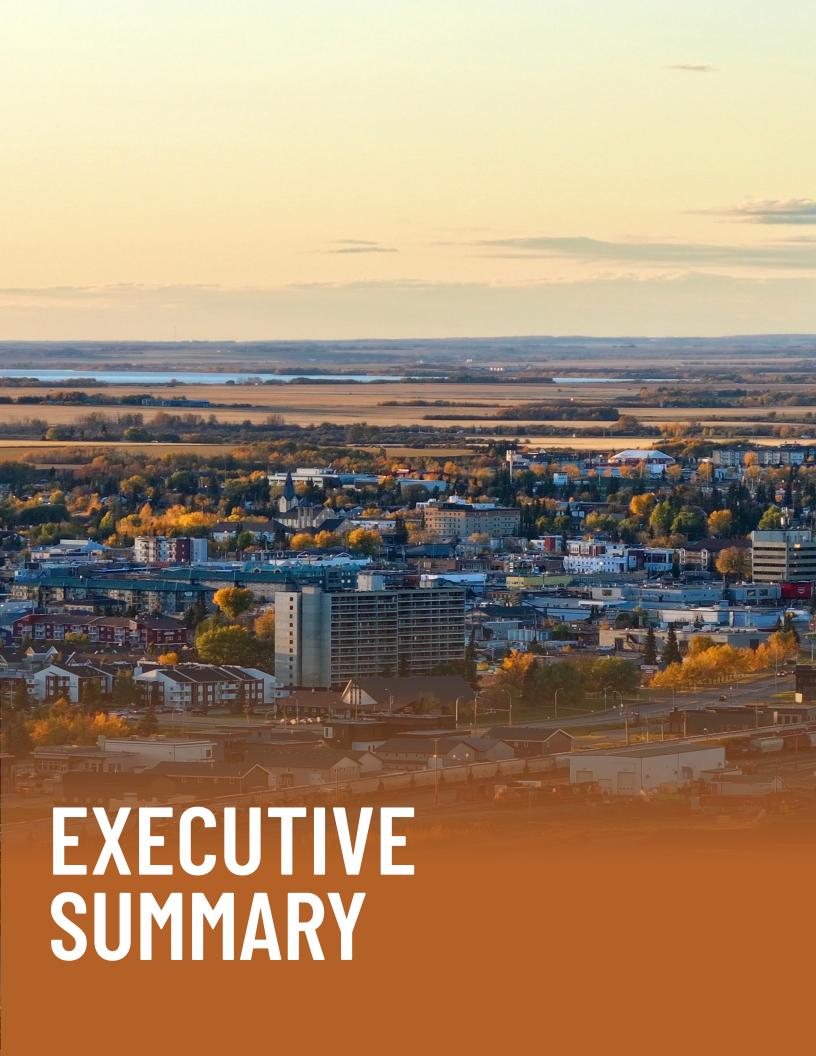
# MORE WORK FOR LESS MONEY:

A Losing Bet for Rural Communities -Alberta's Charitable Gaming Model



EXECUTIVE SUMMARY	1
INTRODUCTION	5
Advocacy and Key Events Timeline   7	
Resolutions   8	
RMA Charitable Gaming Committee   9	
AGLC Charitable Gaming Review   9	
Camrose Casino Relocation Application   10	
CHARITABLE GAMING IN ALBERTA Purpose   12	11
How Charitable Gaming Works   12	
History of Change in Alberta's Charitable Gaming Model   14	
The Rise of Online Gaming   15	
Charitable Gaming Models in Other Jurisdictions   17	
	40
CHARITABLE ORGANIZATIONS ACROSS ALBERTA	18
CHARITABLE GAMING: A BIG PICTURE ANALYSIS  Gaming Licenses   26	24
Charitable Gaming Earnings: Money Talks   28	
CHARITABLE GAMING: CASINO ANALYSIS	29
Annualized Proceeds: Casino Wait Times and Revenues   30	23
Travel Costs   33	
PRINCIPLES	34
Principle 1: Stability   35	
Principle 2: Equal Value for Equal Effort   35	
Principle 3: Equitable Access   36	
Principle 4: Flexibility   36	
Principle 5: Volunteer-Driven   37	
RECOMMENDATIONS	38
Recommendation 1: Use online gaming funds to equalize regional casino revenue   40	
Recommendation 2: Address inequities associated with the model   44	
Recommendation 3: Stakeholders, including the Government of Alberta, RMA and ABmunis, should take a collaborative approach to improve the gaming model   45	
Recommendation 4: Conduct a meaningful review of the model   46	
CONCLUSION	47





An inequitable charitable gaming model has been a problem for rural communities and charitable organizations for several decades. Through multiple resolutions, members of the Rural Municipalities of Alberta (RMA) have expressed that Alberta's charitable gaming model is a losing bet for rural Alberta and called on the Government of Alberta to make changes to support a model that is equitable on a provincewide basis. A 2017 member resolution called on RMA to form a member committee to recommend a more equitable charitable gaming model. This work was an important milestone in RMA's charitable gaming advocacy, and the recommendations in the report developed by the member committee continue to inform RMA's advocacy approach on this issue.

This report builds on and expands the report and recommendations developed by RMA's member committee in the context of a charitable gaming model that continues to become more inequitable due to changes in regional demographics, gaming activity and the rise of virtual gaming.

This report provides a high-level overview of RMA's previous charitable gaming advocacy, Alberta's charitable gaming model, the types of charitable organizations across Alberta, charitable gaming licenses, and charitable gaming funds. The report concludes with principles that should inform any changes to the charitable gaming model and recommendations on how to create a model that is equitable to all charitable organizations, regardless of where they are located in the province.

The purpose of Alberta's charitable gaming model is to allow community organizations across the province to access gaming revenues to support the delivery of important services, supports, and resources. There are several streams within the charitable gaming model, including bingos, raffles and pull tickets, but casinos are the most utilized, and most lucrative. Alberta's charitable casino events are unique in

Canada because of their reliance on volunteers to contribute to casino operations as a condition of receiving funds through the model. While the charitable gaming model fulfills its purpose in many ways, a 2021 report by Alberta Gaming, Liquor and Cannabis (AGLC) found problems with the model, primarily with the distribution of casino revenues between charitable gaming regions. Charitable gaming regions are organized around casinos located in Grande Prairie, Fort McMurray, St. Albert, Camrose, Edmonton, Red Deer, Calgary, Medicine Hat, and Lethbridge.

A variety of different types of charitable organizations are eligible to receive charitable gaming funds through different types of charitable gaming streams. Groups must apply for and be granted a license from AGLC for each charitable gaming event they host. On average, organizations in rural charitable gaming regions had more charitable licenses, but still received lower proceeds on a per-year basis.

To support the creation of a more equitable gaming model, the report includes a series of five high-level principles that should be used to evaluate various model options, as well as four specific recommendations for model changes:

### Principle 1: Stability

Any changes made to the model should limit short-term "shocks" to organizations that rely on gaming revenues to support their operations.

### **Principle 3: Equitable Access**

All charities in Alberta should have equitable access to fundraising opportunities through charitable gaming volunteerism.

### **Principle 2: Equitable Value**

All organizations eligible to derive funding from charitable gaming events in Alberta should be treated as having similar value and importance to society.

### **Principle 4: Flexibility**

Charities of all sizes and capacities should have the ability to generate revenue through charitable gaming volunteerism. The system should reduce barriers to participation as much as possible.

### **Principle 5: Volunteer-Driven**

Volunteers play a critical role in raising proceeds for their own organizations, and in supporting the sustainability of Alberta's casinos. Barriers to volunteering should be mitigated for organizations in all areas of the province.

The four recommendations, all of which support initial steps towards an equalized model, are summarized as follows:

### Recommendation 1: Use online gaming funds to equalize regional casino revenue

There is a role for online gaming to address the rural casino charitable gaming deficit. RMA recommends making 45% of online gaming revenue charitable to address the lower casino revenue in rural charitable gaming regions.

### Recommendation 2: Address inequities associated with the model

Revising the current travel and expense policies will reduce unfair costs that rural organizations incur to volunteer at casinos in comparison to organizations located near casinos. This and other minor changes will not disrupt the model but will help address inequities associated with it.

### Recommendation 3: Stakeholders, including AGLC, RMA, and AB Munis, should take a collaborative approach to improving the current gaming model

An inequitable structure disadvantages some organizations and advantages others. Previous consultations have resulted in entrenched positions in which those disadvantaged by the current model call for change and those advantaged call for the status quo. For meaningful improvements to be made, all stakeholders must acknowledge that the current system is not equal, and the model can be improved to better support organizations in all areas of the province.

