

June 22, 2020

VIA EMAIL

Dear Members of the Standing Committee on Finance and Economic Affairs,

Thank you all for the work you're doing to minimize the impact of the pandemic on this province and to get people back to work as quickly and as safely as possible.

The Charity Bingo Industry worked constructively with OLG, AGCO and the Province of Ontario to temporarily close all of Ontario's Gaming Centres and Halls in a responsible manner. We strongly supported taking whatever steps were and are necessary to slow the spread of COVID-19 and keep our employees, charity representatives, customers and communities safe and healthy.

As a result of the closures, the 376 Ontario Charities and 10 Registered Bingo Halls have lost funding and income at a very critical time. As you know, this has directly impacted communities and families throughout the province. In addition, our hundreds of employees cannot come to work to earn a living. We have worked collaboratively to do whatever we can to support our charities and employees through this challenging time.

At the beginning of the pandemic, there was a collective assumption that the temporary closure would be for a short period of time. It now appears that it could end up being several months before we are able to reopen. This extended shut-down puts our businesses and the charities that depend on them in a very perilous condition.

It is critically important that we take steps to position this industry to be able to bounce back from this crisis in an economically viable and sustainable way. We want to ensure this industry restores an important revenue stream for the citizens of Ontario while helping to strengthen the charities that support our communities' most basic needs.

Urgent action is required to help us through the shut-down and, more importantly, the recovery period!

Our charities and the halls within which we conduct our fundraising have an integrated regulatory and operational partnership. Hall operators, charities, municipalities, and provincial agencies (AGCO and OLG) all participate to ensure that charity gaming is conducted with integrity and professionalism while providing entertainment for our customers and funding for Ontario charities. In turn, charities provide community services and programs at no cost to Ontario taxpayers and to people with the greatest needs. The great work being done by our 376 charities reduces the financial strain that would otherwise fall to the Government.

Back in April of 2019, we were instructed by the Minister of Finance to work with OLG in our quest to join the OLG cGaming initiative that is enjoyed by 32 other Ontario bingo halls. For the better part of a year, we worked cooperatively and professionally with OLG staff to arrive at a compromise phased-in approach solution to enter cGaming. All we are seeking is to complete the approval process by the Minister of Finance to instruct OLG to have our ten halls enter cGaming.

At this time, we are requesting the following from this committee:

Immediate approval for the 10 CGBIA paper bingo halls to enter the cGaming program so that our 376 charities and hundreds of employees may properly serve their communities and do so with a fair and level playing field like the rest of the bingo industry that currently enjoys cGaming.

The reality of this crisis is such that Gaming Centres and Halls will certainly re-open with social distancing measures. It will not be “business as usual” for some time. As current events impact the entire economy and the disposable income of Ontarians, the return of business will be a long, difficult process and we anticipate it could take as long as 24 months to see business levels return to pre-COVID-19 days.

We have been partners with the government for decades and we have seen many tough times, but these are extraordinary, once-in-a-lifetime circumstances. We cannot let our charity stakeholders down during this critical time. It’s charities that ordinary people are turning to when they’ve run out of all other options.

We are not requesting any money from the Government.

Our private sector hall operators are responsible for all of the investment required for our halls to enter cGaming. Also, please know that our entry into cGaming will actually make money for the ten municipalities where we operate and will make money for the province of Ontario.

Charities will win. Businesses will win. Employees will win. Municipalities will win. The province will win... and, most of all, the people of this great province will win. Your saying ‘yes’ to our request will create a win-win-win-win-win-win scenario.

All we are seeking is the approval by this Government through our Minister of Finance for our halls to get cGaming so we are able to do our part to help in the province’s economic recovery.

For your information and for context, we attach a document the Federation prepared for Minister Phillips immediately prior to the pandemic. Even then, our charities were hurting. More than ever, your timely attention and approval is required so we can begin the transition to add cGaming products before our halls re-open.

We look forward to speaking soon.

