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**MINISTRY OF FINANCE  
CROWN AGENCIES SECRETARIAT  
ORGANIZATION OVERVIEW**

**NAME: Crown Agencies Secretariat Overview**

**BACKGROUND:**

- The Crown Agencies Secretariat (CAS) is a new central agency in government being established within the Ministry of Finance.
- CAS builds upon the former Crown Agencies Office (CAO) previously within the Ministry of Attorney General (AG) and incorporates the existing services already provided through the Crown Agencies and Board Resourcing Office (CABRO).
- CAS's mandate from Cabinet is to provide rigorous oversight of Crowns to ensure they are operating effectively, in the public interest and in support of government's policy and fiscal priorities.

**CAS OVERVIEW:**

**CABRO**

- The Crown Agencies and Board Resourcing Office (CABRO) is responsible for Public Sector Organization (PSOs) governance support.
- CABRO co-ordinates the legislated performance, planning and reporting annual cycle for Crown Corporations under the *Budget Transparency and Accountability Act*, oversees the recruitment and recommendation of candidates for appointments to Crown corporations, agencies, boards and commissions and provides public sector governance advice and training for board appointees.

**New Office**

- The mandate and scope of services for the new CAS office covers three key areas of work:
  1. Integrated financial and policy oversight services for Crowns that are strategically important to government.

CAS already has responsibilities for the Insurance Corporation of BC, Liquor Distribution Branch, and BC Lottery Corporation and, in early 2021, was directed to expand its oversight responsibilities to also include BC Hydro and BC Housing on an expedited basis. CAS was also directed to

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provided oversight support services to the Ministry of Transportation and Infrastructure in support of its work with BC Ferries. CAS's specific role and how its oversight services will work for case is actively being discussed with the responsible ministries, with the goal of ensuring a tailored approach to match the environment in which each Crown operates.

2. Identify and assess the risks and opportunities that Crowns present for the government and to provide advice (to ministries, government) accordingly.
3. Offer ad-hoc advice and support to both government and ministries on other Crown-related matters on an ad-hoc advisory basis (as requested or as required).

## BUDGET:

	2019/20 Actuals	2020/21 Restated Budget	2021/22 Estimates <sup>1</sup>	2022/23 Plan	2023/24 Plan
Salaries and Benefits	2,710,535	2,357,000	2,369,000	2,369,000	2,369,000
Operating Costs	1,789,301	249,000	249,000	249,000	249,000
Government Transfers	0	0	0	0	0
Other Expenses	3,760	4,000	4,000	4,000	4,000
Internal Recoveries	(51,554)	(31,000)	(31,000)	(31,000)	(31,000)
External Recoveries	(1,364,157)	(2,000)	(2,000)	(2,000)	(2,000)
<b>Total Operating Expenses</b>	<b>3,087,885</b>	<b>2,577,000</b>	<b>2,589,000</b>	<b>2,589,000</b>	<b>2,589,000</b>
<b>Totals</b>	<b>3,087,885</b>	<b>2,577,000</b>	<b>2,589,000</b>	<b>2,589,000</b>	<b>2,589,000</b>

<sup>1</sup> Incremental funding requirements associated with CAS's expanded mandate and scope of responsibilities beginning in FY 2021/22 are not included in these estimates and will be subject to Treasury Board review/direction.

- Estimates for fiscal year 2021/22 includes \$2.6M for CAS, including base budget for both CABRO and the new office.
- CAS's base budget (transferred from AG to FIN) is \$1.14M for FY 2021/22, but does not include new operational costs for CAS associated with the expanded mandate and scope of services (subject to Treasury Board review/approval).

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- After the first year of implementation and future scope for the office is determined, CAS will return as part of *Budget 2022* to confirm ongoing base budget requirements for FYs 2022/23, 2023/24 and 2024/25.

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**MINISTRY OF FINANCE  
CROWN AGENCIES AND BOARD RESOURCING OFFICE  
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**NAME: Summary of Applicable Legislation**

**DESCRIPTION:**

- Key statutes that define the board structure, appointment process, accountability, financial and reporting requirements of public service organizations (PSOs) to support and ensure accountability and transparency include:
- Board structure and appointment processes for PSOs are defined in either the enabling legislation for the organization (e.g. *Hydro and Power Authority Act* for BC Hydro, *Insurance Corporation Act* for ICBC), or in the constitution or by-laws of PSOs without stand-alone enabling legislation.
- The *Budget Transparency and Accountability Act* (BTAA) stipulates that all government organizations, except education and health sector organizations and other PSOs exempted by regulation, must prepare three-year service plans and annual service plan reports that are consistent with the government's strategic plan and includes a statement of goals, specific objectives and performance measures. The BTAA also requires these entities to provide financial reports to the Minister of Finance for inclusion in government's fiscal plan, quarterly financial reports and public accounts.
- The *Financial Information Act* requires Crown agencies and other public bodies (those that are controlled by the government or that may receive grants or advances or have their borrowings guaranteed by the government) to publish annual financial statements and other financial information: a statement of assets and liabilities; an operational statement; a schedule of debts; a schedule of guarantee and indemnity agreements; a schedule showing in respect of each employee earning more than a prescribed amount, the total remuneration paid to the employee and total amount paid for the employee's expenses, a consolidated total of all remuneration paid to all other employees and a schedule of payments to suppliers and contributors.
- The *Financial Administration Act* provides the necessary authority, and places responsibility on Treasury Board and the Minister of Finance (the province's fiscal agent) to provide direction on the government's financial management policies. In this way, Treasury Board and the Minister of Finance, through their directives and through the responsibilities they delegate to Treasury Board Staff, the Office of the

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Comptroller General and other central agencies, direct and control the financial administration functions of the government.

