

B.C. Pavilion Corporation

**2025/26 – 2027/28
Service Plan**

March 2025



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Board Chair's Accountability Statement



The 2025/26 – 2027/28 B.C. Pavilion Corporation Service Plan was prepared under the Board's direction in accordance with the *Budget Transparency and Accountability Act*. This plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of this plan and is responsible for the validity and reliability of the information presented.

All significant assumptions, policy decisions, events and identified risks as of February 2025 have been considered in preparing the plan. The performance measures presented are consistent with the *Budget Transparency and Accountability Act*, B.C. Pavilion Corporation's mandate and goals, and focus on aspects critical to the organization's performance. The targets in this plan have been determined based on an assessment of B.C. Pavilion Corporation's operating environment, forecast conditions, risk assessment and past performance.

Signed on behalf of the Board by:

A handwritten signature in blue ink that reads "Gwendolyn Point". The signature is fluid and cursive.

Dr. Gwendolyn Point
Board Chair, B.C. Pavilion Corporation
February 10, 2025

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Strategic Direction

In 2025/26, public sector organizations will continue to prioritize delivering the services and infrastructure needed for people to build good lives in strong communities.

To support this objective public sector organizations will support Government's focus on growing the economy, responding to the threat of tariffs, creating good paying jobs, improving affordability, strengthening health care and education, and making communities safer.

Public sector organizations will also continue to work as directed to support the implementation of the Declaration on the Rights of Indigenous Peoples Act Action Plan.

This 2025/26 service plan outlines how B.C. Pavilion Corporation will support the government's priorities and selected action items identified in the most recent B.C. Pavilion Corporation [Mandate Letter](#).

Purpose of the Organization and Alignment with Government Priorities

B.C. Pavilion Corporation was formed under the [British Columbia Business Corporations Act](#), and acts as an agent of the government under the [B.C. Pavilion Corporation Act](#). PavCo's shareholder is the Government of British Columbia through the Minister of Tourism, Arts, Culture and Sport. PavCo owns and operates two world-class public facilities located in downtown Vancouver: [BC Place Stadium](#) and the [Vancouver Convention Centre](#). Its vision is to be the global leader in outstanding venues and events, with a mission to deliver outstanding and sustainable events and experiences for its clients, guests and community, by hosting conventions, entertainment, sporting and related events that meet the highest expectations.

PavCo continues to make a substantial economic impact on the Province of British Columbia (B.C.) by hosting a wide array of events such as meetings, conventions, concerts, conferences and sports competitions, attracting a diverse audience from Canada and abroad. This robust calendar of activities not only bolsters B.C.'s economy broadly, but also positively impacts various industries, including hospitality and small businesses. As a major employer, PavCo significantly contributes to job creation, directly and indirectly, aligning with its mandate to support B.C.'s economy.

Equally important are PavCo's contributions to the community. PavCo enriches the social and cultural landscape of the province by providing a platform for community events. PavCo actively seeks environmentally sustainable practices to minimize its footprint, in alignment with its sustainability goals. The organization's work extends to Indigenous Reconciliation and charitable initiatives. Through strong partnerships and collaborations with local and national organizations, PavCo cements its role as a community builder. Upcoming marquee events

such as Web Summit Vancouver and the FIFA World Cup 26 are not merely economic drivers but also aim to strengthen the community and build B.C.'s international profile.

In addition, PavCo's reach extends beyond its individual venues, making a substantial impact on travel and commerce throughout the province. Specifically, the Vancouver Convention Centre serves as a versatile hub for a myriad of gatherings, including conventions, conferences, meetings, banquets and special events. BC Place, the largest facility of its kind in Western Canada, offers a multi-purpose platform supporting consumer shows and community gatherings, in addition to being a prime location for major sports competitions and concerts. By attracting patrons from around the world who often explore British Columbia before and after events, PavCo reinforces its vital role in driving both the tourism and hospitality industries in the province.

Operating Environment

PavCo's fiscal 2023/24 was a year which saw record-breaking revenues and improved overall profitability at its iconic venues, BC Place Stadium and the Vancouver Convention Centre. Its strategic staffing plans, targeted activities in business development, ongoing investments in its world-class venues and unwavering commitment to excellence in event delivery, have fuelled significant growth in both regional and international markets.

The 2024/25 fiscal year could prove to be another record-breaking one once PavCo's year-end numbers are tallied, with its growing success at bringing major world-class events to BC – including Taylor Swift's Eras Tour, the Grey Cup, the Invictus Games, and the TED and NeurIPS conventions – which are driving considerable economic benefit for all British Columbians. PavCo's ability to continue to draw major events is evident in some of the major bookings already in the calendar for the next two fiscal years, such as live concerts including AC/DC, major conferences such as Web Summit, the Alcoholics Anonymous International Convention and major international sporting events including the FIFA World Cup 26.

In addition to working on delivering on its economic and community mandates over the coming fiscal year, significant efforts will continue in the planning and preparation for the FIFA World Cup 26. These preparations include various renovations and upgrades at BC Place to deliver on the contractual requirements as a host city for this high-profile event, which will ensure the stadium remains accessible, modern and competitive for years to come.

