

BINGO

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A. Introduction

In Alberta, bingo is a lottery scheme that is conducted and managed by a charitable or religious organization under a bingo event licence issued by the Alberta Gaming and Liquor Commission. Under provisions of the *Criminal Code* (Canada), the proceeds from lottery schemes conducted and managed by licensed charitable or religious groups must be used for charitable or religious purposes.

The *Gaming and Liquor Act* (Alberta) establishes the Commission as the gaming authority in the province, and the *Gaming and Liquor Regulation* (Alberta) establishes the bingo event licence and the bingo facility licence.

This section discusses the background of bingo in the province. It outlines the licensing policies for bingo, which is followed by a current situation assessment for bingo. For purposes of comparison, a landscape of the bingo licensing policies in other Canadian provinces is provided. That is followed by a summary of public and stakeholders views with a focus on bingo. Also included is a cursory look at key international findings.

The last part of this section discusses the primary issues identified during the Gaming Licensing Policy Review for bingo and the respective recommendations to address them. These take into account the views that were presented in the report and recommendations of the Bingo Review Committee issued in September 1999.

B. Background

Bingo in Alberta

Bingo is a lottery scheme under the *Criminal Code* (Canada). The code allows lottery schemes to be conducted and managed by charitable and religious groups under a licence issued by the provincial authority, if the proceeds are used for charitable or religious purposes.

In Alberta, bingo is a regulated form of charitable gaming under the *Gaming and Liquor Act* (Alberta) and *Gaming and Liquor Regulation* (Alberta). Licences to hold bingo are issued by the Commission.

Close to 47,000 bingo events were held in communities across the province in 2000-01. These events generated gross revenues of more than \$288 million. Licensed charitable and religious groups earned \$51.1 million from bingo.

The game of bingo is played using paper cards or sheets with one or more cards.

During the game players mark squares on each bingo card as the corresponding letter/number combinations are called. A game is won when a player completes the required pattern on the card (for example, one line, two lines, "picture frame" or outer perimeter, full card, etc.) before other players.

In Alberta bingo is played in two types of halls:

- (a) *Association bingo hall* - A licensed facility in which bingo may be held from four to seven days per week. The facility is licensed to an association, comprised of member charitable or religious groups, each of which is eligible for a bingo licence. The association coordinates bingo and pull ticket sales (if applicable) on behalf of its members and hires staff to assist in operating, delivering and administering bingo events. An association may permit non-member groups to hold bingo in its facility if the group is eligible for a bingo licence from the Commission. There are 59 association bingo halls in the province.
- (b) *Non-association or community hall* - A facility in which a charitable organization may hold bingo up to three days per week. Acceptable venues include church hall, community league hall, Legion hall, etc. Occasionally bingo has been licensed in other public places. Generally the bingo event is held by one charitable group from its own hall or rented facility. Approximately 540 licensees operate from their own halls.

Charities pay a licence fee of \$30 per bingo event held in a bingo association facility to cover part of the licensing administration costs. Licence fees are not charged for bingo events held elsewhere ("community bingo") in which the total sales under the licence during the year are \$150,000 or less; where the total sales are more than \$150,000 the licence fee is \$30 per bingo event held during the year.

A building facility licence is required for an association bingo facility; there is no fee for that licence. Other facilities, in which bingo events generate annual gross revenue of less than \$150,000, do not require a bingo facility licence.

Satellite Bingo, a type of linked bingo, is offered in halls that subscribe to it. Linked bingo is a game played by participants at different locations that are linked by a common communication system. Approximately 59 association bingo halls and 37 community bingo halls subscribe to satellite bingo.

Bingo players generally must be 18 years of age or older. Community bingo halls where annual total sales are \$150,000 or less (smaller bingo events mainly in rural halls) may allow minors accompanied by a responsible adult to play regular bingo games for smaller cash prizes, to a maximum of \$50. Halls may permit family bingo in which minors accompanied by a guardian or responsible adult play for free and may win small non-cash prizes.

Bingo halls are permitted to sell pull tickets under a separate pull ticket licence. For details about pull tickets, please refer to the section “Pull Tickets” in this report.

Evolution of Bingo in Alberta

Traditionally, bingo was primarily a family or social activity played in church basements and community halls throughout the province. The gaming activity involved relatively small cash and non-monetary prizes such as hams, turkeys and crafts. Proceeds were earned to further the work of charitable and religious organizations.

Prior to the 1970s, the federal government was responsible to regulate lottery schemes such as bingo. Charitable and religious groups could hold a bingo event on an occasional basis and use the proceeds for charitable or religious purposes. Licences were not required. There are no available records indicating the revenue earned by charitable or religious groups from bingo during this time.

Criminal Code amendments that were enacted in 1970 delegated authority for lottery schemes from the federal government to the provinces. As a result the provinces became responsible to issue gaming licences to charitable and religious groups in their respective jurisdictions as long as the proceeds from gaming were to be used for charitable or religious purposes.

In Alberta, the local police were initially charged as licence issuers by order in council. The police were not required to determine if objectives of the groups applying were charitable or religious, nor were there formal requirements for charities to provide financial return information.

From 1973 to 1976, licensing functions were transferred from the police to a lotteries licensing unit within the Criminal Justice Division of the Department of the Attorney General. Eligible groups were required to submit financial returns.

Figures from 1979 indicate bingo sales amounted to \$25.5 million in gross revenues, less than the revenues being generated either from pull tickets or casinos.

Introduction of Large-scale Bingo

Bingo underwent a major transformation in the late 1970s and early 1980s that altered the scope and nature of charitable gaming in the province and dramatically increased the amount of revenues it generated. It also brought about closer scrutiny by the province's gaming licensing authority.

That transformation came about with the introduction of commercial style bingo at three halls in Edmonton in 1979: Rainbow Bingo Hall, Knights of Columbus Hall and Jasper Place Bingo. The Rainbow Bingo Hall, also known as Comserv, operated bingo three days per week under an umbrella licence on behalf of 20 charitable groups. In 1981, the newly established Gaming Commission ruled the umbrella licence would no longer be in effect. The Gaming Control Branch licensed the individual charities rather than the associations.

In its report issued in September 1999, the Bingo Review Committee noted:

After "trial and error," the charities in [the three] halls eventually developed bingo associations, to coordinate bingo on behalf of their members, however, the Gaming Control [Branch] licensed only the individual charities rather than the associations.

By 1982 the Gaming Commission gave conditional approval to charities to operate out of two commercial style halls in Calgary, the Bingo Palace and Odgen Road Bingo. At the time there were no bingo associations in place in Calgary

Within three years of the first commercial-style bingo halls, revenues from bingo were higher than those from the other charitable gaming activities. Most of the revenues were generated through commercial style bingo halls which, since 1982, were required to operate as incorporated, not-for-profit bingo associations.

Bingo associations provided common facility services to members. They were required to have a democratically elected executive that would, among other responsibilities: negotiate lease agreements, arrange for staff to help volunteers run bingo events, allocate and schedule bingo events to member groups and run common bingo programs. Volunteers continued to be required to conduct and manage bingo events.

The Growth of Bingo Associations

In 1983, ten new bingo associations were formed, bringing the total in Alberta to 15. Despite the fact there were relatively few such halls, they soon began to generate more revenue than all the traditional bingo halls combined.

From 1984 to 1985, the terms and conditions for bingo associations would be developed by the provincial gaming authority in consultation with the associations operating at the time.

In 1985, bingo activities across the province generated more than \$122 million in gross revenue.

The large cash flows that were generated by association bingo in the 1980s created its own issues. The Bingo Review Committee report noted:

In some cases volunteers were not keeping adequate financial records. At the request of the gaming authority, three self-governing professional accounting associations

developed a set of audit guidelines, which were adopted in the bingo terms and conditions of 1988. Each association had to have an independent, third party audit performed annually by a member of one of those three professional accounting associations.

Association bingo continued to grow and dwarf traditional small community bingo events. At one time community bingo generated all bingo revenue; today it generates about 10% while 90% is generated by association bingo. Charities were drawn to bingo events in association halls and the number involved in community bingo halls declined over time.

In 1993, a registered non-profit society comprised of members of bingo associations across Alberta was formed. The Federation of Alberta Bingo Associations (FABA) was formed to protect the interests of association bingo and act as a liaison between bingo associations and the province's gaming authority. About 50 of 59 bingo associations currently are members of FABA. There is no similar organization for community bingo in the province.

Bingo attendance and sales began to decline in the mid 1990s. Some members of the industry claimed players were being drawn away by video lottery terminals (VLTs), an electronic game conducted and managed by government under section 201(1)(a) of the *Criminal Code*. They argued government, in effect, was competing with bingo. Similar views were echoed when slot machines were introduced to casinos in 1996.

In July 1995, the Alberta Gaming and Liquor Commission amalgamated all liquor and gaming regulatory, enforcement and marketing agencies; including the Alberta Gaming Commission, the Alberta Gaming Control Branch and Alberta Lotteries. In July 1996, the Alberta Gaming and Liquor Commission would be formally established in the Gaming and Liquor Act.

Gross bingo revenues were boosted by the introduction of Satellite Bingo in February 1996, a linked bingo game provided by a private supplier. In the game, subscribing halls' players participate in a province-wide game of bingo through a common communications system. The higher level of player participation in satellite bingo has resulted in an increase in bingo revenues and proceeds. As well, top bingo prizes for single bingo games have been as high as \$250,000.

The government adopted a recommendation of the Lotteries and Gaming Summit '98 to commit to the charitable gaming model for bingo and casinos. The Alberta Gaming and Liquor Commission also issued policies prohibiting minors from playing bingo in response to a recommendation of the Summit to restrict gaming activities to those of legal age. Some of the restrictions were later removed from smaller community bingo events, in response to a recommendation of the Bingo Review Committee in 1999.

Bingo Review Committee Appointed

In 1998, the Commission announced a comprehensive review would be conducted of the bingo industry, the first in more than 20 years. The Bingo Review Committee was appointed in December 1998 to conduct the review based on a terms of reference document that was developed by the Commission with the input of bingo stakeholders.