### Recommendation 4: Regularly Review the Model and **Proceed Towards Equality**

Over the past several decades, review of the model has been inconsistent. The Government of Alberta must commit to regularly reviewing the model and striving to move the system closer to complete equality each time until it is achieved.



### INTRODUCTION

Alberta's charitable gaming model is a losing bet for rural Alberta. Problems with the charitable gaming model, outlined in this report, lead to rural organizations traveling further, waiting longer, hosting more charitable events (including casinos, bingos, and pull-ticket events), and earning lower revenues than organizations located in Edmonton or Calgary. As will be explained below, aside from geography, no reason exists to justify this inequity. The current charitable gaming model has real impact on organizations and Albertans across the province, particularly because many rural organizations rely on charitable proceeds for core operating costs. The inequity built into the model and the lack of action on the part of the Government of Alberta (GOA) to address it, despite many years of advocacy from the Rural Municipalities of Alberta (RMA) and other stakeholders, suggests that from the GOA's perspective, charitable organizations in Alberta's large cities are somehow more worthy of funding support than those operating in rural and small urban communities.

RMA has a history of raising these concerns to the GOA and providing reasonable and practical solutions to close the urban/rural funding gap. This report and associated recommendations provide the GOA with another opportunity to correct the inequities of the charitable gaming model. In 2018, RMA formed a member committee to examine the charitable gaming model and recommend solutions to the funding gap. These principles and recommendations continue to guide RMA's advocacy. Six years after the committee's final report was released, the gaming model has not changed, and the same problems persist.

This report builds on RMA's 2018 report. While some of the background information, principles, and recommendations remain similar, RMA has included new, updated data and expanded the report's scope to better understand how charitable gaming funds are used across the province, and to examine not only the casino model, but also other charitable gaming opportunities such as bingos. RMA's original 2018 report is here: 2018 RMA Charitable Gaming Committee's Final Report.

This report will provide a history of RMA's advocacy efforts on this issue, an overview of the current charitable gaming model, principles that Alberta Gaming, Liquor and Cannabis (AGLC) should adopt to guide the development of a more equitable model, and specific recommendations for how the model could be changed to address the current inequities faced by rural charitable organizations. Alberta's charitable gaming model should not be about winners and losers or taking from organizations in one community to benefit those in another. It is about recognizing that charitable organizations across Alberta, from Edmonton to Mackenzie County to the MD of Pincher Creek, work hard to benefit their communities, and deserve a similar level of provincial support for a similar level of effort. An equitable model would continue to support organizations in Alberta's big cities while strengthening rural organizations' capacity to provide important services and resources in their communities.

### **Advocacy and Key Events Timeline**

Figure 1 provides an overview of key events in RMA's charitable gaming advocacy, and others such as ministerial role changes or charitable gaming model reviews.

### Spring 2018

**RMA Charitable Gaming Committee Forms** 

### 2019-2021

RMA participates in an AGLC report that finds unfair revenue distribution between rural and urban Alberta, "What We Heard" Report

### 2023

**RMA Participates** in hearing around canceled relocation of Camrose casino

### December 2018

**RMA Charitable Gaming** Committee Final Report Released

### 2023

Government of Alberta Moves Charitable Gaming from the Ministry of Treasury Board and Finance to Red Tape Reduction

### Winter 2025

RMA releases an updated report "A Losing Bet for Rural Communities"

Figure 1. Advocacy and Key Events Timeline

### **Resolutions**

RMA's continued charitable gaming advocacy is rooted in two decades of rural municipal concerns around an inequitable charitable gaming model that includes several resolutions.

### **Active Resolutions:**

◆ Resolution 12-23S: Casino Opportunities for Charitable Organizations

### **Expired Resolutions:**

- ◆ Resolution 13-17F: AAMDC Advisory Committee to Support the Alberta Gaming and Liquor Commission in Reviewing Charitable Gaming in Alberta
- ◆ Resolution 20-16F: Casino Opportunities for Charitable Organizations
- ◆ Resolution 8-03S: Gaming Licences for Non-Profit Groups/Dissolution Requirements
- Resolution 18-02F: Casino Opportunities for Charitable Organizations

### **RMA Charitable Gaming Committee**

Based on Resolution 13-17F: AAMDC Advisory Committee to Support the Alberta Gaming and Liquor Commission in Reviewing Charitable Gaming in Alberta, RMA convened a member committee to study the gaming model in-depth and develop recommendations that would lead to a more equitable charitable gaming model. The committee included RMA members and a representative from Alberta Municipalities. The committee worked together to release a report with principles and recommendations that was shared with RMA members, the GOA and other stakeholders. These principles and recommendations continue to guide RMA's advocacy work around what an equitable charitable gaming model should look like.

### AGLC Charitable Gaming Review

AGLC initiated a review of the charitable gaming model in 2019. RMA participated in the review and called for reforms based on RMA's 2018 report findings. The review led to a "What We Heard Report" that identified "regional disparities...between casino events and proceeds earned in Edmonton and Calgary compared to all other regions" and a broader acceptance that the charitable gaming model was unfair. The What We Heard Report noted the following:

The review team is committed to transparency by keeping stakeholders updated on the outcomes of this engagement. After AGLC's Board has reviewed the recommendations, they will be shared publicly in the Final Report for the charitable gaming review. This report will include an overview of this engagement and the recommendations that followed.

RMA has requested the Final Report from AGLC but has thus far been unable to obtain the document or recommendations, despite the fact that engagement concluded in 2021.

### **Camrose Casino Relocation Application**

In 2022, the owners of the Camrose Resort and Casino applied to AGLC to relocate to south Edmonton. The casino owners cited low attendance, low revenues, and a lack of profitability as their reason for relocating. The owners proposed designating the relocated casino as "Edmonton rural," similar to Century Casino Calgary that is located in Calgary but accessed by charitable organizations from surrounding communities. If AGLC did not allow the move the owners planned to permanently close the casino.

AGLC initially denied the relocation request. After several appeals by the Camrose Resort and Casino, AGLC upheld their initial decision. AGLC justified denying the relocation request, partially due to the fact that relocating the casino to Edmonton would have a minor impact on the charitable revenues available to Edmonton organizations (due to introducing additional competition into the city). This was used as part of the AGLC's justification, even as the relocation would increase revenues for organizations in the Camrose region to a much larger extent. Despite the relocation being denied, the Camrose Resort and Casino opted to remain open, and has since reapplied for relocation to Edmonton. As of the writing of this report, that application is pending.

The direct and significant impacts that the Camrose casino relocation application had on both urban and rural charitable organizations serves as an example of how deep-rooted inequalities are in the charitable gaming model, and the close connection between the success of individual, privately owned casinos and the viability of hundreds of charitable organizations. Rather than reviewing the application based on its individual merits, the AGLC had to consider the impacts of the relocation of a private business on hundreds of charitable organizations across central Alberta.



### **Purpose**

Charitable and voluntary organizations play a critical role in supporting communities across Alberta. These organizations provide a wide range of services, from supporting vulnerable populations, providing sports and leisure opportunities, and operating and maintaining facilities for community gatherings. These organizations are present in Alberta's largest cities, most isolated rural communities, and everywhere in between. While organizations vary significantly in size, capacity, and mandate, they have two attributes in common: they all rely on volunteer support to operate, and they are critically important to many residents in their community.

Because organizations often rely on volunteer support and community fundraising, many experience challenges in generating the revenue necessary to operate sustainably. Charitable gaming is a common revenue-generating approach used by many charitable and voluntary organizations in the province.

### **How Charitable Gaming Works**

To receive charitable gaming funds, an organization must follow these four basic steps.

- Determine their eligibility to host a charitable gaming event and receive charitable funds according to AGLC.
- If ALGC approves an organization to receive charitable gaming funds, the organization can request a license to host a charitable gaming event. Organizations must submit a request for a gaming license to AGLC for every charitable event they host. Their request must be approved by AGLC.
- The organization hosts the charitable gaming event.
- In the weeks, months, and sometimes years that follow, the organization must manage and report on their funds in accordance with AGLC policies and procedures.

Organizations can host several different types of events that include casinos, bingos, raffles, and pull tickets. There are several unique considerations for these different events.

