



Société des loteries vidéo du Québec

Mandate

- In accordance with the mandate entrusted to it by the Government of Quebec in 1993, the Société des loteries vidéo du Québec inc. (SLVQ), a subsidiary of Loto-Québec, responsibly markets and manages a network of video lottery terminals (VLTs) operated by establishments with a bar, pub or tavern licence that have received an operator's licence from the *Régie des alcools, des courses et des jeux* (RACJ). Since April 1, 2008, the SLVQ has been responsible for the management of the Ludoplex entertainment centres in Trois-Rivières and Québec City.
- The SLVQ draws on the services of private-sector businesses to oversee certain day-to-day operations.
- All profits generated by the SLVQ are turned over to the Government of Québec, which, in turn, uses them to fund services and programs from which all Quebecers benefit.

Background

Prior to 1994, when no government-controlled terminal network existed, the law allowed the operation of video-poker-type machines, which featured mostly card games like poker and blackjack. These machines did not pay out winnings in cash. Despite this, many establishments amassed considerable profits illegally by selling off free rounds.

In 1993, the Sûreté du Québec (SQ) estimated the number of illegally operated machines at between 25,000 and 50,000, which generated around 780 millions of dollars in illicit revenues every year*. This illicit gaming activity occurred not only in licensed establishments, but also in places open to minors, such as convenience stores, bowling alleys and arcades.

The introduction of a government-controlled network made it possible to develop an integrated system with a guaranteed payoff rate, available exclusively in licensed establishments that had an area reserved for adults (age 18 and over). The operating profits were turned over to the government and the operators received a 22% commission.

In the 1990s, all Canadian provinces adopted this approach, with the exception of Ontario and British Columbia. Today, each of those eight provinces operates a network administered by a government agency.

* Source: Estimate provided by a Sûreté du Québec representative during the Parliamentary Committee on Bill 84, June 1993.

Number of Employees

The SLVQ employs approximately 70 people.



Network Reconfiguration Exceeds Objectives

Thanks to concerted efforts over the past year, the network was successfully reconfigured in favour of the two gaming halls. The SLVQ not only accomplished its mission of reducing the number of sites in the network as called for in Loto-Québec's 2004-2007 Development Plan, it surpassed the initial objectives. Overall, the number of sites in the bar and tavern network dropped by 36.2%, whereas the reconfiguration plan called for a 31% reduction. Today, the network includes 10,735 VLTs at 2,321 sites.

The SLVQ will ensure that the gaming offer remains geographically diversified and sufficiently sizeable to prevent the proliferation of illegal equipment. In keeping with the WLA's Responsible Gaming Framework, the SLVQ plans to continue raising awareness of and promoting responsible gaming behaviours among customers, owners and employees of the establishments making up the network.

Preventive Measures Built into the VLTs

Since VLT network was first launch, many practical measures were implemented to promote healthy gaming behaviour. Major changes were made to the second-generation terminals, which were introduced in 2003, to integrate features that encourage responsible gaming:

- **Time:** A clock is displayed permanently on the screen. Also, before beginning a session, the player must select its duration: 15, 30, 45 or 60 minutes.
- **Chance:** Each terminal is equipped with a menu describing the concept of chance so as to dispel the mistaken beliefs held by many compulsive gamblers.
- **Bets:** On the main game screen, the bank is displayed in dollars by default, unless the player presses a key to convert the amount into credits.

Other preventive measures that were implemented:

- The helpline number 1 866 SOS-JEUX (1 866 767-5389) is displayed prominently and the devices display messages urging moderation.
- Players can no longer stop the electronic tumblers by touching the screen.
- The maximum amount that can be inserted per session of play is reduced from \$100 to \$60.
- The devices are deactivated outside the hours authorized by the site's liquor license.

Code of Responsible Commercialization

The SVLQ established a code of responsible commercialization that aims to promote the responsible management of video lottery terminals (VLTs) in order to offer consumers a high-quality entertainment product in a pleasant environment.

This first for the industry consists of 20 pledges that site operators must make. They include compliance with regulations, commercial signage, the location of automatic teller machines, the prohibition against loans or advances, the responsibilities of VLT operators, the "Taking Risks is No Game" training



program, coming to the assistance of players, the gaming environment, and so on. These commitments serve to provide a consistent framework for the operation of VLTs throughout the network.

