

Gaming Policy and Enforcement Branch Annual Report 2014-2015





LETTER OF TRANSMITTAL

I am pleased to submit to the British Columbia Legislature the 2014/15 Annual Report for the Gaming Policy and Enforcement Branch (GPEB) of the Ministry of Finance. The information in this report reflects the activities of the branch between April 1, 2014 and March 31, 2015.

GPEB is responsible for the overall integrity and regulation of gaming, including horse racing, in British Columbia. This includes all gaming conducted and managed by the British Columbia Lottery Corporation, and licensing of gaming events in B.C. GPEB is also responsible for delivering responsible and problem gambling programs to the citizens of B.C., and for the administration of community gaming grants.

I will continue to work with GPEB to ensure the effective regulation of B.C.'s gaming industry and the protection of the public.

A handwritten signature in black ink, appearing to read 'Michael de Jong'.

Honourable Michael de Jong, Q.C.
Minister of Finance

ACCOUNTABILITY STATEMENT

Honourable Michael de Jong, Q.C.,
Minister of Finance

Minister:

I am pleased to present the 2014/15 Annual Report for the Gaming Policy and Enforcement Branch (GPEB). The report covers the period between April 1, 2014 and March 31, 2015. I am accountable for the contents of this document, and the basis on which the information has been reported.

As mandated under the *Gaming Control Act*, and within the provisions of the *Gaming Control Regulation* and the federal *Criminal Code*, the branch is responsible for the overall integrity of gaming and horse racing in the province, and provides regulatory oversight to the British Columbia Lottery Corporation (BCLC) which conducts and manages commercial gaming in B.C. GPEB is also responsible for the delivery of responsible and problem gambling programs, licensing of gaming events, and the administration of community gaming grants.

In the fiscal year 2014/15, some of the specific deliverables achieved by GPEB to fulfil its mandate included, but were not limited to:

- continued development of the third phase of government's Anti-Money Laundering (AML) strategy, which focused on exploring options for regulator intervention and enhancing customer due diligence on the source of funds being brought into gaming facilities;
- efforts on the initial implementation of activities to address recommendations that pertained to GPEB in the 2014 Internal Audit and Advisory Services review of BCLC;
- release of the *2014 Problem Gambling Prevalence Study* and government's *Plan for Public Health and Gambling*. The plan took into consideration the *2013 Public Health Officer's Report* and the *2014 Problem Gambling Prevalence Study*.

It is my pleasure to thank all GPEB staff for their commitment and dedication towards ensuring that gaming remains a sound and socially responsible industry in B.C.

John Mazure
Assistant Deputy Minister and General Manager
Gaming Policy and Enforcement Branch

CONTENTS

LETTER OF TRANSMITTAL	1
ACCOUNTABILITY STATEMENT	2
OUR ORGANIZATION	5
HIGHLIGHTS	7
DISTRIBUTION OF GAMING REVENUE	8
GAMING POLICY, STANDARDS AND REGULATIONS	10
Anti-Money Laundering Strategy	10
A Plan for Public Health and Gambling in British Columbia	10
INTEGRITY OF PEOPLE AND COMPANIES INVOLVED IN GAMING	11
Corporate Registration	11
Personnel and Lottery Retailer Registration	11
Summary of Registration Decisions	11
Certification	12
SUPPORTING CITIZENS AND COMMUNITIES	13
Community Gaming Grants Program	13
Problem Gambling and Responsible Gambling Programs	14
Gaming Licences	17
Host Local Government Payments	17
Development Assistance Compensation	17
COMPLIANCE WITH REGULATIONS AND STANDARDS	18

The Audit Program	18
Commercial Gaming Audit	18
Charitable Gaming Audit	18
Enforce the Rules and Regulations of Horse Racing	19
Investigate Notifications of Offences under the Gaming Control Act and Criminal Code	19
Reporting Requirements	19
OPERATIONS	20
Financial Services	20
Horse Racing Betting Fees	20
IT Support	20
APPENDICES	21
Appendix A: Figures and Tables	22
Appendix B: Gaming Industry Legal and Operating Framework	30
Appendix C: Gaming Permitted in British Columbia	32
Appendix D: Sources and Distribution of Gaming Revenues	33
Appendix E: Host Local Government Share of Gaming Revenues	34
Appendix F: Branch Operating Budget and Expenditures	36

OUR ORGANIZATION

Mandate

Gaming Policy and Enforcement Branch (GPEB) regulates all gaming in B.C., ensures the integrity of gaming industry companies, people and equipment, and ensures compliance with policies and standards established under the *Gaming Control Act* ("the Act"). This includes regulatory oversight of the British Columbia Lottery Corporation (which conducts and manages lotteries, casinos, community gaming centres, commercial bingo halls and PlayNow.com), B.C.'s horse racing industry, and licensed charitable gaming events. GPEB also delivers responsible and problem gambling programs and distributes gaming funds to community organizations and other recipients.

The *Gaming Control Act* governs how gaming is regulated and operated in B.C. GPEB's purpose is to carry out its responsibilities under the Act. The position of the general manager and the authority given to that position are identified in the Act. Key responsibilities of the general manager include setting governments gaming policy, and compliance and enforcement of the Act.

GPEB's core objective is to ensure that a comprehensive and responsible gaming regulatory framework is in place.

Vision

The public has confidence in B.C.'s gambling industry.

Mission

To uphold the overall integrity of gambling by maintaining government's gambling policy, regulating the gambling sector and providing related support services and programs that benefit British Columbians.

Values

Integrity, courage, teamwork, passion, accountability, service, curiosity

Core Business Areas

In December 2014, as a result of a comprehensive operational review, GPEB underwent an internal reorganization. The reorganization was necessary to modernize operations and better position the branch to respond to changes in an evolving gaming industry. This positions GPEB well to address the BCLC Crown Review recommendations that pertain to the branch to implement a risk-based approach for assessing compliance with gaming policies and develop comprehensive policies and standards to support the integrity of gaming. The restructure created five new divisions:

1. Compliance Division: audit, investigations, inspections, horse racing
2. Community Supports Division: responsible and problem gambling, community gaming grants administration
3. Licensing, Registration and Certification Division
4. Strategic Policy and Projects Division
5. Operations Division

Compliance Division

The Compliance Division works to ensure regulatory compliance with the *Gaming Control Act*, *Gaming Control Regulation* and *Criminal Code of Canada*. The division conducts inspections, audits or investigative audits of provincial gaming to ensure compliance with legislation, regulation and public interest standards and directives. Investigations staff make inquiries into complaints or violations for the purpose of determining if there is a need for education or training, or a resolution through administrative sanctions. The division develops and enforces rules and policies for the horse racing industry, regulates racing events, and registers participants.

Community Supports Division

The Community Supports Division supports the integrity of gaming in B.C. through provision of programs and services to support healthy gambling and protect the public's interests. The division has two programs: the Responsible and Problem Gambling (RPG) Program and the Community Gaming Grants (CGG) Program. Statutory authority of the CGG Program lies with the Ministry of Community, Sport and Cultural Development. As a matter of policy, the administration of the program is the responsibility of GPEB.

Licensing, Registration and Certification

The Licensing, Registration and Certification Division is responsible for registering companies and individuals involved in gaming, certifying gaming supplies and equipment, and the licensing of gaming events to ensure those conducting or involved in gaming are doing so in a way that upholds the integrity of gaming.

Strategic Policy and Projects Division

The Strategic Policy and Projects Division has been created to increase the capacity of the branch to meet current and future policy needs by anticipating industry changes and proactively addressing challenges. The division leads strategic policy development, communications, and makes recommendations for the legislation and regulations on gaming activities across B.C.

Operations Division

The Operations Division provides financial, administrative, and IT services in GPEB. This includes monitoring financial operations, and reporting out on behalf of the branch on financial performance. The division works closely with all GPEB divisions to provide support to their operations, and is a partner in the distribution of community gaming grant funding. The division is also responsible for the development, maintenance and operations of the internal and external facing IT systems and provides information management support for the branch.

HIGHLIGHTS

IN 2014/15, THE NET RETURN TO GOVERNMENT FROM B.C.'s COMMERCIAL GAMING INDUSTRY WAS **\$1.25 BILLION**

THE GAMING INDUSTRY IS RESPONSIBLE
FOR THE DIRECT AND INDIRECT
EMPLOYMENT OF AN ESTIMATED:



37,000 PEOPLE



AS OF MARCH 31, 2015 THE COMMERCIAL GAMING INDUSTRY INCLUDED:

- ▶ **PlayNow.com**, B.C.'s only legal regulated gaming site;
- ▶ Provincial and national lottery games;
- ▶ **17** casinos, including **2** at horse racetracks;
- ▶ **18** community gaming centres;
- ▶ **7** commercial bingo halls;
- ▶ **5** horse racetracks; and,
- ▶ **23** horse racing teletheatres.



