

INTEGRITY TECHNOLOGY INNOVATION
ENTERTAINMENT CHANGE REVENUE
transformation service plan optimization

2012/13–2014/15

CONTACT BCLC:

www.bclc.com

email: consumerservices@bclc.com

Consumer Services: 1-866-815-0222

74 West Seymour Street
Kamloops, B.C. V2C 1E2
250-828-5500

2940 Virtual Way
Vancouver, B.C. V5M 0A6
604-215-0649

message from BCLC's

board chair and president and ceo

On behalf of the Board of Directors and our employees, we are pleased to present BCLC's 2012/13–2014/15 Service Plan to the Honourable Rich Coleman, Minister of Energy and Mines.

As the largest net income generating commercial Crown Corporation in British Columbia, we know that BCLC's performance has a direct impact on the people and communities of our province. We remain focused on providing our players an outstanding entertainment experience in a manner that best demonstrates our commitment to social responsibility. BCLC was created over 27 years ago to generate income to benefit provincial programs and priorities. That purpose holds true today.

BCLC experienced record revenue and net income in 2010/11 and is projecting a slight softening in 2011/12. However, over the forecast period, net income to Government is projected to increase about 4.0 per cent annually from \$1.08 billion in 2011/12 to \$1.21 billion in 2014/15. In total, over the three years covered by this plan, BCLC is forecasting \$3.5 billion in net income to the Province. We are committed to sustaining and growing the revenue we return to Government and will do this through a continued, clear focus on optimizing our business, strategic cost management and by providing gambling facilities and products that reflect player demand. We are also taking a proactive approach to looking at BCLC's business model in its entirety, to ensure the Corporation is appropriately positioned to maximize the benefits we provide to British Columbians.

Technology and infrastructure are at the core of our ability to deliver the entertainment our players expect and, ultimately, successfully achieving the net income targets we have projected. This demand for technology to support our operations requires continued investment to improve operational effectiveness and prepare us for the future. In particular, we will replace our casino Gaming Management System that is essential to supporting about 70 per cent of BCLC's net win every year. This multi-year project will modernize our casino and community gaming business and help us be more responsive to players.

To better serve our players, we are focusing our efforts and programs on developing a keen understanding of their preferences and on delivering the kind of entertainment experiences they expect. Based on these insights, we will continue to focus on service excellence and introduce innovative products and refine delivery channels to better compete for and earn adult consumers' discretionary entertainment dollar.

Our success also hinges on our ability to build public trust and support for gambling in British Columbia. BCLC has been recognized as a leader in responsible gambling in Canada and the world. We are committed to maintaining and further improving our GameSense services and programs through research and third-party accreditation such as RG Check and the World Lottery Association Responsible Gambling Framework. We are also committed to meeting and exceeding federal and provincial anti-money laundering regulations. We have increased training and monitoring and are implementing the recommendations of the Province's review of BCLC's anti-money laundering practices. In our facilities, we are working closely with our service providers on measures to prevent underage access.

Public trust is also dependent on our ability to engage in a dialogue with the people and communities of B.C. and our ability to communicate how gambling proceeds benefit our province. We are pursuing more active engagement of our stakeholders, to share information and learn more about their perspectives on our business. BCLC will also look for ways to make information about our business more readily available online. Additionally, we will continue to pursue efforts toward environmental sustainability and carbon neutrality by engaging our staff through conscientious business practices.

Our employees play a key role in the success of our business. They are responsible for creating innovative solutions, designing new products and programs and collaborating with our service providers and retailers to ensure our players get the outstanding entertainment experience we promise. We will continue to invest in employee and leadership development and will focus on supporting a workforce that is passionate about their jobs.

Over the next three years we will continue to review our level of success in achieving our business plans by assessing our results against our targets and by using publicly available benchmarks from other comparable gambling organizations.

As with previous plans, this year's Service Plan was prepared under the direction of the Board and in accordance with the *Budget and Transparency Accountability Act* and *B.C. Reporting Principles*. The plan is consistent with Government's strategic priorities and fiscal plan. The Board is accountable for the contents of this plan, including how it has been reported.

All significant assumptions, events, policy decisions and identified risks as of January 26, 2012 have been considered in preparing the plan. The performance targets in the plan have been determined based on an assessment of BCLC's operating environment, forecast conditions, risk and past performance.

January 26, 2012



John McLernon
Board Chair



Michael Graydon
President and CEO

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organizational overview

BCLC is the Crown agency mandated to conduct, manage and operate lottery, gaming, casino and commercial bingo gambling in British Columbia.

who we are

Incorporated in October 1984 and pursuant to amendments to the *Criminal Code of Canada* (1969), British Columbia Lottery Corporation (BCLC) operates under the *Gaming Control Act* (2002) of British Columbia.

We operate our gambling business within the legislative, regulatory and policy framework established by the Province under the authority and direction of the Minister of Energy and Mines.

mandate

Our mandate is to conduct and manage gambling in a socially responsible manner for the benefit of British Columbians. We offer exceptional gambling entertainment through:

- National and provincial lotteries
- Casino gambling
- Commercial bingo
- Online gambling

vision

Gambling is widely embraced as exceptional entertainment through innovation in design, technology, social responsibility and customer understanding.

values

Integrity: The games that we offer and the ways we conduct business are fair, honest and trustworthy.

Social Responsibility: Everything we do is done with consideration of its impact on and for the people and communities of British Columbia.

Respect: We value and respect our players, service providers and each other.

our goals & strategies

1. Build public trust and support for BCLC gambling
 - Demonstrate a high level of corporate citizenship and social, economic and environmental responsibility
2. Create a player-centric company
 - Improve the organizational capacity to hear, anticipate and act upon customer expectations and desires
 - Offer exceptional entertainment through innovative and engaging channels and products
3. Invest in infrastructure and technology to drive innovation that enables our growth
 - Design processes and implement technology that improve operational effectiveness and prepare for the future
 - Enable an integrated multi-channel player community
4. Have a workforce passionately driving the success of our business
 - Make BCLC a great place to work

how we are regulated

Gambling is regulated by the Gaming Policy and Enforcement Branch (GPEB) of the Ministry of Energy and Mines. GPEB directs policies, legislation, standards, responsible and problem gambling strategies, licensed charitable events, horse racing, registers gambling service providers, certifies supplies and equipment, and conducts audits and compliance investigations.

what we do and where we are

BCLC integrates responsible gambling and player security into the design and development of new products and services, markets and advertises our products, manages the underlying technology, optimizes development of markets and channels, and oversees contracted retailer and service provider operations to maintain gambling integrity, security, compliance and performance.

Most BCLC products are sold day-to-day by private-sector service providers, including approximately 4,000 lottery retailers, 17 casinos, 17 community gaming centres and 10 commercial bingo halls. Secure, regulated online play is offered on PlayNow.com.

BCLC headquarters in Kamloops oversees finance, administration, and information technology, while our Vancouver corporate office manages sales, marketing, distribution and security. Field staff throughout the province also support our operations.

The consolidated financial statements of BCLC include a wholly owned subsidiary, B.C. Lottotech International Inc. (Lottotech). The primary business of Lottotech is the purchase and lease of capital assets for BCLC, with Lottotech's budget reviewed and approved by BCLC's Board of Directors through our annual business planning process. The financial operations, management and oversight of Lottotech are consolidated within BCLC operations. Lottotech's lease revenue is offset by the amortization of its capital acquisitions, with projected net income averaging 0.1 per cent of consolidated BCLC net income over the three-year planning period. BCLC has no other active or inactive subsidiaries.

how we benefit B.C.

Provincial programs & services: BCLC benefits citizens and communities every day. In 2011/12, BCLC is forecasting to deliver \$1.08 billion in income to the Government of British Columbia for health care, education, community and municipal programs. A portion also goes to the Government of Canada. BCLC retains none of its earnings.

Gaming grants: Each year, community and charitable organizations receive gaming grants awarded by the Province for public safety, youth and disabled sports, adult arts and sports organizations, environmental groups, animal welfare agencies, people in need, fairs, festivals, museums and programs like preschools. For more information, visit www.pssg.gov.bc.ca/gaming/grants/community-gaming or visit the Minister of Energy and Mines website at www.gov.bc.ca/ener/index.html.

Jobs & contracts: In addition to about 900 employees, BCLC provides livelihoods for over 37,000 direct and indirect workers in gambling operations, government agencies, charities and support services.¹

¹ 2010 Economic Impacts of the Canadian Gaming Industry: Key Findings Report-HLT Advisory Inc.(October 2011).

core business areas (channels)

Channel	Casino & Community Gaming Centres	Lottery	eGaming
2011/12 Forecasted Net Income (Total \$1.08 billion)	\$807 million	\$249 million	\$21 million
Distribution Network	15 Casinos 2 Racecourse Casinos 17 Community Gaming Centres 10 Commercial Bingo Halls	2,900 Retail locations 1,000 Hospitality locations	PlayNow.com
Products	Slot Machines Table Games Electronic Tables Poker Games Paper & Electronic Bingo	Lotto Games Sports Games Social Games Instant Games	Lotto and Sports Games e-only Games eCasino ePoker
Structure	6 private sector casino service providers & 15 service providers for commercial, independent and charitable community & commercial bingo gambling earn a percentage of net win for providing gambling facilities and day-to-day operational services	Our retailers earn an industry-standard commission, calculated as a percentage of revenue to service lottery games in their locations	Games are provided through PlayNow.com website

corporate governance

BCLC'S BOARD OF DIRECTORS (BOARD) IS APPOINTED BY ORDER OF THE LIEUTENANT-GOVERNOR IN COUNCIL.

BCLC is compliant with the standards and guidelines and each of the disclosure requirements contained in the *Best Practice Guidelines—B.C. Governance and Disclosure Guidelines for Governing Boards of Public Sector Organizations (2005)*.

Our Board framework includes the terms of reference for the Board, the Board Chair, President and Chief Executive Officer, Directors, Standing and Ad Hoc Board Committees and the Corporate Secretary, as well as processes for strategic planning, succession planning and Board performance evaluations.

The Directors are stewards of BCLC, chosen on the basis of their expertise and experience. Upon appointment, the Directors agree to act in accordance with the Board's Code of Conduct and Conflict of Interest Guidelines.

Our Board's governance principles are:

- To foster BCLC's short-term and long-term success, consistent with its responsibility to the Government of the Province of British Columbia;
- To give due consideration of the legitimate interests held by other stakeholders including players, employees, service providers, suppliers, communities and the public; and
- To provide objective oversight of the strategic direction, planning and conduct of BCLC's business and direction to BCLC's Senior Executive, who are responsible for day-to-day operations.

The Chair is the presiding Director, responsible for the effective leadership and performance of the Board and the liaison between the Board and Minister responsible for gaming. The Chair works together with the President and CEO to ensure effective relations with stakeholders, including Government.

Reporting to the CEO, the Corporate Secretary facilitates communication between the Board and Senior Executive team, playing a key role in the administration of corporate and governance matters, working with the Board through the Chair.

BCLC's Senior Executive team attends Board meetings. To maintain autonomy, the Board may convene in camera sessions. Learn more about [BCLC's Corporate Governance](#) and more about our Board of Directors.

Learn more about the Province of British Columbia's [Board Resourcing and Development Office](#).

