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THE MODERNIZATION PLAN FOR GAMBLING IN ONTARIO

By Rob Simpson

INTRODUCTION

In March 2012, the Ontario Lottery and Gaming Corporation (OLG) launched its “Modernization Plan”, which was designed to substantially increase gambling revenues by modifying the delivery landscape. The Plan is congruent with the tried and true practices of the larger gambling interests across Canada and world-wide. Collectively, these interests can be portrayed as Big Gaming, in similar vein as the widely-accept terms for the monoliths Big Tobacco, Big Pharma, Big Oil and, most recently, Big Food.

To appreciate OLG’s Modernization Plan, it is instructive to understand the core strategies of Big Gaming. These have driven formidable increases in gambling expansion and profits since the mid-1990s, and have instilled a bold confidence for continued growth.

Part 1 of this paper discusses what might be thought of as Big Gaming’s playbook of growth and sustainment strategies. Part 2 examines the elements of OLG’s Modernization plan, its roll-out and related efforts to garner community support and engagement. It includes a critique of the proffered justifications for expansion and comments upon the unaddressed issues that were omitted. It concludes with an examination of what OLG is unlikely to have anticipated – cogent, persuasive push-back from communities that gained momentum and achieved noteworthy success.

By February 2014, the Modernization Plan was in shambles. The OLG Chair had been fired, the board of directors had resigned, the CEO had resigned, and the initiative was moved to the political back burner. The hiatus has introduced an opportunity for the Ontario government to reconsider its relationship to gambling and to reset the balance between generating revenue and reducing attendant harm. The unbridled quest for increased revenue embedded in the Modernization Plan can best be viewed as a “Culture of Immoderation”, whereas the current opportunity is for government to mandate a “Culture of Moderation” that places priority on reducing collateral harm.

PART 1: THE INNER WORKINGS OF BIG GAMING

The Legacy of Big Tobacco

A complete understanding of Big Gaming begins with the trailblazing efforts of the tobacco industry to retain its revenue growth by neutralizing research findings that its products caused cancer. Michaels (2008) described the goal of these efforts as “manufacturing uncertainty”, an outcome underscored by the slogan of Big Tobacco’s research effort: “Doubt is our product”. Its strategies have been described as a “playbook”, and detailed accounts of the associated activities abound.

The template for retaining sales and neutralizing opposition was subsequently adopted and refined by other industries whose products or activities produced collateral harm. Recent inquiry has

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1 Rob Simpson has no objection to the availability of gambling in Canadian society, but stands steadfast in opposition to foreseeable and preventable gambling-related harm.
focussed on Big Food and its contribution to the growing incidence of obesity and diet-related disease. In this regard, Brownell and Warner (2009) have deconstructed the food industry’s playbook as evolved from Big Tobacco’s original efforts. The clarity and elegance of this deconstruction begs application to Big Gaming.

The Big Gaming Playbook

The goals of the Big Gaming playbook are to insulate gambling from unwanted constraint and to pave the way for maximum growth. To these ends, playbook is designed to commandeer and dominate discussion regarding the merits and disadvantages of gambling. The component strategies are:

1. Develop and relentlessly repeat self-serving definitions of key concepts and terminology.
2. Focus exclusively on personal responsibility as the cause of and solution to harm.
3. Decry government intervention as usurping personal freedom and choice.
5. Create doubt, obfuscate, and issue one-sided or blatantly inaccurate information.
6. Discredit detractors and concerned people as “anti-gambling” and “nanny state” advocates.
7. Dismiss unfavourable and inconvenient research findings as “junk science”.
8. Cultivate receptive researchers, academics, and others to confound research findings.

Since the 1990s, playbook strategies have garnered Big Gaming virtually unrestrained growth in availability and revenue across Canada. Most helpful has been the non-involvement of the federal government, which legalizes gambling under the Criminal Code only when “conducted and managed” by provincial governments. Despite these explicit conditions, it has ignored the fact that provincial governments have largely off-loaded their obligation to conduct gambling to the private sector. Moreover, the provinces fall short on the requirement to manage gambling by failing to require operating policies and procedures known to prevent harm. Finally, despite statutory duties of care to redress foreseeable harm from alcohol over-service, no province has adopted parallel legislative protection regarding foreseeable harm to gamblers.

