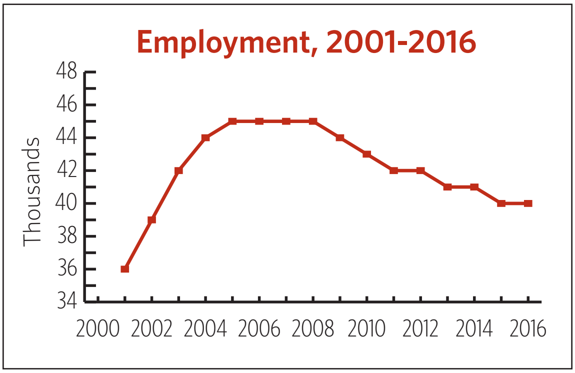
CASINO & GAMING
Sector Profile

Sector Facts and Figures, 2016	
Total Sales	$16 billion
Total GDP *Share of Canadian GDP*	$2.2 billion *0.1%*
Total Employment *Change since 2007*	41,000 *-10%*
Average Hourly Wage (Excluding overtime)* *Inflation-adjusted change since 2007*	$18.71 *-1%*
Productivity Growth 2007-2016	7%
Average Work Hours/Week (Excluding overtime)	22
Average Overtime Hours/Year	432
Union Coverage Rate (Approximate)	36%
Unifor Members in the Industry	8,700
Share of Total Unifor Membership	3%
Number of Unifor Bargaining Units	17
Average Bargaining Unit Size	510

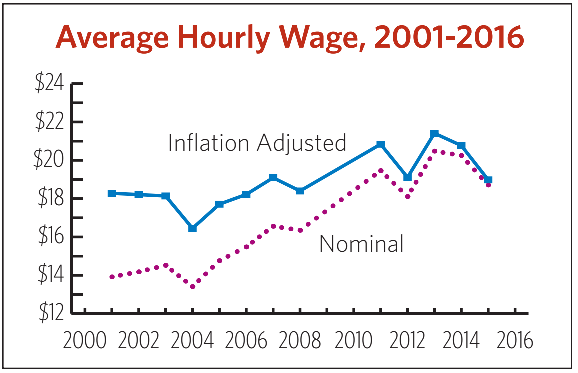
Source: Cansim; Unifor Research Department.
*2015 data.

Current Conditions

The combined hospitality and gaming sector is one of Unifor's largest sectors. The gaming sector, specifically, has seen rapid growth over the past two decades. Between 1992 and 2010, revenue from video lottery terminals, lotteries and casinos across Canada grew from $2.7 billion to $14 billion. In 2015, there were nearly 1,200 gaming establishments in Canada, including casinos, bingo halls, lotteries and off-track betting facilities.



Overall, the casino and gaming industry generates $16 billion in annual sales, it adds $2.2 billion to Canadian GDP and it employs roughly 41,000 people. Economic output in this industry has held steady for the past decade, even though employment has varied from a low of 37,000 in 2001 to a high of 46,000 in 2006. Since the onset of the Great Recession in 2008, this industry has shed ten per cent of its workforce.



Since 2001, Ontario has seen a steady decline in gaming GDP, while British Columbia has seen a steady increase. Factors affecting economic activity in this industry include downturns in the business cycle and the strength of the Canadian dollar, in part because gaming activity is closely tied to tourism, casino visits and household income growth.

Hourly earnings in the gaming industry rose from $14 in 2001 to $20 by 2014, before falling $19 in 2015. However, after adjusting for inflation, average hourly earnings have been effectively flat, which partially reflects the declining employment this industry has seen. Many workers in this sector are not able to secure full-time hours either, which compounds the problem of stagnant earnings. Average hours of work per week stood at 22 in 2016 (unchanged since 2007). However, this industry is very reliant on overtime hours, with the average person working roughly 430 additional hours each year.

Ontario has the largest number of gaming employees in Canada, with 13,800 (or one-third) of the total gaming workforce. Employment numbers are higher when hospitality, food service, retail and entertainment jobs associated with gaming facilities are included.

Gaming remains an important revenue stream for provincial governments. In 2013-14, Canadian net gaming revenue totaled $7.2 billion dollars. Ontario had the largest share of that revenue, at roughly $1.9 billion.

Unifor in the Canadian Casino & Gaming Industry

Select Unifor Employers	Approx. # Members
Caesar's Windsor	2,050
Casino Rama	1,650
OLG	1,300
Manitoba Liquor & Lotteries	1,000

Unifor is Canada's casino and gaming union. Its 9,000 or so members are spread across 17 bargaining units, which give the average bargaining unit considerable size. More than 80 per cent of Unifor's gaming members are employed in Ontario. Nearly 1,000 members are employed in Manitoba and a further 600 are to be found in British Columbia.

Given that most members in this industry are employed at a single (typically large) facility, it is unsurprising that the four largest employers account for two-thirds of Unifor's gaming membership. Caesar's Windsor employs more than 2,000 people. Casino Rama employs 1,650 workers, the Ontario Lottery and Gaming Corporation employs 1,300 and the Manitoba Liquor & Lotteries Corp employs roughly 1,000 people.

Union density in this sector is estimated at 25 per cent, which is lower than the average of the broader service sector, where nearly one in three workers are covered by a collective agreement. Below-average union density is a challenge insofar as it is more difficult to elevate industry standards around compensation and working conditions. However, it is also an opportunity insofar as there are a good many workplaces that could benefit from representation by Unifor.

Moving Forward: Developing the Casino & Gaming Industry

In Ontario the OLG has initiated a modernization plan which entails outsourcing all gaming facility operations to private companies. This move follows similar trends in British Columbia, Alberta, New Brunswick and Nova Scotia, where casinos are operated by private companies. This policy direction has a significant impact for both unionized and nonunionized workers in terms of successor rights when a new company wins the rights to operate a casino facility, the loss of public pension benefit plans and deterioration of wages and working conditions.

The increased presence of private companies in the Canadian casino industry is resulting in greater investments being made to attract new visitors by focusing on developing non-gaming amenities and offering a more diverse range of entertainment options. As a result, firms are increasingly looking to upgrade existing facilities to feature more restaurants, bars, hotel rooms, retail units and live entertainment options. This yields greater organizing opportunities for our union in the sector.

The technological shift towards digital/online gaming is one that many provincial governments are also embracing, including B.C., Manitoba and Quebec. In 2015 the OLG launched its online gaming site, "PlayOLG.ca", where visitors can play online betting games and purchase lottery tickets. There are concerns that this online shift will not only impact employment at casino facilities, which are likely to see reduced on-site visitation, but it may contribute to the problem gambling and addictions.

Major Sector Development Issues

- Negotiate common expiration dates to build bargaining power (multiple sites, single-employer bargaining).
- Resist the continued privatization of OLG and comparable provincially-run gaming facilities, which will put even more downward pressure on wages and working conditions and will make it more difficult to deepen union representation.
- Build on the Casino Rama organizing win by extending unionization in this industry, and in so doing, work to create industry-level standards in terms of compensation, job security, hours of work and other working conditions.
- Work to ensure that the trend of digitizing gaming and moving the casino experience online does not further undermine employment.