

BCLC Gambling Service Provider Commissions¹ Report

Fiscal Year 2022/23

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British Columbia's Casino, Community Gaming and Bingo Facility Gambling Operations Model

BCLC enters into Operational Services Agreements (OSAs) with private-sector service providers to carry out the day-to-day operations at gambling facilities including casinos and community gaming centres. Under this model, service providers are responsible for financing and construction of new gambling facilities, as well as the ongoing maintenance and repairs. The current OSA structure defines the service and operating responsibilities of service providers, as well as the following commissions:

Casino Games

- 25 per cent of net win¹ from slots and electronic table games
- 77.5 per cent of net win from poker and of net win from craps
- 62.5 per cent of net win from low-limit blackjack
- 40 per cent of net win from high-limit tables (except for high-limit craps, 75 per cent of net win)
- 42.5 per cent of net win from all other table games

Loyalty Program Commission

BCLC's Loyalty Program Commission program provides service providers a player conversion fee and a percentage of net win on BCLC's online gambling website, PlayNow.com, for eligible players.²

- Proportional share³ of 15 per cent of eSlots net win
- Proportional share of 15 per cent of eTables net win

Bingo Games

- 90 per cent of bingo sales (after prizes are paid) on the first \$10,000 per week
- 45 per cent of bingo sales (after prizes are paid) greater than \$10,000 per week
- 60 per cent of weekly net win from bingo games (paper bingo only)
- 25 per cent of weekly net win from electronic pull tabs

- Proportional share of 10 per cent of Live Casino net win
- Proportional share of \$10 player conversion fee

The terms of the OSA require service providers to submit annual business plans that include commitments to capital and operating investments in properties over the term of the contract. In addition, through a Facility Investment Commission (FIC) program, service providers earn commissions based on the execution of an investment plan agreed upon at the time of signing the current OSA.

OSAs provide a framework for BCLC to hold service providers accountable for investment commitments and service standards that drive growth and new amenities, while supporting the health of our players. They also include accountability measures that support BCLC's oversight in the areas of compliance and security, including escalation mechanisms and progressive discipline measures.

¹ Net gambling income is defined as net win (revenue after prizes) from casino games less fees payable by BCLC to the casino operator in accordance with International Financial Reporting Standards.

² An eligible player is defined as an active casino Encore Rewards member who did not have a PlayNow.com account and then opened one and placed a wager during a specific timeframe, or a new or active casino Encore Rewards member who did not have a PlayNow.com account or had an inactive account and opens or reopens an account and places a wager following the terms and conditions of a PlayNow.com marketing offer received.

³ "Proportional Share" with respect to an eligible player means a calculation expressed as a percentage of the eligible player's wagers at the service provider's land-based facility in the specified period as the numerator, and the eligible player's total wagers at all BCLC managed land-based gaming facilities for the specified period as the denominator.

Commissions Earned by Casino Service Providers Annually (By Facility)

Fiscal 2022/23 (in thousands of Canadian dollars)

Casino Name	Slot Revenue	Table Revenue	Bingo Revenue	Total Revenue	Operator Commission	FDC/AFDC/FIC Earned ³	Loyalty Program Commissions	Total Commission ^{4 5}
Billy Barker Casino	\$ 9,758	\$ -	\$ -	\$ 9,758.00	\$ 2,426	\$ 485	\$ 16	\$ 2,927
Cascades Casino Delta	17,835	4,888	-	22,723	6,628	1,136	34	7,798
Cascades Casino Kamloops	40,514	1,661	-	42,175	10,935	2,101	68	13,104
Cascades Casino Langley	129,240	30,621	1,113	160,974	47,625	8,017	166	55,808
Cascades Casino Penticton	35,583	1,103	-	36,686	9,437	1,828	47	11,312
Casino Nanaimo	47,284	2,495	-	49,779	12,968	2,478	96	15,542
Casino of the Rockies	12,859	-	-	12,859	3,185	637	15	3,837
Chances Casino Fort St. John	14,918	319	-	15,237	3,862	759	16	4,637
Chances Casino Kelowna	53,723	2,616	-	56,339	14,545	2,807	96	17,448
Elements Casino Chilliwack	47,092	1,226	760	49,078	12,867	2,446	74	15,387
Elements Casino Surrey	54,136	13,678	-	67,814	19,240	3,367	79	22,686
Elements Casino Victoria	77,932	9,710	-	87,642	23,874	4,349	176	28,399
Grand Villa Casino	161,867	82,802	-	244,669	78,713	12,180	165	91,058
Hard Rock Casino Vancouver	117,523	31,572	-	149,095	43,920	7,416	250	51,586
Hastings Racecourse	19,477	-	-	19,477	4,846	969	15	5,830
Lake City Casino Vernon	35,197	1,310	-	36,507	9,380	1,818	53	11,251
Parq Vancouver	71,245	76,395	-	147,640	52,576	7,329	172	60,077
Playtime Casino Kelowna	21,889	3,813	-	25,702	7,364	1,280	64	8,708
RimRock Casino	9,103	-	6	9,109	2,267	453	23	2,743
River Rock Casino Resort	161,894	114,350	-	276,244	90,090	13,746	341	104,177
Starlight Casino	94,751	33,554	-	128,305	38,713	6,402	116	45,231
Treasure Cove Casino	56,788	2,231	3,352	62,371	17,091	3,108	110	20,309
Total ⁶	\$ 1,290,608	\$ 414,344	\$ 5,231	\$ 1,710,183	\$ 512,552	\$ 85,111	\$ 2,192	\$ 599,855

