



# Casino Gaming in Canada: The Opinions of Community Leaders

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PREPARED BY

**HLT**  
ADVISORY



Foreword by

## THE CANADIAN GAMING ASSOCIATION

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The 2015 Opinions of Community Leaders Study (Study) is the first examination undertaken by the Canadian Gaming Association (CGA) of the perceptions of civic and Community Leaders who agreed to have casinos developed in their municipalities.

The purpose of the Study is to provide an unequivocal examination of the impact of land-based casinos in communities across Canada. Simply put:

- Did the anticipated benefits accrue to communities?
- Were the negative impacts as expected?
- If Community Leaders had to do it all over again, would they say “yes”?

The Study is also a continuance of CGA’s mandate to create a better understanding of the gaming industry by presenting facts about the gaming industry to the general public, elected officials, key decision makers and the media through education and advocacy.

Despite the significant economic benefits that the Canadian gaming industry generates (the largest segment of the Canadian entertainment industry) more than \$31-billion in Gross Output and \$14-billion in purchased goods and services; directly supports more than 128,000 full-time jobs; and produces \$8.7 billion annually to fund government and community programs and services – this remains an industry under attack.

At the June 2012 Canadian Gaming Summit, Chris Friel, Mayor of Brantford, Ontario, which opened its casino in 1999, made a presentation about what a community can expect from a casino, disclosed that he had been firmly “anti casino” prior to development, and that what actually transpired changed his mind. Mayor Friel’s presentation proved to be the catalyst for this Study.

Similar studies have been completed in the United States, which has more casinos than Canada, to examine the impact of casinos in communities. Overwhelmingly the evidence shows that communities with casinos experience positive economic benefits and do not have unique or different problems from those communities without casinos.

Twenty-five years have passed since the first full-service casino opened in Canada and attitudes towards gambling have also evolved. What was once viewed as shameful and undesirable is now viewed by a significant majority as entertainment.

The time was right to go to the Canadian communities that were among the first to allow casinos to be built and ask their Community Leaders a series of questions to gauge the impact, both positive and negative, of that decision, and most importantly, to determine if, knowing what they know now, would they still allow a casino to open in their communities.

I don’t want to give all the Study’s results away in this foreword, but I will let you know that Community Leaders overwhelmingly answered “yes” to that fundamental question. The Study also demonstrates that casinos delivered on the high expectations that Community Leaders had at the outset: entertainment

options were expanded; general economic development took place; and tourism grew, as did employment opportunities and municipal tax revenue. In other words, the Study confirmed that casinos have been a net positive for their communities.

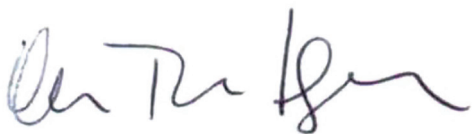
The gaming industry in Canada has evolved in the past twenty-five years to become an important employer and provider of meaningful economic returns to Canadians that are balanced with socially-responsible measures.

It is critical to understand that more than 98% of Canadians are not problem gamblers, either because they gamble for fun and their gambling causes no negative impacts, or because they choose not to gamble at all<sup>1</sup>, and that problem gambling rates in Canada are stable (at about one percent of the general population) and have not changed since the mid-to-late 1990s despite the fact that gambling opportunities have grown more plentiful.

The industry is proud to partner with governments, researchers, treatment organizations, and other professionals to provide world-leading, comprehensive problem gambling services. The Canadian industry is at the forefront of responsible gaming programs, having adopted the promotion of responsible gaming as a core operating philosophy and practice. Canadian provinces currently spend more than \$100-million annually on problem gaming treatment, research, awareness prevention initiatives and responsible gaming programs<sup>2</sup>.

Community Leaders are the closest to the ground where this issue is concerned. They speak with employees, patrons and suppliers. They understand how gaming revenue helps their communities and also what support services are required to provide assistance when needed. They are the best resource for debunking the myths and stereotypes that surround this industry because they experience the impacts every day.

I encourage you to read and understand what they have to say.



William P. Rutsey  
*President & CEO*  
*Canadian Gaming Association*

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<sup>1</sup> Canadian Gaming Association 2010 Economic Impact Study

<sup>2</sup> Canadian Gambling Digest 2010-2011, Canadian Partnership for Responsible Gambling

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# THE OPINIONS OF COMMUNITY LEADERS

As casinos were proposed, planned and opened across Canada much was written about the potential positive and negative impacts that gaming could have at the community level. In 2015, after a two-decade plus history of casino operations throughout the country, the Canadian Gaming Association determined the time was right to engage Community Leaders in a discussion about these impacts, specifically:

- Have casinos been good community partners?
- Were the positive impacts fairly presented and did these perceived impacts manifest themselves in the manner envisioned?
- Were the negative impacts presented fairly and how did the actual results compare?

Ultimately the survey was meant to determine if, given the choice and knowing what they now know, Community Leaders would still choose to approve a casino in their community?

Full-service casino gaming (i.e., casinos offering table games and electronic gaming machines/slot machines) was introduced in Canada in 1990 at the Crystal Casino, located on the seventh floor of Winnipeg's Fort Garry Hotel. The Crystal Casino was one of the first government-owned and operated casinos anywhere in the western hemisphere. Up to that point, gaming in Canada consisted of table game-only casinos or, more frequently, establishments run in conjunction with annual fairs or exhibitions (e.g., during the Calgary Stampede or the Canadian National Exhibition).

Canada's Criminal Code assigns the legislative requirement to "conduct and manage" gaming to each provincial government. As a result, Canada has as many casino operating models as provinces. Each provincial government has put its own stamp on the format, scale and timing of casino gaming. Newfoundland is the only province without a casino.

The host community (i.e., the municipality or First Nation reserve where a casino is located) can also influence casino policy either through consultation with the provincial government and/or indirectly through zoning and related municipal approvals.

The survey focused on those communities (including First Nation communities) with at least one full-service casino or "racino" (a racetrack offering slot machines) currently in operation. These facilities are collectively referred to throughout this report as "casinos".

The survey sample included a cross section of Community Leaders and elected officials, as well as representatives of:

- Municipal services (e.g., fire and police chiefs).
- Economic development agencies (e.g., chambers of commerce, tourism marketing organizations).
- Charities and service clubs.



The survey sought to gather perceptions and views of casino gambling through the lens of these Leaders' positions in the community (as opposed to their personal opinions on gambling).

The survey was sent to 1,708 potential respondents across Canada. A total of 272 responses were received, a return rate of about 16% (a reasonably strong response for a survey of this type).

More information on the sample composition, the detailed survey results and a summary of Canadian casinos are contained in the Appendix.

## Most of the Anticipated Positive Impacts from Casino Development Were Realized

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Community Leaders were almost unanimous in agreement that casinos delivered on two of the key outcomes most often mentioned in the run up to the casino development decision: creation of municipal tax revenue and employment. Community Leaders were less cohesive in their views towards casino contribution to real estate development, tourism growth and general economic development although variances were noted community-by-community.