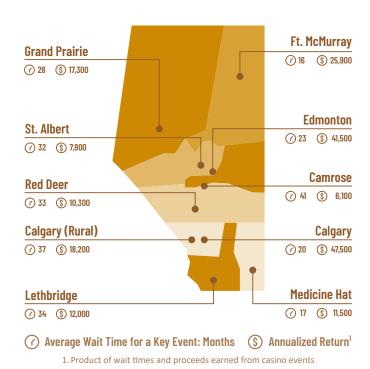


Figure 2. Proceeds from Casino Events and Average Wait Times by Region, May 2024

Nineteen privately owned casinos are located across Alberta, not including First Nations casinos and racing entertainment centres. As Figure 2 shows, AGLC has organized the province into eight different regions, each linked to one or more casinos. While the Edmonton and Calgary regions each have five casinos, all other regions have one or two casinos each (Table 1).

Table 1. Alberta Casino Locations		
Region	# of Casinos	
Edmonton	5	
Calgary	5	
Calgary Rural	1	
Fort McMurray	1	
Grande Prairie	1	
Lethbridge	1	
Red Deer	2	
Medicine Hat	1	
St. Albert	1	
Camrose	1	

Organizations can only receive a license to host a casino in their assigned region. These regions pool casino funds quarterly to increase regional equity. Quarterly regional pooling means that all organizations working a casino in the same region in a given quarter receive the same amount regardless of the revenue generated during their specific casino event. Each region has a different proportion of charitable organizations to casinos, and therefore different wait times. This will be discussed in more detail later in this report.

All casinos, however, are not the same. Calgary and Edmonton have what are referred to as "major" casinos, while the rest of the province has "minor" casinos. Major and minor casinos are distinguished by the number of table games. Major casinos have 25 table games, while minor casinos have 15. A related component of casinos is the requirement for organizations to provide volunteers to support the casino event by performing a variety of roles that include staffing casino table games, counting funds, and more. In regions with major casinos, namely Calgary and Edmonton, organizations must provide a minimum of 25 volunteers. In regions with minor casinos, a minimum of 15 volunteers are required. Unlike other gaming events, there is a proxy exchange of volunteer labour for casino revenues.

Charitable gaming regions and quarterly revenue pooling only apply to casinos. Other charitable events and associated revenue, such as bingos, raffles, and pull tickets, are not organized in regions or pooled. Organizations have relatively more freedom around when they host these other charitable gaming events.

### History of Change in Alberta's Charitable Gaming Model

The charitable gaming model has not always worked the way it does today. One major change was the introduction of charitable gaming regions and quarterly pooling. Although the first charitable casino opened in 1967 in Alberta, quarterly pooling within casino regions was not introduced until 1996. Prior to this change, organizations received a portion of revenues from the specific two-day casino event to which they were assigned. If the event fell during a "slow" period, such as a holiday or poor weather, the organization received lower proceeds than a similar organization assigned to a busier time. The system was improved by pooling funds and distributing an average revenue to participating organizations.

Charitable gaming is also affected by broader social and economic changes that impact the effectiveness of the model. The Covid-19 pandemic changed gaming patterns. Casinos experienced a decline in in-person casino gaming and an increase in the popularity of online gaming.¹ Despite this shock to the charitable gaming system, the last update was more than twenty-five years ago. To continue to grow and meet the original purpose that helps organizations and communities to flourish, more changes are needed.

 $<sup>^1 \</sup> file:///P:/Ministries%20-%20 Provincial/Treasury%20 Board%20 Finance/Alberta%20 Gaming%20 +%20 Liquor%20 Commission/Casino%20 Report%202024/Research/2022%20-%20203%20 Annual%20 Report%20-%20 AGLC.pdf$ 

### The Rise of Online Gaming

To more fully understand the charitable gaming context in Alberta and the nature of how the gaming model is changing, it is important to understand online gaming's growth. As evident in Table 2, both the proceeds available to charitable organizations and online gaming total funds have increased. AGLC launched their online gaming platform, Play Alberta, on September 30, 2020. Available online games include casino, instants, live dealer, lottery, and sports betting. AGLC attributes the rapid growth of online gaming to the Covid-19 pandemic and the addition of two new online games, lottery and single events sports wagering, in 2022.

According to the AGLC, "all revenue generated through Play Alberta goes directly back into the Government of Alberta's General Revenue Fund." The General Revenue Fund covers government expenses, including ministry expenses, capital investments, financial transactions and contingency. Both charitable gaming and online gaming revenues are expected to continue to grow. AGLC attributes ongoing and future growth to a series of factors that include a growing population, Alberta's strong economy relative to other provinces, the gaming industry's continued recovery following the height of the Covid-19 pandemic, and the expansion of current gaming activities.

In Alberta, gaming, including use of revenues, is governed by the Gaming and Liquor Act and Regulation. Alberta's Gaming and Liquor Act does provide direction for the use of funds. It includes the following permissible gaming expenses:

- "...revenue received by the Commission from provincial lotteries, less any amounts paid for prizes and retailer commissions, must be deposited into the Commission's accounts."
- Paying federal tax and duties
- Amounts paid under the federal-provincial gaming and betting agreement
- Commission's operating expenses and Western Canada Lottery Corporation expenses
- "any amounts determined by the Commission to be paid as commissions to gaming licensees at whose gaming activities the Commission conducts and manages provincial lotteries pursuant to section 43."
- Any other amounts remaining are to be paid to the General Revenue Fund

Based on the list above, the Government of Alberta has the option to direct some or all online gaming revenues to charitable organizations, by way of the General Revenue Fund. Aside from a policy decision to not integrate the charitable and online gaming sectors, there does not appear to be any reason why this could not happen.

Online gaming in Alberta is expected to change in the coming months (fall 2024). At present, Play Alberta is the only "regulated and legal online gambling website in the province." Expected changes would allow the introduction of privately owned and operated online gaming websites. The revenue split between operators and the province has not yet been decided, but the province intends for the provincial share to remain in the general revenue fund. The Government of Alberta has not appeared to seriously consider linking online gaming to the current in-person charitable model to this point.

Regardless of whether the delivery of online gaming changes in Alberta, there is potential in exploring if and/or how online gaming funds could be shared with charitable organizations across the province. These funds could be given to rural charitable organizations to compensate for their lower charitable gaming earnings. This means of correcting the system would not detract from or lower urban organizations earnings in any way.

Table 2. Casino and Online Gaming Funds				
Charitable Gaming Total Proceeds to Charity		Online Gaming Net Sales		
	Total Proceeds	Growth Rate	Total	<b>Growth Rate</b>
2021	\$ 137,195,000		\$37,027,000	
2022	\$ 306,610,000	123.5%	\$144,878,000	291.3%
2023	\$ 383,949,000	25.2%	\$179,671,000	24.0%

### **Charitable Gaming Models in Other Jurisdictions**

The existence of charitable gaming is common across Canada and the United States. Although there are many similarities between different models, there are also some key differences, which highlight the potential for change and an alternative model in Alberta. It is helpful to compare and contrast charitable gaming models by separating gaming events like bingos and raffles from casinos. For instance, some jurisdictions allow organizations to keep the entirety of their proceeds from events like raffles and bingos, while other jurisdictions provide an automatic grant in place of funds raised from specific casino events or have a grant application program for funds from a shared pool of charitable gaming funds.

Alberta's charitable gaming model is unique because of its approach to distributing casino revenues. Casinos are not included in some American and Canadian charitable gaming models. However, it is the most central and popular type of gaming license for Albertan charitable organizations. In provinces where casinos are included in the model, gaming funds are often distributed through a grant to all participating organizations or placed into a general grant fund for all charitable organizations in the province. Alberta is further set apart in that it appears to be the only province where charitable organizations' volunteers must participate in operating casinos for the group to receive gaming funds. Gaming models in other jurisdictions also do not rely on a regional model to equitably distribute funds to organizations across the province/jurisdiction but have other means in place to do so.