PavCo is responding to several ongoing challenges in its operating environment, such as new convention centres in competing markets, an economic landscape that includes ongoing inflationary pressures, elevated labour compensation, higher supply chain costs, and ongoing limited hotel capacity in Metro Vancouver. These impacts increase costs for clients and delegates, potentially affecting the viability of events. Global events and instability, including cross-border challenges, will continue to be watched closely.

In the broader industry context, PavCo is committed to workforce development to combat the challenges in attracting and retaining top talent, especially given competitive compensation advantages other organizations may have. The company is working closely with industry

partners to navigate these issues, focusing on training, leadership development and retaining essential expertise.

PavCo will continue to deliver on its commitment to community benefits through several new and ongoing partnerships and programs, while enhancing its approach to partner and stakeholder engagement, including with Indigenous communities.

PavCo continues to see strong growth in the number of events expected in its venues, the associated revenues and event gross margin. It continues to deploy strategic sales and marketing initiatives to generate revenues and win new business, emphasizing excellence in service, value and environmental sustainability. Despite the challenges posed by the current economic climate, including ongoing interest rate pressure, persistent inflation, deteriorating economic forecasts and geopolitical conflicts, PavCo sees opportunities to refine its strategies and continue contributing robustly to the economy and community. It remains agile and adaptive, constantly evaluating current trends to inform its long-term strategies.

Annual Economic Statement

B.C.'s economy experienced moderate growth last year amid relatively high interest rates, persistent price pressures and ongoing global economic uncertainty. The labour market ended the year on a positive note, supported by high immigration and strong population growth. Inflation in B.C. continued to moderate as the price growth of goods eased, while inflation for services remained elevated. Consumer spending and home sales activity were weaker for most of 2024 in the wake of still elevated interest rates and high prices. Subdued global demand and lower prices for key commodities led to a decline in the value of the province's merchandise exports in 2024. Meanwhile, B.C. homebuilding activity remained relatively strong following record high housing starts in 2023.

The Economic Forecast Council (EFC) estimates that B.C. real GDP rose by 1.2 per cent in 2024. In the near-term, the EFC expects B.C.'s economy to grow by 1.8 per cent in 2025 and 1.9 per cent in 2026, in line with the national average. For Canada, the EFC estimates growth of 1.4 per cent in 2024 and projects national real GDP growth of 1.8 per cent in 2025 and 1.9 per cent in 2026. These projections do not fully include the impact of the evolving U.S. tariff situation.

Restrictive global trade policies, particularly potential U.S. tariffs, pose a risk to the outlook and there is uncertainty over the degree and timing of impacts on B.C.'s economy, and among the province's trading partners. Other risks include lower population growth due to changes to federal immigration policy, as well as the potential for renewed price pressures leading to interest rates remaining elevated for longer, weaker global demand, and commodity market volatility.

Performance Planning

Goal 1: Generate economic and community benefits while building towards profitability.

In pursuit of its objective to achieve profitability, PavCo's strategic approach integrates the prioritization of events that align profitability with community impact, targeting events that draw significant spending and employment opportunities, and collaboration with industry partners. PavCo is committed to fostering engagement and pursuing reconciliation with Indigenous communities and partners including facilitating client collaborations with local First Nations, highlighting Indigenous artists through various displays in its venues and delivering employee cultural awareness programs.

Objective 1.1: Create economic and community benefits for the people of B.C. through activities in our venues.

For the Fiscal Year 2025/26, PavCo continues to support its clients in delivering exceptional events, offering venues to support the wider community interests, capitalizing on a diverse array of business opportunities and optimizing profitable business activities to generate economic impact. Supporting a strong community while producing substantial economic benefit will remain a core priority for the organization through the next several years.

Key Strategies

- Leverage successful performance of current and past fiscal years through continued delivery of PavCo's long-term strategic business and operating plans.
- Target revenue-generating events and delegates that draw spending from both out-of-province and Metro Vancouver sources, creating meaningful direct and indirect employment opportunities in British Columbia.
- Collaborate with industry partners and suppliers to strengthen business performance by executing joint sales and marketing efforts, sharing and collaborating on market intelligence and supporting the destination in delivering world-class events.
- Prioritize and balance the hosting of events that align profitability with economic and community benefits.
- Promote engagement and reconciliation opportunities with Indigenous communities and partners.
- Continue to partner with and support community and charitable organizations across the province to deliver community benefit for British Columbians.

Discussion

Growing attendance levels, maximizing economic impact, and enhancing community benefits remain core objectives for PavCo in delivering on its overarching mandate.

For the Fiscal Year 2024/25, PavCo projects an economic benefit and related community impact of approximately \$891 million for the residents of British Columbia through the prudent management and optimal utilization of its publicly-owned facilities. For the Fiscal Year 2025/26 and subsequent years, PavCo management has formulated projections predicated on anticipated event attendance and activity. These economic estimates are derived from confirmed bookings at both BC Place and the Vancouver Convention Centre, client-provided attendance forecasts and a management’s assessment of future anticipated events.

PavCo is committed to continuing on its reconciliation journey through several actions, including staff engagement and education, a review of its operations and policies, and a focused effort on increased engagement with First Nations. PavCo’s approach to reconciliation is being informed by the United Declaration on the Rights of Indigenous Peoples, *the Declaration on the Rights of Indigenous Peoples Act*, and the Truth and Reconciliation Commission’s Calls to Action – with a goal of achieving long-term, meaningful and measurable progress.

