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Ms. Yvonne Fritz,
MLA for Calgary Cross
Chair, MLA Review Committee
Charitable Gaming Licensing Eligibility
and Use of Proceeds

Dear Madam:

Re: Review of Policies Regarding Charitable Gaming Licensing
Eligibility and Use of Gaming Proceeds

Honourary Directors

Ken Fiske
Cathy (Borst) King
Wendy Kinsella
Patrick LaForge
John Ramsey
Dr. Robert Steadward D.C.
R.J. (Bob) Wasylyshen
Jim Wheatley, Q.C.

On behalf of the Edmonton Sport Council, I wish to thank you for the opportunity to participate in the review of policies dealing with eligibility criteria for gaming licences, and the allowable uses of charitable gaming proceeds by charitable groups.

At this time the Edmonton Sport Council respectfully submits our written presentation for your consideration and action. Should you wish to further discuss our presentation, representatives of the Edmonton Sport Council would be most pleased to meet with you and any other representatives of the Province of Alberta.

Respectfully,

Karl Delaronde,
Chair
Board of Directors

Executive Summary

The Edmonton Sport Council (ESC) represents over 170 sport organizations based in Edmonton, including some 35 provincial sport organizations.

The Edmonton Sport Council believes that Alberta, and organizations that contribute to Alberta's quality of life, require a solution made in Alberta. At the present time the Alberta Gaming and Liquor Commission states that gaming licensing and use of gaming revenue is limited by the *Criminal Code* (Canada), Canada Customs and Revenue Agency, and case law which has defined which organizations can obtain registered charity status.

The Edmonton Sport Council at this time presents that the Government of Alberta and its agents have established a newer definition as to what is charitable in Alberta. Through the *Charitable Fund-raising Act* (Alberta), this definition complies with the *Constitution Act* (Canada), the *Criminal Code* (Canada), the *Gaming and Liquor Act* (Alberta), and *Gaming and Liquor Regulation* (Alberta). The Edmonton Sport Council therefore presents, that Alberta Gaming policy on eligibility and use of gaming revenue needs to be brought in line with this reality.

Notwithstanding the deliberations of what purposes are (or should be) charitable, the Edmonton Sport Council believes that enhanced funding for sport and recreation through gaming eligibility and expanded uses of gaming revenues is essential to maintaining and improving Alberta communities' quality of life, and to addressing serious issues in the health care and education systems. Numerous qualitative and quantitative studies across Canada and around the world have proven sport to have a positive impact on health, education, persons at risk, economic development, and the environment. In essence, sport is an investment that pays dividends to every Albertan – not just the participants.

Given the importance of sport to our society, the sport community takes issue with, and has concerns over, some of the proposed policies regarding licensing eligibility and use of gaming proceeds. Specifically:

- The sport community is concerned with the arbitrary determination that athlete education stops at age 21.

Edmonton Sport Council

- The proposed policy on use of proceeds makes no mention of assisting the economically disadvantaged.
- The Policy does not identify the training and education of referees, judges, and officials as an eligible use of gaming proceeds in the area of Travel: Conferences, Seminars, Workshops, Clinics, Meetings, and Conventions - Use of Profits.
- The maximum two-year disbursement limitation for gaming proceeds does not meet the needs of sport organizations, as it is not consistent with the typical four-year planning cycle of sport based on major international games.
- The proposed volunteer work credits should be transferable to allow for the inclusion of disadvantaged individuals and other unique situations permitting greater flexibility within the organization.
- The proposed limitations excluding the use of gaming proceeds for travel expenses associated with exhibition games and tournaments that do not affect an athlete's or team's standing is not appropriate in situations where athletes and teams do not participate in a league, and participation in exhibition games and tournaments is the competitive structure that prepares them for advancement within their sport.
- The proposed ratio of 1 funded support person per 10 participants as an allowable use of gaming proceeds is not appropriate. The Edmonton Sport Council recommends that this ratio never exceed 1:5, with 2 support personnel funded if there are 2 to 10 participants.

Alberta's charitable organizations require a made-in-Alberta solution for gaming eligibility and use of proceeds. The Government of Alberta has the authority to create this solution. The Edmonton Sport Council strongly believes that further extensive round table discussions with all stakeholders are essential. We implore you to take this opportunity to help build the Alberta Advantage of strong, vibrant communities.