The Bingo Review Committee invited stakeholders to provide written input to the terms of reference or make verbal presentations at public meetings in May 1999. The Committee's report with findings and recommendations was submitted to the Commission in September 1999.

Ministry of Gaming Established

In 1999, the Alberta government appointed the province's first Minister of Gaming. In December the Minister announced the Gaming Licensing Policy Review to address gaming-wide issues and suspended consideration for new gaming facilities or activities pending the outcome of the review.

On July 27, 2000, the Minister of Gaming announced many recommendations of the Bingo Review Committee were adopted. The announcement listed the few recommendations that were rejected or deferred pending the Licensing Policy Review.

In response to one recommendation, the Commission established the position of bingo manager to act as the main liaison between the industry and Commission. It was an important step in recognizing the significance of bingo to the province. The Commission also accepted a recommendation to make mandatory the pooling of bingo proceeds before January 1, 2002. This requirement divides bingo proceeds equitably among charities holding bingo events in a bingo hall over a period of one month, based on the number of events held by each charity during that month. Thus charities are guaranteed revenue rather than face the possibility of losing money due to poor attendance or being allocated a bingo time slot in which revenues are predictably low or poor.

Regulating Bingo Becomes Complex

Twenty years ago bingo was a relatively simple game. It was generally viewed as a low stakes social activity involving family and friends in the community that generated modest funds for charitable or religious projects. While that type of bingo continues to exist to some extent in smaller community bingo halls, that is no longer the case for most of the bingo market which is dominated by association bingo.

Bingo generates gross revenues of more than one-quarter billion dollars per year. There is heavy demand by charitable organizations to hold association bingo events while there is a limited supply of bingo events or time slots.

Most community bingo halls generate gross revenues of less than \$150,000 per year, while all bingo associations generate more than \$750,000 and most in excess of \$1 million and up to \$12 million or more per year.

Bingo halls in the same area compete to attract the same player, typically by offering substantial prizes, higher levels of customer service, good concession operations, etc.

The infrastructure that brings bingo to the player is also more complex than in the past and comprises its own gaming industry. It requires a steady stream of volunteers to conduct bingo events in halls across the province.

The onus to run an association hall is placed upon its volunteer executive or management, a heavy requirement to expect of volunteers given the size and complexity of bingo. The volunteer management rely upon paid staff to assist in the operation, delivery and administration of bingo events in association bingo halls.

There are numerous levels within the bingo association structure. These include the front-line volunteers recruited by the charity licensed to conduct bingo; the executive members of the hundreds of charities holding bingo licences; the bingo associations comprising representatives from member charities; the executive of the association; the associations that belong to FABA and the executive of FABA comprising representatives from bingo associations across the province. Also involved in bingo are registered or paid staff of the bingo facilities, including bingo managers and workers; registered gaming suppliers and landlords who lease space to bingo associations for their bingo events.

As stated in the Bingo Review Committee report:

There is no single voice for all bingo groups across Alberta. ... FABA provides services to most bingo associations in Alberta, while community bingo groups have no comparable body. Moreover, FABA has been reluctant to make recommendations to the gaming authority on key issues without a majority of membership support. The result - along with the practical difficulty of representing bingo associations across Alberta which differ in size, practices, geographic locations, and specific demands - is that more pressure is placed on the gaming authority to respond to competing demands of the bingo industry. The result is a highly fragmented industry.

Despite the changes that have occurred in bingo, the image remains in the minds of most Albertans that bingo is a family or social activity and relatively harmless entertainment compared to some other forms of gaming.

Associations Determine Bingo Proceeds to Charitable Groups

A bingo association determines which groups may conduct bingo in its hall and how many events each group may conduct. Each association uses its own discretion to arrive at such decisions, based upon the association's criteria. Those criteria may differ from hall to hall.

Charities are thus challenged to gain access to association bingo halls before obtaining a licence from the Commission. If access is denied then the charity is effectively prevented from obtaining a bingo licence.

As association halls in the province comprise 90% of the bingo market, bingo associations also effectively control most of the access that charities may have to bingo events.

Charitable groups unable to access bingo events at association halls have lodged complaints to the Commission. The total number of charities that are denied access to association bingo events is unknown since there are no formal records available of such denials or rejections maintained by bingo associations.

In response to the complaints of charitable groups regarding access, bingo associations have argued that those groups which complain can form their own association and operate from their halls. Yet bingo associations are typically opposed to the granting of any new bingo association facility licences in their community, particularly if the local bingo market is stagnant or in decline. In such cases the associations argue new bingo facilities will dilute the market of any particular hall, reduce revenue to each hall, thus increase proportionally the cost of operations and ultimately may result in the closing of one or more halls.

To address some of those concerns regarding access by charitable groups to association bingo, the Bingo Review Committee recommended a central registry be created of those charities wishing to access association bingo. The Commission's Bingo Manager and FABA now review and address such complaints of charitable organizations.

C. Current Bingo Policies

Criminal Code Requirements

In Canada, the *Criminal Code* (Canada) establishes the legal foundation for gaming activities. All gambling that occurs in any province or territory must meet the requirements of the *Criminal Code*.

Bingo is considered a “lottery scheme.” Bingo conducted by charitable groups would be illegal if it were not for provisions of Section 207(1)(b) of the *Criminal Code* which state it is lawful

...for a charitable or religious organization, pursuant to a licence issued by the Lieutenant Governor in Council of a province or by such other person or authority in the province as may be specified by the Lieutenant Governor in Council thereof, to conduct and manage a lottery scheme in that province if the proceeds from the lottery scheme are used for a charitable or religious object or purpose;...

Section 207(2) of the *Criminal Code* allows a provincial authority to prescribe terms and conditions relating to the conduct, management and operation of licensed lottery schemes.

Gaming and Liquor Act (Alberta)

In Alberta, bingo is administered and regulated under the provisions of the *Gaming and Liquor Act* (Alberta) and the *Gaming and Liquor Regulation* (Alberta).

The *Gaming and Liquor Act* grants authority to the Commission to issue bingo licences and to impose conditions on those licences subject to the authorization of the Lieutenant Governor in Council (s. 35). The act also authorizes the Lieutenant Governor in Council to make regulations respecting conditions and eligibility requirements that must be met before a licence is issued or a person is registered (s. 126).

Gaming and Liquor Regulation (Alberta)

The *Gaming and Liquor Regulation* establishes the bingo licence, which “authorizes a bingo event in a licensed facility or other place specified in the licence;...” (s. 19(a)).

Under section 20 of the regulation, only charitable or religious organizations are eligible for a bingo licence and must satisfy the Board of the Commission the proceeds from the gaming activity will be used for a charitable or religious object or purpose approved by the Board.

The regulation also establishes the following class of registration of gaming worker:

“bingo worker: authorizes a person to perform a function specified in the registration at a bingo event;...” (s. 25(a)).

A “gaming worker” is a person paid to assist a gaming licensee in the conduct or management of a gaming activity (s. 24).

The regulation also establishes the bingo facility licence. That licence "...authorizes the operation of a facility in which a bingo event may be conducted" (s. 22(a)). Section 23(1)(2) of the regulation provides that: "A bingo facility licence may only be issued to the volunteer executive of a bingo association."

The regulation also requires anyone who deals in gaming supplies must be registered with the Commission (s. 27).

Bingo Policies

Bingo policies are contained in two documents. One is *Bingo Terms & Conditions and Operating Guidelines* which applies to association bingo. The *Bingo Licensee Terms and Conditions* are provided to licensees of both association and community or non-association bingo.

The underlying objective of bingo policies, as with charitable gaming policies in general, is as follows:

The Alberta Gaming and Liquor Commission (AGLC) endeavours to ensure, through the setting of appropriate policies, procedures and terms and conditions for [the various charitable] gaming activities, that the financial return to charitable and religious groups is maximized for the benefit of the charitable organizations, the programs and activities they deliver and the communities in which these activities are undertaken (Alberta Gaming and Liquor Commission, *Charitable Gaming in Alberta*, 1999-2000).

The Commission aims to ensure the integrity of charitable gaming activities

...through ongoing reviews of these gaming activities, the licensing process, and enforcement of policies, procedures and terms and conditions (ibid).

The eligibility requirements for charitable gaming licences, which include those for bingo, are described in detail in the appendix "Gaming Revenues, Disbursements and Use of Proceeds."

Association and Community Bingo

The following table outlines some of the key differences between the two major types of bingo in the province: association bingo and community or non-association bingo. While the 59 bingo associations in Alberta generate 90% of gross bingo revenue in the province, there are a few large community bingo halls that each raise more in annual revenue than many association bingo halls. These, however, are the exception. Generally, association bingo halls generate considerably more than community halls.

Bingo licensing policies generally acknowledge and reflect the differences between association and community bingo in the province.

Table 8-1: Distinguishing Features - Association and Community Bingo

FEATURES	ASSOCIATION BINGO	COMMUNITY (NON-ASSOCIATION) BINGO
Number of licensees involved	Each of the 59 associations across Alberta may consist of anywhere from 5 to 77 licensed member charitable organizations. Licensed non-members may also access association bingo, at the discretion of each association.	Generally, one per bingo hall. There are about 540 community bingo licence holders across Alberta, most of whom operate from their own facility.
Days of operation	From four to seven days per week.	Up to three days per week.
Number of events per day	Up to two (the Board of the Commission has approved up to three per day in special cases, e.g., to accommodate bingo halls that amalgamated operations).	No formal limit (none operate more than two per day).
Use of bingo facility	Dedicated exclusively for bingo.	Used for other community activities (four to six days per week) when not used for bingo.
Types of Games	May hold progressive bingo which must start out as a percentage of sales for the game.	May hold progressive bingo, and “seed” the game pot (does not depend on a percentage of sales to start the pot).
Staff	A number of paid staff permitted, including caller, cashier, bingo event advisor, association representative, satellite game controller, and security guard and bookkeeper, if required.	Typically caller and cashier are the only paid staff. All other services provided by volunteers of the licensed charitable organization.
Financial Reporting	Reporting requirements to AGLC by individual licensees and by each association. Associations must report monthly for events held in the month (RIBS) and submit an annual audited financial statement.	Reporting requirements by licensees only.
Overall expenses	Generally larger than community bingo, due primarily to paid staff, and common expenses shared among all participating members, including rented or leased facility.	Generally fewer expenses than association bingo since there are fewer paid staff; where the hall is owned by the bingo licensee, no rental expense is incurred.
Access	An issue with association bingo, since groups have complained about being unable to access association bingo or, if able to access, being allocated an inequitable number of events.	Not applicable, because the licence is typically granted to one charitable organization operating from its own hall.
General operational requirements	More requirements than community bingo; each member group must expend significant efforts to meet its volunteer requirements.	Simpler to operate than association bingo, both administratively and in satisfying volunteer requirements.
Overall gross revenue	59 association bingo halls, representing approximately 2,000 members, generate 90% of gross bingo revenue in the province.	About 540 licensees operating from their own halls generate 10% of gross bingo revenue in the province.
Average annual gross revenue among bingo halls	More than \$750,000.	In the majority, less than \$150,000.