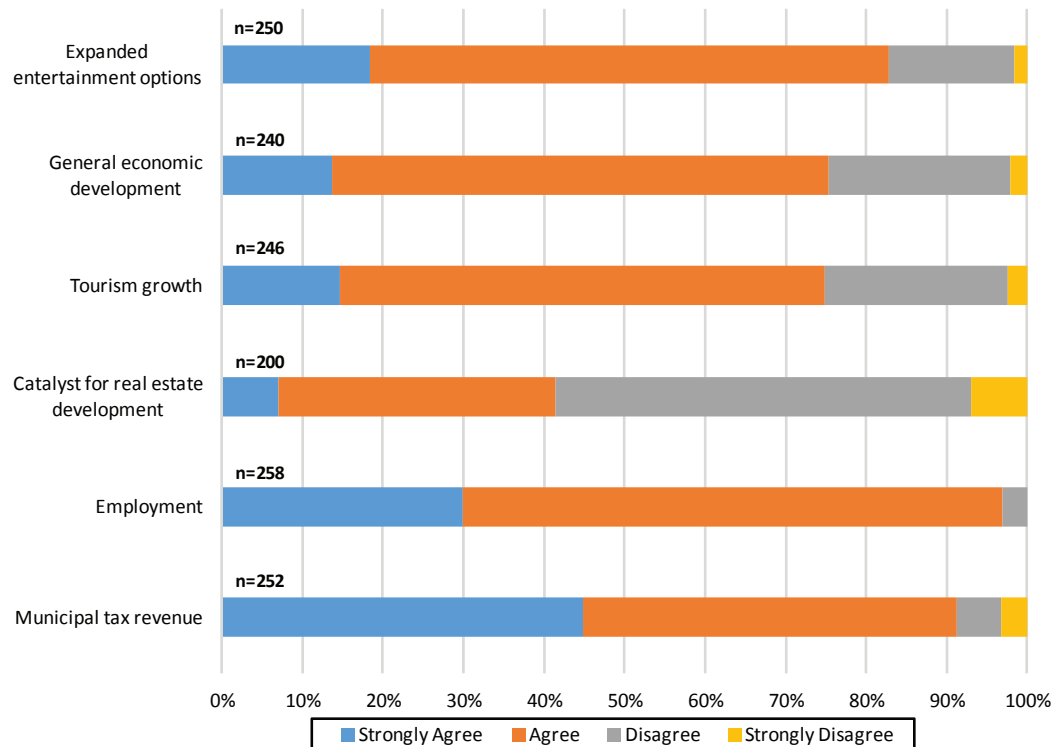
Elected officials, as a subset of the overall sample, were pleased with the tax generation and employment opportunities created by casinos. First Nation Community Leaders were more likely to note positive impacts in tourism growth, economic development and expanded entertainment options than their non-First Nation community counterparts. This could be attributed to the generally more rural setting of these communities and the casino being instrumental in creating a tourist/entertainment draw for the community.

The only benefit that Community Leaders may have anticipated that did not occur was real estate development/ gentrification associated with casino development. For the most part, the gaming tax structure in Canadian jurisdictions limits significant ancillary development activity by the casino developer/operator (although it could be argued that tax revenues to municipal and provincial governments shift this responsibility from the private to the public sector).

"Many myths surround casinos. The fact is that the [casino] has focused on service to its communities, and is one that municipal, provincial and federal representatives have been proud to have as a feature of the community."

*Councillor, First Nation, Alberta*

**For the most part, casinos in my community have contributed to the following positive impacts:**



## But, Most of the Anticipated Negative Impacts Did Not Materialize

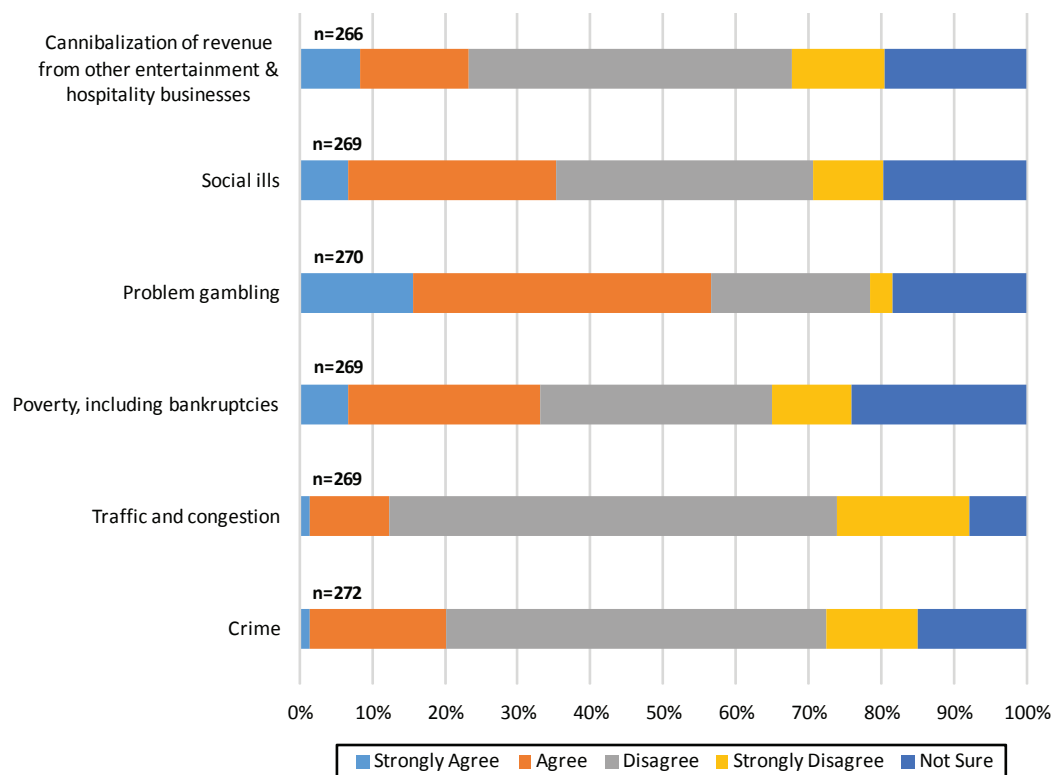
Prior to the introduction of casino gaming, public perception of various societal and personal difficulties associated with casino gaming included increased crime, poverty and bankruptcy, traffic, cannibalization of revenue from other entertainment businesses and problem gambling/gambling addiction disorders.

Community Leaders indicated that the majority of these initial concerns did not materialize (specifically crime and related strains on municipal services). As an indication of the limited impact, when questioned about incremental demand on public services such as police, fire and EMS as a result of introducing casino gaming, Community Leaders suggested no such demands were created.

However the perception of problem gambling—and the issues associated with problem gaming—continues. This perception, notably greater among elected officials and service agency leaders, is reinforced by beliefs that some additional load has been placed on certain agencies such as food banks. The perception of problem gambling is consistent across First Nation and non-First Nation communities as well as across both large communities and small communities (small communities defined as those with less than a population of 100,000).

8 | This perception requires further review, particularly when the Canadian Partnership for Responsible Gambling has been measuring rates of problem gambling on a province-by-province basis annually since 2002 with no overall increases in problem gambling rates.

**For the most part, casinos in my community have contributed to the following negative impacts:**



Notwithstanding past and ongoing research, measures and practices to ensure responsible gaming should remain a priority of casino operators at both the local and corporate level as well as among provincial lottery and gaming corporations and the broader gaming industry network. No one's best interest is served by either exploiting the vulnerable—leading to a rise in problem gambling—nor reinforcing a perception that the industry is neither aware or capable of addressing such perceptions.



Community Leaders were asked about the role casinos (and casino managers) play within their communities. Consistent with Community Leaders' views on the positive impacts associated with casinos, the operational aspects of casinos are also viewed positively, for example:

- 85% of Community Leaders stated (by answering agree or strongly agree) that they believe the casino in their community is a good corporate citizen.
- 78% believe (by answering agree or strongly agree) the casino enhances the tourism appeal of the community, as well as offering a quality entertainment product (77%) and a safe environment (90%).
- 72% believe (by answering agree or strongly agree) the casino generates business for local suppliers of goods and services.