PavCo will also deliver on its wider community benefit mandate through ongoing and new partnerships and programs with several charitable and community organizations.

Performance Measures

Performance Measure (in millions M)	2024/25 Forecast	2025/26 Target	2026/27 Target	2027/28 Target
[1.1a] Economic Impact¹				
Visitor Spending from outside Metro Vancouver, VCC	\$440.6M	\$511.1M	\$522.9M	\$538.9M
Visitor Spending from outside British Columbia, VCC	\$381.2M	\$453.1M	\$461.5M	\$480.6M
All visitor spending, BC Place	\$450.2M	\$166.4M	\$552.6M	\$204.7M
Visitor Spending from outside British Columbia, BC Place	\$195.3M	\$32.6M	\$266.4M	\$39.2M
[1.1b] Delegate Days and Attendance²				
Delegate days from outside Metro Vancouver, VCC	0.551M	0.632M	0.633M	0.640M
Delegate days from outside British Columbia, VCC	0.381M	0.453M	0.461M	0.480M
Total attendance, BC Place	1.154 M	0969 M	1.069 M	1.032 M
[1.1c] Financial Performance³				
Operating deficit target, before government sustaining contributions	\$9.391M	\$22.764M	\$20.453M	\$20.141M

Data source:

¹ Economic impact is calculated using the BC Stats Input/Output model and is based on estimated expenditures by organizers and visitors at events in the facilities, subsequent spending in the province following the event and the multiplier

effect through the economy of such spending. Projections for 2024/25 and future years are based on calculated estimates by PavCo management. Metro Vancouver is a region within B.C. that encompasses Vancouver and surrounding communities.

² Forecasted delegate days for Vancouver Convention Centre for Fiscal Year 2024/25 and onward targets are based on confirmed and tentative bookings in the event management system. Attendance at BC Place is the total of announced attendance by clients for attendance at their events.

³ The corporate operating deficit before government contributions is the sum of: sales revenues, other revenues and deferred contributions, less total expenses. Operating gains (losses) before interest, amortization, and contributions are: 2024/25F \$1.403 M, 2025/26T (\$12.947 M), 2026/27T (\$10.184 M), and 2027/28T (\$9.963 M).

Discussion

Vancouver Convention Centre

The strength of the Vancouver Convention Centre (VCC) lies in its diverse event portfolio, particularly in-person experiences. This diversity ensures a broad and varied attendance, translating into a significant number of delegate days. VCC plays an instrumental role in shaping the economic and community fabric of the region. It draws delegates and exhibitors from both within and beyond the Metro Vancouver area. One of its most significant economic contributions comes from visitors outside British Columbia (non-resident delegates), who are individuals who attend events which would not occur in the province if not for VCC. A non-resident delegate day occurs when a visitor from outside British Columbia attends an event at VCC, contributing to the local economy by staying at hotels, visiting restaurants, utilizing transportation and shopping at local retailers. These days are essential to fostering sustained economic activity in the region. VCC is set to host an array of events over the fiscal plan period including prominent conferences and events including the Alcoholics Anonymous International Convention, TED and Web Summit, which will draw visitors from around the world.

A recent increase in bookings for larger events, including conventions like Web Summit Vancouver, is contributing to driving VCC's success. These bookings have been driven by targeted strategies from its business development team, with dynamic pricing, value emphasis, and event revenue optimization. In addition to conventions, a wide variety of events, including meetings, banquets and galas, consumer shows, and special events, have also been integral to VCC's growing success. Several world-class events are set to take place at VCC in the coming fiscal year, which are expected to drive sustained growth for both VCC and PavCo in the years ahead.

Despite a positive outlook, VCC is mindful of ongoing external challenges. Factors such as global economic shifts or potential downturns could influence event demand, while reduced corporate travel budgets or diminished individual spending may affect future bookings and attendance. Nevertheless, VCC remains steadfast in its commitment to adapt and diversify, ensuring it meets the changing demands of the global events market.

BC Place Stadium

As the largest multi-purpose facility of its kind in the region, BC Place Stadium (BC Place) stands as an important fixture in British Columbia's cultural and economic landscape. The stadium plays a crucial role in the province, contributing positive economic and community

impact by hosting a diverse range of events from live sports and entertainment to conferences and trade shows. Event hosting at BC Place not only drives revenue across multiple sectors such as hospitality and retail, but also fosters direct and indirect employment opportunities within the stadium and its network of suppliers. This success is attributed to its commitment to delivering exciting events, superior service and memorable experiences that not only attract attendees but also ensure their return.

BC Place aims to manage its calendar by striking a balance between events which drive positive economic impact for our province while prioritizing community benefit wherever possible. Revenue and attendance growth is, in part, attributed to the rising popularity of stadium concerts and events that resonate with our community, ensuring patrons have enriching experiences.

For the upcoming fiscal years, the event lineup at BC Place is expected to remain robust and diverse. Upcoming sporting events include the Concacaf Gold Cup and Rugby Sevens in 2025 and the FIFA World Cup 26. BC Place will also continue to host major concerts, including a sold-out AC/DC show in April 2025 for its only Canadian tour stop, affirming the venue's commitment to providing outstanding music and cultural events.