Culture of Immoderation

In the absence of meaningful constraint from the federal and provincial governments, and buoyed by the continuing effectiveness of its playbook strategies, Big Gaming has consistently been able to further its interests. In the process, it has faced no impediment to the maximization of harm to patrons, their families, and their communities. Provincial governments are complicit by failing to rigorously address harm prevention, and compromised by sharing in the spoils. As a result, gambling remains the only government activity that knowingly harms the people it was elected to serve.
PART 2: OLG’s MODERNIZATION PLAN

Ostensibly at the direction of the Ontario government, OLG introduced its “Modernization Plan” in March, 2012. The very term “modernization” is in itself an exercise in controlling the terminology and concepts by which discussion occurs – in reality, it is a euphemism for massive expansion. The principal elements of the Plan include:

- Closing 17 slots-at-race track venues;
- Dividing the province into 29 zones, with the intention of introducing a casino into each, including the “unserved” regions of Toronto, Hamilton, and Kitchener-Waterloo.
- In nine zones, retaining and expanding the existing commercial and OLG-run casinos; establishing a bidding model for municipalities to “host” casinos in the remaining 20 zones.
- Outsourcing $3 billion in capital costs to private interests and specifying private sector operation for all 29 casinos.
- Increasing the number of slots from 22,450 to 36,700 (64%), and table games from 620 to 1,596 (157%).
- Expanding “delivery channels” for lotteries by introducing multi-lane sales at grocery stores and pharmacies, and permitting electronic lottery purchases (e.g., via smart phone).
- Introducing Internet gambling.
- Expanding e-Bingo to an unspecified extent.

At present, OLG net revenues (i.e., after winnings have been paid out) are around $4.8 billion annually – this, of course, is also the net loss to gamblers. From the $4.8 billion, OLG turns over $1.7 billion (35%) to the provincial government as non-tax revenue.

**Financial goals and implications:** The financial goal for expansion was to increase the turn-over to government by $1.3 billion (+76.5%), raising the total to $3.0 billion. OLG stated that it hoped to introduce “efficiencies”, presumably to improve the 35% turn-over rate. In this regard, were the rate to reach 42%, the net increase in gambler losses would be $3.1 billion, and the overall net loss to gamblers would jump from $4.8 to $7.9 billion.

**Justification for the Modernization Plan**

OLG’s rationale for expansion is found in the Modernization Plan and its 2011-12 Annual Report. Of particular note is how the previously-described playbook strategies have been woven into its fabric in order to foster ready acceptance. Replete with business-speak and playbook terminology, four arguments were put forward to justify the Modernization Plan.

1. **Decrease in Future Revenue:** Revenues were projected to decline if the *status quo* was maintained – the “do nothing” option would result in turn-over reductions to government of up to $400 million (-23.5%) annually. This projection is consistent with the precipitous decline in profits
from OLG’s “resort casinos” (Windsor, Niagara Falls and Rama), which had tumbled from $800 million in 2001 to $100 million in 2011.

In relation to new revenue, the Plan stated that gains would come from “broadening the customer playing base, with more people playing a little”.

**What OLG did not say:** The report does not mention that the proportion of Ontario adults who gambled dropped from about 80% in 2001 to 63% in 2006, introducing the possibility of a profound disaffection among consumers with their cost-to-entertainment returns from gambling. In addition, it fails to acknowledge that land-based gambling revenues are declining in most jurisdictions worldwide. For example, 11 out of 12 destination casinos in Atlantic City lost money in 2011, including the newest and most dramatically “modernized” venue. Attracting new destination gamblers to Ontario would be a poor bet in light of the over-saturated and aggressively-competitive world market.

