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# 2023-2024 Annual Plan

**NEW BRUNSWICK LOTTERIES AND GAMING CORPORATION**



## **2023-2024 Annual Plan**

### **Published by:**

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Province of New Brunswick

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# Message from the Chair

In accordance with the requirements set out in *the Accountabilities and Continuous Improvement Act*, I am pleased to present this Annual Plan for the New Brunswick Lotteries and Gaming Corporation for the fiscal year ending March 31, 2024.

I am proud that all of the profits from regulated gambling in our province are returned to the Government of New Brunswick to fund important programs and services for New Brunswickers.

Along with other sectors of the entertainment industry, land-based gaming was significantly impacted by the COVID-19 pandemic. But the hard work and dedication of our service providers resulted in strong performance in 2022-2023 which is a sign that the industry is rebounding and on the way to recovery.

Atlantic Lottery Corporation's strong performance and results in 2022-2023 are also a signal that New Brunswickers value the range and evolution of product offerings on those platforms.

The New Brunswick Lotteries and Gaming Corporation remains committed to providing players with a comprehensive and evolving suite of regulated gambling options that also offer appropriate safeguards and parameters for promoting safe and healthy play.

We will continue to work with our service providers and partners to expand and improve product offerings, and to present a safe and regulated alternative to the significant growth in unregulated options and platforms.



Hon. Ernie L. Steeves

Chair of the New Brunswick Lotteries and Gaming Corporation  
Minister of Finance and Treasury Board

# New Brunswick Lotteries and Gaming Corporation

Under the *Gaming Control Act* (the *Act*), the New Brunswick Lotteries and Gaming Corporation (NBLGC) was established as a Crown corporation responsible for developing, organizing, conducting and managing all provincial gaming as required by paragraph 207(1)(a) of the *Criminal Code* of Canada.

Section 5 of the *Act* sets out the objectives of the NBLGC:

- To develop, organize, undertake and conduct and manage lottery schemes on behalf of the government of the Province (or on behalf of the government of the Province and another Provincial government);
- Ensure those lottery schemes are conducted and managed in accordance with the *Criminal Code* of Canada, the *Act* and applicable regulations; and
- To do such other things in respect of lottery schemes as the Lieutenant-Governor in Council may require.

The NBLGC has two additional areas of responsibility in addition to its core mandate to conduct and manage lottery schemes:

- the development and implementation of a responsible gaming policy; and
- the management of gaming revenue sharing agreements with First Nations.

# Governance and Operational Overview

## BOARD OF DIRECTORS

The business and affairs of the NBLGC are administered by a board of directors, which consists of the Minister of Finance and Treasury Board, the Deputy Minister of Finance and Treasury Board, and two senior civil servants appointed by the Lieutenant-Governor in Council. The *Act* requires one of the appointees be a senior official from the Department of Health. The NBLGC, through its board, is ultimately responsible to the Government of New Brunswick.

As at March 31, 2023, the members of the board of directors are:

- Hon. Ernie Steeves, Minister of Finance and Treasury Board (Chair)
- Cheryl Hansen, Deputy Minister, Finance and Treasury Board (Vice-Chair)
- David Nowlan, ERP Business Solution Owner, Finance and Treasury Board
- Annie Pellerin, Executive Director, Addiction and Mental Health Services, Department of Health

## OFFICERS AND SUPPORT STAFF

In accordance with the by-laws, the officers of the Corporation are:

- Chief Operating Officer (COO)
- Secretary
- Treasurer

These officers have specific duties as set out in the by-laws as well as any other duties as may be stipulated by the board. The officers of the Corporation are employees of the Province of the New Brunswick. The NBLGC also receives additional support from the Agency Relations Branch in the Department of Finance and Treasury Board.