These occasions are not just significant in terms of entertainment, they also contribute to BC Place's growing financial and economic impact on the province. Planning and preparation for the FIFA World Cup 26 will continue into the upcoming fiscal year, with an opportunity to enhance the client and fan experience well into the future with upgraded infrastructure, improved accessibility and additional services offerings. This forward-thinking approach ensures that BC Place will continue to create memorable experiences in a truly world class venue for the people of British Columbia.

Goal 2: PavCo venues deliver service excellence.

PavCo is acknowledged by clients and industry professionals as an industry leader, adept at organizing top-tier events, with the Vancouver Convention Centre being a five-time recipient of the 'Center of Excellence' recognition from respected industry publications and BC Place earning the 2023 International Association of Venue Managers Venue Excellence Award. Pivoting to adapt to evolving client demands, PavCo's focus is on delivering more engaged, tailored experiences that solidify the reputation of its venues, encouraging clients to return and attracting new ones. This strategic approach aligns with PavCo's ongoing objectives of amplifying economic impact, community benefit and working towards financial sustainability.

Both venues will place a renewed emphasis on accommodating diverse client needs while maintaining an inclusive and welcoming environment for all attendees. The venues are embracing a more adaptive and client-focused approach while continuing to offer the high-calibre service for which they are renowned. Responsive and well-trained staff, expanded service offerings and advanced technology solutions are at the forefront of improving the client and guest experience, ensuring that PavCo can successfully host a diverse range of events from meetings and conventions to sporting events and live concerts for years to come.

Objective 2.1: Foster an exceptional service culture.

PavCo leverages the strengths of its team, its track record in delivering superior customer service, and its world-class venues to position itself as a sought-after host for events of all sizes. Amid the competitive pressures of the current operating environment, the organization is focusing on cultivating an outstanding service culture to advance its mandate of delivering economic impact and community benefit.

Key Strategies

- Collaborate closely with clients to understand their objectives, providing expertise to guide them from the event planning process through event execution, while delivering exceptional experiences for clients, guests and delegates.
- Encourage innovation, streamlining and value across the organization by cultivating a client-centric culture.
- Incorporate the unique benefits of both venues and the broader organizational and destination competitive advantages into all sales and marketing efforts to enhance business opportunities.
- Regularly solicit feedback from key client groups and attendees to enhance and improve the quality of service and offerings.
- Continue to Invest in service excellence training for frontline staff and people leaders.

Discussion

PavCo's benchmarks for service excellence are aligned with the government's priority of providing dependable, quality service. Client and guest surveys are administered to gauge expectations and assess overall satisfaction. Data and insights are regularly reported and undergo a cross-departmental review, facilitating the recognition of achievements and the identification of opportunities for service enhancement.

Performance Measures

Performance Measure	2024/25 Forecast	2025/26 Target	2026/27 Target	2027/28 Target
[2a] Service Quality, VCC ¹	9.3/10	Meet or exceed FY25 forecast score	Meet or exceed FY25 forecast score	Meet or exceed FY25 forecast score
[2b] Client Satisfaction, BC Place ²	4.4/5	Meet or exceed FY25 forecast score	Meet or exceed FY25 forecast score	Meet or exceed FY25 forecast score
[2c] Guest Satisfaction, BC Place ³	4.4/5	Meet or exceed FY25 forecast score	Meet or exceed FY25 forecast score	Meet or exceed FY25 forecast score

Data sources:

¹ Service quality surveys are sent to all clients at the Vancouver Convention Centre. Surveys are administered by a third-party independent firm, Sentis Market Research. This firm produces an overall Client Loyalty Index, which combines overall

satisfaction with the client's likelihood to recommend and rebook the facility. The survey also includes questions on true value for price, event planning process and event execution. Results are combined to determine an overall result that is measured as a score out of 10.

² Comprehensive online client satisfaction survey. Developed in 2013, this survey is sent to all clients who hold events at BC Place. Data from the survey measures client experience from the time of booking up to the preparation of the final billing for the event. Year-over-year variability is anticipated due to the limited sample sizes available for the survey. Scores are from a total out of 5.

³ Guest satisfaction survey, originally initiated at BC Place in 2012/13. Guest satisfaction results are collected via touch-screen stations distributed throughout the Stadium, or via an online survey sent to ticket holders after the event. Scores are from a total out of 5.

Discussion

Future targets are set to maintain (at minimum) or improve upon results achieved during Fiscal Year 2024/25, reflective of the commitment both the Vancouver Convention Centre and BC Place have in delivering an exceptional customer experience, building on the strong results PavCo is already achieving in this area.

Goal 3: A high-performing and values-driven team culture.

PavCo remains dedicated to the recruitment and retention of highly skilled employees, essential for achieving the mission of delivering outstanding events and client experiences. A focus on cultivating a diverse and inclusive workplace is central, aimed at boosting employee engagement which, in turn, grows productivity, collaboration and financial performance. Mindful of the continuously changing environment, PavCo adjusts its strategies and practices to satisfy the evolving needs of both the workforce and markets it serves.

Objective 3.1: Positive Employee Experience.

PavCo's talent management strategy is centred on the recognition that our people are our most important asset. We believe that PavCo can only flourish when our employees succeed and are fully engaged. With this understanding, our approach focuses not only on attracting top candidates but developing and retaining our existing internal excellence.

