Welcome to the first CASA newsletter.

Last month, as the news permeated the casino industry that Minister Pravin Gordhan was steering clearer of increasing corporate income tax, pari-mutuel betting and all else that we all received a collective relief. As an association which represents the interests of 95% of all the legal, land-based casinos in the country, we were pleased with the balanced approach taken to budget.

**Casino industry’s R6.7 billion tax contribution**

Last year in November CASA proudly launched the “Survey of Casino Entertainment in South Africa 2015” for media, CASA members and other stakeholders at Montecasino. Each year we compile this report to provide the most comprehensive information available on the considerable 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 33% of the value generated by them to local, provincial and national government in the form of levies and taxes from income tax, and increased 4.7% other tax contribution. In light of this, we are concerned about the Gauteng provincial government recent proposals to increase the provincial gambling tax.

CASA’s opinion that should other provinces follow suit, the South African casino industry would struggle to remain viable. This form of regressive taxation (which is above and above the normal corporate base) that casinos 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 and spend from the industry. This type of move would also ultimately impact the economy negatively.

**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). There has always been a limit in the way we play machines and whyskill sets manydice 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 be not introduced, we support the Gambling Board to stand 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: adequate controls and framework in terms of the number of Bingo terminals and EBTs as well as the locations within which they can be offered.

**Certainty is urgently needed around the number of casinos**

It is with plume that we also note that Government has proposed that the number of casinos licence is increased to 41, with the North West Province receiving the additional licensing. It is our view that this proposal is completely unsustainable concern given the number of casinos already in operation in this province. We call on Government to retain the current maximum number of 31 casinos licences. Of 46 in order to maintain the viability of the casino industry, as well as investors’ confidence in it.

**Step up the enforcement of Bingo online gambling**

It’s a fact – gambling online is illegal in South Africa and comes with a stiff R10 million and 10 years jail term. But it is also such that illegal online gambling is currently South-African. Only 5% of all gambling revenue was redirected into online gambling; Government support would fail to collect $5 million in gambling tax revenue stolen! This is big for government but it is also a fact that online gambling operating platform brought to book by law enforcement and continue to spring up and continue to operate. We need Government to either step up efforts to enforce the law, or alternatively regulate the industry to protect the consumer and ensure the industry complete with the same licence that other land-based casino industries.

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. AC CASA we will be working to our combined engagement with Government around these important issues. We strongly believe that only through open communication and by working together towards a fairly regulated casino online space and continue to contribute towards the benefit of South Africa.

Advoocate Themba Ngobeni, CEO CASA

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**From the desk of the CEO**

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**CASA in film**

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

**CASA in the news**

**Moneyweb:** Ode Against Casinos

**Blitzcommunity:** CASA’s Contribute 31% of all timber towards Nelspruit Spillway

**Sowetan:** Casinos Raise in the Cash

**Media release CASA media release on the budget**

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**Survey**

Casino Entertainment in South Africa 2015

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**End**