

# The State of Charity Gaming in Canada: How Charities Benefit from Gaming

Canadian Gaming Summit

Calgary, Alberta

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# Introduction

Gaming has long been a significant source of fund raising for charities in virtually every community in Canada.

- What is:
  - charity gaming?
  - the current state of charity gaming in Canada?
  - the future of charity gaming?

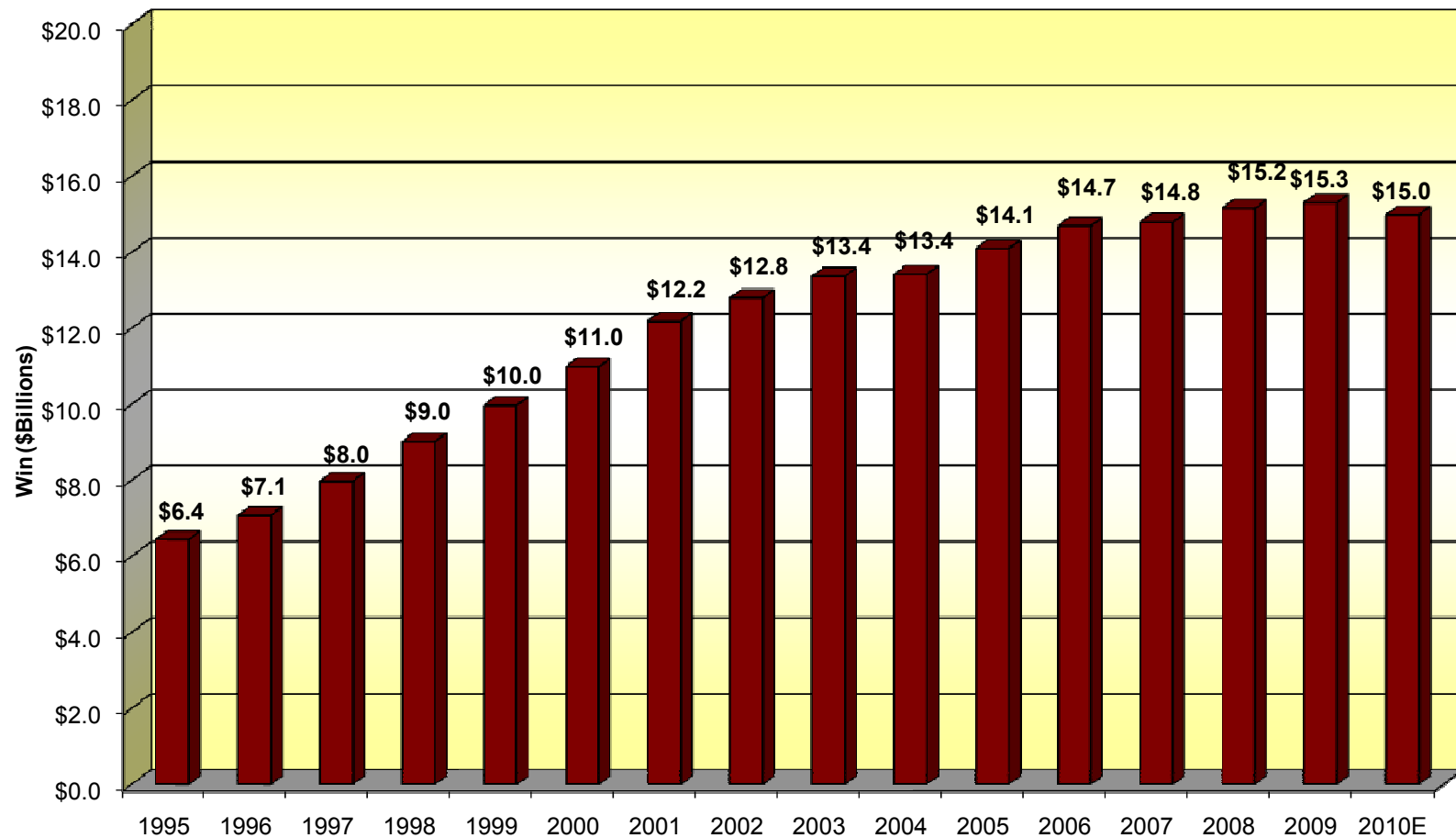
# What is Charity Gaming?

Is charity gaming, all gaming activity:

- that is operated by charities?
- that is “conducted and managed” under Section 207, 1(b) of the criminal code?
- where the majority of revenue (win) is for the benefit of Charities?
- where the majority of profit is for the benefit of Charities?
- where charities receive revenue from?

# Is Charity Gaming an industry, a sector of an industry or simply just a part of a broader industry?

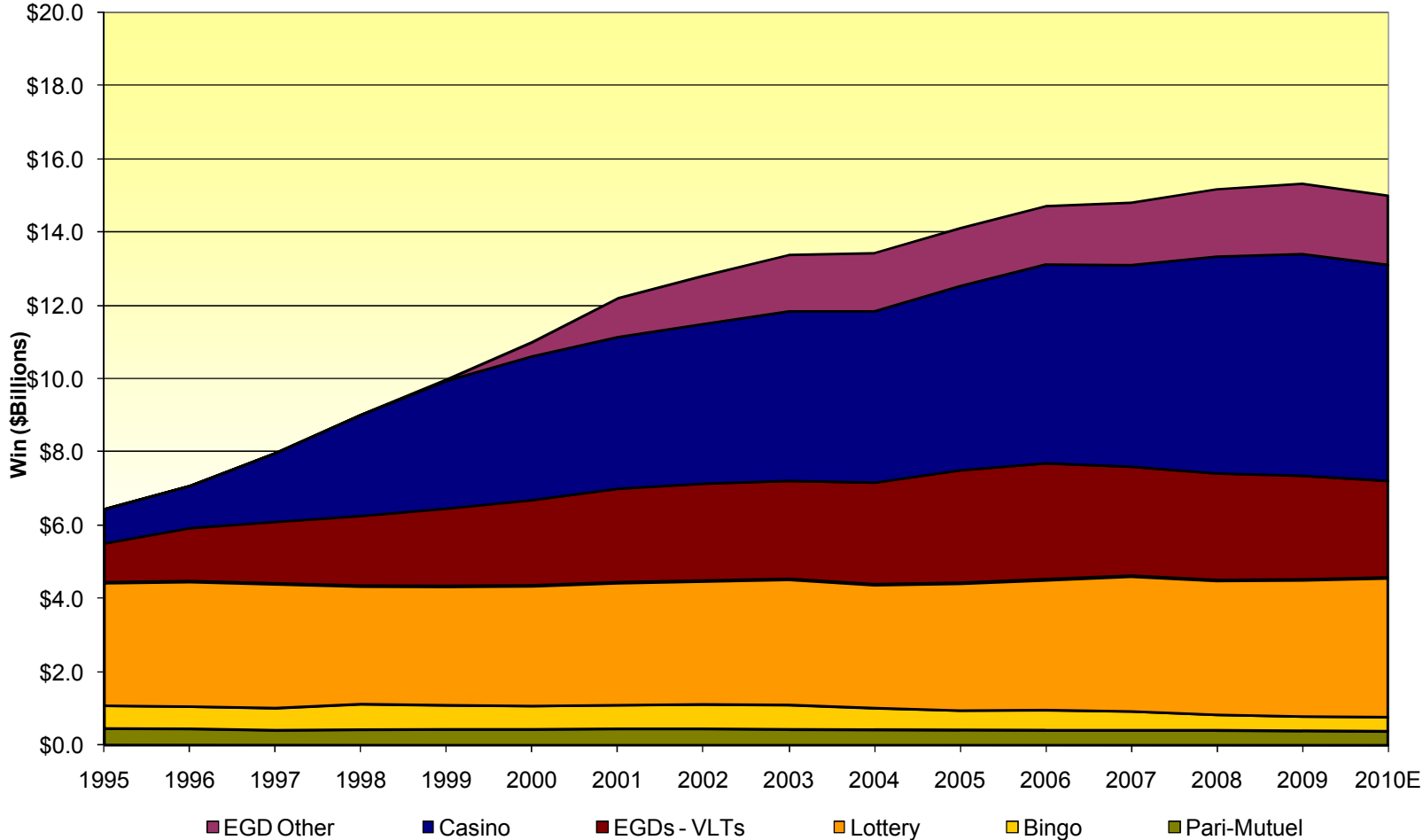
## Canadian Gaming Industry Win Trends



Source: HLT Advisory Inc. based on most recent data available from various provincial government agency/corporation annual reports, subject to update as further information becomes available.