Introduction

The Alberta Gaming and Liquor Commission (AGLC) review of policies concerning gaming licence eligibility and use of gaming proceeds was to:

“Arrive at eligibility and use of proceeds policies that are current, specific, clear, transparent and equitable, and that comply with the requirements of the Criminal Code (Canada), and Gaming and Liquor Act and Liquor regulation.”

The ESC is a non-profit organization working with, and on behalf of, sport in Edmonton by providing direct programs and services to local Edmonton sport organizations and speaking on behalf of sport. As a result of the sport community's belief in the need for a well coordinated, participant centred sport delivery system in Edmonton, we're seeking to improve sport so that as many people as possible can enjoy the benefits and community life is enhanced. Our vision is built upon the challenge to develop fresh ideas, create new solutions, to think outside the box and to not duplicate existing efforts.

Today, the ESC represents over 170 sport organizations in Edmonton. Through our membership, the ESC represents almost every individual who participates in sport in Edmonton. Since our inception, the ESC has become a recognized leader in sport. This has led to our involvement in significant discussions and action plans that will have a tremendous impact on sport locally, provincially and nationally.

Sport Issues in the Proposed Eligibility Policy

Gaming proceeds are critical sources of support for the majority of sport organizations in Edmonton. Sport encourages healthy living for all Albertans and contributes to reducing health care costs. These monies allow our children and youth to participate in sport and recreation opportunities, to develop new skills, and to develop healthy lifestyle habits. They allow the disabled and the elderly access to facilities and programs that enhance their quality of life and integrate them into the entire community. These opportunities are also critical to the development of community spirit and common values.

Alberta's future should be determined by the residents of this province. The provincial government has sought the opinions of Albertans (e.g., Future Summit process) and commissioned surveys and studies of quality of life issues (e.g., Mazankowski Report on Health Care) to identify solutions to existing problems and priorities for the future. Input to the MLA Review Committee will allow a made-in-Alberta plan for the future of this province that meets the needs of all Albertans.

Current Charitable Definitions

Common law does not recognize sports activity in itself as charitable. However, common law and AGLC policy recognize some sports activity as charitable when the sport activity is associated with the advancement of objectives that have been recognized by the courts as providing a charitable public benefit. For example, youth sports are recognized as part of the education and development of young persons. Sports for seniors is recognized as keeping the elderly active and involved in the community. Sports for the disabled are recognized as advancing the charitable objective of therapy and relief of suffering. The provision of facilities for use by the general public has also been recognized as providing a charitable public benefit.

For tax credit privileges offered to charities under the *Income Tax Act*, a charitable entity must have the status of 'registered charity'. However, the *Income Tax Act* does not define 'charity'. In deciding whether an organisation is entitled to registered status, the Canada Customs and Revenue Agency (CCRA) relies on a reasonably traditional interpretation of case law, as well as the *Act's* particular rules on such things as political activities and unrelated and related business activities.

'Registered charity' is defined as 'a charitable organization, private foundation or public foundation' that is registered with the Minister of National Revenue. Each of these three subdivisions of 'registered charity', are separately defined and separately regulated under the *Act*.

For the most part, the Canadian provinces and territories have not defined 'charity' or 'charitable purposes' in legislation but left it to the courts to apply the common law. However, in some jurisdictions there are statutory definitions, which to varying degrees, expand or modify the common law definition.

At the same time, the courts have not recognized sport as providing a charitable public benefit through preventing and relieving sickness and disability, both physical and mental. This is despite qualitative and quantitative research that links participation in sport to preventative health care. A University of Alberta study indicated that over 1500 scientific articles were published between 1990 and 1995 that positively linked physical activity to health (Canadian Fitness and Lifestyle Research Institute, 1995).

Similar studies establish a correlation between sport and rehabilitating victims of substance abuse and preventing substance abuse. It has been shown that "there is an inverse relationship between organized sport involvement and the use of alcohol, tobacco, and other substances." Research for the Parks and Recreation Federation of Ontario concluded that "encouraging adolescents to become involved with demanding physical activity could be an effective strategy to decrease drug use" (Montelpare, E., Yardley, J., & Kanters, M., 1993).