IN 2014/15 THE REGULATION OF GAMING IN B.C. INCLUDED:

NEW AND RENEWED REGISTRATIONS FOR:*

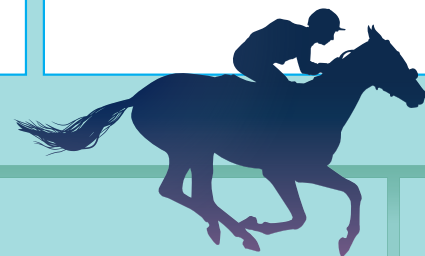
- **5,441** gaming workers;
- **1,259** lottery retailers;
- **224** senior officials and senior employees;
- **586** horse racing workers;
- **36** gaming services providers, gaming equipment suppliers and ancillary service contractors;
- ▶ **664** gaming supplies certifications;
- ▶ **342** audits of licensed gaming events and organizations' use of community gaming grant proceeds;
- ▶ **59** compliance audits of BCLC and gaming service providers regarding applicable public interest standards, directives, laws and regulations;
- ▶ Inspections of **495** lottery retailers; and,
- ▶ **19** eGaming and **6** casino-based reviews and investigations related to gaming supplies.

*Revised from the version tabled by the Minister of Finance in the Legislative Assembly on May 17, 2016.



IN 2014/15 GPEB SUPPORTED CITIZENS AND COMMUNITIES BY:

- ▶ Delivering **3,500** presentations through the responsible gambling program to **134,000** people;
- ▶ Providing **7,500** problem gambling counselling sessions to **1,500** people across the province;
- ▶ Administering **\$135** million in community gaming grants to more than **5,000** community organizations;
- ▶ Issuing **10,115** gaming licenses to community organizations, enabling **\$39.5 million** in revenue generation to support projects and services
- ▶ Administering **\$95.8 million** in host local government payments to **31** communities, and **\$9.6 million** in monthly payments to two horse racing associations to support horse racing in the province.

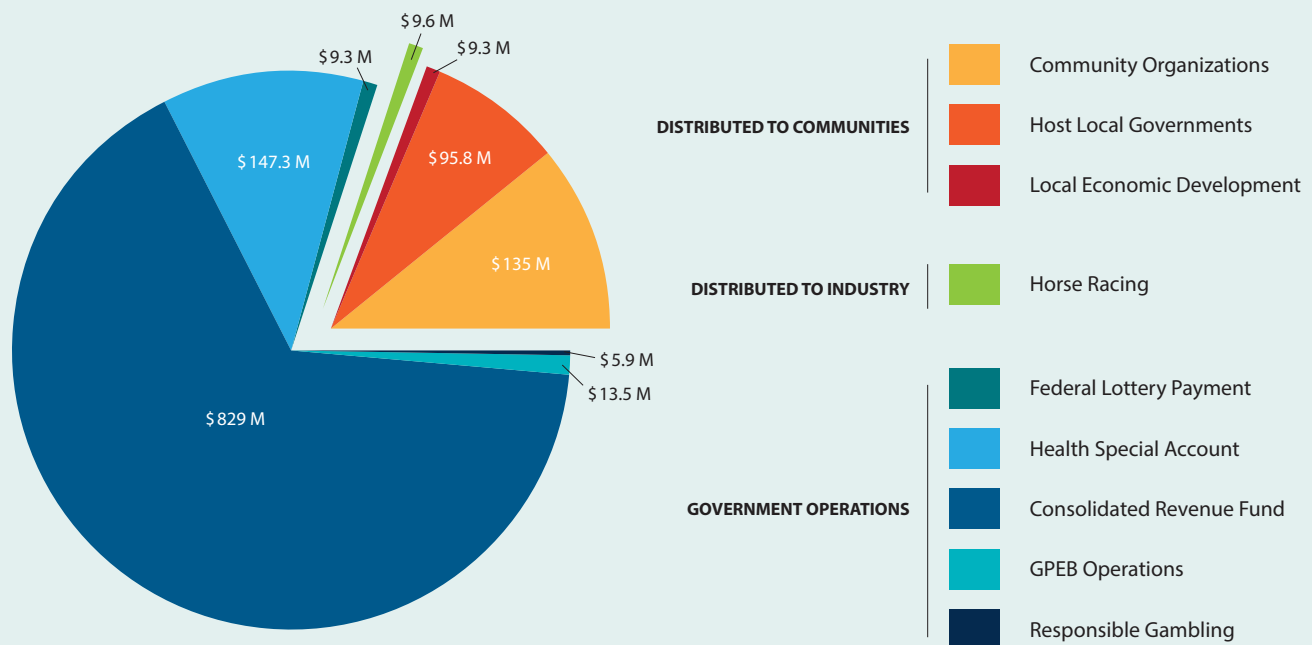


DISTRIBUTION OF GAMING REVENUE

British Columbia generates commercial gaming revenue from casinos, community gaming centres, commercial bingo halls, lotteries and PlayNow.com. In 2014/15, commercial gaming in the province, excluding horse racing, generated \$2.9 billion. After prize payouts and expenses, government revenue from gaming totaled

\$1.25 billion. This revenue was used to support local communities, the horse racing industry, responsible and problem gambling treatment programs, provincial health programs, other provincial government programs and GPEB operations.

2014/15 Gaming Revenue Allocation



Communities and Local Governments

In 2014/15, the Province distributed community gaming grants to approximately 5,000* community organizations. In 2014/15 the amount of gaming revenue shared with 31 Host Local Governments was \$95.8 million and \$9.3 million in development assistance compensation was paid to communities that host destination casinos.

Host Local Governments may use this funding for any purpose that benefits their community. For example, in 2014/15, several host local governments used gaming funds to enhance local infrastructure and support a number of community activities, youth programs, and festivals. Since 1999, the B.C. government has distributed over \$1 billion in gaming revenue to local governments.

Horse Racing

Government provided funding to continue to support the horse racing industry in B.C. through a revenue sharing agreement from the slot machines at race tracks.

Government Services

In 2014/15, \$829 million was allocated to the Consolidated Revenue Fund of B.C. to support provincial government programs and services.

In 1992, the B.C. Government made a commitment to allocate revenue from the B.C. Lottery Corporation specifically for health care initiatives. To fulfil this commitment, the Health Special Account (HSA) was created as a special account within the Consolidated Revenue Fund, to be used to finance urgent health care priorities. According to the *Health Special Account Act*, the annual payment amount is equal to the amount shown in the Estimates as revenue in the HSA for that fiscal year.

The account may be used for the administration, operation and delivery of health care, health research, health promotion and health education services. The HSA is considered general revenue to the Ministry of Health and is part of its overall budget.

As part of a revenue-sharing agreement between the federal and provincial governments, \$9.3 million of lottery revenues was remitted to the federal government.

* Revised from the version tabled by the Minister of Finance in the Legislative Assembly on May 17, 2016.

Gaming Policy and Enforcement Branch Operations

In 2014/15 GPEB's operational spending was \$19.4 million, an increase of \$0.5 million from 2013/14. Operating costs accounted for approximately \$13.5 million, and the responsible gambling programs accounted for the other \$5.9 million. This increase was the result of a budget lift to Responsible Gambling in fiscal 2013/14.



GAMING POLICY, STANDARDS AND REGULATIONS

The Strategic Policy and Projects Division develops and maintains a fair, appropriate and transparent policy and regulatory framework for gaming and horse racing in B.C. to help ensure the industry is conducted and managed fairly and with integrity. Areas of responsibility include:

- supporting all business units within GPEB, the General Manager, Associate Deputy Minister, Deputy Minister and Minister;
- conducting policy analysis and advising the General Manager and Minister on broad policy, standards and regulatory issues;
- developing, managing and maintaining government's gaming legislation, regulations, policies, standards and directives;
- developing the GPEB Annual Report, and coordinating branch strategic planning;
- providing annual direction to BCLC by drafting the Mandate Letter between the Minister of Finance and BCLC; and
- managing communications, stakeholder relations and monitoring public opinion on gambling related issues.

Policy work for this year included continued work on Phase 3 of government's Anti-Money Laundering strategy and the release of *A Plan for Public Health and Gambling in British Columbia* in February 2015.

Anti-Money Laundering Strategy

Government's Anti-Money Laundering (AML) strategy is focused on minimizing opportunities for money laundering in B.C.'s gaming facilities. Using a three-phase approach, GPEB is progressively implementing tiers of control over the acceptance of funds into gaming facilities. In the first two phases of the strategy, GPEB worked with BCLC and gaming service providers to develop, implement, and encourage casino patrons to use cash alternatives.

