



From the desk of the CEO



Welcome to the first 2016 CASA newsletter.

Last month as the news permeated the casino industry that Minister Pravin Gordhan was steering clear of increasing corporate and personal tax, we all issued a collective sigh of relief! As an association which represents the interests of 95% of the 38 legal, land-based casinos in the country, we were pleased with the balanced approach taken to budget.

Casino industry's R5.7 billion tax contribution

Last year in November CASA proudly launched the “Survey of Casino Entertainment in South Africa 2015” to media, CASA members and other stakeholders at Montecasino. Each year we compile this report to provide the most comprehensive information about the valuable contribution the casino industry makes to local, provincial and national economies. Against the backdrop of a tough regulatory environment and of course a somewhat ailing economy, we found that CASA members contributed 37% of the value generated by them to local, provincial and national government in the form of levies and taxes. This translates into a whopping R5.7 billion tax contribution. In light of this, we are concerned about the Gauteng provincial government recent proposal to increase the provincial gambling tax. It is CASA's opinion that should other provinces follow suit, the South African casino industry would struggle to remain viable. This form of unprecedented taxation (which is over and above the normal corporate taxes that casino operators also have to pay) would result in heavy job losses, a decline in infrastructure development as well as a pull-back in social investment spend from the industry. This type of move would also ultimately impact the economy negatively.

CASA in film

Click below to watch the highlights of the Casino Entertainment in SA 2015 survey with CASA CEO, Ad. Themba Ngobese.



CASA in the news

Moneyweb:
[Odds Against Casinos](#)

Bizcommunity:
[Casino's Contribute R134million towards social upliftment](#)

Sowetan:
[Casinos Rake in the Cash](#)

Media release

[CASA media release on the budget](#)

Survey

[Casino Entertainment in South Africa 2015](#)

Electronic Bingo Terminals must be regulated

Another pressing concern that continues to emerge for us is the absence of a national regulatory framework for Electronic Bingo Terminals (EBTs). EBTs operate like slot machines, look like slot machines and play like slot machines yet bingo operators are not required to adhere to the same stringent licence requirements stipulated by Government for the casino industry. While the Gambling Review Commission strongly recommended that EBTs not be introduced, we support the National Gambling Board's stance that, should the rollout of EBTs be unavoidable, they must then be regulated within a national regulatory framework. Similar to other modes of gambling, the framework must provide for, amongst others, limitations in terms of the number of bingo halls and EBTs as well as the locations within which they can be offered.

Certainty is urgently needed around the number of casino licences

It is with alarm that we also note that Government has proposed that the number of casino licences is increased to 41, with the North West Province receiving the additional casino licence. It is our view that this proposal is completely unsustainable considering the number of casinos already in operation in this province. We call upon Government to retain the current maximum number of casino licences of 40 in order to maintain the stability of the casino industry, as well as investors' confidence in it.

Step up the enforcement of illegal online gambling

It's a fact – gambling online is illegal in South African and comes with a stiff R10 million penalty and 10 years jail term. But it is also sadly a fact that illegal online gambling is currently flourishing in South Africa. If just 5% of all gambling revenue was redirected into online gambling, Government would fail to collect R125 million in gambling tax revenue alone! This is big for government but our biggest concern is that online gambling operators are not brought to book by law enforcement and continue to spring up and grow unchecked. We need Government to either step up its efforts to enforce the law, or alternatively legalise the industry to protect the consumer and ensure the industry complies with the same regulations the licenced casino industry adheres to.

Considering the above challenges we have raised with regards to the casino industry in South Africa, it's going to be an interesting and challenging year ahead of us. At CASA we are looking forward to our continued engagement with Government around these important issues. We strongly believe that only through open communication and by working together towards a fairly regulated environment can casinos thrive and continue to contribute towards the building of South Africa.

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