Minister Responsible for Gaming The Honourable Rich Coleman Minister of Energy and Mines

Board of Directors John McLernon (Chair)

Role:	To provide stewardship and ethical leadership to oversee the management of BCLC's affairs in the best interests of BCLC and the long-term interests of the Government of the Province of British Columbia.
Governance:	In carrying out the mandate of the Board, each director has specific statutory duties and obligations under employment, environmental and financial reporting and is required to act in accordance with fiduciary, duty of care and conflict of interest guidelines and do so: <ul style="list-style-type: none">i) honestly and in good faith;ii) with a view to the best interests of the Corporation;iii) with the care, diligence, and skill of a reasonably prudent person; andiv) consistent with the terms of reference that set out the standards of performance that the Board expects of each director.
Chair:	John McLernon
Members:	Arthur Willms (Vice-Chair), Trudi Brown, David Gillespie, Cynthia M. Grauer, Moray Keith, D. Neil McDonnell, Michael Riley

BCLC has three standing Board committees; other committees are established as needed. The committees are responsible for advising and formulating recommendations to the Board. Our Standing Board committees are:

Audit Committee	Purpose: To assist the Board in fulfilling oversight responsibilities for BCLC's financial reporting provided to government and the public, the effectiveness of internal control systems, audit and risk management processes, performance and findings and compliance with laws, regulations and policies. Chair: Michael Riley Members: David Gillespie, Moray Keith, Arthur Willms, D. Neil McDonnell
Governance and Corporate Social Responsibility Committee	Purpose: To provide focus on governance that enhances BCLC's performance, including for the Board of Directors, and to provide oversight responsibility for corporate social responsibility policy. Chair: David Gillespie Members: Trudi Brown, Moray Keith
Human Resources and Compensation Committee	Purpose: To assist the Board in fulfilling obligations relating to human resources and compensation matters to enhance BCLC's performance against the strategic plan. Chair: D. Neil McDonnell Members: Cynthia Grauer, John McLernon
Ad Hoc Committees	Purpose: Established for a specific period of time to undertake a specific task, and then disbanded.
Ex-Officio Members	The Board Chair is an ex-officio member of all committees where not appointed as a full member. The President and CEO is also an ex-officio member of all committees.

our senior executive team

BCLC's President and Chief Executive Officer (CEO) reports to our Board of Directors. [Read](#) the terms of reference for the CEO, which are included in our Board framework.

The CEO provides the leadership, management, and general supervision and controls BCLC operations on a day-to-day basis in accordance with the strategies, plans and policies approved by BCLC's Board.

The CEO is supported by a Senior Executive team comprised of nine Vice-Presidents, all of whom report directly to the CEO.

A Vice-President is responsible for the leadership and operation of each of the three business channels: Lottery Gaming, eGaming and Casino and Community Gaming. A Vice-

President has been appointed to plan and implement a new casino Gaming Management System, a multi-year technology project that is the foundation for the operation of our casino and community gaming business.

The business channels are supported by five divisions, responsible for managing the operations of BCLC's financial, customer and corporate relations, corporate security and compliance, transformation and technology, and human resource capabilities.

The Director, Audit Services reports administratively to the CEO and functionally to the Board Audit Committee. [Learn more about BCLC's Senior Executive team members.](#)

Minister Responsible for Gaming

The Honourable Rich Coleman
Minister of Energy and Mines

Board of Directors

John McLernon (Chair)

President and CEO

Michael Graydon

Responsible for BCLC's leadership and vision, directing and supporting the Senior Executive team in the development of the plans and actions required to realize the strategic goals of the organization.

Casino and Community Gaming Centres

Jim Lightbody, Vice-President

Responsible for the development and operation of casino, community and commercial bingo gambling, including products, sales, distribution and contracted private sector service providers.

Casino System Implementation

Darryl Schiewe, Vice-President

Responsible for the planning, implementation and operationalization of a technological system that underpins the operation of our \$1.5 billion casino and community gaming business.

Corporate Security and Compliance

Terry Towns, Vice-President

Responsible for corporate security and compliance, including customer service complaint investigations, legal services, privacy and freedom of information administration, information security and employee and service provider compliance.

Customer Strategy and Corporate Relations

Marsha Walden, Vice-President

Responsible for driving player-centric strategies and corporate relations activities designed to increase player and public understanding of our business, transforming how BCLC approaches innovation, corporate social responsibility, communications and enterprise-level marketing.

eGaming

Rhonda Garvey, Vice-President

Responsible for the direction of the eGaming business unit, providing leadership in all aspects relating to operations, development and marketing of BCLC's secure and regulated gambling website, PlayNow.com.

Finance & Corporate Services

Tom Williamson, Vice-President and CFO

Responsible for finance, including financial reporting and liaison with Government, and corporate services including enterprise risk management, corporate policy, facilities and procurement.

Human Resources

Peter Charlton, Vice-President

Responsible for human resources and organizational development, including recruitment, compensation, rewards and recognition, leadership and other development and training programs.

Lottery Gaming

Kevin Gass, Vice-President

Responsible for the development and operation of lottery gambling, including products, marketing, sales and distribution, and contracted private sector service providers.

Transformation and Technology

Lynette Hughes, Vice-President

Responsible for strategic planning, corporate business transformation, the program management office and the information technology infrastructure and systems that supports gambling and back office systems.

strategic context

These trends, opportunities and risks will shape our operations and potentially influence our performance during the three years of this plan. In preparing strategy, BCLC has assessed risks and opportunities, likelihood, and potential impact.

economic and market trends and issues

We monitor the marketplace to proactively leverage or mitigate external influences.

economy

Recent government economic assumptions forecast the B.C. economy will grow by 2.0 per cent in 2011 and 2.3 per cent in 2012, down from the 3.8 per cent growth of 2010. Future government forecasts point to the recovery continuing, but at a modest pace with a higher risk of recession.²

B.C. personal disposable income growth is projected to be modest in 2011 and 2012 at 1.3 per cent and 2.2 per cent respectively but will rise to 2.5 per cent annually after 2012.³

Over the past two years our net income has been relatively unchanged with our 2011/12 income projected to be 2.5 per cent less than 2010/11. While net income growth has been relatively flat over the last several years, BCLC did achieve record net income in 2010/11.

Actions: We will continue to focus on revenue generating initiatives to generate growth while sustaining our core, mature products. We will also focus on optimizing the business and strategic cost management.

player centricity

Our players are our business. We are transforming from a product-driven to a player-driven organization. To be successful we need to understand who our customers are and what they want in order to provide outstanding entertainment experiences.

More than 80 per cent of British Columbians play our games at least once a year and most play infrequently. Building loyal player relationships and becoming truly player-centric are increasingly important if we want to remain competitive in the entertainment market.

Actions: We will focus on service excellence and use tools and technology to become more player-centric. We will continue to seek ways to make playing fun, convenient and secure, including addressing trends such as changes in consumer shopping habits that focus on self-service and the Internet. We will gain player insight using tools and technology that help us listen to our customers and improve the customer experience wherever and whenever they are playing our games or interacting with our company or our service providers.

public opinion

Everything we do is done in consideration of its impact on the people and communities of British Columbia. Public support is our licence to operate. We must continue to work hard to further build public trust and confidence by offering products and services with the highest standards of integrity and social responsibility, operating efficiently and effectively and communicating how the net income we generate benefits people and communities across the province.

In the last several years, we have seen positive results for player awareness of responsible gambling activities, but have come short of fully achieving our targets for public trust.

Actions: We are committed to ongoing improvement to our responsible gambling programs, security and compliance, stakeholder relations, transparency and financial and environmental stewardship.

This year we will review our GameSense Info Centre program to determine whether it best meets the needs of the people who access it over 27,000 times each year. We are also taking action on recommendations to optimize our Voluntary Self-Exclusion program and plan to conduct further research in this area. In our facilities, ongoing training and increased identification checks will help maintain and strengthen security and compliance. We will also reach out to stakeholders across the province on issues of importance to our business to help build mutual understanding. On the environmental front, we will continue to implement socially and environmentally conscious business practices, promote recycling and reduce waste.

revenue sustainability

We deliver over \$1 billion in revenue annually to the Province. Looking ahead, our facilities redevelopment strategy is nearing completion, some of our products are reaching maturity in their life cycle and newer games are more expensive to develop and provide lower margins than our traditional games. This, combined with an aging player demographic and soft economic conditions, will make it challenging for BCLC to sustain and grow income to the Province.

² Province of B.C. Economic Assumptions for first Quarterly Report released on September 8, 2011

³ Central 1 Economic Analysis of Canada, September 2011

The gambling industry is Canada's largest entertainment industry estimated to generate \$15.3 billion in net win in the 2011 calendar year.⁴ However, growth in the Canadian market over the last five years has been less than 1.0 per cent annually. Through continued introduction of innovative new products and development of our gaming channels, BCLC has realized a higher growth rate of 5.5 per cent over this same period. At BCLC we are projecting a net win growth rate of 1.1 per cent in 2011/12. The net income we provide to the Province is also projected to increase at a moderate pace of about 4.0 per cent per year over the period covered by this plan.

Our traditional facility-based lottery and casino products were introduced in an under serviced market, and these products were more profitable than the technology-based games of today. We are focused on building a viable, dynamic eGaming business on PlayNow.com. However, with technology and development costs, games on PlayNow.com will ultimately produce smaller margins than traditional facility-based games.

Actions: We have two primary strategies to sustain and enhance our business: development of new products and channels, and optimization of the business. We are expecting to see continued strong growth on PlayNow.com and we are committed to developing a full suite of appealing products offered conveniently and securely on B.C.'s only regulated Internet gambling website.

technology and infrastructure

We rely on technology to deliver gambling with a high degree of integrity and security, to sustain and grow our business. New technologies also lead to business advantages, such as product and service innovation for our players and operational efficiencies for ourselves and our service providers.

Sustaining current operations and enabling future growth are key priorities. However, about half of our systems are considered legacy and need to be updated or replaced. Business transformation activities and maintenance of new systems have added additional cost pressures.

Actions: We are making progress in modernizing and transforming our infrastructure and gaming systems. We have also embarked on a three-year project to replace our casino Gaming Management System which supports the annual generation of \$1.5 billion in revenue and \$800 million in net income. The new system will provide a foundation for modernization, sustainable, moderate growth and more flexible, responsive player relations.

PlayNow.com

PlayNow.com helps to keep some of the revenue spent by British Columbians on Internet gambling in B.C. and offers players a regulated and secure alternative. PlayNow.com has over 180,000 registered players and now offers a full suite of products including ePoker and eCasino games. PlayNow.com

provides opportunities to grow our business and provides new and exciting entertainment experiences for adults. Responsible gambling measures include age, location and identification verification, deposit restrictions, display of play time and wagers and player-set weekly wallet limits.

Actions: Continuing development of PlayNow.com is a strategic priority. Moving from building a competitive Internet gambling business to an interface that is available to other areas of the business is an exciting opportunity to leverage eGames, and provide fun to players, all in a regulated environment aligned with responsible gambling standards.

About 3,000 people a day access BCLC's websites using a mobile device or tablet even though our websites are not yet fully optimized for these devices. One third of adult Canadians own a mobile device and within five years, mobile will be the device of choice to access the Internet.

