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**SUBMISSION TO**  
**ENVIRONMENTAL TOBACCO SMOKE**  
**PUBLIC HEARING**

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## **INTRODUCTION**

On behalf of Harbour City Bingo Society and its 85 member charities, I would like to thank you for the opportunity to make a presentation to this hearing today. We appreciate the opportunity to provide you with information regarding the bingo industry in British Columbia and our hall in particular, and on the impact the proposed changes to the legislation will have on our industry. We also appreciate the recognition, both by the previous exemption to the legislation and this hearing process, that public entertainment facilities are faced with unique circumstances regarding smoking in general and the protection of workers in particular.

### **Overview of Presentation:**

Following a brief description of the bingo industry, the nature of our business, and our employees, I would like to explain the measures we have taken to comply with WCB legislation and the cost of that compliance. I will then describe the impact of compliance with the regulations on our business, our players and our staff and present our recommendations for a safe, sane resolution to this controversial and emotional issue.

## **DESCRIPTION OF BINGO INDUSTRY**

Bingo in British Columbia is big business. There are 41 commercial halls operating in British Columbia; these halls generate over \$250 million in gross revenue each year and contribute \$68 million dollars to thousands of charitable licensees throughout the province. There are also over 200 independent halls, most of which operate on a part time basis, that generate additional tens of millions in charity revenue. The charitable licensees who benefit from bingo proceeds are involved in the delivery of essential programs and services in virtually every part of our society.

Harbour City Bingo, one of two commercial bingo halls in Nanaimo, generates about \$10 million in revenue each year and returns about \$2.5 million each year to the 85 charities who are licensed to conduct bingo in our hall. We employ 40 people in this community and contribute well over \$1 million in payroll, contract and operating costs into our economy.

Bingo proceeds in this community contribute to everything from Empire Days to Bathub Days, supporting services to First Nations, youth, the elderly, women, and handicapped people. Funds raised from bingo assist service clubs and often allow critical services formerly provided by government to continue, supporting programs in literacy, sports, recreation, and culture which are such an essential part of the fabric of our society.

For the past several years, the bingo industry has been in crisis; we have not only been subject to a general downturn in the industry, reflective of a decrease in individual disposable income, we have also dealt with the impact of government policy on expanded gaming, competing with casino slot machines, increased hours and bet limits, and destination casinos.

We are proud of the way we have weathered these crises with no loss in employment, maintaining our customer base and our revenue levels through some very difficult times.

However, January 2000 and the removal of the second hand smoke exemption for public entertainment facilities was more than even a well managed bingo hall could overcome.

We recognize that every industry sector feels they occupy a unique position that other sectors probably cannot appreciate. However, where else does an individual's entertainment choice involve sitting for three to six hours, with minimal break time, focussed on a specific activity which includes the opportunity to smoke, eat and/or drink while he or she plays? Bingo involves a high level of interaction between players and staff. We operate a "drop in" bingo, with payouts to winners based on a percentage of gross sales, tied as closely as possible to

individual game sales. Harbour City Bingo has maintained a position as an industry leader through our ongoing focus on customer service. Catering to the needs of our customers drives everything we do: from individual game sales at the customer's table, to the timely verification of customer's winning cards, and payments to winners, clearing tables of paper and garbage, and emptying of ashtrays to providing assistance to players with game information and personalized service.

**Patrons:**

Our patrons vary in age from 19 to 90; they are both male and female from a wide range of occupations and income levels. However, a number of our players are elderly, some have limited mobility, and the majority are smokers - dedicated smokers! For many of our players, bingo is a regular social activity: they know our staff, they bring them treats, they have their favorite seats and favorite games or sessions, and they are loyal customers who come out to support individual charities or the charitable community in general.

**Employees:**

As mentioned earlier, we have 40 employees, ranging in age from 19 to 50+, with an average age of 35 or so. The vast majority (about 85%) are smokers - a logical situation given that players often apply for employment in the bingo hall, and applicants tend to be those who have no aversion to a smoking environment. In fact, the percentage of staff who smoke was 95%, until we spent \$2400 on laser therapy to help staff quit smoking. Unfortunately, the success rate was limited - we are dealing with a group of individuals who like to smoke and who look forward to their breaks so they can leave their protected environment to go have a smoke!