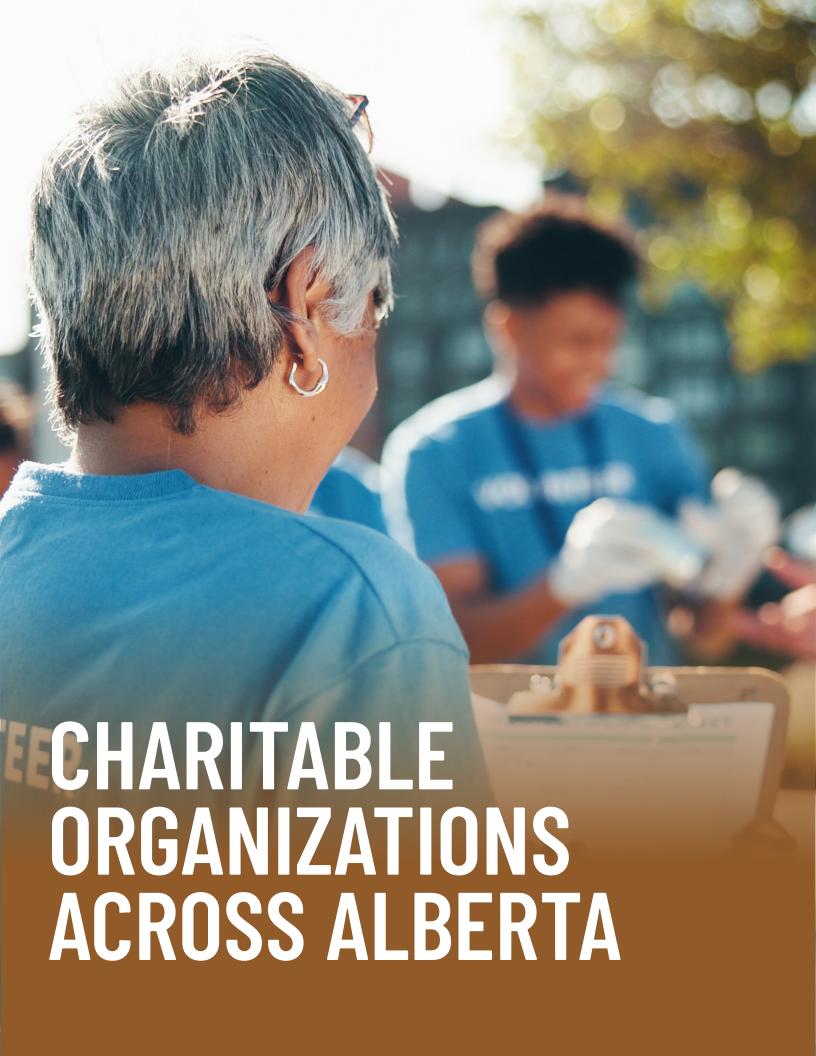
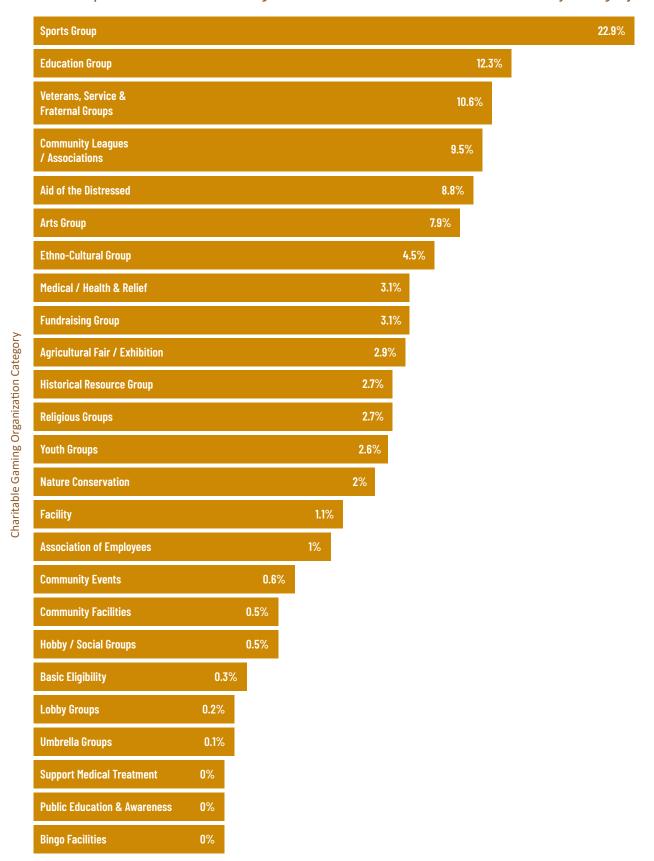


Table 3. Proportion of Charitable Organizations that Received Funds in 2022 by Category



Proportion (%) of all Charitable Gaming Organizations that Received Gaming Funds in 2022

The charitable gaming model and distribution of gaming funds impacts all Albertans. In 2022, 2,737 charitable organizations received at least one gaming license from AGLC. These organizations operated from 366 communities across the province. While organizations across the province rely on gaming, their experience with the charitable gaming model and the funds they earn differs significantly based on where they are located. Rural charities typically host more events and hold more charitable licenses, but still earn less than their urban counterparts. This section provides a foundational understanding of charitable organizations across the province, including the type of work they do, and how that relates to place (charitable gaming region). This background lays the groundwork to understand the context of the inequitable charitable gaming model.

AGLC categorizes charitable groups by their purpose. Broadly speaking, AGLC grants gaming licenses to groups with purposes such as relieving poverty, advancing education, advancing religion, or other organizations whose purpose benefits their community. Within these broad purposes, AGLC has formed specific group categories/types listed in Table 3.

Table 3 shows the proportion of charitable organizations that received at least one gaming license in 2022 by their purpose category. Of all organizations to receive a license, sports groups were most common at 22.9% of all groups (600 in total). Education and veteran's groups round out the top three. Groups focused on medical treatment, public education, and bingo facilities were least likely to request and receive a charitable gaming license in 2022 (Table 3).

There are a few other ways to consider the types of organizations that received gaming licenses in 2022, including by examining which charitable gaming regions have the most organizations, and which charitable gaming regions were more or less likely to support different categories of organizations. Table 4 shows the number of charitable organizations in each charitable gaming region that received a license in 2022. The total number of licensed organizations are split almost exactly in half between Edmonton/Calgary and all other regions.

Table 4. Organizations by Charitable Gaming Region, 2022			
Region	Number of Organizations	Proportion (%)	
Edmonton	644	23.5	
Calgary	750	27.4	
Calgary Rural 130 4		4.7	
Fort McMurray	93	3.4	
Grande Prairie	129	4.7	
Lethbridge	152	5.6	
Red Deer	299	10.9	
Medicine Hat	150	5.5	
St. Albert	152	5.6	
Camrose	228	8.3	
Null	10	0.4	
Total	2,737	100%	

Among rural regions, Red Deer had the largest proportion of licensed charitable organizations in 2022 at 10.9%, while Fort McMurray had the fewest at 3.4%. "Null" refers to a third group of organizations that were not assigned to a charitable gaming region by AGLC.