- The *Freedom of Information and Protection of Privacy Act* (FOIPPA) sets out the access and privacy rights of individuals as they relate to the public sector, including all PSOs. It establishes an individual's right to access records and sets out the terms under which a public body can collect, use and disclose the "personal information" of individuals.
- The *Information Management Act* (IMA) is the government's primary information management law. It applies to designated public sector organizations with approved records schedules under the *Document Disposal Act* and provides a legislative framework for modern, digital information practices, which, over time, will improve access to information, reduce costs for taxpayers and enable timelier services to citizens.
- The *Public Service Employers' Act* (PSEA) ensures human resource and labour relations policies and practices are coordinated among public sector employers and supports communication and coordination between public sector employers and representatives of public sector employees.

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**MINISTRY OF FINANCE  
BCLC  
ORGANIZATION OVERVIEW**

## **BRITISH COLUMBIA LOTTERY CORPORATION (BCLC)**

### **BACKGROUND:**

- BCLC's mandate is to conduct and manage commercial gambling (casino, lottery, bingo and sports betting) in a socially responsible manner for the benefit of British Columbians.
- BCLC reports to the Ministry of Finance and is governed by B.C.'s *Gaming Control Act*. The Gaming Policy and Enforcement Branch (GPEB) has regulatory oversight and reports to the Ministry of Public Safety and Solicitor General.
- The Province uses gambling revenue generated through BCLC to benefit British Columbians with investments in areas such as education, healthcare, community and cultural programs.
- Revenue from casinos and community gaming centres also directly supports local governments, which receive 10 per cent of government's net revenue from the gambling facilities operating in their community.
- Government shares seven per cent of BCLC's net income (net of payments to the Federal Government) with First Nations as part of the BC First Nations Gaming Revenue Sharing Agreement.

### **CROWN OVERVIEW:**

- In 2021/22, BCLC expects to deliver \$840 million in net income to the Province of B.C., an increase from the \$394 million that BCLC is forecasted to deliver in 2020/21.
- The net income forecast is based on BCLC's assumption that B.C. casinos and community gaming centres will re-open in late June 2021; further delays to re-opening will result in lost revenue of approximately \$20 million per week.
- BCLC continues to be challenged by COVID-19. Casino revenue historically makes up more than 70% of BCLC's total revenue and it has now been more than 13 months since casinos and community gaming centres were directed to close due to the pandemic (since Mar. 16, 2020).
- During the closures, BCLC has continued to generate important revenue for the Province, including through lottery and online gambling on PlayNow.com.
  - BCLC more than doubled its year-over-year online gambling revenue (\$179m in 19/20 to \$414m forecast in 20/21) through PlayNow.com.
  - Net income to the Province from online gambling is expected to increase from \$105m in 19/20 to \$238m forecast in 20/21.

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ORGANIZATION OVERVIEW**

**BUDGET<sup>1</sup>:**

\$ Millions	2019/20 Actual <sup>1</sup>	2020/21 Forecast	2021/22 Budget	2022/23 Budget	2023/24 Budget
<b>Revenue</b>	<b>2,531</b>	<b>942</b>	<b>1,702</b>	<b>2,472</b>	<b>2,842</b>
Direct Costs	802	171	443	724	867
Gaming Support Costs	48	56	52	54	55
Operating Costs	182	192	212	212	216
Amortization and Other	91	82	94	101	105
<b>Total Costs</b>	<b>1,123</b>	<b>501</b>	<b>801</b>	<b>1,091</b>	<b>1,243</b>
Net Income Before Taxes	1,408	441	901	1,381	1,599
Taxes	61	47	61	71	79
<b>Net Income</b>	<b>1,347</b>	<b>394</b>	<b>840</b>	<b>1,310</b>	<b>1,520</b>

<b>Liabilities</b>	<b>526</b>	<b>520</b>	<b>523</b>	<b>545</b>	<b>533</b>
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Accumulated Deficit	(25)	(25)	(25)	(25)	(25)
Accumulated Other Comprehensive Loss	(7)	(7)	(7)	(7)	(7)
<b>Total Deficit</b>	<b>(32)</b>	<b>(32)</b>	<b>(32)</b>	<b>(32)</b>	<b>(32)</b>

<b>Capital Expenditures</b>	<b>102</b>	<b>89</b>	<b>96</b>	<b>120</b>	<b>90</b>
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<sup>1</sup> As per BCLC's 2021/22 – 2023/24 Service Plan, published in April 2021.

