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Wednesday 11 October 2006

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Mercredi 11 octobre 2006

**Standing committee on
government agencies**

Agency Review:
Ontario Lottery and
Gaming Corp.

**Comité permanent des
organismes gouvernementaux**

Examen des organismes
gouvernementaux :
La Société des loteries
et des jeux de l'Ontario

Chair: Julia Munro
Clerk: Tonia Grannum

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON
GOVERNMENT AGENCIES**

**COMITÉ PERMANENT DES
ORGANISMES GOUVERNEMENTAUX**

Wednesday 11 October 2006

Mercredi 11 octobre 2006

The committee met at 1004 in room 151.

ELECTION OF CHAIR

The Vice-Chair (Ms. Cheri DiNovo): Ladies and gentlemen, honourable members, it is my duty to call upon you to elect a Chair. Are there any nominations?

Mr. Ernie Parsons (Prince Edward–Hastings): I would like to nominate Julia Munro.

The Vice-Chair: Are there any further nominations? There being no further nominations, I declare nominations closed and Mrs. Munro elected Chair of the committee. Welcome.

The Chair (Mrs. Julia Munro): Thank you very much.

Mr. Gilles Bisson (Timmins–James Bay): Look at that: You were there just for a minute.

Ms. Cheri DiNovo (Parkdale–High Park): It was glorious while it lasted.

The Chair: Thank you very much, and I'm certainly pleased to be able to join you.

SUBCOMMITTEE REPORT

The Chair: I would ask, first of all, that we have the report of the subcommittee on committee business dated October 5.

Mr. Parsons: I would move adoption.

The Chair: Any questions? All those in favour? Agreed? Agreed.

AGENCY REVIEW

**ONTARIO LOTTERY AND
GAMING CORP.**

The Chair: Now we're looking at the major part of our business for this morning, the report writing on the agency review. I'd ask you to look at the draft document that you have before you.

Mr. Parsons: Just a question and concern, and I apologize that I was not present last week as you did report writing. I've not been here all that many years, but my experience has been that report writing has always been done in camera and that we could be reasonably freewheeling and open, and debate it.

I'm finding this unusual. I would prefer that it be in camera. I would like to make that suggestion or request—or whether it requires a motion to do it.

Interjection.

Mr. Parsons: I would move a motion that we move in camera and then we can debate it, if necessary.

Mr. Bisson: I totally object. Agency reviews we did, as you know, last week. We did the LCBO and report writing not in camera but in the full committee. There was not in any way, shape or form a difficulty. It is our position that this report writing should be public. We did the hearings. We're not talking about anything other than what was said in the public hearings. It's not as if there's something secret we've got to talk about. I would strenuously object to any motion to move this in camera. In fact, if you try that, we will be in with House leaders pretty damn quick about it. They will make this an issue.

The Chair: Okay. We have a motion on the floor. Any further comments?

Ms. Laurie Scott (Haliburton–Victoria–Brock): With other committees, when there is report writing it usually does go in camera; it's a technical thing. All the government agencies meetings were public—it was open. The reports, the recommendations, are going to be public, I believe.

Mr. Bisson: Not in this committee. I don't have the floor, so—

Ms. Scott: But I don't have a problem with going in camera. That's the end of my discussion.

Mr. Parsons: If I could respond, every committee I've sat on that's done report writing has had public hearings that have been fully open. I fail to see a difference between this process and any other processes employed by the other committees. The public consultations are held and then we discuss, in camera, the public recommendations along with other recommendations that have come. I fail to see any difference between this and any other process.

I don't think we're going to do anything secret, but I think this is an opportunity for some pretty open discussion. There may be things said that we don't ultimately agree with, and I just feel that it would be more productive, perhaps less flamboyant but more productive, to follow the traditional practice of a closed session.

1010

Mr. Bisson: We've done, as I said, the first part of the report writing in public. This is an agency review. I sat

on it the last time we did this. As I recall—and maybe the clerk can clarify—I don't remember going in camera on an agency review—ever.

Ms. Monique M. Smith (Nipissing): Well, we haven't done an agency review in 10 years.

Mr. Bisson: No. I've done an agency review before, in the past and—

The Clerk of the Committee (Ms. Tonia Granum): For report writing, I don't know that. I'd have to check that.

Mr. Bisson: The point being that I object. To say that the only reason we've got to go in camera in an agency review is because somehow it's going to be more flamboyant to be in open committee I think is an insult to all members. I take great offence to that. I think all members come to this place to do their jobs. It ain't about trying to talk to the camera; it's about doing his or her job. I will tell you right now that if you try to use your majority to throw this in camera, it will cost you. There's no way that we're going to stand by and allow you to put this thing in camera.

The Chair: Any further discussion? We'll call for a vote if there's no further discussion.

Mr. Bisson: Recorded vote.

Mr. Parsons: I think I'm going to ask if research could provide us with what the practice was previously when this committee actually reviewed agencies, because it certainly has not happened in my time here.

The Chair: All right.

Mr. Larry Johnston: We'd have to check Hansard for the agency meetings 10 years ago to see. I can't remember one way or the other, to be honest.

Mr. Parsons: I'd like to table my motion if I could, then, withdraw it until we hear back, if you can advise us what the previous practice was.

The Chair: Any further discussion?

Mr. Bisson: I made our point clear.

The Chair: Obviously, then, we are asking for some confirmation on that.

Mr. Parsons: I'm going to ignore the threat. The inference that things are not done here in a flamboyant manner from time to time, I also take as an insult. Sometimes politicians behave as politicians.

