

# CONVENIENCE CONNECT

MAY, 2013

## Lottery Business - An Update

**Greg McKenzie, Senior Vice President Lottery**



As we kick off our summer months, I'd like to take this opportunity to provide you with an update on our Lottery business and modernization developments.

### Lottery Business Highlight

We ended our fiscal strongly, with a record year in terms of revenue - and our retail network was critical to supporting this tremendous accomplishment!

The Lottery business has had an exciting start to the year and is poised to bring Ontarians even more to look forward to in the coming months.

Big Lotto captured national attention in April with the \$40M Lotto Max winner from Hamilton, whose Happy Dance went viral across the continent. A week later, Lotto 6/49 took center stage by offering the highest advertised Lotto 6/49 jackpot in over 30 years! While estimated at \$55 Million, the actual jackpot climbed to \$63.4 Million! Transactions grew to 4.7 million - more than TRIPLE the per draw average - that's almost one ticket for every two adults in Ontario!



In late April, we announced some exciting enhancements coming to Lotto 6/49. Coming this Fall, the game will offer players an additional guaranteed \$1 million prize each and every draw, jackpots that will start at \$5 million, and a new free play prize that can be won by matching just two numbers. This means overall odds will go from 1 in 32 to 1 in 6.6; or nearly five times more winning.

Regional games will expand in November with the introduction of our third Watch N' Win game, adding to the over 4.2 million winners Poker Lotto and Mega Dice have already produced. Sports will be making enhancements to the mobile website by offering new social peer-to-peer tools to bring fun and excitement of Sports lottery play. And the

success of our Instant category continues - driven by innovative game launches, new high price-point tickets, and with core and variety tickets keeping our line-up fresh and appealing.

### Modernization Update

Work continues on OLG modernization, and some key highlights include:

The Lottery Request for Pre-Qualification (RFPQ) closed April 30 and evaluations are progressing to pre-qualify service providers that will be able to participate in the next phase of strategic procurement: Request for Proposal (RFP).

On April 12, the OLG announced that an iGaming vendor had been selected through a competitive procurement process. This service provider will provide interactive casino-style games for online play including slots, video poker, table games and allow customers to purchase lottery tickets including LOTTO 6/49, LOTTO MAX and ENCORE. Additional products and services will launch as the site evolves.

### Request for Proposal

The next phase of Lottery modernization will be the launch of the Request for Proposal (RFP). The RFP process will only include pre-qualified service providers that moved successfully through the RFPQ process. The objective of the RFP process is to select a qualified Service Provider for the day-to-day operation of lottery in Ontario.

Although other OLG modernization activities generate significant media attention, Lottery Modernization continues on track. To learn more about Modernizing Lottery and Gaming in Ontario, please visit [www.olg.ca](http://www.olg.ca), or speak with your OLG representative.

We are committed to working closely with the OCSA Lottery Committee, and providing you with frequent communication. Let's continue to have an open dialogue about your business, Lottery modernization and our future together.

## Ontario Budget comments

The Ontario Convenience Stores Association (OCSA) applauds the inclusion of anti-contraband tobacco measures in the provincial budget tabled yesterday. The Wynne government announced consideration of amendments to the Tobacco Tax Act that would include increased fines for those convicted of illegal tobacco offences, forfeiture of illegal seized tobacco items and strengthening provisions to improve the statute in meeting the government's commitments.

"On behalf of the OCSA, I would like to commend the Ontario government for taking appropriate steps towards combatting this serious issue," said CEO Dave Bryans. "Contraband tobacco is not only a major issue for our 7,500 Retail Members across Ontario but as we've seen throughout our municipal campaign, communities across the province want the provincial government to act," said Bryans.

The government's enhanced enforcement measures are expected to generate an additional \$350 million in revenue over the next four years.

A recent study by Abacus Data shows that more than 70% of Ontarians recognize that contraband tobacco leads to negative effects on government revenues, an increase in organized crime and youth access to the product. "Certainly, youth access to tobacco is a major concern and our retailers are the only gatekeeper to ensuring that minors cannot have this product," said Bryans.

The OCSA also applauds the Government for acknowledging the threat of increased tobacco smuggling surrounding the movement of the Cornwall border. The proposed movement of the border has raised concern for retailers, given the continued persistence and presence of contraband in Cornwall.

The OCSA is continuing its Communities Against Contraband Tobacco campaign, reaching out to municipalities across the province and has also recently launched an in-store awareness campaign to engage customers about the dangers of contraband. "We are hopeful that these commitments will assist in keeping Ontarians safe while ensuring that illegal tobacco stays out of the hands of our youth."

