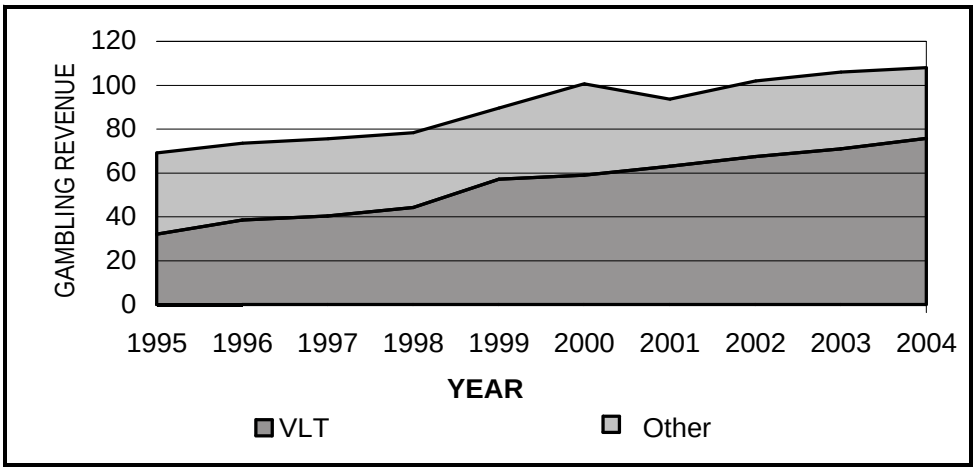
2.23 Gambling Rehabilitation Services

Introduction

Since 1995 provincial revenues from gambling activities have increased over 56% from $69.2 million in 1995 to $108 million in 2004. The majority of sanctioned gambling within the Province is managed by the Atlantic Lottery Corporation (ALC). ALC is the primary organization authorized to develop and market gaming products throughout Atlantic Canada. ALC is jointly owned by the governments of the four Atlantic provinces. According to ALC, since commencing operations in 1976 it has paid the Government of Newfoundland and Labrador $1.132 billion. Figure 1 shows the Provincial revenues from gambling for the past 10 years.

Figure 1

Province of Newfoundland and Labrador
Lottery Revenue
For the Year Ended 31 March
($ Millions)



Year	Total
1995	69.2
1996	73.5
1997	75.5
1998	78.4
1999	89.6
2000	100.6
2001	93.6
2002	101.9
2003	106.0
2004	108.0

Source: Public Accounts

In addition to ALC, the Province allows religious, charitable and other specified groups to raise funds through various games of chance such as bingo, sale of break-open tickets, games of chance or ticket draws. According to the Department of Government Services, in 2003 these groups had gross revenues of $55 million. None of the revenue from these games accrues to the Province.

A Statistics Canada report issued in December 2003 indicated that, while no trend data exists on problem gambling rates, research has shown that increased access to gambling contributes to an increase in the prevalence of gambling related health problems along with socio-economic problems. The research also shows that individuals with a gambling addiction are also more likely to have mental health issues than those with other types of addictions.

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Officials at the Department of Health and Community Services indicated that approximately $4.1 million is spent annually by the four health and community services boards, the two integrated health care boards, and the Health Care Corporation of St. John's to deliver all addiction programs (alcohol, drugs, tobacco and gambling). There are approximately 50 staff throughout the Province responsible for delivering these addiction programs.

Scope and Objective

We completed our review of gambling rehabilitation services in March 2004. The objectives of our review were to determine:

- what revenues are received by the Province from gambling and how this is used to fund the services offered by the Province for problem gambling issues;
- whether the extent of problem gambling in the Province is known; and
- what services are available for the education, prevention and treatment of problem gambling.

Conclusions

In 2004 the Province received $108 million from the Atlantic Lottery Corporation (ALC), an increase of $38.8 million or 56% from the $69.2 million received in 1995. Of this amount, $76 million was from Video Lottery Terminals (VLT), an increase of $44 million or 137% from the $32 million received in 1995.

A Statistics Canada report issued in December 2003 indicated that one in four gamblers, whose playing includes VLTs, are at risk to become or are already problem gamblers. The report went on to state that "… *VLTs are the 'crack cocaine' of gambling.*" Furthermore, correspondence from five of the six health boards providing addiction services in the Province indicated that the vast majority of individuals being treated for problem gambling were addicted to VLTs.

