

MEDIA ADVISORY FOR IMMEDIATE RELEASE

August 12, 2009

Government freeze on gaming funds has repercussions to hundreds of thousands of BC residents and may be an illegal action.

Volunteers' sweat equity laid the foundation for casinos, bingo halls and now community gaming centres throughout the province with the goal that a "**guaranteed percentage of those revenues would be allocated to local community organizations and charities.**" Instead, the government has now frozen direct access funds without warning and is "profiting from the hard work and good faith of those same volunteers," said BC Association for Charitable Gaming (BCACG) President Susan Marsden. "And now it seems that all of the government gaming grant programs are under review." The decision will impact all of the sectors, according to an email forwarded to the BCACG from **Ursula Cowland, the Executive Director, Licensing and Grants Division, Gaming Policy and Enforcement Branch** of government.

Initially, the province froze **\$36 million in grants from lottery and gaming revenues**, called direct access funding, to arts, sports and community groups all over B.C. in late July. Now, these groups are facing serious budget and program cuts as a result. Many charities and NGOs have already spent program dollars anticipating those funds.

Unfortunately, the BC Association of Charitable Gaming was not informed of this freeze nor were the grant recipients who learned the news through recent media articles. Funds were frozen despite the fact that gambling revenue has risen in BC. *In B.C., revenues from government-run gambling rose last year to \$1.962 billion, up from \$1.919 billion in 2007.* --Vancouver Sun Thursday July 23, 2009

The BCACG, which represents organizations receiving gaming funding, has repeatedly asked the government's Gaming Policy and Enforcement Branch (GPEB) to ensure that it is kept informed of changes in policy and issues of importance to its members.

BCACG President Susan Marsden says the government has shown "a profoundly disrespectful attitude, bordering on disdain, to the nearly 7,000 charities across the province providing a wide range of services to hundreds of thousands of BC citizens." This will affect everyone from youth soccer leagues to theatres and First Nations programs, she added. (See more on the **Human Cost to this Funding Freeze** on page 2 of release.)

GPEB has failed to consider its moral and possibly legal obligations, Marsden stated. "We are researching the legal ramifications of the government's decision to freeze committed funds. The Gaming Control Act (legislation) stipulates a portion of gaming funds must be dispersed to organizations." (See **Memorandum of Understanding** attached.)

Charities were not informed beforehand nor are they being provided with information even now in the face of so many queries, said Marsden. "Government is offering vague assertions about a policy statement in the near future. If this government believes the hundreds of thousands of volunteers who work with charities and the communities that benefit from their services will forget this action," she said, "then they have clearly lost touch with their constituents."

In response to this drastic measure, the BCACG is asking its 2,000 plus member charities and other organizations across the province to inform the BCACG of the freeze consequences to their organizations and the people they serve. "If the government extends this freeze beyond August 2009 or unthinkably, refuses to disperse the funds they have committed, then long-term effects may mean program cancellation and organization collapse in addition to legal action,"

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Marsden predicted. "This government is ignoring the basic responsibilities of democracy - namely to reflect the will of its citizens and to treat them with respect."

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*BCACG Mandate: The BCACG is a registered non-profit society that provides a collective voice on behalf of all organizations in the Province of British Columbia with a history of applications for gaming licenses and/or direct access to charitable gaming funding, in order to represent their interests, issues and concerns on all charitable gaming activities, policies, regulations and procedures, and to participate actively in any processes and decisions that impact on any of these interests, issues and concerns.*

**HUMAN COST OF THE DIRECT ACCESS FREEZE ACROSS THE PROVINCE**

1. "With cuts to BC Arts Council funding already in the budget and now possible cuts to gaming funds, the Museum of Northern BC will have to significantly reduce or cancel entirely its programming for visitors to Prince Rupert and for the community itself. **Forty thousand tourists** annually will have a significantly reduced visitor experience and the cruise ship industry and tourism in general will be seriously impacted. **The Premier has told us that he holds this museum in high regard** and he has said on numerous occasions that he believes strongly in the value of arts and culture and understands its role in tourism, one of the province's leading industries. The Ministry of Tourism, Culture & the Arts has placed cultural tourism near or at the top of its agenda, especially given the upcoming Olympics. The freeze to Direct Access and the governments refusal to state its intentions is such an about face that it takes your breath away.