Table 5. Proportion of Charitable Gaming Licenses by Category and Region

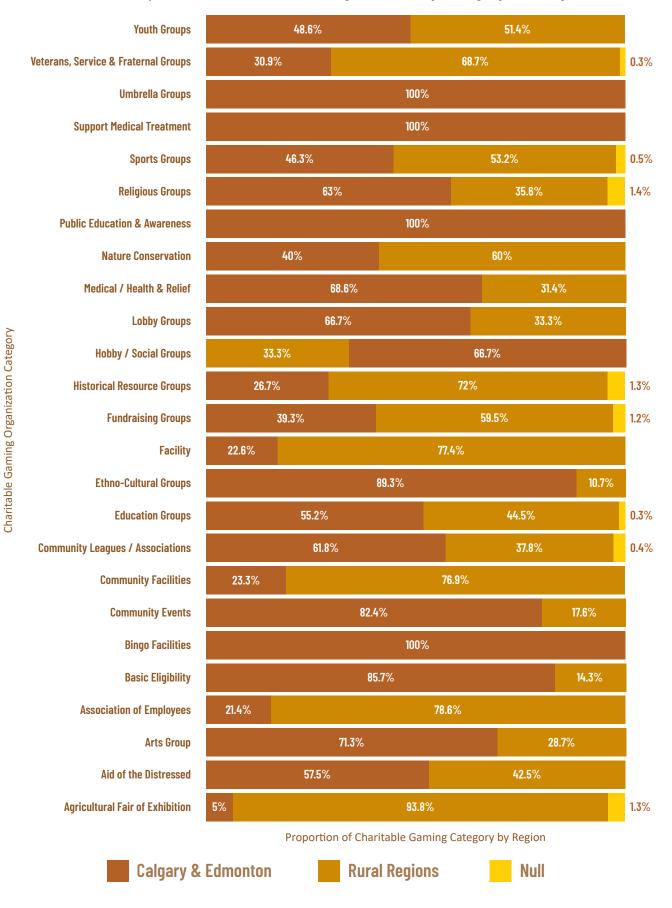


Table 5 combines the number of organizations that received charitable gaming licenses in Edmonton and Calgary and compares it to a combined rural group that includes Lethbridge, Medicine Hat, Century Casino Calgary (rural), Red Deer, Camrose, St. Albert, Fort McMurray, and Grande Prairie. There are some notable differences and similarities in the types of groups that were more common in certain regions. For example, all "umbrella groups," or groups with the sole purpose of supporting other charitable organizations, groups that support medical treatment, and public education and awareness groups, were in Calgary and Edmonton. More than three quarters of basic eligibility groups, or groups that are not otherwise categorized apart from fitting AGLC's core requirements, groups hosting community events, and ethno-cultural groups were also in Calgary and Edmonton. On the other hand, more than three quarters of the agricultural fair or exhibition groups, employee associations, community facility groups, and facility groups were in a rural region. Urban and rural regions had similar proportions of groups that received licenses for aid of the distressed, education groups, sports groups, youth groups, veteran's groups, and community leagues. As demonstrated in Table 5 previously, these types of groups were among the most likely groups to receive funds. Although Table 5 does reveal some differences between the types of rural and urban organizations that receive charitable gaming funds, in general, organizations operating in large cities and elsewhere in Alberta provide a similar cross-section of services.



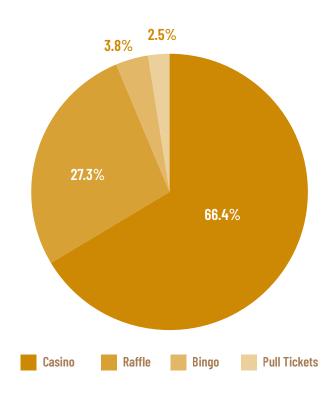


Figure 3. Charitable Gaming Proceeds by Gaming Stream 2022-2023

A strong foundation and knowledge of the charitable gaming model and context allows for a closer analysis of its impacts on rural charitable organizations. While table 4 shows the number of organizations that received licenses in each charitable gaming region, it does not show the number or types of licenses each organization received. As noted previously, there are multiple ways charitable organizations can obtain charitable gaming funds. Hosting a casino is one option, along with bingos, raffles, and pull tickets. A group must have a separate and distinct license for every gaming event it hosts. Whereas casinos have long wait lists and higher earning potential, bingos, raffles, and pull tickets are comparatively more accessible options to obtain charitable gaming funds due to the absence of waitlists. However, they also result in notably lower charitable gaming earnings. In 2022-2023, 66.4% of all charitable gaming proceeds received by charitable organizations were from casino events, followed by 27.3% from raffles, and roughly 3% each from bingos and pull tickets (Figure 3). Given this discrepancy in the types of charitable gaming licenses and funds earned, it is important to examine the specifics of the more desirable and popular casino events separately from the number and regional distribution of other types of gaming licenses. This section will examine the overall number of charitable gaming licenses for all game types, compare the number of casino licenses to other licenses, and consider relative financial impacts before moving on to a specific focus on casinos in the next section.

Table 7. Average Number of Licenses and **Table 6.** Average Number of Non-Casino Charitable

Gaming Licenses by Region Average Number of Charitable Gaming Licenses 3 2.9 2.9 2.9 2.5 2.6 2.6 2.3 Called Hural For Methyray Grand Prairie Lethhidge Cannose

Charitable Gaming Region

Average Charitable Gaming Earnings \$80,000 Average Cahritable Gaming Earnings \$60,000 \$40,000 \$20,000 \$0

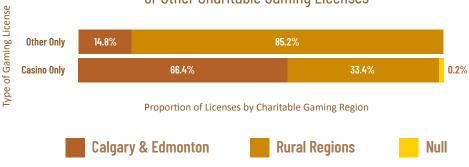
Average Number of Charitable Gaming Licenses

### **Gaming Licenses**

When it comes to the total number of charitable gaming licenses issued, there is some variation in the average number between regions (Table 6). Charitable organizations in Calgary and Edmonton had the lowest average number of charitable gaming licenses per organization, roughly two. Organizations in Fort McMurray had the highest average at just over three gaming licenses per organization. Lower overall gaming proceeds in rural regions is one possible explanation for why rural organizations have more licenses on average, as individual organizations will be required to work more events in a rural region to accrue comparable revenues that an urban organization would receive from a single casino event. An examination of the relationship between average earnings per organization and average number of licenses shows a moderate negative relationship (R= - 0.6) (Table 7). This means that as the average number of licenses increases within a region, average earnings decrease (Table 7). This suggests that despite receiving more licenses from AGLC, these low-revenue events do not compensate for lower earning and less frequent casino events.



**Table 8.** Charitable Organizations With Only Casino or Other Charitable Gaming Licenses



To further understand how regional inequality is compounded, there is use in examining the different types of events accessed by charitable organizations in each region. Table 8 shows the proportions of organizations that only hosted a casino or only hosted other events. Of the organizations that only had a casino license, two thirds were in Calgary and Edmonton. On the other hand, over 85% of charitable organizations that only hosted other events were in a rural charitable gaming region (Table 8). While the data does not provide an explanation for why this is the case, several possible explanations include lower casino earnings and longer wait times and increased travel distance to casino events for rural groups, while urban groups are relatively closer to a casino, have higher earning potential, and shorter wait times. In other words, organizations in large cities may only require casino events for their viability, while in rural areas, the barriers to accessing casinos and low revenues may make them insufficient to adequately support the operating needs of rural organizations.

Table 9. Total Charitable Gaming Earnings by Region, 2022

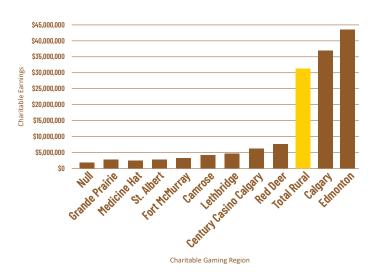
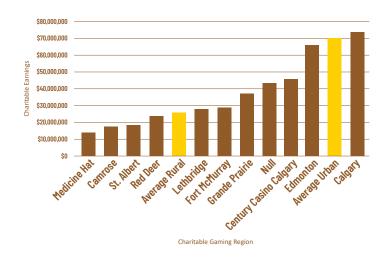


Table 10. Average Charitable Gaming Earnings by Region



### **Charitable Gaming Earnings: Money Talks**

The breakdown on the number of licenses accessed by region suggests that "money talks." Charitable gaming earnings have a direct impact on how and to what extent organizations in different regions pursue different charitable gaming opportunities.

As Table 9 shows, there is a notable difference between the total amount earned by organizations in Calgary and Edmonton and those in rural regions (Table 9). Some notable findings include:

- Calgary and Edmonton both earned at least five and a half times more than Red Deer, the highest earning rural region.
- 2. Calgary and Edmonton each earned 15 times more than Grande Prairie, the lowest earning rural gaming region.
- 3. The yellow column shows the rural regions combined earnings. Edmonton and Calgary individually earn more than all of the rural regions combined.

Table 10 provides a more specific look at how much individual organizations earn in each charitable gaming region. Although Edmonton's total gaming earnings were higher than Calgary's, the average organization in Calgary earned slightly more (Table 10). While the average urban organization earned roughly \$70,000 in 2022, the average rural organization earned around \$24,000 (Table 10). Based on these findings, it is clear that geography plays a massive role in the benefits organizations receive from casino events.



# CASINO ANALYSIS

### **Annualized Proceeds: Casino Wait Times and Revenues**

"Annualized proceeds" is a useful measure combines a region's per event casino revenues with wait times between events to provide an annual revenue amount for organizations in each region. The metric is helpful in combining the two most impactful determinants of benefits for individual charitable organizations: amount earned at a casino event, and the amount of time to wait between events.

Table 11. Regional Wait Times			
Region	2017 Wait Period (Months)	2023 Wait Period (Months)	Change (%)
Calgary	19.8	20.4	3.0
Edmonton	22.7	23.1	1.8
Calgary Rural	35.1	36.4	3.7
Fort McMurray	16.5	15.6	-5.5
Grande Prairie	33.9	28.7	-15.3
Lethbridge	34.4	35.1	2.0
Red Deer	35.4	35.5	0.3
Medicine Hat	18.8	18.5	-1.6
St. Albert	31.1	32.5	4.5
Camrose	39	42.1	7.9

When organizations request and receive a charitable gaming license from AGLC, they are placed on a wait list with other organizations in the same region. Since the number of organizations within a region is not consistent across regions, wait periods vary significantly. Annualized proceeds are one way to account for the reality that not only do organizations in some regions earn less on a per event basis than other regions, but their lower earnings are further compounded by having access to casino events less often. Based on annualized proceeds, Calgary and Edmonton charitable gaming regions are the highest earning, and the rural regions are lower earning (Table 12). The Camrose charitable gaming region has the lowest annualized proceeds at \$5,772.73.