The Chair: I would just ask the committee whether there is concern in terms of beginning with the report until we have clarification on the motion that we're looking at.

Mr. Parsons: I think we're prepared to proceed. I'm just wondering if we could ask about any timeline on how long it will take to get that answer.

The Chair: It's being done now.

Mr. Parsons: So we'll know during this meeting.

The Chair: That's right.

Mr. Parsons: Excellent. Thank you.

The Chair: All right. We'll begin looking at the report, page by page. I would ask you, then, if there any issues on page 1, to indicate those that we need to have further discussion on.

Ms. Smith: I just raise the same concern that I did last week. I understand that we've focused in on some issues, but I would still like to see some evidence of the actual first presenters, the OLG representatives, at the beginning, when we do the summary of what the OLG does, and then we can do a summary of what they said and move into the issues.

The Chair: But in terms of page 1—obviously your comment is a general one.

Ms. Smith: Sorry. A lot will get referred back to what we did last week, but last week we also agreed that I could provide the researchers with some of the changes in language, just wording changes that I think are fairly innocuous, and that they would come in the next report so that everyone could see, instead of going page by page, paragraph by paragraph, word by word. I think we agreed last week that that would be appropriate, so I don't have anything on page 1.

The Chair: We'll look at page 2. Seeing none, page 3.

Ms. Smith: Sorry. What we did last time was go by page, and then we'd go by recommendation and actually look at each recommendation.

The Chair: And that's page 3.

Ms. Smith: Oh, I'm running ahead. Sorry.

The Chair: We're looking at page 3 and the possible recommendation. If I could ask research to give us a bit of background in terms of the rationale of this particular recommendation and then discussion from there.

Mr. Johnston: When the agency was here, they spent some time discussing their rebranding exercise and shared with the committee their reasons for doing so, which were basically about enhancing the integrity of the corporation in their minds, to better establish their identity for all of their operations, as well as being able to more effectively market their business.

They were also asked some questions about the cost of the rebranding exercise and about how changing the corporation's identifier from OLG to OLG was going to accomplish the goals that they had shared with the committee. I think there was no clear answer on that last point.

Finally, the committee asked why the new logo contains only the letters "OLG," and the question was that this might not be identifiable to francophone Canadians, who would be familiar with the old logo, which had the name of the corporation in both English and French. The corporation officials said they would get back to the committee on why the logo is in English only. You can see here on page 3 that Chair Michael Gough indicated that "OLG is in fact a bilingual logo, similar to the logo used by the LCBO."

The Chair: I would just draw to your attention as well that you have received a copy of the letter that came with regard to the issue of the translation of the logo.

Ms. Smith: With respect to recommendation 1, actually its tone is fairly negative, and I would just suggest that we change the wording to indicate that the OLG explore ways to include the French translation of its legal name in branding exercises of its new public corporate

identity, which I think more reflects what we'd like them to do, which is to include a French translation of its legal name.

We've heard from the OLG that they believe the OLG logo is a bilingual logo like the LCBO, but I think we could recommend that they explore ways to include a French translation as opposed to reconsidering building its brand, which I don't think is what we recommended. I don't think anybody recommended that.

The Chair: Any further comments?

Ms. Scott: I don't have a problem with what Ms. Smith has mentioned.

Ms. DiNovo: The same here.

Ms. Smith: Do you want the language now? Or I can provide it to Larry.

Mr. Johnston: I'll get that to you.

Ms. Smith: Okay. Thanks.

The Chair: Moving on, we have another recommendation on page 3 as well. Possibly, again, we could just have a rationale here.

Mr. Johnston: The second issue that the committee chose to focus on was Internet gaming. The corporation indicated that in terms of revenue, Internet gaming has not been a challenge, but they are concerned about the reputational risk to the corporation. They want to make sure that the kinds of things that happen with Internet gaming do not reflect poorly on the gaming industry as a whole and therefore on the OLG. They indicated some problems in terms of jurisdiction, in terms of who has responsibility for policing Internet gaming and about the range of possible solutions that exist, from regulating and licensing to banning outright.

So this recommendation is, "That representatives of the OLG meet with officials at both levels of government, provincial and federal, including members of the law enforcement community, to examine possible approaches to policing Internet gaming."

1020

Ms. Smith: We don't have a problem with recommendation number 2. I would just ask that we look back in the first paragraph—and this is one of the only places where I'll actually talk about wording. "Asked about the impact of Internet gaming, officials suggested that currently Internet gaming does not"—and right now it says "present an economic risk," when I think the actual evidence in Hansard is "represent a significant economic impact." So if we could just reflect what the evidence was. It might sound like parsing hairs, but there is a distinction between "economic risk" and "economic impact." If we could just change it to "Internet gaming does not present a significant economic impact" as opposed to "present an economic risk."

The Chair: Any other comments?

I've just been informed that this committee has a history of having both opened and closed report writing. It would seem that it is up to the individual committee of the day to establish what they would like to do.

Mr. Parsons: I believe I will make the motion again that the committee move in camera.

Ms. DiNovo: I think it's pretty clear that we are opposed to the in camera holding of these meetings and that we would like these to be transparent and public.

The Chair: Any further comments?

Mr. Parsons: I'm a multi-faceted individual. I've just reconsidered.

Ms. Smith: Let's refer to the House leaders.

Mr. Parsons: Let's refer to the House leaders. I withdraw it again, and I would ask that this matter be referred to the House leaders for a decision.