# Bingo historically has equaled Charity Gaming

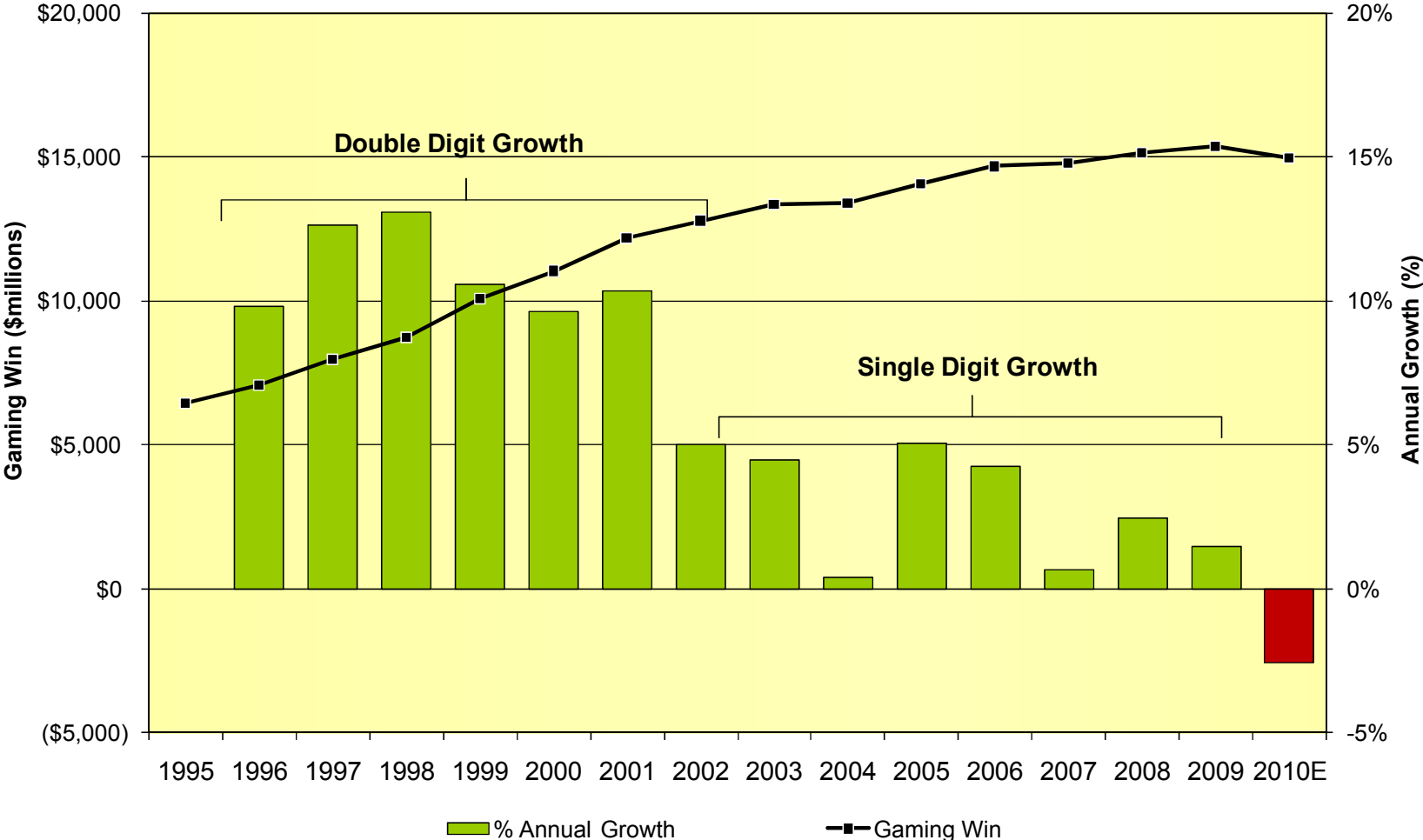
## Canada Gaming Industry Win Trends by Sector



Source: HLT Advisory Inc. based on most recent data available from various provincial government agency/corporation annual reports, subject to update as further information becomes available.

# The overall industry growth pattern has changed

## Canadian Gaming Industry Win Growth (1995-2009)



Source: HLT Advisory Inc. based on various provincial government/agency annual reports.

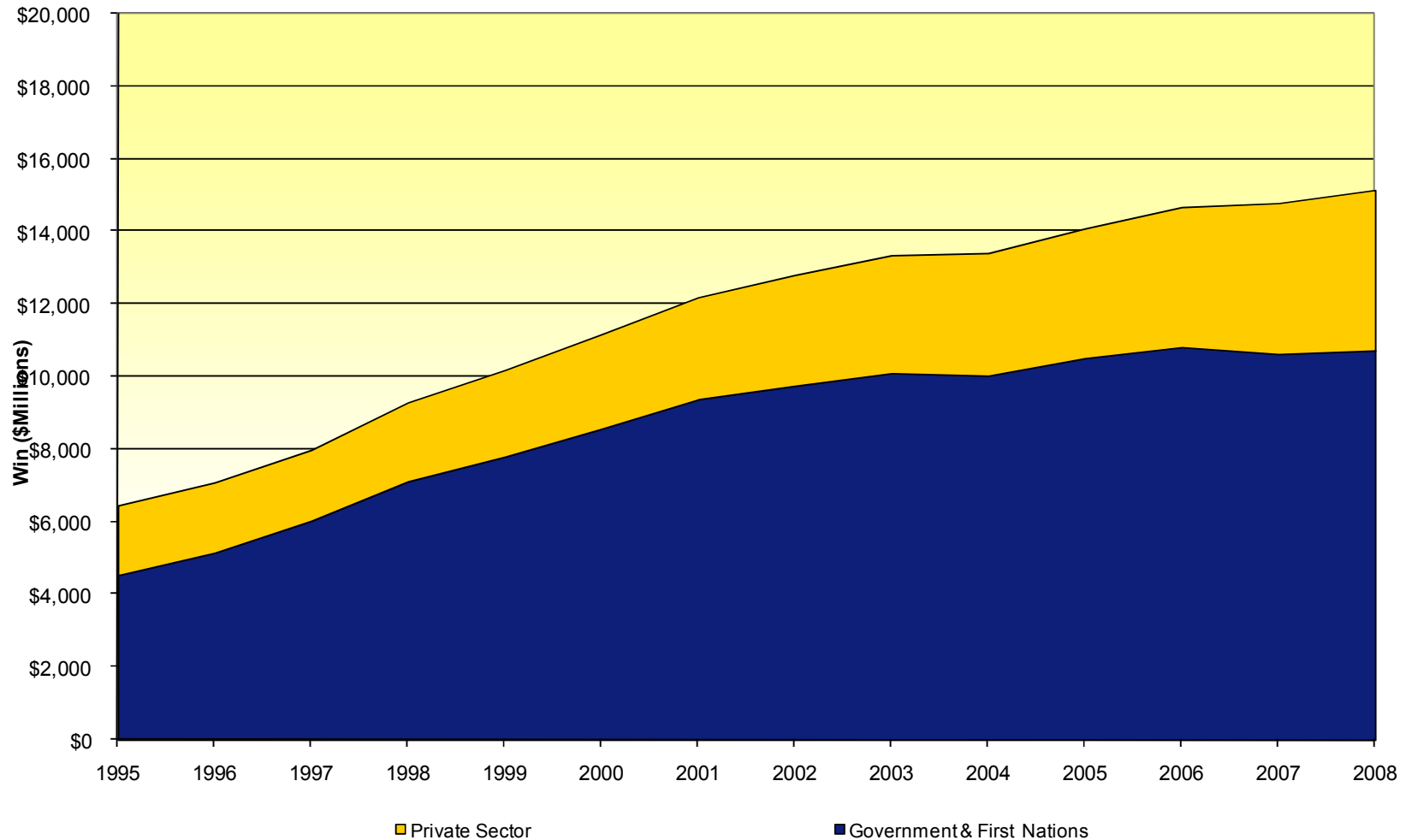


## Other ways to view the gaming industry

- Who operates?
- How activity is delivered?
- Who benefits?

# Who operates – Government(s) dominates

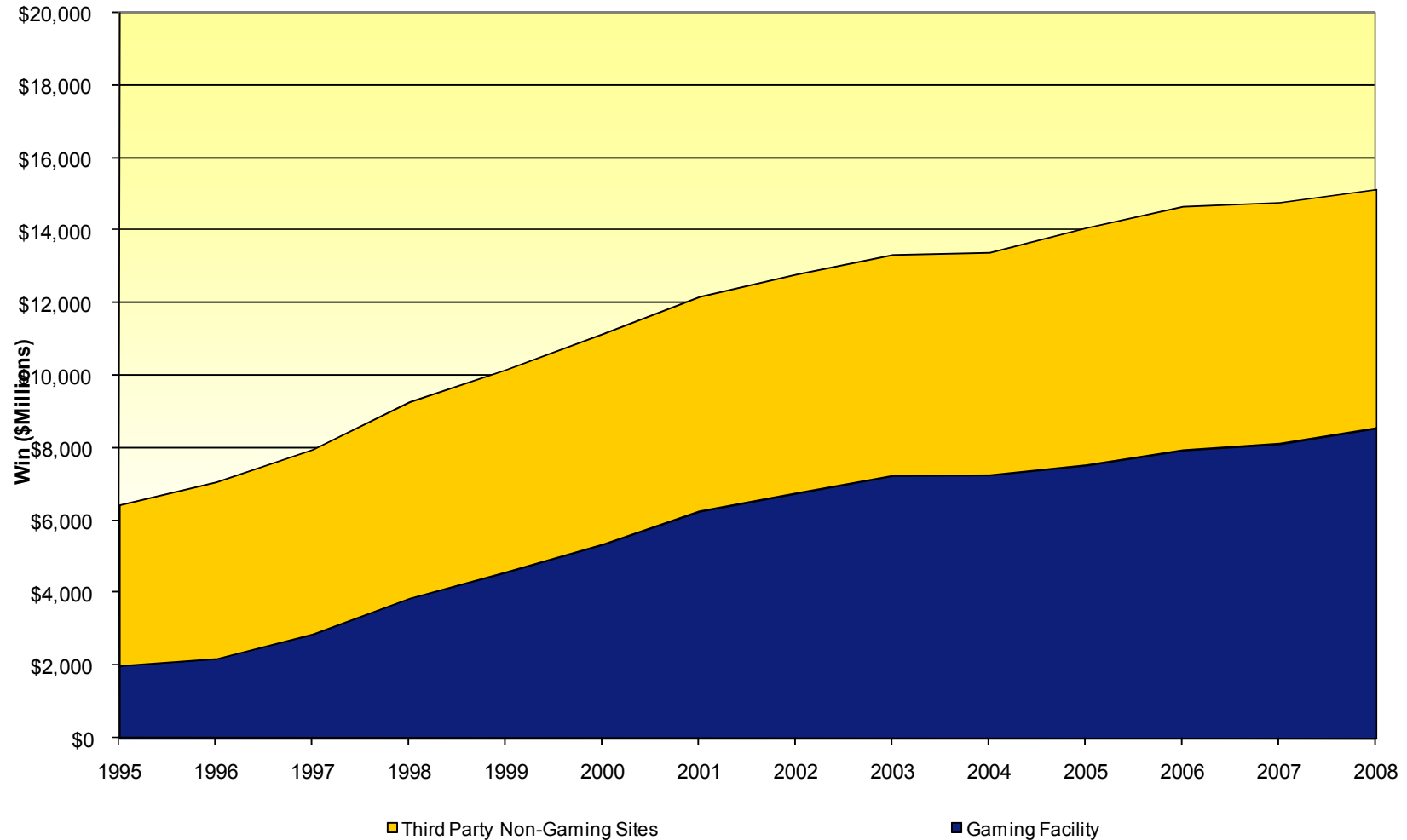
## Canada Gaming Industry Win Trends by Operator



Source: HLT Advisory Inc. based on most recent data available from various provincial government agency/corporation annual reports, subject to update as further information becomes available.