Best regards,



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**MINISTER PHILLIPS, THE FEDERATION, THE CGBIA, AND THE OLG
HAVE COME TO AGREEMENT ON TWO KEY POINTS:²**

**#1. IF APPROVED FOR cGAMING, WE HAVE AGREED ON
A REDUCED MAXIMUM NUMBER OF CABINETS**

Hall and Municipality	Proposed Maximum # of Cabinets	Number of cGaming Halls in the community	StatsCan Adult Population 19+
Bingo Country, Brampton	200	One	474,910
Blue Sky Bingo, North Bay	60	None	41,242
Hometown Bingo, Coburg	25	None	28,954*
Bingo Bingo, Lindsay / Kawartha Lakes	25	None	60,338
K-W Gaming Centre, Kitchener	120	None	291,563
The Bingo Connection, Burlington	120	None	146,651
Princess Bingo, Hamilton	150	None	430,527
Red Barn Auditorium, Oshawa	150	None	261,763**
Ultimate Bingo, North York	160	Two	2,185,256***
Bingo Country, Stratford	25	None	25,172

* Including Cobourg and Port Hope

** Including Oshawa, Whitby and Bowmanville

*** Including Toronto

CGBIA Revised Phased-in Approach:

A phased-in approach whereby each CGBIA hall operates under the financial formula as outlined in the cGaming in the Overview Section but that each will operate with a maximum allocation as outlined in the OLG's September 30, 2019 document BUT that each hall would start and phase in cabinets subject to the chart below.

Hall	Market Cap	1 st Phase	2 nd Phase	3 rd Phase
Brampton	200	80	60	60
North Bay	60	30	15	15
Coburg	25	25	-	-
Lindsay	25	25	-	-
Kitchener	120	60	30	30
Burlington	120	60	30	30
Hamilton	150	80	35	35
Oshawa	150	60	45	45
North York	160	80	40	40
Stratford	25	25	-	-

Each phase would be six months from the previous one and it would be up to the discretion of the hall operator to add cabinets up to the maximum under each phase.

^ OLG-approved roll-out
as of December 20, 2019

PROVINCIAL IMPACT

Roll-out Year	OLG NPP (Estimated Range)	Extended Revenue from WFPD Year 2	OLG NPP (Estimated Range)	Original Summary
Year 1	\$17M	\$17M	(\$17M-\$17M)	
Year 2	\$17M	\$17M	(\$17M-\$17M)	
Year 3	\$17M	\$17M	(\$17M-\$17M)	
Year 4	\$17M	\$17M	(\$17M-\$17M)	
Year 5	\$17M	\$17M	(\$17M-\$17M)	
Year 6	\$17M	\$17M	(\$17M-\$17M)	
Year 7	\$17M	\$17M	(\$17M-\$17M)	
Year 8	\$17M	\$17M	(\$17M-\$17M)	
Year 9	\$17M	\$17M	(\$17M-\$17M)	
Year 10	\$17M	\$17M	(\$17M-\$17M)	
Year 11	\$17M	\$17M	(\$17M-\$17M)	
Year 12	\$17M	\$17M	(\$17M-\$17M)	
Year 13	\$17M	\$17M	(\$17M-\$17M)	
Year 14	\$17M	\$17M	(\$17M-\$17M)	
Year 15	\$17M	\$17M	(\$17M-\$17M)	
Year 16	\$17M	\$17M	(\$17M-\$17M)	
Year 17	\$17M	\$17M	(\$17M-\$17M)	
Year 18	\$17M	\$17M	(\$17M-\$17M)	
Year 19	\$17M	\$17M	(\$17M-\$17M)	
Year 20	\$17M	\$17M	(\$17M-\$17M)	

to be \$15M to \$22M in Year 3

^ Powerpoint slide #3 from the OLG dated December 18, 2019

**#2. THE 'WIN' FOR CHARITIES
WILL BE ENORMOUS**

Once the roll-out is complete, the net win to all stakeholders is expected to be \$77 million.

Under cGaming, charities will receive 24% of the \$77 million, a total of \$18,480,000.

**That's a potential increase in charity revenues
of \$18,480,000 per year!**

*And, yes, this amount is over and above what charities receive
in paper bingo revenues*