We are responding by making time-sensitive information such as jackpot levels and winning numbers mobile-ready and are also preparing for communicating services and promotions through mobile. PlayNow.com's security and protection features will apply whether players choose to access the website using mobile or a personal computer.

lottery

Lottery is a major profit generator and remains a priority. Three of our six core products are lottery products: Lotto 6/49, LOTTO MAX and Keno, which are projected to generate \$257 million or 12.5 per cent of our total net win through the retail and hospitality network in 2011/12. Lottery gambling is a mature channel.

Actions: We will engage players through product, service and business innovations while maintaining player security and system integrity. New ways to play sports games through the PlayNow.com portal in lottery facilities will give additional entertainment value to our players in a regulated environment.

casino and community gaming centres

Since BCLC assumed responsibility for casino gambling in 1997, a major focus has been to work with service providers to build and upgrade existing facilities to higher quality properties. This strategy is nearing completion.

Worldwide bingo gambling has been in decline over the past decade; in B.C. this decline is forecast at 13.9 per cent over last year. Our priority for this market has been, and continues to be, to upgrade commercial bingo halls to community gaming centres with improved customer service, amenities and product offerings including slot machines.

Actions: We will continue to develop properties that offer exceptional entertainment, where the appropriate market conditions exist. We will continue to improve the entertainment value of the games offered in this channel. Revenue growth is

4 HLT Advisory, information presented to BCLC July 2011

also anticipated through the new casino Gaming Management System and its advanced marketing capabilities, which we will roll out over the next three years. The new and enhanced BcGold Encore rewards program demonstrates our commitment to listening to our players and providing them with the kinds of

offers that interest them. Over 550,000 players have signed on to the program and nearly half used their cards last year.

For net win and net income trends of all our core business areas, refer to [Our Financial Outlook](#) on page 20.

risks and opportunities

BCLC has a formal enterprise risk management program, with ongoing evaluation of risks and quarterly Board reporting of action plans for all significant risks identified. Over the past year we have further developed and leveraged our risk management program, integrating it with our strategic, business, and project planning processes.

RISKS & OPPORTUNITIES	IMPACT	ACTIONS
SUSTAIN AND GROW		
<p>Risk: BCLC generates over \$1 billion in income annually for the Province of B.C. and all British Columbians. With the facilities redevelopment strategy of casinos nearing completion, gaming products that are reaching maturity in their life cycles, an aging player demographic, and challenging economic times, sustainment of income to government is at risk.</p> <p>Opportunity: By transforming our business and becoming more player-centric, BCLC will better meet the expectations of current customers and attract new players to our games.</p>	The net income contribution that BCLC makes to the Province may decline if the entertainment products we offer do not appeal to existing and potential players.	BCLC continues to explore and implement new product and delivery channels in response to changing consumer preferences. Through the new casino Gaming Management System and other initiatives, BCLC will become more player-centric, and enable the corporation to maintain and grow its customer base.
SOCIAL MANDATE		
<p>Risk: If BCLC is not seen as being a socially responsible, transparent organization that brings value to British Columbians, then public acceptance of our mandate will decrease.</p> <p>Opportunities: Greater engagement with our players and all British Columbians.</p>	If the public or other stakeholders lose confidence in BCLC there could be a reduction in player participation resulting in a decline in revenue. BCLC might have fewer opportunities for new initiatives that generate income for the Province and all British Columbians.	<p>BCLC has an active stakeholder engagement program, including community relations events in many communities which generate discussion and educate stakeholders about BCLC's corporate social responsibility (CSR) initiatives.</p> <p>Specific CSR initiatives include BCLC's GameSense responsible gambling awareness program; Voluntary Self-Exclusion (VSE) programs that include license plate and facial recognition projects; and ongoing responsible gambling research. BCLC also continues with mandatory Appropriate Response Training (ART) for front-line gaming staff at our facilities, training which includes preventing underage access.</p> <p>The Province has outlined recommendations in strengthening BCLC's role in the prevention of money laundering at gambling facilities, recommendations BCLC is in the process of implementing. We are committed to exceeding both federal and provincial anti-money laundering regulations, and increased monitoring and training continues.</p>

RISKS & OPPORTUNITIES	IMPACT	ACTIONS
INFRASTRUCTURE AND CAPACITY		
<p>Risk: BCLC technology systems and expertise may not be capable of sustaining current operations and transforming the organization to meet future needs.</p> <p>Opportunity: Implementing new technologies and recruiting and developing staff will lead to the development and sustainment of reliable and robust information technology that supports the growth of our business.</p>	<p>System and infrastructure failures may have financial and operational repercussions. Players may be unable to participate in lottery, eGaming or facility gaming on a temporary or protracted basis.</p> <p>If technology or capacity restricts innovation, BCLC's ability to meet the expectations of existing and new players will be constrained, affecting future revenue.</p>	<p>Corporate transformational initiatives are underway that will include replacement of a number of legacy systems—most significantly, the casino Gaming Management System. BCLC also plans to strengthen business continuity and disaster recovery capabilities to improve further its ability to respond immediately to potential system disruptions or failures.</p>
INFORMATION MANAGEMENT		
<p>Risk: Maintaining security and, in particular, protecting personal information, is an industry-wide concern, as is defending the organization from malicious cyber-attacks.</p> <p>Opportunity: There are opportunities to improve information lifecycle management, security and systems.</p>	<p>If information held by BCLC were improperly managed or protected, the consequences could include data or integrity loss leading to potential privacy concerns or harm to our players and loss of player and public trust.</p>	<p>BCLC has adopted an integrated approach to privacy impact assessments, incorporating a review process into project and operational management. Where information may be held by third parties, clear instructions and remedies will be included in contractual documentation.</p> <p>BCLC plans to formalize the corporate information architecture, improving governance throughout the information lifecycle. This will strengthen systems which manage personal information.</p>
THIRD-PARTY DEPENDENCIES		
<p>Risk: BCLC is reliant on retailers and service providers to distribute its products and manage its gambling facilities. The corporation is also dependent on vendors providing gaming and business solutions.</p> <p>Opportunity: Business partnerships leverage the benefits of private sector competitiveness and distribution and provide BCLC with access to specialist expertise and the ability to provide better amenities and services to our players.</p>	<p>Service providers or retailers may not appropriately implement BCLC policies or comply with regulations, resulting in a range of potential customer service or compliance issues. Public trust may decline.</p> <p>Third parties may not deliver services as required, resulting in delays in implementing new initiatives and realizing the associated revenue.</p>	<p>We work closely with our service providers and retailers. Policy and procedure manuals are regularly updated and training programs provided. Any areas of higher risk, such as financial transactions, retail wins, and casino admissions are actively monitored and reviewed. Progressive discipline policies are in place, aligned to audit and security programs. Incidents are reported and investigated. The security and audit teams liaise closely with the Gaming Policy and Enforcement Branch (GPEB), our service providers, and provincial and local police forces.</p>

RISKS & OPPORTUNITIES	IMPACT	ACTIONS
CORPORATE BUSINESS PRACTICES		
<p>Risk: BCLC manages a complex business and requires robust business practices to manage all processes with accuracy and integrity, and in compliance with regulatory requirements and social responsibility objectives.</p> <p>Opportunity: Streamlining and automating business processes to improve efficiency.</p>	<p>If regulations, BCLC's policies and business practices are not followed, the organization could experience operational difficulties, financial losses, potential audit qualification, and/or decline in reputation.</p>	<p>Our policy office continues to support the development and maintenance of corporate and operational policies and procedures. Audit Services reviews and advises on control frameworks. Management provides ongoing guidance and support to staff to ensure that they understand their roles and responsibilities.</p> <p>BCLC has implemented mandatory training modules for key risk areas, and the focus for the year ahead includes a number of transformational initiatives which aim to enhance internal control processes, further develop change management protocols and reinforce accountability.</p>
GAMING MANAGEMENT SYSTEM (GMS)		
<p>Risk: BCLC's existing Gaming Management System (GMS) currently supports the collection of \$1.5 billion in revenue, and \$800 million in net income for the Province. This system is technologically obsolete and no longer fully supported by the vendor. Failure of this system would have a significant impact on corporate revenue and net income to the Province.</p> <p>Opportunity: In addition to providing stability to a critical part of BCLC's gaming infrastructure, the new GMS will provide opportunities to grow revenue through enhanced marketing capabilities.</p>	<p>Failure of the current GMS would have material consequences for the \$1.5 billion in revenue and \$800 million in net income that are collected using the system, and could create consumer confidence issues with lasting impact on public confidence.</p>	<p>Following several years of planning and detailed business case development which culminated in approval by the Board of Directors this summer, BCLC has embarked on a four-year project to replace its current, aging GMS.</p> <p>Implementation of the new system is expected to begin in the summer of 2012 and take approximately three years to complete.</p>

our capacity to achieve results

Current and future needs require sound, responsive and adaptive business processes and technology. Our workforce must have the skills and capabilities to work in this environment and leverage our business to satisfy our players.

We are investing in our workforce through continual refinements to our online learning management system, ongoing programs for leadership development, and a new, more formalized employee development program. To ensure our workforce capacity is effectively utilized, resource planning is aligned with emerging business needs.

We are improving our business planning processes to ensure we are allocating our human, operating and capital resources to the highest value-added projects. Reinforcing a culture of business optimization, continuous improvement and operational efficiency will result in allocating resources to where the business need is the greatest.

our plan for the next three years

goals, strategies and performance measures

BCLC's Board and senior executive conduct an annual review of our mission, values, goals, strategies, performance measures and associated targets. We also gather results from other gambling jurisdictions with similar operations to assess our performance relative to comparable businesses.

how we measure our performance

Each year, BCLC sets performance targets based on trends in current performance and the expected impact of our programs to maintain or improve performance.

For non-financial measures, BCLC contracts with independent third-party professionals to conduct surveys, and uses these results to measure our performance against established targets. On a quarterly basis, we assess our results and also review and analyze the data collected in these surveys to modify and improve business performance. Our performance results are published each year in our [Annual Service Plan Report](#).

Public support for gambling, player awareness of responsible gambling initiatives, player satisfaction and participation are measured by Research and Incite Consultants, a third-party research supplier which uses a random sampling of the B.C. adult population throughout the year. Samples are verified to ensure that they are representative of B.C.'s regional population, age and gender balance. In 2010/11 we transitioned from collecting data via telephone surveys to online surveys.

Financial information is obtained from BCLC's audited financial statements, published in BCLC's Annual Service Plan Report, and in other internal reporting. Population figures from BC Stats are used to calculate some performance measures. Employee engagement is measured on our behalf by Ipsos Reid, a third-party research supplier who conducts an annual survey of BCLC employees.

Our financial performance benchmarks are obtained from the audited financial results published by the comparator benchmark organizations, Lafleurs World Lottery Almanac and the publicly available Canadian Gambling Digest.

The organizations that BCLC benchmarks to are the Ontario Lottery and Gaming Corporation (OLG), Loto-Québec (LQ) the Swedish lottery Svenska Spel and the total Canadian gambling average. These benchmarks provide insight into BCLC's financial performance against national averages and comparable gambling jurisdictions. Svenska Spel has been selected as a benchmark comparator because it is regarded as one of the most innovative regulated international lottery and Internet gambling jurisdictions. We review the performance results published by other gambling organizations annually for additional benchmarking opportunities.

performance measures and targets at a glance

Our performance management framework is summarized in the table below.