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**NAME: BUDGET, FTEs AND PROJECTED NET INCOME TO GOVERNMENT**

**DESCRIPTION:**

- In FY 2020/21, net income forecasted to government is \$394 million on \$942 million in forecasted revenue. Expected net income is \$953 million less than FY 2019/20 due to the temporary closure of all casinos and community gaming centres.
- The Province of B.C. uses gambling revenue generated through BCLC to benefit British Columbians with investments in areas such as education, healthcare, community and cultural programs.
  - Government shares seven per cent of BCLC's net income (net of payments to the Federal Government) with First Nations as part of the BC First Nations Gaming Revenue Sharing Limited Partnership.
  - Local governments that host a gambling facility receive approximately 10 per cent of net gambling revenue generated by that facility.
- In 2021/22, BCLC expects to deliver \$840 million in net income to the Province. This is an increase of \$446 million from the expected \$394 million to be delivered in 2020/21, and a decrease from the \$1.347 billion delivered in 2019/20, primarily due to the public-health measures put in place to minimize the spread of COVID-19, including gambling facility closures.
  - The net income forecast is based on BCLC's assumption that B.C. casinos and community gaming centres will re-open in late June 2021 and at reduced capacity assuming physical-distancing restrictions will be in place; further delays to re-opening will result in a net-income reduction of \$14 million per week.
- BCLC continues to be challenged by COVID-19 and the closure of casinos and community gaming centres, which were directed to close on March 16, 2020. Casino revenue historically accounts for more than 70 per cent of BCLC's total revenue.
- BCLC has continued to generate revenue through lottery and online gambling on PlayNow.com. Many existing brick-and-mortar players migrated onto PlayNow.com.
- BCLC's year-over-year online gambling revenue was trending to more than double in FY 2020/21 to an expected \$414 million, up from \$179 million in FY 2019/20.

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- BCLC assumes that some revenue will migrate back to brick-and-mortar facilities when the gambling facilities reopen and net of organic growth, expected to result in an overall slight revenue decline in FY 2021/22.
- BCLC lottery channels are expected to generate \$528 million in revenue in FY 2020/21, up from \$519 million in FY 2019/20.
- BCLC implemented a number of cost avoidance and deferral measures in FY 2020/21, including the temporary suspension of external hiring, renegotiation of lease payments and elimination of employee travel and training costs.
- The number of BCLC’s full-time equivalent (FTE) employees remained consistent from 2019/20 (998 FTEs) to 2021/22 (1,000 FTEs).

Capital investments

- BCLC is replacing end-of-life lottery terminals at its 3,500 lottery-retail locations as part of a modernization project expected to be substantially complete by the end of FY 2021/22 with terminals being delivered to retailers in early 2022/23. The project has a total capital budget of \$41 million, with approximately \$15 million in capital costs incurred since the project started to December 26, 2020 as communicated in the Service Plan.
- BCLC has no major capital projects of more than \$50 million budgeted in 2020/21.

**DATA TABLE:**

	2018/19 Actuals	2019/20 Actuals	2020/21 Forecast (as per Feb 2021 Treasury Board Submission)	Anticipated Trends 2021/22 (as per latest projections in Feb 2021 Treasury Board Submission) adjusted for delay in casino opening	Anticipated Trends 2022/23 (as per latest projections in Feb 2021 Treasury Board Submission)	Anticipated Trends 2023/24 (as per latest projections in Feb 2021 Treasury Board Submission)
Net Income Budget (in millions)	1,415	1,347	394	840	1,310	1,520
FTEs	957	998	1,000 (actual)	Unknown	Unknown	Unknown

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**NAME: BCLC ANTI-MONEY LAUNDERING UPDATE**

**DESCRIPTION:**

- As a designated reporting entity under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA)*, BCLC has specific obligations to fulfill, including requirements to maintain a compliance program to know its players, report transactions and keep records.
- BCLC is compliant with all requirements under the PCMLTFA.
- While gambling facilities have remained closed in B.C. since March 2020, BCLC has continued to improve its Anti-Money Laundering (AML) program, with a number of actions taken or planned both as the reporting entity and in cooperation with the Gaming Policy and Enforcement Branch (GPEB) and the RCMP.
- In FY 2020/21, BCLC became a principal partner in the Counter Illicit Finance Alliance of British Columbia (CIFA-BC) and continues to participate in the Gaming Integrity Group.
- BCLC recently renewed its ongoing Information Sharing Agreement with RCMP to support it in identifying and proactively banning individuals whose presence is undesirable from casinos, such as those suspected of criminal activity.
- In fiscal 2021/22, BCLC will continue its AML work, including:
  - Preparing for the implementation of a new scalable AML software solution, in collaboration with casino service providers.
  - Preparing for regulatory changes that will come into effect on June 1, 2021 as a result of PCMLTFA regulatory amendments.
- FINTRAC conducts biennial audits of BCLC's AML program and BCLC engages an independent accounting firm to conduct an assessment in alternate years.
  - In March 2021, Deloitte concluded an audit of BCLC's AML program on PlayNow.com. The results of the audit and BCLC's action plan are being finalized, after which they will be proactively published by BCLC.
  - In 2019, Deloitte conducted an assessment of BCLC's AML program at gambling facilities and on PlayNow.com, which posted on BCLC's website.

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Suspicious Transaction Reports

- In FY 2020/21, there were 150 PlayNow.com-related suspicious transactions reports (STR) valued at approximately \$812,000; in FY 2019/20 there were 99 valued at approximately \$759,000.
  - STRs are filed based on reasonable grounds to suspect the transaction(s) are related to a money-laundering related offence, including fraud.

PCMLTFA Changes

- Amendments to the PCMLTFA, coming into effect on June 1, 2021, require BCLC as the reporting entity to collect and retain certain records about transactions of \$3,000 or more by cash or negotiable instruments, such as a bank draft or cheque, in a single transaction.
- To support compliance with these new amendments once B.C. gambling facilities are permitted to re-open, BCLC has updated its policies that service providers must adhere to, and is making changes to its online AML course for service providers.
- BCLC will also begin to prepare to implement a scalable AML software solution in 2021 to enhance its capability to detect and report suspicious transactions.
  - The automated, scalable AML solution will increase the effectiveness of BCLC's AML system and maintain compliance with evolving compliance requirements.
  - It will also enable BCLC to continue to mitigate risks and offer better player and account monitoring, and strengthen Source of Funds compliance by replacing paper-based processes.
  - The estimated project cost for the new, scalable AML software solution is \$7 million, which BCLC has earmarked in its FY 2021/22 budget.