# How delivered – gaming facilities, third party sites

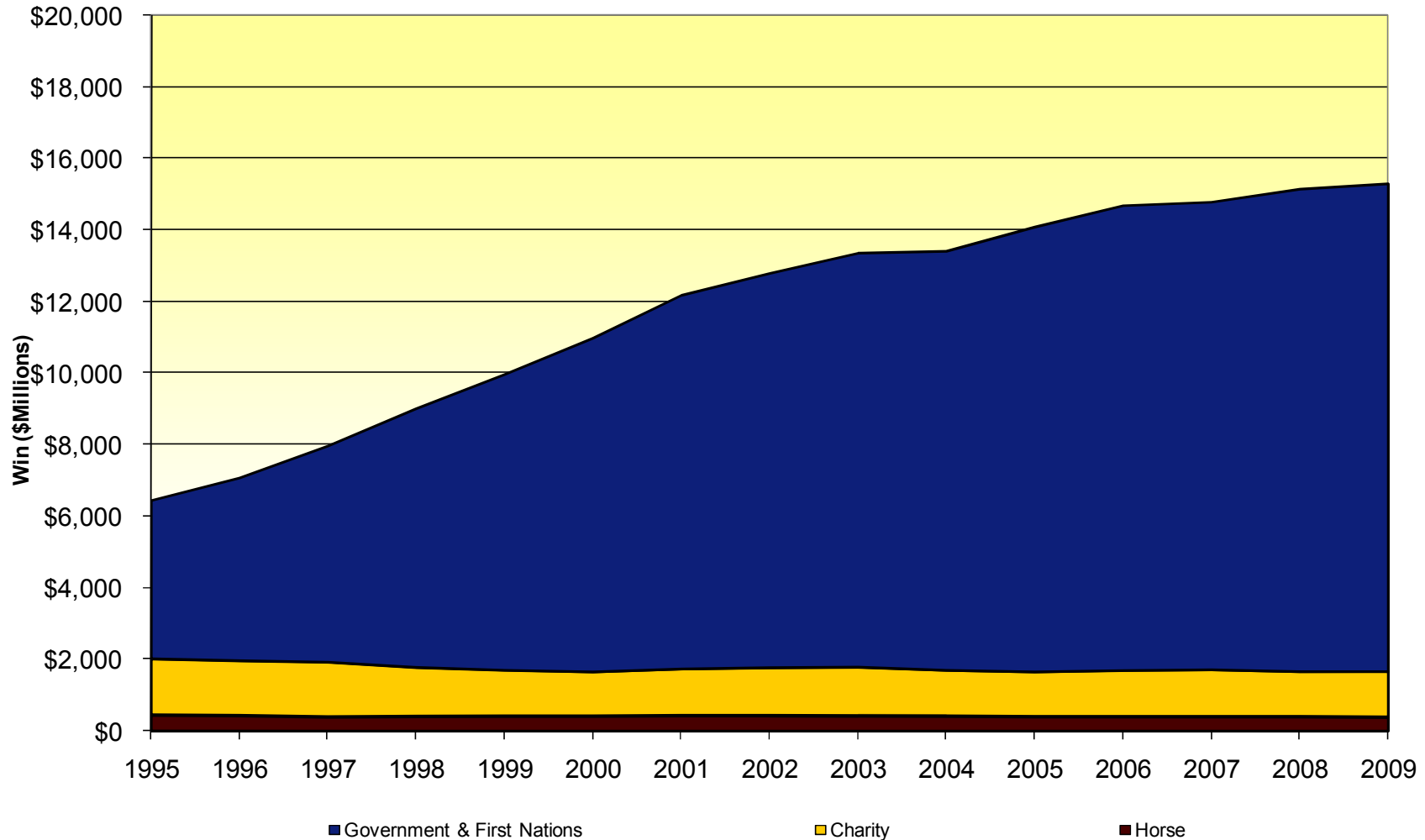
## Canada Gaming Industry Win Trends by Delivery



Source: HLT Advisory Inc. based on most recent data available from various provincial government agency/corporation annual reports, subject to update as further information becomes available.

# Who benefits – Government(s) dominates

## Canada Gaming Industry Win Trends by Beneficiary



Source: HLT Advisory Inc. based on most recent data available from various provincial government agency/corporation annual reports, subject to update as further information becomes available.

# The current state of Charity Gaming in Canada

How should Charity Gaming be measured?

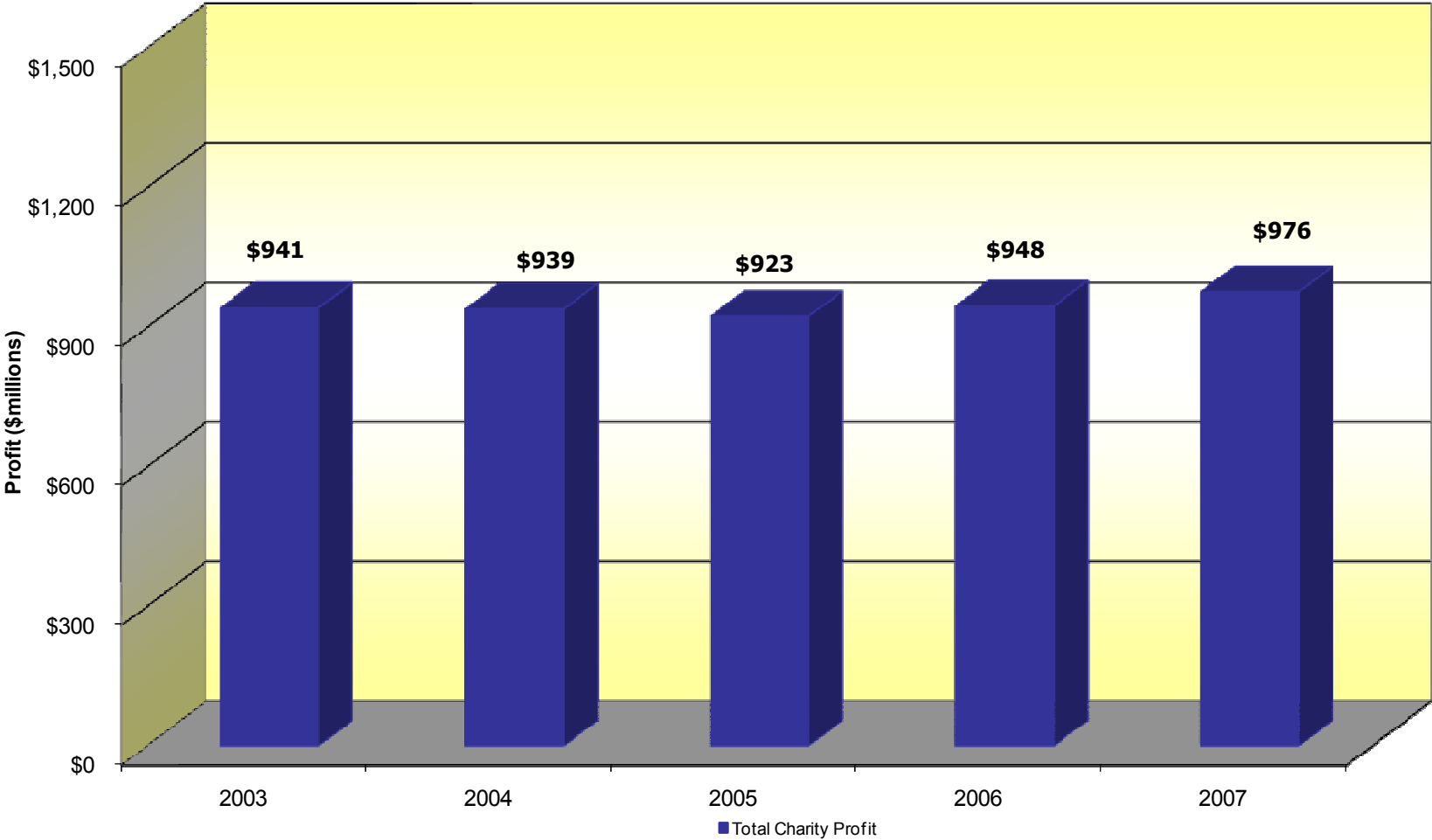
From a Charities perspective should gaming be measured by:

- Wagering
- Win (wagering less prizes)
- Share of wagering or win
- Profit

Note: data sources must be understood.