The Chair: Thank you very much.

Ms. DiNovo: Sounds good to me.

The Chair: We'll carry on. I believe we're now on page 4, and I'd entertain—

Ms. DiNovo: Could I just ask a question? Sorry, Madam Chair.

The Chair: Certainly.

Ms. DiNovo: The recommendation on page 3, just as a point of information, how would that happen? It's asking for meetings "with officials at both levels of government, provincial and federal" and "members of the law enforcement community." When and how would that occur?

Ms. Smith: I think we did hear evidence that the OLG does meet, obviously, with the provincial level of government and with law enforcement agencies. There was some reference at some point that they do meet with them already. This is a recommendation that they do that. I think it would be in their normal course of business to find those opportunities and to move that forward.

Ms. DiNovo: But it wouldn't come back here?

Ms. Smith: No.

The Chair: Any further comments or questions?

All right. We'll look at page 4, and if there are no questions on the text, I would just ask, then, that we look at the rationale behind recommendation 3.

Mr. Johnston: The Canadian Gaming Association was asked whether it supported Bill 60, Mr. Leal's private member's bill, which would "prohibit the advertising of website addresses of Internet gaming businesses unless the person doing the advertising believes in good faith that the Internet gaming business has been properly authorized to operate and is in fact being operated in accordance with Ontario and Canadian law."

The association expressed its support for the legislation, so the possible recommendation that is provided to you is that the government take steps to ensure the swift passage of Bill 60, the Consumer Protection Amendment Act (Internet Gaming Advertising), 2006.

The Chair: Any comments or questions?

Ms. Smith: We're fine with recommendation 3.

The Chair: Any others? All right. We'll move on, then, to page 5. Any concerns with—

Ms. Smith: I'm sorry. There's a recommendation 4.

The Chair: Oh, sorry, I missed that. Going back to page 4 and recommendation 4, Mr. Johnston.

Ms. Smith: I just had a comment on it. Do you want Larry to speak first, and then I'll comment?

The Chair: All right.

Mr. Johnston: This is the first of several recommendations in a lengthy section talking about responsible gaming or problem gambling, which I would say was the major focus of the discussion in the hearings.

In this case, the corporation has taken the step of developing and adopting a code of conduct and providing extensive training, developed in concert with the Centre for Addiction and Mental Health, for all 8,000 of its employees. However, as described by the OLGC officials, this would appear to exclude the employees at the four commercial casinos who are not direct employees of the OLGC and constitute the equivalent of approximately 12,000 full-time positions. Therefore, the possible recommendation to consider is, "That the OLGC require operators of its commercial casinos to provide the same responsible gaming/problem gambling training to their employees that the OLGC has provided to its employees."

Ms. Smith: I think there was some evidence to indicate that the OLGC is working with the private operators already, so I would like to change the language to "work with" or "continue to work with."

I also think that providing "responsible gaming/problem gambling training to their employees" is a bit broad. I don't think people who work in the kitchen necessarily need to have that training, so "to the appropriate employees" would be helpful.

The Chair: Any further comments? All right. We'll take that under advisement, and then we can move on.

We're looking at page 5 and the recommendation on page 6, which is possible recommendation 5.

Mr. Johnston: One of the suggestions that Dr. Williams made to committee was that the senior officials in the OLGC came primarily from business, legal and other backgrounds that may not be familiar with social scientific research techniques and other methodologies that are relevant to diagnosing and treating addictive behaviours. He suggested that this be considered in terms of hiring and appointing members to the board etc. So the possible recommendation that's provided here—it's probably not worded quite the way it should be—is, "Provide opportunities for senior OLGC management (and its board members) to become familiar with social scientific research techniques and methodology relevant to the diagnosis and treatment of addictive behaviours."

Ms. Smith: Let me just put on the record that I have some problem with most of Dr. Williams's evidence. As some of the members will remember, it was quite an interesting presentation. We haven't hit the hot spots for me yet, but we will be, and I'm just letting you know. I also think that there should be some proviso language around some of the evidence that he gave, because if you go to the transcript and look at what some of my colleagues would refer to as the cross-examination of Dr. Williams, there was more evidence given later in the piece that I think might qualify some of the evidence that he gave earlier in his submissions.

However, with respect to recommendation 5, I would just change it to "continue to provide," because we did

hear evidence from the OLG that they do provide their senior management and board members with information about research on treatment and behaviours, that they are briefed on that and that there is an MOU existing with agencies providing that kind of information. So "continue to provide" would be my change there.

The Chair: Any other comments or questions?

Going to the bottom of page 6, we're looking at recommendation 6.

Mr. Johnston: One of Dr. Williams's recommendations was that there be more effective casino self-exclusion policies, and he recommended that patrons entering gambling facilities be required to show identification. OLGC officials were asked about the practicality of this and suggested it wasn't practical. So possible recommendation 6 is, "That the OLGC investigate the experience of other jurisdictions (such as Illinois and some European countries) in requiring gambling patrons to produce ID upon entering a facility."

The Chair: Comments? Ms. Smith?

Ms. Smith: You're just presuming that I have a comment on this one. Actually, we're fine with this. They can investigate and look into it.

The Chair: Any other comments?

Let's look at page 7. We have two recommendations to look at there, assuming there is no concern over the actual text. Seeing none, Mr. Johnston, recommendation 7.
1030

Mr. Johnston: Perhaps one of Dr. Williams's more controversial observations was that there might be a portion of OLGC front-line staff who are themselves problem gamblers or at risk of becoming problem gamblers. Therefore, two possible recommendations:

"Screen all front-line service providers in casinos and slots-at-racetracks to identify and offer counselling to problem gamblers.