Employment is a key consideration for any economic development activity, strategic plan or growth strategy. Community Leaders were overwhelming positive on the employment impacts of casinos located in their communities, noting that the jobs created were quality positions and well paid. The important role played by casinos in creating jobs was, not surprisingly, more pronounced in both smaller and First Nation communities than in larger metropolitan areas and big cities.

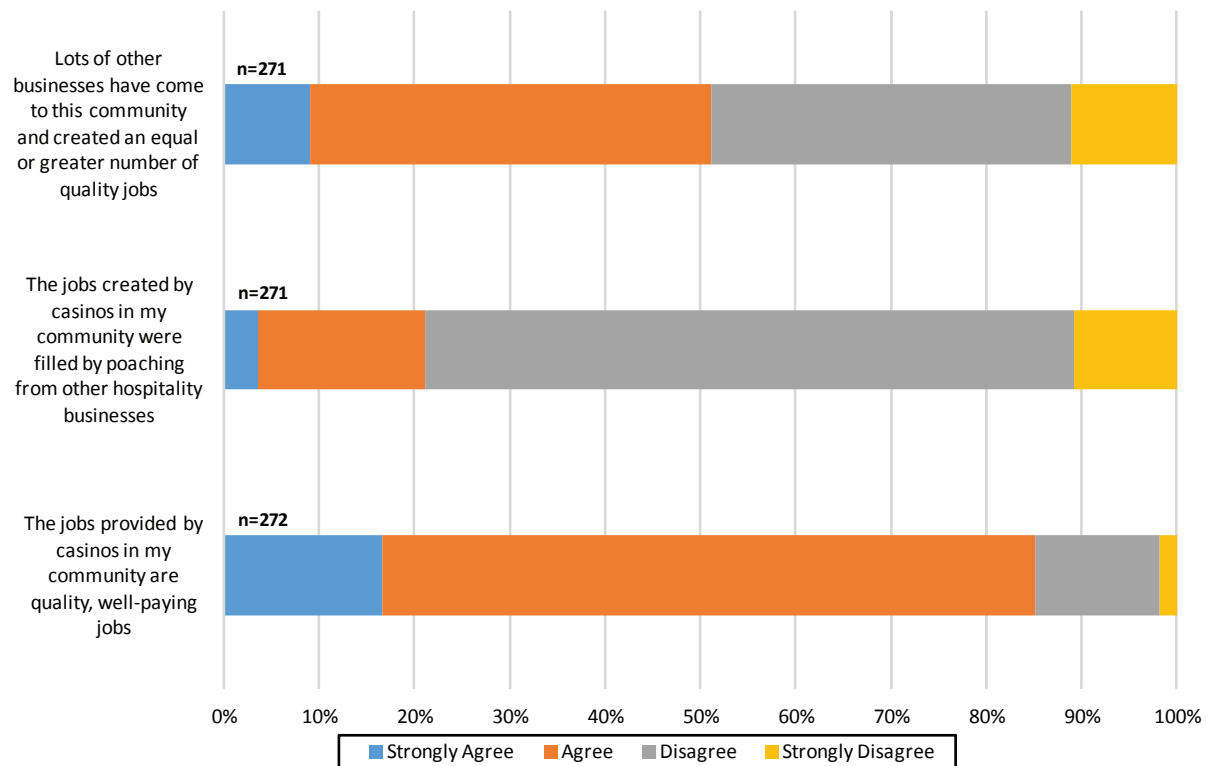
*"It has delivered in terms  
of jobs, tourism and  
entertainment quality.  
They are also excellent  
corporate citizens."*

*Representative of a  
not-for-profit business entity,  
Ontario municipality*

Community Leaders agree that the introduction and operation of casinos in Canadian communities have been a success from an economic development, revenue and employment perspective. Governments have benefited from new tax revenues, local tourism economies have benefited from new products, jobs have been created and economic activity sparked. While cautions remain with respect to those that may be susceptible to problem gambling, this issue can (and should) be monitored and minimized.

All in all, Community Leaders believe that the introduction of full-service casinos has been a success.

### With respect to employment at casinos in your community, would you say that:



## The Bottom Line – Would You Do It Again?

The ultimate test of satisfaction with respect to supporting the introduction of casino gaming is, knowing now what actually occurred in a given community versus what was speculated at the time of the original decision, would casinos still be supported today? Community Leaders overwhelmingly said yes.

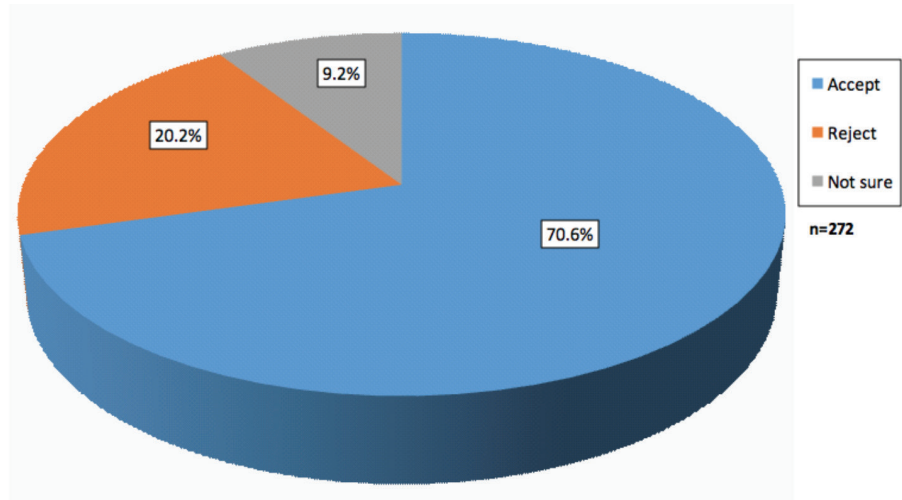
When asked if a casino would be accepted or rejected today, the “yes” view outnumbered the “no” view by 3.5 to 1. Those responding “yes” encompassed a broad cross section of respondents from east to west, First Nation and non-First Nation as well as from large and small communities.

Community Leaders are also in agreement—by a wide margin—that the introduction of casinos has been a net benefit for their communities. Those viewing casinos as a positive contributor outnumber those with a negative view by five to one. Only 13.1% expressed negative views towards casinos with the remaining either ambivalent or unsure.

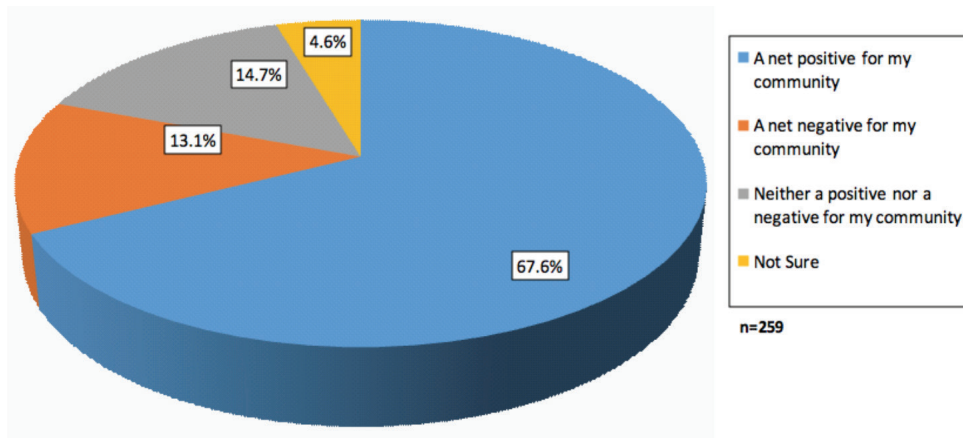
"...Since inception nearly \$40 million in casino funds have been contributed to our community not including Community Gaming grants that have helped 290 organizations."