OLG’s identified strategy of broadening the customer playing base effectively means increasing the participation rate. According to the 2010-11 Canadian Gambling Digest, the current participation rate is 63.3% of adults 18 years and older, or 6.6 million gamblers. If OLG were able to increase the participation rate to the national average of 77%, the gambler population would rise by 1.5 million people, from 6.6 to 8.1 million (+27%).

### 2. Per Capita Deficit

Compared to other provinces, OLG reported that Ontario was lagging in *per capita* gambling “profit” (OLG’s terminology for the turn-over to government). Using dense business-speak, the Plan stated: “the lottery and gaming industry returns about $220 to every resident of Canada” in contrast with Ontario, which “contributes about $149 per capita”. OLG unabashedly concluded, “Therefore, we need to increase our contribution” as “the people of Ontario do not derive comparable benefit from lottery and gaming”.

**What OLG did not say:** OLG’s questionable presentation of data and omission of supporting statistical analyses is troublesome. First, reporting *per capita* turn-over to government includes all people under 18 years of age and all non-gamblers, thereby creating the relatively innocuous expenditure of $149. This is akin to including men in pregnancy rates.

A more meaningful metric would be the *per gambler net loss* calculated by dividing the number of gamblers in Ontario (6.6 million) into the net gambler loss ($4.8 billion) for an average per gambler loss of $727 annually – a more appropriate and less insignificant depiction.

The next task is to calculate the projected increase in average per gambler loss. This is accomplished by dividing the expanded gambler base of 8.1 million into the required $7.9 billion in net gambler losses – the annual per gambler loss would increase from $727 to $975 (+34%). Of course, the 1.8 million gamblers targeted for recruitment would, on average, incur the full $975 as a new expense.

### 3. Private Sector involvement

The Modernization Plan introduced the transition to full private sector involvement in the provision of gambling in Ontario. For capital costs, it identified private partnerships to “move the risk of capital investment to the private sector” to the tune of $3 billion. In relation to operations, OLG declared it would withdraw from the direct delivery of gambling,
transferring all responsibility “to the regulated private sector”, while “renewing OLG’s role in oversight”. With additional ambiguity, it further stated that OLG would “set standards for the customer experience” while allowing private sector operators “to decide specifics”.

**What OLG did not say:** The history of shifting capital investment to the private sector has become controversial in Ontario. Clearly, private investors expect repayment and a return on their investment, both of which would be extracted from their management of operations. In addition, they would have expectations for profits from operations. It would be reasonable to anticipate that, collectively, these costs would exert downward pressure on the turnover to government.

However, no financial analysis was provided to quantify expected costs and profits from investments and operations\(^2\), nor was there discussion of the impact of these costs on government income over the lifetime of the facilities. Moreover, there was no comparative analysis of private sector versus government assumption of capital investment and operations. Instead, there was simply assertion.

Protecting the public from gambling-related harm through regulation is unlikely. Recent revisions to Ontario’s gambling regulations were adopted in anticipation of the Modernization Plan. However, they fail to address the prevention of harm to patrons, specifically in relation to practices known to cultivate erroneous perceptions or to exploit gambler vulnerabilities (e.g., slot machine design characteristics and loyalty programs). Beyond this, the exercise of developing standards and having operators “decide the specifics” will have no preventive impact in a private sector climate driven solely by revenue imperatives.

4. **Job Creation:** The Modernization Plan trumpets job creation, projecting 2,300 new gambling jobs and 4,000 service sector jobs in hotels, restaurants, entertainment centres, and retail. OLG staff cite an average salary of “between $50,000 and $60,000” (sic) for the gambling jobs.

**What OLG does not say:** Gambling jobs will result from the new revenues generated by expansion. These will be reallocated from elsewhere in the Ontario economy, where they will be met by offsetting job loss. In this regard, a useful metric is the number of jobs a sector generates per million dollars revenue. OLG’s annual report indicates that Ontario casinos support an average of 8 jobs per million dollars revenue (see Appendix A). In contrast, the Hospitality and Leisure sector supports an average of 17.6 jobs per million dollars revenue (see Appendix B). These figures are consistent with Australian research, which found that gambling has the lowest employee/revenue ratio across a broad range of sectors. Accordingly, OLG’s claim of 2,300 new jobs in gambling may well be offset by up to 2.3 times as many lost elsewhere in the economy. Moreover, the claimed service sector jobs will likely be offset one-for-one by job losses elsewhere in the same sector.