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**NAME: CASINO FACILITY DEVELOPMENT**

**DESCRIPTION:**

- BCLC has a formal Expression of Interest (EOI) process to identify local governments, including First Nations, interested in hosting a gambling facility within a defined market.
- BCLC engages a third-party fairness monitor to oversee the selection of a Host Local Government.
- The Province and BCLC support local-government decisions, including those related to potential new gambling facilities in their communities.
- There is no financial impact associated with the EOI process.
- Costs associated with the construction of a gambling facility in B.C. are the responsibility of the service provider, which owns/leases and operates the facility. BCLC is responsible for costs related to gambling equipment.
- BCLC allocated \$15 million in its FY 2022/23 capital budget towards gaming equipment at Cascades Casino Delta, which is currently under construction.

Greater Victoria EOI:

- BCLC is taking the time necessary to consider its next steps.
- BCLC initiated the EOI process in Greater Victoria in 2016 and selected the City of Victoria, which later postponed its decision to host a facility indefinitely.
- Following the City of Victoria's decision, BCLC entered into discussions with the District of Saanich, which scored second in BCLC's EOI process in 2016. On May 3, 2021, the District of Saanich council voted unanimously to reject further discussions about hosting a potential new gambling and entertainment facility.
- BCLC will only consider pursuing development in communities where local governments indicate interest.
- Market research in Greater Victoria indicated an additional facility would be attractive to both residents and tourists in the region.

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Cascades Casino Delta:

- Cascades Casino Delta, operated by Gateway Casinos & Entertainment, will include a hotel, restaurants, meeting space and a casino with approximately 500 slot machines, 24 table games and additional electronic table games.
- The design of Cascades Casino Delta reflects feedback from the public, received through ongoing community-engagement events including stakeholder briefings, public presentations, information sessions and open houses.
- Construction of the facility has begun, and the casino was originally scheduled to open in fall 2021. However, due to the public health measures put in place to minimize the spread of COVID-19, completion is delayed. BCLC and Gateway Casinos will determine a new timeline once conditions have stabilized.

Osoyoos Indian Band:

- BCLC is aware of the Osoyoos Indian Band's interest in a gambling facility within its jurisdiction, on lands east of the Town of Osoyoos.
- BCLC will continue to assess the market in order to best serve British Columbians and consider potential future demand as well as a potential Expression of Interest for gambling in this area.

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**NAME: COVID-19 IMPACTS**

**DESCRIPTION:**

- Public-health measures to minimize the spread of COVID-19 significantly impacted BCLC's revenue in FY 2020/21 as no revenue was generated from casinos and community gaming centres (CGCs) – which contributed to 72 per cent of BCLC's overall revenue in FY 2019/20.
- Pre-pandemic, BCLC estimated that casinos and CGCs would generate \$974 million in net income in FY 2020/21 budget.
- While BCLC forecasted that lottery revenue would experience an increase of \$9 million in FY 2020/21 and PlayNow.com revenue would more than double compared to the year prior, the growth did not make up for the lost revenue due to the closure of gambling facilities.
- In FY 2021/22, BCLC expects to deliver \$829 million in net income to the provincial government, plus \$11 million in net income to the federal government, which is based on a financial assumption that casinos and CGCs will re-open in late June 2021.
  - Of the projected overall net income, approximately \$317 million, or 38 per cent, is expected from casinos and CGCs, based on the assumption that they will re-open in late June 2021.
  - BCLC estimates \$14 million in lost net income for every week that casinos and CGCs remain closed after late June 2021.
- BCLC expects that some PlayNow.com revenue will migrate back to the land-based facilities when casinos re-open.
- By the end of FY 2022/23, BCLC projects that casino revenue will return to 94 per cent of pre-pandemic levels as the new normal.

**Casinos**

- On March 16, 2020, service providers were directed to close gambling facilities in B.C. as a measure to help stop the spread of COVID-19.
- On August 5, 2020, BCLC and its service providers submitted health and safety plans to WorkSafeBC and the Provincial Health Officer (PHO). Conversations are ongoing

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with the PHO, service providers and government regarding when casinos and CGCs can re-open.

- B.C. casinos and CGCs generate revenue for communities, First Nations and provincial healthcare, education and community initiatives.
- During the temporary closure, Esquimalt Bingo and Harbour City Bingo made the decision to close permanently. While the closure of gambling facilities due to COVID-19 was a factor, the facilities were already considering closure prior to the pandemic.

### Lottery

- On March 18, 2020, BCLC temporarily closed its lottery prize payout centres located in its Kamloops head office and Vancouver corporate office and implemented an alternate prize-claim process.
- From March 19, 2020 to April 1, 2021, BCLC paid out \$157.9 million in prizes, \$146.9 million of which were processed using the alternate prize-claim process.
- While some lottery retailers altered or suspended lottery sales early in the pandemic, the majority are now selling lottery products in adherence to physical-distancing directions from the Provincial Health Officer.
- Despite the impacts of COVID-19, BCLC forecasted that lottery revenue, net of prizes, in FY 2020/21 would be \$528 million, exceeding FY 2019/20 revenue by \$9 million.
- More British Columbians are purchasing lottery tickets online through PlayNow.com. BCLC forecasted that online lottery revenue from FY 2020/21 would increase by approximately 110 per cent, year over year.