As part of Phase 3 in 2014/15, GPEB continued to explore the options for regulatory action to prevent money laundering in B.C.'s gaming facilities. Phase 3 of the AML strategy directs resources at the areas of the highest

risk to gaming integrity, with additional measures that enhance due diligence and regulator guidance and intervention.

Progress on Phase 3 of the strategy in 2014/15 continued with:

- Working with BCLC to develop and implement additional customer due diligence policies and practices constructed around financial industry standards as well as robust know your customer requirements. These requirements will focus on identifying source of wealth and funds and will be triggered by suspicious currency transactions.
- Working with BCLC to develop and implement additional cash alternatives, furthering the transition from cash-based transactions.

A Plan for Public Health and Gambling in British Columbia

In February 2015, government released a plan with 21 action items for promoting responsible gambling and addressing the public health risks associated with problem gambling, including details about existing services and new initiatives.

A Plan for Public Health and Gambling in British Columbia is the product of a collaborative cross-ministry working group from the Ministries of Finance, Health, and Education, and BCLC. This group was tasked with creating a plan for responsible and problem gambling in B.C. in response to 17 recommendations the Provincial Health Officer made in a 2013 report called *Lowering the Stakes: A Public Health Approach to Gambling in British Columbia*.

A Plan for Public Health and Gambling in British Columbia takes into consideration the PHO's recommendations, the findings from B.C.'s *2014 Gambling Prevalence Study*, research on online gambling and other relevant research and policy related to gaming, health, and education.

GPEB will continue to work collectively with the ministries of Health and Education and BCLC to implement the action items in the plan.

INTEGRITY OF PEOPLE AND COMPANIES INVOLVED IN GAMING

Every year, thousands of individuals and dozens of companies apply for gaming registration. GPEB's registration program, administered by the Licensing, Registration and Certification Division, helps to prevent unsuitable candidates from entering the gaming industry. Registrants are subject to a background investigation, which includes, but is not limited to, a criminal record check, credit check, and in some cases an interview to confirm an applicant meets the required standards of integrity. If successfully registered, individuals and companies continue to be monitored to make sure they adhere to the conditions of registration set out in the *Gaming Control Act and Gaming Control Regulation*.

There are three different kinds of registration: corporate, personnel and lottery retailers.

The Licensing, Registration and Certification Division collects, monitors, and reconciles over \$2.4 million in registration and investigation fees annually.

Corporate Registration

The Corporate Registration Unit conducts a thorough review of gaming-related businesses and their executive personnel. Businesses registered with GPEB include many large public and privately owned companies, including casino, bingo and horse racing operators, as well as suppliers and manufacturers of gaming services, including online content providers, and gaming equipment (e.g. slot machines, automatic shufflers). Corporate registration also registers other service providers, such as gaming consultants, raffle services, security and ancillary services, including food and janitorial services provided at gaming facilities.

Personnel and Lottery Retailer Registration

GPEB's Personnel and Lottery Retailer Registration Unit register all workers involved in the gaming industry. This includes all people directly involved in the industry (e.g. casino, bingo, horse racing workers and lottery retailers), as well as those indirectly involved (e.g. BCLC and GPEB employees). GPEB continues to look at ways to make the registration system more efficient, while maintaining the integrity of gaming operations.

See Appendix A, Table 1: Corporate and Personnel Registration

Summary of Registration Decisions

Every year, GPEB refuses a number of registrations for a variety of reasons including failure to pass a criminal record check, disclose outstanding criminal charges, or provide information requested in the application or subsequent background investigation. While having a criminal record does not automatically result in refusal, all applicants are thoroughly vetted to ensure their suitability to participate in the gaming industry.

Through regulatory audits and investigations, registrants are monitored for compliance with the terms and conditions of registration. If the integrity of a registrant is called into question, or if they are found to be non-compliant with the regulatory requirements of the *Gaming Control Act* or the *Gaming Control Regulation*, GPEB will take appropriate action to address the concern based on the severity of the transgression. GPEB may issue a sanction, warning or suspension, or it may cancel registration altogether.

See Appendix A, Table 2: Summary of Registration Decisions

Certification

Gaming supplies include slot machines and related casino management systems, lottery products (including pull-tab tickets and Scratch & Win tickets), lottery and self-checking terminals, electronic table game equipment, lottery draw systems, bingo supplies, table game supplies, and Internet gambling systems.



Before being able to operate in the live environment, all gaming equipment used in the province must be tested to the applicable requirements set forth in GPEB's technical gaming standards. GPEB's Certification and Game Integrity Unit (CGIU) establishes and maintains these technical gaming standards to ensure gaming supplies that are used in commercial or charitable environments:

- operate fairly;
- are safe and secure;
- deliver the stated odds of winning; and,
- can be audited.

Gaming supplies are tested in accredited testing facilities (ATFs), which verify product compliance with GPEB's published technical standards. GPEB then certifies the gaming supplies for use in B.C.'s gaming venues.

GPEB began certifying electronic raffle systems used by charitable licensees in 2011. CGIU created a technical standard and assists with registering the service providers, and certifies the technical integrity of each new electronic raffle system installation.

GPEB investigates player complaints and all reports of malfunctioning gaming supplies including issues with lottery products, internet gambling software and electronic raffle systems. In 2014/15, CGIU performed 19 eGaming and six casino-based reviews and investigations related to gaming supplies.

Gaming supplies are routinely upgraded and improved. This means their original certification may no longer be valid. Certification is suspended or revoked when a manufacturer or an ATF reports that a particular gaming product no longer meets GPEB's technical gaming standards.

Gaming supply (e.g. slot machine) malfunctions can also lead to a certification suspension or revocation. Certification for gaming supplies used in the province is issued by GPEB. A certification may be suspended or revoked for a number of reasons: a gaming supply malfunction; an ATF rescinds their certification; or a vendor upgrades the gaming supply and no longer supports the previous version. Malfunctions account for the least number of revocations while software upgrades account for the majority.

Gaming supplies for which certification has been suspended or revoked must be removed from the gaming floor, Playnow.com website, or a licensed gaming event. Before the gaming supplies can be returned to service, any repairs, modifications, or upgrades must be re-tested by an ATF and re-certified by GPEB.

GPEB's CGIU makes recommendations to the general manager where a request has been made to the Minister for the introduction of any new type of lottery scheme or for the use of any new technologies in the delivery of any lottery scheme. In June 2014, BCLC launched mobile casino gaming, this permitted device users to play online slots. In October 2014, BCLC began offering a selection of Novelty Bets¹ to all registered playnow.com players in B.C.

See Appendix A, Table 3: Gaming Supplies Certification Decisions

¹ An entertainment-style bet that is not based on the outcome of, or contingencies occurring within, a sporting event, race, fight or athletic contest. They are based on relevant current events in popular culture or speculation around sports, arts, sciences or other special-interest subject.

SUPPORTING CITIZENS AND COMMUNITIES

The Gaming Policy and Enforcement Branch (GPEB) and its divisions support communities in B.C., distributing gaming funds to organizations and municipal governments, and assisting with community fundraising efforts. Some examples of this support include licensing gaming events for community fundraising groups, and distributing Host Local Government (HLG) payments and Development Assistance Compensation (DAC). The branch also manages the Responsible and Problem Gambling (RPG) Program.

Community Gaming Grants Program

The primary objective of the Community Gaming Grants (CGG) Program is to distribute gaming funding to eligible organizations to support a wide array of programs and services across the province.

The Direct Access Grants and Bingo Affiliation Grants, were established in 1998 when the BC Lottery Corporation's mandate was expanded to include the operation of casinos which had previously been the purview of charities. These grants replaced revenue charitable groups earned from running charitable casinos. Later, the grant programs were consolidated into a community chest model and administered within the CGG program. Over the years, grant-eligibility rules have responded to community needs with new "sectors."



In March 2011, responsibility for the program was split between the Ministry of Community, Sport and Cultural Development (CSCD) and the Ministry of Finance. CSCD assumed responsibility for the program and policy, while GPEB remained responsible for program administration, audit and compliance. The *Gaming Control Act* was amended to formalize this shared responsibility.

Organizations receive funding based on their sector, the programs and services they deliver, and their financial need. In 2014/15, GPEB distributed approximately \$135 million to approximately 5,000* non-profit organizations. Funds were distributed to organizations within the following six sectors:

- *Human and social services* – programs that significantly contribute to the quality of life in a community, including assisting the disadvantaged or distressed, promoting health, or enhancing opportunities for youth 18 years and under. Service clubs are included in this sector;
- *Public safety* – programs that support public safety initiatives, disaster relief and emergency preparedness in B.C.;
- *Arts and culture* – programs that enhance the performing arts, media arts, visual arts, literature, heritage or culture in the community. Also fairs, festivals and museums, which include cultural or heritage programs and/or displays of broad community interest suitable for all ages;
- *Sport* – community-based youth and amateur sport programs that consist of organized and competitive physical activities;
- *Environment* – programs that enhance B.C.'s environment or protect the welfare of animals and wildlife; and
- *Parent Advisory Council (PAC) and District Parent Advisory Council (DPAC)*. In 2014/15, PACs received \$20 per student per year; DPACs received grants of \$2,500 each year. PACs are required to use this funding to support extra-curricular activities for students. DPACs are required to use their grant funds to foster parental involvement in the school system.

