

Alcohol and Gaming Commission of Ontario

Modernization of Charitable Gaming Direction and Priorities

Questions & Answers

December 2005

Alcohol and Gaming Commission of Ontario
20 Dundas Street West, 7th floor • Toronto,
Ontario M5G 2N6
Tel: 416-326-0376 or toll free in Ontario
1-800-522-2876 • Fax: (416) 326-0387
•website.www.agco.on.ca



Questions & Answers
Modernization of Charitable Gaming
December 2005

Modernization of Charitable Gaming Direction and Priorities Document

Q. Why did the Registrar of Alcohol and Gaming undertake a consultation process?

The consultation was undertaken to modernize the regulation of charitable gaming in Ontario to reflect the changing marketplace, and to obtain the input necessary to implement strategic changes and explore opportunities to enhance the industry's competitiveness while maintaining honesty and integrity.

Q: What was the process of the consultation? Did the response meet expectations?

The Alcohol and Gaming Commission of Ontario solicited input from all facets of the charitable gaming industry. Over 800 municipalities and stakeholders were invited to comment on the original consultation document and some 50 submissions with over 500 pages of comments were received, exceeding expectations. Those comments have been reviewed and analyzed and the Registrar is now establishing new direction and priorities to modernize the charitable gaming sector. The key priorities strive for consensus and seek common themes of change.

Q: Who has participated in the process?

Charities, suppliers, municipalities, First Nations and associations involved in, or impacted by, charitable gaming in Ontario as well as any others that have an interest in the future of charitable gaming in the Province were encouraged to participate.

Q. What was accomplished by the process?

Through this consultation the Registrar has identified that there is a consensus for significant change. A number of priorities have been identified for a strategic approach to change moving forward.

Q: What is the timeframe for the release of the results of the consultation?

The Alcohol and Gaming Commission of Ontario released the document in December. Priorities have been identified in two phases with the timing of each item for change dependent upon the complexity of the issue. The Registrar has identified concrete examples for change and when they will be made as part of the final document.

Questions & Answers
Modernization of Charitable Gaming
December 2005

Q: Will the consultation process with the charitable gaming industry continue after the implementation of the recommended changes?

The AGCO considers consultation with the charitable gaming sector to be an on-going process, and such consultation will continue during and after the implementation of any recommended changes.

Q: Who can be contacted for additional information regarding the consultation?

The individuals to contact at the Alcohol and Gaming Commission of Ontario regarding the consultation process are Kathy Klas, Director of the Sector Liaison Branch, and Don Bourgeois, General Counsel and Director of Legal Services.

Q: Will any of the potential changes require legislative approval?

The AGCO may make a recommendation to the government for appropriate amendments to legislation or regulations. Identifying opportunities within these categories are part of the 2nd phase of the planned roll-out.

Proposed changes to the *Criminal Code* of Canada (*Code*) were not considered. The *Code* is federal legislation and was beyond the scope of this review.

Q. When will the measures take place?

Various initiatives have been identified for development or implementation during two phases, January to June 2006 and July to December 2006.

Q. Can you give two or three examples of some of the changes being made?

Some changes may be quite specific such as the introduction of new games for both Break Open Tickets (Seal Cards and Bingo Event Tickets) and Bingo (a new progressive game). Other examples are much broader such as the development of new revenue models for both Break Open Tickets (BOTs) and Bingo to enhance the sustainability and profitability of this form of charitable fundraising.

Q. How would the Bingo Development Fund operate and who will fund it and be accountable for it?

Due to the achievements of the BOT Development Fund, the Registrar has identified investigating the opportunity to establish a Bingo Development Fund as

Questions & Answers
Modernization of Charitable Gaming
December 2005

one of the priorities in phase 2. The feasibility of establishing such a fund and the associated details have not been identified at this point.

Q: Would any of the potential changes to be recommended lead to increased revenues for charitable organizations?

Charitable gaming was established to allow eligible charities to raise funds for charitable activities in Ontario. The primary goals of the new direction and priorities are to improve the viability of the charitable gaming sector by modernizing the regulatory framework and streamlining the processes.

Q. Does this mean the government is expanding gaming in the province?

The result of the consultation process does not suggest an expansion of gaming in Ontario. The intention is to improve the viability of the charitable gaming sector by modernizing the regulatory framework and streamlining the processes.

Q. Will the government allow internet gambling?

This consultation and the resulting direction and priorities deal with charitable gaming within the authority of the Registrar of the Alcohol and Gaming Commission. The Government of Ontario recently announced as part of its gaming strategy that there would be no expansion of gaming in this province. The allowance of internet gambling has not been considered during the consultation.

Q: Will charities be able to operate slot machines at bingo sites?