# CND Charity Gaming profit - total

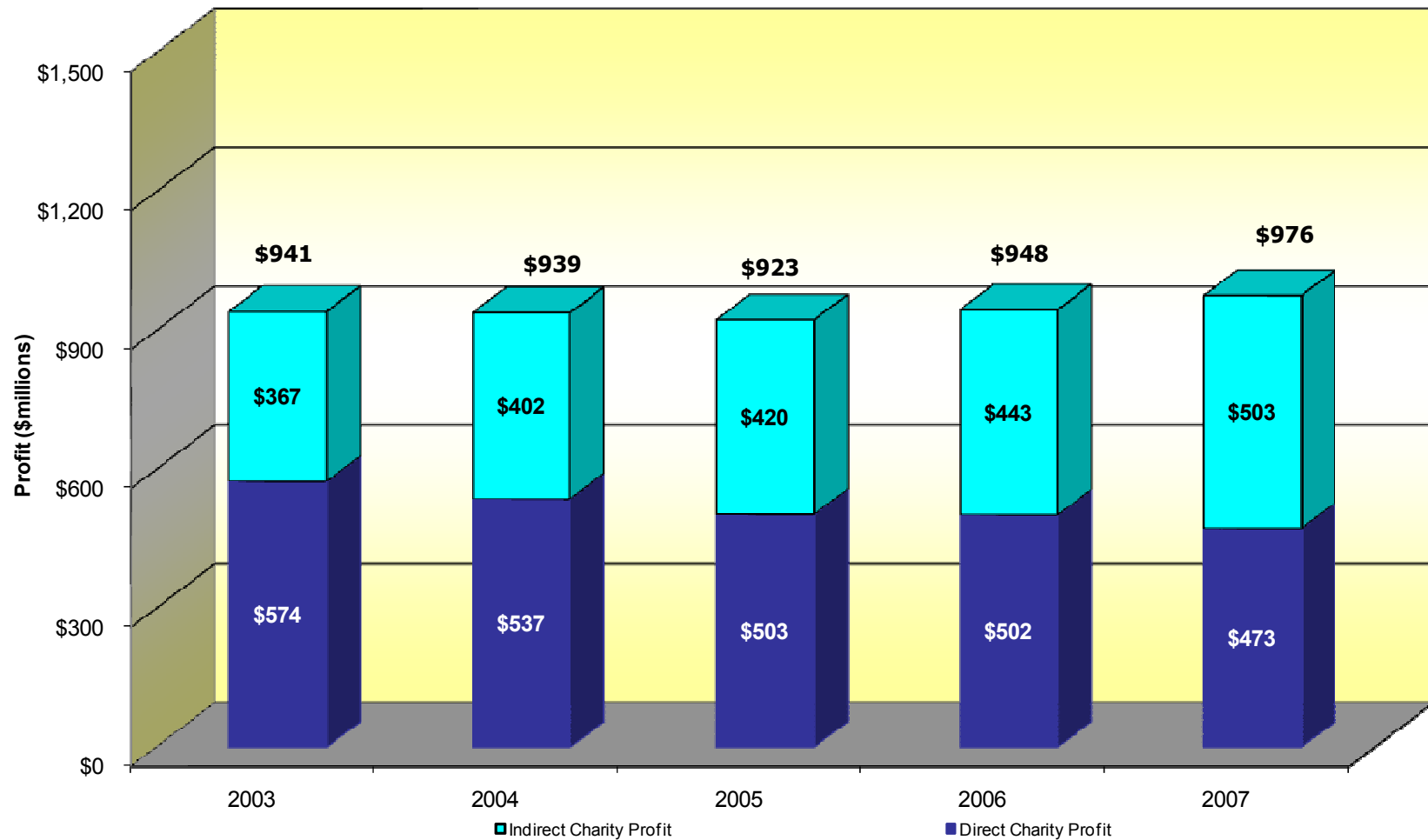
## Total Charity Profit - All Canada



Source: HLT Advisory Inc. based on data from various provincial government/agencies: annual reports, discussions with government officials, and HLT estimates.

# CND Charity Gaming profit – total by direct/indirect

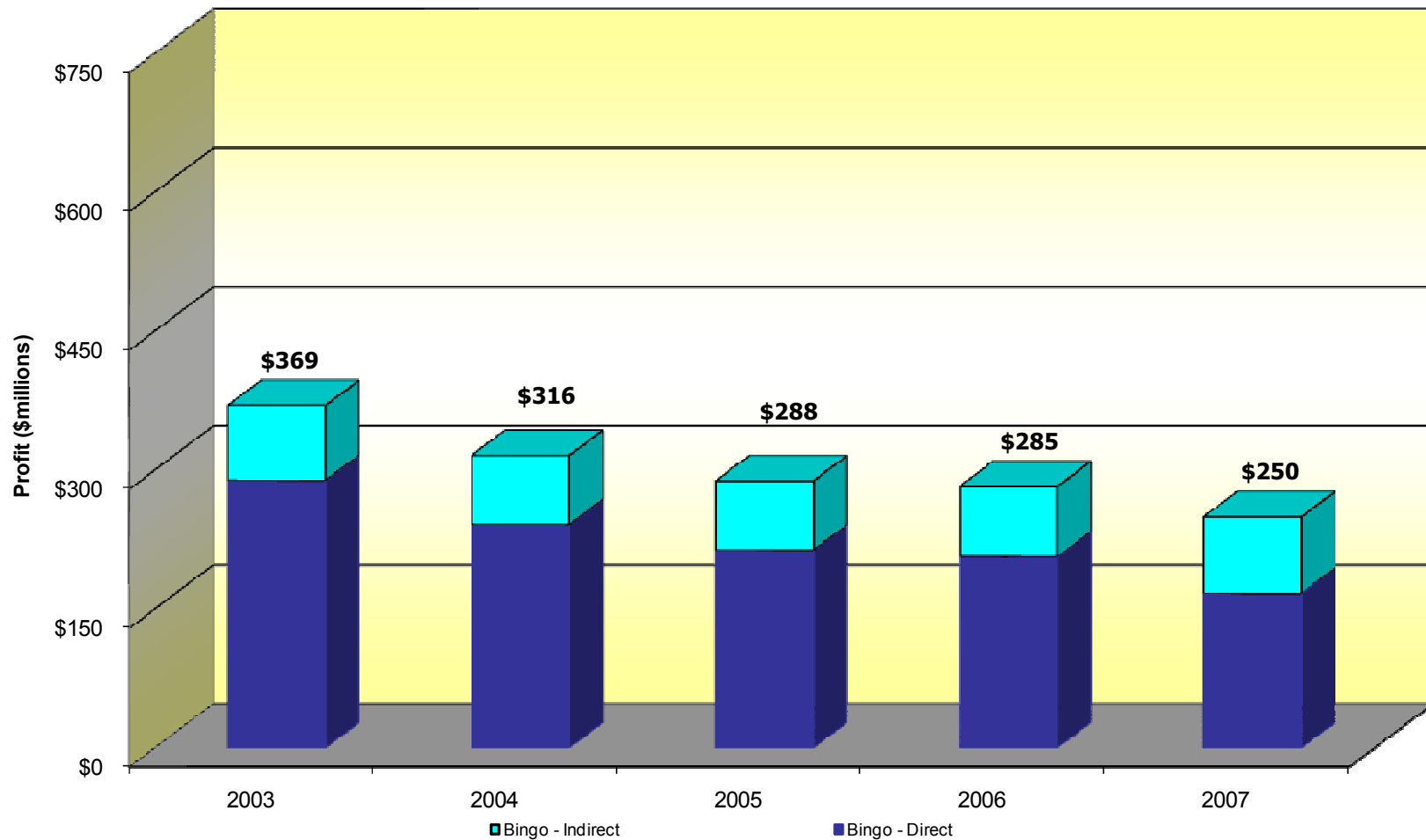
## Direct & Indirect Charity Profit - All Canada



Source: HLT Advisory Inc. based on data from various provincial government/agencies: annual reports, discussions with government officials, and HLT estimates..

# CND Charity Gaming profit – by sector, Bingo

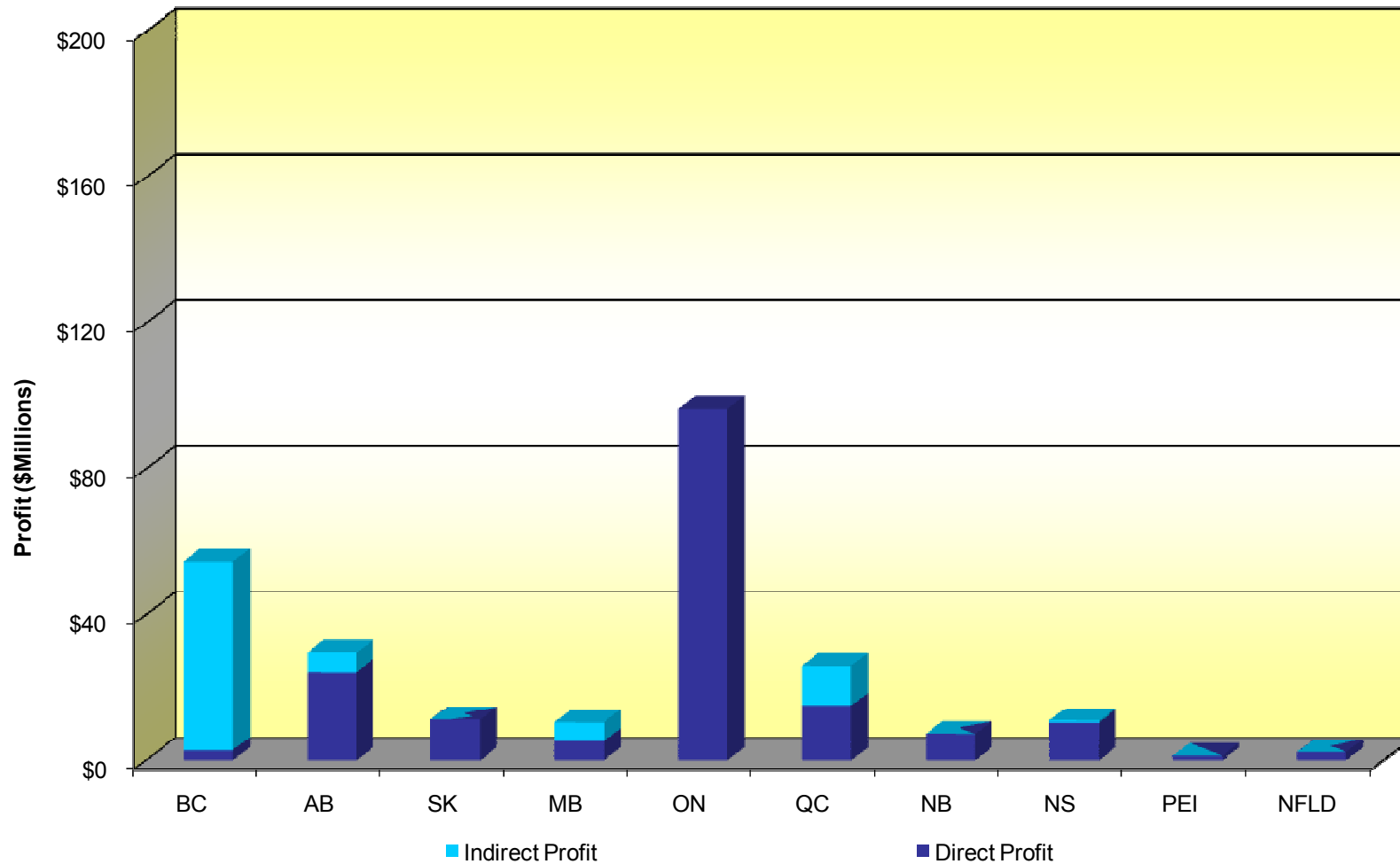
## Direct & Indirect Charity Profit From Bingo - All Canada



Source: HLT Advisory Inc. based on data from various provincial government/agencies: annual reports, discussions with government officials, and HLT estimates..