³ Amounts paid under the 3 per cent Facility Development Commission (FDC), 2 per cent Accelerated Facility Development Commission (AFDC), and 5 per cent Facility Investment Commission (FIC) have been combined for fiscal year 2021/22. Service providers earn a 5 per cent FIC (based on net win from gambling) under the current OSA, which replaced the FDC and AFDC commission programs under the previous OSA. Only one facility operated under the previous OSA (Chances Cowichan) in fiscal year 2021/22.

⁴ Commission amounts reported represent revenue to the service providers and an expense to BCLC.

⁵ During fiscal year 2021/22, BCLC implemented several business initiatives to facilitate the successful reopening of gambling facilities. This included providing one-time advance commissions to eligible gambling facility service providers against future commissions. The financial impact of these initiatives is recorded as assets on BCLC's statement of financial position and have not been included in this report.

⁶ Total amounts cover period from July 1, 2021, to March 31, 2022. B.C. casinos and community gaming centres re-opened on July 1, 2021, following a 16-month closure as a public-health measure to slow the spread of COVID-19.

Commissions Earned by Community Gaming and Bingo Service Providers Annually (By Facility)

Fiscal 2022/23 (in thousands of Canadian dollars)

Community Gaming Centre or Bingo Hall	Slot Revenue	Bingo Revenue	Total Revenue	Operator Commission	FDC/AFDC/FIC Earned ⁷	Loyalty Program Commissions	Total Commission ⁸
Chances Abbotsford	\$ 28,498	\$ -	\$ 28,498	\$ 7,079	\$ 1,416	\$ 34	\$ 8,529
Chances Playtime Campbell River	17,598	77	17,675	4,443	879	41	5,363
Chances Castlegar	9,902	100	10,002	2,560	498	17	3,075
Chances Courtenay	23,080	-	23,080	5,743	1,149	43	6,935
Chances Cowichan	18,700	365	19,065	4,874	957	28	5,859
Chances Dawson Creek	9,245	-	9,245	2,305	461	6	2,772
Chances Casino Kamloops	21,740	1,081	22,821	6,135	1,137	41	7,313
Chances Maple Ridge	30,062	332	30,394	7,764	1,512	23	9,299
Chances Mission	13,973	554	14,527	3,938	722	20	4,680
Chances Prince Rupert	11,039	192	11,231	2,916	559	23	3,498
Chances Salmon Arm	11,737	212	11,949	3,119	596	10	3,725
Chances Signal Point	13,572	330	13,902	3,658	692	15	4,365
Chances Squamish	5,329	73	5,402	1,386	268	6	1,660
Chances Casino Terrace	14,161	39	14,200	3,551	706	48	4,305
Planet Bingo	-	2,824	2,824	1,513	139	-	1,652
Total CGC & Commercial Bingo Halls	228,636	6,179	234,815	60,984	11,691	355	73,030
Paper Bingo Distribution Revenue	-	185	185	-	-	-	-
Total*	\$ 228,636	\$ 6,364	\$ 235,000	\$ 60,984	\$ 11,691	\$ 355	\$ 73,030

⁷ Amounts paid under the 3 per cent Facility Development Commission (FDC), 2 per cent Accelerated Facility Development Commission (AFDC), and 5 per cent Facility Investment Commission (FIC) have been combined for fiscal year 2021/22. Service providers earn a 5 per cent FIC (based on net win from gambling) under the current OSA, which replaced the FDC and ADFC commission programs under the previous OSA. Only one facility operated under the previous OSA (Chances Cowichan) in fiscal year 2021/22.

