

# 2017

## Survey of Casino Entertainment in South Africa

Media Briefing  
16 October 2017



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Casino Association  
of South Africa

About CASA

01

Purpose of  
Survey

02

Gross  
Gambling  
Revenue

03

Tax  
Contribution

04

Industry Value  
Add

05

B-BEEE

06

41st Casino  
Licence Issue

07

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# About CASA

- CASA represents the interests of all but two of the 38 legal casinos operating in South Africa.
- The association acts as an effective advocate for the casino industry through championing good governance and constructively contributes towards the development of fair public policy.
- CASA's members include Tsogo Sun, Sun International, Peermont and Caesars Entertainment.

# The Survey of Casino Entertainment in SA 2017



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# Purpose of the Survey

1. To provide insight and understanding about the vital role the casino industry plays in South Africa's economy.
2. To provide research-based data to inform public policy about the industry and address common misconceptions.



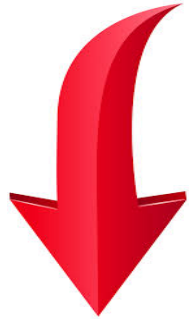
# Gross Gambling Revenue

Survey Findings

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# Gross Gambling Revenue



CASA members' generated GGR **R17.8 billion** from R18.2 billion in the previous year

**Decrease of 1.8%**

Due to **current economic conditions** negatively impacting consumers' disposable income and revenue erosion from **illegal gambling**

# Yet compliance costs remain high, despite drop in GGR

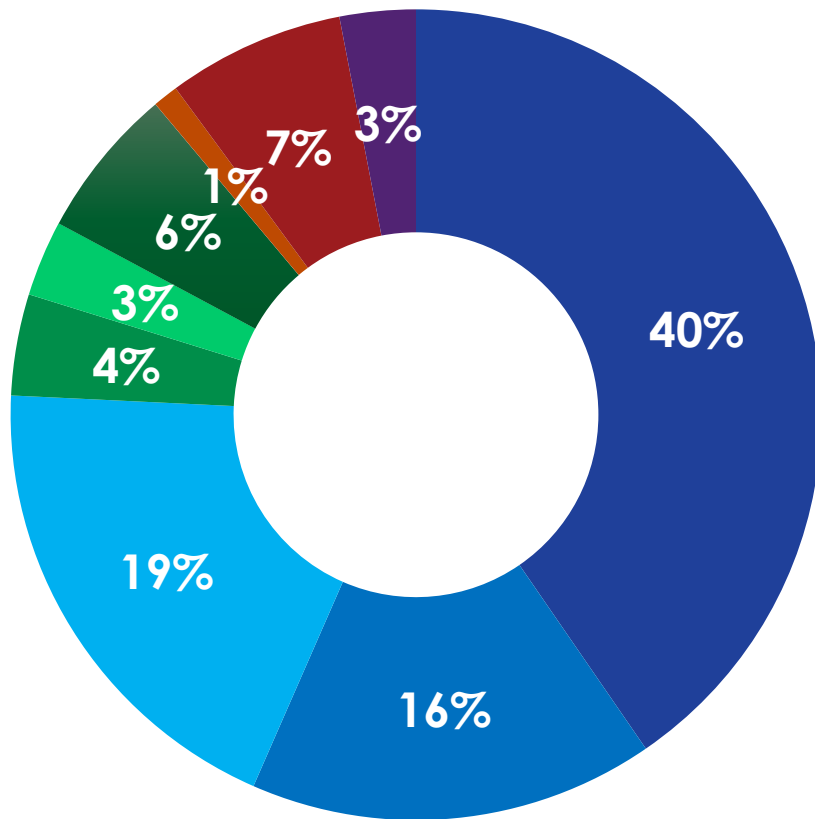
- **R84 million** spent on compliance costs in the year ended March 2017

**VS**

- **R74.5 million** spent on compliance costs in the year ended March 2016
- **Increase of 13%**

# GGR – Provincial Split

Member GGR by province



- Gauteng
- Western Cape
- KwaZulu-Natal
- Mpumalanga
- Limpopo
- North West
- Northern Cape
- Eastern Cape
- Free State

# Highlights of Member's GGR

- Since 2013 GGR has grown on average by 2.3% however a decline of 1.8% was experienced during year ended March 2017
- Gauteng is still the largest contributor with **R7,363 050 649** - down **1.6%** compared to last year
- Biggest loss of GGR experienced by North West - down **22.1%**
- Biggest growth in GGR experienced in Western Cape - up **5.3%**



# Member Tax Contribution

Survey Findings 2017

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# Total tax contribution remains steady, despite decrease of 1,8% in GGR

- Total Tax Contribution in the year ended March 2017 is **R5.9 billion**
- Total tax contribution by CASA members represents **36% of the value added by them**

