



# CANADIAN GAMING ASSOCIATION

March 11, 2021

The Honourable Members of the Standing Committee for Justice and Human Rights  
Sent via email

*Re: Bill C-218, An Act to amend the Criminal Code (sports betting)*

Dear Honourable Members of the Standing Committee for Justice and Human Rights,

The Canadian Gaming Association (CGA) is a national trade association that works to advance the evolution of Canada's gaming industry. The association's mandate is to promote the economic value of gaming in Canada; use research, innovation, and best practices to help the industry advance; and create productive dialogue among stakeholders.

We work cooperatively with our stakeholder partners at the provincial lottery and gaming corporations and provincial regulatory agencies on issues of common cause as the provinces are responsible for how gaming is conducted and managed within their borders.

## **Provincial Support for Amendment**

The Provincial governments along with Canada's gaming industry have been seeking an amendment to the Canadian Criminal Code to permit wagering on a single sporting event for the past 10 years. The first provincial government requested this amendment back in 2009. Since that time, tens of billions of dollars have been channeled to illegal bookmaking operations run by organized crime or to offshore online sportsbooks, which represent a very significant stream of incremental revenue which could be funding important public priorities within Canadian provinces.

In 1985, the Government of Canada and the Provinces entered into an agreement regarding the conduct and management of gaming. Under this agreement, the federal government agreed to *"refrain from re-entering the field of gaming and betting ... and to ensure that the rights of the Provinces in that field are not reduced or restricted."*

Over the past 35 years Canadian provinces have worked to create a responsible, safe and highly regulated gaming marketplace. Through the development of strong operational controls and world-leading responsible gaming programs, the provinces have the expertise and experience to effectively offer an expanded sports wagering product. Provinces have backed the three previous attempts to amend the Criminal Code to permit single-event wagering as they saw the need to provide a legal and regulated alternative to the increasing volume of illegal sports wagering. The inability of Parliament to act on the repeated requests of the Provinces is the reason we are still without an amendment more than a decade later.



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## **Broad Stakeholder Support**

Support for this initiative goes well beyond the gaming industry and the provincial governments. Additional committed stakeholders include organized labour through Unifor and the Canadian Labour Congress; business organizations such as the Canadian Chamber of Commerce and numerous provincial and community chambers; sports organizations such as Soccer Canada, the International Olympic Committee, and the Canadian Centre for Ethics in Sport; and law enforcement, dozens of mayors and community leaders across Canada, Canada's horse racing industry and Canadian and North American professional sports leagues.

## **Benefits of the Gaming Industry to Our Economy**

Canada's gaming industry is present in every region of the country and more than 100 Members of Parliament have a major gaming facility in their community. Canada's \$17 billion gaming industry returns over \$9 billion annually to provincial and municipal governments and First Nations each year. It is a positive contributor to the Canadian economy with an average industry salary of over \$65,000 per year.

The majority of goods and services needed to sustain gaming operations are produced and/or offered in Canada. This ranges from printing and publishing to communications, business and professional services, electrical and electronic products, food and beverage, transportation, finance, insurance and real estate services, as well as the construction of facilities and the purchase of capital equipment.

Pre-COVID, the chain reaction created through the purchase of goods and services needed to sustain casino operations was worth \$14.6 billion annually or \$1.2 billion each month.

In addition to the gaming revenue generated, a further \$1.0 billion comes from non-gaming revenue, through meals from our restaurants; shows in our theatres; room bookings, conferences and meetings in our hotels; and shopping at retail stores on our properties. This too is threatened.

## **COVID-19 Impacts**

Canada's gaming operators are strong partners with their provincial governments and local communities, generating \$9.2 billion annually or \$765 million monthly for government services, local municipalities, and charitable causes.

Pre-COVID, every month we paid close to \$1 billion in wages to over 180,000 employees. Currently, the loss of these wages has a significant impact in broader local economies, specifically the small-and-medium-sized businesses we buy goods and services from.

As a result of the closures of Canada's gaming facilities in March 2020, almost 90,000 frontline employees have been unable to return work. For the past year much of the industry has been closed or operating with severely restricted capacities. None of British Columbia's gaming facilities have reopened in the past year and in Ontario, properties were closed an average of more than 200 days in the past year. Those that did open were (and still are) limited to 50 customers which is not economically viable.



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This has impacted communities and families throughout the country. It is critically important that we take steps to position ourselves to bounce back from this crisis in an economically viable and sustainable way. This extended shut down has placed our employers in a very perilous predicament and urgent action is required to help them recover.

The actions taken to plank COVID-19, such as closing Canada's borders to international visitors, suspending international flights, and the mandatory shutdown of convention centres, restaurants and entertainment venues – all of which are gaming amenities – have detrimentally impacted the gaming industry.

We are part of the broader hospitality and tourism sector in Canada and like all sectors, we will require tools to pull ourselves out of the economic devastation of COVID and into a sustainable recovery. Sports betting is such a tool.

## **C-218 Offers Protection for Consumers**

Consumers have made it clear that they prefer single-event betting as they've wagered \$14 billion annually through offshore websites and illegal bookmaking operations run by organized crime compared with \$500 million through legal sports lottery products offered by the provinces.

Canadians will continue to place wagers in this manner because they don't have access to a safe and regulated option. Just to be clear – legal parlay bets amount to less than four percent of the total wagered everyday by ordinary Canadians on single events. The vast majority of bets are being placed with offshore operators or with organized crime.

Giving the provinces the ability to create strong regulatory standards and enforcement is the only way to ensure sports wagering is delivered with the proper level of controls and supervision. This includes:

- Age and identity verification to ensure minors cannot participate.
- Information & data sharing between sports organizations, sport book operators, gaming regulators and law enforcement to protect the integrity of matches and prevent match fixing.
- Prohibition on players, coaches and officials from wagering on sports.
- Standards for advertising and marketing and the offering of odds.
- Access to responsible gambling tools and self-exclusion options.

It is only through the regulation of this activity that we can bring it out from the shadows and into the light where we can ensure that proper player protections are available, the bets are fair, and the activity is safe.

As the Responsible Gambling Council noted, Canada is a leader in responsible gambling thanks to the strong regulatory framework employed by our provinces and territories for legalized land-based and online gambling that puts consumer safety and clear accountabilities front and centre. Canada's approach



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to and investment in preventing gambling harms as a public health issue has led to the creation of a safe, sustainable gambling industry.

The amendment to the Criminal Code for single-event sports betting is long overdue. Passing C-218 will ensure the Provinces are able to continue to offer safe and responsible gaming environments for the benefit of everyone who enjoys this form of entertainment and who works to provide it.

We have included the following documents with our submission:

- CGA C-218 Fact Sheet
- 2017 National Economic Benefits of Canada's Gaming Industry Summary
- Responsible Gambling Programming: A Cross-Canada Review
- 2019 Criminal Intelligence Service Report

Thank you for your consideration of this submission.

Sincerely,

Paul Burns  
President & CEO  
Canadian Gaming Association