluated? In whose interest is gambling policy made? To what extent is gambling policy undergirded by informed consent, duty of care and precautionary principle considerations? How can wider input into gambling policy development be accommodated (e.g., interested citizens, other levels of government and academic research)? And, can competing principles such as "market forces," "societal good" and "individual freedoms" be balanced to create sound gambling public policy? Conference program, registration form, and accommodation details will be available from the Institute's web site <http://www.abgaminginstitute.ualberta.ca/2005_conference.cfm>.



Established 1967: Casino Gambling in Alberta

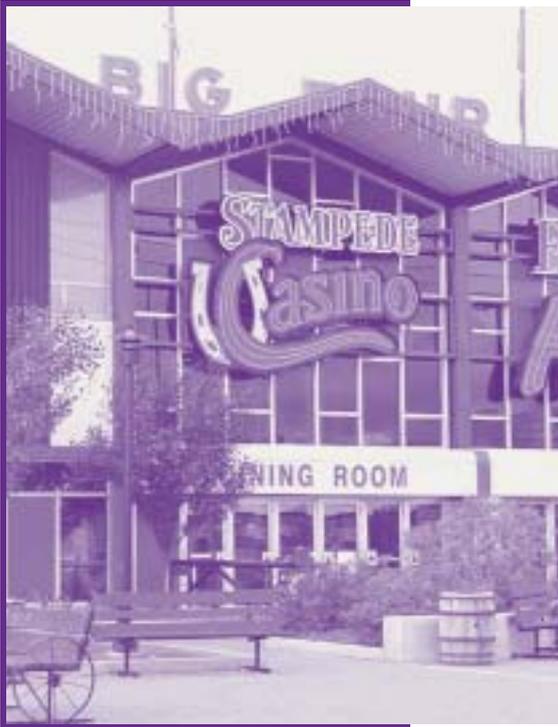


Photo courtesy of Rod Proudfoot,
Casino Manager, Stampede Casino

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THE ENGLISH WORD CASINO came to us from the Italian language where its first meaning was "house". Over time, the word underwent a gradual transformation from its original meaning to "a social gathering place where one could dance, listen to music, and gamble".¹ It was this latter development of the word that gained precedence in the English language and has come to denote "gambling establishment". A similar transformation has also occurred in the Province of Alberta's casino gambling industry. What began in 1967 as a week-long temporary event designed for the purposes of entertainment has today grown into a multi-million dollar business enterprise that generates vast revenues for the province's charitable and religious organizations, private casino facility operators, and the province itself through the Alberta Lottery Fund.

Origins & development of casino gambling in Alberta

Casino gambling in the Province of Alberta originated from the gaming activities that were permitted on the midways of traveling carnival shows at agricultural fairs and exhibitions.

Prior to 1967, published reports indicate that sanctioned gaming consisted of such activities as dart throws, crown-and-anchor wheels, and hoop-toss games of chance and skill.

In July of 1967, a temporary structure near the "Silver Slipper Saloon" at the Edmonton fairgrounds housed what is now considered to be Alberta's first public casino. Gamblers flocked to put down \$2-maximum bets on the round kitchen table being pressed into use for a "21" (Blackjack) game. Patrons could also choose to wager on several "wheel of chance" games named "Racehorse", "Crown and Anchor" and "Over and Under". In fact, the "21" game proved so popular that five more tables had to be added to satisfy demand. Casino gambling had arrived.

From 1969 until 1974 the only *major* casinos permitted were those events sponsored by agricultural fairs. An occasional one-evening casino was permitted during this six-year span which was often in conjunction with some philanthropic activity. It is not clear if these events were formally licensed or approved. By 1975, the Attorney-General's department of the Alberta Provincial Government began to grant multi-day casino licenses in order to assist charitable organizations with the generation of revenue. During this period, commentators have suggested that casinos underwent a transformation from an entertainment-oriented industry to one that was motivated by fund-raising.

¹ *The American Heritage® Dictionary of the English Language, Fourth Edition*

Alberta's first permanent, privately-operated charitable casinos were opened in Calgary and Edmonton during the early 1980s. By the mid-1990s, the number of provincial facilities had increased to 11 full-time casinos and three that operated on weekends. This rapid increase in facilities happened at a time when the casinos themselves were transforming from basic gambling parlours to larger and more sophisticated destinations. Another significant milestone in the development of casino-style gambling was the 1996 introduction of slot machines to Alberta casinos. Also at this time, the Edmonton Northlands horse racing facility received slot machines as part of an initiative to revitalize the horse racing industry.

Alberta Casino Gambling—recent events

The Alberta Gaming and Liquor Commission announced the First Nations Gambling Policy in January of 2001, which allows for on-reserve casinos (although none have yet been built). The province's proceeds from the on-reserve casinos are to be deposited in the Alberta Lottery Fund and used for traditional lottery programs as well as for a First Nations Development Fund.

Since the 2002 removal of a moratorium restricting new casino development, the province has proceeded slowly with respect to increasing the number of licensed casino facilities. An eight-step process was established to guide new casino facility applications for both traditional casinos and First Nations casinos. A similar process was also developed for use by existing casino facilities intending to expand or relocate.

There are currently sixteen permanent casino facilities, three Racing Entertainment Centres (known in industry circles as *racinos*), and a number of temporary casinos at major exhibitions and summer fairs (e.g. "Klondike Days" in Edmonton) operating in the Province of Alberta. This figure is set to increase as three permanent casino facilities (in Edmonton, Calgary, and Camrose) are expected to be constructed over the next few years. Several First Nations reserves have also applied for facility licenses but only the Enoch First Nation (Edmonton) and the Alexis Nakota Sioux Nation (Whitecourt) had reached the final stage in the regulatory process as of December 2004.

Alberta's "charity model" of casino gambling

Casinos are operated differently in Alberta than in most other Canadian provinces with casino-style gambling. The operational structure that Alberta has chosen to use is known as the "charitable model". Essentially, this means that eligible charitable groups licensed by the Alberta Gaming and Liquor Commission (AGLC) conduct short-term charity casinos. The AGLC issues licenses to private casino facility operators to provide space and services for these casinos to operate in return for a share of proceeds.

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In 2003-2004, sales on casino table games totaled approximately \$621.9-million. Of this amount, \$499.1-million was paid out in prizes, leaving a total net of \$122.8-million—which was divided between, casino facility operators, casino advisors, trustees (\$85.9-million) and charities (\$36.9-million).

In 2003-2004, sales on slot machines in casinos and Racing Entertainment Centres totaled approximately \$9.3-billion. Of this amount, \$8.6-billion was paid out in prizes, leaving a total net of almost \$683-million—which was divided between the Alberta Lottery Fund (\$479-million), casino and REC operators (\$102.3-million; \$96-million to Casino Operators and \$6.3-million to REC Operators), and charities (\$95.1-million).

Sources of information on the development of casino gambling in Alberta

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