Previous research published in *International Perspectives on Adapted Physical Activity* also established a positive link between sport and substance abuse. "Treatment results for adults showed that exercise benefits recovery from cocaine dependence, improves rates of abstinence among alcoholics, acts as a natural medicine leading to favourable emotional changes in clinical populations, and improves self-esteem and sleep among alcoholics who participated in a fitness program" (Bell, R., Robinson, W., Horsham, B., & Mulligan, W., 1987).

If the AGLC so desired, it could take the same broad liberal interpretation regarding sport's effect in improving health and decreasing substance abuse as they have to the advancement of education or relieving suffering or disability caused by old age.

Charitable Purposes and Gaming Licenses

The Alberta Liquor and Gaming Commission (AGLC) Eligibility and Use of Proceeds Policies derive from Section 207(1)(b) of the *Criminal Code (Canada)* and the related common law definition of 'charitable'.

207. (1) Notwithstanding any of the provisions of this Part relating to gaming and betting, it is lawful

(b) for a charitable or religious organization, pursuant to a licence issued by the Lieutenant Governor in Council of a province or by such other person or authority in the province as may be specified by the Lieutenant Governor in Council thereof, to conduct and manage a lottery scheme in that province if the proceeds from the lottery scheme are used for a charitable or religious object or purpose;

Criminal Code (Canada)

Towards a New Definition of Charity

A research paper for the Canadian Centre for Philanthropy (CCP) stated, "assessment of the eligibility of groups for charitable registration in Canada has drawn sharp and sustained criticism. This assessment, which is made by the CCRA based on the legal definition of charity as evolved through common law and modified by statute, is widely seen as both unfair and out-of-step with contemporary Canadian values. Much of this criticism is rooted in dissatisfaction with the current legal definition of charity, which is said to be antiquated, inconsistent and inflexible."

Much of the legal context for charity and voluntary action is now outdated ... Charitable purposes for instance, were set out in a statute over 400 years ago. The current law is unclear, has not evolved in a way that best meets the needs of contemporary communities, and does not reflect the diversity of organizations that operate for the public benefit.

Tony Blair, Prime Minister, Great Britain

Private Action, Public Benefit:

A Review of Charities and the Wider Not-For-Profit Sector, September, 2002

The Canadian government definition of charity is only relevant to federal tax credits, not the broader definition of charitable use of funds. In Canada, constitutional power over charities rests with the Provinces, which appears to have been ignored by provincial governments. However, it should be noted that the current Alberta model that allows charitable organizations to access proceeds from casinos takes a progressive position in Canada.

The Constitution Act, 1867

(*THE BRITISH NORTH AMERICA ACT, 1867*)

30 & 31 Victoria, c. 3.

[Consolidated with amendments]

Exclusive Powers of Provincial Legislatures.

92. In each Province the Legislature may exclusively make Laws in relation to Matters coming within the Classes of Subject next hereinafter enumerated; that is to say,--

7. The Establishment, Maintenance, and Management of Hospitals, Asylums, **Charities**, and Eleemosynary Institutions in and for the Province, other than Marine Hospitals.

Developments in Other Jurisdictions

Some Commonwealth countries have included sport and recreation in their definition of charity. In New Zealand, the term 'charitable purpose' includes the following, whether or not they are beneficial to the community or to a section of the community:

- the education (physical, mental, technical, or social) of the poor or indigent or their children
- the promotion of athletic sports and wholesome recreations and amusements
- encouragement of skill, industry, and thrift

The *Manitoba Charities Endorsement Act* defines 'charitable purpose' as including 'any charitable, benevolent, philanthropic, patriotic, athletic, artistic, or civic purpose that has as its object the promotion of a civic improvement or the provision of a public service.'

On September 25, 2002, the Cabinet Office (England) released a report, commissioned by the government in its undertaking to help the not-for-profit sector achieve its full potential, recommending modernizing charity law. Specifically, the review proposed a number of legal reforms including an updated and expanded list of charitable purposes.