Central to this strategy is a commitment to community benefit initiatives that enhance employee engagement and drive productivity. By fostering a values-driven culture, PavCo provides a dynamic work environment that inspires and empowers our employees. This supportive culture encourages innovation, embraces challenges and enables meaningful contributions. PavCo is dedicated to ensuring our employees thrive professionally while experiencing personal fulfillment, knowing that their work creates a positive impact on our clients, guests, team members and the broader community.

Key Strategies

- Recognizing and supporting our people as our greatest asset by continuously improving and refining our policies, practices and technology infrastructure to prioritize employee success, health and wellness and through promoting collaboration across venues and the organization to create meaningful workplace experiences.
- Investing in employee growth and capacity building by implementing strong people and culture processes that ensure effective development and leadership succession,

including offering customized in-house training programs and providing support for both personal and professional development.

- Expanding opportunities for our employees to contribute to our community through volunteering and fostering deeper connections between employees and the communities where we live and work.
- Advancing diversity, equity & inclusion by strengthening partnerships with inclusive community groups to ensure diverse perspectives are integrated into our hiring and development initiatives.
- Adapting talent management strategies to create new career pathways for experienced professionals and ensuring PavCo remains agile and competitive in identifying, nurturing and advancing our exceptional talent.

Discussion

PavCo's capacity to generate both economic and community benefit, coupled with exceptional service, hinges on its success in attracting and retaining a skilled and productive workforce. Despite improvements in talent acquisition since the previous fiscal year, employee retention remains a challenge due to a fiercely competitive labour market. Against the backdrop of evolving workplaces, realities such as the adoption of hybrid work models and fluctuating market conditions, PavCo is strategically positioning itself by enhancing employee engagement initiatives to create a positive, collaborative and values-based workplace.

PavCo remains committed to fostering the growth and development of its team members. The company has earmarked investments for in-house leadership development and training, ensuring that every individual has access to opportunities that help them progress and grow their careers. Hiring practices reflect this commitment, actively seeking talent from all corners of the workforce, from part-time and seasonal workers to seasoned professionals and skilled tradespeople. By doing so, PavCo offers opportunities to various sectors of the community, ensuring that diverse voices and experiences are represented within its organization. This approach not only enriches PavCo's team but also demonstrates the company's dedication to creating an inclusive environment that mirrors and supports the vibrant community it serves.

PavCo's Diversity, Equity and Inclusion (DEI) strategy is progressing with the establishment of a Diversity Council and Accessibility Committee, informing a multi-year action plan that encompasses all organizational levels, including the Board of Directors. These groups, in tandem with its in-house training program, aim to foster education, accountability, awareness and understanding of pivotal issues such as unconscious bias, Indigenous Reconciliation and 2SLGBTQplus inclusion. Staff participation in events such as the Vancouver Pride Parade and other events demonstrate PavCo's commitment to fostering an inclusive environment. Following feedback from team members, PavCo will be further expanding its opportunities for employee community engagement.

Performance Measures

Performance Measure	2024/25 Forecast	2025/26 Target	2026/27 Target	2027/28 Target
[3a] Employee Engagement – Score on Employee Surveys, PavCo Overall ¹	66%	Meet or exceed FY25 forecast score	Meet or exceed FY25 forecast score	Meet or exceed FY25 forecast score
[3b] Employee Engagement – Score on Employee Surveys, BC Place ²	57%	Meet or exceed FY25 forecast score	Meet or exceed FY25 forecast score	Meet or exceed FY25 forecast score
[3c] Employee Engagement – Score on Employee Surveys, VCC ³	61%	Meet or exceed FY25 forecast score	Meet or exceed FY25 forecast score	Meet or exceed FY25 forecast score

Data sources:

¹ All surveys are developed and administered by a third-party independent engagement survey vendor with direction from PavCo.

² BC Place results reflect the average of all full-time employees, excluding event-time staff

³ Vancouver Convention Centre results reflect the average of all full-time, part-time, and casual employees.

Discussion

Each year, PavCo conducts a comprehensive employee survey to gauge employee feedback regarding their work environment. The displayed percentages in the Performance Measurement table represent the average of responses that either strongly agree or agree with a wide number of statements related to the organization and its working environment. This survey is an important tool for the organization, aiding retention and engagement of its workforce. To supplement this information, PavCo also administers shorter pulse surveys at regular intervals throughout the year, allowing for timely, data-informed decisions.

Based on the insights gained from both the annual and pulse surveys, action plans are developed annually and incorporate survey feedback as well as information obtained through employee consultations. In the past, survey feedback has identified opportunities for improvement in areas such as communication, interdepartmental collaboration and team member recognition, which have been incorporated into annual strategic planning and department goal-setting. By acting on results from these surveys, PavCo aims to continuously improve the workplace, thereby enhancing both employee satisfaction and overall performance.