# Provincial Charity profit – by sector, Bingo

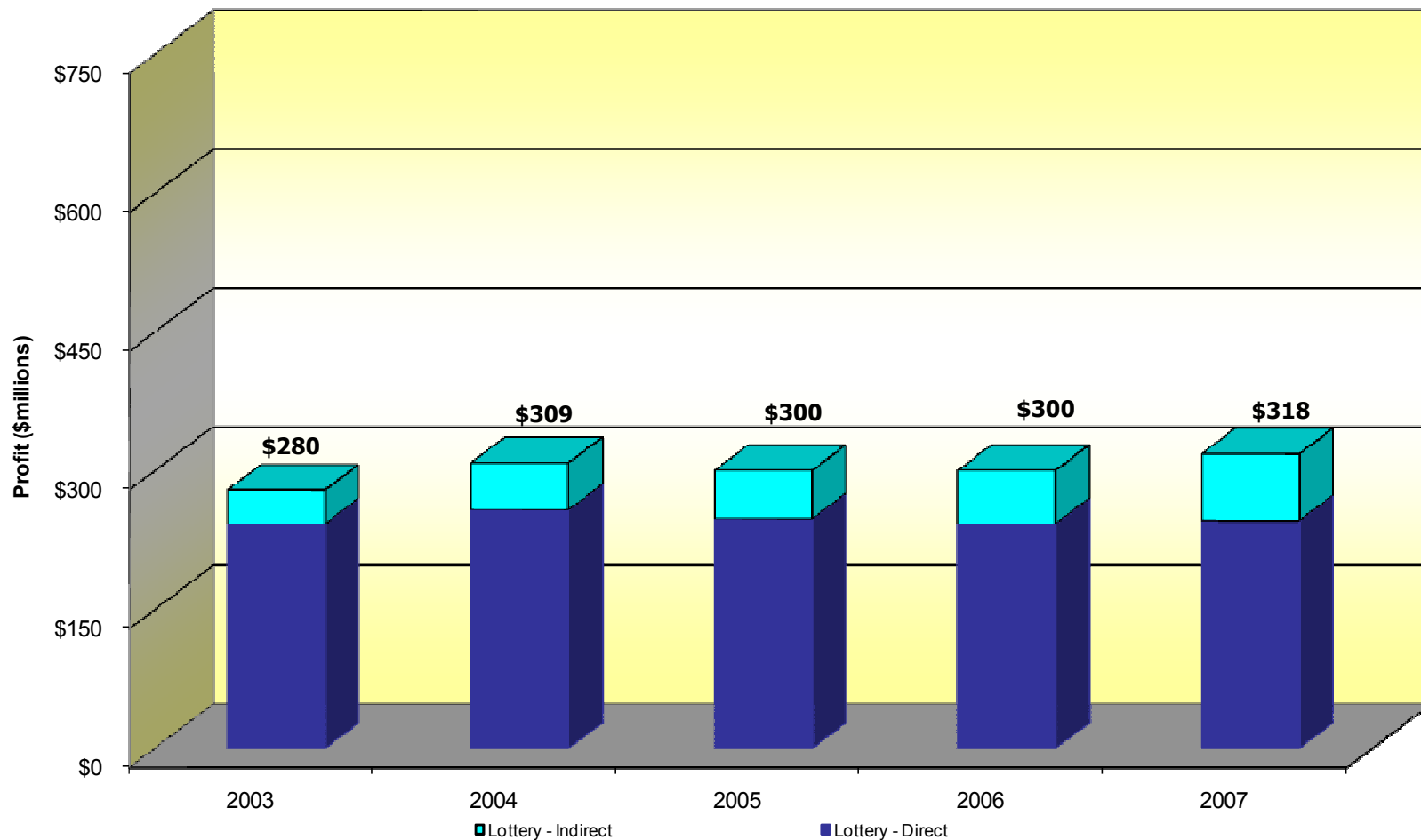
## Direct and Indirect Profit - Bingo (2007)



Source: HLT Advisory Inc. based on data from various provincial government/agencies: annual reports, discussions with government officials, and HLT estimates..

# CND Charity Gaming profit – by sector, Lotteries

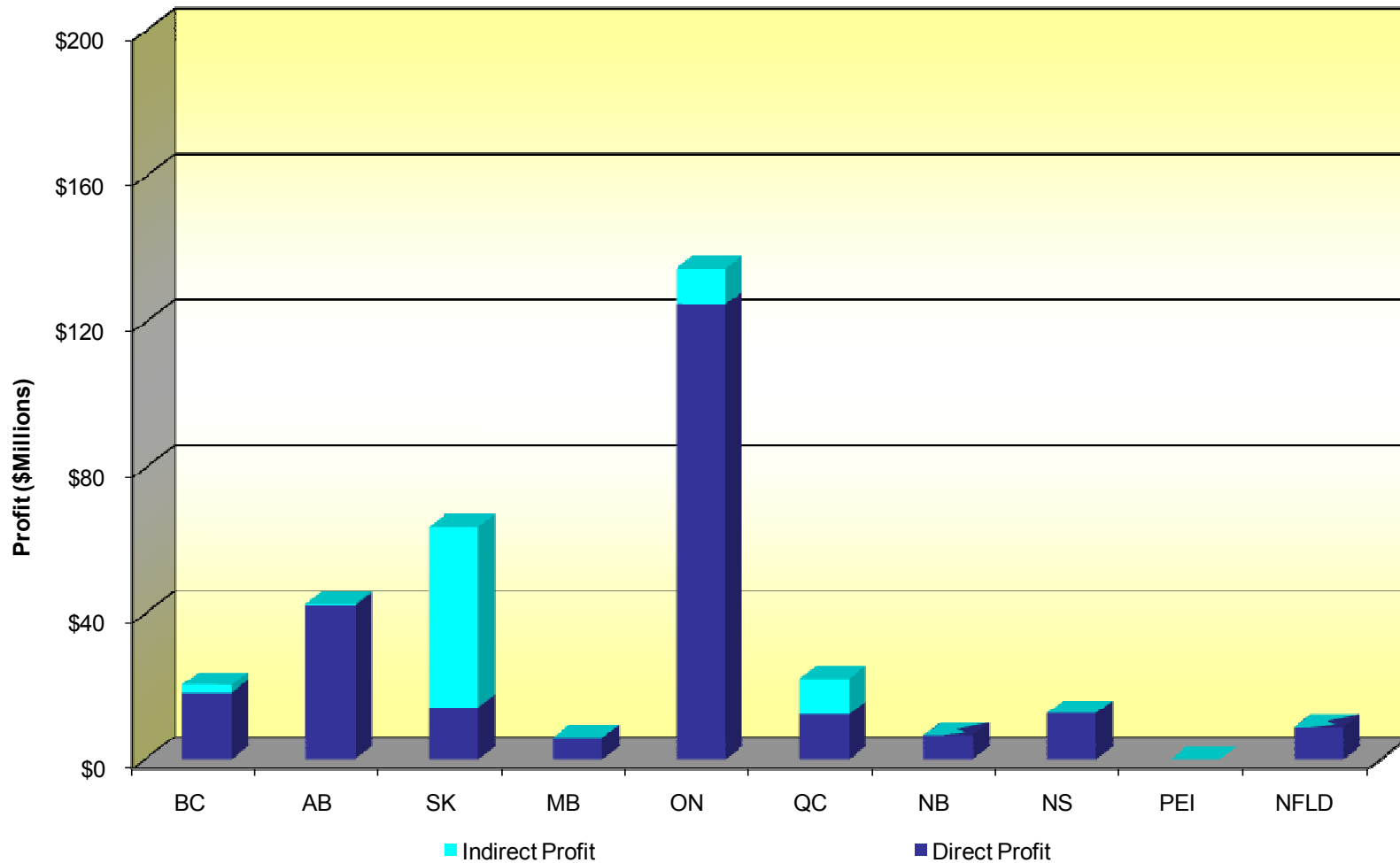
## Direct & Indirect Charity Profit From Lotteries - All Canada



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# Provincial Charity profit – by sector, Lotteries

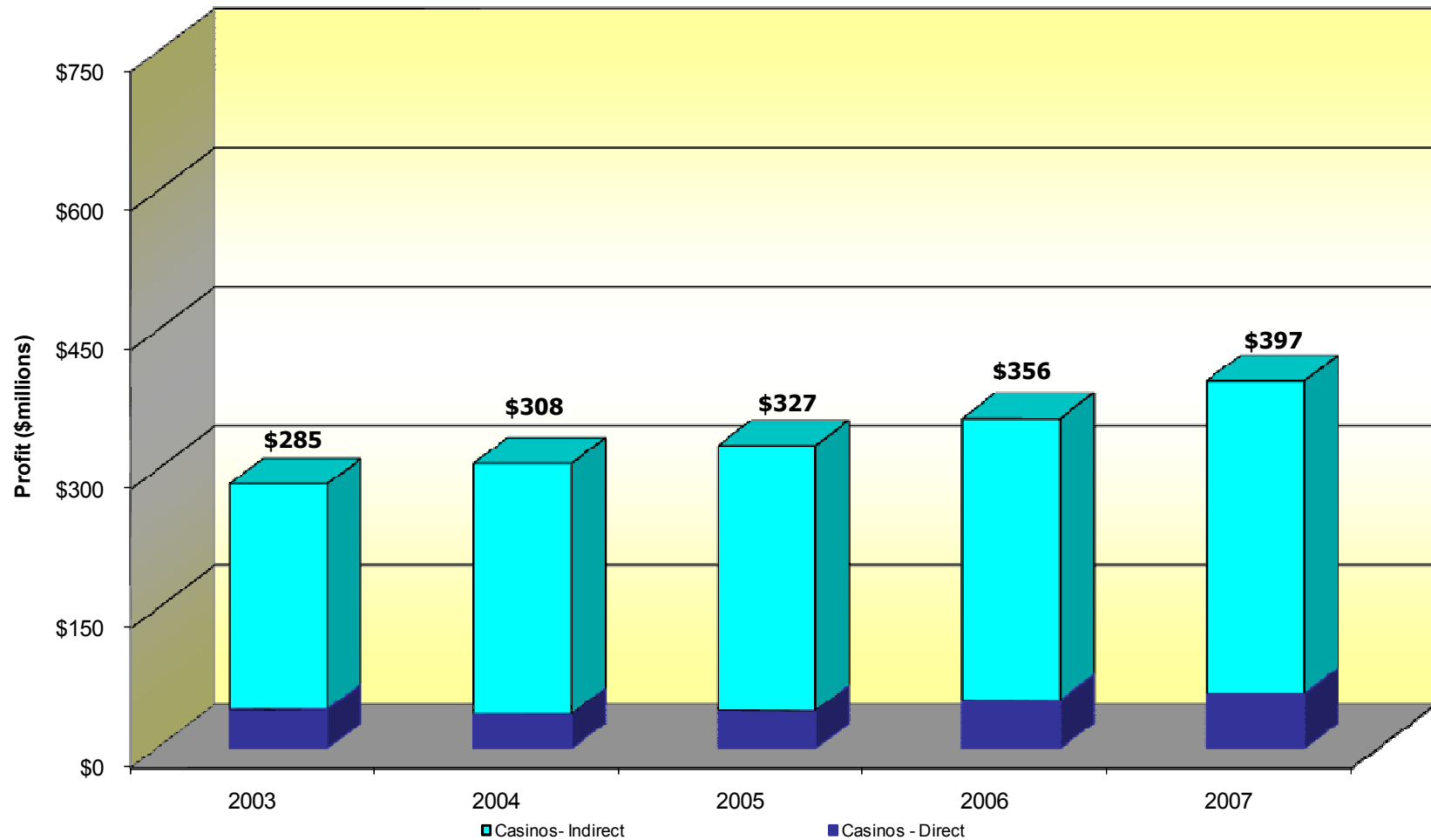
## Direct and Indirect Profit - Lotteries (2007)