A charity should be redefined as an organization providing public benefit which has one or more of the following ten purposes:

1. The prevention and relief of poverty.
2. The advancement of education.
3. The advancement of religion.
4. The advancement of health.
5. Social and community advancement.
6. The advancement of culture, arts and heritage.
7. **The advancement of amateur sport.**
8. The promotion of human rights, conflict resolution and reconciliation.
9. The advancement of environmental protection and improvement.
10. Other purposes beneficial to the community.

*Private Action, Public Benefit:
A Review of Charities and the Wider Not-For-Profit Sector, September, 2002*

This is an extremely important development given that England itself passed the *Charitable Uses Act 1601* (known as the *Statute of Elizabeth 1*), which is the foundation for the Canada Customs and Revenue Agency's litmus test for allowing organizations to issue federal tax credits.

Alberta

The Alberta Sport, Recreation, Parks and Wildlife Foundation, established by the Government of Alberta as the umbrella organization for amateur sport and recreation in Alberta, has established the Donation Fund Program to assist recognized not-for-profit sport and recreation organizations and athletes in obtaining financial support. This program was established by the Foundation to help enlist donors to support sport and recreation development. The Foundation administers the Donation Fund, which can provide tax-deductible receipts for unconditional contributions to amateur sport or recreation in Alberta. The Foundation's Donation Fund Program can only be utilized by Provincial Sport and Recreation Associations receiving annual funding from the Foundation and must be used for the following program areas: athlete development, coaching development, officials development, leadership development, recreation development, and facility development. There are no criteria set forth as to limitations for travel, age restrictions or related purposes such as health and education.

In Alberta, there also exists the *Charitable Fund-raising Act* (as amended September 1, 1997), which interprets a 'charitable organization'.

1(1) In this Act,

(a.1) "charitable organization" means

(1) Any incorporated or unincorporated organization that is formed for a charitable purpose,

(b) "charitable purpose" includes a philanthropic, benevolent, educational, health, humane, religious, cultural, artistic or recreational purpose, so long as the purpose is not part of a business.

Charitable Fund-raising Act
Province of Alberta

Edmonton Sport Council

This *Act* clearly identifies recreation as a 'charitable purpose.' As all sport is a form of recreation, sport and recreation organizations are therefore charitable organizations. Again, these interpretations are independent of participants' age or related purposes such as health and education.

Therefore, the Edmonton Sport Council presents that the Government of Alberta and its agents have established provincial laws in relation to what is charitable in Alberta as permitted by the *Constitution Act (1867)*. Further, as the *Criminal Code (Canada)* gives the Lieutenant Governor the power to issue gaming licences for a charitable object or purpose, the Alberta definition of 'charitable purposes' should be the basis of Gaming Policies in Alberta, not federal charity law that has been criticized as being unfair and out-of-step with contemporary values, antiquated, inconsistent, and inflexible. This is an appropriate exercise of provincial authority. It is open to the province to define charities and charitable purposes, and in so doing; it applies the reach of the offences defined under the *Criminal Code*. In other words, this exercise will complement rather than contradict the *Criminal Code* definitions.

"In my view, the regulation of gaming activities has a clear provincial aspect under s. 92 of the Constitution Act, 1867 subject to Parliamentary paramountcy in the case of a clash between federal and provincial legislation ... Altogether apart from features of gaming which attract criminal prohibition, lottery activities are subject to the legislative authority of the province under various heads of s. 92, including, I suggest, property and civil rights (13), licensing (9), and maintenance of charitable institutions (7) (specifically recognized by the *Code* provisions). Provincial licensing and regulation of gaming activities is not per se legislation in relation to criminal law."

Justice Stevenson
Regina v Furtney (1991)
Supreme Court of Canada

Sport, The Alberta Advantage for Quality of Life

In recent years, the Province of Alberta has led the country in growth and development and in reducing provincial debt. The Alberta Advantage has been said to be low taxes and a business friendly environment. We have continued to witness outstanding results and recognition for the academic achievement of those in the educational system. Yet at the same time, we recognize that we must think beyond today's achievements to build tomorrow's dreams. The declining fitness level of Alberta combined with skyrocketing healthcare costs are a dark cloud on that future quality of life horizon.

Alberta's economy is healthy and continues to grow. This ... will allow government to invest in spending increases in Albertans' priority areas, including health, learning, and children's services ...