# Tax Contribution

**R1.8 billion**

Gambling taxes /  
levies

**R1.9 billion**

VAT

**R1.0 billion**

Corporate tax

**R1.2 billion**

Other taxes  
& levies

# Gambling Taxes/Levies & VAT Contribution by Province

	Province	Total Tax Contribution 2017
1	Gauteng	R1.5 b
2	KwaZulu-Natal	R770 m
3	Western Cape	R706 m
4	Eastern Cape	R221m
5	North West	R213 m
6	Mpumalanga	R134 m
7	Limpopo	R89 m
8	Free State	R84 m
9	Northern Cape	R32 m

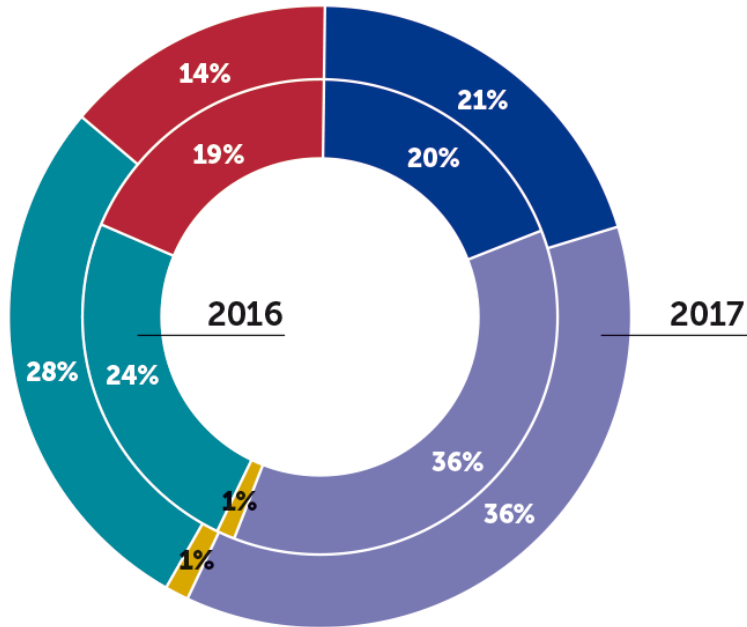


# Capital expenditure is down by 18,3%

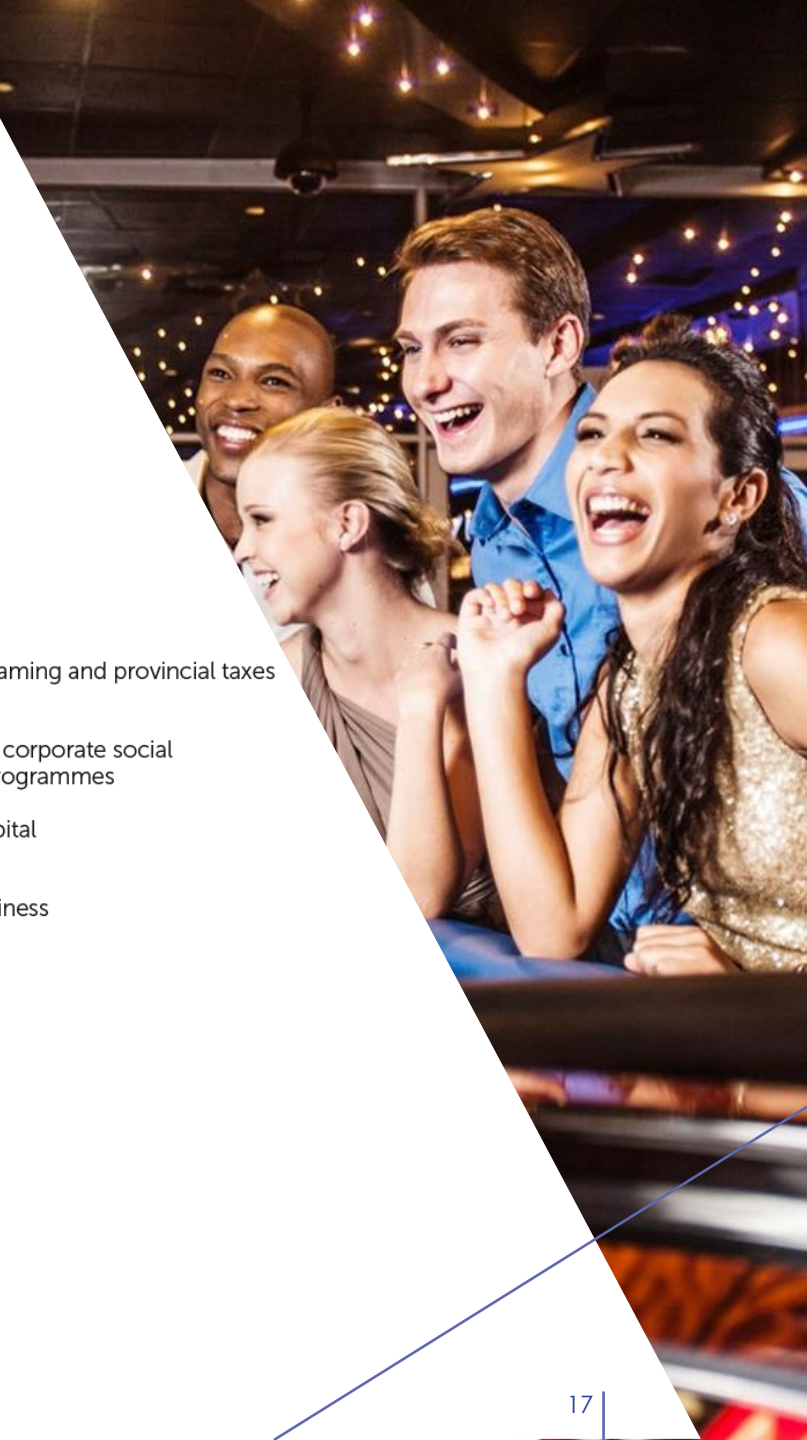
- **R1.96 billion** in capital expenditure for the year ended March 2017
- **11% of GGR**
- **Down by 18.3%** from R2.4 billion last year