⁸ The total commission amounts reported represent revenue to the service providers and an expense to BCLC. During fiscal year 2021/22, BCLC implemented several business initiatives to facilitate the successful reopening of gambling facilities, including providing one-time advance commissions to eligible gambling facility service providers against future commissions. The financial impact of these initiatives is recorded as assets on BCLC's statement of financial position and have not been included in this report.

Appendix 1: BCLC Casino, Community Gaming and Bingo Facility Service Providers

Facility	Service Provider	Location
Billy Barker Casino	585 Holdings Ltd.	Quesnel
Cascades Casino Kamloops	Gateway Casinos & Entertainment Limited	Kamloops
Cascades Casino Langley	Gateway Casinos & Entertainment Limited	Langley
Cascades Casino Penticton	Gateway Casinos & Entertainment Limited	Penticton
Casino Nanaimo	Great Canadian Gaming Corporation	Nanaimo
Casino of the Rockies	SEM Resort Limited Partnership	Ktunaxa Nation (Cranbrook)
Chances Abbotsford	Playtime Gaming Group Inc. (Gateway Casinos & Entertainment Limited)	Abbotsford
Chances Castlegar	Terrim Properties Ltd.	Castlegar
Chances Courtenay	Playtime Gaming Group Inc. (Gateway Casinos & Entertainment Limited)	Courtenay
Chances Cowichan	Duncan Dabber Bingo Society	Duncan
Chances Dawson Creek	Great Canadian Entertainment Centres Ltd.	Dawson Creek
Chances Casino Fort St John	0342293 B.C. Ltd. (Pomeroy Lodging)	Fort St John
Chances Casino Kamloops	Enterprise Entertainment Ltd. (Gateway Casino & Entertainment Limited)	Kamloops
Chances Casino Kelowna	Goldwing Investments (Saskatoon) Ltd.	Kelowna
Chances Maple Ridge	Great Canadian Entertainment Centres Ltd.	Maple Ridge
Chances Mission	Gateway Casinos & Entertainment Limited	Mission
Chances Playtime Campbell River	Playtime Gaming Group Inc. (Gateway Casino & Entertainment Limited)	Campbell River
Chances Prince Rupert	0733244 BC Ltd. (West Coast Hospitality)	Prince Rupert
RimRock Casino	1015244 B.C. Ltd. (Coulson Group)	Port Alberni

Appendix 1 (continued): BCLC Casino, Community Gaming and Bingo Facility Service Providers

Facility	Service Provider	Location
Chances Salmon Arm	Terrim Properties Ltd.	Salmon Arm
Chances Signal Point	Lucky's Ventures Ltd. (Gateway Casinos & Entertainment Limited)	Williams Lake
Chances Squamish	Gateway Casinos & Entertainment Limited	Squamish
Chances Casino Terrace	Lucky Dollar Bingo Management Ltd. (Pomeroy Lodging)	Terrace
Elements Casino Chilliwack	Chilliwack Gaming Ltd. (Great Canadian Gaming Corporation)	Chilliwack
Elements Casino Surrey	Orangeville Raceway Limited (Great Canadian Gaming Corporation)	Surrey
Elements Casino Victoria	Great Canadian Gaming Corporation	View Royal
Grand Villa Casino	Gateway Casinos & Entertainment Limited	Burnaby
Hard Rock Casino Vancouver	Great Canadian Gaming Corporation	Coquitlam
Hastings Racecourse	Hastings Entertainment Inc. (Great Canadian Gaming Corporation)	Vancouver
Lake City Casino Vernon	Gateway Casinos & Entertainment Limited	Vernon
Parq Vancouver	Parq Vancouver ULC	Vancouver
Planet Bingo	Community Gaming Management Association	Vancouver
Playtime Casino Kelowna	Gateway Casinos & Entertainment Limited	Kelowna
River Rock Casino Resort	Great Canadian Gaming Corporation	Richmond
Starlight Casino	Gateway Casinos & Entertainment Limited	New Westminster
Treasure Cove Casino	Treasure Cove Casino Inc.	Prince George