*Elected Official, Vancouver, BC*

**If you had the option today to accept or reject casinos in your community, would you:**



**All in all, casinos [in my community] have been:**



Looking at subsets of the sample suggests that both First Nation communities and small communities (e.g., those less than 100,000 population) held slightly more favorable views of casinos as an economic contributor than their non-First Nation and large community counterparts. First Nation and small communities indicated casinos were positive for the community with 72.5% and 66.7% of responses respectively, compared to non-First Nation at 62.9% and large communities at 60.2%.

No distinct geographic location pattern emerged from the survey results (i.e., positive views outnumbered negatives views in every province, and by a significant margin).

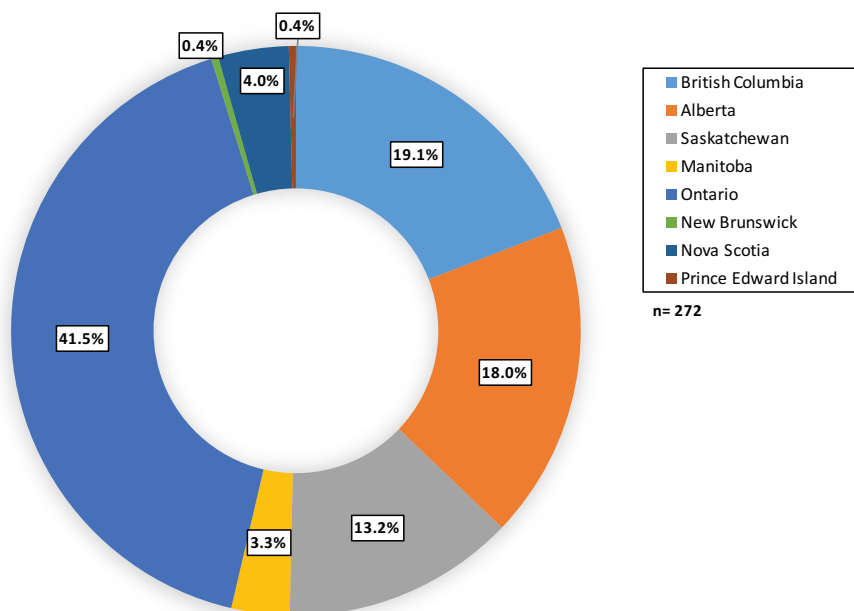
## Appendix A:

# SAMPLE COMPOSITION

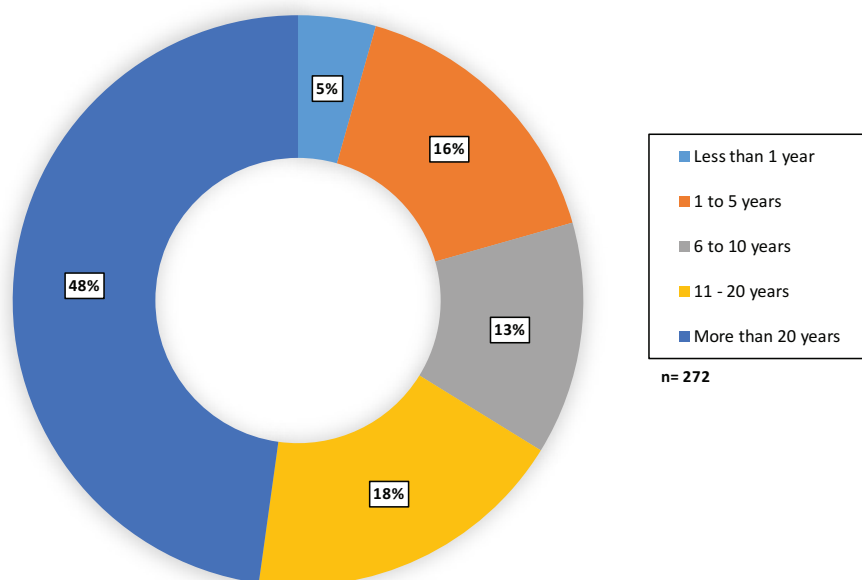
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Surveys were sent to a total of 1,708 Community Leaders located in eight provinces that offer full-service casinos or racinos and where the provincial lottery and gaming corporation supported the Study. A total of 272 responses were received producing a response rate of 16%.

**The province where you are employed in your current role is:**



**You have worked in this community/municipality for:**



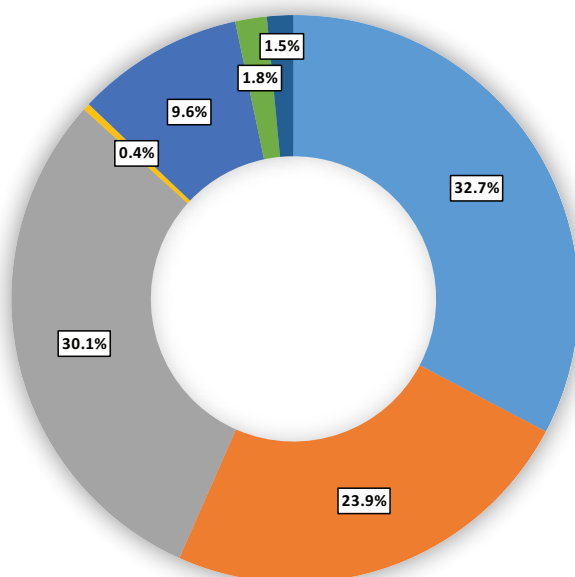
## DEMOGRAPHIC MIX OF SURVEY SAMPLE

Gender n=272		Age n=272	
Male	61.8%	< 25	0.0%
Female	38.2%	25–39	8.8%
		40–59	62.9%
		60+	28.3%

## TENURE IN CURRENT ORGANIZATION AND ROLE

	How long in current role?	How long with current organization in current role?
< 1 Year	26.0%	9.9%
1–5 Years	41.2%	29.0%
6–10 Years	18.4%	23.2%
11–20 Years	12.9%	18.4%
20+ Years	14.0%	19.5%
	n=272	n=272

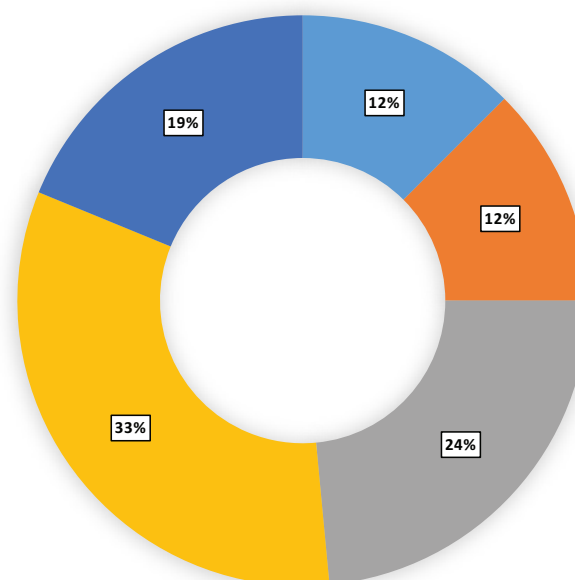
### The best description of your current role is:



- Elected official (mayor, councillor, city/town manager)
- Municipal employee (police, fire, planning, economic development, social services)
- Representative of a not-for-profit business entity (economic development, infrastructure, industry associations, major event)
- Representative of a non-business board or commission (e.g., school board)
- Representative of a community group (e.g., charity, service club)
- Volunteer in a not-for-profit/service organization
- Other (please specify)

n= 272

### When casinos were introduced in your community, were you:



- In your current role with your current employer
- With your current employer but in a different role
- With a different employer but one that might be affected by casino development
- In a different role/employer that would NOT be affected by casino development
- Living in a different community