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## Free Our Beer 2013 petition campaign

### Petition will have an amazing impact when presented at Queens Park.

The OCSA Board of Directors thanks everyone who got involved for their fantastic support for this petition. We distributed freeourbeer.ca petitions in over **3,000** convenience stores throughout Ontario and the responses are now being counted. The results will be published in the near future.

We have generated impact in over **350** communities across the province with people participating and signing petitions at C-stores, asking the government to allow for beer/wine/alcohol in C-stores in Ontario. Millions of Canadians already have this privilege and it is time to make a change in the beer/liquor retail distribution and retail structure we have in Ontario.

This issue remains a top profile. The Beer Stores are owned by three foreign multinational companies with all profits leaving Ontario. The LCBO continues to invest in large retail outlets at taxpayers expense. Conversely, C-stores will not cost taxpayers if the distribution channels of beer and wine are expanded. Independent entrepreneurs will cover any needed investment.

As and when an election is called, OCSA will engage our members to be pro-active. We will work to help them communicate locally with their politicians, candidates and media to make sure that our campaign becomes a serious election issue that ultimately changes the oppressive laws we face today! Thanks.



## Health & Safety at Work

<http://www.healthandsafetyontario.ca>

Each small business employer is required to display the 'Health & Safety at work' poster in their employee areas of the store as required by the Minister of Labour. These posters can easily be downloaded (in many languages) by going to the link above.

The Ministry of Labour's prevention partners are the Workplace Safety and Insurance Board [WSIB](http://www.wsi.gov.on.ca) and Ontario's Health and Safety Associations (HSAs). For more information about the ministry's health and safety partners, click here: <http://www.labour.gov.on.ca/english/hs/websites.php>



## Follow all the updates and OCSA news

"Convenience Connect" is widely distributed. It is also available online at our website: [www.conveniencestores.ca](http://www.conveniencestores.ca)

You will find our regular tweets at:

<http://twitter.com/OntarioCStores>.



The simplest way is to use [www.Google.ca](http://www.Google.ca). And specifically to use [Google News](http://www.Google.ca).

## iPad Customer Engagement Program

### OCSA has launched a contraband tobacco awareness campaign in London and Windsor area convenience stores.

The campaign features an in-store iPad\* that will allow customers to send a letter to Ontario Minister of Finance Charles Sousa and Premier Kathleen Wynne directly from the store.

The letter encourages the Ontario Government to follow through on its commitments to fight contraband tobacco. Contraband tobacco is sold without proper taxation and age verification, making it accessible to youth. Not only does the sale of contraband hurt small business and government through tax evasion, it contributes to organized crime schemes and the deterioration of community safety.

The iPads will be featured specifically in Dwight Duncan's former riding of Windsor-Tecumseh and Chris Bentley's former riding of London West. Both seats are currently vacant. Should the budget pass, by-elections will likely take place in these ridings in the near future.

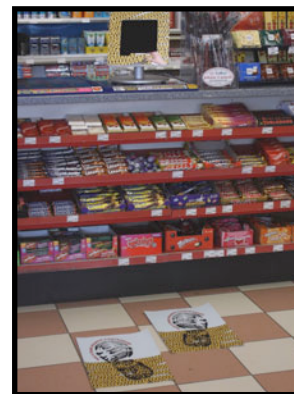
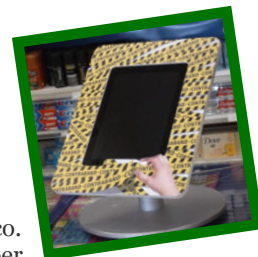
"This campaign is a way for our retailers to engage local customers about the perils of contraband tobacco - not only its effects on small business owners but the loss of government revenue, the effect on public safety and the increase in youth access to illegal tobacco," says Dave Bryans, CEO of the OCSA.

The iPad campaign builds on OCSA's municipal anti-contraband tobacco initiative across Ontario.

Over 70 communities representing over 40% of the population of Ontario have passed motions in support of the campaign-including both London and Windsor City Councils. During the run up to the budget iPads were installed in 30 C-stores in the riding of the Minister of Finance as well as our new Premier and we found customers were very appreciative to be able to communicate through the store this direct way.

This program will be very effective in the upcoming Ontario election and will target potential swing ridings. 15 stores are now up and running in Windsor Tecumseh and London West.

\* iPad is a registered trademark of Apple Inc.