In Prince Rupert alone there are **forty charitable organizations that rely on gaming funds** to provide services. The loss of gaming funds would see the annual **Jazz Dancing Festival** that hosts dancers from the entire province cancelled. Services for children such as the **Growing Space and eight Parent Advisory Councils would cease to exist**, and minor soccer, basketball, hockey and swimming and skating clubs would all have little or no funding to operate. It was Prince Rupert's charitable organizations that secured the land and city council's approval for a new Community Gaming Centre. We all worked side by side to move from a bingo hall to a gaming centre and now we are ignored and stand the risk of being refused our promised percentage of the revenue. As one lifelong volunteer said yesterday, 'They are squeezing us out bit by bit.'" -Robin Weber, Director Museum of Northern BC p. 250-624-3207 x.22 email: [rweber@citytel.net](mailto:rweber@citytel.net)

**2. Homeless, Vulnerable and Gaming Revenues**

"If Gaming funds were cut off, the **Victoria Cool Aid Society** would be forced to close the Downtown Community Centre and all of its programming that **serve thousands of people annually, including daycare kindergym, sports and recreation programming for low-income youth and adults**, free computer and Internet access for the public, youth emergency shelter, gym rentals, \$5/month voicemail rentals and the court yard. Cool Aid's emergency shelter programs would have to **cut 22,500 hot, nutritious meals annually for individuals who are homeless**. A gaming freeze would constrain our ability to build new services to help end homelessness such as the ACCESS Health Centre, which will provide primary health care services to thousands of individuals annually."

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3. "Donations to the **Heart Lung Association, cancer research, Salvation Army, St. Vincent de Paul, Hospice, Phoenix House, local relief to individuals, and travelling expenses for kids to get medical attention will be non-**

**existent** if they lose their funding. In April, they received \$40 000 for the year. What are all these people going to do? There are so many people out there who need help.” – Kathy Haynes **Benevolent Protective Order of Elks #122** Prince George, BC, Royal Canadian Legion, 1335-7th Avenue, Prince George, BC, Ph. (250) 562-5522 Lounge Ph. (250) 562-2333

4. “I am shocked by this move to freeze Direct Access funding crucial to non-profits across the social services sector. **Hospice programs would be cut without it.** We urge the government to remove the freeze and continue to assist us in providing vital services that contribute to the health and strength of our community.” -Wendy Pratt, Executive Director, Nanaimo Community Hospice Society, 1729 Boundary Avenue, Nanaimo V9S 4P3 Tel: 250-758-8857 Fax: 250-758-8502 [wendyp@nanaimohospice.com](mailto:wendyp@nanaimohospice.com) [www.nanaimohospice.com](http://www.nanaimohospice.com)

5. “With the support of BC Gaming Direct Access funding, Bridges for Women Society is able to provide life-changing services to **hundreds of women impacted by abuse and trauma.** We are deeply concerned that funding for PACs, arts and sports agencies may be facing a funding freeze. The BC Gaming Commission funding goes to support a vast number of children, youth and families in our province every year. It is important that any changes to the fund are made with respect to and in consultation with the associated member groups.” -Jan Bate, Executive Director, Bridges for Women Society 320 - 1175 Cook Street, Victoria, BC V8V 4A1 Ph: (250) 385-7410 ext 24 Fx: (250) 385-7459 [www.bridgesforwomen.ca/news.html](http://www.bridgesforwomen.ca/news.html)

6. “**School Parent Advisory Groups are very dependent on gaming funds.** By freezing the funds, we will be unable to offer the social and extra curricular life at school for our students. We all know that School Districts have cut back to the bone and there is **no extra funding for such things as field trips, swimming, curling, golfing, student yearbooks, as well as equipment for sports and music groups.** We want to see our students achieve not only in academics but also by being socially responsible. Many rewards we provide cost money and of course the school does not have an extra dime to spare so who will suffer???? During lunch, breaks and afterschool such activities such as **music, yearbook, journalism, photoclub, volleyball, basketball, curling,** and many more are what our students become involved in and this takes more than dedicated teachers to offer such activities. It takes money. Would you rather see our students wandering the streets during their breaks and afterschool or busy with an arranged activity? This is what our Gaming money is used for.” -Mona McNalley, [mcnalley@shaw.ca](mailto:mcnalley@shaw.ca)