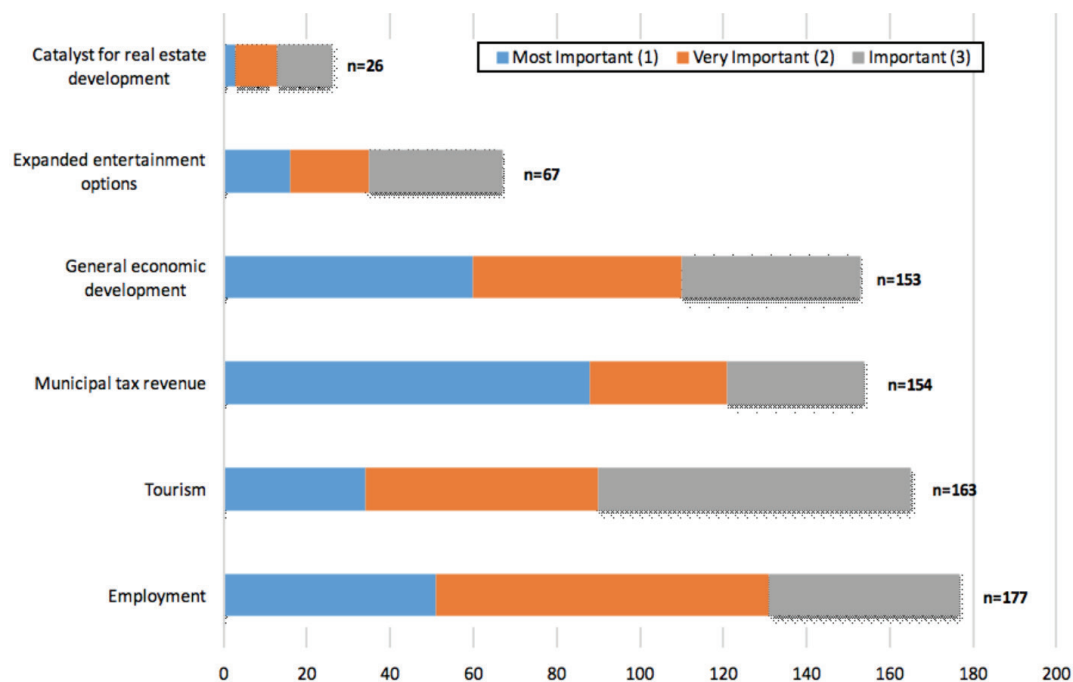
n=272

## Appendix B:

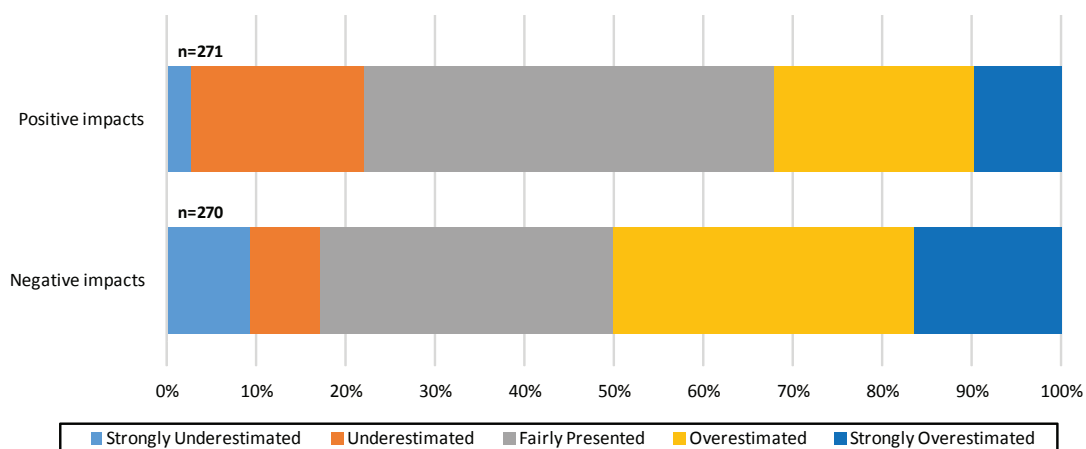
# SURVEY RESULTS

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Once your provincial government had made the decision to introduce casinos, what were the primary motivations for hosting a casino within your community? Please rank the top 3 primary reasons that you recall.

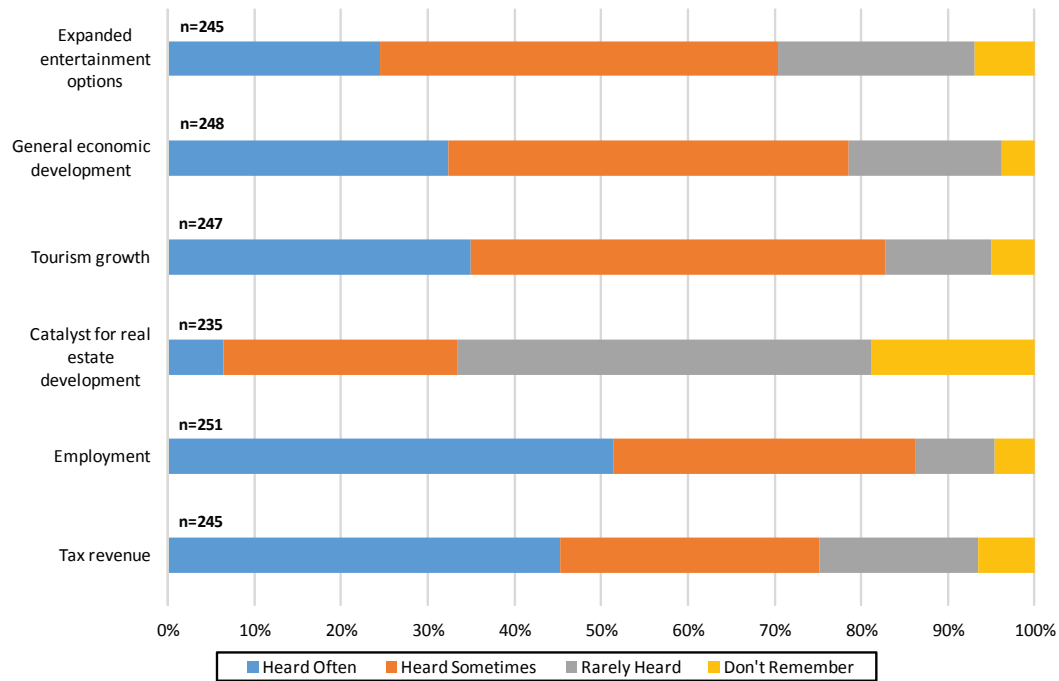


How would you describe the discussion [in your community] about the positive impacts associated with casinos, specifically the:

