



September 10, 2009

MLA Advisory Committee to Review Eligible Organizations' Access to and Distribution of Proceeds from Licensed Casino Events

Background

Alberta's charitable gaming model provides an opportunity for charitable and religious organizations to conduct and manage over 3,400 casino events each year. In 2007-08, these organizations received \$243.9 million in gaming proceeds. The proceeds to charities have almost doubled since 2002-03 when charitable casino proceeds were \$122 million.

Although the total amount of gaming proceeds is lauded by charitable and religious groups, many have expressed concerns with how these proceeds are distributed. At the heart of the matter is the fact that there are more groups eligible to conduct casino events (6,973 charities) than there are available licensed events each year (3,458). The eligible groups are not evenly distributed across the province, meaning that there are some areas that have a higher number of eligible charities per casino event than other areas resulting in differing wait times between casino events. As well, the casinos do not perform the same. Some casinos generate more revenue than others, meaning that the charities that conduct and manage events in regions with better performing casinos receive greater proceeds.

At the centre of the charitable casino model is the requirement for charities to conduct and manage casino events by providing volunteers. Eligible organizations earn proceeds from their direct involvement in table games at casinos and, in return, charities receive the proceeds from the table games, from which they pay a fee for service to the facility operator. Although charities play no direct role in the operation of slot machines, they receive a 15 per cent commission from slot machine net sales. The majority of proceeds to charities are from slot machines. In 2007-08, charities received about \$72.6 million from table games and over \$171.3 million from slot machines and Keno at casinos.

A number of stakeholders, including some charities and operators, believe that the number of volunteers required to conduct and manage a casino event should be reviewed.

Purpose

To conduct a review of the Alberta Gaming and Liquor Commission's policies regarding access to licensed casino events by eligible organizations and the distribution of proceeds from licensed casino events to these organizations to ensure that:

1. Proceeds are equitably distributed to eligible organizations;
2. Eligible organizations are able to continue to deliver their programs/services;
3. The policies are current, specific, clear, transparent, and accessible to eligible organizations; and
4. The policies comply with the requirements of the *Criminal Code* (Canada), the *Gaming and Liquor Act* and the *Gaming and Liquor Regulation*.

Scope

The MLA Committee will act in an advisory capacity to the Minister responsible for the Alberta Gaming and Liquor Commission (i.e. the Solicitor General and Minister of Public Security) and make recommendations to the Minister on the following matters:

1. The criteria to be used to determine equitable access by eligible organizations to licensed casino events, including consideration of casino region boundaries and suggestions for improved access;
2. The criteria to be used to determine equitable distribution of casino proceeds (i.e. from slot machines and table games) to eligible organizations from licensed casino events throughout Alberta and suggestions for improved distribution; and
3. The number of volunteers required to conduct casino events.

The charitable gaming model which provides an opportunity for eligible organizations to conduct and manage over 3,400 casino events each year is not within the scope of this review.

Eligibility of charities and religious organizations and the use of casino proceeds are not within the scope of the review. In 2003, a review of Alberta's policies on eligibility for charitable gaming licences and use of proceeds from charitable gaming activities was conducted by Yvonne Fritz, MLA for Calgary Cross. The comprehensive review included consultation with charities, industry stakeholders and the public.

Objectives

The Committee will:

- Conduct stakeholder consultations with eligible organizations throughout Alberta.
- Research and analyze the potential criteria that may be used to determine equitable access by eligible organizations to licensed casino events.
- Research and analyze potential criteria that may be used to determine equitable distribution of casino proceeds.
- Provide an analysis of options considered to improve the access and distribution of proceeds to eligible organizations.
- Research and analyze the number of volunteers required to conduct a casino event.
- Make recommendations to the Minister.

Committee Membership/Support

- Committee MLAs will be appointed by the Minister by a Ministerial Order.
- The Committee will consist of one Edmonton, one Calgary, and one MLA outside of Edmonton or Calgary.
- Administrative, technical and report writing support for the Committee will be provided by the Alberta Gaming and Liquor Commission.
- If required, legal support for the Committee will be provided by Alberta Justice.

Reporting Requirements

- The Committee will report to the Solicitor General and Minister of Public Security.
- The Committee will make recommendations to the Minister by March 31, 2010.
- The Minister will consider the recommendations of the Committee and bring forward recommendations to Cabinet for consideration.