Mr. Daoud of Canadian Variety in Windsor is proud to support the contraband awareness iPad campaign and the Free Our Beer petition.



## Prevention Awareness Products



Prevention Awareness Products are currently available. Below you will find the links to these products.

### Main Page:

<http://www.labour.gov.on.ca/english/hs/prevention/awareness.php>

### Prevention Poster:

[http://www.labour.gov.on.ca/english/hs/pubs/poster\\_prevention.php#download](http://www.labour.gov.on.ca/english/hs/pubs/poster_prevention.php#download)

*(Please note that this poster is available for download in 18 languages on the ministry website. Printed copies in English and French are available for free through ServiceOntario Publications.)*

### Worker Health & Safety Awareness in 4 Steps:

[http://www.labour.gov.on.ca/english/hs/pubs/worker\\_awareness.php](http://www.labour.gov.on.ca/english/hs/pubs/worker_awareness.php)

### Workbook:

<http://www.labour.gov.on.ca/english/hs/pubs/workbook/index.php>

### Employer Guide to Worker Health and Safety Awareness in 4 Steps:

<http://www.labour.gov.on.ca/english/hs/pubs/employerguide.php>

### Supervisor Health and Safety Awareness in 4 Steps:

[http://www.labour.gov.on.ca/english/hs/pubs/sup\\_awareness.php](http://www.labour.gov.on.ca/english/hs/pubs/sup_awareness.php)

**Workbook:** [http://www.labour.gov.on.ca/english/hs/pubs/sup\\_workbook/index.php](http://www.labour.gov.on.ca/english/hs/pubs/sup_workbook/index.php)

### Employer Guide to Supervisor Health and Safety Awareness:

[http://www.labour.gov.on.ca/english/hs/pubs/sup\\_employerguide.php](http://www.labour.gov.on.ca/english/hs/pubs/sup_employerguide.php)

### Guide to the Ontario Health and Safety Act PDF:

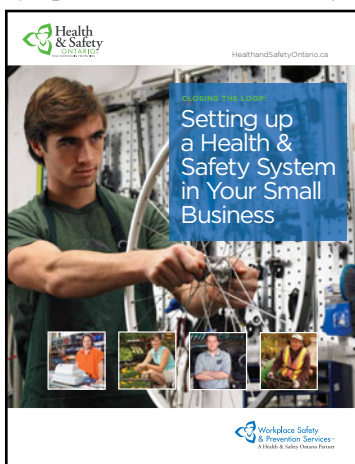
<http://www.labour.gov.on.ca/english/hs/pubs/ohsa/>

## Health and Safety Partners

The Ministry of Labour's prevention partners are the Workplace Safety and Insurance Board WSIB and Ontario's Health and Safety Associations (HSAs).

The HSAs provide workplace safety training, education and consultation. One of the ministry's partners, Health and Safety Ontario (HSO), is the result of reorganizing 12 HSAs into four streamlined organizations to better serve more than 236,000 Ontario businesses. The four organizations that comprise HSO are Workplace Safety & Prevention Services, Public Services Health & Safety Association, Workplace Safety North, and Infrastructure Health & Safety Association. They offer information, advice, training, health and safety expertise and best practices, innovative and cost-effective solutions, and sector-specific products and services.

Download the HSO's Small Business guide "Closing the Loop: Setting up a Health and Safety System your Small Business" as an additional resource. This guide, along with some sector specific guides and other information, can be found on the HSO site at <http://www.healthandsafetyontario.ca/Resources/Topics/Small-Business>, and can be downloaded for free.



## Important Summer Reminder for Retailers

Do you have extra employees helping you out this summer, especially students? Make sure they are thoroughly trained on checking ID!

Remember the 36 local health units in Ontario will be hiring their own summer students. Those students will likely show up in one of your stores as secret shoppers, trying to see if your student employees will illegally sell cigarettes to minors.

We urge retailers to make sure summer employees understand why it is so important to check id and need to be properly trained not to sell to anyone who looks under the age of 25 unless they see proper id. Always ask any young shopper 'how old are you?' – they cannot lie to the clerk under a mystery shop.

A mistake by one of your temporary employees could cause permanent damage to your business.

Don't gamble with this - "Make sure due diligence is done." Free training and in store kits are available for all OCSA members at [www.we-expect-id.com](http://www.we-expect-id.com)

## Beer Store Gift Cards PROHIBITED

AGCO give C stores another vote of confidence as they have ordered the Beer stores to stop selling gift cards in competition with all retailers in Ontario. The OCSA single handily took on this issue to insure our members were represented in the face of a powerful beer monopoly in Ontario.