"Make screening for problem gambling a part of any hiring process for front-line service providers at OLGC facilities."

The Chair: Any comments?

Ms. Smith: This would be the area that I had some concerns on. Dr. Williams, later in his evidence, in his report, did provide us with the actual—

Ms. Scott: Research?

Ms. Smith: Well, he did provide us with the basis of the research, which was his grad student's paper on the experience of 32 of her friends in a gaming facility. I believe that was a maybe somewhat jaundiced view of what he said, but it was basically what he said.

I have a problem with the paragraph above the possible recommendations. When we say, "He explained the inferential basis for his conclusions relating to gaming in Ontario, in other words, consistent evidence of something occurring in other similar environments is used to draw conclusions about what happens here," we seem to have lost the grad student paper reference and the 32 people assessed. I'd like that included so that we have a sense of what it is he is basing his assumptions on.

As far as making “screening for problem gambling a part of any hiring process,” we discussed last week as well in the committee that we can’t direct the OLG on how to run its business. We think we could suggest that they investigate means of screening or the possibility of screening for problems, so that we direct them to at least look at the issue, but I don’t know that we can recommend that they screen all front-line service providers.

Ms. DiNovo: Again, not hearing the original evidence, I would still wonder how one would screen for problem gambling. What does that look like? I wonder what that process would look like in terms of hiring of potential staff. I wonder if there’s any more information on the techniques employed or how you would track this down, because I could see some problems in that area, depending on what was used.

Mr. John Wilkinson (Perth–Middlesex): I agree with Ms. DiNovo. I think my colleague Ms. Smith has it right. I think if we make a recommendation, it should basically look at the possibility. I don’t think this committee should be telling them to get into an area where they have a responsibility as a board. I think we can flag it for the board through this report. But it raises a lot of questions, and we should say that this is an issue that you need to be addressing as a board, not that somehow we have figured out, given the evidence that we heard, that there is a way of doing it. I think Ms. Smith is right that the direction should be about the possibility of screening and not a direction on something that we don’t even know if they can actually do.

The Chair: I think Mr. Johnston can give us some clarification.

Mr. Johnston: Just in respect to Ms. DiNovo’s point, there was a discussion of the use of a problem gambling index that has been developed by, I think, CAMH, but I’m not sure. It’s basically a questionnaire that asks people about their behaviours and it provides information.

The other point of clarification I just wanted to add was that in the Hansard, Dr. Williams does suggest that in addition to his graduate student’s study, there were studies in the US which came to similar conclusions. I think that’s partly what’s reflected in the wording that exists now.

Ms. DiNovo: It seems to me that if there’s such an index, this recommendation is so general as to be irrelevant or unnecessary. If we can’t point to what it is that we want them to do or suggest that they do, why are we making it? If we can’t suggest what we’re asking them to do, then we shouldn’t have it in as a recommendation at all. That’s my only concern.

Again, I hear that people have not been convinced based on the evidence, and more to the point, that we can’t suggest to them how to run their business. Yet at the same time, we’re making a recommendation to “screen all front-line service providers” without saying how or in what way they would do this. I’m just wondering about the necessity of this entire recommendation as a result of some of the concerns.

Mr. Wilkinson: I suppose if someone does come before the committee and testifies on the record that they believe, given the evidence they presented, that there is a problem, I think it is incumbent upon us not to ignore that. That would probably be a mistake. I think what we need to do as a committee is give guidance to them. I would say the allegations are disturbing, to think that people who are problem gamblers are actually the holders of the keys at the front line. As a member, I would find that disturbing. I don’t want to jump to conclusions, though, because I don’t think the evidence presented has convinced all of us about the seriousness of the problem. So I think it is important for us to address it and change the wording, as Ms. Smith said, about the possibility of that.

Just thinking, as a former employer, about the HR implications of having a test that is recommended, that is applied to all current and proposed employees, and coming in and saying, “We’re going to have this test. We’ve decided to do it,” there are a lot of human resource implications to go down this path. I just think we need to flag it for the board. I hear your point that we can’t really give them direction, but I think that’s the point. It has been raised to us and we can’t give them direction, but to ignore it I think would probably not be the best as well, because then we would have discounted the evidence. So I’d be concerned about taking the recommendation out, though I’m comfortable with the amendment.

Ms. Scott: I agree we have to put the recommendation in. I think that Ms. Smith is correct. We need to put into the preamble the research that was done and then we need to red-flag it so they will address it. They were present for the whole hearings, and they did come back and acknowledge this presentation by Dr. Williams. So I think that we can make the recommendation, put it as “look at ways,” so it just flags it for them, but do give the information on where his research was based. So I’m fine.

The Chair: Any further comments?

Ms. DiNovo: I’d be happy with that.

The Chair: All right.

Ms. Smith: So I’ll give you that language.

The Chair: Can I ask—this is just a housekeeping sort of thing in terms of the committee—that when you offer to do that, it shows up in the next draft as something where everyone can see what was there and what changed?

Interjection.

The Chair: Okay. That’s fine. It was just for clarification.

We’re finished with page 7. If you look at the top of page 8, we have possible recommendation 9.