Goal	Strategies	Performance Measures
1. Build public trust and support for BCLC gambling	Demonstrate a high level of corporate citizenship and social, economic and environmental responsibility	Public Support for Gambling
		Player Awareness of Responsible Gambling Activities
		Level of Greenhouse Gas Emissions
2. Create a player-centric company	Improve the organizational capacity to hear, anticipate and act upon customer expectations and desires	Player Satisfaction
		Player Participation
	Offer exceptional entertainment through innovative and engaging channels and products	Net Win per Capita
3. Invest in infrastructure and technology to drive innovation that enables our growth	Design processes and implement technology that improve operational effectiveness and prepare for the future	Net Income
		General Operating Costs as % of Net Win
	Enable an integrated multi-channel community	Electronic Gaming Devices per 1,000 population
4. Have a workforce passionately driving the success of our business	Make BCLC a great place to work	Employee Engagement
		Employee Vacancy Rate

Our performance targets for the next three years are outlined in the following pages. A more detailed explanation of the methodology used for each measure and our benchmarking is contained in Appendix 1.

goal 1: build public trust and support for BCLC gambling

our mandate is to conduct and manage gambling in a socially responsible manner for the benefit of British Columbians

BCLC gambling delivers more than \$1 billion in proceeds each year to the Province of British Columbia for health care, education, community initiatives and other programs. Sustaining and growing this revenue depends on us maintaining the trust and support of the public and our players.

demonstrating corporate social responsibility

We must balance revenue generation for the Province, with investment to deliver the entertainment experience that our players seek in a manner that is ethical and socially responsible. We will reach out to stakeholders on issues of critical importance to our business to help build mutual understanding. We will also take steps to become more transparent and will continue to communicate how the revenue we generate supports the people and communities of B.C.

We measure public support for legalized gambling in British Columbia to ensure our products and facilities are accepted by the public.

focusing on continuous improvement of our responsible gambling programs

We are committed to the continuous improvement of our programs which are designed to reduce the incidence and impacts of problem gambling. We continue to focus on integrating responsible gambling principles throughout our operations. Our GameSense responsible gambling communication and education program has been acknowledged as among the best in the world. For a small number of our players, gambling ceases to be fun and becomes a problem; we invest in research for opportunities to improve problem gambling prevention and player education and also in programs and technology to support these players.

We measure player awareness of our responsible gambling activities to determine whether our responsible gambling programs are effective at reaching players.

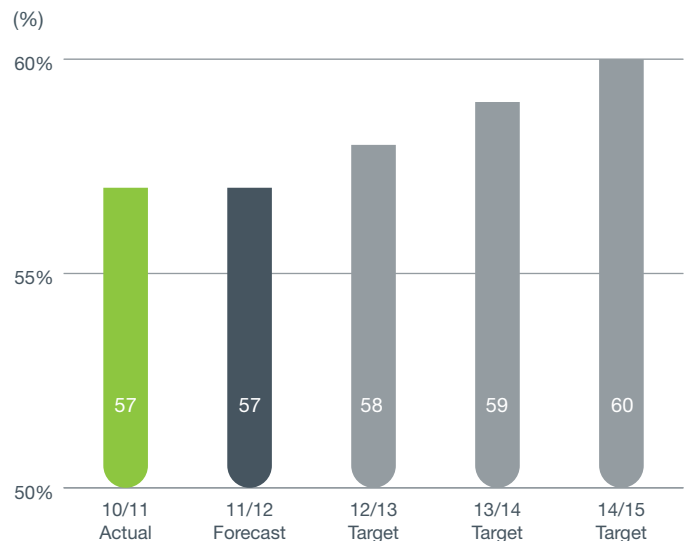
decreasing our carbon footprint

BCLC views sustainability as a key component of corporate social responsibility and is promoting environmentally sustainable behaviours in our organizational culture as an integral part of our business. We recently relocated our lower mainland facility and are proceeding through the LEED certification process. Our environmental program spans all aspects of our business, from reduction of energy consumption, through technology solutions to reduce travel, to management

of our waste products to maximize re-use or recycling. BCLC is required to meet the carbon neutrality requirements set out in the Government's *Greenhouse Gas Reductions Target Act*.

We measure reportable greenhouse gas emissions to monitor our progress towards meeting our target of reducing our greenhouse gas emissions by 33 per cent by 2020.

public support for gambling



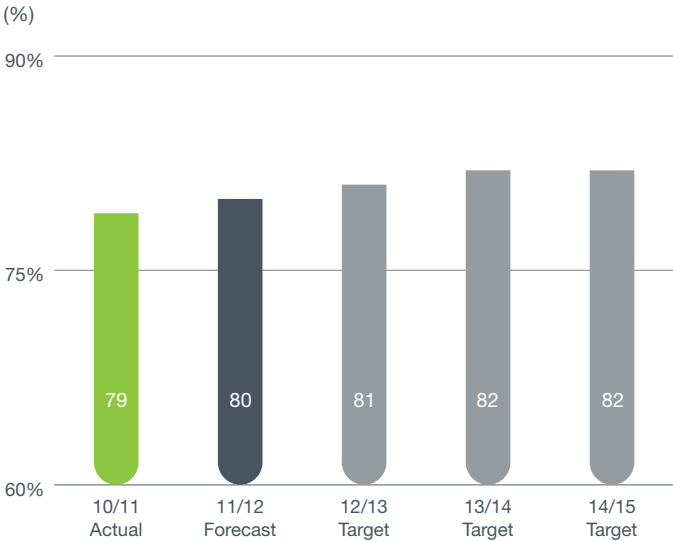
description of performance measure

Public Support for Gambling is a measure of the percentage of adult British Columbians who support legalized gambling. If we demonstrate and communicate how we meet our social responsibility mandate successfully, we should expect to see our results increase. It is measured by a third-party consultant throughout the year using an online survey. We do not benchmark this measure, due to a lack of comparable data from other gambling jurisdictions.

significant changes from the previous service plan

Public support for gambling has not changed significantly from the previous service plan. Government's gaming grant announcement to reinstate eligibility to more charities, increased awareness of the responsible gambling programs provided by BCLC and the beneficiaries of gambling revenue is forecast to maintain a consistent level of public support for gambling.

player awareness of responsible gambling activity



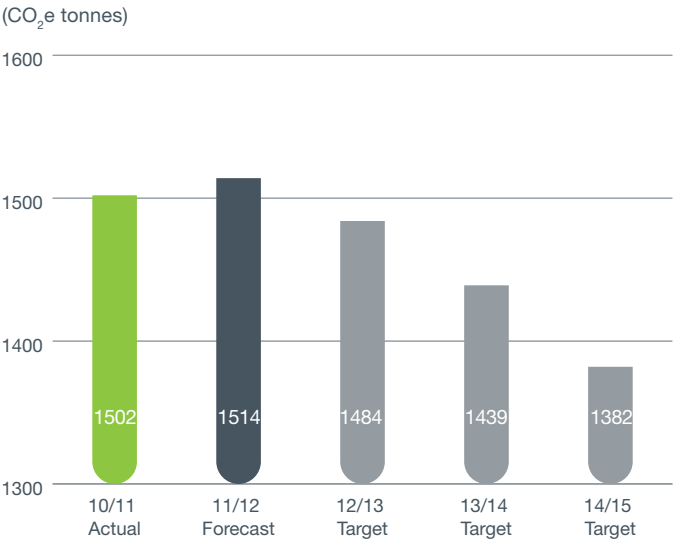
description of performance measure

Player Awareness of Responsible Gambling Activity is a measure of the percentage of our players who are aware of one or more of our responsible gambling initiatives. We use it as a measure of our success in promoting awareness of our responsible gambling initiatives. It is measured by a third-party consultant throughout the year using an online survey. We do not benchmark this measure, due to a lack of comparable data from other gambling jurisdictions.

significant changes from the previous service plan

In 2010/11 we changed the question mix to remove the best-known responsible gambling initiatives, the ‘Know Your Limit, Play Within It’ tag line and the B.C. Partnership for Responsible Gambling. This was done to focus on public awareness of lesser-known programs such as GameSense and the Province’s toll-free Problem Gambling Help Line. Our targets are set based on past performance in growing awareness of our programs, adjusted to reflect the fact that the best known programs have been removed from the question mix.

level of greenhouse gas emissions



description of performance measure

BCLC uses standard calculations provided by the Province to report our greenhouse gas (GHG) emissions in a standard format. This calculation is completed and reported in metric tonnes of carbon dioxide emissions (CO₂e) for the calendar year. We obtain data from suppliers of electricity, natural gas, fleet fuel, paper and from internal financial reporting.

significant changes from the previous service plan

We moved our lower mainland office into a LEED-pending facility in late 2010. Our current targets are set based on achieving a three per cent year-over-year reduction in reportable emissions, to achieve a 33 per cent reduction in reportable emissions by 2020. In 2011 we were completing the relocation from our older facilities in Richmond, so the 2012 calendar year will be the first full year of emissions data based on operating from our new facility.

goal 2: create a player-centric company

our players are our business

Our players choose where and how they spend their entertainment dollars, so our entertainment experience must offer what they expect and be available where, when and how they expect it. We need to provide exciting, attractive mainstream entertainment that appeals to a broad player base.

understanding our players

Delivering outstanding entertainment starts with understanding who our players are and being able to hear, anticipate and act upon what they want.

Our Voice of the Player program is designed to make it easy for our players to interact with us and for us to identify what engages them and what frustrates them. The program will enable us to use customer feedback, research and player data that we already have to gain insight into who our current and future customers are and what they want.

offering the exceptional entertainment that they want

Our customer service strategy is designed to create an exceptional entertainment experience. Sometimes we don't get it right, but, by focusing on service excellence and putting in place the tools and technology to help us to deal effectively with player concerns as they arise, we can make it right.

Accessibility, ambience, cleanliness, safety and quality of amenities all contribute to creating an outstanding experience. We will work closely with our service providers to develop and enhance our gambling facilities and our retail presentation in order to meet the needs and expectations of our players and communities.

We are transforming from a product-driven to a player-driven organization. This means that we will use our understanding of our players, current and future, to identify or develop the themes, games, prize structures and variety that appeal to a broader player base and make them available in ways that are convenient to our players.

how we will know that we are getting there

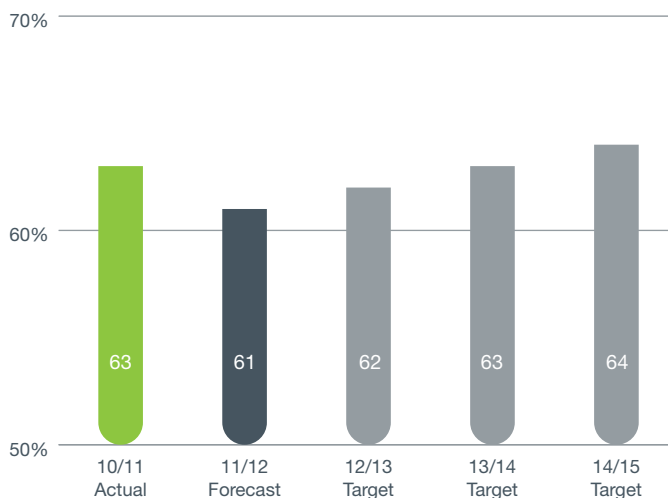
Player participation measures how frequently adult British Columbians play our games and gives us insight into how successful our programs and promotions are in attracting them to our games and facilities.