Table 12. Regional Wait Times and Annualized Proceeds, 2023			
Region	Waiting Period (Months)	Total Proceeds Per Event (\$)	Annualized Proceeds (\$)
Calgary	23.1	\$79,593.01	\$46,819.42
Edmonton	20.4	\$78,452.96	\$40,754.78
Calgary Rural	36.4	\$61,347.10	\$20,224.32
Fort McMurray	15.6	\$36,209.50	\$27,853.46
Grande Prairie	28.7	\$36,858.22	\$15,411.10
Lethbridge	35.1	\$35,909.51	\$12,276.76
Red Deer	35.5	\$23,955.90	\$8,097.77
Medicine Hat	18.5	\$17,502.24	\$11,352.80
St. Albert	32.5	\$20,252.65	\$7,477.90
Camrose	42.1	\$20,252.65	\$5,772.73

In 2023, wait time ranged from 15.6 months to 42.1 months (Table 12. Since 2017, wait times increased in seven out of ten charitable gaming regions. All three regions with decreased wait time were rural. While decreasing wait times in rural areas may seem like a positive trend in terms of improving rural access to charitable gaming funds, it suggests a broader issue with the viability of rural organizations, especially those in the Fort McMurray, Grande Prairie, and Medicine Hat regions, which could be argued to be the province's three most "isolated" regions in terms of their distance from large population centres. Under the current model, the only way wait times can decrease is if the number of charitable organizations in the region also decreases. RMA has recently released a separate report examining broader challenges in the rural volunteer sector, that are partially related to the lack of revenue available through charitable gaming.

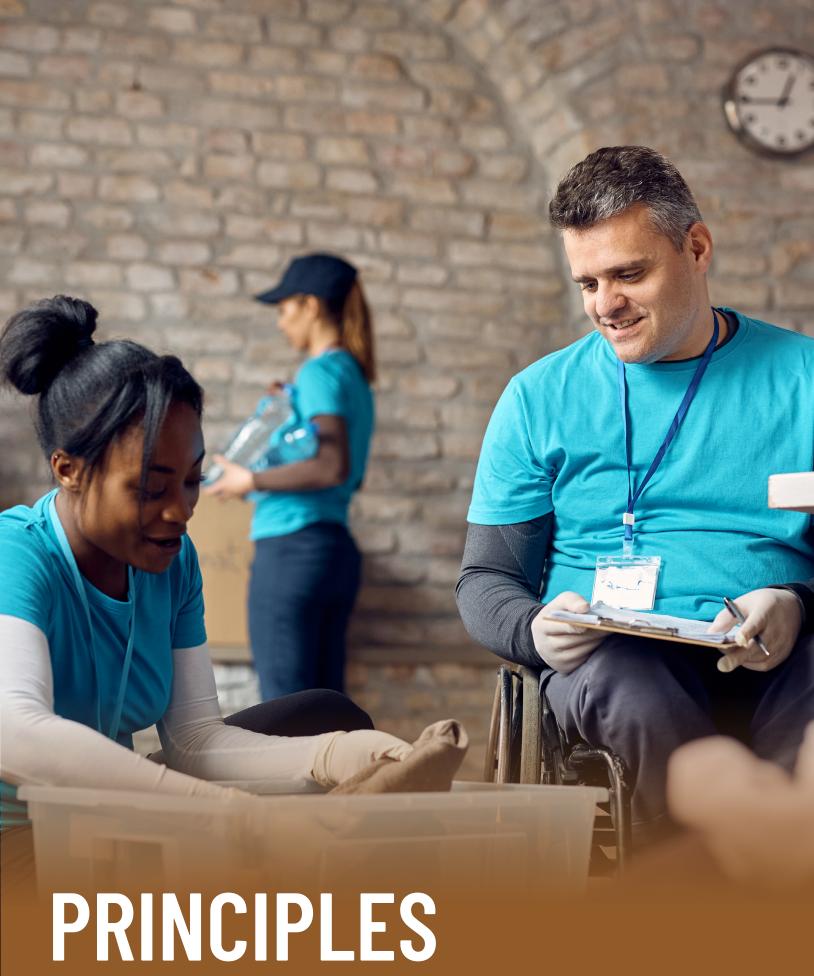
On the other hand, while Edmonton's population has increased by 14.8% between 2017 and 2023, its wait time increased by only 1.8%. This suggests that Edmonton's five casinos lessen the impacts of demographic changes, and that Edmonton may be over-saturated in terms of eligible organizations, and those moving to the city are more likely to join existing organizations rather than start new organizations. Calgary's population has grown at a similar rate in comparison to its casino wait list.

## **Travel Costs**

In addition to waiting longer and earning less than urban charities, rural organizations typically require significant travel to access casinos located in urban centres. As volunteer participation at casinos is mandatory, this is often a barrier for rural organizations as a two-day casino event often requires a significant time commitment and costs associated with an overnight stay. In contrast, organizations located in Edmonton volunteer at casinos located in Edmonton, meaning that travel costs are minimal.

AGLC recognizes that some groups need to travel further than others and has made a Volunteer Expenses – Use of Proceeds policy to address different types of expenses volunteers may incur, such as transportation, parking, babysitting, respite caregiving, accommodation, and some meals (breakfast). Refundable expenses are determined by whether groups have traveled more or less than 100km. While this seems like a positive step, it is still problematic given that organizations reimburse eligible volunteer expenses from their pool of gaming proceeds. If all volunteers were to bill their organization for any costs, a greater proportion of rural organizations' already lower proceeds would be dedicated to volunteer expenses, further lowering the amount available for organizational services and resources. It is unknown to what extent travel costs prevent organizations from hosting casinos or otherwise influence their charitable gaming decisions.

In 2018, the RMA Charitable Gaming Committee learned that many rural volunteers do not claim the expenses they occur. Instead, many volunteers use strategies like car-pooling and paying for their own shared hotel rooms to reduce travel costs and avoid using organization funds. This is not a model that supports rural volunteerism, as some people may be unable or unwilling to cover their own expenses. These considerations are not as important for volunteers in Calgary and Edmonton as many of these organizations are closer to a casino, and volunteers incur minimal or no expenses.



The 2018 RMA Charitable Gaming Committee developed five principles that continue to guide RMA's advocacy for a more equitable gaming model. These principles have been updated for a 2024 context and inform the recommendations in the next section.

## **Principle 1: Stability**

Any changes made to the model should limit shortterm "shocks" to organizations that rely on gaming revenues to support their operations.

The information presented in the section above is clear: charitable organizations located outside of Edmonton and Calgary receive significantly less benefit from charitable gaming. This has been acknowledged by provincial elected officials, and by the AGLC, and neither has provided any policy justification for why this is the case.

Despite the obvious and arbitrary inequity of the current model, making sudden changes could have unforeseen negative impacts on both large charitable organizations and small charitable organizations that are highly dependent on casino revenues for operational funding.

With this in mind, any change to the model should strive to minimize disruptions to charitable gaming revenues and provide gap funding in the short term. Additionally, stability in the transition to a more equitable model would help to ensure predictable wait times and remove some uncertainty in the process.

## **Principle 2: Equal Value for Equal Effort**

All organizations eligible to derive funding from charitable gaming events in Alberta should be treated as having similar value and importance to society. An equitable model recognizes differences between organizations, ensures these differences do not present a barrier for organizations to participate in the charitable gaming model, and introduces accommodations to address barriers when present.

There is no question that the current gaming system provides very different benefits to charitable organizations depending on where they are located within the province. There is no official reason why an organization in one area of the province should receive higher proceeds than an organization in another area of the province. An organization's value or importance should not be tied to the region where it is located, the number of volunteers mandated, or the amount of travel costs. Organizations outside major cities should not have to work harder for less money by hosting multiple charitable gaming events.

The persistence of these differences suggests that the inequality between regions is an accepted characteristic of the system, and policy makers have simply accepted that those in rural communities should have to dedicate more time and effort for less benefit. If the Government of Alberta continues to accept this inequity, the current charitable gaming model will never effectively support charitable organizations across the province sufficiently.