Mr. Johnston: Much of the discussion around problem gambling was about two slightly different things. One was the responsible gaming message, which is about creating good gaming habits and encouraging responsibility. The other issue is about treatment, which is when it’s appropriate to intervene and offer counselling or

treatment to those whose behaviour has become addictive or irresponsible. The corporation, in addition to developing its responsible gaming messaging, is piloting, in both Windsor and Niagara Falls, consumer information centres which make information available on site about where people can get help and how. These are kiosks staffed by the employees of the Responsible Gambling Council, and they're going to be assessed over the next 12 to 24 months. According to one OLG official, "Our core competency is about operating gaming enterprises. It's not about counselling and referral services. But we recognize that that expertise exists." Those with that expertise are CAMH, the Ontario Problem Gambling Research Centre and the Ontario gaming hotline.

The recommendation at the top of page 8 is, "That the OLG continue to work with partners in the addiction research and treatment community to make available on-site information and counselling services at all its gaming facilities."

1040

The Chair: Any comments?

Ms. Smith: As Larry just outlined, there is a pilot project going on in Windsor and Niagara, and it's outlined on page 7 of the report. The pilot project will be assessed over the next 12 to 24 months, so on that basis, I'd like to change this recommendation to read, "That the OLG continue to work with partners in the addiction research and treatment community to study the results of the current pilot project and consider making available on-site information and counselling services at all its gaming facilities based on that study."

I just think it's a bit premature to say that we make it available everywhere when we don't know if the pilot project is going to be successful.

Ms. Scott: That's fine. I have no problem with that.

Ms. DiNovo: I'm hearing Ms. Smith's concerns, but don't we still actually want to make available on-site information, independent of whatever the results are from this pilot project study? I mean we'd always want to have on-site information, would we not?

Ms. Smith: I can't remember if we heard evidence that there's on-site information available—I think there is—about problem gambling. I think we've heard that, but maybe Larry could just clarify that? But the counselling services are part of this pilot project, so I think it's a little premature to say that we should have everywhere until we know it's having an impact.

Larry, maybe you could confirm that they do have information available, which I believe we heard that they do.

Mr. Johnston: I believe we did hear that. I think the difference here is that we actually have a kiosk, which is a dedicated centre in the facility. We don't know where the information may be kept in other facilities or in what kind of display it's provided etc. I think that was the point of being more intentional about providing the information and the services in each location.

Ms. Smith: Right. So maybe, Ms. DiNovo, we could change this to read, "That the OLG continue to work

with partners in the addiction research and treatment community to continue to make available on-site information and to study the results of the current pilot project and consider making available on-site information and counselling services." Are you okay with that?

Ms. DiNovo: Yes. That sounds good.

Ms. Smith: Laurie, are you okay with that?

Ms. Scott: Yes, that's fine.

The Chair: All right. Any further comments?

We'll go to page 9 and possible recommendation 10.

Mr. Johnston: An area of some controversy in the testimony was the extent of problem gambling. However, when you look at some of the testimony, it appears to me that there's not such a large gap between what Dr. Williams is saying and what the Canadian Gaming Association, on the other hand, is saying. They each seem to acknowledge that there is about a 5% portion of the gaming patrons who are at moderate to high risk of problem gambling.

We were also told about the percentage of revenue that is attributed to problem gamblers, and I took the liberty of doing a calculation to suggest that what that represents averages out to about \$6,300 for each moderate to severe problem gambler, or about \$500 a month. I'll just allow committee members to think about whether that seems high, unreasonable or low.

At the end, it seems to me that the OLG, its industry partners and the Ontario Problem Gambling Research Centre all expressed concern about dealing with problem gambling and developing responsible gaming practices. So the possible recommendation 10 is, "That the OLG and its partners work with the OPGRC to eliminate problem gambling altogether, adopting a zero-tolerance policy similar to the treatment of drinking and driving."

The Chair: Comments?

Ms. Smith: I have a whole lot of problems with this, including the fact that at one point, when I asked Dr. Williams about his 35% assessment, he said, "I'm not hanging my hat on 35%. What I am hanging my hat on is, it is the best estimate we have right now, and it adds to converging lines of evidence that a significant proportion of the gaming revenue in this province"—and then, surprisingly, I cut him off. Again, it's all about Dr. Williams and his evidence, and I don't really agree with the assessment that's set out in page 9. I don't have any actual edits right now, but if it's okay, I think we should take a look at it again on the next round.

I do have an edit on the paragraph above recommendation 10. The estimates given by the OLG are not almost identical to those given by the OPGRC or Dr. Williams. While I would agree that the long-term harm that problem gamblers cause to themselves and others is a significant social cost, I'm not sure that anyone—including Dr. Williams; I may be wrong—in their testimony, compared it to drinking and driving or to any kind of criminal offence.

So I think that the recommendation, by inferring drinking and driving, is a bit over the top and that we should be looking at changing this recommendation to

read, “That the OLG and its partners continue to work with the OPGRC”—which they’re now doing—“to further reduce problem gambling,” because I think to say that we want to eliminate it altogether, although a lofty goal, is probably not achievable, but we would certainly want them to further reduce and work with partners to explore options for adopting policies that will reduce problem gambling.

The Chair: any further comments or questions?

Ms. Smith: Can I just say that I recognize the drinking-and-driving recommendation is probably about raising awareness and making sure that people understand the impact—I kind of get that notion—but I think making that analogy in a recommendation is not appropriate.

Ms. DiNovo: I agree that that’s a little over the top, the treatment of drinking and driving, since it is a criminal offence and this is, so far, not, but I’d be loath to see a softening of the language. This is a significant social problem, and, although lofty, we do want to see a little bit eliminated. We know it won’t be, but we can ask for it to be.