* Revised from the version tabled by the Minister of Finance in the Legislative Assembly on May 17, 2016.

In addition, special one-time grants are considered for unexpected and/or emergency needs from charitable, nonprofit organizations that are not traditionally supported through gaming grants.

See Appendix A, Table 8: Distribution of Community Gaming Grants

Problem Gambling and Responsible Gambling Programs

The Responsible and Problem Gambling (RPG) Program minimizes harm and promotes responsible gaming practices in communities in a variety of ways.

In 2003, the Province launched its Responsible Gambling Strategy, which has three core goals:

- Deliver gambling in a manner that encourages responsible gambling and informed choice;
- Create public awareness of risks associated with gambling; and,
- Provide treatment and support to those impacted by problem gambling.

These goals guide the delivery of service in two areas: responsible and problem gambling awareness and education, and problem gambling counselling.

Goal One: Deliver Gambling in a Manner that Encourages Responsible Gambling and Informed Choice

GPEB administers several programs to ensure the gambling industry operates in accordance with the Province's responsible gambling policies and practices.

GameSense Information Centres

GameSense Advisors present responsible gambling information at GameSense Information Centres in every casino in B.C. A total of 25 GameSense Advisors share responsible gambling information and practices with interested patrons and direct anyone experiencing gambling-related distress to the Responsible and Problem Gambling Program and/or to BCLC's Voluntary Self-Exclusion Program. Casinos and community gaming centres also feature touch-screen interactive terminals, which provide education modules at the push of a button or the touch of a screen. In 2014/15, approximately 54,600 GameSense Advisor player

interactions were made through the GameSense program.

GameSense Advisors are under contract to GPEB. The advisors and the information centres are co-managed by GPEB and BCLC.

Appropriate Response Training

Appropriate Response Training is an educational program for gaming workers designed to enhance their knowledge, awareness, attitudes and skills and to enable them to respond appropriately to patrons who may be experiencing distress in a gaming facility. GPEB supports Appropriate Response Training by providing responsible gambling specialists to co-facilitate the training sessions with BCLC.

Responsible Gambling Standards

The Province has issued responsible gambling standards for the B.C. gaming industry to ensure that:

- minors are prevented from participating in gambling activities;
- patrons are equipped to make informed decisions regarding gambling;
- gambling-related risks are minimized; and,
- people affected by excessive gambling have access to timely and effective information and help.

These standards apply to BCLC, gaming services providers, commercial gaming facilities and community organizations licensed to conduct charitable gaming events.

GPEB monitors BCLC, licensee and service provider gaming event advertising to ensure that it complies with responsible gambling public interest standards.

Compliance audits focus on five key areas:

- *Informed choice* – proper use of the "Know your limit, play within it" tagline, an appropriate level of responsible gambling messaging, and availability of rules of play and of information regarding the odds of winning;
- *Appropriate response* – ensuring gaming workers have received Appropriate Response Training;
- *Responsible practices* – placing clocks in highly visible areas and other requirements;
- *Financial transactions* – prominently displaying information describing payout policies and stating that credit will not be extended; and

- *Voluntary Self-exclusion Program* – having a fully operational program, readily available program information, and effective monitoring of gaming facilities for individuals who choose to self-exclude from gambling.

Responsible Gambling – “RG Check” Program

RG Check is a voluntary program supported by GPEB and BCLC, which provides an independent and standardized evaluation of the delivery of responsible gambling programs in gaming facilities across Canada. Overseen by the independent Responsible Gambling Council, RG Check assesses how B.C.’s responsible gambling programs compare to industry best practices using eight standards, each with their own criteria:

- responsible gambling policies and a demonstrated awareness of problem gambling;
- employee training so staff are knowledgeable about their role in responsible gambling;
- a self-exclusion program that facilitates access to counselling; assisting patrons who have problems with gambling;
- informed decision making through readily available information;
- advertising and promotion that does not misrepresent products;
- access to money that does not encourage excessive spending; and,
- venue game features (i.e. to promote breaks in play and awareness of the passage of time).

As of March 2015, 35 of the 36 casino and community gaming centre facilities across the province had accreditation from the Responsible Gambling Council.

Goal Two: Create Public Awareness of Risks Associated with Gambling

As part of this goal, GPEB informs the public of the risks inherent to gambling, encourages players to play within their means, and fosters public awareness of problem gambling issues and of services available to those who need them.

In 2014/15, GPEB contracted 77 service providers to deliver community-based programs that encourage people to make healthy choices. Specifically, the programs provide problem gambling prevention information and responsible and recreational gambling education to a variety of client groups. Participants also learn how to identify problem gambling behavior, self-regulate their gambling behavior responsibly and where they, and those affected can access counselling.

In 2014/15, 3,594 presentations were offered to 134,241 people, including children and youth, high risk adults, general adult populations and allied professionals.

Responsible Gambling Awareness Week

In 2014/15, GPEB in conjunction with BCLC and in response to community input, moved from Responsible Gambling Awareness Month to Responsible Gambling Awareness Week in order to accommodate organizing committees to plan their awareness events in consideration of climate differences throughout the province.

Events were held in Richmond, Kamloops, Vernon, Langley and Greater Victoria to raise awareness of responsible gambling practices and to connect people to community resources and services to address issues related to excessive gambling.



Responsible Gambling Awareness Week activities included:

- Media launch and kick-off in each community, featuring municipal authorities and guest speakers from BCLC and GPEB's responsible and problem gambling program;
- Trade show-style event with booths for the responsible and problem gambling program, BCLC, service providers and community services;
- Mobile "myth-busting kiosks" to travel to significant businesses and high traffic locations;
- Allied professional training; and,
- Sponsored community events.

Responsible Gambling Awareness Week will continue in select communities across B.C. on an annual basis.

See Appendix A, Table 9: B.C. Responsible and Problem Gambling Program

Goal Three: Provide Treatment and Support to Those Impacted by Problem Gambling

In 2014/15, GPEB's 28 contracted clinical counsellors provided problem gambling counselling across B.C. Operators provide crisis counselling and refer callers to various treatment and support services provided by the province and allied professionals. In 2014/15, the 24-hour toll-free Problem Gambling Help Line received 3,838 gambling specific calls and 1,474 people received 7,493 counselling sessions.

Funded by GPEB, problem gambling counselling and support services are free of charge for anyone directly or indirectly experiencing a gambling problem. Individuals, couples, family and group counselling services are available. Outreach counselling and telephone counselling are available for clients in remote locations.

An intensive day-treatment program called Discovery is also offered in both weekend and five-day workshops each month on Vancouver Island and the Lower Mainland. Participants may enroll for all or part of this program. In 2014/15, 164 people participated in Discovery.

For information on the future direction of problem and responsible gambling initiatives in the province, refer to the *Responsible Gambling Strategy Three-year Plan*, available online at <https://www.gaming.gov.bc.ca/reports/docs/plan-rg-three-yr-2014-2018.pdf>



Gaming Licences

GPEB's licensing program issues gaming event licences to eligible community organizations throughout B.C. that wish to raise revenue to support and benefit their local programs and services. Licences must be applied for in advance of the proposed gaming event, and are issued with the understanding that charitable organizations will also honor municipal by-laws. All charitable gaming events must be operated on a not-for-profit basis, and net revenues must go to programs or services run by charitable, religious or community organizations that directly benefit the community.

In 2014/15, GPEB issued 10,115 licences to eligible organizations to conduct gaming events. In total, community organizations raised an estimated \$39.5 million to support their projects and services.

One of GPEB's responsibilities is to ensure that gaming events are conducted fairly and transparently. The branch ensures that organizations applying for a gaming event licence are in good standing, have a democratic governing structure and open membership, and operate according to sound financial practices. GPEB also conducts regular audits of licensees to ensure they follow rules and guidelines designed to protect the public, and are using the proceeds to support the eligible programs stated in the licence.

Gaming events that can be licensed are ticket raffles, bingos (independent from commercial bingo halls), wheels of fortune, social occasion casinos (casino-style events without slot machines) and Texas Hold'em poker tournaments.

Classes of Gaming Licences

GPEB offers four different types of gaming licences – Class A, B, C or D – depending on the organization's structure and operation, the amount of money it expects to raise, and the prize value and ticket price of its event.