Finally, OLG’s average salary statement is at odds with its Annual Report, which indicates an average full-time equivalent salary in Ontario casinos of $47,433 including benefits (see Appendix A).

**Impact on the Economy**

\(^2\) Historically, OLG has refused to disclose the specifics of reimbursement formulas for private sector casino operators despite being central to the public interest. It is known that risk is virtually eliminated by existing reimbursement formulas that provide percentages of both gross and net revenues, guaranteeing income even if the casino operates at a loss. Profit is increased by maximizing revenue without constraint.
Of concern is that OLG’s projections focus exclusively on the *inflow* of revenue to gambling and fail to acknowledge the corresponding *outflow* from the economy. Nowhere does the Plan discuss the impact of reallocating revenue from consumer expenditures elsewhere – how many and to what extent other businesses would suffer.

One likely candidate for negative impact is what Statistics Canada classifies as the Hospitality and Leisure sector: performing arts, spectator sports, heritage institutions, amusement and recreation, accommodation and food services, and drinking establishments, as well as gambling. In 2012, Statistics Canada reported that this sector generated $32.9 billion revenue in Ontario (the amount derived from gambling is not accessible). Extracting $3.1 billion in new gambling revenue from this sector would represent a loss of 9.4%. Of course, reallocation would come from other sectors as well, but the total extraction of dollars would nonetheless hold, and none of the affected businesses would happily endure the unwarranted loss.

The Modernization Plan locates gambling in what it terms the “recreation” sector\(^3\), where live entertainment and cable/pay TV had steadily increased their “share of the wallet” since 2001. Moreover, live entertainment’s share surpassed gambling in 2009, while gambling’s share steadily declined after peaking in 2001. Without considering the possibility of consumer disaffection with gambling, OLG appears to have used this information to identify targets from which it would endeavour to extract new revenue.

**Impact on Problem Gambling**

The Modernization Plan fails to adequately address the “elephant in the casino”: problem gambling. It states “While the majority of Ontarians gamble without any detrimental impact, a small portion develop (sic) moderate to severe gambling problems”.

In so doing, OLG ignores the critical fact that problem gambling rates are considerably higher among casino gamblers, the principal source for its increased revenue. The most recent research show that 5.5% of slots players are high-severity problem gamblers, and they generate 31.2% of total slots revenue. Further, 12.1% of table game players are high-severity problem gamblers, and generate an astounding 56.9% of table game revenues. The full magnitude of harm is more fully appreciated if extended to immediate family members. On average, each problem gambler in Ontario has 2.8 family members, all of whom are likely to have been negatively affected.

Over time, as existing problem gambling rates are established into the cohort of newly-recruited gamblers, the number of problem gamblers can be expected to rise. In addition, the log-normal distribution of gambling expenditures suggests that increases in per gambler spending will be met with a disproportionate increase in the percentage that gambles heavily. Insofar as heavy gambling predicts the onset of problem gambling, Ontario will see a corresponding increase in problem gambling rates.

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\(^3\) The Modernization Plan cites Statistics Canada as its source, but officials in Statistics Canada were unable to confirm this statement or to identify any data set from which the information might have originated.
Finally, there is the phenomenon of churn. Up to 20% of survey respondents identified as problem gamblers no longer meet the classification criteria 12 months later. However, the problem gambling rate remains stable, suggesting that new problem gamblers emerge to replace those who no longer meet the criteria. This “churn” suggests that the population of “lifetime problem gamblers” grows indefinitely while the problem gambler rate remains constant or even declines.

It can be reasonably anticipated that OLG’s planned expansion will be met with increases in problem gambling rates, the absolute number of problem gamblers, and the number of family members affected.