### **Principle 3: Equitable Access**

Alberta's system assumes that all eligible organizations are equal; there is no criteria ranking organizations based on their mandate, who they serve, or the societal "good" their service provides. Whether an organization provides temporary housing for victims of domestic violence, operates a cultural festival, or is a youth travel hockey team, all have the same opportunity to access casino funding should they meet the basic criteria outlined earlier in the report. Where access varies, however, is based on where in the province an organization is located. An organization located in Fort McMurray could have an identical mandate to one in Red Deer, but the Red Deer organization must wait approximately twice as long between casino events.

While it may be impractical or overly disruptive to create exactly equal regions, or to eliminate regions completely, there are many practical and straightforward changes that could be made to the system to allow for more equitable access to casinos throughout the province. The most obvious is to equalize revenues (explained in more detail in the "recommendations" section, but other strategies related to sharing the burden of travel costs across regions, allowing more flexibility for organizations to "share" volunteers, and others, could have a substantial impact on the accessibility of the system to groups outside large cities.

### **Principle 4: Flexibility**

Charities of all sizes and capacities should have the ability to generate revenue through charitable gaming volunteerism. The system should reduce barriers to participation as much as possible.

It is a challenge for many charitable organizations to work with the strict structure of the charitable gaming system. Due to the system scale, the number of casinos, prevalence of other gaming streams, and the number of organizations who participate in charitable gaming, a high degree of structure is needed. However, greater flexibility would improve an organization's ability to garner maximum value from their participation. As one example, being randomly assigned to casino dates can present a challenge for organizations, particularly for smaller organizations with a smaller volunteer base. There are many small ways AGLC could tweak the system to reduce the burden placed on charitable organizations. In the case of casino date assignment, AGLC could create an opportunity for organizations within a region to swap casino dates and share volunteers. AGLC could also consider rewarding or incentivizing organizations that volunteer to staff casinos on less desirable dates, such as holidays, with a financial incentive, other benefit, or travel stipend.

### **Principle 5: Volunteer-Driven**

Volunteers play a critical role in raising proceeds for their own organizations, and in supporting the sustainability of Alberta's casinos. Barriers to volunteering should be mitigated for organizations in all areas of the province.

Volunteers are the lifeblood of Alberta's charitable gaming system. Their efforts benefit their own organizations and the casino industry. Volunteers' goal at a casino event is to support their organization in raising as much money as possible, regardless of where they are located. As most costs volunteers incur are reimbursable by the organization they volunteer for, volunteers often sacrifice their comfort and convenience for the good of their organization. Currently, volunteers face a significant two-day time commitment, not including travel time, which may be several hours in rural areas. As such, to prioritize the recruitment and retention of volunteers, AGLC should modify the charitable gaming system to better respect volunteer time and work with different time commitments for volunteers across the province. This may mean that the GOA and AGLC acknowledge that both volunteers and the organizations that they represent are impacted differently depending on where in the province they are located, and design policies that reflect this.



# RECOMMENDATIONS

The 2018 RMA Charitable Gaming Committee approached their review of the charitable gaming model with an openness to consider solutions and recommendations that varied from minor tweaks to reconstructing the charitable gaming model from the ground up. Ultimately, the committee developed recommendations that would better align the system with the principles listed in the previous section. Many of these recommendations hold true today, but have been updated to reflect new information in this report and the Government of Alberta's consistent lack of action to improve charitable gaming. The recommendations to follow are based on the following observations:

- The current charitable casino gaming model is effective in engaging volunteers in playing an active role in supporting their organizations. Volunteers should remain part of Alberta's charitable gaming model unlike other provincial models that do not include volunteer participation.
- ◆ The overall credibility of the model is limited by its inequitable structure.
- It is possible to design an equitable charitable gaming model that benefits organizations across the province. The current barrier appears to be a lack of political will as opposed to a policy reason for the current inequitable structure.

- ◆ To reduce inequity in casino charitable gaming funds between regions, the GOA can take one of two different approaches:
  - Increase the overall proportion of casino revenues that charitable organizations receive to match organizations that currently receive more.
  - Redistribute the current charitable gaming revenue to flow equally to all regions by taking from high-earning regions and giving to lowearning regions.
- Since the original 2018 report, the rise of online gaming has introduced a new revenue stream that would make option 1 in the bullet above relatively straightforward.
- Because the inequitable access to casino revenues results in rural organizations relying more heavily on other charitable gaming options to supplement revenues, any changes to the casino model must consider possible impacts on how all charitable gaming options are delivered in Alberta.
- All organizations that receive charitable gaming funds play an important role through the community services and resources they provide. This is particularly true in rural areas where new social issues that require support, such as homelessness and addiction, are becoming more frequent and more visible, and provincial services are often minimal or not locally available.

### Recommendation 1: Use online gaming funds to equalize regional casino revenue

The introduction of Play Alberta, Alberta's online gaming platform, has fundamentally changed gaming the province. As online gaming spending and profits continue to increase and the Government of Alberta adds private online gaming providers into the model, the gaming context will continue to evolve, and associated revenue will likely grow.

Play Alberta's design, which is not bound by or categorized into regions, could allow a portion of the platform's proceeds to be distributed to organizations across the province to reduce or eliminate revenue gaps between high- and low-earning regions. This approach would create equity among regions without requiring a politically-unpopular redistribution of revenues from Edmonton and Calgary into other regions.

While RMA's priority is for equal revenues among all regions, RMA would prefer that urban organizations do not lose revenue as part of such a process. As mentioned, the work of all charitable organizations, regardless of location, is crucial, and one of the main reasons that previous attempts to change the model have failed is due to solutions that created a "winner/loser" scenario; using apportion of online gaming funds to top up low-revenue regions would avoid this issue.

Table 14. Charitable Gaming Casino Fund Shares						
Region	Table Games	Slot Machines				
Operator	50% (major casino) – 75% (minor casino)  Paid from the charities table game revenue.	17%				
Charity	25%-50%	15%				
General Revenue Fund	0%	68% - AGLC operating expenses				

Table 14 shows how charitable gaming funds from in-person casinos are currently shared between the operator, charity, and general revenue fund.

Table 15. Online Gaming and Regional Casino Charitable Gaming Deficit					
Region	Total Proceeds Per Event (\$) (01 2023)	Difference to Highest Earning Region (\$) (i.e. Calgary – other charitable gaming region)	Number of Casino Licenses <sup>1</sup> (2019-2020)	Regional Deficits (\$)	
Calgary	79,593.01	0.00	910.00	0.00	
Edmonton	78,452.96	1,140.05	915.00	1,043,145.75	
Calgary Rural	61,347.10	18,245.91	181.33	3,308,530.86	
Fort McMurray	36,209.50	43,383.51	183	7,939,182.33	
Grande Prairie	36,858.22	42,734.79	183	7,820,466.57	
Lethbridge	35,909.51	43,683.50	181.33	7,921,129.06	
Red Deer	23,955.90	55,637.11	360.67	20,066,636.46	
Medicine Hat	17,502.24	62,090.77	181.33	11,258,919.32	
St. Albert	20,252.65	59,340.36	183	10,859,285.88	
Camrose	20,252.65	59,340.36	180.33	10,700,847.11	
Total	410,333.74	385,596.36	3,458.99	80,918,143.34	
IUIdi	410,333.74	363,330.30	3,436.33	00,910,143.34	

<sup>&</sup>lt;sup>1</sup> Numbers from the 2021 AGLC Charitable Gaming Review. Numbers provided for the "rural south," "rural central," and "rural north" regions. AGLC defined rural south as Century Casino Calgary, Lethbridge, and Medicine Hat. Rural Central included Red Deer and Camrose. Rural North included St. Albert, Grande Prairie and Fort McMurray.

Table 15 shows the impacts of a new system in which online revenues are used to equalize revenues across regions. As per Table 2, net online gaming revenue in 2023 was \$179,671,000. To calculate the proportion of online gaming revenue that would be required to equalize casino revenue across charitable gaming regions, RMA found the difference in total event proceeds between each region and the highest earning region for that quarter (Calgary) and multiplied that difference by the average annual number of casino licenses in the region. The resulting sum was just below \$81 million, which is roughly 45% of the 2023 online gaming revenue (Table 2, Table 15). While this provides a starting point for the portion of online funds required to equalize regional revenues, it has several limitations.