There are a number of significant issues relating to Government's involvement with the identification and treatment of gambling addiction. For example:

- Newfoundland and Labrador is the only Province in Canada that has not conducted its own prevalence study to determine the extent of the gambling problem. Statistics Canada has indicated that in 2002, 330,000 individuals in Newfoundland and Labrador over

the age of 15 participated in and spent money on some form of gambling activity. Furthermore, Statistics Canada has indicated that 6.3% of these individuals are at risk or are already problem gamblers. This equates to some 20,800 Newfoundlanders and Labradorians who are at risk or are already problem gamblers. Newfoundland and Labrador has the highest percentage in Atlantic Canada of individuals who gamble and who are at risk or are already problem gamblers.

- The four health and community services boards and the two integrated boards charged with administering the gambling addiction program are unable to provide complete or comparable statistics on the numbers of clients with gambling addictions who were referred, treated and waitlisted. Furthermore, the boards do not have systems in place to capture information on the costs of providing each of the various addiction programs and the amount of time spent by staff on each program. As a result, information required by the Department and the boards to adequately plan and monitor addiction programs is not readily available.

- Boards indicated that they did not have sufficient resources to meet the demand for gambling addiction rehabilitation and as a result several boards had waitlists. This is significant in that it was indicated by one Board that *"Research indicates this population group* [individuals requiring gambling rehabilitation] *does not usually follow through when they are waitlisted."*

- There is no centralized resource at the Department of Health and Community Services to assist the regional boards in developing standard programs for gambling rehabilitation including a strategy for the delivery of a Provincial education and awareness program.

- Although Government is required to match a 1% VLT fee received from retailers, officials at the Department of Health and Community Services were not aware of this requirement. As a result, the Department did not budget for this matching amount. The Department of Health and Community Services provides approximately $4.1 million annually for all addiction programs (alcohol, drugs, tobacco and gambling); however, it cannot readily demonstrate that the amount available for gambling addiction programs was in fact used for this purpose.

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Findings and Recommendations

Gambling Revenues

The Province receives significant revenues from the ALC which manages several forms of gambling on behalf of the Province. For the fiscal year ending 31 March 2004 the Province received $108 million in revenue from the ALC. Of the revenue that is provided to the Province from ALC there are two main gaming categories. These categories are traditional games (includes games such as Lotto 6/49, Super 7, scratch tickets and break-open tickets) and Video Lottery Terminals (VLTs). The VLT category exclusively refers to video lottery terminals which may emulate one or more games such as a slot machine, keno, and/or poker. Figure 2 provides a breakdown of the revenues generated between the two categories for each of the ten years to 2004.

Figure 2

Atlantic Lottery Revenue Breakdown
Years Ended 31 March
($000's)

Year	Traditional Games		VLT		
	Amount	% of Total	Amount	% of Total	Total
1995	37,161	54%	32,012	46%	69,173
1996	35,618	48%	38,499	52%	74,117
1997	34,619	46%	40,419	54%	75,038
1998	34,580	44%	44,330	56%	78,910
1999	32,801	36%	57,083	64%	89,884
2000	35,233	37%	58,927	63%	94,160
2001	31,703	33%	63,062	67%	94,765
2002	34,188	34%	67,402	66%	101,590
2003	35,529	33%	70,916	67%	106,445
2004	31,870	30%	75,716	70%	107,586

Source: Atlantic Lottery Corporation

As Figure 2 shows, there has been a significant increase in the amount received from ALC since 1995. In 2004 the Province received $108 million from ALC, an increase of $38.8 million or 56% from the $69.2 million in 1995.

As the Figure also shows, the increased revenues are attributable to the increased gaming activity in the VLT category. In 2004 the Province received $76 million from the VLT category, an increase of $44 million or 137% from the $32 million received in 1995. In 1995 VLT revenue represented 46% of total revenues from ALC while in 2004 VLT revenue accounted for 70% of the total revenue from ALC. In contrast, during this 10 year period, the revenues from the traditional gaming category have declined by $5.3 million or 14%.

