

Charitable Gaming
THE VIEW



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1188 – CGAO Annual General Meeting

Please be advised that the Commercial Gaming Association of Ontario will be holding its Annual General Meeting as listed below. This is open to all *Members of Good Standing* and a formal invitation has been forwarded to those members.

- Date:** 13th May 2014
- Day:** Tuesday
- Time:** 10:00am to 1:00pm
- Where:** Holiday Inn (Airport East), 600 Dixon Road Toronto
- Room:** Centennial B
- Details:** Light Refreshments will be served

We encourage all members to register with our Administrator, Ms. Sandi Nesbitt at nesbitt.s@sympatico.ca if you are going to attend.

1189 – Newsletter – Sign Up

We will shortly be changing the method of delivery of the CGAO newsletter and are encouraging everybody to register as a subscriber of the newsletter at www.cgao.ca on the home page.

1190 – Mr. Don Bourgeois

On the 31st March 2014, *Mr. Don Bourgeois, General Council and Director of Legal Services (AGCO)* completed his last formal day's work at the AGCO and is heading into retirement. After thirty plus years in the public sector and nearly three decades in the Gaming Industry in Ontario, he has been instrumental in guiding and framing gaming policy during a period of *controlled & measured growth*. The basis for major change was the creation of the Gaming Services Act '92 (later to become the Gaming Control Act '93), which set out a framework that formally recognized the Commercial Operators with gaming activities within the province.

More directly, Don worked with the AGCO Senior Management Team and was engaged in the creation of the *Modernization of Charitable Gaming 2007*, which brought forth a new Revenue Model allowing the Charitable Gaming Sector a runway to re-position for the future and through this action slowed down the contraction of the Industry, which after the non-smoking ban had been exhilarated.

There followed a period of looking at where Charitable Gaming should head and this brought forward the *Revitalization of Charitable Gaming [c-Gaming]*. This initiative saw the transfer of *legal responsibility* from individual charity (local) groups to the *OLG* under the Criminal Code of Canada (manage & conduct) without losing the direct *engagement and benefit* from those charities within the c-Gaming initiative.

This is the legacy of a *man who* has maintained a difficult role, making it look easy while continuing to bring *balance, progress and transition* within the framework of the law to ensure that we have a highly regulated sector that is able to adapt to the ever changing world environment and remain relevant. It is not easy to hold a job of this magnitude for so long and remain liked. He has certainly managed to do that, as well as gaining tremendous respect from all levels of the gaming sector in this province and across Canada.

Anyone who knows Don will know this is not a man who will just sit by the fire relaxing. I am sure he will continue to remain active, both within the gaming legal landscape and in his home town of Kitchener/Waterloo where he is a fixture within the arts community.

On behalf of the Charitable Gaming Sector (Commercial Operators), we would like to thank him for his contribution to Charitable Gaming and his understanding of the impact it makes on and in the many communities that it serves and trust he and his family enjoy the years ahead.

1191 – Rank Group PLC - Announcements

The Rank Group PLC (UK) has made two announcements in the last week that will impact the Group.

Budget (UK) Triggers Bingo Investment

In light of the reduction of Duty/Tax on the Bingo Industry announced in the UK Budget, Rank has confirmed that it has identified a number of towns and cities in the UK where it would like to develop new (Bingo) clubs. Now the Group (Rank) will complete more detailed market research, commercial negotiations, planning and licensing.

More importantly, the new clubs will be used as a base for innovation, testing new concepts and new technologies to reposition its bingo clubs for the future. Rank's hope is that this process of innovation, research and development will trigger successive rounds of reinvestment nationwide.

New Chief Executive Officer Announced

The Rank Group announces the appointment of Mr. Henry Birch, who will succeed Mr. Ian Burke as Chief Executive Officer of Rank with effect from 6th May 2014. Mr. Burke, who is currently also Executive Chairman of Rank, will become non-executive Chairman with effect from 6th May 2014. The Rank Board believes it appropriate to ensure that the Company benefits from some continuity to ensure a smooth transition of executive responsibilities.