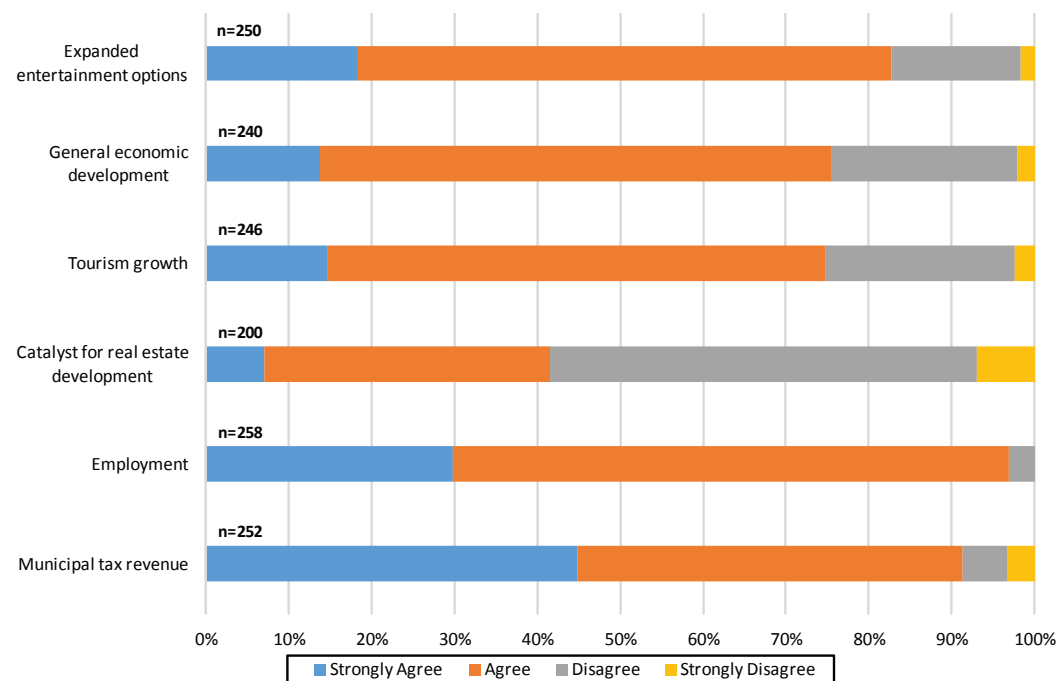




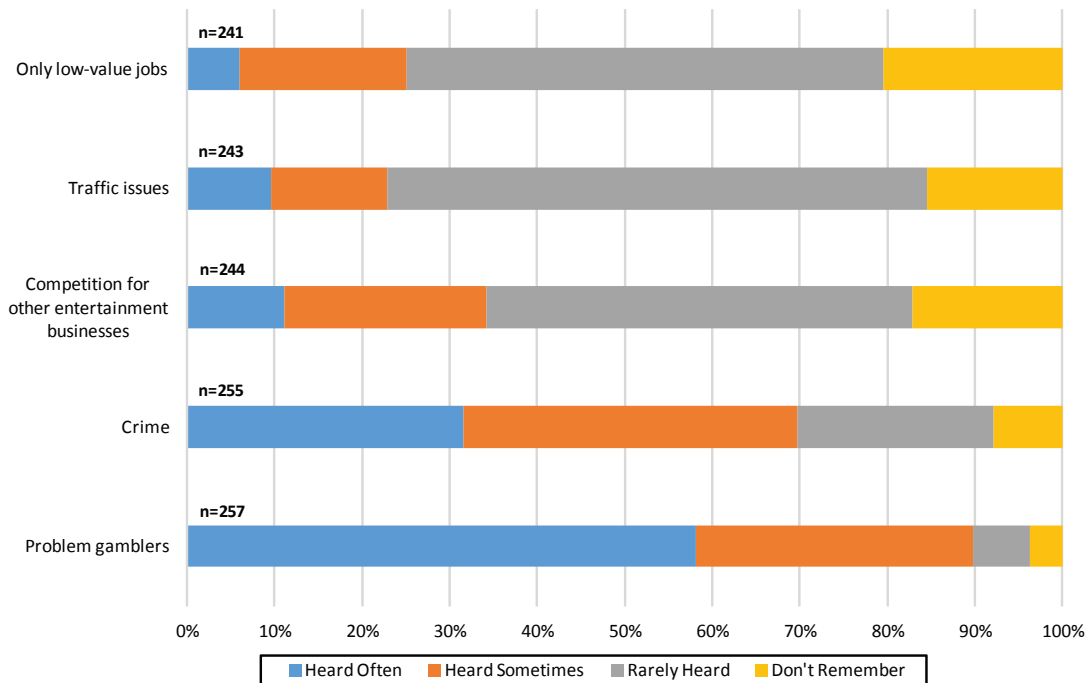
**Thinking of when casinos were introduced in your community, do you remember hearing about casinos creating the following positive outcomes:**



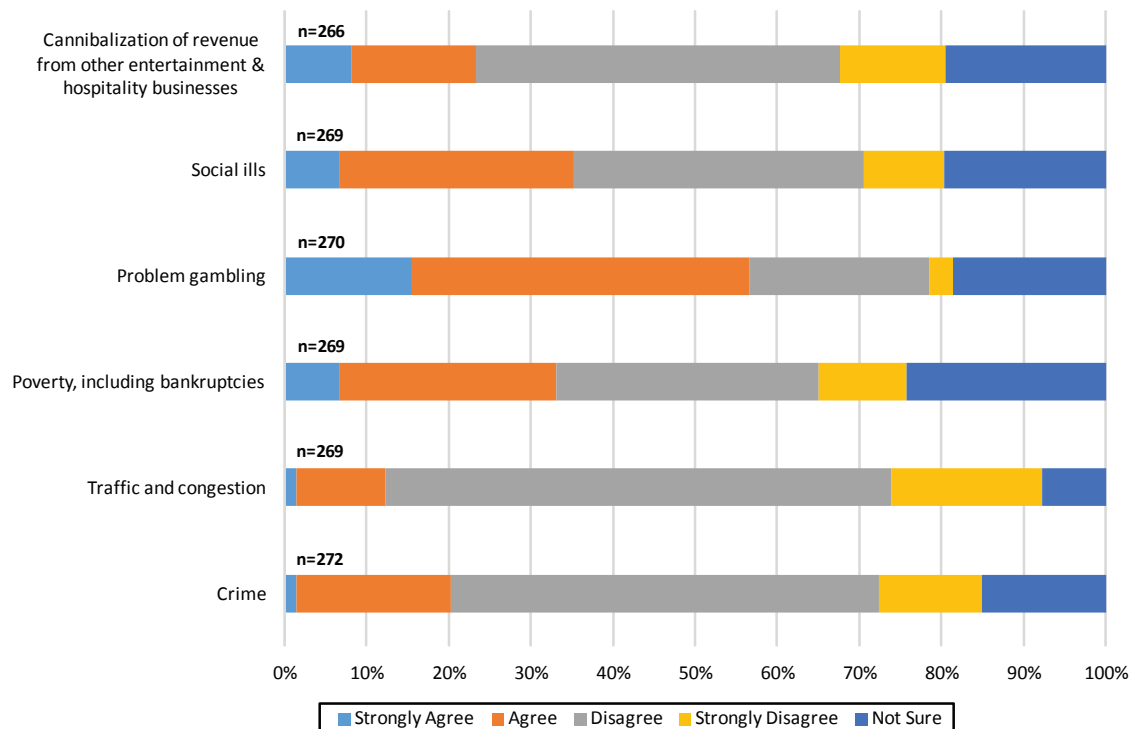
**For the most part, casinos in my community have contributed to the following positive impacts:**