Source: HLT Advisory Inc. based on data from various provincial government/agencies: annual reports, discussions with government officials, and HLT estimates..

# CND Charity Gaming profit – by sector, Casino

## Direct & Indirect Charity Profit From Casinos - All Canada



Source: HLT Advisory Inc. based on data from various provincial government/agencies: annual reports, discussions with government officials, and HLT estimates..

## Provincial Charity profit – by sector, Casino

<b>Casino Sector Direct and Indirect Charity Profits (2007)</b>			
	Direct	Indirect	Total
BC	\$0.7	\$91.8	\$92.5
AB	\$58.1	\$140.0	\$198.2
SK	\$0.1	\$0.0	\$0.1
MB	\$0.1	\$0.0	\$0.1
ON	\$0.0	\$105.0	\$105.0
QC	\$0.0	\$0.0	\$0.0
NB	\$0.1	\$0.0	\$0.1
NS	\$0.0	\$0.0	\$0.0
PEI	\$0.0	\$0.0	\$0.0
NFLD	\$0.6	\$0.0	\$0.6

*Source: HLT Advisory Inc. based on data from various provincial government/agencies: annual reports, discussions with government officials and HLT estimates.*

# What is the future of Charity Gaming in Canada?

While Charities share of gaming revenue (win) has been declining, total profit has been stable.

- Should Charities have a bigger role in gaming?

Is it more important how Charities participate or just the amount of profit that they receive?

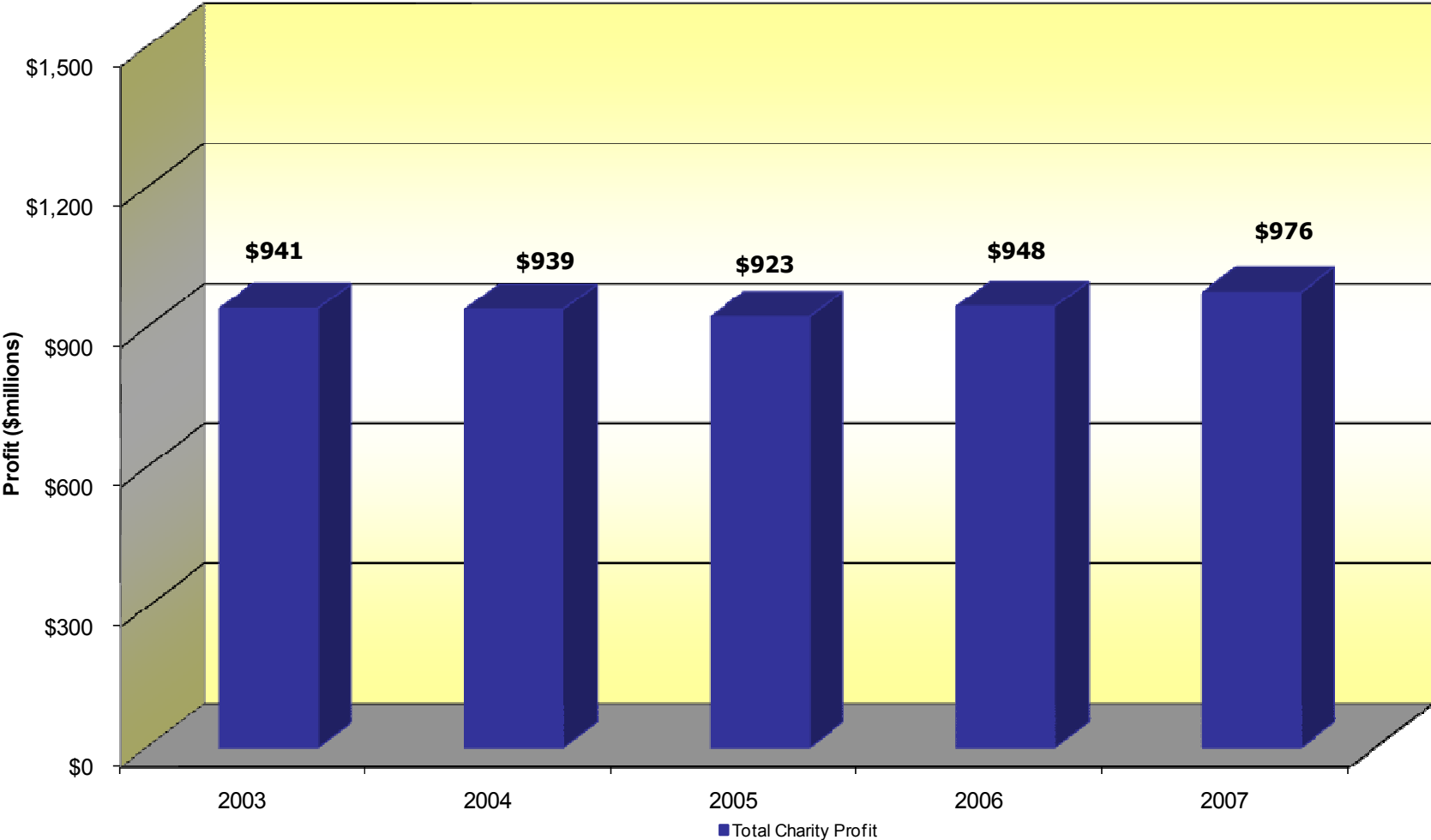
- For instance, should Charities operate all Charity gaming activity?

How do Charities maintain a meaningful role in the Canadian gaming industry ?

- Charities must be a part of province-wide gaming strategies
- Have to convey current place and define future place

# CND Charity Gaming profit - total

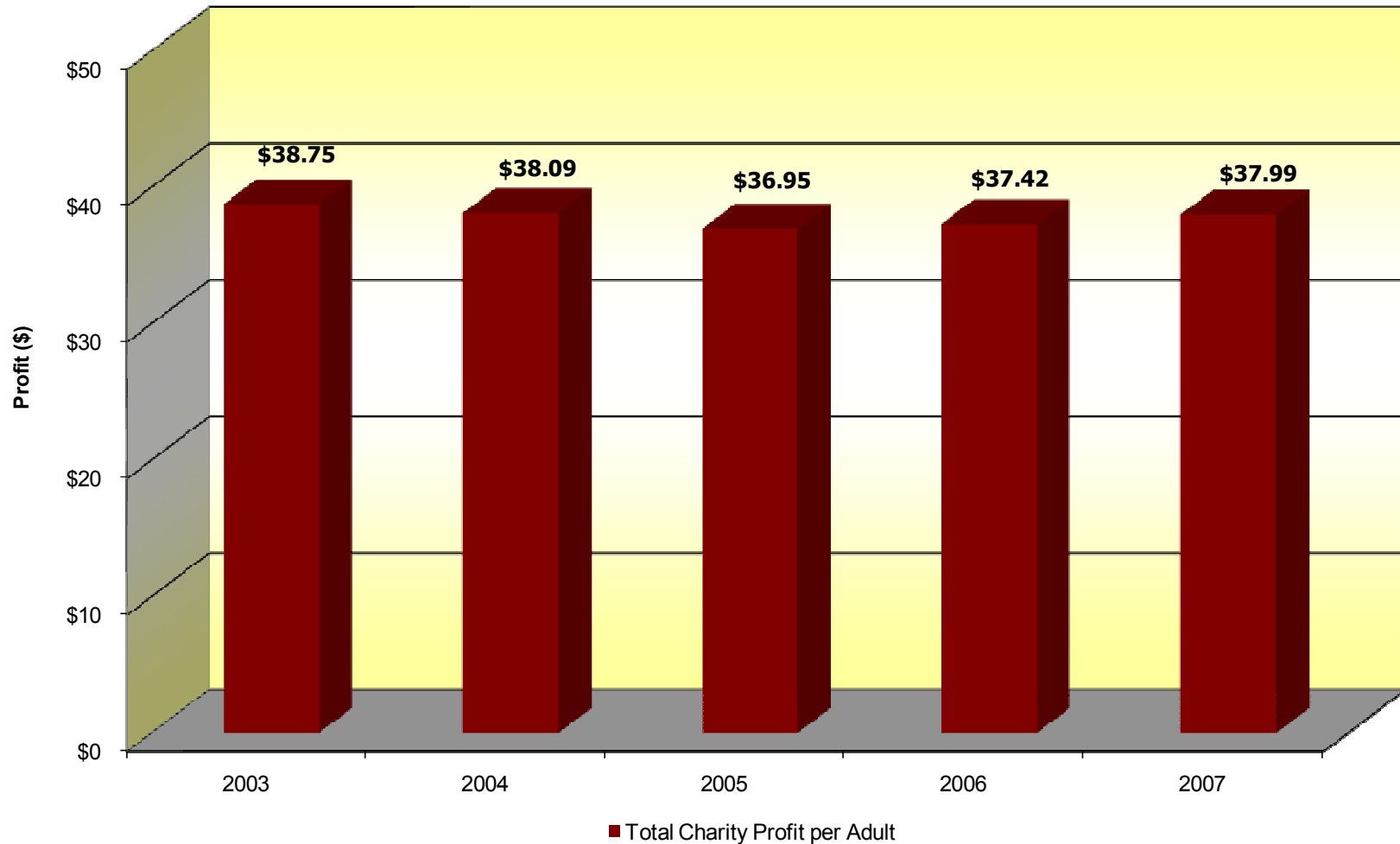
## Total Charity Profit - All Canada



Source: HLT Advisory Inc. based on data from various provincial government/agencies: annual reports, discussions with government officials, and HLT estimates.