7. “There has been a profoundly disrespectful attitude bordering on disdain on the part of the government of BC vis a vis the 6000 charities across the province who provide a wide range of services to hundreds of thousands of BC citizens. The failure of the government to consider its moral and possibly legal obligations, its failure to inform charities beforehand, its refusal to provide information even now in the face of so many queries, and its empty assertions that it will make a statement in the near future, all show that this government has forgotten or is ignoring the basic responsibilities of a democratic government - namely to reflect the will of its citizens and to treat them with respect. If this government is calculating that the hundreds of thousands of people volunteering and working in charities and benefiting from their services will forget about its attitude and actions, then they have clearly lost touch with their constituents. We are currently asking charities across the province to inform us of their situations and the consequences of the freeze to date to their organization and the people they serve, as well as the long term effects if the government extends this freeze beyond August 2009, or unthinkable, refuses to disperse the funds they have committed. We are also currently researching the legal ramifications of the government’s decision to freeze committed funds.” –Susan Marsden, President, BC Assoc. for Charitable Gaming p. 250-624-6820 [jbird@citytel.net](mailto:jbird@citytel.net)

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This document dated for reference the 17<sup>th</sup> day of JUNE, 1999.

## Memorandum of Agreement on Gaming Policy

Between:

**The B.C. Association for Charitable Gaming (BCACG)**

and

**The Government of British Columbia (the Province):**

The Province and the BCACG have agreed to govern their relationships with respect to gaming issues according to the following principles:

The Province:

- affirms the role of licenced charities as the sole beneficiaries of bingo gaming, including both paper and electronic bingo;
- affirms that charities have exclusive domain over all bingo activities, subject to licencing by the Gaming Commission, and subject to the provisions of the federal *Criminal Code*;
- will pursue changes to the gaming provisions of the federal *Criminal Code* to provide greater legal certainty for the continuing key role of licenced charities in charitable gaming;
- will pursue changes to the gaming provisions of the federal *Criminal Code* to permit the broad use of technology in bingo by licenced charities, so that licenced charities can have exclusive domain over all bingo activities;
- reaffirms its commitment to the existing charitable guarantee of a minimum \$125 million annually, indexed annually at the rate of Vancouver CPI, with a formula that ensures charity entitlement to an amount, after accounting for retained bingo revenues, equal to 1/3 of ongoing government net community casino gaming revenue;
- affirms that the existing bingo facility-level guarantee will remain in effect for an interim period to be determined by the Gaming Commission in meaningful consultation with licenced bingo charities;
- affirms that the British Columbia Gaming Commission is the sole licencing authority for charitable gaming;

- affirms that the "public foundation" licencing model recommended in the White Paper will not be pursued;
- will consult in a meaningful way with charities in the development of gaming policy changes that may affect charities;
- will consult in a meaningful way with charities regarding the form and content of gaming legislation before it is introduced into the Legislature; and
- reaffirms its commitment that video lottery terminals will not be permitted in British Columbia.

The BCACG intends to:

- actively and cooperatively work with the Province in the development of comprehensive gaming legislation;
- actively and cooperatively work with the Province in the support of negotiations with the federal government to achieve changes to the gaming provisions of the federal *Criminal Code* as contemplated in bullets three and four on the previous page.

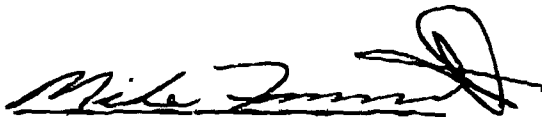
The Province and BCACG intend to:

- bring resolution to existing and future disputes through negotiations, where possible, and in a manner consistent with the principles of this Agreement.

These principles will govern the parties' actions with respect to gaming henceforth, and until legislation consistent with these principles is passed in the Legislature.



Robert MacInnes  
President of BCACG



Mike Paraworth  
Minister of Employment and Investment