**Roll-Out of the Modernization Plan**

A well-choreographed and funded campaign was launched to garner public support and persuade municipal governments in each of the 29 “zones” to nominate themselves as “host communities” for new casinos. Municipalities were cautioned that only one would be selected for each zone, thereby creating a climate of distrust and competition as manoeuvring for the spoils began. Local political champions were cultivated, often through personal meetings with OLG officials and representatives of casino operators, usually from the United States. Communities were polarized into pro and anti-casino factions, with the pro-casino case typically employing two arguments:

1. The hosting fee\(^4\) would generate windfall revenue to meet municipal expenses and thereby reduce pressure to increase municipal taxes; and

2. Failure to proceed would mean that another municipality in the zone would reap hosting fee benefits drawn in part from their residents.

It was left to grass roots community members to mount the dissenting case, fighting the uphill battle against arguments that hosting fees would be relinquished to a neighbouring municipality. Nevertheless, a substantial number of people stepped forward, acting as individuals, representing organizations, and coalescing into community action groups. Perhaps the most visible was No Casino Toronto, which attracted local politicians, academics, professionals (e.g., architects, planners), and business people as well as a large cadre of concerned citizens. Similar groups were formed across the province. In many communities, public health departments came forward with analyses of negative impact and issuing unequivocal opposition. Similarly, church leaders made depositions and rallied congregation members against becoming host communities.

The media played a significant role by stepping into the debate, many with well-researched and informed opinions. This was particularly true of newspapers, where the championing of local community well-being was often taken up with vigour, and expressed through repeated editorials, op-eds, and articles. Of interest, scanning web comments sections and letters to the editor generally revealed clear divides, with the pro-casino advocates citing many of the playbook positions (e.g., individual responsibility for harm and decrying a nanny state), while anti-casino advocates tended to cite undesirable harm to local businesses and community members.

\(^4\) Calculated at 5.5% of the first $65 million in gross casino revenue, 3% of the next $135 million, and 2.5% of the remaining $16 million.
Significant battles were fought in the three “unserviced” zones: Greater Toronto, Hamilton-Wentworth Region, and Waterloo Region, with a combined population is about 4.5 million people. Ultimately, each voted against becoming a host community (although Hamilton agreed to transform the existing slots-at-race track venue located some distance outside the population centre). Similarly, Ottawa decided to proceed with transforming its slots-at-race track venue at the southern periphery on condition that the number of slots be limited.

Within the local debates, it is fair to say that all the concerns introduced in this paper were aired at one time or another. In addition, powerful dissenting cases were frequently made in relation to the proposed hosting fee. The first part of this case was to establish that, with 29 casinos blanketing the province, virtually all revenue would come from the local population – this was often referred to as an extraction from the local economy and portrayed as outflow from the community. Then, proponents would argue that the hosting fee and other casino-related revenues would represent the offsetting “inflow”. When these numbers were compared, it became obvious that the proposition was unabashedly loaded in OLG’s favour, and substantially against the community’s interests. On occasion, the net outflow was placed against local economic activity in the Entertainment and Leisure sector. To illustrate, the following analysis was put forward in Waterloo Region, which has a population of about 700,000.

| Estimated casino revenue (per year from 1200 slots, 55 tables) | $180.0 million |
| Inflow (hosting fees, wages, local expenditures, donations) | $50.5 million |
| Net Outflow | $129.5 million |
| Local Hospitality/Leisure Revenue (Statistics Canada, 2007) | $800 million |
| Potential Reduction to Hospitality/Leisure Sector: | 22.5% |

**NOTE:** Estimates for existing expenditures on gambling by Region residents were deducted from the estimated casino revenue and from Hospitality/Leisure sector revenue.