So I’d like to keep some stronger language in there just so that when we’re recommending this to the people concerned in the industry, they get that we’re serious about it and that the people of Ontario are serious about this. So I would go with taking out the “drinking and driving,” but keep in the “eliminate problem gambling,” and take out “altogether,” but let’s set that lofty goal, even though perhaps we won’t achieve it. In fact, we know we won’t achieve it, but let’s still set it.

The Chair: So you’re suggesting that we stay with “eliminate” as opposed to—

Ms. DiNovo: With stronger language. Take out the “drinking and driving,” but keep the stronger language.

Ms. Scott: I agree. I think that we can keep the stronger language, take out the “drinking and driving” and the “zero-tolerance,” and have “work to further reduce” instead of “eliminate.” I’d be happy with those changes and that tone.

Ms. Smith: I can even go with “work to eliminate.”

Ms. DiNovo: “Work to eliminate” sounds good.

Ms. Smith: Does that work for everybody?

Ms. Scott: Okay. “Work to eliminate,” but “to eliminate” is way too—

The Chair: All right. Any further comments before we move on, then?

Ms. Smith: Just so we’re all on the same page: “That the OLG and its partners continue to work to eliminate problem gambling and work with partners to explore options to that end.” Is that okay?

The Chair: Okay? Thank you.

We’ll go, then, to page 10, looking at possible recommendation 11. Mr. Johnston?

Mr. Johnston: The committee heard from Mr. Simpson, who is the CEO of the Ontario Problem Gambling Research Centre, about a pilot project that is under way with the OLG, which allows the centre to access OLG information for its research, and establishes a communications protocol for the respective CEOs to resolve

difficulties that are experienced. The joint harm reduction initiative allows the centre to use OLG data, and I believe this is from the loyalty program, “to identify high-frequency gamblers and test an intervention intended to cause them to self-reflect and, as appropriate, self-refer to a controlled gambling treatment program.”

This is consistent with one of the recommendations by Dr. Williams, above, that the player reward program be used to identify individuals at risk for problem gambling.

According to the OPGRC, the OLG board has yet to approve this harm reduction initiative. So possible recommendation 11 is, “That the OLG board give its approval to the joint harm reduction initiative being developed with the OPGRC to identify high-frequency gamblers and test an intervention designed to encourage self-referral to a treatment program.”

1050

The Chair: Comments?

Ms. Smith: I think that this is a bit too directive, given our position as the committee. I understand that the OPGRC would want us to recommend that the others agree. I think we could encourage the OLG board to support the joint harm reduction initiative, but to tell it to give its approval or to recommend it give its approval might be a bit strong.

I also point out to the committee that there is an MOU signed between the centre and the corporation and they are already working together; it’s just that they’ve been working towards this particular project. So I think that we should show that we’re encouraging them to give support to it.

Ms. Scott: I’m fine with the word “support.” That’s fine to make that change.

Ms. Smith: Sorry, “encourage” instead of “that the OLG board”—so “encourage the board to support.” Are you okay with that?

Ms. Scott: Yes, that’s fine.

Ms. DiNovo: Could you read out the whole recommendation, then, with the new wording?

Ms. Smith: Sure. “Encourage the OLG board to support”—take out “give its approval to”—“the joint harm reduction initiative being developed,” and then the rest.

The Chair: Thank you. We’ll go, then, to the top of page 11 with possible recommendation 12.

Mr. Johnston: This reflects a suggestion by Mr. Simpson that one means to assist the OLG in making the transition towards taking effective action to reduce the unintended and regrettable harm that accompanies the provision of gambling, that the model of the business plan for the OLG be modified to reflect a revenue optimization rather than a revenue maximization model. Possible recommendation 12 says, “That the government consider directing the OLG to adopt a revenue optimization model of operations rather than pursue revenue maximization.”

The Chair: Comments?

Ms. Smith: I just don’t like the language of “revenue optimization” versus “revenue maximization” because I’m not sure everyone understands that. Nor would I

necessarily say that the OLGC is pursuing a revenue maximization policy, because I don't think we heard that evidence from them. This is someone else's assumption of what they're doing.

I would say, though, that this committee could recommend that the government consider directing the OLGC to continue to generate revenue in a socially responsible manner, which I think gets at the notion of what Mr. Simpson wanted to address. My language would be, "That the government consider directing the OLGC to continue to generate revenue in a socially responsible manner."

Ms. DiNovo: I may or may not agree with Ms. Smith, but I don't think that's the recommendation that we're reading here. Whoever made this recommendation is clearly suggesting a shift, a change in the way they do business. We could reject this recommendation, but I think the rewording is changing it substantively. Again, perhaps that's just a point of clarification.

Ms. Smith: I just note that "Mr. Simpson recommended that the government reduce the pressures on the OLGC to maximize its revenues"—this is his perspective—"and adopt instead, a revenue optimization model which more appropriately balances revenue and harm." So that's why I just figured that "to continue to generate revenue in a socially responsible manner" addresses his harm issue without getting into the more subjective view of how they're generating revenue. But if you want to lose this one altogether, I'm fine with that as well.

Ms. DiNovo: I would be more comfortable with losing it altogether and saying nothing than substantively rewriting it and perhaps pretending it's the same thing. It's not. It's up to the will of this committee whether we lose this, but we are essentially losing it with the rewriting. That's all I'm suggesting.

Ms. Smith: I'm fine with omitting recommendation 12.