# Disbursement of value added by CASA member to stakeholders



- Employees
- State, payroll, gaming and provincial taxes
- Beneficiaries of corporate social responsibility programmes
- Providers of capital
- Retained in business



# Value add by industry has increased

- **R16.5 billion in value** from their activities (Up from last year where R16.4 billion was generated)
- Government and employees received **57%** of the value
- **R155 million invested** into CSI programmes with contribution towards the South African Responsible Gambling Foundation being **R16.4 million**



# Socially responsible industry with significant contributions

## South African Responsible Gambling Foundation

- Internationally recognised programme
- Addresses issue of problem gambling by providing FREE counseling support and advice
- Members contribute 0.1% of pretax profits

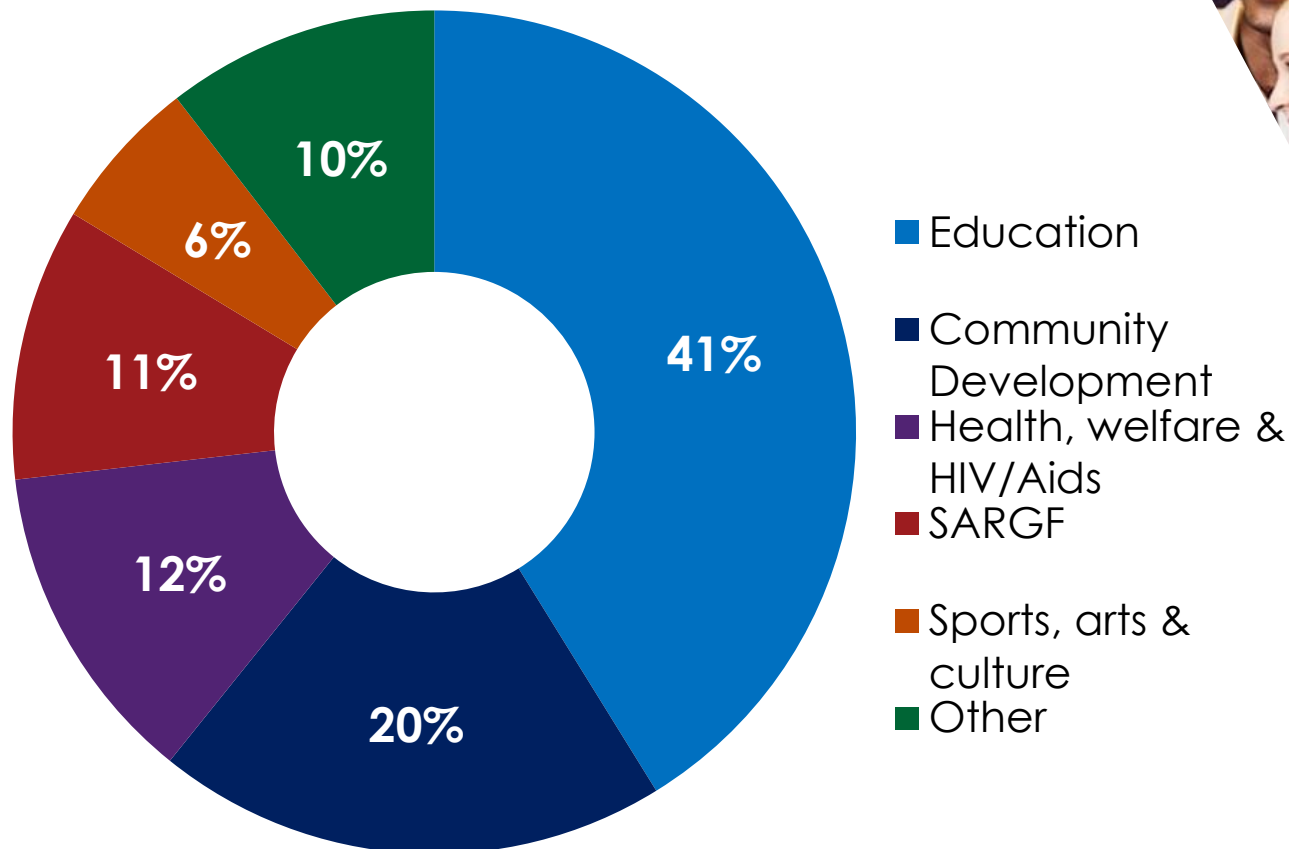
## Corporate social investment

- CSI contribution = R155 million
- 1.0% of GGR
- Total spend of R712 million since 2013



# Members' corporate social responsibility

## Members' CSI spend per focus area



- Education
- Community Development
- Health, welfare & HIV/Aids
- SARGF
- Sports, arts & culture
- Other



# CASA members still significant employers

- Despite decline in revenue CASA members support over **64 000 jobs**
- **10 649 directly employed** for casino operations