Alberta Legislature Speech From the Throne, February 2002

Sport, Alberta's Future

The strength of our economy led to the establishment of the Alberta Future Summit process that allowed Albertans to speak directly to the government about their vision of Alberta's future. The government's leadership in seeking public input to a provincial plan for a debt-free Alberta is commendable. Enthusiastic public participation in the process demonstrated great optimism and concern in identifying future priorities in local communities and the province. The consensus of opinion on several issues, particularly health, education and quality of life concerns was remarkable and clearly articulated a common vision in these areas.

Albertans felt that community facilities should support active living and provide affordable sports and recreation opportunities for citizens of all ages.

Alberta Future Summit report

The Alberta Future Summit process generated a consensus of opinion that health and education should be the top priorities for future government strategies to address. The delegates, including a representative of the Edmonton Sport Council, identified proactive health care strategies as crucial to alleviating the

increasing demands on the health care system. Sport was identified as a key vehicle by which this could be achieved.

Sport, Alberta's Plan

A recurring theme in public consultations is the importance of community programs and facilities that enhance 'quality of life.' Future Summit delegates rated access to sport and recreation programs and facilities in the local community, as a major factor enhancing their quality of life.

To create, support and maintain healthy lifestyle choices for all Albertans, delegates proposed that Alberta ... immediately ... invest in an Alberta sport plan.

Alberta Future Summit report

With the recent release of the new National Sport Policy and Plans for Collaborative Action, the Canadian government and provincial partners have made a commitment to a more integrated and comprehensive sport system in Canada. The expected fall release of the Alberta Sport Plan should re-affirm the Alberta government's commitment to these national plans and present the immediate priorities to be achieved at the provincial level. A common theme at both the national and provincial levels during the consultations and development of the National Sport Policy and Plans was the need for partnerships and the need for increased resources to meet the stated goals and objectives.

The strong financial position of the Alberta government will allow much greater freedom to be creative and flexible in supporting the goals and objectives of the Alberta Sport Plan. The presentation of a clear plan for sport in Alberta must be followed by the commitment of resources, and access to resources, to allow this vision to be realized.

A recent Environics poll found that 65% of Canadians would like more government money spent on local arenas, pools and playgrounds as well as sports for women, the poor and the disabled.

Environics poll for the Association for Canadian Studies, March 2002

The Alberta government and Future Summit delegates advocate personal responsibility for healthy living, with educational, programming and facility support from various levels of government. Both acknowledge the need to ensure the economically disadvantaged are provided with opportunities and support to participate and enjoy an equally healthy lifestyle.

The potential impact of sport opportunities on 'quality of life' including the health, physical development and life-long education of Albertans strongly validates continued, and increased, government support for sport.

Sport & Physical Education

The lifestyle of Canadian children has become sedentary. In school, there are drastically reduced hours allotted for physical education. According to the World Health Organization, less than one-third of young people are active enough to benefit their health. As a result, we not only have a physical activity crisis, we have a looming health crisis with implications for drastic increases in the incidence of diabetes and related health problems.

The Alberta government has made a commitment to all Albertans that the kindergarten to grade 12 learning system will build basic skills in the early grades. These skills must include those usually taught in elementary school physical education. Uncountable studies have shown that increased physical fitness leads to better academic achievement.

In the coming year the government will share and discuss a renewed vision for the kindergarten to grade 12 learning system which emphasizes building basic skills in the early grades and more specialized skills as students move through the system.

Alberta Legislature Speech From the Throne, February 2002

Education experts have documented the development stages of children and youth, both physically and intellectually. The research in this area is conclusive that basic motor skills and coordination must be developed in this period of growth or the individuals' future physical potential is compromised. It is clearly unacceptable to Albertans that their children should be offered less than optimum childhood development in our education system.

To create, support and maintain healthy lifestyle choices for all Albertans, delegates proposed that Alberta ... immediately ... reintroduce daily physical or recreational activities into the school curriculum. Albertans support the introduction of mandatory physical education and recreation programs from Grade 1 through Grade 12.

Alberta Future Summit report

The Report of the Premier's Advisory Council on Health (December, 2001) recommended strengthening, updating and revising health education in kindergarten to grade 12 to include up-to-date studies and information on staying healthy and to provide the opportunity for regular exercise time as part of every school day.