This table appeared in the Bingo Review Committee report and has been updated for purposes of the Gaming Licensing Policy Review.

Only bingo using paper cards is permitted in the province. If electronic gaming devices were to be introduced to bingo halls by the province, as is recommended in this report, the *Criminal Code* requires they must be conducted and managed by the provincial government.

D. Current Situation Assessment

There is obvious demand by Albertans to play bingo based on the number of events held and the levels of revenue generated by bingo. See the revenue figures that follow.

Attendance and revenue levels from bingo have declined in the past decade, even though proceeds to charities from all charitable gaming activities has increased. The experience of Alberta is not unique. Bingo has been experiencing declining attendance in jurisdictions throughout North America. The reasons for the decline of bingo attendance in Alberta have been largely anecdotal since there has not been a detailed market analysis of bingo in the province to substantiate claims.

Bingo industry members in the province have claimed that government-run gaming, including electronic games such as VLTs and slot machines, has attracted bingo players and eroded the bingo player base. To sustain or grow market share they have requested electronic bingo and keno be introduced to bingo halls. The bingo industry is asking for a more level playing field to compete with casinos, which offer slot machines, and bars and lounges that offer VLTs.

However, as stated previously, only the provincial government through the Commission is permitted under the *Criminal Code* to conduct and manage electronic gaming devices. As such the Commission is obliged to examine the financial implications of introducing electronic games and to determine the potential impact on the return to charities. There is no guarantee that introducing such games will generate incremental sales for bingo when considering the potential cost to provide and service those games, the requirement the primary beneficiary of electronic games must be the Alberta Lottery Fund and the possibility electronic games may detract bingo players from traditional bingo games.

The Regulatory Legacy of a Traditional Gaming Activity

The primary agent of change and growth in bingo since the early 1980s appears to have existed within the bingo industry itself.

The roots of commercial style bingo in Alberta in the late 1970s and early 1980s were formed by charities themselves. In 1982, the gaming authority intervened and gave conditional approval to charities to operate in commercial style halls as long as they formed incorporated not-for-profit associations.

A more recent example regarding the matter of regulatory supervision relates to the granting of credits to bingo volunteers. In some cases, the volunteers of a licensed charitable group were given credits by the charitable organization for working at a bingo event. Such credits would typically be used to offset the fee or cost of participating in an activity or event, such as the cost of registration in youth sports. The granting of credits may not have been supported under bingo licensing policy, as it might have been viewed as a form of compensation for volunteer work. Today the granting of credits to bingo volunteers is a common practice. The Bingo Review Committee recognized those circumstances and recommended the granting of credits be allowed to continue because of the harm it would otherwise cause many groups that have come to rely on them (in particular sports groups, which in total receive more bingo proceeds than any other category of eligible charitable groups).

Regulatory Role

Historically bingo has been allowed to continue without much regulatory intervention, until commercial style bingo was introduced. Even then, bingo has continued to be viewed by the public in the traditional sense, as a family or social-oriented event.

What has been the net result of past regulatory or gaming licensing practices and approaches toward bingo? The role of deciding which charities may conduct and manage bingo in association bingo halls rests with bingo associations. Only after such charities are accepted to hold bingo in an association bingo hall are they directed to the Commission to obtain a bingo licence. Associations also determine the number of events and time slots that charities may access.

A similar situation does not exist in any of the other three charitable gaming activities or community bingo. For example, the Commission allocates casino events to all eligible charities through its licensing process. The situation with pull ticket sales or raffles is not comparable to that of bingo, because the licensees of those activities conduct them without limitation imposed by third-party charities, as is the case with association bingo. Community bingo is similarly not limited since charities typically hold the licensed bingo event in a facility they own or rent. In the case of access to association bingo, the playing field is not level for charitable groups in the province.

Bingo Revenues and Proceeds

The gross revenues and proceeds from bingo are provided in the chart that follows.

Chart 8-1: Bingo Revenues, Events and Licences - 1990 to 1999-2001

Year	Gross Bingo Revenue (\$000)	Prizes (\$000)	Expenses (\$000)	Charity Proceeds (\$000)	Events	Avg. Charity Proceeds per Event	Licences	Avg. Charity Proceeds per Licence
00-01 ³	288,216	184,228	52,931	51,057	46,707	\$1,093	3,351	\$15,236
99-00 ²	302,676	195,433	52,484	54,759	46,707	\$1,172	3,351	\$16,341
98-99 ²	319,849	206,667	54,534	58,648	49,320	\$1,189	3,506	\$16,728
97-98 ²	337,190	223,862	55,066	58,262	49,861	\$1,168	3,572	\$16,311
96-97 ²	332,433	223,216	53,933	55,284	51,000	\$1,084	3,520	\$15,706
95-96	313,272	216,781	49,753	46,738	51,881	\$901	2,699	\$17,317
94-95	317,367	222,431	49,117	45,819	53,609	\$855	2,855	\$16,049
93-94 ¹	337,718	238,908	50,682	48,128	54,668	\$880	2,867	\$16,787
1992	329,246	232,757	46,622	49,867	52,641	\$947	2,953	\$16,887
1991	297,259	208,814	39,511	48,934	49,210	\$994	2,709	\$18,063
1990	276,677	194,903	35,356	46,418	47,798	\$971	2,646	\$17,543

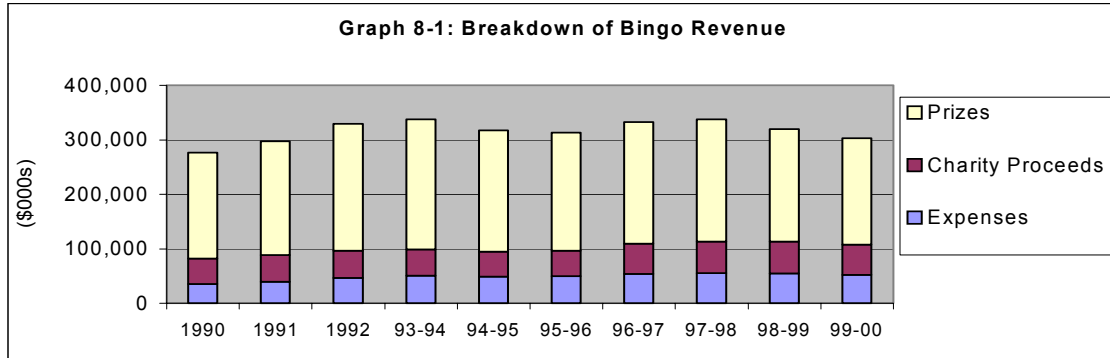
¹The 1992-93 fiscal year was not included, due to the overlap between the 1992 calendar year and the 1993-94 fiscal year. In addition, the variations in the figures reported for 1993 as compared to 1993-94 were relatively small.

² Includes gross revenue received from satellite bingo

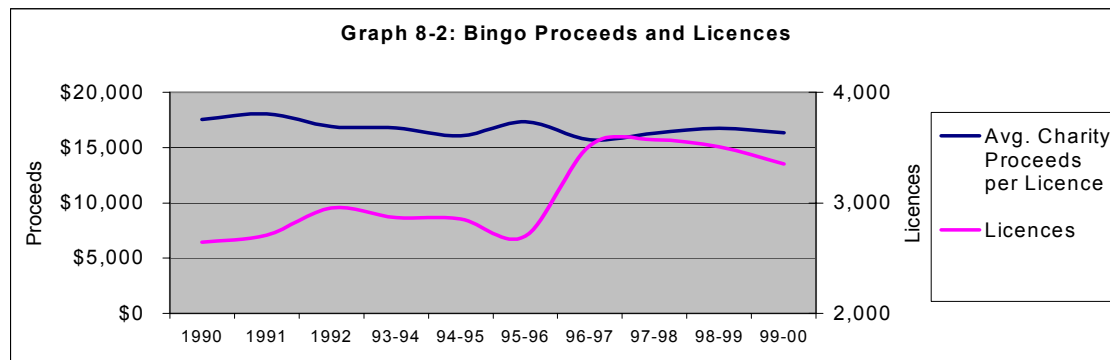
³ The number of events and licences are estimated using actuals from on 1999-2000. Includes gross revenue received from satellite bingo

Of note, proceeds to charities from bingo have ranged over the past ten years from a low of \$45.8 million in 1994-95 to a high of \$58.6 million in 1998-99. The increase in sales in 1996-97 over the previous year is attributed mainly to the introduction of new games (e.g., satellite bingo, loonie pots, etc.).

The percentage of bingo prizes or winnings relative to total gross sales decreased each year over the six year period, from 70.1% in 1994-95 to 64.0% in 2000-2001. In addition, the expenses, as a percentage of gross sales, have increased each year over the six year period, from 15.5% in 1994-95 to 18.4% in 2000-2001. The figures may suggest that steadily increasing expenses has cut into net profits, a trend that may be worth further consideration or research.