Class A

Issued to eligible charitable and religious organizations for gaming events expected to generate gross revenue exceeding \$20,000.

Class A gaming events earned approximately \$23.5 million in 2014/15.

Class B

Issued to eligible charitable and religious organizations for gaming events expected to generate up to \$20,000 in gross revenue.

Class B gaming events earned approximately \$10.2 million in 2014/15.

Class C

Issued to approved community fairs and exhibitions that operate ticket raffles, bingos, wheels of fortune, and limited casinos. These licences are issued to a select number of established fairs and exhibitions on a case-by-case basis.

Class C gaming events earned approximately \$1.9 million in 2014/15, of which, approximately \$1.6 million was earned through raffles.

Class D

Issued to eligible groups or organizations wishing to conduct small-scale fundraising events that are expected to generate up to \$5,000 in gross revenue. This licence category was introduced in 2007 in response to requests from groups, individuals and organizations that could not meet the eligibility criteria in place for larger fundraisers, but still wished to contribute to programs and services in their communities.

Class D gaming events are restricted to ticket raffles and independent bingos. Eligibility is based on how the money will be spent.

Class D gaming events earned an estimated \$3.9 million in 2014/15.

See Appendix A, Table 10: Gaming Events

Host Local Government Payments

Local governments that host casinos and/or community gaming centres generally receive 10 per cent of the net income generated by those gaming facilities. BCLC provides quarterly documentation and calculations of the revenues, expenses and amounts due to each host local government where a casino or community gaming centre operates.

Development Assistance Compensation

Development Assistance Compensation (DAC) is money available to local governments with destination casinos for approved economic development projects. There are three municipalities in B.C. that have a DAC agreement – New Westminster, Penticton and Cranbrook. BCLC provides GPEB with quarterly calculations of compensation payments due to the municipalities for each of the three casinos in these locations.

COMPLIANCE WITH REGULATIONS AND STANDARDS

GPEB's Compliance Division works to ensure regulatory compliance with the *Gaming Control Act*, *Gaming Control Regulation*, *Criminal Code of Canada*, and public interest standards. Compliance achieves this through conducting investigations, inspections, and compliance audits of all provincial gaming and by the development and enforcement of rules and policies for the horse racing industry which includes regulating racing events and licensing participants.

The Audit Program

The audit program conducts compliance inspections and audits on BCLC, gaming service providers, licensees and gaming grant recipients.

The program also promotes voluntary compliance with provincial gaming legislation through compliance enhancement education sessions for charitable organizations that conduct licensed gaming or receive gaming grants.

The program develops an annual audit plan that outlines the five main areas that are audited:

1. BCLC's overall conduct and management of all forms of gaming, including the corporation's PlayNow.com website;
2. BCLC's conduct and management of lottery gaming;
3. BCLC's conduct and management of commercial gaming, including casinos, community gaming centres and bingo halls;
4. Horse racing; and,
5. Licensed gaming and community gaming grants.

The program has adopted and follows a risk-based audit approach when developing their annual audit plan to ensure that audit resources in the division are used effectively. This approach also enhances the effectiveness of the audit program by allowing gaming facilities and licensees to be assessed individually for risk.

The program works closely with the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) to help mitigate the risk of money laundering at gaming facilities. A memorandum of understanding (MOU) was

signed by both parties in 2004 to establish a framework for information sharing. The collaboration between the organizations assists GPEB and FINTRAC in meeting their regulatory mandates.

The program has two distinct work units: Commercial Gaming Audit and Charitable Gaming Audit.

Commercial Gaming Audit

In 2014/15, the Commercial Gaming Audit team completed 59 audits of BCLC and gaming service providers.

Commercial audit reports were issued within the target timeframe of 30 days of completion of audit field work 84 per cent of the time.

See Appendix A, Figure 1: Commercial Gaming Audits by Category

The audit program also completed 495 inspections of lottery retailers throughout the province.

Charitable Gaming Audit

In 2014/15, the Charitable Gaming Audit team completed 391 audits and inspections of community gaming grants and licences. Of the audits carried out:

- 50 per cent of the organizations were found to be moderately non-compliant;
- 37 per cent of the organizations were found to be severely non-compliant with provincial gaming rules.

Each organization that is audited receives an audit report that identifies the exceptions that were observed. The auditor provides feedback to the organization about the issues that have been identified and advice on how they can be corrected. Audit findings are also communicated to the licensing and grants teams for consideration in future grant and licensing application decisions.

Charitable audit reports were issued within the target timeframe of 70 days of the start of audit field work 72 per cent of the time.

See Appendix A, Figure 2: Community/Charitable Gaming Grant Audits by Sector

Enforce the Rules and Regulations of Horse Racing

GPEB's horse racing program regulates horse racing events in B.C. to ensure compliance with the *Gaming Control Act* and the Rules of Horse Racing. The program is also responsible for developing policies to ensure the horse racing industry is conducted fairly and with integrity. As required the program reviews and revises the Rules of Thoroughbred and Standardbred Horse Racing in B.C. and meets regularly with industry stakeholders to address issues. The program is also integral to ensuring the industry operates with safety first in mind.

B.C.'s horse racing industry employs approximately 2,100 licensed owners, jockeys, drivers, trainers, grooms and exercise riders, all of whom must be licensed and registered with GPEB. In 2014/15, 586* horse race workers were either licensed for the first time or had their licences renewed.

Racing program staff are present at all five operating racetracks in the province during race season. GPEB monitored 1,172 races on 124 race dates at the five provincial tracks in operation during the 2014 season.

GPEB is responsible for enforcing and adjudicating the rules and regulations related to racing. GPEB looks at all activities on the track or in the backstretch that could have a negative impact on the integrity of horse racing.

See Appendix A, Table 4: British Columbia Horse Racing Summary

In 2014, GPEB's stewards and judges issued a total of 117 rulings. Of these, 61 were for thoroughbred racing infractions (issued by stewards), and 56 were for standardbred racing infractions (issued by judges).

See Appendix A, Table 5: Horse Racing Rulings

GPEB also licenses 23 teletheatre sites in B.C. which present simulcast satellite broadcasts of horse races run at local, national and international tracks.

See Appendix A, Table 6: Horse Race Wagering Figures

Investigate Notifications of Offences Under the Gaming Control Act and Criminal Code

To ensure the integrity of gaming in B.C., GPEB investigates reported instances of any conduct, activity or incident occurring in connection with gaming, if those

incidents involve the commission of an offence under the *Gaming Control Act* or a provision of the *Criminal Code of Canada* that is relevant to a lottery scheme or horse racing. The primary role of the Investigations program is to investigate provincial gaming offences, or assist law enforcement agencies in investigating reports of criminal or illegal gaming activity.

GPEB investigators often work in conjunction with law enforcement agencies to investigate various illegal gambling activities, such as unauthorized lottery schemes, gaming houses, loan sharking and money laundering. They also provide in-depth gaming expertise to law enforcement agencies throughout the province. With the support of law enforcement, GPEB investigates and may recommend for prosecution appropriate charges related to gaming offences as defined in the *Criminal Code of Canada*. Under the *Gaming Control Act*, GPEB has the authority to recommend charges for prosecution, issue tickets, issue warnings and/or recommend administrative sanctions.

In 2014/15, the Investigations program continued to work with law enforcement to investigate and gather evidence to support criminal charges, and deliver evidence of suspected illegal activity within and outside of B.C. gaming facilities.

See Appendix A, Table 7: 2014/15 Incident Reports Related to Gaming

Reporting Requirements

BCLC, a registrant and a licensee under the *Gaming Control Act*, must notify the General Manager immediately about any conduct, activity or incident occurring in connection with a lottery scheme or horse racing, if the conduct, activity or incident involves or involved the commission of an offence under a provision of the *Criminal Code* that is relevant to a lottery scheme or horse racing, or the commission of an offence under the *Gaming Control Act* or *Gaming Control Regulation*.

In addition, registrants must immediately report any conduct or activity at or near a gaming facility that is or may be contrary to the *Criminal Code*, the *Gaming Control Act*, or any regulation under the Act.

GPEB works in partnership with BCLC and the police of jurisdiction on matters that impact the overall integrity of gaming.

* Revised from the version tabled by the Minister of Finance in the Legislative Assembly on May 17, 2016.

OPERATIONS

The Operations Division provides financial support, information technology services, facilities support and business expertise such as risk management and records management to the branch.

Financial Services

The Operations Division provides business and technical support to all business units in GPEB. This includes, but is not limited to:

- Operational financial services, contract management, and budget administration;
- Strategic financial advice to GPEB's executive;
- Payment of community gaming grants, host local government payments, Development Assistance Compensation and distribution of horse racing revenue; and,
- Information and technology support to internal and external users of the branch's information systems and web presence.