## **COMPLIANCE MEASURES AND COSTS**

Starting in 1999, Harbour City Bingo began the first of numerous changes and renovations to our premises with the installation of a glass wall separating the smoking section from the non-smoking section. We had planned to put in an air wall but were unable to obtain a commitment from WCB that the proposed air wall would be acceptable. Installation of the glass wall reduced the number of seats in the hall, so the square footage of the premises had to be increased and leasehold improvements made to the new space to make up for this loss. In addition, we installed a glass wall in the staff room, so that staff did not have to go outside or into the player smoking area in order to take their smoke breaks. We now have a small but well ventilated smoke room used by staff, and a large non-smoking room which is virtually unused.

All work stations and equipment requiring employee operation was moved from the smoking section to the non-smoking section: our caller stand was moved and rebuilt, and electronic jackpot signs were ordered. We have six signs which must be updated each session (i.e. 5 - 6 times per day) which required relocation and computerization.

We upgraded and increased the number of microphones in the smoking section and installed three cameras so players could have their bingo cards verified in the smoking section.

The cashier counter area had to be extended to accommodate the need for self service, as players now had to line up to obtain all their purchases at once from the cashier.

Our heating and ventilation system had to be completely restructured so that air was vented directly outside and controls had to be moved to the non-smoking section. The new system allows for a complete air exchange every seven minutes.

The need to eliminate customer service in the smoking area also required major changes to

our operating procedures. The move to self service necessitated a change in the type of paper used, making it impossible to track individual game sales, which in turn required an entirely new method of calculating payouts. We had to train floorworkers as cashiers, so everyone could sell from the cash station. We were then faced with a situation where all staff were unbelievably busy for about ten minutes at the beginning of every session, but the majority of the staff had little to do for the remainder of the session.

Players were now required to stand in line to make their purchases, lost the ability to make additional or last minute purchases, had to get up to go to the cameras to have their bingos verified and were unable to receive table service to order or receive food and beverages.

#### **Cost of Compliance:**

The costs of the structural changes and equipment purchases required to comply with the WCB second hand smoke regulations totaled over **\$150,000**. This figure does not include the cost of expanding and renovating the hall in order to replace lost seats and offer additional services to customers, nor does it include increased operating costs from cash shortages and decreased efficiency in our provision of service. However, our association and others who made these kinds of improvements, felt it was necessary to spend this money (which should have been directed to charitable organizations) in order to survive as a business and an industry in this province.

### **IMPACT OF COMPLIANCE**

#### **Revenue:**

When the second hand smoke exemption was eliminated, bingo halls had two options: ban smoking in the hall or ban workers from the smoking area. Given that 80% of our players are

dedicated smokers, and having seen the impact of a full smoking ban in Victoria, Harbour City Bingo chose to continue to allow players to smoke in the designated smoking area.

As noted previously, we weathered the impact from the general downturn in the economy and gaming expansion by focussing on excellence in customer service. However, the impact of the WCB regulations on our revenue was disastrous:

1. Many players decreased the number and length of their visits because their enjoyment level was substantially reduced. They were also extremely angry with the government for imposing a regulation which they saw as unnecessary, inconvenient and ineffective. (Some players tried moving to the non-smoking section in an effort to reduce any potential job loss of workers, but the effort, though appreciated by staff, was short-lived.)
2. Revenue from our most popular games decreased due to our inability to maximize sales in the smoking area (i.e. sealed card games require the ability to make ongoing sales as players open cards and then discard "bad" cards and purchase new cards they hope will have a greater chance of winning. Once customers were seated and playing bingo, they had little opportunity to purchase additional cards.)
3. A number of customers left our establishment to go play in our competitor's hall, as he had chosen not to comply with the WCB regulations and continued to provide service in the smoking area. This was particularly confusing for customers who could not understand why we no longer provided full service when the other hall did.
4. **The overall impact of the WCB regulations on our revenue was a decrease in sales of approximately 15% or \$100,000 per month.** Although the regulation was struck down in March, it took until June to begin to see a reversal in this downward

trend. In contrast, those halls who chose to ban smoking entirely, saw their revenues reduced by up to 40%, and many have yet to recover from the vicious downward spiral of a decrease in players resulting in reduced prize boards resulting in a further decrease in players etc.