### PlayNow.com

- PlayNow.com experienced unprecedented growth since mid-March 2020 due to the public health measures put in place to minimize the spread of COVID-19 as players migrated from brick and mortar to online play.
- PlayNow.com has more than doubled its year-over-year online gambling revenue (\$179 million in FY 2019/20 to a forecasted \$414 million in FY 2020/21).

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**NAME: EXECUTIVE COMPENSATION****DESCRIPTION:**

- BCLC's compensation policy aligns with others across the public sector.
- Any performance-based increases to commercial Crown CEO salaries or total compensation maximums continue to require approval from Minister of Finance through the Public Sector Employers' Council Secretariat (PSEC Secretariat).
- Per the directive issued by the Minister of Finance in August 2020, there were to be no compensation increases or adjustments for executives for the performance year 2020/21.
- In July 2020, BCLC changed its organizational structure to support its new strategic plan and reduced its executive team from nine to seven. The roles of Vice-President, Lottery Gaming and Vice-President, Digital and Enterprise Services were eliminated as BCLC centralized all lottery, casino and eGaming into a single Operations Division.
- BCLC's total executive compensation for FY 2020/21 is in line with the total executive compensation from FY 2019/20, and expected to decrease in FY 2021/22 when salary continuances end for departed executives.
- BCLC will make its FY 2020/21 executive compensation public through Public Accounts and on its website.

**DATA TABLE:**

- The below compensation information is for FY 2019/20.

Name and Position	Salary	Benefits	Pension	All Other Compensation	FY 2019/20 Total
Jim Lightbody, President and CEO <sup>1</sup>	\$152,791	\$12,276	\$90,340	\$130,620	\$386,027
Greg Moore, Interim President and CEO	\$193,161	\$8,264	\$ -	\$ -	\$201,425
Kevin Gass, Vice-President, Lottery Gaming <sup>2</sup>	\$278,120	\$11,802	\$36,386	\$8,226	\$334,534
Robert Kroeker, Chief Compliance Officer and Vice-President, Legal, Compliance, Security <sup>3</sup>	\$221,440	\$11,832	\$26,125	\$44,700	\$304,097
Bradley Desmarais, Vice-President, Casino and Community Gaming	\$252,611	\$12,117	\$25,353	\$13,940	\$304,021
Jamie Callahan, Vice-President, Human Resources <sup>4</sup>	\$222,219	\$11,563	\$9,118	\$53,296	\$296,196

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Name and Position	Salary	Benefits	Pension	All Other Compensation	FY 2019/20 Total
Tom Kay, Interim Chief Financial Officer and Vice-President, Finance and Corporate Services	\$280,026	\$8,049	\$ -	\$851	\$288,926
Pat Davis, Chief Information Officer	\$233,512	\$12,640	\$19,531	\$21,466	\$287,149
Susan Dolinski, Vice-President, Social Responsibility and Communications <sup>5</sup>	\$214,333	\$7,215	\$9,227	\$ -	\$230,775
Cameron Adams, Interim Vice-President, Digital and Enterprise Services	\$207,056	\$12,071	\$13,294	\$3,316	\$235,737
John Leeburn, Interim Vice-President, People and Culture	\$108,500	\$8,242	\$ -	\$454	\$117,196
Amanda Hobson, Chief Financial Officer and Vice-President, Finance and Corporate Services <sup>6</sup>	\$53,862	\$2,991	\$2,547	\$28,119	\$87,519
Alan Kerr, Chief Financial Officer and Vice-President, Finance and Corporate Services	\$56,411	\$5,307	\$8,866	\$2,727	\$73,311
Monica Bohm, Vice-President, Digital and Enterprise Services <sup>7</sup>	\$39,626	\$1,342	\$4,401	\$8,294	\$53,663
Peter ter Weeme, Vice-President, Social Purpose and Stakeholder Engagement	\$30,962	\$2,963	\$2,855	\$2,727	\$39,507

1. Mr. Lightbody is currently on medical leave, effective September 6, 2019. Greg Moore joined BCLC as interim President and CEO effective September 6, 2019, until Ms. Cavanaugh joined BCLC as new Interim CEO on January 18, 2021.
2. Mr. Gass left BCLC, effective June 29, 2020.
3. Mr. Kroeker left BCLC, effective July 2, 2019. Mr. Desmarais concurrently served as Interim Vice President for Legal, Security, Compliance & Chief Compliance Officer until Ms. Savoie joined BCLC on June 29, 2020 as Chief Compliance Officer and VP, Legal, Compliance and Security.
4. Ms. Callahan left BCLC, effective October 10, 2019. Mr. Leeburn served in the interim until Ms. Gilpin-Jackson joined BCLC on April 15, 2020, as Vice President, People & Culture. In July 2020, Ms. Gilpin-Jackson became BCLC's Chief People Officer.
5. Ms. Dolinski left BCLC effective November 8, 2018. Ms. Bohm served in the interim before her retirement on May 31, 2019. Ms. Callahan then served in the interim until her departure on October 10, 2019. Mr. Gass concurrently served in the interim until Mr. ter Weeme joined BCLC on February 10, 2020 as its new Vice President, Social Purpose & Stakeholder Engagement. In July 2020, Mr. ter Weeme became BCLC's Chief Social Purpose Officer & Vice President, Player Experience.
6. Ms. Hobson left BCLC, effective July 10, 2019. Mr. Kay served in the interim until Mr. Kerr joined BCLC as new Chief Financial Officer and Vice President, Finance Corporate Services, effective January 13, 2020.
7. Ms. Bohm retired from BCLC, effective May 31, 2019. Cameron Adams served as interim Vice President, Digital & Enterprise Services, until he left BCLC on July 3, 2020.