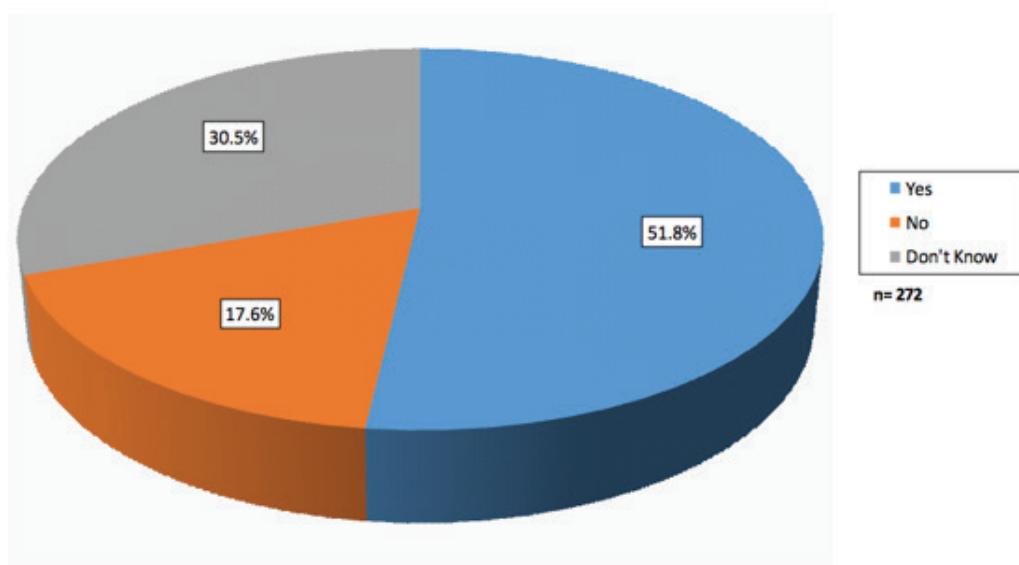
**Thinking of when casinos were introduced in your community, do you remember hearing concerns about casinos creating the following negative outcomes:**



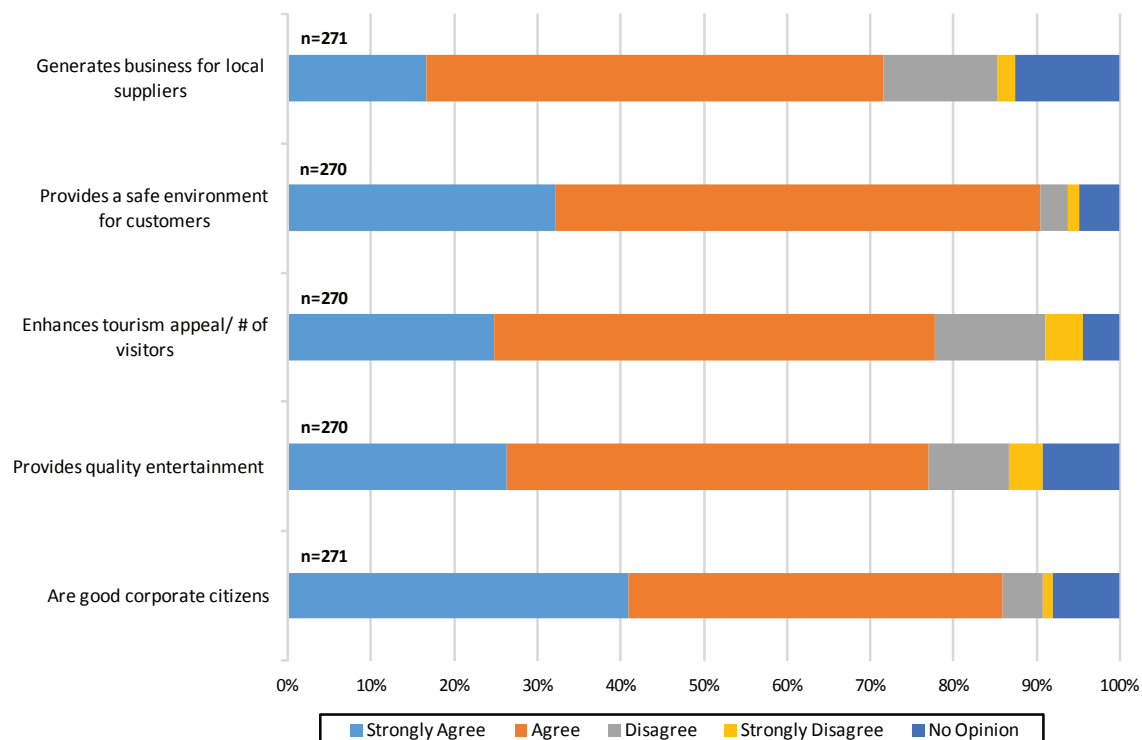
**For the most part, casinos in my community have contributed to the following negative impacts:**



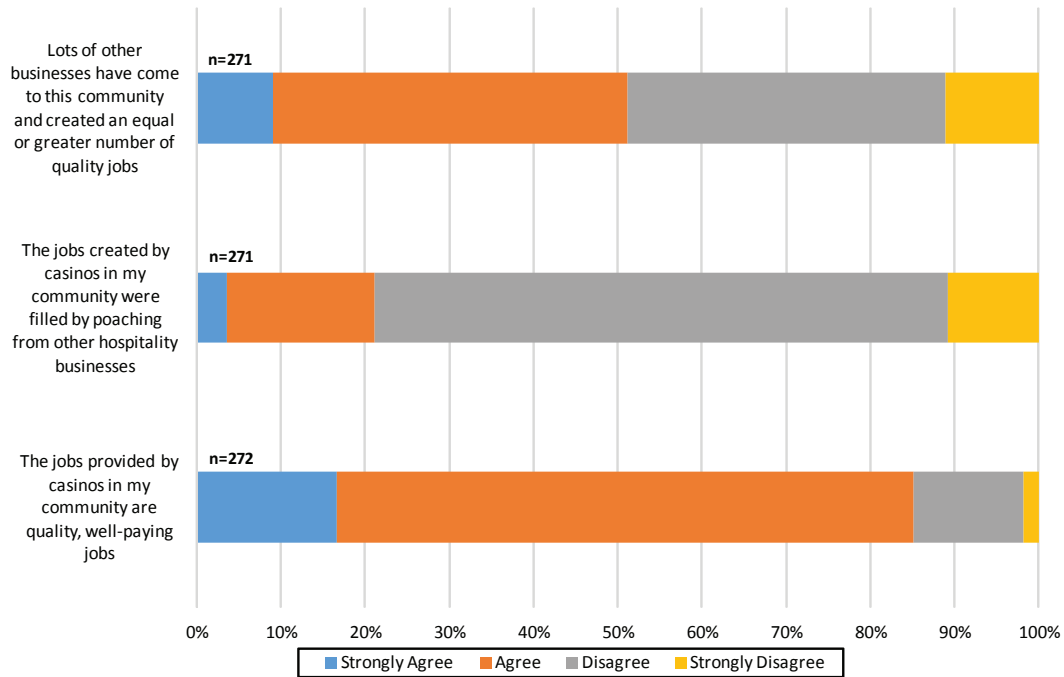
**Do you feel your community was provided with all of the necessary information in order to make an informed decision on the introduction of casinos in your community?**