With his (Henry Birch) track record in the on-line betting and gaming sector, the Rank board believes that Henry is well-equipped to lead Rank's continued exploitation of growth opportunities in the gaming and leisure markets.

1192 – TapTix Units – Dual Vendor Gaming Floor

This coming week will see the second c-Gaming Centre converted to a dual (Vendor) gaming floor, with both Diamond Game & Arrow Games deploying units for consumer engagement & experience. This deployment at Bingo World Bingo Centre (Newmarket) will join Delta Gaming Centre (Oakville).

The initial result at Oakville is encouraging but it is far too early to draw any conclusions. By the close of April '14 we will have three (3) Centres operating this dual floor concept, with Hawkesbury joining the pilot.

The Hawkesbury launch will be a more measured test of the concept as both Vendors will be deploying at the same time and both Vendors are looking at how they can equally support the launch of their units.

This initiative, small as it may be, is another step in having *multiple experiences happening simultaneously under one roof* and as the Commercial Operators seek other Vendors, this learning curve will assist in that process.



1193 – Canadian Gaming Summit

A reminder that the Canadian Gaming Conference to be held in the City of Vancouver from the 23rd to 25th June 2014 is fast approaching. I would encourage those readers who are thinking of attending the conference to book early as hotel rooms, etc. sell out quickly. If you wish to attend the conference, please follow this link - www.canadiangamingsummit.com

1194 – Responsible Gaming

As part of the internal awareness of Responsible Gaming, we will shortly be amending our Responsible Gaming page on our web site to include the RGC and its program it will be delivering for the OLG to c-Gaming Centres. I will also be including a drop down file to contain information related to this initiative so Commercial Operators are aware of the *high-level* that this initiative will be undertaking in the next twelve months.

The key contact for information will be your Business Relations Manager (BRM) and the RGC Field Co-ordinator.

The CGAO remains committed to fostering engagement of RG among its members on a program that is both *fair & balanced*.

1195 – BCLC – Press Release

I enclose a press release from BCLC that was released on Friday, the 4th April 2014.

BCLC reduces costs company-wide and positions company for future growth

BCLC has reduced operating expenditures in order to position the corporation to sustain current net income and deliver maximum value for British Columbians into the future.

The gaming industry across Canada is maturing. Existing demand for gambling is increasingly being met by the industry and demographics are shifting. At the same time, BCLC's operating costs have risen due to increasing compliance commitments and the need to invest in replacing aging technology. "BCLC has been a successful organization for many years; however, we have a systemic issue that all gaming jurisdictions are facing and that is a mature marketplace with rising operating costs and marginal revenue growth," said interim President & CEO, Jim Lightbody. "We are going through the process to ensure we're properly focused on our business priorities, operating efficiently and set up for growth in the long term."

BCLC will reduce operating costs by about \$20 million, which includes a 23 per cent reduction in advertising and marketing, reductions in contractor expenses, program savings and the elimination of fleet vehicles. BCLC has also reprioritized capital projects to reduce capital costs by \$20 million. The re-alignment of the operating budget and programs also resulted in workforce reductions. In total across the corporation, BCLC eliminated 67 positions: 29 in the Kamloops office, 33 in the Vancouver office and five from field staff who work throughout the province.

Wherever possible, roles were eliminated through attrition and voluntary termination.

"These kinds of decisions are difficult for any business, but they are the right decisions to best position BCLC to continue delivering strong net income to benefit British Columbians," continued Lightbody. BCLC's workforce operates throughout the province. Almost half of BCLC's staff is located in the Kamloops office; about a third in Vancouver and the remainder are in field services supporting operations across the province. BCLC's net income of more than \$1 billion each year is used by the Province of British Columbia to benefit people and communities across B.C.

