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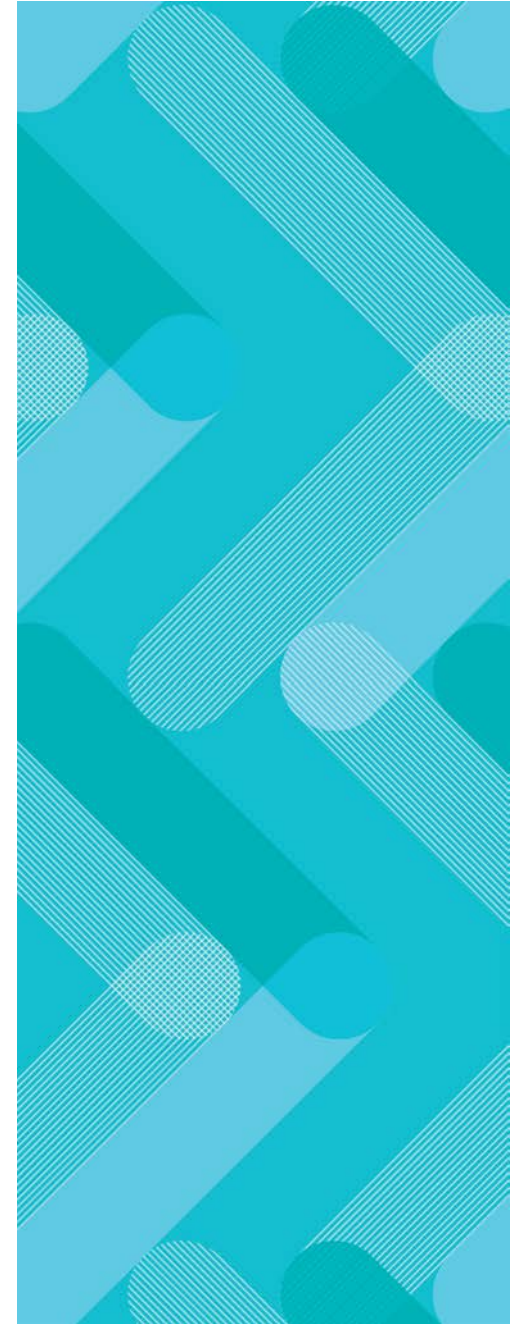
# Submissions on the Nineteenth Gambling and Racing Bill

Sun International

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# **INTRODUCTION**



# INTRODUCTION

- Operating fees as a means to fund the Board
- Appropriateness, reasonableness and rationality of the proposed operating fees
- Cumulative effect of legislative regime change
- COVID-19



# **FEES AS A FUNDING MECHANISM**



# FEES AS A FUNDING MECHANISM

- **The only stated objective of the Act**
- It is not an established principle that an industry should fund its own regulation
- Board already funded through the payment of annual licence and investigation fees
- Focus to fund the board is on only two categories of licencees
- Provincial Government and Board have not provided sufficient information to support the substantial fees with reference to actual costs and taking into account reasonableness



# **APPROPRIATENESS, REASONABLENESS AND RATIONALITY**



# APPROPRIATENESS, REASONABLENESS AND RATIONALITY

## Casinos

- Unclear and conflicting objectives: Payment for exclusivity to cover the lapsed exclusivity fee **vs** funding of the Board?
- What is the economic opportunity?
- Linked to cost of establishment vs actual performance
- Existing (and continuously increasing) costs, taxes and fees
- Onerous and excessive

## LPM

- Four fold increase
- Substantial fees already charged to cover costs of regulation
- How is regulating LPMs so costly?

# CUMULATIVE EFFECTS





# CUMULATIVE EFFECTS

## Cannot consider the proposal in the absence of considering the 20<sup>th</sup> and 21<sup>st</sup> Amendment Bills

- Fees, taxes and costs all aimed at the same objective – **onerous, confusing, complex** and **overly burdensome** regime
- GrandWest, specifically, will be required to pay substantial fees linked to exclusivity in circumstances where it will **lose exclusivity**
- The proposed legislative regime will cause substantial harm to the industry with no effective benefit
  - GGR will increase only marginally
  - Revenues will decline
  - Tax revenue will decline or stay relatively flat
  - Increased taxation
  - Additional substantial fees on top
  - No real benefit to the Provincial Government or the Board

**COVID-19**



# COVID-19

**The COVID-19 pandemic and the National State of Disaster has had a devastating impact on gambling operators**

- Casinos trading under very stringent limitations
- LPM operators have only been operating for a few weeks
- Severely impacted revenue generation ability
- Further increases in cost carry the REAL risk of closure
- Concomitant loss of employment

**Funding may be obtained through the amendments, but it will be disastrous to the industry**

**QUESTIONS?**