# CND Charity Gaming profit – total profit per capita

## Total Charity Profit per Adult - All Canada



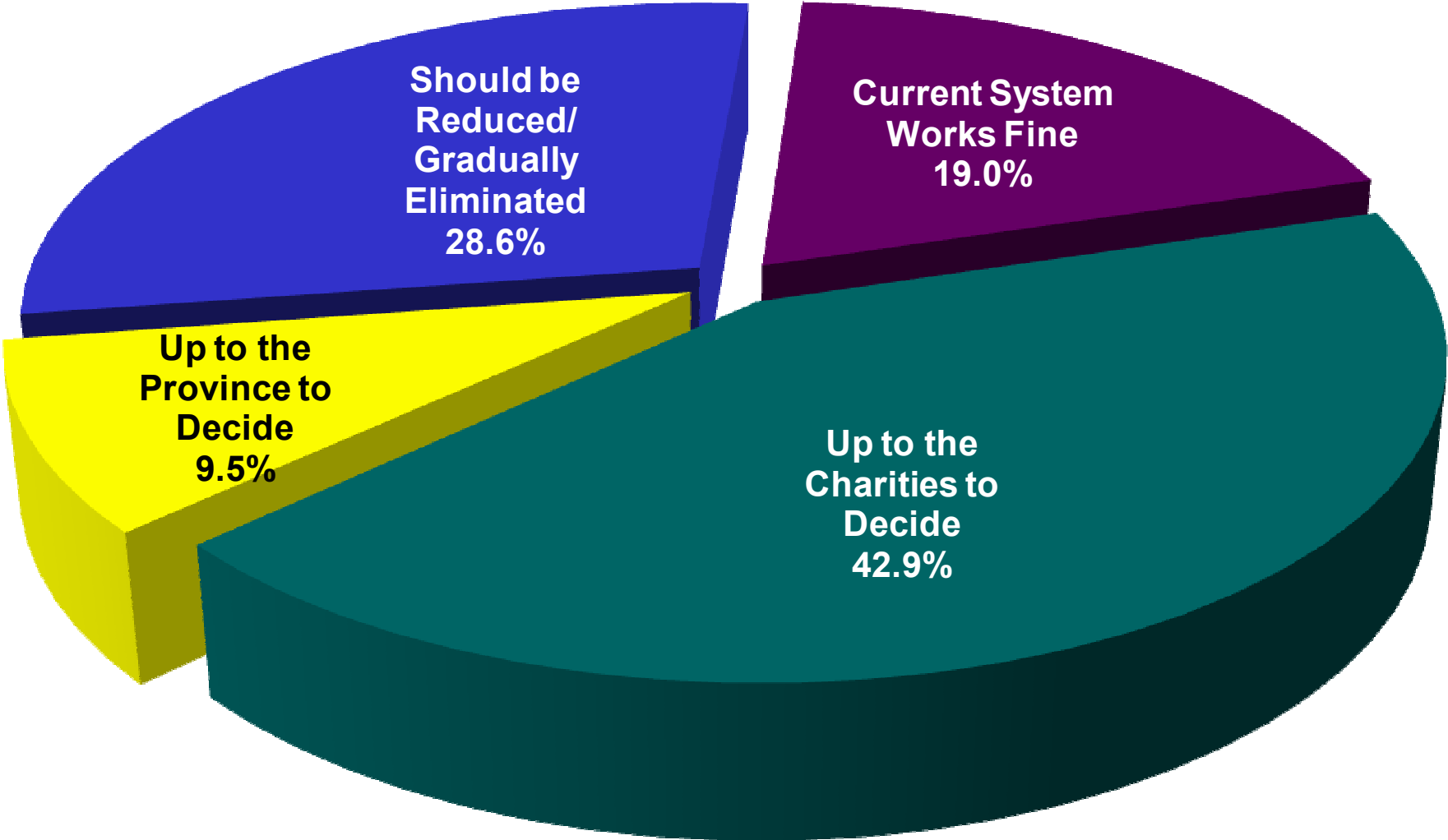
Source: HLT Advisory Inc. based on data from various provincial government/agencies: annual reports, discussions with government officials, and HLT estimates..

# CND Charity Gaming profit – total profit per capita

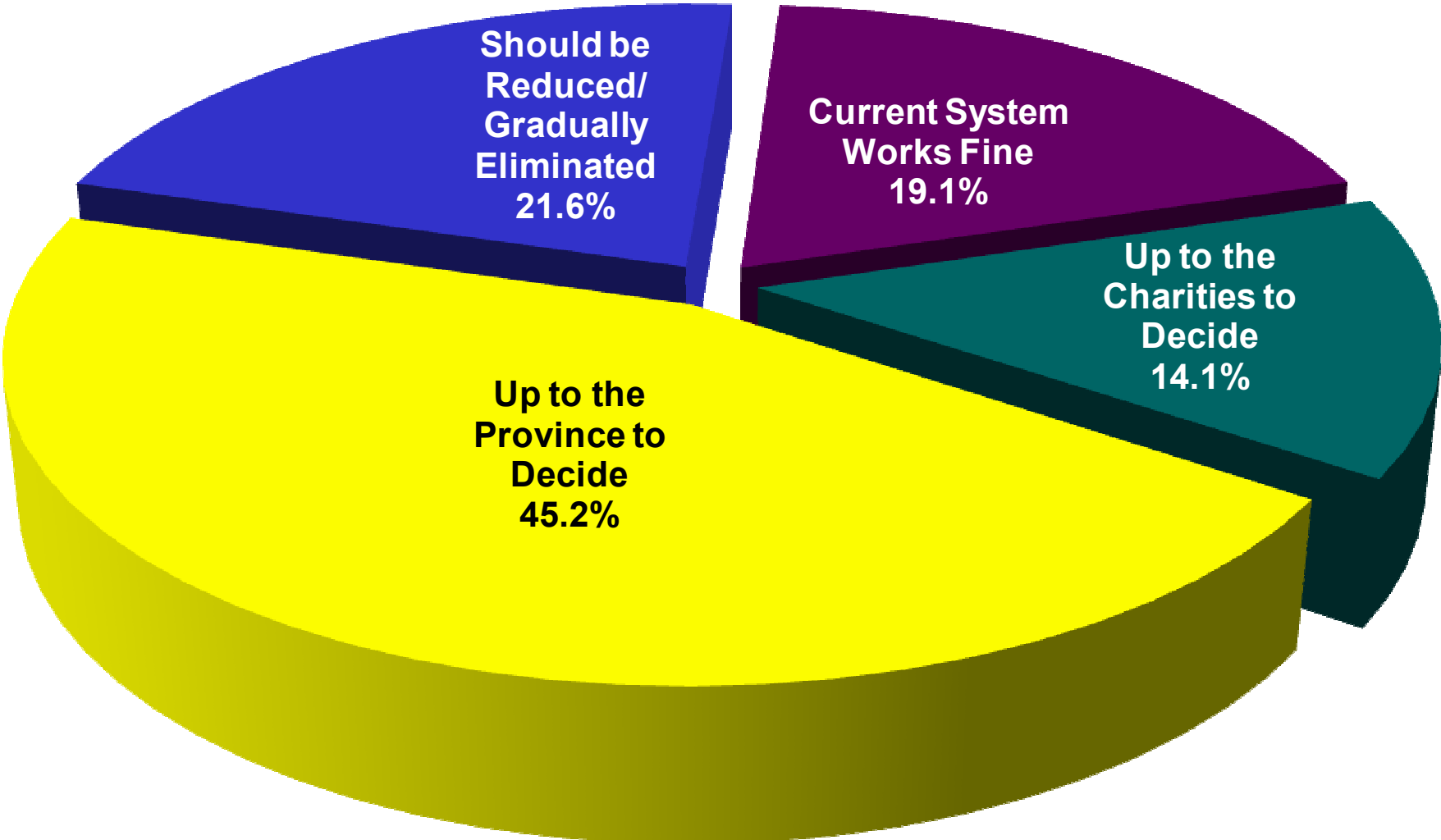
<b>Total Charity Gaming Profit per Adult by Sector - Canada</b>					
	2003	2004	2005	2006	2007
<u>Total</u>					
Bingo	\$15.22	\$12.82	\$11.54	\$11.14	\$9.72
Lottery	\$11.50	\$12.53	\$12.02	\$11.86	\$12.39
Casinos	\$11.74	\$12.48	\$13.08	\$14.05	\$15.44
Other	\$0.29	\$0.27	\$0.31	\$0.25	\$0.44
<b>Total</b>	<b>\$38.75</b>	<b>\$38.09</b>	<b>\$36.95</b>	<b>\$37.30</b>	<b>\$37.99</b>

*Annual Demographics Statistics, data from various provincial government/agencies: annual reports, published reports, discussions with government officials, and HLT estimates.*