The average proceeds earned per event have generally increased since 1990. In the past ten years the average proceeds per licence ranged from a high of \$18,063 in 1991 to a low of \$15,706 in 1996-97. There has been a decline in the number of bingo licences issued each year over the past three years, but it is higher than the number of bingo licences issued from 1990 to 1995-96.



Seating Capacity in Association Bingo Halls

A recent review of seating capacity in association bingo halls across the province determined the weekly attendance in those halls ranged on average from 29% to 35% of capacity. In other words, most association facilities operate halls that are considerably less than half full on a regular basis. This materially effects costs and therefore the ability of charities to maximize their return from bingo.

In the Edmonton area, the space used on a regular basis was on average 35% of capacity and ranged from a low of 22% in one association hall to a high of 50% in another. By comparison, the Calgary average was 29% of capacity and ranged from a low of 12% to a high of 48%. Similar figures were reported for association halls in other parts of the province.

Even among successful halls the average attendance is less than 50%. In a successful Calgary hall with a seating capacity of close to 900, the highest attendance in the month of November 2000 was 577 (66%) and the lowest 167 (20%). The average attendance in the hall over the 60 events held during the month was 323 (37%).

Over the same period, in a successful Edmonton hall with seating capacity of about 700, the highest attendance in the month was 456 (65%) and the lowest 104 (15%). The average attendance in the hall over 60 events was 254 (30%).

Such figures suggest, within current bingo association facilities, there is considerably higher capacity than there is demand.

Proceeds Earned by Charitable Category

The following table provides a break down of the proceeds generated by licensees within the Commission's 15 charitable categories in 1999-2000.

Sports groups generated 30% of bingo proceeds followed by service groups that generated close to 15% and community groups 12%.

The average annual proceeds earned per licence was \$16,341. The highest average proceeds was \$25,000 earned by charities falling in the "other" category (that is, charitable groups which do not readily fall into any of the other charitable gaming categories). This was followed by foundations (\$22,286 average proceeds per licence), medicine/health (\$20,214), community (\$18,560), sports (\$18,305) and multiculturalism (\$18,299).

Chart 8-2: Charities Benefiting from Bingo by Commission Category: 1999-2000

<i>Charitable Category</i>	<i>Gross Bingo Revenue (\$000)</i>	<i>Licences</i>	<i>% Licences</i>	<i>Charity Proceeds (\$000)</i>	<i>%Total Proceeds</i>	<i>Avg. Proceeds per Licence</i>
Agriculture	4,985	85	2.5%	922	1.7%	\$10,847
Arts	23,221	245	7.3%	4,279	7.8%	\$17,465
Community	37,343	352	10.5%	6,533	11.9%	\$18,560
Education	19,064	268	8.0%	3,404	6.2%	\$12,701
Foundation	1,744	14	0.4%	312	0.6%	\$22,286
Medicine/Health	12,077	112	3.3%	2,264	4.1%	\$20,214
Multiculturalism	22,056	211	6.3%	3,861	7.1%	\$18,299
Other	1,450	12	0.4%	300	0.5%	\$25,000
Recreation	4,841	77	2.3%	953	1.7%	\$12,377
Religious	7,059	101	3.0%	1,277	2.3%	\$12,644
Senior Citizens	5,545	99	3.0%	1,036	1.9%	\$10,465
Service	43,848	516	15.4%	8,013	14.6%	\$15,529
Social Action	20,891	267	8.0%	3,874	7.1%	\$14,509
Sports	90,841	894	26.7%	16,365	29.9%	\$18,305
Youth	7,711	98	2.9%	1,366	2.5%	\$13,939
TOTAL	302,676	3,351	100.0%	54,759	100.0%	\$16,341

Note: The "Other" category includes eligible charitable organizations that do not fit the criteria of the other 14 categories.

E. Landscape of Other Provincial Bingo Programs

Table 8-2: Landscape of Bingo in Other Provinces - 2000

JURISDICTION	FACILITIES/LICENCES/ REVENUE DIVISION	EVENT/PRIZES/ EXPENSE LIMITS	COMMENTS
<p>British Columbia</p> <p><u>Conducted & Managed by:</u> Licensed charitable bingo associations and charitable or religious organizations (independent bingos).</p> <p><u>Regulated & Licensed by:</u> BC Gaming Commission</p>	<p>1999-2000 Licences issued: Figure not available.</p> <p>Class A: \$10,000+ Class B: \$10,000 or less/ calendar year.</p> <p>41 bingo halls.</p> <p><u>Division of Revenue</u></p> <p><u>Charity Profit:</u> \$71.4 million*</p> <p>*Includes paper and electronic Superstar bingo and \$21 million top-up and disbursements from the Provincial Trust.</p> <p>Top-up is revenue from gov't to compensate for impact of casinos on bingo halls.</p> <p>Disbursement from Provincial Trust is gaming revenue guaranteed by the province to charities.</p>	<p><u>Total Prize Value Limits</u> In bingo hall: 50-65% of gross paper bingo revenue/event.</p> <p>Other than bingo hall: 50-70% of gross paper bingo revenue/event.</p> <p><u>Single Prize Value Limit</u> \$1000 (except approved promo or progressive prize).</p> <p><u>Minimum Return to Charity</u> In bingo hall: 15% of gross sales/month. For each additional \$50k the minimum increases by 1% to 35%</p> <p>Up to 1% of gross monthly sales may go to the Association for its use.</p> <p>Other than bingo hall: 15% of gross where total prizes do not exceed \$26k in a 12 mo. period.</p> <p>20% of gross where total value of prizes is \$26k+ but not more than \$60k in a 12 mo. period.</p> <p>25% of gross where total value of all prizes exceeds \$60k in a 12 mo. period.</p> <p><u>Expense Limits</u> The balance remaining from gross monthly sales less prizes, less charity share can be used for expenses.</p>	<p>Minimum age: 19 for Class A license; bingo association/operator can determine age for Class B licence.</p> <p><u>Other bingo:</u> Electronic, linked (conducted & managed by the BC Lottery Corp)</p> <p>Licensed charities are the sole beneficiaries of all bingo gaming.</p> <p>Player reward programs allowed – but points may not be awarded on the basis of amount spent; maximum individual award is \$100 in merchandise.</p> <p>Minimum return to charities is based on monthly bingo sales.</p> <p>Proceeds distributed to 2,557 charities in 1999-00.</p> <p>Licensees conducting bingo in locations other than bingo halls shall be limited to 52 events annually unless approval is granted by BCGC.</p>

JURISDICTION	FACILITIES/LICENCES/ REVENUE DIVISION	EVENT/PRIZES/ EXPENSE LIMITS	COMMENTS
<p>Alberta</p> <p><u>Conducted & Managed by:</u> Licensed charitable organizations.</p> <p><u>Regulated & Licensed by:</u> Alberta Gaming and Liquor Commission.</p>	<p><u>1999-2000</u> 3,506 Licences issued</p> <p><u>Distribution of Revenue</u> <u>Gross Rev:</u> \$302.6 million</p> <p><u>Charity Profit:</u> \$54.8 million</p> <p><u>Prizes Paid:</u> \$192.7 million</p> <p><u>Expenses:</u> \$55.1 million</p> <p>59 licensed association bingo halls; estimated 540 community bingo license holders.</p>	<p><u>Prize Limit:</u> \$15,000 per event, excluding satellite bingo and accumulated portion of progressive games.</p> <p><u>Expense Limit:</u> 10% of gross revenue. Excludes facility rent, GST, licence fee, FABA and volunteer concession expenses.</p> <p><u>Return to charity:</u></p> <p><u>Event Limit:</u> 2 events per day per association bingo (Commission has permitted up to three per day for amalgamated operations).</p> <p>Community bingo has no per day limits. No maximum for charities during bingo period licence.</p>	<p><u>Minimum age:</u> 18</p> <p>Minors may play free “fun bingo” with small, non-cash prizes; can also play regular bingo at halls with less than \$150k annual sales – prize maximum \$50; minor must be accompanied by an adult.</p> <p><u>Other bingo:</u> media and satellite; electronic under review.</p> <p>Bingo suppliers and paid workers in bingo association must be registered by AGLC. Landlords who supply bingo equipment must also be registered.</p> <p><u>Licence Fee:</u> \$30 per association event. \$30 per community event if gross revenue is greater than \$150,000 per year. No fee for community events if gross revenue is less than \$150,000.</p>
<p>Saskatchewan</p> <p><u>Conducted & Managed by:</u> Licensed charitable and religious organizations.</p> <p><u>Regulated & Licensed by:</u> Saskatchewan Liquor and Gaming Association</p>	<p><u>1999-2000</u> Number of licences issued not available.</p> <p><u>470 licensed facilities:</u> 33 Class A 157 Class C 280 Class C Restricted</p> <p>Class A – association hall Class C – community hall Class C Restricted – any other premise.</p> <p><u>Division of Revenue</u> Not available.</p>	<p><u>Event Limit:</u> Class B: 52 events per year Class C: 3 per week Class C/R: 1 per week</p> <p><u>Return to charity:</u> Min. 20% of gross receipts.</p> <p><u>Prize Limits:</u> Class A + C: \$12.5k per event and 70% of gross sales monthly.</p> <p><u>Class C/R:</u> cannot exceed \$1000 per event.</p> <p><u>Expense Limit:</u> 17% of gross revenue.</p>	<p><u>Minimum age:</u> none – individual hall policy.</p> <p><u>Other Bingo:</u> media</p>