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**NAME: PLAYER HEALTH**

**DESCRIPTION:**

- One of BCLC's corporate-strategic goals as outlined in the 2021/22 – 2023/24 Service Plan is that no one is harmed from gambling offered by BCLC.
- Working towards the goal, BCLC aims to reduce the percentage of players who score as high risk on the Problem Gambling Severity Index (PGSI) from nine per cent in FY 2020/21 to seven per cent by FY 2022/23.<sup>1</sup>
- BCLC's 2021/22 budget for player health and GameSense programs is \$8.2 million.
- GameSense is BCLC's player-health program, designed to assist players in making informed decisions about gambling and connect them to resources. BCLC licences GameSense to 14 casino and lottery jurisdictions across North America.
- During the COVID-19 pandemic, BCLC made it easier for players to access player-health supports by expanding GameSense Advisor (GSA) services via telephone and online chat by leveraging existing dedicated player-health specialists, who were previously in casinos and community gaming centres only.
- In March 2019, GPEB and BCLC renewed funding of \$1.36 million over five years to the Centre for Gambling Research at UBC to support its efforts to study harms related to gambling. Funding is provided through the Ineligible Jackpot Fund, which includes ineligible winnings from individuals barred from BCLC gambling facilities or those who have self-enrolled in the Voluntary Self-Exclusion (VSE) program.
- BCLC's VSE program is a resource for people who want to restrict themselves from gaming venues and/or PlayNow.com. VSE is a voluntary program and a tool that may assist people with better managing their decisions to gamble.
  - In FY 2020/2021, there were 6,248 VSE enrollments compared to 8,020 enrolments in FY 2019/20, noting that casinos and community gaming centres temporarily closed on March 16, 2021.
  - BCLC contracted with researchers at the University of the Fraser Valley to complete two longitudinal evaluation studies on the effectiveness of B.C.'s VSE program; a third study is underway but due to impacted availability of participants due to COVID-19, timing of results is unknown.

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<sup>1</sup> This figure is based on a continuous tracking survey conducted online with a sample size of 2,000 players.

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Online Problem Gambling Prevalence Study:

- BCLC and GPEB jointly commissioned a 2020 Online Gambling Prevalence Study<sup>2</sup> in response to a recommendation in the 2015 Plan for Public Health and Gambling. It found that 24 per cent of online gamblers overall are at high risk of experiencing problem gambling.
- The report, which cost \$115,000, was funded through the Ineligible Jackpot Fund. It includes seven recommendations for BCLC and GPEB. BCLC has implemented a robust action plan in response including: identifying play behaviours associated with risk and problem-gambling levels; proactive interventions when it believes players are actively experiencing harms; and exploring incentives for healthy-play behaviours.
- A follow-up study about the effects of COVID-19 in June 2020 found that more respondents participated in online gambling during COVID than before (a 9-point increase from 22 to 31 per cent) driven by increases to purchases of online lottery games, Scratch & Win games and charity raffles. This activity is consistent with public health directions to stay home wherever possible. Online gamblers who participate only in lottery games are less likely to classify as high risk than active-game players.
- PlayNow.com provides significant safeguards to encourage healthy play, such as age-verification controls, a session log to provide players with clear visibility into their play activity and a short-term lockout function for players who want to take a break.

**DATA TABLE:**

BCLC Player Health	2018/19	2019/20	2020/21	2021/22
Budget	\$6.9M Actual	\$8.5M Actual	\$6.5M Actual (due to casino closures*)	\$8.2M Budget
FTEs	42	50	48	41**

\*The 2020/21 budget is lower than prior years due to casino closures and resulting reduced operational costs. The 2021/22 budget reflects completion of GameSense Information Centre infrastructure upgrades.

\*\*This FTE count as of April 1, 2021 is lower than previous years due to vacant GSA roles that BCLC has not filled due to the closure of gambling facilities. BCLC plans to increase its player-health FTE to 50 upon casino re-opening, and as part of plans to continually improve programming.

<sup>2</sup> The 2020 BC Online Problem Gambling Prevalence Study surveyed an online panel of 4,079 adult British Columbians between February and March 2020.

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**NAME: Single-Event Sports Betting**

**DESCRIPTION:**

- Single-event sports betting is currently illegal in Canada, with sports bets requiring a 'parlay', meaning a single wager that links together two or more individual wagers and is dependent on all of those wagers winning together. Betting on races and fights is prohibited.
  - BCLC currently offers parlayed sports betting online through PlayNow.com and its Sports Action lottery product, which is available in gaming facilities and at lottery retailers including retail stores and hospitality locations.
  - British Columbians who currently wish to place bets on single-event sports, races and fights already do so through offshore websites that are not regulated in BC which may not have the same robust player-health safeguards as PlayNow.com. Revenue from these sites does not come back to the Province.
- The federal government is poised to legalize single-event sports betting and betting on races (other than horse racing) and fights through amendments to the Criminal Code. The BC government has supported this change since 2012.
  - The current Bill C-218 (the Safe and Regulated Sports Betting Act) passed the House of Commons with a 303-15 vote and is now with the Senate for consideration.
- As required under B.C.'s *Gaming Control Act*, BCLC is working with PSSG (GPEB) and FIN (CAS) to obtain approval from the Minister of Public Safety for it to implement single-event sports betting online on PlayNow.com, including BCLC's existing Sports Action lottery product when enabled by PlayNow.com, when legalized by the federal government.
  - If approved by the Province, BCLC is positioned to provide single-event bets online to PlayNow.com players within days of legalization, as the digital infrastructure is already in place.
  - PlayNow.com players will have the ability to place single wagers on games and propositions (specific events within a game) across many professional sports leagues for which BCLC already offers parlayed betting, as well as

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for additional new sports such as racing (Formula 1) and fighting (UFC and boxing).