Ms. Scott: I don't have a problem with omitting recommendation 12 either.

The Chair: Okay. We'll go down to the bottom of the page, then, to possible recommendation 13.

Mr. Johnston: The corporation was asked about the payout rates on its gambling machines. The response was that slots in Ontario must return a minimum of 85%, but in fact they return an average of about 92%. It was suggested that people are likely to take those winnings and simply play them again. This is known in the industry as "churning." The OLGC response was, "The more people like to play the machines and the longer they're there returning some of those winnings, that's great."

In researching this whole issue of payout rates, I discovered that in other jurisdictions, such as Las Vegas, payout rates for the machines are regularly posted in each casino, which is something that the OLGC has resisted doing for what they say are competitive business reasons. But the whole point is that it gives consumers or patrons more information about what they're engaging in when they use slot machines. We did have evidence at the

committee that these machines are the source of the most addictive gambling behaviour. That's why recommendation 13 suggests, "That the OLGC be required to post in each gaming facility, information about the payout rates of its electronic gaming machines."

The Chair: Comments?

Ms. Smith: My understanding is that the posting of payout rates is also seen in some jurisdictions as a way to attract customers. It all depends on how you perceive the payout, whether it's worth your while; some people have a higher or lower tolerance to risk. I think that was part of the reason why they're not posted. I would suggest that instead of requiring them to post—I don't remember anybody actually recommending that we require them to post. Did you ask them that?

Ms. Scott: I was just asking Larry where the recommendation came from. Go ahead, Larry.

Mr. Johnston: Research was asked to investigate these specified issues and come up with recommendations, so that's what we've done.

Ms. Smith: By the subcommittee?

Mr. Johnston: Yes.

Ms. Smith: On posting?

Mr. Johnston: No, no. The subcommittee instructed research on which issues discussed before the committee would be the focus of the report. Research asked the subcommittee if members would provide research with recommendations, and research was instructed to come up with recommendations on the issues that were identified. In some cases, we've been able to provide recommendations from stakeholders, such as Dr. Williams and Mr. Simpson. In some cases, questioning went down certain avenues and nobody provided a recommendation to the committee. So research has offered a possible recommendation for your consideration.

Ms. Smith: But who actually discussed posting?

Mr. Johnston: No one discussed posting. The payout rates were discussed.

Ms. Smith: Okay.

Interjection.

The Chair: Just a moment. I think Ms. DiNovo is next.

Ms. DiNovo: When I read this—"Return a minimum of 85%, but in fact, return an average of 'about 92%,'"—that information in and of itself is pretty misleading to somebody playing slots. If that was the information that was being posted, it would make one think that you're getting 85% to 92% of your money back when playing slots, which is clearly not the case for most slot players. It seems to me that being required to post in each gaming facility—I can see the way that could be done as an advertisement to actually encourage people to gamble rather than as a cautionary method; recommendation 13, which we're not up to yet, certainly makes that point a little stronger. It seems to me this recommendation, although it has good intent, might not have that actual result, so I would be as happy to put this on the sidelines myself.

1100

Ms. Smith: Not to confuse matters, but can I suggest another alternative? And you can see what you think, since this isn't coming from anyone in particular. What I was thinking was, "make available information on payouts," so that if you were in a casino and you wanted to know what the payout is on these things, you could go to the cashier or somewhere, and that would be available, as opposed to posting, which I think does cut both ways: It can be an encouragement, or it can be a deterrent. But if you wanted to know, then you could get that information. We could recommend that they make it available.

The Chair: I would just interject here that if you look at the text immediately above it, it does say that the casinos in the US are commonly required to provide information. It doesn't say "post."

Ms. Smith: Yes, I noticed that earlier. That's why I thought "providing information" might be more helpful. We also wanted to see in that paragraph that some jurisdictions use the advertisement of payouts to attract customers, and not because they're required to do so, because we think that also is the case in some jurisdictions.

The Chair: Which goes to your earlier point, obviously, that it could certainly then be something that would encourage people, in fact.

Ms. DiNovo: So what I'm hearing is that the OLGC be required to provide information on the payout, rather than to post information. I would be comfortable with that.

The Chair: Further comment? All right.

We're looking, then, at page 12 and possible recommendation 13.

Mr. Johnson: I apologize. This is the second possible recommendation 13. The paragraph before explains the rationale for this, and it again goes to the question of informed consumers at gaming facilities. The recommendation is, "That the OLGC be required to post in each slots facility information about the more commonly held myths about electronic gaming machines."

The Chair: Any comments?

Ms. Smith: Again, I would change it to say, "explore the value of posting," as opposed to require them to post, because I'm not sure that there's been any evidence that shows that that helps or doesn't help.

The Chair: Would you just repeat your suggestion there, please?

Ms. Smith: "That the OLGC explore the value of posting in each slots facility information about the more commonly held myths..."

The Chair: Any further comments? Thank you.

We'll look at possible recommendation 14 on page 12.

Mr. Johnson: The committee asked OLG officials whether they used any gimmicks to keep people playing slots, and officials said they reiterated their corporate strategy, to provide a great entertainment experience and good value. Most of the revenue, they indicated, is generated by the lower-denomination machines. However, research did discover that one of OLGC's strategic goals

for fiscal 2007 is to accelerate the ticket-in ticket-out initiative, which I think was referred to in the hearings across the province in another context. These TITO-enabled machines offer players "a better gaming experience, as they don't have to wait for manual coin refills, handle large buckets of coins, or wait long times for jackpot payoffs." In other words, they don't have to deal with cash.