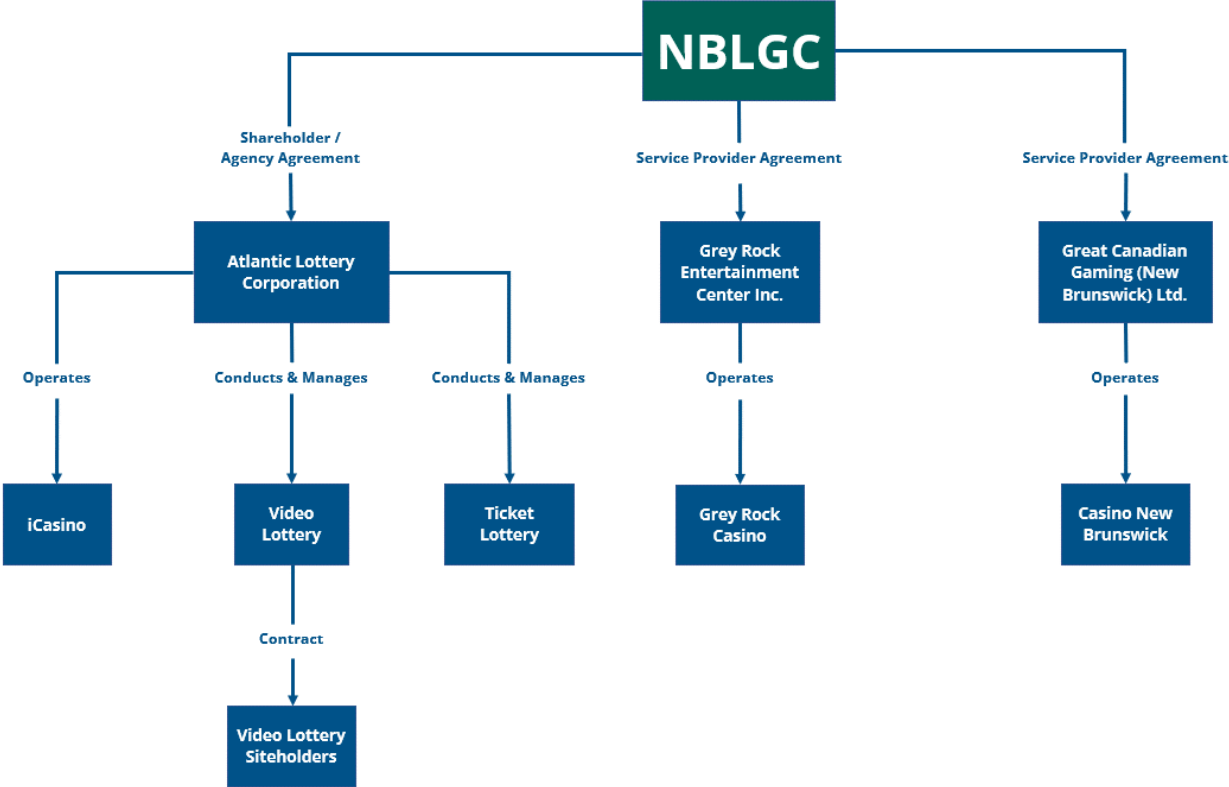
## **ENFORCEMENT AND COMPLIANCE**

Part 3 in the *Gaming Control Act* requires the establishment of a branch responsible for gaming control, and a Registrar of Gaming Control, within the Department of Justice and Public Safety.

Part 3 also sets out the legislated requirements for: licensing of lottery schemes; registration of suppliers and gaming assistants; and designation of inspectors to monitor licensees, registered suppliers and registered gaming assistants for compliance with the Act, regulations and terms and conditions of licenses.

NBLGC works closely with employees in the Gaming Regulatory Enforcement Unit at the Department of Justice and Public Safety to approve all requests from service providers for new or revised games, equipment and promotions, and to ensure service providers are compliant with their obligations under the *Act*.

# Corporate Structure



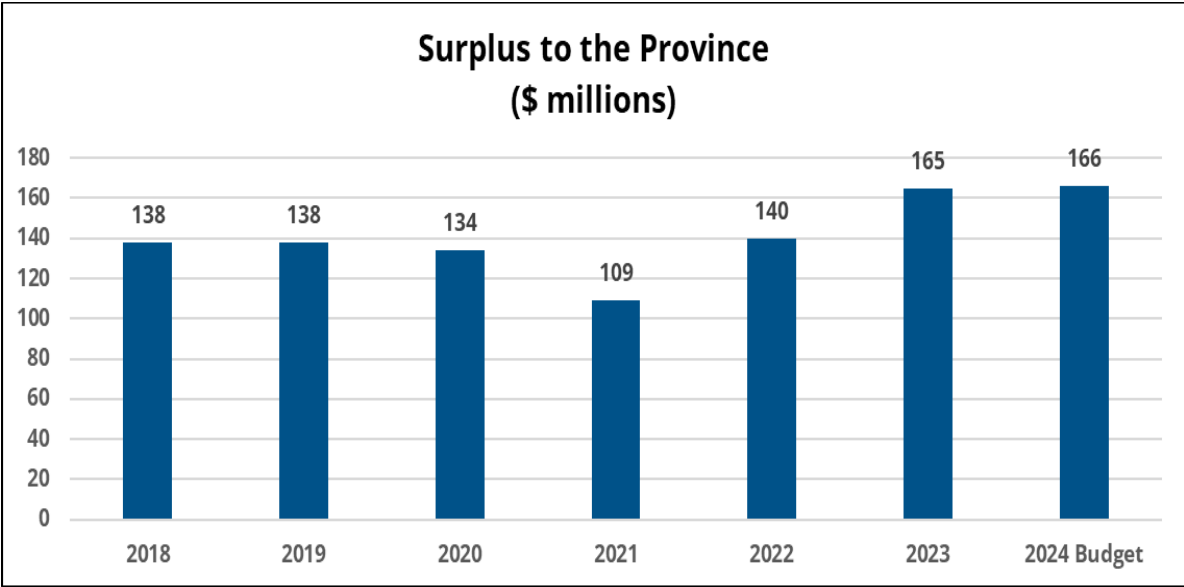
The NBLGC’s current lines of business (i.e. approved lottery schemes) are: video lottery, ticket lottery, iLottery and casino gaming.