1196 – Variety Bingo Centre - Toronto

At the end of March 2014, the Variety Club Bingo Centre (Toronto) ceased trading. Variety Club had a long association with bingo in the city and at one time had two (2) very successful

Centres operating. Variety has done and continues to do tremendous fundraising initiatives in and around the city.

You may recall that Mr. Michael McLaughlin (now at the OLG) was the Operations Director for many years and steered the organization through some very successful years of trading. With this closure we see the end of Variety Club as an active 'full time' Operator of a Bingo Centre in the city.

We wish Variety Club every success as it maps out its future going forward.

1197 – Digital Gaming Taskforce Announced

It has been announced by the Ontario Government that a Digital Gaming Taskforce has been created. I have enclosed the Media Release from David Orazietti, MPP Sault-Ste-Marie.

For Immediate Release

March 28, 2014

ORAZIETTI ANNOUNCES LAUNCH OF DIGITAL GAMING TASKFORCE

Province Looks to Modernize and Grow OLG Opportunities

Sault Ste. Marie – David Orazietti MPP today announced the launch of the Sault Ste. Marie Digital Gaming Taskforce which will drive the development of the growing lottery and gaming sector.

"The Digital Gaming Taskforce is part of our government's commitment to create a modern and profitable OLG," said Orazietti. "Sault Ste. Marie is already home to a growing digital gaming sector and this new component of the OLG in our community builds on our strengths to create new opportunities."

The Sault Ste. Marie Digital Gaming Task Force will facilitate and drive the development of digital gaming in the context of information and communications technology (ICT) growth and development in the community. Global opportunities have been identified for the digital gaming sector and the OLG modernization process adds additional incentive for action.

The task force will consider the extraordinarily broad range of sectors and activities that can benefit from digital gaming technology (DGT) as a means to communicate, learn, train and add value to economic, business, social and educational initiatives. The task force will serve as the catalyst for ideas and action and will also help ensure that we capitalize on all opportunities and undertake coordinated activities to market the community, engage stakeholders from around the world and develop projects that will drive new job and revenue creation.

The provincial government's recent \$1 million investment for the Canadian Bank Note and Sault Ste. Marie Innovation Centre partnership in establishing a digital gaming platform for e-Bingo is one example of the kinds of projects and initiatives which can serve as building blocks for the City's ICT sector development strategy and exemplify the focus of this task force.

"The global gaming industry is growing - particularly in the digital gaming market," said Tom Marinelli, OLG's Acting President & CEO. "Sault Ste. Marie is well positioned for new economic development and

job creation in this emerging market. As part of the Digital Gaming Task Force, I want to help the community leverage its valuable assets and grab a hold of these unique opportunities."

"Sault Ste. Marie has a unique environment that creates great potential for growth in the digital gaming sector," said Tom Vair, executive director, SSMIC. "This taskforce will help ensure that we take a strategic and coordinated approach to create new jobs in the community and take advantage of global opportunities."

Members of the SSM Digital Gaming Task Force include: Tom Marinelli – Acting-CEO, Ontario Lottery and Gaming; Anup Kumar - Executive Director, Charitable Gaming, Canadian Banknote Company, Limited; Terry DeBono – Partner, The Debono Group Inc.; Doug Pollard – Co-Chief Executive Officer, Pollard Banknote Limited; David Schantz – Vice-President, Academic and Research, Algoma University; Leo Tiberi – Vice President, Academic, Sault College; Tom Dodds - Chief Executive Officer, Sault Ste. Marie Economic Development Corporation; Tom Vair – Executive Director, Sault Ste. Marie Innovation Centre

On-Line @ www.cgao.ca

Information: Resources: Reference

CONTACT DETAILS

OFFICE 416-245-6365
FAX: 416-245-3449
E-MAIL: nesbitt.s@sympatico.ca
WEBSITE: www.cgao.ca

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