Financial Plan

Financial Summary

[\$m]	2024/25 Forecast	2025/26 Budget	2026/27 Plan	2027/28 Plan
Expenses				
Sales ¹	146.049	113.673	120.151	125.935
Other Revenues	6.516	6.517	7.622	8.247
Amortization of Contributions:				
Sustaining	9.791	8.710	8.710	8.710
Deferred	37.413	38.577	37.757	37.286
Total Revenue	199.769	167.477	174.240	180.177
Expenses				
Cost of Sales	88.987	66.902	68.704	73.813
Staff	33.578	35.005	36.869	37.066
Operations and Maintenance	18.049	18.387	19.375	19.406
General and Administration	6.107	6.757	6.707	7.1221
Business Development	1.160	1.651	1.639	1.756
Fees	3.282	4.434	4.662	4.982
Loan Interest	3.977	3.865	3.749	3.629
Amortization	44.230	44.529	44.278	43.835
Total Expenses	199.370	181.530	185.983	191.609
Annual Surplus (Deficit)	0.400	(14.054)	(11.743)	(11.431)
Total Debt	119.325	115.894	112.348	108.685
Accumulated Surplus (Deficit)	41.562	27.508	15.765	4.334
Capital Expenditures	48.300	59.222	27.279	10.000

Note: The above financial information was prepared based on current Generally Accepted Accounting Principles.

¹ Includes gross sales at the Vancouver Convention Centre and BC Place.

Discussion

The Financial Summary outlines PavCo's projected business performance, operational landscape and organizational metrics for the remainder of Fiscal Year 2024/25, as well as for the business cycles spanning the subsequent three fiscal years.

For this business cycle, revenues are expected to continue to exceed business levels from recent years and grow steadily over this term. The increasing revenues reflect PavCo's positive reputation for executing exceptional events across several market segments, ongoing investments in sales activities and business development, strong event booking trends and growth in ancillary revenue streams. The resulting growth margin (revenue less direct cost of sales) is expected to also improve steadily over this period.

Expenses during this cycle are budgeted to also increase over the Fiscal Year 2024/25 Forecast to support the growing business. Cost increases reflect PavCo's continued investment in preventative maintenance to support its world-class venues, a fully resourced and sustainable operating model to execute exceptional event experiences focused on client and customer service, strategic expenditures in business development and expected inflationary increases in overhead costs such as utilities, insurance and IT licensing. Cost increases in staffing reflect targeted investments in learning and development, performance and contractually-based merit increases, support for mental health and wellness, staff training and ongoing recruitment. Over the coming three years, PavCo will continue to closely monitor expenditures in line with business levels and budget expectations.

The resulting Annual Operating Deficit is expected to steadily improve from a budgeted deficit of \$14.054 million in Fiscal Year 2025/26 to \$11.431 million in Fiscal Year 2027/28. Over this period, economic impact will also continue to grow, to a projected \$743 million by Fiscal Year 2027/28. As an industry leader, PavCo will continue to support its community, local and regional businesses, deliver exceptional events experiences for its clients and guests, and further its reconciliation efforts with Indigenous peoples across the Province through the coming years.

Key Forecast Assumptions, Risks and Sensitivities

Projected revenue is calculated from secured contracts and additional anticipated in-fill business. However, these projections are subject to adjustments due to global events that could influence business trips, tourism or mass events. These figures will be continuously assessed and modified in response to evolving circumstances.

Sensitivity Analysis

While business levels have continued to improve over the past two fiscal years, returning to sustainable profitability is still expected to take several years given the higher operating costs of maintaining PavCo's world-class facilities and delivering exceptional events. This timeline is further complicated by external considerations, including growing protectionist policies,

changes in the domestic political landscape, unstable global dynamics, retaining a skilled workforce, and concerns about an economic recession. Increasing competition from new and growing regional and national venues will continue to put pressure on securing business, and the ongoing local hotel supply deficit could also have a negative impact on event attendance and revenue.

The weakening Canadian dollar against other currencies is a concern. This currency shift could decrease international business for clients such as live concert promoters or international sporting events, while simultaneously increasing operational costs due to escalated supply chain expenses.

Management’s Perspective on Financial Outlook

PavCo acknowledges the current volatility in the global economy, coupled with concerns about increasing geo-political instability, and ongoing inflationary concerns. Given these factors, the organization is diligently implementing marketing initiatives to strengthen its facilities’ reputations and operational capabilities to build resilience.

Emphasizing internal efficiency, PavCo aims to improve profitability while maintaining service quality. Concurrently, the organization is focusing on strategic land and venue utilization, diversified event offerings and additional revenue streams to enhance overall profitability.

Risks	Plans for Mitigation
<p>Workforce Management - Challenges include acquisition of specialized talent, labour relations and attrition of critical staff.</p>	<p>This is a medium-risk factor. To mitigate the risk associated with employee attrition, PavCo is committed to continuing its efforts in supporting employee engagement. Furthermore, the organization aims to maintain a competitive remuneration structure and will strategically emphasize personal and leadership development opportunities as a distinct advantage.</p>
<p>Financial – Risks encompass challenges such as the inability to finance operational deficits, exposure to cost increases from key suppliers and the workforce, limitations in revenue generation and inflationary pressures in the current economic landscape.</p>	<p>This is a high-risk factor. To address these vulnerabilities, PavCo is steadfast in its commitment to bolster business development, along with sales and marketing initiatives to support revenue enhancement. The organization may also implement cost-reduction measures where business revenue expectations do not materialize, while also concentrating on continuous improvement practices to bolster profitability. Sustained collaboration and engagement with the</p>