Assessment and Ongoing Improvement of Responsible Management Methods

To encourage the network's retailers to subscribe to the principles of responsible management, the SLVQ has implemented a program for the assessment and ongoing improvement of responsible management methods. The program aims to help retailers fulfil their commitment with regards to the marketing code. The assessment is conducted through announced visits by SLVQ employees and through ongoing visits by "mystery players."

"Taking Risks is No Game" Training Program

In 2006, the "Taking Risks is No Game" program was extended across the province. A joint effort by the *Fondation Mise sur toi* and *Université Laval's Centre québécois d'excellence pour la prévention et le traitement du jeu*, the "Taking Risks is No Game" training is given by professionals specializing in the field of gaming and is intended to sensitize bar, pub and tavern owners and employees to the issues surrounding compulsive gambling.

Some 13,000 bar owners and employees have earned a certificate attesting to the training they received.

Since June 2008, the "Taking Risks is No Game" training program is offered online 24 hours a day, 7 days a week, in both English and French. The content is identical to the "live" version of the training except that trainees do not have to travel.

The "Taking Risks is No Game" awareness and information program, which was launched in 2001 for the benefit of VLT site owners, has drawn considerable attention worldwide. In fact, the SLVQ was the world's first organization to have both launched and systematically evaluated a program aimed at training and raising awareness among retailers. So far, nearly 4,200 people, including site owners and staff, have taken part.

- In April 2003, this public awareness program received a Citation of Excellence from the International Association of Business Communicators (IABC) during the Gold Quill Awards ceremony. The SLVQ received the award in the "Economic, social and environmental development" category for the excellence of its *Taking risks is no game 1* program.
- The *Taking risks is no game 1* awareness program was thoroughly evaluated and, in 2004, the findings were published in the article, "Awareness promotion about excessive gambling among Video Lottery retailers" (Ladouceur R., Boutin C., Doucet C., Dumont M., Provencher M., Giroux I., Boucher C., *Journal of Gambling Studies*, 20, pp. 181-185, 2004).
- The findings also appeared in *The WAGER*, a weekly research bulletin published by the Division on Addictions at Harvard Medical School (vol. 9, no. 41), with focus placed on the analysis conducted by Dr. Robert Ladouceur and his team at *Université Laval's Centre québécois d'excellence pour la prévention et le traitement du jeu*.

Regulations

- Video lottery terminals can be operated only in establishments holding both a liquor license and a lottery video site operating permit from the *Régie des alcools, des courses et des jeux* (RACJ).



- A maximum of five terminals is allowed per site-operating permit.
- The use of video lottery terminals by minors (persons under 18) is prohibited.

Terminals

- The maximum prize per bet is \$500. Also, once the credits in the player's bank exceed \$500, a reimbursement slip is issued automatically.
- Bets can range from \$0.05 to \$2.50, depending on the game.
- The terminals are linked to a central management computer, which ensures the security and integrity of the network at all times.

Security and Integrity

Before a video lottery terminal can be put into operation in Québec, the *ministère de la Sécurité publique's Laboratoire des sciences judiciaires et de médecine légale* verifies that the device's random number generator functions properly and that the outcome of the device's use is based solely on chance.

Payoff Rate

The average payoff rate is 92%. In other words, for each dollar wagered, players win an average of \$0.92. This average is reached after millions of games are played; it takes into account the concept of randomness, the multiplicity of games, the variety of prizes and possible combinations.

The payout rate and the cash out rate are two distinct elements that must never be confused with one another.

About the gaming halls

Much like the bars, pubs and taverns that operate VLTs, these gaming halls, which opened in 2007, are managed responsibly. They are also subject to strict prevention and monitoring measures that foster responsible gaming:

- The use of a payment card that allows players to set a limit to the amount they are willing to wager during a given visit.
- The absence of a loyalty program.
- Access to a self-exclusion program.
- Alcoholic beverages prohibited in the gaming areas.
- The presence of staff trained in the practice of responsible gaming.