Our player satisfaction measure is designed to tell us how satisfied our players are with our games and facilities. If we are successfully transforming to a player-centric organization we should expect to see satisfaction increase.

Net win per capita tells us how successful we are in growing revenue per player. It is indexed to total population to allow us to benchmark to other jurisdictions, as the age at which legal gambling is permitted may vary.

player participation

(%)



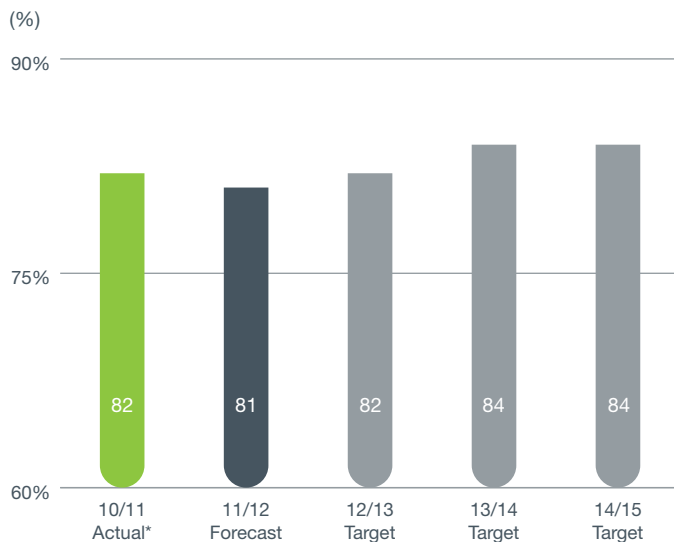
description of performance measure

Player participation measures the percentage of B.C. adults who play or visit at least once every month. By measuring frequency, we have a gauge of players' purchase behaviour.

significant changes from the previous service plan

In 2010/11 we changed from measuring recency of play (played at least once in the last month) to frequency of play (played at least once every month). Our targets in the last Service Plan were based on our estimates of how much this change would affect our performance level. Our actual performance in 2010/11 exceeded estimates, so we have revised targets upwards to reflect incremental growth in player participation as our player programs start to take effect.

player satisfaction



* 2010/11 has been recalculated using the new method. Former calculation for 2010/11 was 70%.

description of performance measure

Player satisfaction is a measure of satisfaction with the products, services and facilities offered in each of BCLC's gambling channels. The metric also gauges the overall success BCLC has in attracting and retaining players to BCLC products, visitors to our gambling facilities, and in building loyalty.

significant changes from the previous service plan

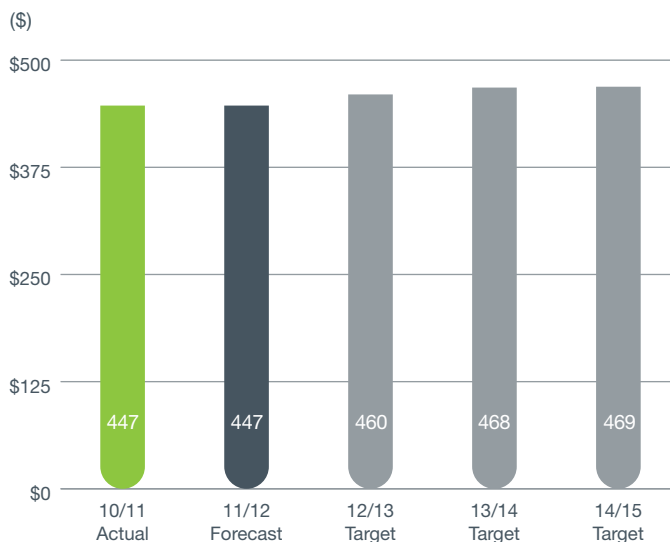
Prior to 2011 players were asked to score their satisfaction in each gambling channel based on their play in that channel. Responses in the top five boxes in a 10-point scale for each channel were divided by the number of channels the player plays in and the scores in each channel were weighted by the relative contribution of that channel to BCLC's total net win, with a resulting composite total for the enterprise.

Beginning in 2011, the scoring changed. Responses in the top five boxes for each channel are still divided by the

number of channels the player plays in; all of these scores are added together and result in the net BCLC score. This new method removes the skew that previously occurred because of the higher net win contribution from slot play. The "overall satisfaction with BCLC" question was also eliminated as a large proportion of players were unaware of BCLC's role and responsibilities, particularly with respect to gambling facilities.

Our targets are based on achieving incremental growth in player satisfaction as our player-centric programs begin to take effect.

net win per capita



description of performance measure

Net win is calculated for lottery and bingo games by deducting prizes from gross sales. Casino game prizes are paid during game play.

Net win per capita is widely used in the gambling industry, making consistent benchmarking possible. The net win is divided by the total population based on publicly reported population figures to obtain per capita metrics.

We benchmark our performance to Loto-Québec, Ontario Lottery and Gaming Corporation and the Canada average. Benchmarking data is presented in Appendix 1. BCLC has consistently outperformed the benchmark organizations.

significant changes from the previous service plan

Our targets are reviewed annually in September. Targets for the next three years have been set based on our forecast performance for 2011/12 and predicted growth in net win. Our forecast takes into account standard economic indicators used by the Province and the planned introduction of new products and facility developments.

goal 3: invest in infrastructure and technology to drive innovation that enables our growth

sustainable growth depends on our ability to leverage process and technology to deliver the entertainment experiences our players want

designing the processes and implementing technology that improve operational effectiveness and prepare for the future

We continue to modernize our infrastructure through the ongoing replacement of legacy systems, the optimization of information and data management and the formalization of enterprise-wide information technology architecture.

Over the next few years, our primary focus will be on replacing our aging casino Gaming Management System, which supports the annual collection of \$1.5 billion of BCLC revenue. The new system will sustain BCLC's largest revenue stream and provide a foundation for modernization, moderate growth and more flexible, responsive player relations. It also includes new responsible gambling tools, such as the ability for players to set limits for time and spend on slot machines.

We will refine and streamline policies, procedures, and processes throughout the organization through a number of business transformation initiatives.

BCLC will improve efficiency by automating manual processes associated with corporate invoicing and accounts receivable systems. We will strengthen the system used for reporting to the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC). We are also continuing to research and implement processes and technology to support our Voluntary Self-Exclusion program.

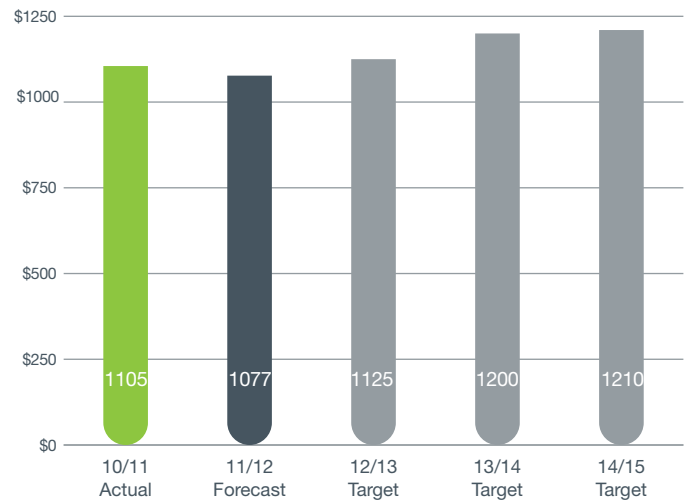
measuring our performance

BCLC uses three high level metrics to assess our performance against this goal:

- net income;
- general operating cost ratio; and
- the number of electronic gaming devices per 1,000 population.

net income

(\$ millions)



Net income is the total amount of income generated from BCLC gambling after all expenses. It is a direct indicator of our success in meeting our mandate to generate income for the benefit of all British Columbians.

description of performance measure

Net income is income after prizes, direct and operating expenses and taxes have been deducted. It is determined in accordance with International Financial Reporting Standards (IFRS).

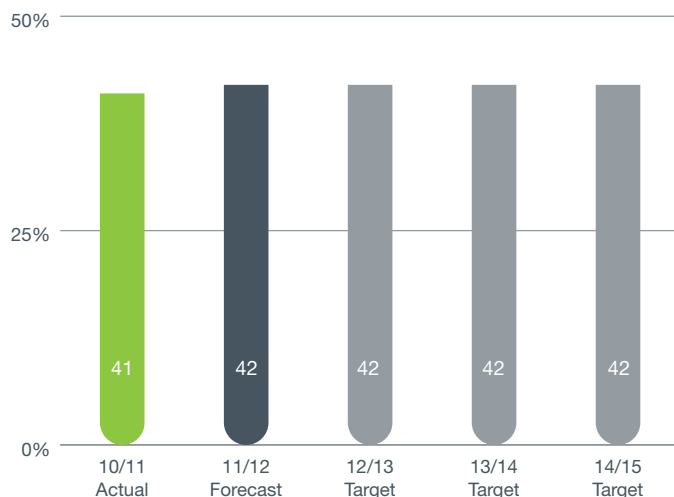
BCLC's net income is distributed to the Province and is used to fund public health care, education, charitable and community programs that benefit all British Columbians. As a result of an agreement between the federal and provincial governments, the Government of Canada receives a portion of BCLC's net income.

significant changes from previous service plan

Our targets are reviewed annually and are based on assessment of performance, with growth forecasts that take into account standard economic indicators used by the Province. Net income targets for 2013/14 and 2014/15 have also been adjusted to reflect the impact of the decision to rescind the HST and revert to the GST/PST taxes.

general operating cost ratio

(%)



Our general operating cost ratio as a percentage of net win is a measure of our operational efficiency. It indicates how successful we are in balancing the generation of revenue with the cost of operating our business.

description of performance measure

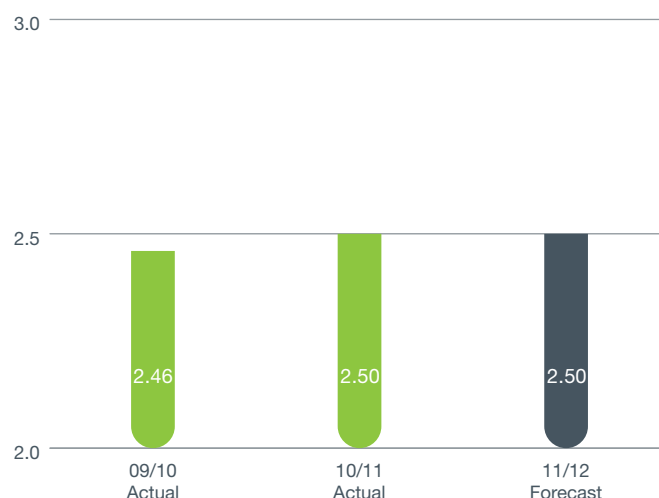
Our general operating cost ratio is the sum of our direct expenses (except prizes and ticket printing), gaming support costs, general operating costs and amortization divided by our net win and expressed as a percentage. We benchmark our operating cost ratio to that of other gambling jurisdictions; our costs are below those of the Ontario Lottery and Gaming Corporation, comparable to those of Loto-Québec, but significantly higher than Svenska Spel. For more details, see Appendix 1.