Meanwhile, OLG invested a substantial amount of money in television advertisements. One more frequently aired showed a physician in a newly-built hospital crediting past hosting fees for assisting with capital costs. Locally, a cadre of OLG employees crossed the province making PowerPoint presentations to municipal discussions over becoming host communities. In addition, the OLG Chair and CEO made frequent appearances on television and radio, and in letters to the editor (see Appendix C) extolling the merits of expansion. As per the playbook, public figures, were engaged to rally support (see Appendix C)

At the same time, horse racing interests, whose lucrative returns from slots-at-race track venues had been cut off, mounted a strong campaign around job losses and harm to breeders’ finances. This issue was politicized by the provincial opposition parties, which framed it in terms of the government’s disregard for rural Ontarians. The premier’s subsequent wish to make conciliatory
concessions drew public opposition from the OLG Chair, who was subsequently removed from his position. Immediately thereafter, the entire OLG board of directors resigned. The Toronto Globe and Mail described the firing and board resignations as “leaving the multibillion-dollar agency in disarray”. Seven months later, OLG’s CEO resigned from his $672,989 position (executive salaries had increased by 50% in two years) to become Chair of the Postmedia Board, where Mr. Godfrey is CEO. The Globe and Mail reported that he was “frustrated with government inactivity on the OLG”. Government officials stated that, unlike the Chair, he had worked well with the premier, “dialling back the aggressive modernization plans, and incorporating the horse racing sector into the OLG”.

As of April, 2014, the gambling expansion initiative known as the Modernization Plan appeared to be on hiatus. Undoubtedly, the opportunity will inspire attempts to persuade the premier that embedding the future of gambling into a Culture of Moderation will be in the best interests of the Ontario public.
ADDITIONAL READINGS


### Appendix A

**Ontario Casino Revenue and Employment Analysis 2010-11**

<table>
<thead>
<tr>
<th>Casino</th>
<th>Annual Revenue (million)</th>
<th>Revenue Change from 2009-10</th>
<th>Number of Employees</th>
<th>Employees per Million Revenue</th>
<th>Annual Payroll (million)</th>
<th>Average salary per FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caesars</td>
<td>$260.2</td>
<td>-4.60%</td>
<td>3,134</td>
<td>12.1</td>
<td>$159,332</td>
<td>$50,840</td>
</tr>
<tr>
<td>Casino Rama</td>
<td>$435.0</td>
<td>-7.00%</td>
<td>2,949</td>
<td>6.8</td>
<td>$127,876</td>
<td>$43,363</td>
</tr>
<tr>
<td>Niagara¹</td>
<td>$600.0</td>
<td>-2.90%</td>
<td>4,218</td>
<td>7</td>
<td>$209,977</td>
<td>$49,781</td>
</tr>
<tr>
<td>Brantford</td>
<td>$106.2</td>
<td>-1.70%</td>
<td>869</td>
<td>8.2</td>
<td>$39,301</td>
<td>$45,226</td>
</tr>
<tr>
<td>Point Edward</td>
<td>$36.1</td>
<td>-9.50%</td>
<td>449</td>
<td>12.4</td>
<td>$21,929</td>
<td>$48,840</td>
</tr>
<tr>
<td>S.S.Marie</td>
<td>$30.7</td>
<td>-1.30%</td>
<td>316</td>
<td>10.3</td>
<td>$15,192</td>
<td>$48,075</td>
</tr>
<tr>
<td>1000 Islands</td>
<td>$76.3</td>
<td>-2.90%</td>
<td>415</td>
<td>5.4</td>
<td>$19,356</td>
<td>$46,641</td>
</tr>
<tr>
<td>Thunder Bay</td>
<td>$49.9</td>
<td>-0.20%</td>
<td>364</td>
<td>7.3</td>
<td>$16,999</td>
<td>$46,701</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,594.4</strong></td>
<td><strong>-0.20%</strong></td>
<td>12,714</td>
<td>*</td>
<td><strong>$609,962</strong></td>
<td>*</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>$199.30</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
<td><strong>8.0</strong></td>
<td><strong>-</strong></td>
<td><strong>$47,433</strong></td>
</tr>
</tbody>
</table>

**Notes:**

- ¹ Reflects the two casinos operating in Niagara Falls; * denotes the value is irrelevant or cannot be calculated