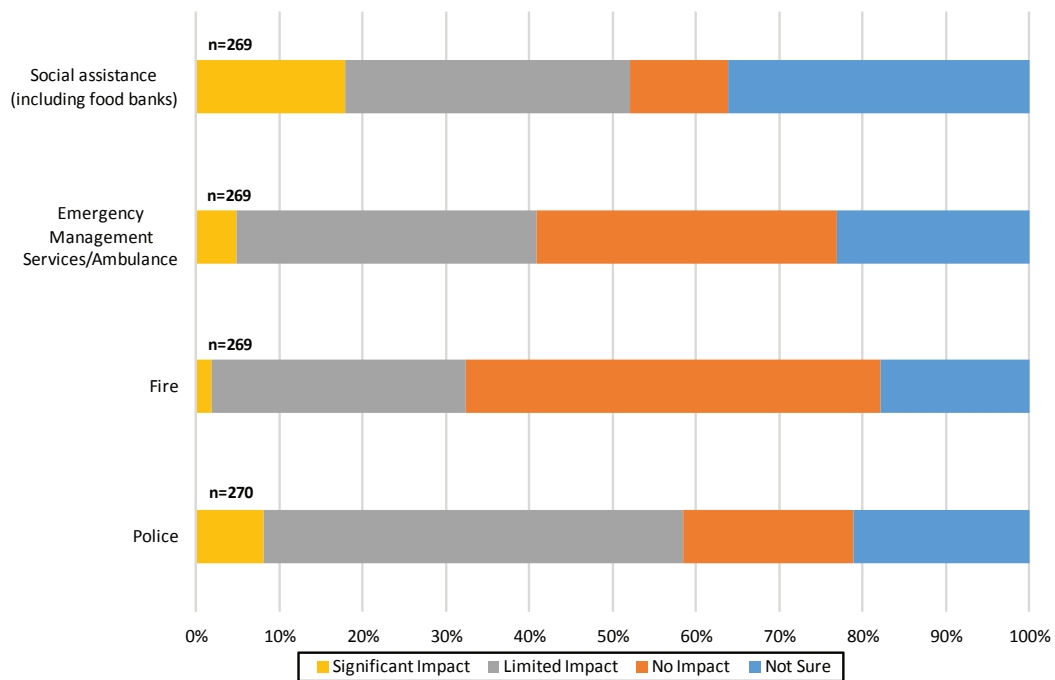
**For the most part, casino(s) in my community**



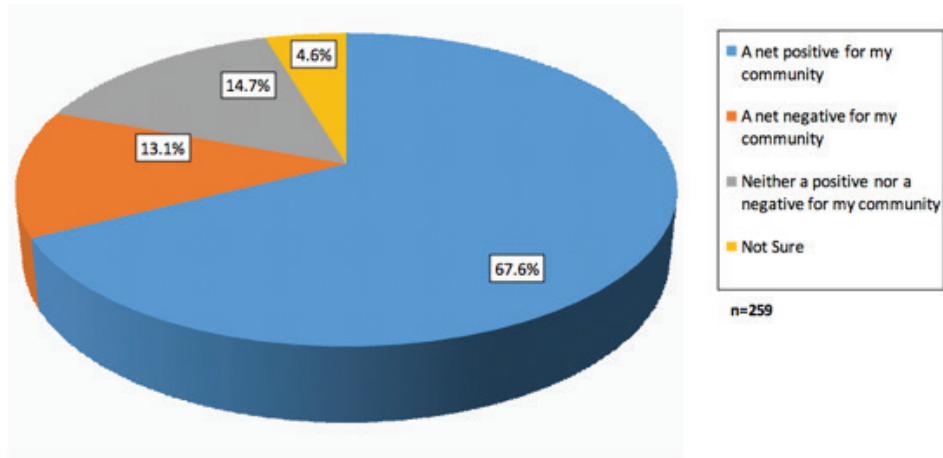
### With respect to employment at casinos in your community, would you say that:



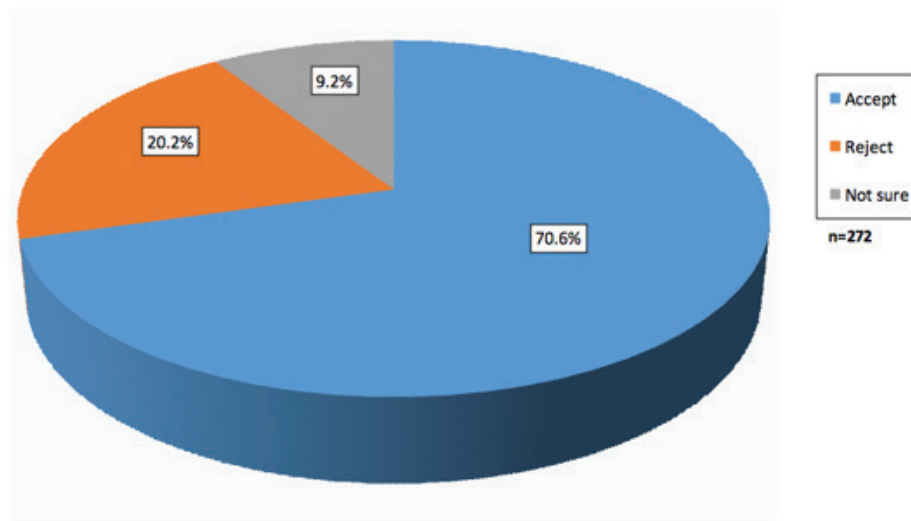
### What has been the impact of casino(s) on the following municipal services (i.e., the increase in services required to support casino operations)



All in all, casinos [in my community] have been:



If you had the option today to accept or reject casinos in your community, would you:



## Appendix C:

# CANADIAN GAMING SUMMARY

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### GAMING VENUES AND REVENUE BY PROVINCE – 2014

	Casinos	Racinos	Community Gaming Centres	Total	Gaming Revenue (\$ millions)
British Columbia	15	2	19	36	\$1,610
Alberta	24	3	–	27	\$1,440
Saskatchewan	8	–	–	8	\$360
Manitoba	5	–	–	5	\$250
Ontario	10	14	–	24	\$3,110
Quebec	4	–	–	4	\$750
New Brunswick	1	–	–	1	\$50
Nova Scotia	2	–	–	2	\$70
PEI	–	2	–	2	\$10
Newfoundland	–	–	–	–	–
<b>Total Canada</b>	<b>69</b>	<b>21</b>	<b>19</b>	<b>109</b>	<b>\$7,650</b>

Source: HLT Advisory Inc. based on most recent data available from various provincial government agency/corporation annual reports and HLT estimates.



HLT is widely-recognized as one of Canada's leading hospitality, leisure and tourism industry advisory firms. HLT's core competencies are in the following sectors:

- Gaming – HLT has played a significant role in the growth and development of the Canadian gaming industry through involvement, in one fashion or another, with almost every major land-based gaming project in every region of Canada, over the past two decades.
- Tourism and attractions – HLT provides strategic planning, operations, market analysis and marketing support to major attractions and events as well as assisting the public sector in the development of tourism marketing and investment plans and Request for Proposal processes.
- Convention Centres – HLT has unsurpassed qualifications in the meeting and exhibition industry including preparation of market substantiation assignments for almost every major Canadian convention centre/tradeshow facility (and corresponding economic impact assessments) opened over the past two decades (as well as several in the planning stages).
- Lodging – HLT has worked across Canada, and internationally, for a cross section of hotel companies focusing on development, marketing and operations planning for major mixed-use projects.
- Sports and Entertainment Facilities - HLT has worked on numerous spectator and community sports/entertainment venues preparing market assessments and business plans as well as providing acquisition and related transaction services.

### For more information contact:

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[www.hlta.ca](http://www.hlta.ca)

The Canadian Gaming Association is a not-for-profit organization that was created with the fundamental goal of creating balance in the public dialogue about gaming in Canada.

The Association's mandate is to create a better understanding of the gaming industry by bringing facts to the general public, elected officials, key decision makers and the media through education and advocacy.

The CGA is a primary source of information, providing accurate gaming industry data and assisting in the development of industry wide programs and approaches for critical issues.

The Canadian Gaming Association:

- Is a strong national voice for the industry
- Identifies and responds to emerging issues
- Effectively communicates the attributes of Canada's gaming industry:
  - The industry as being well regulated, responsible and professional
  - The economic benefits of the industry
  - Gaming as a popular and valid entertainment choice





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