significant changes from previous service plan

BCLC is investing in modernizing our business, in particular in replacing the technology that supports casino and community gaming centre operations. Although investment in modernization will continue, BCLC is committed to maintaining its operating cost ratio at constant levels.

number of electronic gaming devices per 1,000 population

(devices per 1,000 population)



The number of electronic gambling devices per 1,000 population is a measure of the accessibility of BCLC gambling to British Columbians.

description of performance measure

The number of electronic gaming devices deployed by BCLC is divided by the total population and multiplied by 1,000. We use this measure to monitor the availability of gaming devices in B.C. over time. We do not set targets, but we do benchmark to other gambling jurisdictions to monitor how availability in B.C. compares to other provinces. In 2009/10, the last year for which comparator benchmark data is available, the Canadian benchmark average was 2.32, slightly below the availability rate in B.C.

significant changes from previous service plan

We do not expect availability to grow significantly in B.C., as our facilities redevelopment program is nearing completion. In B.C., Government gambling policy excludes Video Lottery Terminals (VLTs), limiting participation in this category to slot machines located in casino and community gaming facilities, where accessibility is restricted to adults. Other Canadian jurisdictions do allow VLTs, but the trend is to reduce or reallocate VLTs, so we expect the Canadian benchmark average to decline.

goal 4: have a workforce passionately driving the success of our business

BCLC is a great place to work

BCLC is honoured that, in 2012, we were again selected as a top employer in British Columbia. In 2011, we were also selected as a Top Employer for Canadians Over 40 and as a Top Family-Friendly Employer. We continue to pursue excellence in the programs, services and experience that we offer to our workforce.

We need a passionate and engaged workforce to drive the success of our business. Our employees work on the programs that we have put in place to modernize our business; they research, develop and integrate the games that our players enjoy; and they work with our service providers to deliver the great entertainment experience that our players expect.

maintaining our employee value proposition

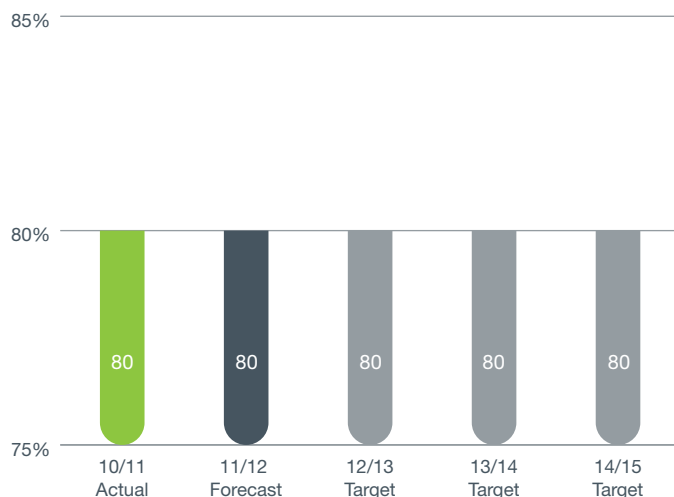
Our human resources programs will continue to nurture a culture and environment that supports BCLC's business strategy. Through strategic workforce planning, performance management and managing our employment brand, we will remain as an employer of choice. We will continue to invest in leadership and employee development to provide the training and resources needed to sustain and grow the business and plan for the future leadership of the company.

measuring performance

BCLC has two performance metrics to help us to monitor our success in attracting and retaining an engaged workforce. Our employee engagement is already high and our employee vacancy rate is low. Our goal is to maintain both metrics at existing levels, with the vacancy rate increasing only slightly when the economy improves and competition for resources increases.

employee engagement

(%)



description of performance measure

This performance metric measures the engagement level of BCLC employees. Employee engagement is defined as the intellectual and emotional involvement employees have in an organization.

Highly engaged employees exert extra effort and are dedicated to doing the very best job possible to contribute to the organization's success. Organizations with high employee engagement are more successful at retaining and recruiting employees.

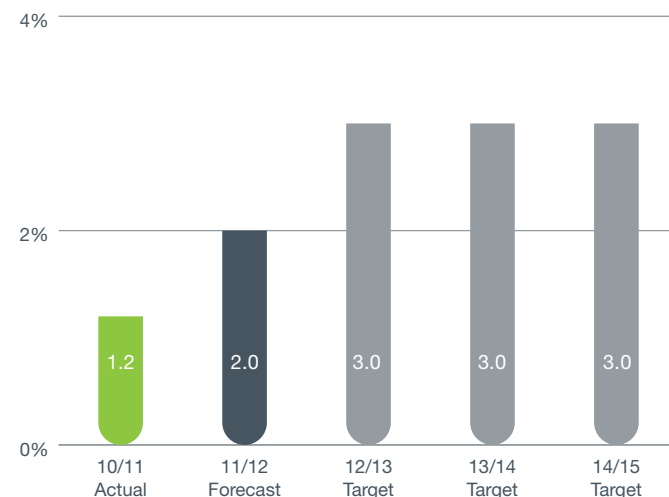
BCLC uses a third-party research company to measure the level of employee engagement using an annual employee survey that reflects our unique culture, values and business objectives. The survey is a reflection of a broad range of attributes that are important to BCLC: player-focus, delivering an outstanding gambling experience, social responsibility and making BCLC a great place to work.

significant changes from previous service plan

We are continuing to focus on transforming to a player-centric company, which requires the modernization of processes and technology. Maintaining employee engagement during major change can be challenging, but our targets for the next three years reflect our commitment to maintain the present high levels of engagement.

employee vacancy rate

(%)



description of performance measure

This metric is intended to measure BCLC's employee turnover, competitiveness, and the effectiveness of recruitment processes. The vacancy rate provides a high level metric that is subject to considerable variation based on factors such as organizational growth, internal personnel movement, employee demographics and external market conditions. As such, it must be interpreted within the context of the time frame that it is being measured.

The average percentage of vacant positions in the process of being filled (replacement or additional positions actively being recruited internally and externally) is measured on a monthly basis as a proportion of BCLC's total headcount. The year-end result is calculated by averaging the month-end rates.

significant changes from previous service plan

Our vacancy rate was particularly low in 2010/11, reflecting limited organizational growth and low turnover of employees in a flat labour market. Our targets reflect our expectation that the number of full-time equivalent positions will be stable at approximately 900 and that employee turnover will remain low, but closer to the levels experienced in 2008/09 and 2009/10.

our financial outlook

how much we'll sell, spend and provide in net income and our assumptions in preparing this plan

The Province of British Columbia uses BCLC net income from gambling to fund public, charitable and community programs that benefit all British Columbians.

NOTE: The tables in this section factor in changes from HST to PST and GST in the 2013/14 and 2014/15 years.

consolidated corporate operations

\$ millions	2009/10 ACTUAL	2010/11 ACTUAL	2011/12 BUDGET	2011/12 FORECAST	2012/13 BUDGET	2013/14 TARGET	2014/15 TARGET
Revenue	\$ 2,517.3	\$ 2,678.7	\$ 2,726.0	\$ 2,668.0	\$ 2,760.3	\$ 2,836.0	\$ 2,882.0
Prizes	577.6	652.3	627.6	619.3	624.5	634.5	645.4
Net Win	1,939.7	2,026.4	2,098.4	2,048.7	2,135.8	2,201.5	2,236.6
Direct Expenses	606.8	619.9	638.9	625.9	650.6	671.1	685.3
Gaming Support Costs	19.6	19.9	27.2	26.4	27.1	30.6	32.9
Operating Costs	129.6	131.1	142.8	143.6	142.9	134.7	135.2
Amortization and Other	62.7	69.3	89.2	80.5	90.2	100.1	105.7
Total Costs	818.7	840.2	898.1	876.4	910.8	936.5	959.1
Net Income Before Taxes	1,121.0	1,186.2	1,200.3	1,172.3	1,225.0	1,265.0	1,277.5
Taxes*	41.9	81.6	95.3	95.3	100.0	65.0	67.5
Net Income	\$ 1,079.1	\$ 1,104.6	\$ 1,105.0	\$ 1,077.0	\$ 1,125.0	\$ 1,200.0	\$ 1,210.0
Debt	60.0	85.0	98.0	98.0	128.0	138.0	143.0
Capital Expenditures	92.5	81.3	109.3	107.0	116.2	110.0	105.0

* For the 2009/10 and 2010/11 years, taxes include PST on leases which are not included in the tax line in BCLC's Annual Service Plan Report.

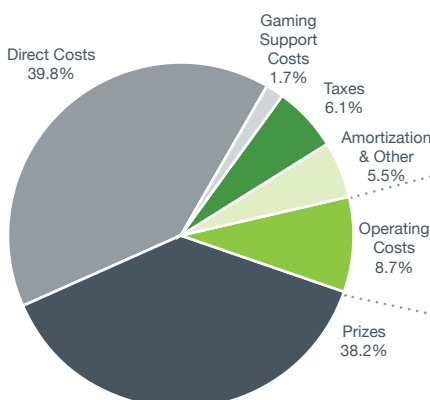
REVENUE

Revenue is projected to increase by \$214.0 million or 8.0 per cent over the three-year period reflecting moderate growth in the lottery, casino and community gaming channels and stronger growth in the emerging eGaming (PlayNow.com) channel.

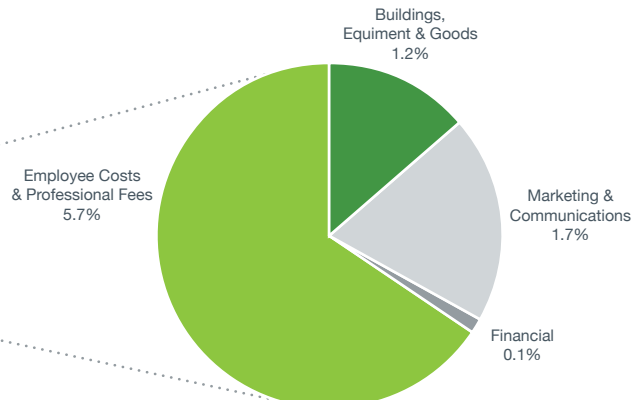
TOTAL EXPENDITURES

Total expenditures for 2012/13 including prizes, total costs and taxes are projected at \$1.6 billion. The following graphs show the breakdown of cost categories as a per cent of total expenditures.

2012/13 TOTAL EXPENDITURES (%)



OPERATING COSTS (%)



PRIZES

Prizes are projected to increase by \$26.1 million or 4.2 per cent over the three-year period due to increased revenue.

Prizes as a percentage of revenue are projected to decrease from 23.2 per cent to 22.4 per cent over the three-year period due to a shift in consumer preferences to casino games which record revenue net of prizes. Lottery prizes as a percentage of lottery revenue are forecast to increase slightly over this period.

DIRECT EXPENSES

Direct expenses include service provider commissions, lottery ticket printing and bingo paper, supplies and leases.