**Source:** Compiled from information contained in the 2011-12 OLG Annual Report
### Appendix B

**Ontario Hospitality and Leisure Revenue 2012**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Revenue</th>
<th>Number of Employees</th>
<th>Employees per million revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performing arts, spectator sports and related industries</td>
<td>$2,842,041,185</td>
<td>28,149</td>
<td>9.9</td>
</tr>
<tr>
<td>Heritage institutions</td>
<td>$277,764,807</td>
<td>5,952</td>
<td>21.4</td>
</tr>
<tr>
<td>Amusement, gambling and recreation industries</td>
<td>$5,696,151,233</td>
<td>88,167</td>
<td>15.5</td>
</tr>
<tr>
<td>Accommodation services</td>
<td>$4,843,987,413</td>
<td>68,708</td>
<td>14.2</td>
</tr>
<tr>
<td>Food services and drinking places</td>
<td>$19,281,823,356</td>
<td>416,587</td>
<td>12.7</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$32,941,767,994</strong></td>
<td><strong>607,563</strong></td>
<td><strong>18.4</strong></td>
</tr>
</tbody>
</table>

**Source:** Commissioned private data run from Statistics Canada
Appendix C

Examples of letters in support of the Modernization Plan

Dear Friends,

Over the last few months, there’s been a lot of talk about hosting a new casino in Toronto. I’ve always said I would support a casino if it would produce thousands of good quality jobs and generate millions of dollars for important City services. After reviewing all available information, consulting with my Council colleagues and members of the public, I am confident Toronto faces a golden opportunity.

I would like Toronto to work together with the province to create a new integrated convention and gaming complex that would boost our economic growth and create jobs. The fact is, this is a huge opportunity for Toronto and for Ontario. The private sector is ready to invest $2-3 Billion or more in a Toronto project that will generate hundreds of millions of dollars on an ongoing basis for local and provincial government.

Such a development would create 10,000 new permanent jobs at an average salary of about $55,000 and inject $1.2 Billion into Toronto (and Ontario’s) annual GDP. Construction would create an additional 7,000 to 11,000 temporary jobs. All of these jobs will pay provincial income tax.

A top tier convention and gaming complex will attract over 130,000 additional business visitors to Toronto and generate an additional $392 million of direct spending. That means more HST for the province.

This is a golden opportunity for Toronto and one we probably won’t see again for a generation.

The OLG has been clear: there will be a new casino in the GTA. If it’s not in Toronto, it will be right on our border. But, the fact is, building there won’t benefit the province as much. And, it won’t benefit Toronto at all.

Soon, Council will decide on how to proceed. I believe we should say yes to a new casino – on the condition that it will help Toronto move forward and achieve our goals. This opportunity shouldn’t be judged on emotional or partisan rhetoric, but on facts.

Yours truly,

Mayor Rob Ford
Editor:

OLG provides almost $2 billion in annual revenue to Ontario to fund programs such as health and education. It also provides millions in funding for host communities. OLG’s modernization will increase the contribution to the province by $1.3 billion annually, drive $3 billion in capital investment and create more than 6,000 jobs.

Last year, close to three million people living in Ontario visited our gaming facilities. Some eight million adults, or 80 per cent of the adult population, also bought lottery tickets. The majority of our customers are well-educated, middle- to high-income earners who play responsibly.

We realize there are risks associated with gambling and we deal with them head-on. Ontario provides the best-funded responsible gambling programs in North America. OLG’s responsible gambling programming has received the highest level of certification from the World Lottery Association. More than 7,200 front-line staff are trained to recognize and respond to players who need and ask for help. OLG also has a world-leading self-exclusion program supported by advanced facial recognition technology. The bottom line is we don’t want problem gamblers playing our games.

OLG’s goal is to deliver fun, safely. As we lead the modernization of the lottery and gaming industry, we will continue to build on this culture of responsibility.

Rod Phillips, President and CEO, Ontario Lottery and Gaming Corp.