Sport & Life-Long Learning

Life-long learning is important to the future competitiveness of this province and the career and personal aspirations of its residents. Advanced education and learning is one of the fundamental areas that Alberta Gaming has identified as providing a community benefit and is therefore an eligible activity for receiving a gaming license. Youth in particular are a client for educational programs and services in many disciplines including sport.

Working in partnership with Alberta's adult learning system, the (Adult Learning) Division ensures the availability of accessible, responsive, affordable and accountable learning opportunities that facilitate adult learners' access to and journey through lifelong learning experiences by providing information, financial assistance and learning opportunities.

Alberta Learning website

Alberta Learning has the mandate to provide learning opportunities to Albertans regardless of their age. The opportunity for physical learning experiences should be considered part of one's ongoing education and equally important to 'life-long learning experiences' as the study of academic subjects or trades. Both availability and accessibility are identified as important parts of providing learning opportunities.

Sport & Health Care

Health care costs are the single largest expense in provincial budgets across Canada. Numerous recent statements by political leaders have indicated that the increasing cost of health care is not sustainable, even in the short-term. The Romanow Commission on the Future of Health Care in Canada has said, "regardless of ... how we define the fiscal problems, sustaining our health system clearly is one of the biggest challenges we face as Canadians."

Albertans recognized the relationship between active living and preventing illness and disease. They felt that exercise, recreation, physical activity and sport were important for maintaining overall wellness and health. Many Albertans ... felt that governments and communities have a role in providing recreation facilities, infrastructure and programs.

Alberta Future Summit report

The current model of health care supports reactive spending to treat illness rather than promoting and supporting elements that decrease the incidence of illness. The Report of the Premier's Advisory Council on Health (December, 2001) stated, "the first reform is to stay healthy" and that "too much of the focus in our health system is on treating people when they're sick. The best way of sustaining Alberta's health system in the longer term is to make sure fewer people get ill ..."

Does that mean more money for sports? "That's a case we'll try to make ... If the government's investing in healthy living and wants the long-term dividend of reduced health-care costs, we need a co-ordinated approach to get Canadians fit and healthy."

*Paul DeVillers
Canadian Secretary of State (Amateur Sport)
In response to a question regarding the
September 2002 Speech from the Throne*

The report, *Effective Active Living Interventions* (2001) stated that physical inactivity is associated with chronic diseases and that a 10% reduction in physical inactivity could reduce direct health care costs in Canada by \$150 million per year.

The long term health of Albertans and their quality of life, as well as the reduction in health care costs, are strong reasons to support increased funding for sport and recreation.

Myth: Health care costs can't be eliminated by physical activity, only delayed to later in life.

Fact: Physically active people have better overall lifetime health than sedentary people, resulting in absolute cost savings versus deferred costs.

2002 GPI Atlantic Study, The Cost of Inactivity in Nova Scotia

Sport, The Key Component

Notwithstanding the above deliberations of what purposes are (or should be) charitable, the Edmonton Sport Council believes that enhanced funding for sport and recreation through gaming eligibility and expended uses of gaming revenues is essential to maintaining and improving Alberta communities' quality of life, and to addressing serious issues in the health care and education systems.

Given this information, the Edmonton Sport Council therefore has concerns with the following proposed Alberta Gaming policies regarding charitable gaming licensing and use of proceeds.

Athlete Education

The proposed Eligibility Policy for use of gaming proceeds considers a sport group to be adult if 25% of its membership is over 21 years of age. A sport group with less than 25% adult membership may qualify for a gaming license but the gaming proceeds cannot be spent on the adult members of the group.

If sport serves an educational purpose (i.e., development of the individual), at what age does this purpose cease to exist or be effective? In the development of physical ability, psychological skills and athletic performance, a 22 year-old athlete is rarely at the end of their learning in sport. Most athletes reach their potential in their mid to late twenties, while some individuals continue to develop and reach world-class level in their thirties. Surely it must be recognized that these individuals have continued to learn. Is their education not considered charitable because of their age or because they are not registered at an educational institution?

The future source of top-level coaches, referees, judges, and officials is the experienced and accomplished members of sport organizations. To retain these people in the sport system, we must be able to support their continued education as athletes, and then their transition to leadership positions in sport. If these individuals leave the sport before they attain this level, their future involvement is much less likely. The use of gaming proceeds in the education and development of top-level athletes of all ages is critical.