Direct expenses are forecast to increase by \$59.4 million or 9.5 per cent over the three-year period due to increased revenue.

GAMING SUPPORT COSTS

Gaming support are those costs which directly support revenue generation. They include equipment maintenance, systems support, data transmission, product delivery, draw audits and odds-setting.

Gaming support costs are projected to increase by \$6.5 million or 24.6 per cent over the three-year period due to increased revenue and a greater reliance on third-party system providers, as well as increasing technology costs, and the implementation of the Gaming Management System (GMS).

OPERATING COSTS

Operating costs include employee costs and professional fees, buildings, equipment and goods, marketing and communications, and financial costs.

Operating costs are forecast to decrease as a percentage of net win from 7.0 per cent to 6.0 per cent over the three-year period as a result of business optimization and strategic cost management initiatives.

AMORTIZATION AND OTHER

Amortization is forecast to increase by \$18.5 million over the three-year period, primarily due to capital expenditures which include the replacement of the Gaming Management System, investments in business support and modernization programs, and capital to support revenue programs in lottery, PlayNow.com, casino and community business channels.

The Other category consists of interest expense for short-term borrowing and accrued employee benefits. These costs are expected to increase by \$6.7 million over the three-year period as a result of projected changes in interest rates.

CORPORATE ASSUMPTIONS

Real GDP growth for the B.C. economy is assumed at an average 2.3 per cent over the three-year period.

Inflation has been assumed at an average 1.8 per cent over the three-year period.

BCLC uses the three-month Canadian Treasury Bill rates as forecast by the Ministry of Finance (rates as of December 9, 2011); interest rates have been assumed at 1.11 per cent for 2012/13, 1.96 per cent for 2013/14 and 2.98 per cent for 2014/15.

No major changes will be made to BCLC's mandate or the Province of B.C.'s gambling and social policy.

No major changes will be made to Gaming Policy and Enforcement Branch (GPEB) mandate, regulations or policy.

Net win and net income assumptions are based on BCLC obtaining the necessary provincial, host local government and regulatory approvals required under the *Gaming Control Act (2002)* to develop or relocate facilities and launch new products.

casino and community gaming centres

\$ millions	2009/10 ACTUAL	2010/11 ACTUAL	2011/12 BUDGET	2011/12 FORECAST	2012/13 BUDGET	2013/14 TARGET	2014/15 TARGET
Revenue	\$ 1,507.1	\$ 1,545.5	\$ 1,609.6	\$ 1,566.5	\$ 1,627.9	\$ 1,669.1	\$ 1,690.4
Total Costs	664.3	669.6	714.0	691.5	723.4	743.5	759.4
Net Income Before Taxes	842.8	875.9	895.6	875.0	904.5	925.6	931.0
Taxes	30.4	60.3	67.9	68.0	70.5	45.6	47.0
Net Income	\$ 812.4	\$ 815.6	\$ 827.7	\$ 807.0	\$ 834.0	\$ 880.0	\$ 884.0

Over the three-year planning period, net income before taxes is projected to increase by \$56.0 million, or 6.4 per cent. This growth is forecast to come from increased marketing efforts including enhancing and leveraging BcGold Encore, a focus on product initiatives at existing casinos, and the opening of new community gaming centres.

CASINO AND COMMUNITY GAMING CENTRE ASSUMPTIONS

The planned openings, upgrades and relocation of existing casinos and of existing commercial bingo halls to community gaming centres will be on schedule. The casino Gaming Management System will be implemented on schedule and will generate additional revenue.

lottery

\$ millions	2009/10 ACTUAL	2010/11 ACTUAL	2011/12 BUDGET	2011/12 FORECAST	2012/13 BUDGET	2013/14 TARGET	2014/15 TARGET
Revenue	\$ 904.3	\$ 1,019.4	\$ 970.0	\$ 970.0	\$ 985.0	\$ 1,005.0	\$ 1,025.0
Prizes	486.4	565.5	539.2	541.9	555.5	564.1	577.4
Net Win	417.9	453.9	430.8	428.1	429.5	440.9	447.6
Total Costs	145.4	154.8	157.8	156.1	153.5	156.1	161.0
Net Income Before Taxes	272.5	299.1	273.0	272.0	276.0	284.8	286.6
Taxes	10.8	18.8	23.0	23.0	25.0	15.8	16.6
Net Income	\$ 261.7	\$ 280.3	\$ 250.0	\$ 249.0	\$ 251.0	\$ 269.0	\$ 270.0

Over the three-year planning period, net income before taxes is expected to increase by \$14.6 million, or 5.4 per cent. Growth in this channel is forecast to come from the introduction of new products and product enhancements, and upgrades to the “look and feel” of the network.

LOTTERY ASSUMPTIONS

Planned releases of new products and services will be on schedule.

BCLC market forecasts for new products are accurate.

The estimated number and size of jackpot rolls on national lotto games will not vary significantly from historical averages.

playnow.com

\$ millions	2009/10 ACTUAL	2010/11 ACTUAL	2011/12 BUDGET	2011/12 FORECAST	2012/13 BUDGET	2013/14 TARGET	2014/15 TARGET
Revenue	\$ 33.6	\$ 43.0	\$ 75.0	\$ 70.0	\$ 91.3	\$ 108.0	\$ 116.0
Prizes	18.9	16.0	17.0	15.9	12.9	16.5	17.4
Net Win	14.7	27.0	58.0	54.1	78.4	91.5	98.6
Total Costs	9.0	15.8	26.3	28.8	33.9	36.9	38.7
Net Income Before Taxes	5.7	11.2	31.7	25.3	44.5	54.6	59.9
Taxes	0.7	2.5	4.4	4.3	4.5	3.6	3.9
Net Income	\$ 5.0	\$ 8.7	\$ 27.3	\$ 21.0	\$ 40.0	\$ 51.0	\$ 56.0

Over the three-year planning period, net income before taxes will increase by \$34.6 million, or 136.7 per cent. Growth is forecast to come from the continued development of casino games on PlayNow.com, the introduction of multi-jurisdictional bingo and enhancements to sports betting.

PLAYNOW.COM ASSUMPTIONS

Planned product releases will be on schedule.

BCLC market forecasts for new products are accurate.

net income that may be at risk

RISK FACTORS

The following factors contribute to uncertainty and risk and may individually, or in the aggregate, affect BCLC's operating results and the net income it is able to deliver to the Province.

- Obtaining host local government approvals for the development or relocation of gambling facilities
- Frequency of lottery jackpots
- New product launches and achieving market expectations
- Economic issues impacting adult consumers' disposable income and entertainment spending
- Shifts in consumer preferences impacting product mix and profitability
- Competition from unregulated gambling competitors
- Public acceptance of gambling
- Changes to gambling rules and regulations
- Revenue loss and market disruption resulting from the business failure of a service provider
- Fluctuations in interest and foreign currency rates⁵

QUANTIFIABLE RISKS

\$ millions	2012/13	2013/14	2014/15
One-year delay in opening/relocating planned gambling facilities	\$ 9.9	\$ 0.0	\$ 0.0
Interest rate risk*	1.3	1.4	1.4

* Calculated as 1.0 per cent of Debt.

Taking into account business and general economic trends, the opportunities and challenges facing the business, the risk factors described above, and the mitigation strategies described in the previous sections, BCLC forecasts the following net income ranges:

NET INCOME FORECASTS

\$ millions	2012/13 BUDGET	2013/14 TARGET	2014/15 TARGET
High	\$ 1,150.0	\$ 1,230.0	\$ 1,250.0
Target	1,125.0	1,200.0	1,210.0
Low	1,065.0	1,110.0	1,125.0

⁵ Purchases made in US dollars have been assumed to have been made at par. Borrowing costs have been based on an average interest rate of 3.0 per cent

our capital plan

spending on our infrastructure and technology

\$ thousands	2010/11 ACTUAL	2011/12 BUDGET	2011/12 FORECAST	2012/13 BUDGET	2013/14 TARGET	2014/15 TARGET
Gambling Systems						
Lottery	\$ 4,473	\$ 7,786	\$ 9,103	\$ 5,054	\$ 6,000	\$ 7,800
PlayNow.com	9,359	10,990	7,978	8,191	13,868	12,850
Gaming Management System (GMS)	–	5,100	28,267	44,175	24,457	7,536
Casino and Community Gaming	38,512	63,680	42,372	40,692	43,675	48,875
	52,344	87,556	87,720	98,112	88,000	77,061
Infrastructure & Corporate Systems	14,406	15,305	16,495	15,111	17,000	20,939
Corporate Facilities	14,505	6,450	2,767	3,009	5,000	7,000
	28,911	21,755	19,262	18,120	22,000	27,939
Total New Capital	\$ 81,255	\$ 109,311	\$ 106,982	\$ 116,232	\$ 110,000	\$ 105,000

BCLC's capital expenditures are driven by the need to maintain the corporation's revenue-generating infrastructure.

GMS

Over the three years covered by this plan, BCLC's single biggest capital investment will be in the replacement of its casino Gaming Management System (GMS). This system supports the collection of \$1.5 billion in casino and community gaming revenue and \$800 million in net income to the Province of B.C. In addition to ensuring the sustainability of existing revenue, the new system will provide enhanced marketing and analysis capabilities.

CASINO & COMMUNITY GAMING

In addition to significant investment in the new GMS system, BCLC will also be opening new community gaming centres and refreshing slot machines and table games at existing facilities.

EGAMING

Investment in eGaming will be centred around the continued development and implementation of new casino games on PlayNow.com, the introduction of multi-jurisdictional bingo and enhancements to sports betting.

LOTTERY

In the lottery channel, major initiatives include enhanced sports betting.

CORPORATE

BCLC will continue to invest in the replacement of legacy systems and the modernization of core technology and business infrastructure. While GMS remains the primary focus of our efforts, investment in other areas will slow.

For programs which started prior to 2011/12, but which will not be completed by year-end, the capital will be carried forward. These costs are reflected in the 2012/13 budget.

The cost of purchases made in US dollars has been based on exchange rate parity.

Government's letter of expectations

Government's Letter of Expectations is an annual letter of direction to BCLC that reinforces the corporation's mandate, identifies strategic priorities, and sets forth performance measures that form the cornerstones of the corporation's governance framework. This letter is intended to establish the basis for a positive and collaborative working relationship through the clear articulation of the responsibilities and expectations of both parties. A summary of how BCLC is working to fulfil government's expectations can be found below; the full Government's Letter of Expectations can be found at: [Government's Letter of Expectations](#).

GOVERNMENT DIRECTION

Operate the gaming business within the social policy framework established by government and in alignment with the corporation's social responsibility objectives, building public trust and support in a manner consistent with the province's responsible gambling strategy and with the corporation's corporate social responsibility charter;

Optimize the corporation's financial performance within the gaming framework established by government, responding to customer and marketplace demands for the distribution of products and services, and proposing new revenue opportunities as they arise;

Optimize the performance, security, integrity and efficiency of the corporation through the modernization of infrastructure, process and technology;

Enhance the corporation's compliance policies and programs specific to anti-money laundering measures and enforcing age restrictions at gaming facilities;

Enhance the corporation's compliance and enforcement programs specific to anti-money laundering including implementing the action plan in the province's anti-money laundering review;

BCLC ACTIONS

Social responsibility is integral to our business. Our efforts continue to be focused on enhancing responsible gambling programs through public education and responsible gambling awareness. We are also committed to continuous improvement in the Voluntary Self-Exclusion program.