	Ministry will persist as a cornerstone of the risk mitigation approach.
Asset Management - Failing to preserve facilities at a sustainably high standard poses risks to PavCo's reputation, client acquisition and business growth aspirations.	This is a medium-level risk. In response, PavCo will persist in strategic preventative maintenance and capital investments to sustain and enhance its world-class facilities, thereby delivering maximum value to its clientele and the Province.
Service - Failure to sustain an elevated standard of event expertise and service quality.	This is a medium-level risk. To address this risk, PavCo combines professional development initiatives such as training and leadership programs to bolster client relationships and exceptional service.
Economic - Continued increased inflationary pressures on the supply chain, wages and general goods and services.	This is a medium-level risk. To mitigate this, PavCo will continue diversifying its revenue streams and work closely with clients to ensure events are financially sustainable. It will further continue to strategically source goods and services through a competitive bidding process and monitor its compensation levels to balance competitiveness with fiscal responsibility. Investment strategies will also continue to seek out new sources of business and revenue generation.
Competition - The construction and operationalizing of new venues in the regional market has increased the competitive landscape, which is competing for similar business.	This is a medium-level risk. In response, PavCo and its venues will continue investing in its facilities, service quality and value-added offerings to continue building a long-term, sustainable competitive advantage.

Capital Expenditures

Major Capital Projects (over \$50 million in total)	Targeted Year of Completion	Project Cost to Dec 31, 2024 (\$m)	Estimated Cost to Complete (\$m)	Anticipated Total Cost (\$m)
FIFA World Cup 26	2026	32,049	76,559	108,501
<p>Objective: To deliver BC Place in the condition required to meet its contractual obligations for hosting and staging seven FIFA World Cup 26 matches from June to July 2026 (Fiscal Year 2027).</p> <p>Costs: \$108.5 M</p> <p>Benefits:</p> <ul style="list-style-type: none"> • Significant economic and community impact expected for the Province of British Columbia. • Venue upgrades include critical renovations which are required to ensure BC Place remains a modern and competitive stadium which can continue to attract the world’s best sports, music and events. • Renovations will bring several assets within BC Place up to world-class standards, supporting further business and revenue generation opportunities. • Local business and job creation opportunities created through the stadium renovation contracts. <p>Risks:</p> <ul style="list-style-type: none"> • Construction, including meeting project timelines, trade availability and project scope changes. • Procurement, including sourcing of required goods and services, timing of goods to delivery and inflationary cost pressures. • Operational, including scheduling that aligns event and construction schedules, client relationships and reputation risks. 				

Appendix A: Subsidiaries and Operating Segments

Active Subsidiaries

Vancouver Convention Centre

[\$m]	2024/25 Forecast	2025/26 Budget	2026/27 Plan	2027/28 Plan
Total Revenue	104.767	96.656	100.437	103.287
Total Expenses	101.662	97.969	101.422	104.164
Annual Surplus (Deficit)	3.105	(1.313)	(0.985)	(0.878)

BC Place

Financial Summary

[\$m]	2024/25 Forecast	2025/26 Budget	2026/27 Plan	2027/28 Plan
Total Revenue	95.002	70.821	73.803	76.890
Total Expenses	97.707	83.562	84.561	87.444
Annual Surplus (Deficit)	(2.705)	(12.741)	(10.758)	(10.553)

Appendix B: Mandate Letter from the Minister Responsible



August 15, 2023

Dr. Gwendolyn Point
Chair, Board of Directors
B.C. Pavilion Corporation
Suite 200-999 Canada Place
Vancouver, BC V6C 3C1

Dear Dr. Gwendolyn Point:

On behalf of Premier Eby and the Executive Council, I would like to extend my thanks to you, your board members and your organization's leadership for your dedication, expertise, and service to the people of British Columbia.

Public sector organizations—including Crowns, Health Authorities and Post Secondary Institution Boards—support British Columbians by delivering vital public services and are accountable to the public through their responsible Minister. Your leadership in advancing and protecting the public interest strengthens trust in public institutions.

You are serving British Columbians at a time when people in our province continue to recover from and respond to the upheaval caused by the COVID-19 pandemic, an ongoing toxic drug crisis, climate-related natural disasters, and while global inflation is driving up costs. Now more than ever, we need to focus on building a prosperous, low-carbon, sustainable economy, and a province where everyone can find a good home—in rural areas, in cities, and in Indigenous communities.

This mandate letter, which I am sending in my capacity as Minister responsible for B.C. Pavilion Corporation, sets out overarching principles relevant to the entire public sector and specific direction on priorities and expectations for your organization for the remainder of Government's term.

Government and public sector organizations must continue to advance results that people can see and feel in these key areas: strengthened health care, safer communities, attainable and secure housing, and a clean and fair economy that delivers affordability and prosperity.

In doing so, you will continue working towards lasting and meaningful Reconciliation by supporting opportunities for Indigenous Peoples to be full partners in the province we are building together, and delivering on specific commitments as outlined in the *Declaration on the Rights of Indigenous Peoples Act* action plan.

.../2

As required by the *Climate Change Accountability Act*, please ensure your organization implements targets and strategies for minimizing greenhouse gas emissions and managing climate risk, including achieving carbon neutrality each year and aligning with the CleanBC target of a 50 percent reduction in public sector building emissions and a 40 percent reduction in public sector fleet emissions by 2030. Your organization is expected to work with government to report out on these plans and activities as required by legislation.