JURISDICTION	FACILITIES/LICENCES/ REVENUE DIVISION	EVENT/PRIZES/ EXPENSE LIMITS	COMMENTS
<p>Manitoba</p> <p><u>Conducted & Managed by:</u> Licensed charitable organizations and *Manitoba Lottery Corporation.</p> <p>*Bingos conducted in a premises not owned by a charitable organization; with six or more events held in any 7-day period; on premises whose primary purpose is the conduct of bingos.</p> <p><u>Regulated & Licensed by:</u> Manitoba Gaming Control Commission.</p>	<p><u>1999-2000</u> 535 licenses issued.</p> <p><u>Division of Revenue</u> <u>Gross Rev:</u> \$81.0 million <u>Prizes Paid:</u> \$60.3 million <u>Expenses:</u> \$9.5 million <u>Net Profit:</u> \$11.2 million</p> <p>Two facilities owned and operated by MB Gov't.</p> <p>No hall may be used exclusively for bingo.</p>	<p><u>Event Limit:</u> Determined by the Commission.</p> <p><u>Prize Limit:</u> Specified by licensee.</p> <p><u>Expense Limit:</u> 10% of gross revenue.</p> <p><u>Return to charity:</u> None specified; assume as approved on application.</p>	<p><u>Minimum age:</u> House rules must state the minimum age.</p> <p><u>Other Bingos:</u> Electronic.</p> <p><u>Fees:</u> Determined by the Commission.</p> <p>Licence fees not required for events with a fixed prize value of \$150 or less.</p> <p>Licensees may use their own facilities, publicly owned facilities, facilities owned by charitable organization or owned by MB gov't.</p>
<p>Ontario</p> <p><u>Conducted & Managed by:</u> Licensed charitable organizations.</p> <p><u>Regulated and Licensed by:</u> Alcohol and Gaming Commission of Ontario</p>	<p><u>1998-99</u> 210 bingo halls: 171 Class A 27 Class B 12 Class C</p> <p><u>1,321 Licenses Issued</u> 152 Regular Bingo 159 Special Bingo 1,010 Super Jackpot Bingo</p> <p><u>Distribution of Revenue</u> <u>Net Revenue:</u> \$296 million</p> <p><u>Expenses:</u> Not available <u>Prizes Paid:</u> Not available <u>Charity Profit:</u> \$171 million</p>	<p><u>Prize Limits</u> Regular Bingo: \$5,500 Special Bingo: \$5,500+</p> <p><u>Return to Charity</u> <u>In bingo hall:</u> Minimum 60% of gross receipts minus expenses.</p> <p><u>Other than bingo hall:</u> None specified.</p> <p><u>Expense Limits</u> In bingo hall: None specified.</p> <p><u>Other than bingo hall:</u> 15% of gross receipts</p>	<p><u>Minimum age:</u> 18</p> <p><u>Other bingo:</u> media, linked bingo (conducted & managed by Ontario Lottery Gaming Corp)</p> <p><u>1999-2000:</u> Audited figures not available.</p> <p><u>Special Bingo:</u> separately licensed game that is a part of the regular game of the prize – progressive bingo.</p>

JURISDICTION	FACILITIES/LICENCES/ REVENUE DIVISION	EVENT/PRIZES/ EXPENSE LIMITS	COMMENTS
<p>Quebec</p> <p><u>Conducted & Managed by:</u> Licensed charitable organizations.</p> <p><u>Regulated & Licensed by:</u> RACJ</p>	<p><u>1999-2000</u> 827 licenses issued for events held in bingo halls.</p>	<p><u>Prize Limits</u> Between \$200 and \$3,500 (cash prizes only).</p> <p><u>Expense Limits</u> Maximum 14% of gross receipts.</p> <p><u>Return to charity:</u> None specified; assume as approved on application.</p> <p><u>Event Limits:</u> 52 per year.</p>	<p><u>Minimum Age:</u> 18</p> <p><u>Other bingo:</u> linked (conducted & managed by Societe des bingos du Quebec), media</p>
<p>Nova Scotia</p> <p><u>Conducted & Managed by:</u> Licensed charitable organizations.</p> <p><u>Regulated & Licensed by:</u> Nova Scotia Alcohol and Gaming Authority.</p>	<p><u>1999-2000</u> Number of bingo halls unconfirmed.</p> <p><u>725 Licenses Issued</u> 498 series 227 single</p> <p><u>Revenue Distribution</u> <u>Gross Rev:</u> \$90.3 million <u>Prizes Paid:</u> \$66.2 million <u>Expenses:</u> \$8.4 million <u>Charity Profit:</u> \$14.3million</p>	<p><u>Prize Limits</u> Total value (charitable or commercial) shall not exceed \$15k for any day.</p> <p><u>Return to Charity</u> Net operating receipts must constitute a minimum 15% of gross receipts.</p> <p><u>Expense Limits</u> Must not exceed the amounts set out in the application of the license.</p> <p><u>Event Limit</u> None specified in Ts&Cs.</p>	<p><u>Minimum age:</u> 18</p> <p><u>Other bingo:</u> media, linked</p> <p>Issuance of any new commercial licenses is prohibited.</p> <p>Licenses issued prior to January 1, 1982 and have remained in continual operation may be renewed.</p> <p><u>Licence Fees</u> \$25 for charitable license \$1000 commercial</p>

JURISDICTION	FACILITIES/LICENCES/ REVENUE DIVISION	EVENT/PRIZES/ EXPENSE LIMITS	COMMENTS
<p>New Brunswick</p> <p><u>Conducted & Managed by:</u> Licensed charitable organizations.</p> <p><u>Regulated & Licensed by:</u> Lotteries Commission of New Brunswick.</p>	<p><u>1999-2000</u> 362 licenses issued</p> <p><u>Division of Revenue</u> <u>Gross Rev:</u> \$58.2 million</p> <p><u>Prizes Paid:</u> \$42.0 million</p> <p><u>Expenses:</u> \$5.4 million</p> <p><u>Charity Profit:</u> \$10.7 million</p>	<p><u>Prize Limits</u> Total shall not exceed \$15k in any 18-hr period, or in any one location.</p> <p><u>Return to Charity</u> Minimum 15% of gross proceeds.</p> <p><u>Expense Limits</u> Must not exceed the amounts set out in the application of the license.</p> <p><u>Event Limit</u> 104 per year.</p>	<p><u>Minimum age:</u> Unconfirmed</p> <p><u>Other bingo:</u> A maximum 24 "Giant Bingo" events (total prizes in excess of \$15k) per year are permitted.</p> <p><u>Licence Fees:</u> \$25 per license.</p>
<p>Newfoundland & Labrador</p> <p><u>Conducted & Managed by:</u> Licensed charitable organizations.</p> <p><u>Regulated and Licensed by:</u> Lotteries Licensing Branch Department of Justice.</p>	<p><u>1999-2000</u> 553 licenses issued</p> <p><u>Division of Revenue</u> <u>Gross Rev:</u> \$23.9 million</p> <p><u>Prizes Paid:</u> \$18.6 million</p> <p><u>Expenses:</u> \$3.8 million</p> <p><u>Charity Profit:</u> \$1.6 million</p>	<p><u>Prize Limits</u> Maximum combined payout for each bingo event is \$3,000 (excluding linked and progressive games).</p> <p><u>Return to Charity</u> Minimum 15% gross gaming-related proceeds.</p> <p><u>Expense Limits</u> Maximum 20% gross proceeds.</p> <p><u>Event Limit</u> Maximum 2 per week per licence, or 104 per year.</p> <p><u>Fee</u> 1% of the total amount of the retail value of prizes and cash to be given away at the event.</p>	<p><u>Minimum age:</u> None specified in terms & conditions.</p> <p><u>Other bingo:</u> linked</p> <p>Bingo events are conducted in suitable premises as approved by the Licensing Branch.</p> <p>No licence period shall exceed twelve months unless authorized by the Lotteries Licensing Branch.</p> <p>There may not be more than 2 additional 50/50 style bingo games with non-accumulating jackpots</p>

JURISDICTION	FACILITIES/LICENCES/ REVENUE DIVISION	EVENT/PRIZES/ EXPENSE LIMITS	COMMENTS
<p>Prince Edward Island</p> <p><u>Conducted & Managed by:</u> Licensed charitable or religious organizations.</p> <p><u>Regulated and Licensed by:</u> Consumer Services Section Office of the Attorney General</p>	<p><u>1999-2000</u> 50 licences issued.</p> <p><u>Division of Revenue</u> <u>Gross Rev:</u> \$14.9 million</p> <p><u>Prizes Paid:</u> \$10.4 million</p> <p><u>Expenses:</u> \$1.6 million</p> <p><u>Charity Profit:</u> \$2.6 million</p>	<p><u>Prize Limits</u> None specified in Ts&Cs.</p> <p><u>Return to Charity</u> None specified in Ts&Cs.</p> <p><u>Expense Limits</u> None specified in Ts&Cs.</p> <p><u>Event Limit</u> Maximum 2 per week per licence, or 104 per year.</p> <p><u>Fee</u> 2% of total prize value.</p>	<p><u>Minimum age:</u> None specified.</p> <p><u>Other bingo:</u> None specified.</p> <p>Application for licensing of games with a prize value above \$250 must be submitted to the Consumer Services Section.</p> <p>All events must be conducted and managed in the manner described in the approved application.</p>
<p>Yukon</p> <p><u>Conducted & Managed by:</u> Licensed charitable organizations.</p> <p><u>Regulated & Licensed by:</u> Licensing Branch Department of Justice</p>	<p><u>1999-2000</u> 45 licenses issued.</p> <p>No permanent bingo facilities.</p>	<p><u>Prizes:</u> Amounts exceeding \$5,000 require a guarantee from a financial institute.</p> <p><u>Expense limit:</u> Unconfirmed</p> <p><u>Event limit:</u> 104 per licensee per year</p>	<p><u>Minimum age:</u> 19</p> <p><u>Other bingo:</u> unconfirmed.</p>
<p>Northwest Territories</p> <p><u>Conducted & Managed by:</u> Licensed charitable organizations.</p> <p><u>Regulated & Licensed by:</u> Licensing Branch Municipal and Community Affairs.</p>	<p><u>1999-2000</u> 95 licenses issued.</p> <p>No permanent bingo facilities.</p>	<p><u>Prizes:</u> In excess of \$30,000 require ministerial approval.</p> <p><u>Expense limit:</u> None specified; assume as approved on application.</p> <p><u>Return to charity:</u> Minimum 20%</p>	<p><u>Minimum age:</u> Determined by licensee.</p> <p><u>Other bingo:</u> media bingo</p>
<p>Nunavut</p> <p><u>Conducted & Managed by:</u> Unconfirmed.</p> <p><u>Regulated & Licensed by:</u></p>	<p>Unconfirmed.</p>	<p>Unconfirmed.</p>	<p>Unconfirmed.</p>

F. Summary of Findings – Public Views and Stakeholder Consultations

Stakeholder Consultations

The Gaming Licensing Policy Review process included obtaining the views and perspectives of the Alberta public, both players and non-players, and of stakeholders. This summary of findings presents a snapshot of those views and perspectives focusing on bingo.