- BCLC also intends to add single-event sports betting at retail through its Sports Action lottery product in 2022, to coincide with the installation of new lottery terminals.

Sports Action

- Advice/Recommendations; Government Financial Information  
 Advice/Recommendations; Government Financial Information      **BCLC** Advice/Recommendations; Government Financial Information  
 Advice/Recommendations; Government Financial Information
- After BCLC rolls out new lottery terminals in 2022, it would like to offer single-event bets as part of the existing Sports Action lottery product, which would be digitally enabled via PlayNow.com<sup>1</sup> through the new technology being introduced. This will enable BCLC to provide consistent online and lottery sports-betting options for players across online and land-based lottery channels.
- While the lottery terminals are expected to go live in the spring of 2022, there is considerable planning, integration and testing that takes place in advance of the go-live date.

Possible future expansion of single bets

- BCLC is still exploring land-based options for single event betting.
  - On March 22, 2021, BCLC posted a Request for Information (RFI) to receive information from companies to assist in the establishment of sports-betting experiences in land-based casinos and hospitality locations (e.g. sports bars and pubs).
  - The information received through the RFI will allow BCLC to better understand the current and future sports-betting market landscape and assist BCLC in creating a strategic plan to enhance sports betting in land-based locations.
- Any further land-based implementation of single-event sports betting, beyond PlayNow.com and Sports Action (via PlayNow.com) at BCLC’s existing lottery

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<sup>1</sup> When new lottery terminals are rolled out, Sports Action players will visit PlayNow.com to make sports picks from their smart phone and generate a barcode that retailers will use to print paper tickets from the lottery terminal, and complete the transaction.

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locations, will be Advice/Recommendations  
Advice/Recommendations

Financial impact:

- BCLC estimates that with the approval of singles, the total market for sports betting in B.C. would be \$125 to \$175 million (revenue, net of prizes), based on comparable U.S. jurisdictions and a Deloitte analysis of the Canadian opportunity for legal-market wagering.
  - Given digital integration planned between PlayNow.com and Sports Action, and future potential land-based opportunities, this estimate incorporates both online and land-based betting.
- In 2019/20, parlayed sports betting through PlayNow.com and Sports Action generated \$25.3 million in revenue, net of prizes.

Player Health

- PlayNow.com provides significant safeguards to encourage healthy play, such as age-verification controls, a session log to provide players with clear visibility into their play activity and a short-term lockout function for players who want to take a break.
- BCLC will continue to support player health into the future with other robust safeguards not offered by grey-market sites, including advanced predictive modeling and customized messaging; identification of player behaviours associated with risk and problem-gambling levels; and programming to actively identify high-risk online gambling behaviours for the purpose of interacting and intervening with players that are actively experiencing harms.
- GPEB offers free prevention, treatment and support services for anyone struggling with problematic gambling behaviours. Government Financial Information  
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## **NAME: ONLINE GAMBLING**

### **DESCRIPTION:**

- PlayNow.com is the fastest-growing channel of BCLC's business, with continuous year-over-year growth that is tracking to 131 per cent in FY 2020/21 and was 20 per cent in FY 2019/20 and 25 per cent in FY 2018/19.
  - During FY 2020/21, PlayNow.com saw an 84 per cent increase in new players and a 51 per cent increase in active player count, compared to FY 2019/20. An active player is defined as a player who placed at least one wager during the fiscal year.
  - The increases are in part attributed to players migrating to online play while B.C. casinos and community gaming centres remain temporarily closed due to the COVID-19 pandemic.
  - PlayNow.com's Live Casino grew in revenue in part due to an extension of operating hours, the introduction of new products and migration of land-based players.
  - eSlots also grew in part due to new games and increased play on mobile platforms.
- As of April 1, 2021, there are 782,569 PlayNow.com accounts, which is approximately 17 per cent of the British Columbia adult population.
- BCLC and GPEB jointly commissioned a 2020 Online Gambling Prevalence Study, which found that 24 per cent of online gamblers overall are at high risk of experiencing problem gambling.
- A follow-up study about the effects of COVID-19 in June 2020 found that more respondents participated in online gambling during COVID than before (a nine-point increase from 22 to 31 per cent) driven by increases to purchases of online lottery games, Scratch & Win games and charity raffles.
- Based on third-party expert industry data and internal analysis, <sup>Advice/Recommendations</sup>  
Advice/Recommendations
- The remainder of B.C.'s online gambling market is being captured by grey-market unregulated websites in Canada that are offering products (such as single-event sports betting) that BCLC is currently unable to offer due to current legislation.

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- Since January 2013, BCLC has provided the PlayNow.com platform and associated operational services to Manitoba Liquor & Lotteries.