The addition of slot machines at bingo sites has not been considered during the consultation. The Government of Ontario announced that it will not be creating new slot machine facilities in Ontario and has specified that there will be no slot machines in bingo halls. The government, however, has committed to introducing new technology through the OLGCA and the electronic bingo pilot project, which is now underway.

Q. Is electronic bingo underway? Is the AGCO running it?

The OLGCA has been working with existing charities, hall operators, and municipalities to establish a number of pilot projects. The OLGCA is responsible for the development and business decisions regarding the e-bingo pilot project.

**Questions & Answers
Modernization of Charitable Gaming
December 2005**

Q. Will the AGCO be allowing the bingo halls to become entertainment destinations with liquor being served?

This level of detail has not yet been developed and would require consultation with key stakeholders, including the liquor sector. Currently, Section 23 of Regulation 719 of the Liquor Licence Act prohibits a liquor licence to be issued in a bingo hall because the primary business is not the sale and service of liquor.

Q. Will the changes being made allow bingo centres to transport individuals to play bingo similar to the government operated casinos?

This level of detail has not yet been developed and will require further consultation with the stakeholders. The Registrar has identified a review of advertising and promotional opportunities as part of the priorities in both phase one and phase two.

Q. Will this review impact on the smoking law?

The province wide smoking ban is a separate issue. The timing of the smoking ban and the roll out of priorities to modernize charitable gaming are coincidental. It is possible that some of the changes resulting from the Modernization of Charitable Gaming may enable the charitable gaming industry to address some impacts that may result from the smoking ban.

Q: Will charities be able to apply for a “poker game” licence?

The addition of poker events has not been considered during the consultation. The Government of Ontario recently announced as part of its gaming strategy that there would be no expansion of gaming in this province.

Q: Will the introduction of any new games be considered during the consultation?

The AGCO will consider variations of existing games, such as bingo, break open tickets and raffles. The Terms and Conditions will be updated to reflect the introduction of seal cards and bingo event tickets as forms of BOT and a new variation on the progressive games for bingo.

Q. The current Terms and Conditions are quite cumbersome. Will the new directions assist in streamlining them?

Yes. The Registrar has requested that Terms and Conditions be revised as part of the process to make them more user friendly.

Questions & Answers
Modernization of Charitable Gaming
December 2005

Q: Will there be any changes to the qualification of organizations allowed to participate in charitable gaming?

The *Criminal Code* of Canada prohibits gambling except under certain conditions. Currently, lottery licences may be issued only to charitable and religious organizations provided that lottery funds are used for charitable or religious purposes. Proposed changes to the *Criminal Code* of Canada were not considered as the *Code* is federal legislation and beyond the scope of this review.

Q: Will changes lead to revisions in the revenue models for charitable gaming?

The Registrar has proposed allowing some municipalities the opportunity to work with local stakeholders and charities to develop revenue models unique to their situation on a pilot basis. The revenue models must meet certain criteria established by the Registrar. The AGCO will also be working on a provincial model for other municipalities in consultation with the AMCTO.

Q. What was the reaction from municipalities?

Municipalities agree that efforts should be made to support the viability of charitable fundraising wherever possible including enhancing flexibility provided honesty, integrity, and accountability are maintained.

Q: Will changes be considered to reduce any administrative burden and bureaucracy?

Yes. The Registrar has proposed that the Terms and Conditions be re-written in plain language, that the use of information technology to reduce paperwork and report filing be investigated, and that accountability in the system be increased to streamline the current administrative paperwork. That being said, maintaining the regulatory objectives that gaming in Ontario is conducted with honesty, integrity and in the public interest remains paramount.

Q. Information technology is expensive. Who will pay for it?

The AGCO is currently developing an enhanced lottery licensing system. Additional opportunities to utilize information technology will need to be investigated together with the evaluation of the cost/benefits and funding models. This issue has not been explored in detail.

**Questions & Answers
Modernization of Charitable Gaming
December 2005**

Q. Charities have problems getting committed volunteers. Will the AGCO allow charities to hire staff who are qualified?

The AGCO will explore opportunities for greater flexibility where accountability is maintained and the charitable gaming is consistent with the *Criminal Code*.

Q. When will we see changes implemented?

The Registrar has clearly outlined concrete timelines for change to be implemented over 2 phases: January 2006-June 2006 and July 2006, to December 2006. The AGCO will also move to a cycle of change, twice yearly, in January and July, in order for the industry to prepare for predictable timelines for rolling out new initiatives.

II. Lottery Licensing Policy Manual (LLPM)

Q. What happens now with the lottery licensing policy manual?

The LLPM will continue to be updated twice yearly. A series of information sessions throughout the fall were hosted by the AGCO in order to highlight what was in the updated manual, and areas for municipalities to focus. These sessions provided an opportunity for input, and requests for additional training. This will be incorporated as part of the ongoing updates and AGCO training that is offered.