BCLC actively works with other Canadian jurisdictions to strengthen the industry's commitment to responsible gambling and to share best practices. In 2010, we received World Lottery Association level 4 certification (the highest ranking available) for our responsible gambling programs; we are preparing to seek recertification in 2013. We're among the first jurisdictions to adopt RG Check and over the next three years all gaming facilities will be certified by the Responsible Gambling council. We have created a Social Responsibility Charter for employees which supports and aligns with government objectives and expectations.

In accordance with government goals and direction, BCLC is striving to reduce reportable greenhouse gas emissions from the 2007 baseline by 33 per cent by 2020.

We continue to respond to customer and marketplace demands through upgrading casino and community gaming locations, introducing new games in facilities and through the Internet, and developing new product delivery options to make it convenient for our player. In addition to revenue generating initiatives, we will continue to improve financial performance through an increased emphasis on optimizing the business and strategic cost management.

We will invest in the processes, systems and technology necessary to deliver optimal performance with efficiency, integrity and security.

For 2011/12 through 2013/14, the primary focus is the replacement of the casino Gaming Management System; but additional investments in security, data management, and financial systems will also contribute to enhanced performance.

We are committed to meeting and exceeding federal and provincial anti-money laundering regulations and have increased training and monitoring to help bolster this commitment.

We are in the process of implementing recommendations of the province's anti-money laundering review.

GOVERNMENT DIRECTION

BCLC ACTIONS

Enhance programs, policies, procedures, training, and take any other measures deemed necessary and continued vigilance in ensuring all gaming workers are aware of, and acting on, their responsibilities under the law to prevent minors from accessing casinos or gambling products; and

In our facilities, we are working closely with our service providers on measures to prevent underage access including enhanced training of front-line staff, increased monitoring and education.

Operate within the province's legislative framework and regulations and comply with policies, directives, and standards that may be issued from time to time by the Minister of Energy and Mines or the regulatory agency, the Gaming Policy and Enforcement Branch.

We will operate our business within the legislative, regulatory, and policy framework established by the Province of British Columbia.

The corporation continues to comply with all policy directives issued by the Minister, including directives and standards issued by the Gaming Policy and Enforcement Branch (GPEB).

appendix 1: how we measure and benchmark our performance

how our performance metrics are measured

We have not changed any of our performance measures for this Service Plan. Details of what we use each measure for and the targets for the next three years are in the Our Performance section of this Service Plan.

Our external performance benchmarks are obtained from the audited financial results published by the benchmark organizations, and from Lafleurs World Lottery Almanac and the Canadian Gambling Digest. The organizations that BCLC currently benchmarks to are:

- Ontario Lottery and Gaming Corporation (OLG)
- Loto-Québec (LQ); and
- Svenska Spel, the Swedish lottery, which is widely regarded as one of the most innovative international lottery and Internet gambling jurisdictions

We review the performance results published by other gambling organizations annually for additional benchmarking opportunities.

The table below summarizes how we measure each metric, our benchmarks and what we do to check that the data is reliable.

		How We Measure and Benchmark	Data Reliability
Performance Measures	Public Support for Gambling	<p>Research and Incite Consultants conduct a continuous tracking study on our behalf throughout the year. The survey is conducted online and is a random sample of B.C. adults aged 19 and older and is representative of gender and region. The sample size is 3,000.</p> <p>Participants are asked to rate their response to the statement “I fully support the existence of legalized gambling in British Columbia” on a 7-point scale, where 1 is strongly disagree and 7 is strongly agree. The result is based on an aggregate of those who rate the statement as 5, 6, or 7.</p> <p>Public support for gambling is internally benchmarked on a time series basis.</p> <p>We do not externally benchmark as we have not identified similar data that is published by other gambling jurisdictions.</p>	<p>The survey is independently conducted by Research and Incite Consultants, using industry standard techniques to randomize the sample, while retaining gender and regional balance that is consistent with BC Stats figures.</p>
	Player Awareness of Responsible Gambling Activities	<p>Research and Incite Consultants conduct a continuous tracking study on our behalf throughout the year. The survey is conducted online and is a random sample of B.C. adults aged 19 and older and is representative of gender and region. The sample size is 3,000.</p> <p>Participants are asked to rate their awareness of five of our responsible gambling initiatives on a 7-point scale. The result is a net percentage of participants who were aware of at least one of the initiatives.</p> <p>Player awareness of responsible gambling activities is internally benchmarked on a time series basis.</p> <p>We do not externally benchmark, due to the BCLC specific nature of this performance measure. We have not identified similar data that is published by other gambling jurisdictions.</p>	<p>The survey is independently conducted by Research and Incite Consultants, using industry standard techniques to randomize the sample, while retaining gender and regional balance that is consistent with BC Stats figures.</p>

How We Measure and Benchmark		Data Reliability
Performance Measures	Level of Greenhouse Gas Emissions	<p>Data for electricity and natural gas consumption is verifiable from billable consumption figures supplied by the respective utilities companies.</p> <p>Fleet vehicle fuel consumption is verified from fuel consumption reporting from our fleet vehicle management company.</p> <p>Paper consumption for all types of reportable paper is measured internally each month.</p>
	Player Participation	<p>The survey is independently conducted by Research and Incite Consultants, using industry standard techniques to randomize the sample, while retaining gender and regional balance that is consistent with BC Stats figures.</p>
	Player Satisfaction	<p>The survey is independently conducted by Research and Incite Consultants, using industry standard techniques to randomize the sample, while retaining gender and regional balance that is consistent with BC Stats figures.</p>
	Net Win Per Capita	<p>Net win figures are taken from our audited statement of accounts, as published in our Annual Report. Figures for forecasts and targets are calculated by BCLC and are reviewed with the Treasury Board prior to inclusion in the Service Plan.</p> <p>Population figures are taken from published BC Stats figures for each of the years included in the Service Plan.</p> <p>For our benchmark comparators, net win figures are taken from the audited statements of accounts, as published in the Annual Reports of the benchmark organizations. Canada average figures are drawn from Lafleurs World Lottery Almanac and the Canadian Gambling Digest.</p>
	Net Income	<p>Net income figures are taken from our audited statement of accounts, as published in our Annual Report. Figures for forecasts and targets are calculated by BCLC and are reviewed with the Treasury Board prior to inclusion in the Service Plan.</p>

How We Measure and Benchmark		Data Reliability										
Performance Measures	<p>General Operating Costs as % of Net Win</p> <p>Our general operating cost ratio is the sum of our direct expenses (except prizes and ticket printing), gaming support costs, general operating costs and amortization divided by our net win and expressed as a percentage. All figures are determined in accordance with International Financial Reporting Standards.</p> <p>BCLC's operating cost ratio remains below Canadian benchmark comparators. Svenska Spel offers a similar gambling mix to BCLC, but derives more of its net win from VLTs and Internet gambling, both of which have lower operating costs than more traditional casino gambling, from which BCLC derives the majority of its net win.</p> <p>2009/10 general operating cost ratio (%)</p> <table border="1"><thead><tr><th>Organization</th><th>2009/10 general operating cost ratio (%)</th></tr></thead><tbody><tr><td>OLG</td><td>57.9</td></tr><tr><td>BCLC</td><td>41.7</td></tr><tr><td>Loto-Québec</td><td>42.6</td></tr><tr><td>Svenska Spel</td><td>32.1</td></tr></tbody></table>	Organization	2009/10 general operating cost ratio (%)	OLG	57.9	BCLC	41.7	Loto-Québec	42.6	Svenska Spel	32.1	<p>Direct expenses, gaming support costs and general operating costs are taken from our audited statement of accounts, as published in our Annual Report. Figures for forecasts and targets are calculated by BCLC and are reviewed with the Treasury Board prior to inclusion in the Service Plan.</p> <p>For our benchmark comparators net win and general operating costs figures are taken from the audited statements of accounts, as published in the Annual Reports of the benchmark organizations.</p>
	Organization	2009/10 general operating cost ratio (%)										
	OLG	57.9										
BCLC	41.7											
Loto-Québec	42.6											
Svenska Spel	32.1											
<p>Electronic Gaming Devices per 1000 population</p> <p>The number of electronic gaming devices (EGD) is calculated by BCLC. It is the number of EGDs deployed in our casino and community gaming facilities at the end of each fiscal year.</p> <p>We use the population forecasts published by BC Stats in July of each year as the baseline for our calculations.</p> <p>Gambling policy varies across the Canadian provinces. In B.C., Provincial policy excludes VLTs, limiting participation in this category to slot machines located in casino and community gaming facilities, where accessibility is restricted to adults. OLG does not have VLTs and as other jurisdictions reduce or reallocate VLTs we expect the Canada average to decline.</p> <p>2009/10 EGDs/1,000 population</p> <table border="1"><thead><tr><th>Organization</th><th>2009/10 EGDs/1,000 population</th></tr></thead><tbody><tr><td>Canada Average</td><td>2.84</td></tr><tr><td>BCLC</td><td>2.47</td></tr><tr><td>Loto-Québec</td><td>2.30</td></tr><tr><td>OLG</td><td>1.81</td></tr></tbody></table>	Organization	2009/10 EGDs/1,000 population	Canada Average	2.84	BCLC	2.47	Loto-Québec	2.30	OLG	1.81	<p>The number of electronic gaming devices is verified as an asset count by our Corporate Finance team.</p> <p>Population figures are taken from published BC Stats figures for each of the years included in the Service Plan.</p> <p>Numbers of EGDs are drawn from Lafleurs World Lottery Almanac and the Canadian Gambling Digest.</p>	
Organization	2009/10 EGDs/1,000 population											
Canada Average	2.84											
BCLC	2.47											
Loto-Québec	2.30											
OLG	1.81											
<p>Employee Engagement</p> <p>Employee engagement is measured by an annual anonymous online survey of all of our employees, conducted by Ipsos Reid on our behalf. The participation rate was 87% in 2011.</p> <p>The survey asks employees to rank on a 6 point scale their agreement with a broad range of statements that span all aspects of the workplace, work conditions, career and development opportunities, and BCLC's goals and programs.</p> <p>The overall engagement score is an aggregate of the proportion of employees that have ranked their agreement with the statements in the top two points of the scale.</p> <p>Employee engagement is internally benchmarked on a time series basis.</p> <p>We do not externally benchmark, owing to the BCLC specific nature of survey questions used for this performance measure.</p>	<p>The survey is independently conducted by Ipsos Reid, using industry standard techniques.</p>											
<p>Employee Vacancy Rate</p> <p>The vacancy rate is the number of vacancies in the process of being filled expressed as a percentage of the total headcount. It is measured on a monthly basis. The annual result is the average of the monthly figures.</p> <p>Employee vacancy rate is internally benchmarked on a time series basis.</p> <p>We do not externally benchmark, as other gambling jurisdictions do not publish equivalent figures.</p>	<p>Vacancy rate is internally calculated by our Human Resources team. The total headcount is the total number of approved positions. The number of vacancies is the number of positions being actively recruited internally or externally.</p>											