Single-Event Sports Betting:

- The federal government is currently considering Bill C-218 – a private member’s bill to amend the Criminal Code to allow provinces to offer single-event sports betting, as well as bets on racing and fighting.
- Bill C-218 is now before the Senate. Should it pass, BCLC is positioned to offer single event betting online almost immediately.
- BCLC estimates the total (online and land-based) B.C. market for single-event sports bets is \$125 to \$175 million. In 2019/20, parlayed sports betting through PlayNow.com and Sports Action generated \$25.3 million in revenue, net of prizes.
- Work is underway to develop options to provide single-event sports betting to players in land-based channels, which will require government approval from the Minister responsible for the *Gaming Control Act* (PSSG).

PlayNow.com Weekly Transfer-In Limits:

- More than half of current players have set their weekly-deposit limit at \$100 or less.
- The vast majority continue to play well below the weekly transfer-in (deposit) limit, which increased on February 4, 2020 from \$9,999 to \$100,000.

**DATA TABLE:**

	FY 2018/19	FY 2019/20	FY 2020/21 Projection**
eGaming revenue, net of prizes*	\$149.8 million	\$179.0 million	\$414.0 million
Growth from previous FY	+24.9%	+19.5%	Trending towards +131.3%

\* Includes B2B revenue from PlayNow.com in Manitoba.

\*\* As per Third Quarter Projects as submitted to Treasury Board on February 17, 2021

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**NAME: SUPPORT FOR CASINO SERVICE PROVIDERS**

**DESCRIPTION:**

- BCLC and the Province have taken steps to support casino service providers and help them re-open with enhanced health and safety measures once the Provincial Health Officer deems it appropriate to do so.
- BCLC is reimbursing service providers for electricity and heating/ventilation/air conditioning (HVAC) costs to keep electronic gambling devices operational and on-site security to ensure the integrity of gambling devices while gambling facilities remain temporarily closed.
  - In FY 2020/21, BCLC reimbursed service providers \$3.8 million for electricity and HVAC cost and an additional \$872,000 for on-site security and other critical roles; totalling \$4.6 million.
  - BCLC owns all electronic gambling devices at gambling facilities, which must remain on to support the long-term functionality, integrity and security of the devices and systems as well as required upgrades to BCLC's gaming management system.
- In FY 2020/21, BCLC invested approximately \$3.7 million to purchase safe re-opening supplies and equipment such as plexi-glass dividers, physical distancing signage and masks on behalf of service providers across B.C. to support an efficient and safe re-opening when it happens.
- BCLC is compensating service providers for Encore Rewards members' specific activities on PlayNow.com in recognition that service providers have invested in serving these players at their land-based facilities.
  - In FY 2020/21, service providers earned \$6.1 million in commissions for Encore Rewards members' play on PlayNow.com. The cross promotion is expected to drive incremental net income to the province in the longer-term.
  - BCLC enhanced its Encore Rewards loyalty program so that players can now earn points on PlayNow.com and redeem them at land-based casinos and community gaming centres when they safely re-open – this will help support the industry's recovery once facilities re-open.

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- BCLC is making available advances on future commissions to qualifying service providers as one way to help support the recovery of the casino industry, which directly employs approximately 10,000 people across B.C.
  - Qualifying service providers have the option to accept these advances which are intended to provide short-term financial support for service providers, so they are positioned to get British Columbians back to work and recover the industry once the Provincial Health Officer deems it safe for re-opening.
  - BCLC is offering advanced commissions to a maximum of 10 per cent of a service provider's FY 2019/20 total commissions paid, with a monthly service fee of 0.5 per cent to be accrued.
  - Under contractual agreements, qualifying service providers must repay any commission advances and the service fee to BCLC through reductions of future commissions, starting in April 2023.
  - BCLC sent the formal commission-advance offer to service providers on May 6, 2021.

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**NAME: BCLC REVEUE PROJECTIONS**

**DESCRIPTION:**

- In FY 2021/22, BCLC expects to deliver \$840 million in net income to the provincial and federal government.
- This is an increase from the forecasted \$394 million in net income in FY 2020/21.
- BCLC expects net income to be significantly lower than pre-pandemic levels as BCLC continues to be challenged by COVID-19 and the closure of casinos and community gaming centres (CGCs).
- As per its FY 2020/21 Third Quarter Revised Forecast & 2020/21 – 2024/25 Projections, BCLC projects a net-income decrease of \$89.1 million over the next five years compared to previously communicated projections on October 29, 2020:
  - -\$24.7 million in FY 2020/21;
  - -\$135.9 million in FY 2021/22;
  - +\$67.6 million in FY 2022/23;
  - -\$0.5 million in FY 2023/24; and
  - +\$4.4 million in FY 2024/25.
- In comparison to budget as published in BCLC's 2020/2021-2022/23 Service Plan, the forecast reflects a net-income decrease of \$1.6 billion over the next 3 years (2020/21–2022/23):
  - -\$979.8 million in FY 2020/21;
  - -\$535.9 million in FY 2021/22; and
  - -\$103.6 million in FY 2022/23.
- The net income forecasts are based on BCLC's assumption that B.C. casinos and CGCs would re-open in late June 2021 and at reduced capacity given physical-distancing restrictions assumed to be in place; further delays to re-opening will result in lost revenue of approximately \$14 million in net income per week.
- The longer casinos and CGCs are closed, the more uncertain the recovery period for after casinos reopen. At this time, Provincial Health Officer has not provided a date for re-opening.

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