The review process also included a review of gaming-related literature gathered from jurisdictions around the world. A few key sources are described here.

The findings are divided as follows:

- *Public* - The views and attitudes of adult Albertans about gaming activities in the province.
- *Stakeholders* - The views and perspectives of stakeholders. Stakeholders are either directly involved in the gaming industry, or indirectly involved through the services they provide or through some related experience or interest. Most stakeholders have knowledge of at least some of the gaming licensing policies currently in effect. Others will be fully aware of those licensing policies, in particular as they may apply to the gaming activity with which they are directly involved.
- *Findings from other jurisdictions*- The perspectives in a number of other jurisdictions, in particular other Canadian provinces.

The findings and recommendations of the Bingo Review Committee in its report of September 1999 have been taken into account. They have assisted the Gaming Licensing Policy Review in establishing the outstanding issues that need to be addressed in bingo.

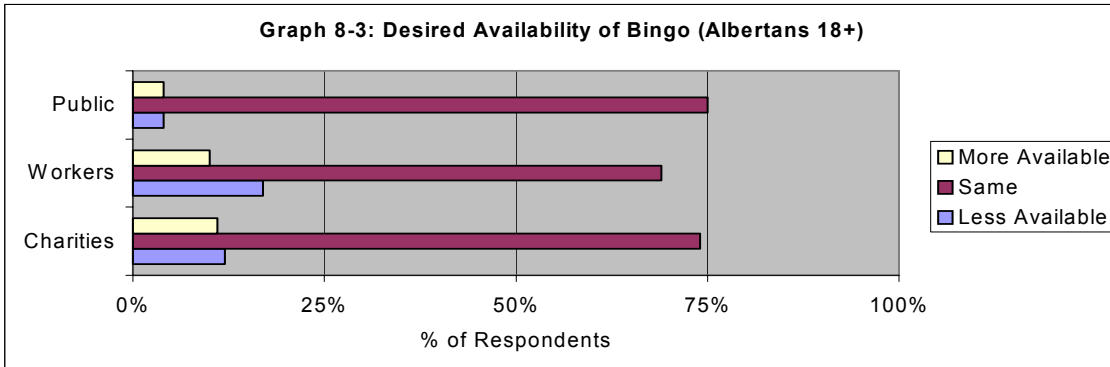
Moreover, various bingo issues cross over to other gaming activities, such as eligibility criteria for charitable gaming licences and access to gaming events in the face of increasing demands by charitable organizations for gaming proceeds.

Another issue relates to the demand by the industry to introduce electronic bingo and keno in bingo halls. Under provisions of the Criminal Code a provincial government is the only authority that may conduct and manage electronic gaming in its province. In Alberta the Commission is an agent of the government for that purpose.

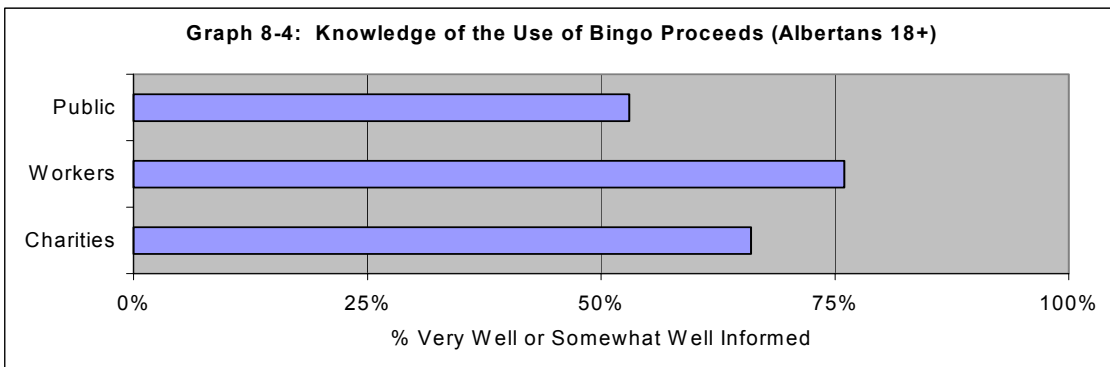
Public

In May 2000, during the Gaming Licensing Policy Review, the views and perspectives of adult Albertans were sought through public opinion research.

The research indicates most adult Albertans view bingo as a relatively harmless gaming activity. Most (75%) also feel the availability of bingo in the province should remain the same, while a number called for a decrease (21%) and some an increase (4%).



During the Licensing Policy Review, about 53% of adult Albertans surveyed indicated they were somewhat or well informed about where bingo proceeds go, which is higher than for most other gaming activities.



More than 90% of respondents also believe proceeds from bingo go toward a good cause, higher than the response for all other gaming activities except raffles, which received a slightly higher response.

More than half of the respondents rely primarily on the newspapers to learn where proceeds from gaming go. Generally, about half of respondents believe gaming proceeds go to government (even though all bingo proceeds go to charitable organizations).

Respondents indicated they would like gaming proceeds in general (without any specific reference to bingo) to go to charities (34.9%), health care (29.1%), education and schools (23.2%) and community organizations (20.9%). All other areas mentioned received less than 15% support.

About 11% of adult Albertans said they played bingo in a bingo hall over the past year and spent an average of about \$80 on bingo in the previous month. That compares to 16% of adult Albertans that reported playing in 1993 and spending an average of \$35 in the previous month.

While the percentage of adults playing bingo has fallen over the seven year period, the reported average amount spent increased.

About 9% of respondents said they would play bingo on a computer device in the next year if it was available to them.

Most bingo players prefer to play regular bingo at a bingo hall. A much smaller percentage also said they would play bingo at a First Nations casino on reserve land (approximately 33%), or local casino (approximately 25%). Close to 90% of bingo players indicated a preference to play bingo with a computer device in a bingo hall, although almost half said they would do so in a casino if it were available.

About 25% of bingo players would like to play bingo at a local casino. Out of 171 respondents, 39% said they would like to play keno at a bingo hall.

Of 110 respondents, close to 40% said they would play break-opens (pull tickets) from a dispensing machine at a bingo hall.

Only 17% of slot players said they would play slots if they were to be available at bingo halls. When compared to other gaming venues, a bingo hall was identified as the least preferred location to play this type of electronic gaming activity.

For respondents, the ideal features in a gaming facility of any kind are security and a clean, modern environment. Other features that also were rated highly included spacious surroundings, convenient parking, easily identifiable staff and non-smoking sections.

Stakeholders

Stakeholders were consulted in September and October 2000, during the Gaming Licensing Policy Review. The consultations included interviews with representatives of stakeholder groups, and a representative survey of charities in the province and gaming workers.

Industry Stakeholders

During the consultations, most industry members and charitable organizations indicated the availability of bingo in the province should remain at its current level.

A bingo industry association representative indicated it is important to differentiate bingo as a gaming activity from other forms of gambling. It was stressed that bingo is more of a social game than other forms of gambling and it requires the Commission's assistance to survive and compete.

A bingo industry association member expressed the view that the registration and testing of bingo staff would benefit bingo as a whole and that most bingo associations in the province would agree. A concern of the association was about being targeted with the issue of minors being permitted to participate in bingo gaming. It was felt bingo is not addictive due to its slower pace and smaller jackpots and because it is a family, social-oriented activity.

A bingo stakeholder indicated bingo revenues have decreased since VLTs and slots were introduced and there is a need for the bingo industry to compete through new games, such as progressive games and games with a second element of chance.

A bingo industry association representative was opposed to consolidating smaller halls into large halls with more products. Others felt many of the current regulations protect a few weaker licensed bingo facilities and it was worth considering rationalizing the number of halls to assure an appropriate return. The view was expressed that the Commission's challenge is credibility and consistency. It was felt there was a need for a definitive plan for bingo rather than an "ad hoc approach." It was felt a long-term vision is needed to allow more activities to occur than presently is allowed in bingo. The association believes decisions made by the Commission in gaming affect every other sector in the gaming industry. It was also felt bingo associations need to have more flexibility in what they offer. For example, introducing regional linked bingo games was viewed as a possible saviour for bingo.

Some bingo stakeholders felt bingo is over-regulated and overly-controlled, a key issue to be addressed. They felt bingo halls are competing head on with casinos, which are attracting bingo players to play nickel slots, for example. It was felt introducing keno to bingo could help bingo.

A gaming industry association representative felt new products, such as keno, belonged in age-controlled locations, citing casinos and liquor lounges as examples.

A number of stakeholders felt the eligibility of charities for gaming licences in general should be carefully reviewed, suggesting some groups that deserve a charitable gaming licence are unable to obtain one. A view was also expressed that some less deserving groups continue to be issued charitable gaming licences at the expense of other more deserving charitable organizations.

Municipalities and Police Services

A representative of a municipal association felt it is important to maintain the credibility and integrity of the charitable model of gaming. The representative favours more equitable access of rural communities and small municipalities to the proceeds from gaming.

The representative of an urban centre indicated there was room for gaming facility expansion in the city. Questions were raised about how to measure the impact on charitable gaming activities such as bingo due to VLTs and casinos (casinos are another form of charitable gaming).

A representative of another urban centre indicated ongoing consultations regarding gaming are important and valuable. It was felt the Commission generally was doing a good job to balance growth and social responsibility. More information was needed about the extent of gambling problems in municipal jurisdictions.

The municipal representative expressed the view money should be spent identifying and treating gambling problems through AADAC. More should be done to educate Albertans about the benefits of gaming.

