

The Working Group on Online Gambling Releases Its Report

Five recommendations to increase government revenue and protect at-risk gamblers

Montréal, November 6, 2014 – On February 10, 2010, the Québec government announced the development of a public offering of online gambling administered by Loto-Québec. Thus, Espacejeux came into being at the end of 2010, in the midst of concern over the potentially negative impact of that decision.

That was the backdrop for then Minister of Finance Raymond Bachand’s announcement of the creation of the Working Group on Online Gambling, chaired by Dr. Louise Nadeau. The working group’s mandate was to:

1. Analyze the social impact of the development of online gambling in Québec;
2. Analyze the regulatory, technical, economic and legal measures to block illegal gambling;
3. Conduct the necessary consultations experts at home and abroad.

Given the antithetical positions adopted on the impact of online gambling—that of the health sector and that of Loto-Québec—the Working Group on Online Gambling decided to examine, from a factual, evidence-based standpoint, the consequences of opening Espacejeux.

Three hypotheses

To carry out its mandate, the working group examined the following hypotheses:

1. Did Espacejeux play a role in increasing at-risk behaviour and problems related to online gambling?
2. Did Espacejeux result in additional revenue for the public treasury and lead to improvements in responsible gambling initiatives and in the security and integrity of the online gambling offer?
3. Did Espacejeux succeed in blocking illegal gambling and fostering the regulation and monitoring of online gambling?

Examination of the data gathered invalidated each of the three hypotheses. Espacejeux did not have the negative impact anticipated, nor did it have the positive consequences announced. As a result of the working group’s work, consultations were conducted to identify best practices and the circumstances guaranteeing their success.

The working group therefore made five recommendations. These are based on the idea of the common good and target two objectives central to the group’s work: ensuring that the public treasury receives the revenue inherent in online gambling and protecting at-risk gamblers.

Recommendations

1. Limit Loto-Québec's social responsibility mandate to the management of online gambling offerings;
Establish an independent, autonomous, permanent foundation whose prevention mission will encompass the public health, socioeconomic and legal questions that gambling raises.
2. Adapt the treatment and support available to individuals displaying gambling-related disorders to take into account the other mental health needs of such individuals.
3. Create and mandate an independent regulatory body or change and broaden the mandate of the Régie des alcools, des courses et des jeux to regulate and monitor from now on the online gambling sector in Québec. The mandate would include the regulation and monitoring of the promotion, advertising, responsible offering and security and integrity of online and other gambling proposed by all operators, including Loto-Québec.
4. Take the necessary steps to amend the *Criminal Code* to enable the Canadian provinces to issue online gambling licences to private operators;
Establish and mandate an independent regulatory body or change and broaden the mandate of the Régie des alcools, des courses et des jeux to establish and administer a self-financing system to issue licences to private online gambling operators;
Implement the necessary subsidiary measures to ensure the efficacy and long-term survival of a licensing system.

Given the challenges linked to the amendment of the *Criminal Code*, in the short term, we also recommend that the Québec government:

- Explore the possibility of also offering the games of private operators to Québec online gamblers exclusively through a government website. In such a model, the government could establish and operate a portal through which it would offer the games to Québec gamblers, under a contractual agreement with private operators;
 - Implement subsidiary measures that must also be perceived as short-term, easily executed solutions to help curb illegal offerings.
5. Pursue the monitoring system elaborated by the Working Group through an expert panel capable of ensuring follow-up to public health, socioeconomic and legal challenges.

The report, entitled *Online Gambling: When the Reality of the Virtual Catches Up with Us*, is available at <http://www.groupes.finances.gouv.qc.ca/jeu/>.

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