Horse Racing Betting Fees

Horse race betting fees are levies on bets made at horse racing events that are collected by GPEB through Hastings Racecourse, Fraser Downs Racetrack and The Betting Company Teletheatre B.C. (4.5 per cent on triactor bets and 2.5 per cent on other bets). Any balance in excess of annual regulatory fees (equal to the cost of

regulating the horse racing sector in a given year) is remitted back to the horse racing industry. At fiscal year end, the cumulative total of monthly fees is transferred into the Consolidated Revenue Fund.

Information Technology Support

The IT team supports all business units in GPEB by providing daily support for the workstations, internal and external facing websites, and GPEB's Gaming Online Service (GOS). GOS is a web-based application developed by GPEB that allows eligible applicants to apply electronically for a community gaming grant or licence, submit processing fees through a secure card payment option, track the progress of their applications, and file a criminal or regulatory complaint for issues related to gaming or horse racing in B.C.

The team supports GPEB's business needs by enhancing GOS in ways that support each division and their various business requirements. The IT team also delivers specialized reports and provides the necessary management information to each division. The team maintains GPEB's web presence. The intranet site for staff provides a tool for internal communications and access to operational materials, while the public facing site provides information to the public about the branch, and mechanism for applying for some licences that are administered by GPEB.



APPENDICES

APPENDIX A: FIGURES AND TABLES	22
Figure 1: Number of Commercial Gaming Audits by Category	22
Figure 2: Number of Community/Charitable Gaming Grant Audits by Sector	22
Table 1: Corporate and Personnel Registrations	23
Table 2: Summary of Registration Decisions	23
Table 3: Gaming Supplies Certification Decisions	23
Table 4: British Columbia Horse Racing Summary	24
Table 5: Horse Racing Rulings	24
Table 6: Horse Racing Wagering	25
Table 7: 2014/15 Incident Reports Related to Gaming	26
Table 8: Distribution of Community Gaming Grants	27
Table 9: Responsible and Problem Gambling Program Statistics	28
Table 10: Gaming Events	29
APPENDIX B: GAMING INDUSTRY LEGAL AND OPERATING FRAMEWORK	30
Conduct and Management of Gaming in B.C.	30
Supporting the Delivery of Gaming in B.C.	30
APPENDIX C: GAMING PERMITTED IN BRITISH COLUMBIA	32
APPENDIX D: SOURCES AND DISTRIBUTION OF GAMING REVENUES	33
APPENDIX E: HOST LOCAL GOVERNMENT SHARE OF GAMING REVENUES	34
APPENDIX F: BRANCH OPERATING BUDGET AND EXPENDITURES	36

APPENDIX A: FIGURES AND TABLES

Figure 1: Number of Commercial Gaming Audits by Category

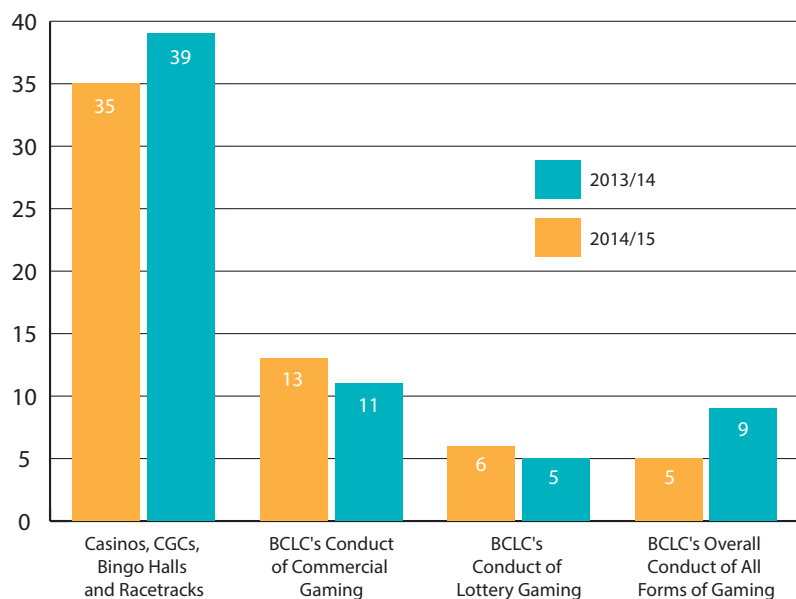
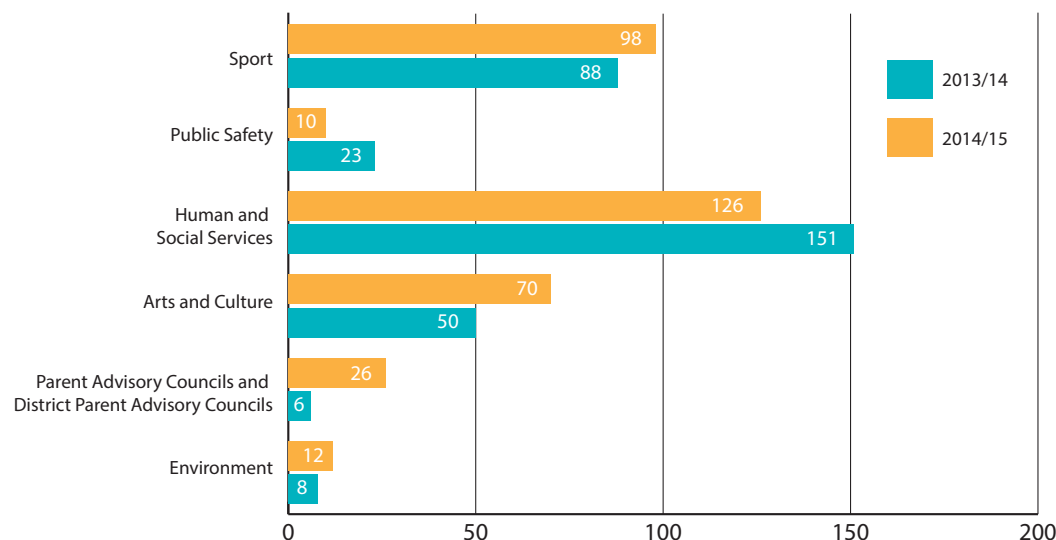


Figure 2: Number of Community/Charitable Gaming Grant Audits by Sector



In 2013/14, reporting was combined for PAC and DPACs, Environment and Public Safety.

Tables

Table 1: Corporate and Personnel Registrations

	2014/15		2013/14	
	New	Renewal	New	Renewal
Corporate Registrations				
Gaming Service Providers	5	10	6	10
Gaming Equipment Suppliers	7	9	7	9
Ancillary Service Providers	3	2	11	6
Senior Officials and Senior Employees	136	88	103	137
Personnel Registrations				
Gaming Workers	3,722*	1,719*	3,494	2155
Lottery Retail Managers	331*	928*	308	831
Horse Racing Workers	158*	428*	172	417
GPEB and BCLC Personnel	183	18	268	20

Table 2: Summary of Registration Decisions

	2014/15			2013/14		
	Denied	Revoked	Ceased	Denied	Revoked	Ceased
Types of Registration						
Gaming Workers	26*	31*	3,051*	34	35	2,749
Horse Racing Workers	2	0	0*	6	1	0
Lottery Retail Managers	6*	0*	834*	2	2	848
GPEB and BCLC Personnel	0	0	128*	0	0	320*

Table 3: Gaming Supplies Certification Decisions

	2014/15		2013/14	
	Certifications	Revocations	Certifications	Revocations
Type of Certification				
Pull-tab Lottery Tickets	6	0	7	0
Scratch & Win Lottery Tickets	51	0	56	0
eLottery (Playnow.com games)	152	3*	64	13*
Electronic Gaming Devices and Other Supplies	433	31*	412	22
Table Games	6	0	8	0
Licensed/Charitable (50/50) ⁽¹⁾	8	0	–	–
Other (Lottery systems, Lotto Express, Bingo, etc.) ⁽¹⁾	8	1	–	–

(1) These types were not previously reported out on.

* Revised from the version tabled by the Minister of Finance in the Legislative Assembly on May 17, 2016.

Table 4: British Columbia Horse Racing Summary

	2014	2013	2014	2013	2014	2013
	Race Days		Live Races		Horses Ran	
Thoroughbred						
Hastings Racecourse – Vancouver	54	69	405	457	2906	3715
Sunflower Downs – Princeton	0	1	0	8	0	44
Kin Park – Vernon	0	3	0	18	0	80
Desert Park – Osoyoos	2	3	10	16	45	86
Total	56	76	415	499	2951	3925
Standardbred						
Fraser Downs Racetrack – Surrey	68	79	757	872	6420	7273

Horse Racing results are reported in calendar year as betting permits are issued for calendar year. All results from Canadian Pari-Mutuel Agency regarding wagering and drug testing are also reported by calendar year.