- **5 513 people being employed by outsourced** services also for casino operations
- Balance employed for non-casino operations like hotels, convention centres, restaurants etc.



# B-BBEE

## Survey Findings

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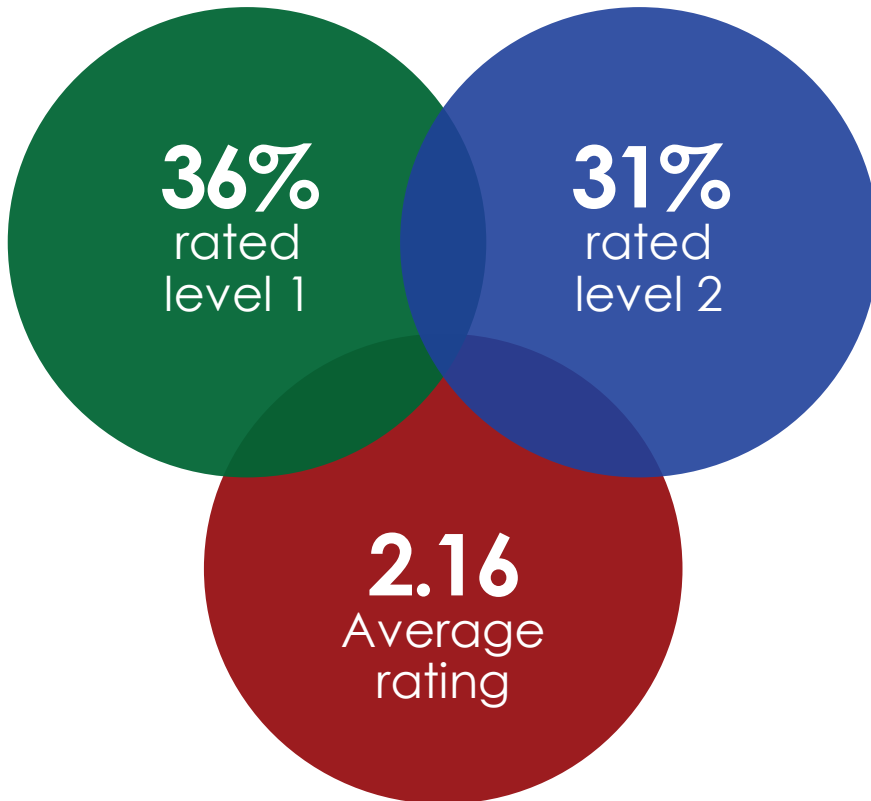
# Ongoing efforts by industry to address B-BBEE

- Measured against the Amended Tourism Sector Code
- Industry has had to adjust B-BBEE strategies and plans to align to this Code
- The two biggest casino operators, Sun International and Tsogo Sun, recently announced as being within the top three Most Empowered Companies listed on the JSE (Empowerdex's 2017 Most Empowered Company Survey)



# Ongoing efforts by industry to address B-BBEE

## Ongoing work and focus





# 41st Casino Licence Issue

CASA Commentary

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# CASA's view on the 41st Casino Licence issue

- Critical decision by government to increase licences from 40 to 41
- Additional licence allocated in North West (decline in GGR is 22.1%)
- No reasonable justification for this
- This promotes instability and negatively impacts investor confidence
- Legal proceedings are ongoing

# THANK YOU



Media content available for press:

- Media releases
- Podcast
- Infographic
- Audio clips

To download the survey  
please visit [www.casasa.org.za](http://www.casasa.org.za)

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