## Toronto Plastic Bag issue update



The OCSA continues to work with City of Toronto staff on a consultation process for plastic bags. We will not support a ban and have encouraged the City to leave customer bags up to the retailers whether they want to charge or not and work on the three 'R's' Reduce, reuse and recycle. This issue goes back to Toronto Council on July 16th and we will encourage all of them to allow business to decide how customers take their goods home.

## Kid Healthy

Kid Healthy panel (childhood obesity)- Recommendations have just come out from this report and the areas C-stores need to be concerned and aware of the generic wording of banning 'POS' displays etc. in retail, starting with sugar beverages. OCSA is presently working with the Ministry of Health Promotion and Health on a field trip to our members sites to discuss potential solutions that we can accept in the small business model.

Stay tuned as this file will be with Ontarians for a long period of time and we will have to constantly weigh in on the future of offering healthier products to young people in every community.

## Municipal Engagement Program

Municipal engagement program – I would like to thank all the retailers that participated in the OCSA Municipal contraband tobacco program where we worked with councillors throughout Ontario on sending resolutions to Queen's Park asking the government to correct the growth of contraband in their cities and region. So far we now have over 70 different communities that have passed resolutions and will continue to engage additional communities going forward.

# PREPARING NEW EMPLOYEES

It's that time of year when many retailers hire more part time and seasonal employees. Remember there are some important things that must be done when you have new employees who will be selling and redeeming lottery tickets.

## RETAILER POLICY MANUAL

Our Retailer Policy Manual includes information on important compliance requirements that all retailers must follow. New employees should be aware of these requirements. The following are a few of the more important things any new employees should be aware of.

## RETAILER IDENTIFICATION – Retailer Policy 2.2

New employees must be identified in our records as selling lottery at your store. Online retailers can follow the Retailer Identification instructions in the Lottery Terminal Guide to add new employees. Offline retailers must call the OLG Support Centre to request a Retailer Declaration Form to complete and send back to OLG in order to have new employees names added.

Both ONLINE and OFFLINE retailers must call the Support Centre if any names are to be removed.

## VALIDATION PROCEDURES – Retailer Policy 5.1

New Employees must understand and follow the proper procedures described in this policy when validating customer's tickets. We continue to Mystery Shop retailers to ensure the correct procedure for ticket validations is being followed. It is important that customers sign their tickets before retailers validate them, so reinforce to new employees they must insist on this. It's an important requirement, and is something that our Mystery Shoppers are continuing to test.

## AGE CONTROL – Retailer Policy 4.1

New or part time employees are often young, and while they may be well aware that age controlled products are not to be sold to underage customers, they may not know what tools are available to support them when confirming customers are old enough to purchase. Make sure they are aware of and are utilizing the ID25 & We Expect ID Signage at retail, the We Expect ID Button on the terminal and the AGE CONTROL, It's the Law! Training Module in the Lottery Library Binder.



THE NEW



**Exciting Game Changes Coming to LOTTO 6/49**

**New Guaranteed  
\$1-Million Prize Every Draw!**

Sales start Sunday, September 15, 2013 with the first draw to be held on Wednesday, September 18, 2013!

**Starting in September 2013, LOTTO 6/49 will offer:**

- A new guaranteed \$1-million prize with every draw
- Jackpots that start at \$5 million
- A new free play prize category

Priced at \$3 per play, players are going to see more ways to win and better value overall than the current game structure offers.

LOTTO 6/49 will still be the same game that players know and love, only better!

- Players will still look to match up 6 numbers from 1 to 49 to win big Jackpots or other great cash prizes, plus the new free plays for matching just 2 of 6 numbers.
- With each \$3 play, players will also receive a new unique number exclusively for the new guaranteed \$1-million prize draw.
- With the new free play prize category, the overall odds of winning any prize improve from 1 in 32.3 to just 1 in 6.6.

## \$10 CLASSIC WHITE Launching June 3, 2013

**Be prepared** to sell these tickets quickly!

CLASSIC BLACK was a big seller, so expect this new elegant design to be an attraction in your Silent Sellers.

Keep your Silent Sellers fully stocked at all times. This ticket will be appealing as it is quick and easy to play, features multiple play areas and great overall pricing.

### Great Pricing!

- Seven top prizes of \$500,000
- 400,000 prizes of \$50 or more
- Prizes range from \$10 to \$500,000