In addition to reduced revenue, HCBS experienced a dramatic increase in the cash shortages of our workers as a result of the changes to our operating procedures. We had always prided ourselves on one of the lowest shortage rates in the industry, and were dismayed to see our previously excellent record destroyed as cash shortages doubled under the new system.

**Personnel:**

Staff morale was seriously affected by our inability to provide the expected level of customer service, combined with worry over the increase in cash shortages and the possible impact on ongoing employment. Harbour City Bingo did not lay off any staff, primarily because we did no hiring for about six months and ran an extremely lean operation over Christmas and New Years in anticipation of the pending cuts. However, the change in operating procedures and reduction in revenue resulted in a **20% decrease in the number of floorworker hours.** Although Harbour City Bingo pays the highest wages in the province, the reduction in hours created a significant hardship for individuals who rely on every possible hour of income to make ends meet. Data compiled by the industry showed that a total of 69 full time jobs were lost in 28 bingo halls in January and February as a direct result of the WCB regulations. As an example of the impact, lay off notices were issued to fourteen staff in one hall in the Lower Mainland.

**Volunteers:**

Because of the requirements of the Criminal Code of Canada, volunteers play a pivotal role

in bingo operations. Every bingo session operates with both paid staff and volunteers, who are responsible to “manage and conduct” the event. The charity volunteer may not be the same individual each time, and the experience, skills and abilities of the volunteers vary considerably. In addition, we cannot provide the same direction to volunteers as we do to paid staff. Nonetheless, our volunteers are dedicated individuals who give generously of their time and effort in order to raise much needed funds for their organizations.

The elimination of the second hand exemption for bingo halls caused a significant change to the role of the volunteer and to the number of volunteers required by each charity. Because the volunteer was now the only individual who could enter the smoking area, staff could no longer assist with verification of bingos, payouts, and cleanup. Volunteers were totally overwhelmed by the new situation, and we had the bizarre situation where volunteers were run off their feet trying to accommodate customers, while staff stood in the non-smoking area unable to provide any assistance.

**Service:**

In removing workers from the smoking area, our players, some of whom are elderly or have mobility problems, were forced to line up at the cashiers to make their purchases, and once seated, did not have the opportunity to purchase additional cards. In addition, changes to our operating procedures, with additional series in play, resulted in an increase in the number of multiple bingos, timing delays to verify and pay additional winners, and lower payouts for winners, all of which increased player (and staff) frustration.

Visual and sound distortions from the glass wall, microphones and cameras also contributed to an increase in the number of bingos not acknowledged by the caller, leading to angry players and additional frustration for all.

As staff could no longer oversee players in the smoking area, we also experience increased security problems as we were unable to guard against the possibility of cheating.

#### **SUMMARY:**

The Board and Management staff at Harbour City Bingo appreciate the role WCB plays in protecting workers and reducing environmental risks. We also recognize that the level of risk can never be reduced to zero. We believe we have done everything possible to minimize risk to employees and maximize safe working conditions in our workplace. Further attempts to place workers in a glass bubble will only end up with no jobs to protect! At the present time, we feel we have the best of all possible worlds. We have allowed our players to continue smoking, we have implemented systems which provide excellent air quality for both staff and customers, and, for the time being, we are able to provide our customers with the service they expect and deserve. Our workers do not spend their working hours in a smoking environment; rather they enter the designated smoking area for specific periods of time to service customers as required. We believe we are an ideal example of the **achievement of WCB's goal** through a clean air solution. What then, does implementation of the proposed amendments to the ETS regulations hope to achieve? What can WCB possibly be trying to protect? Continued insistence on the total elimination of workers from smoking areas will only result in disastrous consequences for the bingo industry:

1. A significant loss of jobs and full time employment.
2. Forcing further industry changes to reduce the need for workers (automation) to the detriment of this form of entertainment.

3. The curtailment of the entertainment choices of individuals and loss of enjoyment of an activity which is an integral part of their social life.
4. The inability of some bingo halls to remain viable, with the resultant loss of charity revenue and services in local communities.

We urge you to continue the exemption previously granted to public entertainment facilities under the Occupational Health and Safety Regulations. Public entertainment facilities are **different** from other work places. Harbour City Bingo exemplifies the fact that the protection of workers lies in a clean air solution, not a unilateral ban which would effectively destroy our industry.