At the same time, Mr. Rutsey of the Canadian Gaming Association told the committee that there's a decreasing interest worldwide in older gaming products and that gaming's growth areas are in social entertainment-based activities that can provide more interactivity, more skills-based games, and games that groups of friends can play. Therefore, possible recommendation 14 suggests, "That the OLGC be directed to reduce its dependence on slot machine revenues by seeking alternative forms of gaming entertainment."

The Chair: Comments?

Ms. Smith: I just can't believe that Larry is being that directive in his recommendation. I think this really goes into how they run their business. If we want to look at this at all—I would suggest we take this out, but if we're going to leave it in, I would suggest that we say, "That the OLGC be encouraged to explore opportunities for reducing its dependence on slot machine revenues by seeking alternative forms of gaming entertainment."

Ms. Scott: I can agree that "encouraged to explore" is a little bit better—sorry, Larry. I just think it's evolving, and they're looking at different ways of entertaining. I think "encouraged to explore"—I can live with that wording.

Ms. DiNovo: I find it particularly frightening—again, I didn't hear the depositions—that this consumer of slot machines is getting removed farther and farther away from the actual experience of the cost of their gambling. Anyway, just a comment for the record. Thank you.

The Chair: We'll move on, then, to page 13 and possible recommendation 15 at the top.

Mr. Johnston: This is just in response to questions about what the OLGC might do, further strategies for combatting problem gambling or encouraging responsible gaming. It was the view of the industry partners that the OLGC is a world leader in the study, research and treatment of problem gambling, with nothing to learn from the experience of any other jurisdiction. Mr. Simpson suggested there might be some things that have been piloted elsewhere that might be of value to look at. So possible recommendation 15 is, "That the OLGC be commended for the leading position it has taken in promoting responsible gaming, but also be encouraged to continue to learn from the experience and best practices in other jurisdictions."

Ms. Smith: We obviously don't have any problem with recommendation 15. Certainly there are members of this committee from our side who would be more than happy to go to other jurisdictions to determine what is being done there—no, we're fine with recommendation 15.

The Chair: Any further comments by members of the committee?

Ms. Scott: I think Larry has done a good job in summing up the OLG. They are to be commended, so to put it in a recommendation like that, leaving the options open that we should look at other jurisdictions and what they do, is fine. Good job.

The Chair: Fine, thank you very much.

I'd just like to call your attention to the latter part of this, which deals with the other issues. Any questions or comments, any editing that you would like to include in the last part there, "Other issues"? We're looking at pages 13 and on.

Mr. Johnston has a question for you.

Mr. Johnston: As I explained before, the subcommittee directed us to provide recommendations with respect to the corporate branding, Internet gaming, responsible gaming and problem gambling. These last few pages are a summary of the other issues that were discussed before the committee. In the past, the practice has been to include in the report only those issues or topics to which the committee has attached recommendations. If we followed that practice, this portion would not appear in the report. Carrie and I would both appreciate some direction from the committee in terms of final report preparation and whether or not we should be including the other issues that the committee has no recommendations concerning.

Ms. Smith: I actually have no problem with including the other issues. In some ways, it goes to some length to address my concern that some of the things that OLG raised initially weren't being addressed. They are addressed here. Some of them might disappear if you do a summary at the beginning, and I'm fine with that kind of change, but I think a lot of the initiatives that you discuss in the last few pages are important and reflect some of the socially responsible stuff that the OLG is doing and also some of the community initiatives that they're undertaking, which I think are an important part of their business.

Ms. DiNovo: It represents a great deal of hard work. I think we should include it so that people can see the hard work that was done.

Ms. Scott: I have no problem with its inclusion. There was a lot of information on that day, and to summarize it and put in the headlines as research has done is valuable information that we can pass on. That's fine.

The Chair: All right. That concludes the look at this particular draft.

COMMITTEE BUSINESS

The Chair: We'll just take a few moments here to look at what we have scheduled for next week. Next week, on October 18, we have one intended appointment scheduled: Suzanne Gilbert, to the Child and Family Services Review Board/Custody Review Board. We were also able to review the revised and updated draft report on the LCBO. So that's the plan for next week. I am open to any other suggestions that the committee might have.

Ms. Smith: Given that we didn't have a lot of changes to today's report—just wording changes to some of the recommendations, and I'll make sure that I get you any of the other changes that I had just on wording—if we could get the drafts of both for next week, we might be able to wrap up both, because I don't know that there's anything too controversial. Since we made such good time today, maybe we'll be able to get through the second draft of both next week and then we'd be clear sailing for Hydro One.

Ms. Scott: If research can do it—

Mr. Johnston: Again, can I just ask for clarification? We had discussed a final report that consisted of three portions, one being an abbreviated backgrounder on the agency, which you received prior to the hearings, followed by a summary of what the agency said before the committee—your concern, Monique—and finally, the section on issues, which we have done last week for the LCBO and this week for OLG. Do you wish the entire report in draft form for next week, all three portions?

Ms. Smith: If we can, and if that's not doable, then the entire report for the LCBO would be good, so that we could at least kind of finalize one and move on. So either the final report of both or—

The Chair: Is that something that is realistic?

Mr. Johnston: Yes.

Ms. Smith: Great.

The Chair: Following on that, October 25 would be Hydro One, just for clarification.

If there are no other issues, then we will stand adjourned.

The committee adjourned at 1112.

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Staff / Personnel

Mr. Larry Johnston and Ms. Carrie Hull, research officers,
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