Table 5: Horse Racing Rulings

	2014	2013
Standardbred		
Whipping Violations	5	8
Racing or Driving Infractions Committed During a Race	29	35
Drug or Alcohol Infractions Involving Horses or Registered Horse Racing Workers	11	11
Inappropriate Behaviour in the Backstretch Area of a Racetrack	5	4
Licensing or Registration Violations	0	3
Horses that Bled During a Race	0	2
Restoration of a Horse or Horse Racing Worker to Good Standing	3	7
Other Categories	3	0
Total Standardbred Rulings	56	70
Thoroughbred		
Racing or Driving Infractions Committed During a Race	19	14
Drug or Alcohol Infractions Involving Horses or Registered Horse Racing Workers	14	14
Entering an Ineligible Horse	0	5
Inappropriate Behaviour in the Backstretch Area of a Racetrack	13	4
Licensing or Registration Violations	5	13
Horses that Bled During a Race	0	3
Restoration of a Horse or Horse Racing Worker to Good Standing	5	5
Other Categories	5	10
Total Thoroughbred Rulings	61	68

Table 6: Horse Racing Wagering		
	2014	2013
Hastings Racetrack (HR)		
HR Live Races	\$8,523,499	\$10,402,976
HR Simulcast Wagers	\$57,442,093	\$60,896,046
Total HR	\$65,965,592	\$71,299,019
Fraser Downs (FD)		
FD Live Races	\$2,811,642	\$2,927,406
FD Simulcast Wagers	\$32,782,504	\$31,712,272
Total FD	\$35,594,146	\$34,639,678
Sunflower Downs (SD)		
SD Live Races*	–	\$22,287
Kin Park (KP)		
KP Live Races*	–	\$67,800
Desert Park (DP)		
DP Live Races	\$28,000	\$48,647
Teletheatre BC		
Hastings Racetrack Races	\$816,456	\$1,318,512
Fraser Downs Races	\$775,751	\$864,924
Wagers on Other Racetracks	\$39,134,007	\$44,228,714
Total – All	\$142,285,980	\$152,489,584

*These tracks rely on volunteers to conduct racing. There was not enough interest generated to conduct races during 2014.

Table 7: 2014/15 Incident Reports Related to Gaming

Type	Total	Recommendations to Crown Counsel (1)	GCA Charges & Administrative Actions	Warnings (Verbal & Written)	Intelligence and Police Assistance (2)	Alternate Resolution (3)	Other (4)
Theft	1,642	60	1	1	283	581	716
Fraud	250	7	0	0	37	36	170
Loan Sharking, Cheat at Play, Illegal Gaming	208	0	0	30	42	27	109
Suspicious Transaction Reports	1,832	0	1	0	1,769	1	61
GCA Violations ⁽⁵⁾	305	0	203	37	4	13	48
Other	4,066	8	3	0	1,792	91	2,172
Total	8,303	75	208	68	3,927	749	3,276

1. Evidence is provided to Crown Counsel so they can determine what charges to lay, if any.
2. Providing information on gaming-related crimes to local police, or incidents where police have been contacted, attended the scene or investigated.
3. Matters resolved through means other than charges, warnings or administrative sanctions.
4. Insufficient evidence to lay charges; reports of issues unrelated to GPEB; instances where GPEB assisted local police; and incidents where suspects are unidentified.
5. Figures have been revised from the version tabled by the Minister of Finance in the Legislative Assembly on May 17, 2016. The revised figures exclude voluntary self-exclusion prohibitions and other prohibitions categories as they do not require GPEB investigative time. This is consistent with changes made to Table 7 in the 2013/14 Annual Report.

Table 8: Distribution of Community Gaming Grants			
Sector	Sub-Sector	2014/15 (\$ Millions)	2013/14 (\$ Millions)
Human and Social Services	Community Service Organization	5.8	6.8
	Disadvantage Distress Poverty	26.7	26.3
	Public Community Facilities	3.5	3.6
	Public Health in the Community	13.1	12.6
	Community Education	11.5	11.2
	Enhancement of Youth	5.7	6.2
Arts and Culture	Adult Arts and Culture	8.4	7.2
	Fairs, Festivals, Museums	5.1	5.4
	Youth Arts and Culture	3.7	3.9
Sport	Youth	24.9	25.1
	Adults	1.3	0.9
	People with Disabilities	1.5	1.5
Public Safety		7.2	6.5
Environment	Protection of Animals and Conservation of the Environment	3.4	3.1
Parent Advisory Councils and District Parent Advisory Councils		11.5	12.0
Special One-Time Grants*		1.7	2.5
Total		135.0¹	135.0¹

* Special one-time grants are grants considered for unexpected and/or emergency needs from charitable non-profit organizations that are not traditionally supported through gaming grants.

¹ Figures may not add to total due to rounding.

Table 9: BC Responsible and Problem Gambling Program Statistics

	2014/15	2013
Program Figures		
Calls Made to Help Line Specific to Problem Gambling	3,838	4,341
Referrals to Responsible & Problem Gambling Program	1,391	1,510
Clients Served (Clinical Stream)	1,474	1,454
Number of Prevention and Outreach Sessions	3,594	3,744
GameSense Advisor Player Interactions (1)	54,600	–
Contracted Service Providers		
Clinical Counsellors	28	27
Prevention Service Providers	19	21
Provincial Coordinators	3	3
GameSense Advisors	23	22
Indigenous Providers (2)	4	–

1. New to 2014/15 Report.
2. Indigenous providers deliver free workshops, and counselling services as well as focusing on resource development and community engagement initiatives.

Table 10: Licensed Gaming Events (\$ Figures in Thousands)*

		2014/15		2013/14	
Licence Class	Licence Type	Number	Net Revenue	Number	Net Revenue
Class A	Minor Raffle	230	\$4,163	202	\$3,602
	Major Raffle	42	\$1,992	40	\$2,218
	Registered Raffle	27	\$15,051	26	\$13,932
	Independent Bingos	92	\$2,295	100	\$2,292
	Social Occasion Casino	–	–	–	–
	Total Class A Licences	391	\$23,500	368	\$22,044
Class B	Raffles	3,591	\$9,676	3,593	\$9,472
	Independent Bingo	94	\$301	96	\$281
	Wheels of Fortune	9	\$10	10	\$18
	Social Occasion Casino	32	\$43	36	\$58
	Poker	90	\$146	90	\$156
	Total Class B Licences	3,816	\$10,177	3,825	\$9,985
Class C	Raffles	10	\$1,649		\$1,439
	Independent Bingo	–	–	–	–
	Limited Casino	–	–	–	–
	Wheels of Fortune	2	\$256	2	\$271
	Total Class C Licences	12	\$1,905	9	\$1,710
Class D	Independent Bingo	112	\$93	121	\$99
	Raffles	5,784	\$3,847	6,018	\$3,952
	Total Class D Licences	5,896	\$3,940	6,139	\$4,051
Total – All Classes		10,115	\$39,522	10,341	\$37,791

* Based on reported and estimated earnings.

APPENDIX B: GAMING INDUSTRY LEGAL AND OPERATING FRAMEWORK

Gaming and horse racing in B.C. is regulated under the federal *Criminal Code of Canada* and the provincial *Gaming Control Act*. The Gaming Policy and Enforcement Branch has been part of the Ministry of Finance since June 2013. Gaming is illegal under the *Criminal Code* unless it is conducted and managed by a provincial government or for a charitable or religious purpose and licensed by the Province. The framework for these exceptions is the Province's purview, as defined in B.C.'s *Gaming Control Act*.

Conduct and Management of Gaming in B.C.

British Columbia Lottery Corporation

The B.C. Lottery Corporation conducts and manages all commercial gaming in the province, with the exception of horse racing. The Corporation is headed by a board of directors (appointed by the Lieutenant Governor on the recommendation of the Executive Council) and is regulated by GPEB. The Corporation manages all contracts and formal relationships with service providers, as well as all lottery agreements with other provinces and the federal government. It also sets the rules of play for lotteries, casinos, community gaming centres and commercial bingo halls.

Horse Racing Service Providers

GPEB licenses track operators and associations to conduct and operate live horse racing events at five horse race tracks in B.C. These service providers are responsible for conducting horse racing in accordance with the *Gaming Control Act*, *Gaming Control Regulation* and the Rules of Thoroughbred and Standardbred Horse Racing.

Pari-mutuel wagering on horse races is regulated by the federal government through the Canadian Pari-Mutuel Agency.

Licensed Community Organizations

GPEB licenses community and other eligible organizations to conduct and manage gaming events such as ticket raffles, independent bingos, wheels of fortune and social occasion casinos. Community organizations that host licensed charitable gaming events must comply with the rules and regulations outlined by the Province.