The representative of an urban municipality felt more should be done to address problem gambling and the negative impacts of gaming which have grown significantly in the past decade. It was questioned whether gaming provided net benefits or costs. The representative believed gaming was not sustainable in the longer term in regard to adding value to the province.

Representatives of various police services would like a better handle on the impact or cost of gaming in the province. One police service representative felt striking the right balance between social responsibility and growth means having information and a full cost benefit analysis, which would probably take years to obtain.

Police service representatives generally indicated they did not have resources to focus on gaming related criminal activity and would be open to joint forces with the Commission to cooperatively address crime. A representative of one police service was concerned an expansion of casino gaming will result in more indirectly-related criminal activities and violent crime. Another representative indicated more resources are needed to address policy and prevention programs related to gaming.

Services Agencies and Public Advocacy Groups

A public policy advocacy foundation held the province's charitable model in high regard, believing it reinforces the integrity of the entire gaming industry in the province. This view about the charitable gaming model, of which bingo is a part, echoes the perspective of many other stakeholders.

Some Findings from Other Jurisdictions

A British Columbia report on gaming legislation indicated, prior to changes being made to that province's bingo program:

The existing bingo regime has provided a measure of protection for marginal halls. This is an impediment to the ability of the bingo sector to compete effectively in the current competitive gaming environment. ...While hall failures should not be an objective, marginal halls should not be preserved at the expense of the entire bingo sector (*Report on Gaming Legislation and Regulation in British Columbia*, January 1999).

One of the report recommendations was: "Charitable bingo gaming could include "technology assisted" bingo where the Gaming Commission is satisfied that the technology is consistent with *Criminal Code* requirements."

In a report of the Canada West Foundation, which included a survey of Canadians about their behaviour and attitudes toward gambling, 70% of respondents strongly agreed (85% agreed overall) "...that the minimum age for entrance to a bingo hall should be 18 years, the highest level of strong agreement for any issue on the survey." That view was expressed among all age groups included in the survey (*Gambling in Canada Research Report No. 8: Canadian Gambling Behaviour and Attitudes*, February 2000).

Spending in bingo is declining in many jurisdictions throughout North America. For example, the Texas Lottery Commission noted:

Gross receipts from bingo from the 2nd quarter were down approximately 4-1/4% from the 2nd quarter 1999 and approximately 5% from the first quarter of 2000. A separate report shows that receipts for bingo tickets have continued to fall in Texas. Receipts in 1995 were 139 million compared to 96 million in 1999. It was suggested that a good economy and more gaming opportunities were some factors contributing to the decline in bingo sales (Texas Lottery Commission, 2000).

For more information on the bingo programs of other provinces, see “E. Landscape of Other Provincial Bingo Programs.”

G. Primary Issues and Recommendations

Assessing Proposed Bingo Policy Recommendations

The process of arriving at recommended bingo licensing policies was comprehensive, involving a number of steps.

The first step was to arrive at an initial assessment of current bingo licensing policies within the gaming licensing policy framework. Are bingo licensing policies clear, comprehensive and up to date?

The next step was to obtain the perspectives of stakeholders about bingo licensing policies and gaming in Alberta generally. Information was also gathered about bingo activities occurring in other jurisdictions to provide comparisons with the province's activities.

That step was followed by an intensive review of stakeholder perspectives, findings from other jurisdictions, and assessing options to address bingo in Alberta over at least the next five years.

As policy options or strategies took shape, the following question was asked: How well does a proposed policy option or strategy measure up to the key elements of the province's licensing policy framework?

For example, the questions asked included:

- Does a proposed bingo licensing policy strategy meet the requirements of the *Criminal Code of Canada*, the *Gaming and Liquor Act (Alberta)* and *Gaming and Liquor Regulation (Alberta)*?
- Is it consistent with the government's general policies for gaming?
- Does it fit within the objectives and goals of the Ministry's three-year business plan?

Only policy strategies that met the key elements of the policy framework would be considered further. Recommendations were developed for consideration by the government.

Primary Issues

The Gaming Licensing Policy Review, in consultation with stakeholders, identified a number of primary issues regarding bingo licensing policies. A number of recommendations for licensed gaming facilities, including licensed bingo facilities, appear in the section "Gaming in General."

The primary issues related to bingo and the respective recommendations appear under the following topic areas.

A. GENERAL PRINCIPLES

POLICY POSITION:

- 1. Allow licensed bingo facilities a greater opportunity to compete in the gaming market of the province and bring greater added value to the bingo player, while operating within the guiding principles for gaming.**

Bingo is a significant charitable gaming industry in Alberta. In fiscal 2001 the industry generated total revenues of close to \$288 million. About 90% of those revenues were generated from 59 association bingo halls throughout the province, which operate commercial-style halls up to seven days a week. The remainder of those revenues (10%) was generated by about 540 community bingo halls that hold bingo events up to three days per week.

Despite the size of the bingo industry, revenues from bingo have decreased by 15% over the past four years. A general view among bingo industry stakeholders is the industry has been in decline over the past five to 10 years even with the introduction of Satellite Bingo in 1996. While Satellite Bingo has boosted bingo revenues in the short term, it does not appear to have drawn more players to regular bingo games.

Bingo industry stakeholders have argued the playing field is not level for them and feel the Commission's gaming policies should allow them to compete with other gaming activities, in particular those offered by casinos. Bingo association stakeholders have asked, for example, electronic bingo, keno and bingo slot machines be introduced to their facilities to compete with other electronic games, including nickel slot games in casinos.

However, there are a few important distinctions to be made between charitable casinos and bingo, apart from the gaming activities offered. A volunteer executive manages association bingo. The volunteer executive group of a bingo association represents the charities that are members of the bingo association. Casino facility licensees, on the other hand, are private operators who are responsible for providing the facility and services for casino gaming. Casino operators work in partnership with each charity that holds casino events in their facility. This approach has numerous implications for the delivery of services.

For example, a casino gaming facility, while serving a charitable gaming activity, is run by a private company under the charitable gaming model. The operator has a direct and vested interest in the success of casino events. The charities licensed to hold casinos provide volunteers who perform key (financial) roles while the facility operator staff provides the professional delivery of gaming activities. In many cases, casino operators have made significant investments into the casino facility to appeal to and attract players. Albertans have indicated that a clean, safe and modern playing environment are important features in a gaming facility.

To compete with casinos and to operate on a level playing field, as the bingo industry is requesting, it is being recommended the association bingo model should evolve more closely to the successful model for charitable casino gaming. Among other considerations, bingo associations should have the opportunity to hire more paid staff and involve private operators in the delivery of bingo while providing volunteers for key financial positions. How bingo associations may respond to this or other opportunities recommended here would be left up to each association to decide. The first recommendation that follows applies to association and community bingo. The rest of the recommendations apply exclusively to association bingo.

BINGO RECOMMENDATION - 1

- **Give bingo licensees the flexibility to develop unique, competitive bingo programs subject to the guiding principles for gaming and requirement that charities obtain a minimum return from bingo events.**

Comment - This recommendation would permit charities greater latitude in the prizes they may offer, types of games, and expenses they may incur to deliver bingo events than is provided under current *Bingo Terms & Conditions and Operating Guidelines*. The recommendation is aimed at providing further opportunities for both community and association bingo to compete more effectively within the bingo industry and in the gaming industry.

BINGO RECOMMENDATION - 2

- **Allow hand-held electronic bingo and rapid keno to be introduced as provincial lotteries to licensed bingo facilities as a way to generate additional proceeds for charities.**

Comment – Hand-held electronic bingo units and rapid keno are electronic gaming devices. Such devices may only be conducted and managed by the provincial government.

Hand-held electronic bingo is traditional bingo played through a hand-held electronic device. It is played alongside bingo played with paper cards and with the same odds of winning, prize structure and pay out percentage. Bingo stakeholders believe hand-held electronic bingo will help attract adult players to the bingo market, including younger adults.

Rapid keno is an electronic game similar in format to bingo. Players choose a few numbers from 1 to 90 appearing in columns and indicate these on an appropriate card, which is inserted in a computer reader. The game computer generates a ticket indicating the numbers chosen. The prize amount depends upon the number of numbers chosen by the player and how many match those randomly chosen by the computer (Bingo Review Committee, 1999). Prizes are awarded over short intervals, for example, every five minutes while the game is being played.

The Bingo Review Committee recommended electronic bingo and keno be introduced to bingo associations if the financial benefits outweigh the costs. The matter was deferred pending a review into the financial cost and potential return that might be generated.

Both hand-held electronic bingo and rapid keno would be subject to the new games approval process (see the recommendation under “New Games”).

Minors would be prohibited from playing or volunteering in licensed bingo facilities that introduce these new games (see the recommendation in this section under “Public Interest, Social Responsibility”).

BINGO RECOMMENDATION - 3

- **Allow licensed bingo facilities to introduce other electronic bingo gaming devices that offer bingo-theme games provided the devices are used to participate in the live bingo events. The introduction of these devices is subject to the new gaming activity approval process as recommended.**

Comment - Stakeholders have indicated electronic gaming devices with bingo themes, in addition to hand-held electronic bingo and rapid keno as recommended above, are a way to revitalize bingo and allow the industry to better compete in the gaming market of the province.

An electronic gaming device with bingo-theme games means a bingo-console unit that allows the player to play bingo during the live bingo event. In this regard, the console unit is similar to a hand-held electronic bingo unit, described earlier. The console unit differs from the hand-held unit by allowing the bingo player to engage in personal play games apart from the live bingo event. If these consoles were to be introduced, it is recommended such games must have a bingo theme. Such games would include personal-play bingo and keno, and video pull-tickets.

As these units are electronic gaming devices, they may only be conducted and managed by the provincial government.

Bingo facility licensees that wish to introduce electronic gaming devices with bingo themes would be subject to the requirements for new games (see the recommended process to introduce new games under the section “New Games”).

Minors would be prohibited from playing or volunteering in licensed bingo facilities that introduce electronic gaming devices (see recommendation in this part under “Public Interest, Social Responsibility”).