# What role should Charities have in the Operation of gaming? (Charity responses)

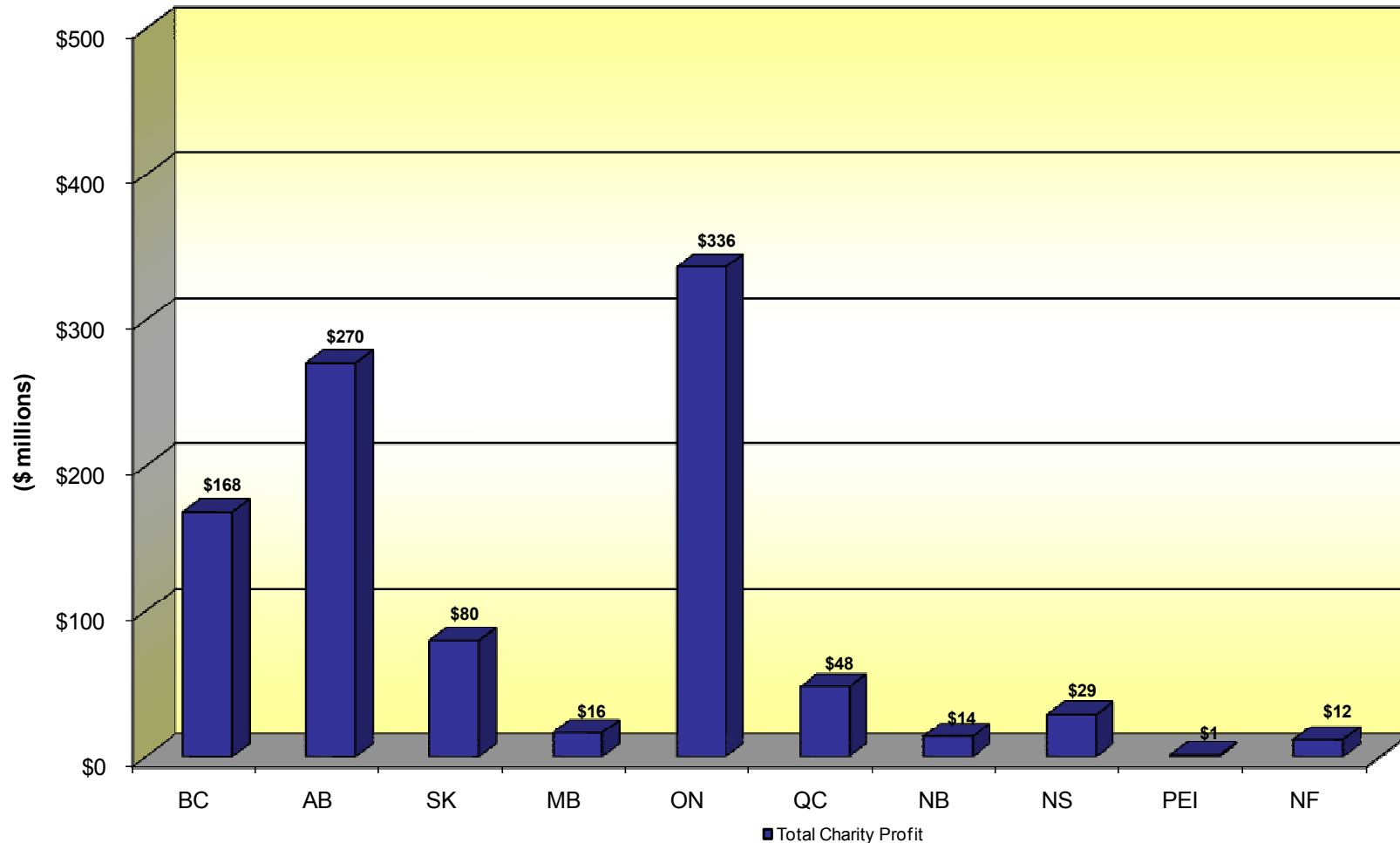


# What role should Charities have in the Operation of gaming? (Non-Charity responses)



# Provincial Charity profit – total

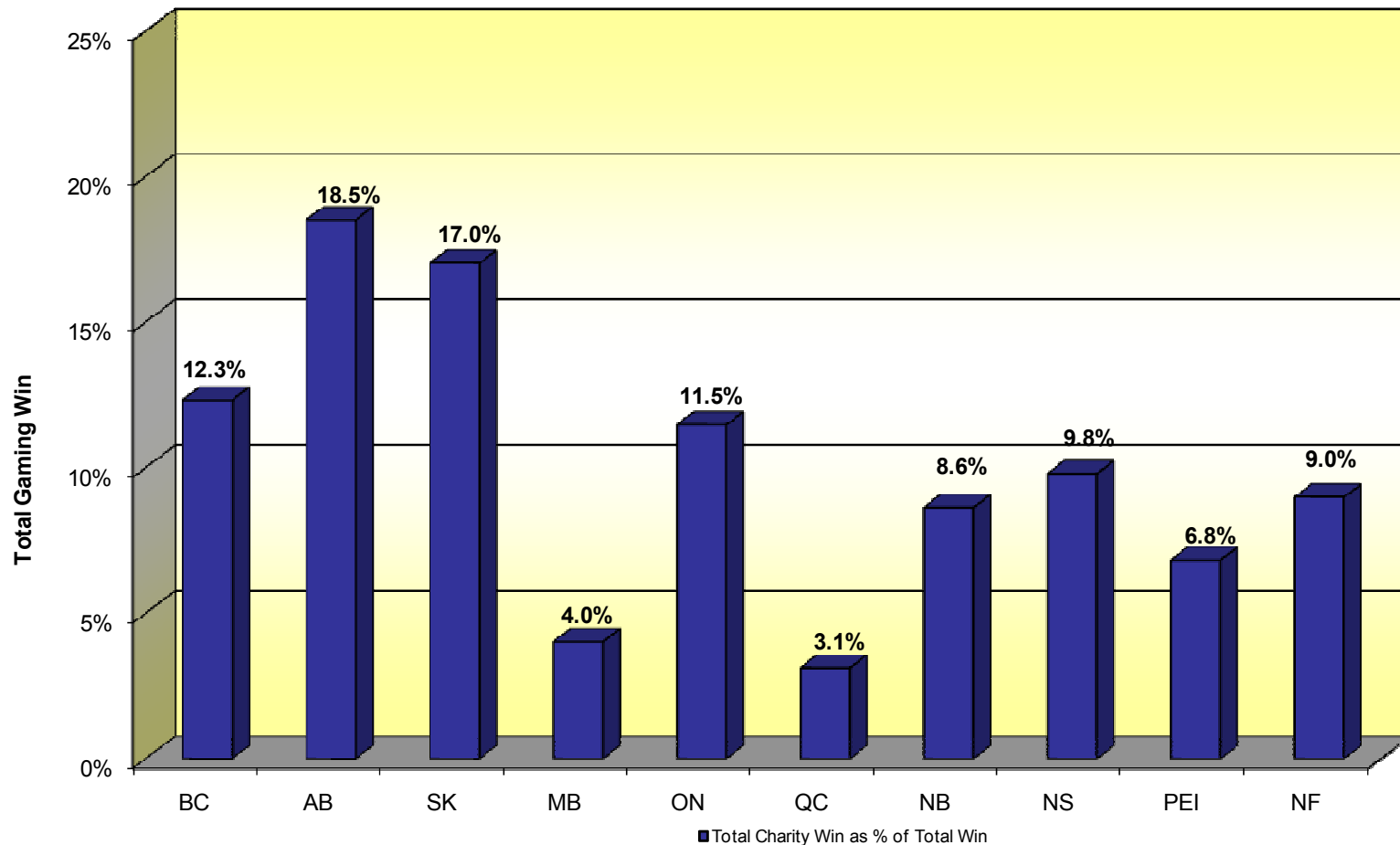
## Total Charity Profit by Province (2007)



Source: HLT Advisory Inc. based on data from various provincial government/agencies: annual reports, discussions with government officials, and HLT estimates..

# Charity involvement is not consistent across Canada

**Total Charity Win as % of Gaming Win by Province (2007)**



Source: HLT Advisory Inc. based on data from various provincial government/agencies: annual reports, discussions with government officials, and HLT estimates..

# Charity involvement is not consistent across Canada

<b>Total Charity Profit by Gaming Sector 2007 (\$Millions)</b>					
	Bingo	Lottery	Casinos	Other	Total
BC	\$54.6	\$20.4	\$92.5	\$0.8	\$168.4
AB	\$29.6	\$42.7	\$198.2	\$0.0	\$270.4
SK	\$11.2	\$63.9	\$0.1	\$5.0	\$80.1
MB	\$10.4	\$6.0	\$0.1	\$0.0	\$16.5
ON	\$96.5	\$135.0	\$105.0	\$0.0	\$336.5
QC	\$25.9	\$22.2	\$0.0	\$0.0	\$48.1
NB	\$7.2	\$6.7	\$0.1	\$0.0	\$14.0
NS	\$10.8	\$12.7	\$0.0	\$5.5	\$29.0
PEI	\$1.2	\$0.0	\$0.0	\$0.0	\$1.2
NFLD	\$2.2	\$8.8	\$0.6	\$0.0	\$11.6

*Source: HLT Advisory Inc. based on data from various provincial government/agencies: annual reports, discussions with government officials and HLT estimates.*

# Charity involvement is not consistent across Canada

<b>Charity Profit Per Adult by Gaming Sector 2007</b>					
	Bingo	Lottery	Casinos	Other	Total
BC	\$15.8	\$5.9	\$26.7	\$0.2	\$48.6
AB	\$11.0	\$15.9	\$73.9	\$0.0	\$100.8
SK	\$15.0	\$85.7	\$0.1	\$6.7	\$107.5
MB	\$11.4	\$6.6	\$0.1	\$0.0	\$18.2
ON	\$9.8	\$13.7	\$10.6	\$0.0	\$34.1
QC	\$4.2	\$3.6	\$0.0	\$0.0	\$7.8
NB	\$12.1	\$11.2	\$0.1	\$0.0	\$23.4
NS	\$14.7	\$17.1	\$0.0	\$7.4	\$39.2
PEI	\$11.4	\$0.0	\$0.0	\$0.0	\$11.4
NFLD	\$5.5	\$21.7	\$1.5	\$0.0	\$28.8

*Source: HLT Advisory Inc. based on data from various provincial government/agencies: annual reports, discussions with government officials and HLT estimates.*

# Questions?

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