A Statistics Canada report issued in December 2003 indicated that one in four gamblers, whose playing includes VLTs, are at risk to become or are already problem gamblers. The report went on to state that *"… VLTs are the 'crack cocaine' of gambling."* Furthermore, correspondence from five of the six health boards providing addiction services in the Province indicated that the vast majority of individuals being treated for problem gambling were addicted to VLTs.



Video Lottery Terminal (VLT)

Identification of Problem Gamblers

Given the significant increase in VLT revenues over the last ten years and the associated correlation with addiction problems, it would be expected that the Province would be proactive in determining the prevalence of problem gambling in order to develop appropriate rehabilitation services. Our review indicated that the Province is not doing a good job in determining the prevalence of problem gambling.

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Newfoundland and Labrador is the only Province in Canada that has not conducted its own prevalence study to determine the extent of the gambling problem.

Statistics Canada has indicated that in 2002, 330,000 individuals in Newfoundland and Labrador over the age of 15 participated in and spent money on some form of gambling activity. Furthermore, Statistics Canada has indicated that 6.3% of these individuals are at risk or are already problem gamblers. This equates to some 20,800 Newfoundlanders and Labradorians who are at risk or are already problem gamblers.

Figure 3 provides a comparison by province of the number of citizens who gamble and the percentage of these gamblers who are either at risk to develop a gambling problem or who already have a gambling problem.

Figure 3

Gambling Statistics for 2002

Jurisdiction	Total Gamblers (000s)	% at Risk or Already a Problem Gambler	Total Number at Risk or Already a Problem Gambler (000s)
Newfoundland and Labrador	330	6.3	21
Prince Edward Island	83	4.8	4
Nova Scotia	588	5.7	33
New Brunswick	463	5.3	24
Quebec	4,787	4.6	220
Ontario	7,213	6.5	468
Manitoba	642	9.4	60
Saskatchewan	575	9.3	53
Alberta	1,731	7.8	135
British Columbia	2,474	6.9	170
Total for Canada	**18,886**	**6.3**	**1,188**

Source: Statistics Canada

As the Figure indicates, in Newfoundland and Labrador the average of 6.3% of individuals who gamble and who are at risk or who are already problem gamblers is the highest percentage in Atlantic Canada.

Gambling Rehabilitation Programs

Given the significant increase in the number of individuals who are at risk or who are already problem gamblers, it would be expected that the Province would have programs in place to address this problem. Normally, such programs would include education, prevention and treatment. Furthermore, we would expect that there would be systems in place to provide statistical information on the number of individuals referred, treated and waitlisted. We would also expect that information on the amounts budgeted and actually spent on gambling rehabilitation programs would be readily available.

The Province's current treatment for gambling addiction consists of, in most cases, out-patient counselling by the six Boards; however, there are also two residential centres - a detoxification centre (Recovery Centre) operated by the St. John's Regional Health and Community Services Board and a treatment centre (Humberwood) operated by the Western Regional Health and Community Services Board. Out-patient counselling consists of individual and group counselling sessions without an overnight stay while the residential centres provide similar counselling along with a required stay of six days for the Recovery Centre and nineteen days for Humberwood.

Our review indicated that, although the Province has taken some action to address the issue of problem gamblers, there are weaknesses as follows:

- The four health and community services boards and the two integrated boards charged with administering the gambling addiction program are unable to provide complete or comparable statistics on the numbers of clients with gambling addictions who were referred, treated and waitlisted.

  Some boards specifically identified the inability to compile statistics as a problem. A contributing factor in this lack of information relates to a Client Referral Management System module which, although has been in development for the last 5 years, is still not available to track individuals receiving addictions services. Officials at the Department of Health and Community Services indicated that the addictions module has not been a priority of the Department.

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- The four health and community services boards and the two integrated boards do not have systems in place to capture information on the costs of providing each of various addiction programs and the amount of time spent by staff on each program. Therefore, information required by the Department and the boards to determine how much money and time is being spent to deliver gambling rehabilitation programs is not readily available. The following chart provides information on budgeted costs and staffing levels for all addiction programs (alcohol, drugs, tobacco and gambling) by board.