Stakeholders in the bingo industry have asked that slot machines be allowed in licensed bingo facilities. This request was considered during the licensing policy review, but slot machines are not being recommended for bingo facilities. Bingo stakeholders feel that bingo should be differentiated from other gaming activities. Having slots would be contrary to that position. In the public opinion research, relatively few slot players would play slots in bingo halls. Most prefer to play to them in casinos. Essentially, slot machines do not complement bingo and are not recommended for licensed bingo facilities.

BINGO RECOMMENDATION - 4

- **Require a licensed bingo facility that offers electronic gaming devices with a bingo theme, other than hand-held electronic bingo and rapid keno, to meet specific, higher facility standards.**

Comment - Facility standards relate to physical aspects of the facility including security, appearance and amenities. Albertans have indicated the most appealing features in a gaming facility are security and a clean, modern environment. Players expect more for their recreation or entertainment dollar. A recommended guiding principle for gaming is that gaming activities meet standards of quality to protect the integrity of gaming activities, provide gaming entertainment value to consumers and help to keep gaming dollars in Alberta. The Commission would be amenable to installing approved electronic gaming devices with a bingo theme in licensed bingo facilities that meet specific, higher facility standards. This requirement is consistent with general recommendations for licensed gaming facilities, including those that apply to casino facilities.

BINGO RECOMMENDATION – 5

- **All eligible charities must be given equitable, fair access to bingo events and the resulting proceeds in a licensed bingo facility that offers an electronic gaming device that provides both electronic bingo and other bingo-theme games.**

Comment - Electronic gaming devices must be conducted and managed by the provincial government, as required by the *Criminal Code*. The Commission is the provincial government's agent for purposes of conducting and managing electronic gaming devices. A policy position of the Commission is that the proceeds from electronic gaming devices, which are used in charitable gaming, must be available in a fair and equitable manner to all eligible charities. This is consistent with the practice for casino gaming in which the Commission allocates casino events to all licensed, eligible charities.

Currently, bingo associations, using their own criteria and standards, determine how many events a licensed charity may obtain and when (the charity must have a bingo event licence from the Commission to hold a bingo event). They may also restrict access to a limited number of charitable groups.

Under this recommendation, the Commission must allocate charitable bingo licences and events in licensed bingo facilities that introduce electronic gaming devices (other than electronic bingo or keno).

BINGO RECOMMENDATION - 6

- **Allow bingo facility licensees the option of hiring additional staff to deliver a consistent level of service to bingo players. The licensed charities must continue to fill key (financial) positions in bingo and meet guaranteed minimum returns from bingo events as recommended.**

Comment – Two bingo associations have requested more paid staff. This recommendation would allow that to occur as long as the key financial positions (for example, bingo chairperson, paymaster, bonanza controller and special games

controller) continue to be provided by volunteers of the licensed charity. The functions of other volunteer positions such as sellers and checkers may be provided by paid staff. The service levels in association bingo will vary because association halls throughout Alberta each have anywhere from five to approximately 75 member groups who are licensed to hold bingo events in the halls. Moreover, charitable groups experience regular turnover of executive members and other volunteers. Additional paid staff would help to address such issues by delivering consistent service to players.

Bingo has the largest volunteer requirement among all charitable gaming activities. In 1999-2000, there were close to 47,000 bingo events held under approximately 3,400 bingo event licences. On average, a charity holds bingos an average of approximately 12 to 14 times per year. Typically, a minimum of 15 volunteers are required for bingo in bingo associations. Bingo events through bingo associations comprise 90% of the bingo market in Alberta. The Bingo Review Committee (1999) indicated that in 1997-98 an estimated 2.7 million hours of volunteer service were provided in association bingo alone.

BINGO RECOMMENDATION - 7

- **Allow bingo facility licensees the option of having a private operator become directly involved in delivering bingo to players, to encourage higher facility and service standards.**

Comment - This is consistent with the practice of charitable casinos, in which licensed charities conduct and manage casino events at arm's length from the casino facility licensee, a private operator. The charities, holding key (financial) positions, work as partners alongside the licensee and casino staff during the casino event to ensure a successful casino. The charities expect a high level of service from casino facility licensees for the smooth delivery of casino events for customers. Casino facilities licensees have a direct and vested interest in the facility and its standards; many of them have improved their facilities over the past few years, in effect increasing the standards for casino gaming in the province.

BINGO RECOMMENDATION - 8

- **Different bingo facility licensees operating in the same region or market area are strongly encouraged to amalgamate operations in order to make better use of existing facilities, reduce expenses and generate higher returns from bingo events.**

Comment - Association halls operate at an average of 29% to 35% of attendance capacity. There is considerably more seating capacity within the province's current bingo association facilities than there is demand to play bingo. This materially affects costs and therefore the ability of charities to maximize their return from bingo and to compete more effectively with other gaming activities. The recommendation is one approach to reduce bingo-operating expenses in a community or region and allow more charities to participate through the better or more intensive use of an existing bingo facility.

BINGO RECOMMENDATION - 9

- **Allow licensed bingo facilities that are age-controlled the option of obtaining a liquor licence.**

Comment - This recommendation is consistent with the standards in all dedicated gaming venues, including charitable casinos and racing entertainment centres.

B. PUBLIC INTEREST, SOCIAL RESPONSIBILITY

Most Albertans view bingo as a relatively harmless gaming activity. Even so, bingo may be a source of difficulty for some people who engage in gaming activities. In 1998-99 the Alberta Alcohol and Drug Abuse Commission (AADAC) indicated that 10.2% of their admissions for problem gambling cited bingo as the most frequent type of gambling. The other admissions with higher responses were VLT gaming (66.6%) and casinos (12.7%).

Licensed bingo facilities or bingo association facilities account for 90% of bingo activity in the province. They are required to post signs and information related to problem gambling. These include posters with the 1-800 problem gambling help-line number. It is recommended elsewhere the staff of all licensed gaming facilities, including licensed bingo facilities, take problem gambling awareness training (see “Public Interest, Social Responsibility” under the section “Gaming in General” of this report).

POLICY POSITION:

1. Restrict gaming in licensed gaming facilities to those of legal age.

Most Albertans and stakeholders support age-restricted gaming facilities.

Association bingo halls account for 90% of bingo revenue in the province. They are dedicated commercial-style facilities for bingo events up to seven days per week. A minor is allowed to play free bingo in an association hall if accompanied by a responsible adult. Prizes may only be small merchandise prizes; cash prizes are prohibited.

This rule for licensed bingo facilities (association bingo halls) is an anomaly. Casinos, which also are licensed gaming facilities that are dedicated to gaming activities, restrict access to those of legal age.

BINGO RECOMMENDATION - 10

- **Prohibit minors, other than volunteers of a charity, from entering a licensed bingo facility.**

Comment - Albertans and many stakeholders support restricting gaming activities to those of legal age. Stakeholders want policies to be applied consistently. To prohibit minors from playing in association bingo halls would be consistent with the policies that prohibit them from entering other licensed gaming facilities, specifically casinos.

However, volunteers in association bingo events have traditionally included minors. To alter this requirement could harm the ability of many charities to hold bingo

events, such as minor sports groups that have relied upon minors to assist them in holding bingo events in support of their community activities.

BINGO RECOMMENDATION - 11

- **Require that both players and volunteers be of legal age in licensed bingo facilities that introduce electronic gaming devices.**

Comment - Bingo associations have requested electronic gaming devices be introduced to bingo halls. Licensed bingo facilities that introduce electronic gaming devices, including electronic bingo, should be age-restricted. Only players and volunteers who are of legal age (18 years or older) should be permitted access. This is consistent with the public view electronic gaming activities are generally considered “harder” forms of gaming.

C. ENFORCEMENT, FINANCIAL CONTROLS AND SECURITY

Most Albertans and stakeholders believe the Commission’s enforcement practices, financial controls and security are satisfactory. Nevertheless, issues arise from time to time regarding the lack of compliance with respect to bingo policies.

Charitable gaming policies are also aimed at ensuring an appropriate division (or percentage allocation) of bingo revenue for prizes, expenses, administration and, ultimately, the proceeds raised to serve charitable purposes. The aim of establishing policies for controlling expenses is to ensure the financial return to charities is maximized.

The integrity of gaming is important to Albertans and stakeholders. Ensuring the integrity of gaming is one of the Commission’s key priorities and a guiding principle for administering and regulating gaming activities.

POLICY POSITION:

1. Maintain the integrity of bingo gaming activities.

Ensuring the integrity of gaming is one of the Commission’s key priorities and a guiding principle for developing gaming policies. Cases have been reported of volunteers and paid staff of bingo halls violating bingo policies of the Commission. In many cases it is believed such violations result from a lack of knowledge about the rules for bingo.

BINGO RECOMMENDATION - 12

- **Test specific paid bingo staff for knowledge of bingo policy and procedures and establish minimum test score standards for registration as a gaming worker in Alberta**

Comment - Bingo stakeholders support the testing of prospective bingo paid staff. The testing of prospective paid staff helps to attain a standard of knowledge among workers. That knowledge includes an understanding of the bingo terms and conditions established by the Commission.

For some time, casino gaming workers have been required to undergo testing of their knowledge of casino operations and policies. Those who pass the test may be registered by the Commission and qualified to work in a licensed casino facility.

POLICY POSITION:

2. Facilitate improved financial reporting by bingo associations.

The Bingo Review Committee identified a common issue among bingo associations is the large amount of paperwork or record keeping required of bingo operations under bingo policies. Stakeholders welcomed ways to reduce that requirement.

BINGO RECOMMENDATION - 13

- **Standardize and automate bingo financial reporting systems in association bingo through the use of an approved point of sale (POS) system.**

Comment - Currently, most bingo financial reporting for association bingo is prepared manually then transmitted to the Commission using the Remote Bingo Information System, or RIBS. There continues to be inaccurate reporting of bingo event financial data.

A point of sales (POS) system in all licensed bingo facilities would reduce the paper burden for associations and charities, automate record keeping, bring about greater consistency in reporting across different bingo operations and reduce the errors that occur through the manual reporting process. Some association bingo halls use point of sale (POS) systems to electronically track and report sales.