Our province's history, identity and strength are rooted in its diverse population. Yet racialized and marginalized people face historic and present-day barriers that limit their full participation in their communities, workplaces, government and their lives. The public sector has a moral and ethical responsibility to tackle systemic discrimination in all its forms – and every public sector organization has a role in this work. As part of this work, your organization is expected to adopt the Gender-Based Analysis Plus (GBA+) lens to ensure gender equity is reflected in your operations and programs.

British Columbians expect that public sector organizations operate in a responsible manner to deliver quality services equitably in all regions of the province. This requires strategic stewardship of planning, operations, and policies in the areas of financial, risk, and human resource management including information security and privacy protection.

The protection of government data and networks is a priority, especially where it concerns personal information of British Columbians. Public sector organizations must maintain up to date systems and effective cybersecurity practices, including maintaining current information management and cybersecurity policies, guidelines and standards; evaluating your organization against industry standards; and maintaining appropriate security and privacy practices. The Office of the Chief Information Officer within the Ministry of Citizens Services is available to support and offer guidance to your organization in any of these areas.

Public sector organizations must also implement and maintain an effective fraud risk management strategy. The Office of the Comptroller General and the Risk Management Branch in the Ministry of Finance are available for consultation.

The Crown Agencies Secretariat (CAS) in the Ministry of Finance supports public sector organizations to operate effectively, in the public interest, and aligned with government's strategic direction and priorities. Within CAS, the Crown Agencies and Board Resourcing Office (CABRO) will continue to support you and your board on recruitment, appointments and professional development, as well as ensuring Board composition and governance reflects the diversity of our province. CAS can support you in public sector governance best practices, policy and planning.

In addition to continuing to make progress on your [2021 mandate letter](#), I expect you to ensure the important priorities and areas of focus listed in this letter are incorporated into the practices of your organization and develop plans to address the following new priorities within your approved budget:

- Ensure PavCo's programs and investments are aligned with the *Strategic Framework for Tourism in B.C.*, and other Government priorities, including support for sport, music, and arts event hosting and pandemic response and recovery.
- Continue to demonstrate innovation and the value achieved by delivering economic, social, environmental, and culturally focussed initiatives and programs through a blended approach of seeking high revenue generation, providing benefits to communities, and supporting B.C. goods and services consistent with provincial trade commitments.
- Broaden the community engagement of PavCo's facilities with a wider range of community stakeholders through the continued development and execution of PavCo's community engagement strategy.
- Building on the success of the Vancouver Convention Center, continue to act as a global sustainability leader, and explore cost-efficient opportunities for environmental improvement in all facilities.
- Continue to explore options for additional revenue streams that align with PavCo's mandate and Government's priorities, while working collaboratively with Indigenous and community partners.
- Work with the Ministry of Tourism, Arts, Culture, and Sport and events and convention partners to collaborate on strategies to support a vibrant meetings, events and sports sector with special focus on working with B.C. host cities and organizers of upcoming marquee events including the Grey Cup in 2024, Invictus Games in 2025, FIFA World Cup in 2026 and various international conferences to ensure they provide positive benefits for businesses, communities, and the tourism sector while also focusing on supporting strategies related to mitigating hotel occupancy challenges impacting the Vancouver Convention Centre.

Each board member is asked to sign this letter to acknowledge this direction from government to your organization. The signed letter is to be posted publicly on your website by summer 2023.

I look forward to continuing to work with you and your Board colleagues to meet the high standards set for us by all British Columbians.

Sincerely,



Minister Lana Popham
Ministry of Tourism, Arts, Culture and Sport
Date: August 15, 2023

pc: Honourable David Eby, KC
Premier

Shannon Salter
Deputy Minister to the Premier, Cabinet Secretary
and Head of the BC Public Service

Heather Wood
Deputy Minister and Secretary to Treasury Board
Ministry of Finance

Mary Sue Maloughney
Associate Deputy Minister, Crown Agencies Secretariat
Ministry of Finance

Neilane Mayhew
Deputy Minister
Ministry, Tourism, Arts, Culture and Sport

Dan Cahill
Board Member
B.C. Pavilion Corporation

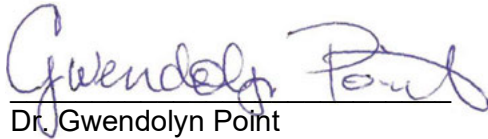
Flavia Coughlan
Board Member
B.C. Pavilion Corporation

Carla Guerrero
Board Member
B.C. Pavilion Corporation

Rod Harris
Board Member
B.C. Pavilion Corporation

Jatinder Rai
Board Member
B.C. Pavilion Corporation

Ken Cretney
Chief Executive Officer/President
B.C. Pavilion Corporation



Dr. Gwendolyn Point
Chair, Board of Directors
B.C. Pavilion Corporation
Date: September 15, 2023



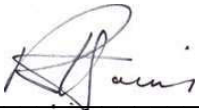
Dan Cahill
Board Member
B.C. Pavilion Corporation
Date: September 15, 2023



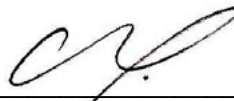
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Board Member
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Date: September 15, 2023



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Board Member
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Date: September 15, 2023



Rod Harris
Board Member
B.C. Pavilion Corporation
Date: September 15, 2023



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Chief Executive Officer/President
B.C. Pavilion Corporation
Date: September 15, 2023



Jatinder Rai
Board Member
B.C. Pavilion Corporation
Date: September 15, 2023