The Atlantic Lottery Corporation (ALC) operates the video lottery, ticket lottery and iLottery lines of business on behalf of its shareholder, the NBLGC. The conduct and management of those two lines of business have been delegated to the ALC via the *Video Lottery Scheme* regulations and the *Ticket Lottery Scheme* regulations under the *Gaming Control Act*, and in accordance with the Unanimous Shareholders Agreement (USA). As the provincial shareholder, the NBLGC is responsible for managing the oversight and accountability relationship with the ALC. NBLGC is also responsible for appointing directors to represent the shareholder on the ALC Board of Directors.

Casino gaming in New Brunswick is operated by two private service providers - Great Canadian Gaming New Brunswick, Inc. (Casino New Brunswick) and Grey Rock Entertainment Center Inc. (Grey Rock Casino) – in accordance with the terms and requirements set out in separate service provider agreements with the NBLGC. The NBLGC exercises its conduct and manage responsibility through the management of those service provider agreements and the oversight of casino operations.

## 2023-2024 Priorities and Objectives

Financial Performance		
Measure	Target	Key Performance Indicator
Annual Revenues	\$187 million	Meet (within 2%) or exceed
Annual Surplus	\$166 million	Meet (within 2%) or exceed





The NBLGC’s projected surplus for 2023-2024 is \$166 million. This estimate is based on the projected revenues from both Casino service providers and the ALC, and the Corporation’s projected expenses related to HST remittances, contributions to the Arts Development Fund and the Sports Development Fund, and revenue-sharing with First Nations.

<b>Responsible Gaming</b>		
<b>Measure</b>	<b>Target</b>	<b>Key Performance Indicator</b>
Access to responsible gambling resources & information	<ul style="list-style-type: none"> <li>a) 1,600 visits to RGIC</li> <li>b) Updated RG educational materials</li> <li>c) Updated RG training materials</li> </ul>	<ul style="list-style-type: none"> <li>a) Meet (within 2%) or exceed</li> <li>b) &amp; c) Provide updated materials to service providers by Q3 2023-2024</li> </ul>
Information on gambling behaviour / prevalence in New Brunswick	Explore partnerships with university researchers and/or research bodies to update New Brunswick information	Identify options by Q3 2023-2024

The NBLGC is committed to the promotion of healthy play and is responsible for the development and approval of responsible gambling materials and resources for players, and responsible gambling training for employees. The Corporation will work with service providers, other jurisdictions and experts to review existing materials and make any necessary updates to align with research and best practices.

Clinicians suspect that pandemic-related restrictions have had an impact on the way in which New Brunswickers have been gambling. There appears to have been an increase in sports betting and in online gambling through regulated and unregulated platforms. NBLGC will explore partnerships with university and other researchers to update information on gambling behaviours in the province – to ensure that

addictions support and services are appropriate for individuals experiencing harmful gambling.

<b>Compliance and Risk Management</b>		
<b>Measure</b>	<b>Target</b>	<b>Key Performance Indicator</b>
Financial Transactions and Reports Analysis Centre (FINTRAC) Review	Updated Anti-Money Laundering (AML) policies and procedures	Complete updates by Q4 2023-2024

The NBLGC, and the service providers under contract with NBLGC, have obligations under the federal *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA)* to prevent suspicious and money laundering activities at gaming venues in the province. The NBLGC will continue its work to respond to recommendations from an external review of the Anti-Money Laundering (AML) policies and procedures implemented by the Corporation, Casino New Brunswick, Grey Rock Casino, and ALC.

The NBLGC will continue to work closely with the Gaming Regulatory Enforcement Unit at Justice and Public Safety, with service providers, and with law enforcement to monitor compliance with the obligations and requirements set out in the *Gaming Control Act* and the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*.

# **Budget**

# **New Brunswick Lotteries and Gaming Corporation**

**31 March 2023**

# 2023-2024 Budget

<b>NEW BRUNSWICK LOTTERIES AND GAMING CORPORATION</b> (all numbers in \$000's)	<b>2022-23 Original Budget Estimate</b>	<b>2022-23 Revised Budget</b>	<b>2023-24 Budget</b>
<b>Revenue</b> Video lottery Ticket lottery iLottery Grey Rock Casino Casino New Brunswick Other Revenue <b>TOTAL REVENUE</b>	\$ 76,375 38,111 24,200 1,500 25,000 <u>500</u> <b>165,686</b>	\$ 86,312 39,049 26,942 1,500 31,000 <u>500</u> <b>185,303</b>	\$ 85,139 37,528 28,292 3,000 33,000 <u>500</u> <b>187,459</b>
<b>Expense</b> Revenue Sharing Agreements with First Nations Taxes Compliance and Admin Arts and Sport Development Trust Fund <b>TOTAL EXPENSE</b>	12,300 4,200 60 <u>2,200</u> <b>18,760</b>	13,250 5,500 75 <u>2,200</u> <b>21,025</b>	13,905 5,200 60 <u>2,200</u> <b>21,365</b>
<b>SURPLUS TO THE PROVINCE</b>	<b>\$ 146,926</b>	<b>\$ 164,278</b>	<b>\$ 166,094</b>