Supporting the Delivery of Gaming in B.C.

Gaming Services Providers

BCLC contracts with private companies to provide day-to-day operational services at its gaming facilities and lottery outlets. These companies include casino, bingo, community gaming centre operators and lottery retailers. Service providers at gaming facilities must ensure all gaming employees are properly trained and that no one under 19 participates in gambling activities.

Key Persons

GPEB identifies as key persons those individuals who hold critical security, operational or financial responsibilities in the gaming and horse racing industries. These individuals include directors, officers and senior employees of any business that is involved with gaming operations in the province.

Gaming Equipment Suppliers

Gaming equipment suppliers manufacture and/or distribute gaming equipment and materials to gaming venues. Manufacturers include companies that produce gaming equipment and materials, such as bingo paper, slot machines and playing chips. Distributors also include companies that market gaming equipment and materials.

Ancillary Service Providers

Ancillary contractors include companies that provide services that are not directly related to gaming itself (e.g., landlords, janitorial services and food services providers) to gaming operators.

Gaming and Horse Racing Workers

Gaming and horse racing workers are registered by GPEB to ensure the integrity, honesty and financial responsibility of gaming and horse racing operations. Gaming workers are individuals who are paid to operate large-scale licensed raffles, casino games, commercial bingos or teletheatres. Horse racing workers include people who work for or conduct business with racetracks (e.g., jockeys, trainers, race horse owners and racing officials).

Horse Racing Teletheatre Operators

GPEB licenses teletheatre sites to present simulcast satellite broadcasts of horse races run at local, national and international tracks.

Authorized Forms of Gaming

Gaming is a rapidly evolving industry. New products, approaches and methods of delivery are constantly being developed. Players' preferences are also constantly changing. The Province takes a cautious and responsible approach when determining the types of games it will permit and where those games may take place. New products, approaches, and forms of gaming must not jeopardize the integrity of the industry, must be socially responsible, and it must be possible for GPEB to effectively regulate them.

APPENDIX C: GAMING PERMITTED IN BRITISH COLUMBIA

This table summarizes the forms of gaming currently authorized and the locations where each may be offered.

Commercial Gaming	Casinos	Bingo Halls	CGCs	Co-Located Racetrack Casinos	Racetracks	Lottery Outlets	PlayNow.com	Licensed Events	Pubs and Bars*
Games		•	•				•		
Lottery Products	•	•	•	•	•	•	•		•
Slot Machine	•		•	•			•		
Table Games	•			•			•		
Poker Tables				•			•		
Electronic Table Games	•		•	•			•		
Live Horse Racing				•	•				
Teletheatres	•		•	•	•				•
Licensed Charitable Gaming									
Ticket Raffles								•	•
Independent Bingo								•	•
Social Occasion Bingo								•	•
Wheels of Fortune								•	•
Limited Texas Hold'em Poker Events								•	•

*Licensed gaming permitted in pubs and bars is subject to strict rules and conditions.

APPENDIX D: SOURCES AND DISTRIBUTION OF GAMING REVENUES

Sources and Distribution of Gaming Revenues (\$ Figures in Millions)		
	2014/15	2013/14
Revenue – In		
Lottery and eGaming	\$304.2	\$304.1
Casino and Community Gaming	\$950.3	\$870.5
Total Revenue	\$1,254.5	\$1,174.6
Disbursements – Out		
Supporting Communities		
Community Organizations	\$135.0	\$135.0
Payment to Host Local Government	\$95.8	\$87.3
Local Economic Development	\$9.3	\$9.4
Horse Racing Purse Enhancements	\$9.6	\$8.9
Gaming Policy and Enforcement Branch Operations		
Core Programs to Regulate Gaming	\$13.5	\$12.7
Responsible and Problem Gambling Program	\$5.9	\$6.2
British Columbia Government Programs		
Health Special Account	\$147.3	\$147.3
Consolidated Revenue Fund	\$829	\$758.5
Government of Canada Transfer		
Under a Federal/Provincial/Agreement	\$9.3	\$9.2
Disbursements – Out	\$1,254.5¹	\$1,174.6

¹ Figures may not add to total due to rounding

APPENDIX E: HOST LOCAL GOVERNMENT SHARE OF GAMING REVENUES

Host Local Government Share of Gaming Revenues			
Name of Casino/CGC	Location	2014/15	2013/14
Chances Abbotsford CGC	Abbotsford	\$925,379	\$892,242
Grand Villa Casino	Burnaby	\$10,992,220	\$9,644,370
Chances Campbell River CGC	Campbell River	\$572,091	\$675,838
Chances Castlegar CGC	Castlegar	\$439,626	\$426,226
Chances Chilliwack CGC	Chilliwack	\$1,370,920	\$1,228,440
Hard Rock Casino Vancouver	Coquitlam	\$6,711,059	\$6,385,778
Chances Courtenay CGC	Courtenay	\$941,796	\$837,465
Chances Cowichan CGC	Duncan	\$708,564	\$676,814
Casino of the Rockies	Cranbrook (Ktunaxa First Nation)	\$1,185,287	\$1,162,569
Chances Dawson Creek CGC	Dawson Creek	\$807,405	\$778,485
Chances Fort St. John CGC	Fort St. John	\$1,003,436	\$916,164
Lake City Casino Kamloops	Kamloops	\$1,689,723	\$1,666,707
Chances Kamloops CGC	Kamloops	\$751,435	\$700,309
Lake City Casino Kelowna	Kelowna	\$1,689,723	\$1,911,846
Chances Kelowna CGC	Kelowna	\$1,886,169	\$1,744,862
Playtime Langley CGC	Langley	\$131,501	\$113,113
Cascades Casino	Langley	\$5,942,911	\$5,623,150
Chances Maple Ridge CGC	Maple Ridge	\$1,137,531	\$912,181
Chances Mission CGC	Mission	\$542,386	\$546,829
Casino Nanaimo	Nanaimo	\$2,489,860	\$2,452,471
Starlight Casino	New Westminster	\$5,958,542	\$5,734,916

continued next page

APPENDIX E: HOST LOCAL GOVERNMENT SHARE OF GAMING REVENUES, continued

Host Local Government Share of Gaming Revenues			
Name of Casino/CGC	Location	2014/15	2013/14
Lake City Casino Penticton	Penticton	\$1,606,547	\$1,543,884
Chances Rim Rock CGC	Port Alberni	\$466,858	\$444,473
Treasure Cove Casino	Prince George	\$2,651,084	\$2,563,667
Chances Prince Rupert CGC	Prince Rupert	\$509,711	\$484,447
Billy Barker Casino	Quesnel	\$500,645	\$469,319
River Rock Casino Resort	Richmond	\$21,820,994	\$17,367,149
Chances Squamish CGC	Squamish	\$219,035	\$222,936
Fraser Downs Racetrack and Casino	Surrey	\$3,029,683	\$2,773,043
Newton CGC (1)	Surrey	\$99,774	\$678,885
Chances Terrace CGC	Terrace	\$705,080	\$674,781
Edgewater Casino	Vancouver	\$8,003,676	\$7,186,128
Hastings Racecourse Casino	Vancouver	\$1,102,629	\$1,067,281
Lake City Casino Vernon	Vernon	\$2,092,678	\$1,879,774
View Royal Casino (2)	View Royal	\$4,027,239	\$3,974,068
Chances Signal Point CGC	Williams Lake	\$577,704	\$530,921
Total Local Government Share		\$95,563,589	\$86,891,530

1 All slot machines were removed from Newton CGC as of May 2014

2 View Royal shares the host local government payments with Sooke, Colwood, Langford, Metchosin, Esquimalt and the Highlands

APPENDIX F: BRANCH OPERATING BUDGET AND EXPENDITURES

	2014/15	2013/14
Branch Budget		
Core Operations	\$13,812,000	\$13,812,000
Responsible Gambling Program	\$6,006,000	\$6,006,000
Total Branch Budget	\$19,818,000	\$19,818,000
Branch Expenditures		
Core Operations		
Salaries and Benefits Costs	\$11,712,003	\$11,098,396
Operating and Business Expenses (Including Legal and Professional Services)	\$1,815,665	\$1,699,845
Subtotal	\$13,527,668	\$12,798,241
Responsible and Problem Gambling Program		
Salaries and Benefits Costs	\$249,908	\$247,294
Operating and Business Expenses (Including Legal and Professional Services)	\$479,168	\$781,757
Contracts	\$5,187,388	\$5,165,610
Subtotal	\$5,916,464	\$6,194,661
Total Branch Expenditures	\$19,444,132	\$18,992,902
Surplus/(Deficit)	\$373,868	\$825,098



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