Economically Disadvantaged Adults

A significant number of individuals in Alberta have insufficient resources to participate in sport and recreation programs. Although some municipal and provincial programs may support this population, they are excluded from accessing gaming proceeds despite the charitable nature of “relief to the poor” as the proposed Policy does not address the issue of being economically

disadvantaged (Section 3a – Basic Eligibility). In New Zealand, 'charitable purpose' includes the education (physical, mental, technical, or social) of the poor or indigent or their children.

A 1995 survey in Alberta found that 37,200 non-elderly families had incomes less than half the Statistics Canada Low Income Cut-Off (LICO) level (the LICO is frequently used as a 'poverty line' by social service groups in Canada). These adults (and their children) would not be able to afford the costs of participating in any sport and recreational activities.

Why are adults in difficult economic circumstances excluded from eligibility for charitable gaming licenses and use of proceeds? They would appear to be an eligible group due to their economic situation, yet are discriminated against based upon their age.

Sport Issues in the Proposed Use of Proceeds Policy

Coach/Official Education

The proposed Policy clearly identifies training and educational sessions for coaches and instructors as valid expenses for sport groups. However, the Policy does not identify the training and education of referees, judges, and officials as an eligible use of gaming proceeds. These individuals are an integral part of sport and their training should be explicitly identified as an eligible expense in the Use of Proceeds Policy.

Two-Year Disbursement

The proposed requirement that gaming proceeds must be spent within two years of receipt of the funds is not consistent with national, provincial and local sport organization planning.

The typical planning cycle is based on the Olympic and other major Games schedule – a cycle of four years. Over this period, expenses are rarely uniform each year as the demands of athlete development, schedule of competition, and qualification criteria for teams will vary. Sport organizations should be permitted to

plan their budgets over the normal planning cycle, allowing for the best utilization of funds.

Volunteer Work Credits

The proposed Policy states that credits shall “be non-transferable to other individuals or groups.” This restriction should be re-considered.

Many volunteers who are strong supporters of their organization, and have the time, work at most of the organization's licensed gaming events. These volunteers may accumulate more credits than they can reasonably use and should be allowed to support other members of their organization. Youth sport groups may have adults volunteer to work the licensed events who no longer have children in the group. These people, who generously support the charitable work of the organization, should be free to transfer their credits to other group members. This could particularly benefit single parents, who may find it difficult to arrange for supervision of their children while working a licensed event or individuals who are unable to assist at gaming events because of religious, health related or other reasons.

Travel Expenditures for Competition

The proposed Policy lists the following restrictions on “Use of Profits for Travel”:

1. eligible league tournaments/competitions must be a regular part of the group's programs & affect the athlete's/team's standing in Alberta (#1a)
2. entrance requirements for tournaments/competitions must be based on achieved performance standards (not on invitation or payment of a registration fee) (#8)

The implications of these regulations are far-reaching. Participation in competition (exhibition game, tournament) that does not affect an athlete or a team's standing (ranking, league position, etc.) is not an eligible use of gaming profits. This restriction does not recognize the diverse structure of competition in different sports.

It is likely that athletes in some sports may have a number of competitions (tournaments, exhibition games, etc) that prepare them for a regional, provincial or national championship competition without a 'standing or ranking' during this period. This competitive structure constitutes the equivalent of their 'league' – should athletes participating in these sports be discriminated against because they do not fall into the typical 'team-sport' model?

The same concern must also be expressed about the restricted participation in tournaments unless 'earned' based on previous performance (i.e. in some way, the team or athlete has 'qualified' to participate in the event).

Travel Expenditures for Support Personnel

The proposed Policy restricts funding to a limited number of support personnel (1:10 ratio) that may travel with a group of participants. The interpretation of this ratio needs to be clarified. Does it mean that a minimum of ten participants is required to allow funding for one support person or that up to ten participants may allow funding for one support person (i.e., a ratio of 1:6, if there were only six participants)? Does the number of participants need to reach twenty before a second support person is funded (i.e., with 19 participants, can only one support person be funded)?