For instance, it combines numbers from different charitable gaming years and quarters (Table 15). The number of casino licenses obtained from the AGLC was unclear as to whether it referred to the number of licenses issued in that year, or the number of casinos held in that year.

To validate the findings from Table 15, RMA calculated the differential a second way. Instead of multiplying the difference by the average number of licenses per each region, RMA found the average differential for the rural south, central, and north regions and multiplied that average by the total number of casino licenses per that zone. This amounted to \$80,209,335.76, which is quite similar to the earlier calculation. While neither number may be exact, both provide a reasonable sense of what proportion of online gaming funds would be required to correct the rural deficit and further exemplify the magnitude of the problem. Accordingly, RMA recommends that the Government of Alberta use online gaming funds to elevate all casino charitable gaming earnings to the level of the highest gaming region. While this is roughly 45% of online revenues in 2023, this proportion is expected to decrease as online gaming revenue grows.

Table 16. Online Gaming and Regional Charitable Gaming Deficit				
Region	Total Regional Charitable Gaming Earnings (\$)	Difference to Highest Earning Region (\$) (i.e. Edmonton – other charitable gaming region)		
Calgary	\$36,412,550.54	\$6,955,841.16		
Edmonton	\$43,368,391.70	0.00		
Calgary Rural	\$5,627,000.84	\$37,741,390.86		
Fort McMurray	\$3,063,289.98	\$40,305,101.72		
Grande Prairie	2,379,698.33	\$40,988,693.37		
Lethbridge	\$4,345,338.57	\$39,023,053.13		
Red Deer	\$6,489,552.77	\$36,878,838.93		
Medicine Hat	\$2,417,505.74	\$40,950,885.96		
St. Albert	\$2,810,927.65	\$40,557,464.05		
Camrose	\$3,978,042.02	\$39,390,349.68		
Total	\$110,892,298.14	\$322,791,618.86		

Although making 45% of online gaming revenue charitable to address the rural casino deficit may seem like a significant request, it is quite reasonable based on a consideration of the rural charitable gaming deficit more broadly across casinos, bingos, raffles, and pull tickets. Table 16 uses data from Table 9 (total regional charitable gaming earnings) and calculates the difference between the highest earning region, Edmonton, and all of the other charitable gaming regions. Nearly \$323 million would be required for each of the ten charitable gaming regions to earn as much as Edmonton, which is nearly double the total 2023 online gaming revenue.

As casinos are the most lucrative charitable gaming option, it is appropriate to make 45% of online revenue charitable and revisit online revenue as an option to address the rural deficit within the broader system as online revenue continues to grow.

### Recommendation 2: Address inequities associated with the model

The second recommendation is to address inequities associated with the model that would not be mitigated by equalizing funds: specifically travel costs and wait times. As charitable organizations cover volunteer expenses from their gaming proceeds, organizations in rural areas are disproportionately impacted by travel costs, or rural volunteers personally absorb disproportionate travel expenses. A centralized fund could be created to reimburse volunteer expenses. A proportion of casino funds from each event could feed the fund. According to research conducted by RMA in 2028, a centralized fund with 7% of charitable gaming revenues would be adequate to cover travel expenses (this portion would likely be less if recommendation 1 is implemented). The addition of this fund would eliminate the inequity in travel costs caused by the arbitrary location of an organization and its volunteers in relation to a casino.

A second inequity is around wait time and casino date selection. Options for improvement include:

- organizations being assigned to a casino in a neighbouring region with shorter wait periods
- organizations in regions with long wait periods could fill cancellations in regions with shorter waiting periods,
- organizations would benefit from greater flexibility in selecting casino dates

These new features and other minor changes would support better utilization and efficiency of the existing structure. In isolation, these changes may not have significant impacts on proceeds or wait times but will support "Principle 3: Flexibility" and "Principle 4: Volunteer-Driven."

# Recommendation 3: Stakeholders, including the Government of Alberta, RMA and ABmunis, should take a collaborative approach to improve the gaming model

In recent years, RMA, ABmunis, and other stakeholders have frequently called for a review of the charitable gaming model. Like RMA members, ABmunis members endorsed a resolution that called for an equitable provincial charitable gaming model.

Along with RMA and ABmunis, some municipalities, charitable organizations, and umbrella groups in the non-profit/charitable sector have also expressed their concerns over the inequitable charitable gaming model.<sup>2</sup> In fact, even formal reports by the GOA and AGLC, such as the 2010 *MLA Advisory Committee to Review Eligible Organizations' Access to and Distribution of Proceeds from Licensed Casino*, 2021 *AGLC Charitable Gaming Review*, and 2018 *Taking Action Against Racism* identified inequities in the model with disproportionate impacts on some organizations.<sup>3</sup> Despite years of calls for change and acknowledgement from within government that the system is inequitable, the GOA has continued to avoid action.

While organizations outside of Edmonton and Calgary are generally disadvantaged by the current system, organizations within Edmonton and Calgary, as well as those with a province-wide mandate, are generally supportive of the current system and the relative advantage it provides them. This "us versus them" mentality was evident during consultations for the 2010 MLA report, which noted that "...casino regions with high annualized proceeds do not support changes that have the potential to decrease proceeds from casino events. This is primarily the case for the Edmonton, Calgary and Fort McMurray casino regions." The 2010 consultation process demonstrated that although an inequity in how proceeds were distributed across the province existed, the appetite for change, or lack thereof, aligned with where in the province a stakeholder was located, and whether they benefited from the current structure.

<sup>&</sup>lt;sup>2</sup> These acknowledgements were made by some delegations to the committee, as well as identified through other research.

<sup>&</sup>lt;sup>3</sup> Government of Alberta. Taking Action Against Racism: What Albertans Told Us and What to do Next (2018), p. 21.

More recent findings in the 2021 AGLC Charitable Gaming Review "What we Heard" report also suggest that there is tension and conflict between the needs and best interests of rural and urban charitable organizations. For example, the report pointed out that perceptions on the need to address inequities related to wait times, use of proceeds, pooling revenue, and reliance on volunteers all differed among rural and urban organizations. Assuming these location-based divisions still exist and to reflect the interests of groups across the province, changes to the charitable gaming model should be made in consultation with all relevant stakeholders, including the RMA.

### Recommendation 4: Conduct a meaningful review of the model

AGLC conducts annual reviews. These reviews are focused on annual reporting and do not take a system approach that evaluates the charitable gaming model. Reviews of the charitable gaming model have been infrequent and inconsistent over the past several decades. As the charitable gaming system is crucial to thousands of charities across Alberta, and supports a very dynamic and ever-changing sector, regular review of the system to ensure it fairly meets the needs of all organizations involved is crucial. RMA is aware of the following reviews:

- Early 2000's, an unspecified document that focused on eligibility criteria following the last major shift in revenue distribution in the mid-1990's.
- 2010, MLA Advisory Committee to Review Eligible Organizations' Access to and Distribution of Proceeds from Licensed Casino
- ◆ 2021, AGLC Charitable Gaming Review

The recent reviews have not framed the focus around the need to update the model to support provincewide equity, and therefore have not resulted in meaningful changes to the model. RMA is calling on Service Alberta and Red Tape Reduction, the ministry responsible for overseeing the AGLC, to conduct a review with this mandate, and a pre-determination that online gaming funds may be considered as a means to support equity among regions.



CONCLUSION

Alberta's charitable casino gaming model brings with it both opportunities and challenges, strengths and weaknesses. This report has provided an overview of how Alberta's model works, its history, the inequities that cause rural charities to work harder for lower charitable gaming funds, principles that should characterize an effective model, and recommendations for how the current model could be improved. These principles and recommendations suggest an approach to change that continues to meet the needs of those organizations who benefit and does a better job of serving rural organizations. At the same time, this report calls for action because of the number of inequities, rural organizations higher number of charitable gaming licenses but lower overall earnings, lower casino revenues in rural charitable gaming regions, lower rural annualized proceeds, longer casino wait times, and higher casino travel expenses, that exist within the model, and insists that organizations are entitled to the same charitable proceeds regardless of where in the province a group is located.

This report also calls on the GOA to once again acknowledge and take action to correct the charitable gaming model following the principles and recommendations here outlined. This is not a simple issue with a simple solution, but it is one in which collaboration and a willingness to adjust on the part of the GOA could lead to an even stronger model that better supports organizations across Alberta.



2510 Sparrow Drive, Nisku, Alberta T9E 8N5 | Office: 780.955.3639 | Fax: 780.955.3615