	Budget	**Staff**
St. John's Regional Health and Community Services Board	$1.1M	21
Eastern Health and Community Services Board	$0.5M	6
Central Regional Health and Community Services Board	$0.4M	4
Western Regional Health and Community Services Board	$1.3M	15.5
Grenfell Regional Health Services Board	$0.1M	1
Health Labrador Corporation	$0.4M	No Response Received
Total	$3.8 M	

Source: Department of Health and Community Services, community services boards, and integrated health boards

In addition to the $3.8 million provided to the four health and community services boards and the two integrated boards, $0.3 million was provided to the Health Care Corporation of St. John's relating to an addictions program.

- Boards indicated that they did not have sufficient resources to meet the demand for gambling addiction rehabilitation and as a result several boards had waitlists. This is significant in that it was indicated by one Board that *"Research indicates this population group* [individuals requiring gambling rehabilitation] *does not usually follow through when they are waitlisted."* As a result, there are likely individuals who, although sought help for their gambling addiction, did not get the help they needed. At 30 September 2004, the boards had the following waitlists: St. John's (not available), Eastern - 6, Central - 20, Western - 17, Grenfell - nil, and Labrador (no response).

- The Department of Health and Community Services does not play a coordinating role to assist the regional boards in developing standard programs for gambling rehabilitation including a strategy for the delivery of a Provincial education and awareness program. The Department does not currently have a resource person to provide a coordinating role. We note that officials at the Department indicated that promoting awareness of problem gambling has not been considered a Government priority due to the relatively low proportion of problem gamblers and the Department's other priorities.

  As a result, there may be inconsistencies in the gambling rehabilitation programs offered by each of the boards. Furthermore, everyone in the Province is not necessarily receiving a consistent and clear message as to the symptoms of problem gambling and the gambling rehabilitation services available.

- Although Government, in accordance with a Cabinet Directive in 1995, is required to match a 1% VLT fee received from retailers, officials at the Department of Health and Community Services were not aware of this requirement. As a result, the Department did not budget for this matching amount. Furthermore, there is no separate budget item for the 1% retailer fee which is to be used specifically for the prevention and treatment of problem gambling.

  Since the 1% fee was first collected in 1995-96, retailers have contributed approximately $2 million. In 1995-96, retailers contributed $142,000 while in 2003-04, this amount had increased to $313,000, an increase of 120%. Although the Department of Health and Community Services provides approximately $4.1 million annually for all addiction programs (alcohol, drugs, tobacco and gambling), it cannot readily demonstrate that the amount available for gambling addiction programs was in fact used for this purpose.

Recommendations

The Department of Health and Community Services should:

- *Undertake a prevalence study to determine the full extent of problem gambling in the Province.*

- *Ensure that there is adequate information available to adequately plan and monitor the addiction programs. The information should include statistics on the number of clients with gambling addictions who were referred, treated and waitlisted as well as information on the costs of providing each of the various addiction programs and the amount of time spent by staff on each program.*

- *Ensure that there are standard programs for gambling rehabilitation and a strategy for the delivery of a Provincial education and awareness program.*

- *Ensure that the 1% Video Lottery Terminal retailer fee is matched and included in a separate budget which can be monitored to ensure that the funds are spent for the purpose intended.*

Department's Response

The Department accepts the need for the completion of a gambling prevalence study. It is expected the study will occur in 2005 and take approximately six months to complete.

With respect to the Auditor General's comments on the availability of adequate information the Department notes the Client Referral & Management System (CRMS) - Addictions Module became operational in 2004. Currently 5 of 6 regional health boards are registering their addictions clients. This will significantly improve the Department's capability to manage addictions services. An additional investment in information technology will be required in 2005 to fully integrate and implement the new module.

The Addictions Program is provided throughout the province. There is a standard protocol for intake for Addiction Services which is used by the regional health boards. The initial assessment identifies the addiction treatment needs which may include multiple addictions. If a gambling addiction is identified, a treatment plan is developed that is customized to meet the needs which are presented.

With respect to matching the VLT operator contributions the Department will seek matching funding through government's budget process. The Department will also review its budget methodology for allocating and monitoring funding to improve its ability to track expenditures related to gambling addictions.