The number of funded support personnel (1:10) is unrealistically low for effective support of athletic participation. Smaller sport groups would have to choose among their coach, trainer, manager or other chaperone unless they had sufficient resources to fund these people themselves. As well, small teams containing participants of both genders would find themselves in a difficult situation.

This low ratio impacts the potential learning experience of the sport participants. Children with restricted financial resources may be unable to participate if additional fees are levied to pay for extra support personnel. This could result in insufficient participants forcing an entire team's withdrawal from the learning experience.

In other areas, the low numbers of support personnel will have difficulty meeting the needs of each participant. To maximize the learning experience and enjoyment of the athletes, they need to receive feedback and encouragement from the team leadership during and after the event. This is unlikely to occur with such a low ratio of leaders to participants.

Provincial and Federal Government Standards

At the past Alberta Summer (Camrose) and Winter (Medicine Hat) Games, the technical packages for each sport specified the number of support personnel (coaches, chaperones) associated with each zone team. The Alberta Sport, Recreation, Parks and Wildlife Foundation would have approved these technical packages in co-ordination with provincial sport organizations.

The ratio of leaders to participants ranged from 1:1 (golf) to 1:9 (soccer) with an average of 1:5. Of the 38 sports contested in these Games, 31 had leader to athlete ratios of 1:6 or less. Medical support services were also provided at each competitive venue, relieving the individual teams of the need to provide their own athletic trainers. At the 2003 Canada Winter Games, the ratio of support staff to athletes will average 1:4.5 (with medical staff provided at each venue).

Out of School and Day Care

The City of Edmonton Out-of-School Care Standards (2000) specify that the staff/child ratio must be a minimum of one childcare staff to twelve (12) children at all times of the day. The Standards further state that a minimum of two (2) childcare staff must be on site and available at any time during the hours of operation when there are seven (7) or more children present. A minimum of two (2) childcare staff must be present on a field trip when there are seven (7) or more children present. When staffing requirements allow only one childcare staff to be present, centres must provide for a second adult in case of an emergency.

Alberta day care centres must provide a staff to child (over 4 years) ratio of 1:10 with a maximum of 20 children in a group. When 7 or more children are present at a day care facility, at least 2 adult staff members must be on duty in the day care facility, including a primary staff member. As well, no staff member under 18 years of age may be solely responsible for the supervision of the children.

Alberta Camping Association

The Alberta Camping Association standards provide leader/camper ratios that reflect various age groups as follows:

	<7 yrs old	7-10 yrs	11-14 yrs	>14 yrs
Day Camp	1:8	1:10	1:12	1:15
Residential	1:6	1:8	1:8	1:10

It is essential that the best interests of children be protected in any government policies. Adequate supervision and support during sport activities will provide a positive learning experience, and enhance skill development. In the event of illness, injury or other circumstance (to either a participant or leader), one support person is simply insufficient to cope with the situation and also provide supervision. Gaming Policies must provide for an acceptable standard of supervision and support for our children.

The Edmonton Sport Council recommends that the ratio of support personnel to participants never exceed 1:5. If there are between 2 and 10 participants, 2 support personnel are needed to provide supervision and support and to deal with any contingency that may arise (gender considerations, illness, injury, etc.). With more than 10 participants, additional support personnel should be funded to maintain the maximum ratio of 1:5.

Further Discussions

The diverse structure, programs and needs of community organizations, and the vital role they play in Alberta communities, must be supported by appropriate gaming policies. The Edmonton Sport Council strongly believes that further extensive round table discussions with all stakeholders is essential in developing made-in-Alberta Gaming Policies for Alberta's charitable sector based upon Alberta's definition of what constitutes a charity.

All present and past gaming license holders, as well as umbrella organizations, should have an opportunity to provide input to the development of both Policies.

Edmonton Sport Council

The final Policies should explicitly identify charitable purposes in relation to sport and recreation organizations, and other charitable sectors, and their programs and services. This would clarify their status and eligibility for gaming licenses and clearly define acceptable uses of gaming proceeds according to the Alberta solution. The Edmonton Sport Council looks forward to the Committee's positive response to these recommendations and future round table discussions to support Alberta's modern charitable sector.

When Albertans think about the future, they would like ... access to affordable, quality services when they need them.

Alberta Future Summit report