

***Nova Scotia
Annual
Gaming Report
2020 - 2021***

Dear Reader:

Pursuant to Section 56 of the *Gaming Control Act*, the Minister of Service Nova Scotia and Internal Services must cause a report to be prepared each year on matters related to the operation of lottery schemes, casinos, and gaming control measures. To that end, I am pleased to provide this report on gaming activities in Nova Scotia for the year ending March 31, 2021.

Like many other business sectors, gaming in Nova Scotia was affected by the global COVID-19 pandemic. During 2020/2021, public health measures limited public gatherings and the use of public spaces. This resulted in the full or partial closure of casinos, bingos, and licensed establishments that host video lottery terminals. Declines in gaming revenues and related licensing activity reflect this extraordinary one-time event.

The *Annual Gaming Report* also details the gaming-related regulatory activities of the Alcohol, Gaming, Fuel and Tobacco Division during fiscal year 2020/2021. The Division's mandate is derived from the Minister's responsibility under Part II of the *Gaming Control Act* to regulate casinos and other lottery schemes, and to administer gaming "in the public interest and in accordance with the principles of honesty and integrity."

Yours truly,



Joanne Munro
Deputy Minister
Department of Service Nova Scotia and Internal Services

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ABOUT GAMING REGULATION

Mandate

Pursuant to Section 40 of the *Gaming Control Act*, the Minister of Service Nova Scotia and Internal Services is “responsible for regulating casinos and other lottery schemes and for administering this Part in the public interest and in accordance with the principles of honesty and integrity.” On behalf of the Minister, the Alcohol, Gaming, Fuel and Tobacco Division (the “Division”) licenses and monitors the conduct of casinos, bingos, lotteries and most games of chance to ensure that these games are carried out in the best social and economic interests of Nova Scotians.

Locations

The Division maintains a workforce throughout the province. Offices are located in Sydney and Dartmouth.

CORE FUNCTIONS

Registration and Licensing

As required by the *Gaming Control Act*, the Division registers individuals and companies who supply goods and services to regulated gaming activities. During the 2020/2021 fiscal year, the Division’s registry consisted of 80 active registrants for casino gaming and non-gaming activities, Atlantic Lottery Corporation (ALC) lotteries, charitable bingos, and charitable ticket lotteries. There were 182 active registrants in 2019/2020. The decline is likely due to the effect of COVID-19 public health measures. Casino and in-person bingo games were closed for most of the year, resulting in reduced need for staff and suppliers.

The Division also conducts security checks on personnel related to the gaming industry, including all casino staff and employees of the Nova Scotia Gaming Corporation. Different levels of security clearances are applied, depending on the individual’s position in an organization or the type of service the individual provides (e.g., suppliers of actual gambling equipment are held to a higher degree of scrutiny than the suppliers of non-gaming related supplies such as restaurant equipment). In 2020/2021, the Division conducted security checks on 1 new and 65 renewal casino employees, compared to 116 new and 112 renewal casino employees in 2019/2020. Furthermore, the Division conducted security checks on 17 lottery suppliers to the Atlantic Lottery Corporation (ALC) in 2020/2021, compared to 11 in 2019/2020.

Gaming Registration Issuance		
	2020/2021	2019/2020
Casino Registrations		
Gaming supplier	12	18
Non-gaming supplier exemption	39	136
Non-gaming supplier	9	13
ALC Registrations		
ALC Lottery supplier	17	11
Charitable Bingo Registrations		
Charitable Bingo supplier	1	1
Charitable Ticket Lottery Registrations		
Charitable Ticket Lottery supplier	2	3
TOTAL	80	182

Registrations reflect the number of suppliers who applied and were registered by the Division during the year.

The Division issues gaming licenses to organizations that raise funds for charitable purposes. Permitted games include bingos, ticket lotteries with prizes valued over \$4,000, and events featuring games of chance. Permits are issued through a simplified process for ticket lotteries with prizes valued at less than \$4,000. All licenses and permits are issued in accordance with the applicable regulations as well as policies established by the Division.

Gaming License Active		
	2020/2021	2019/2020
Bingo (Series + Single + Manor)	220	463
Ticket Lottery License	517	506
Ticket Lottery Permit	1,388	6,416
Break-open	61	70
Games of chance/carnival	4	94
TOTAL	2,190	7,549

Single event bingo and ticket lottery licences are issued for one-time events; series bingo and ticket lottery licenses are issued to organizations seeking to carry on a succession of regular events. Manor bingo permits are issued to seniors' facilities that offer bingo games to residents and their guests.

Games of chance events include commercial carnivals, Monte Carlo nights, and games offered at fairs and exhibitions.

Investigation and Enforcement

Investigation and Enforcement regularly inspects licensed premises to ensure gaming activities comply with applicable regulations. For example, video lottery play is checked for underage play and credit granting, and bingos are checked for such things as the proper use of bingo operating equipment. Investigation and Enforcement staff also conduct inspections at the two casinos to ensure compliance with casino regulations and detailed internal control procedures.

The gaming analyst section of Investigation and Enforcement conducts regular as well as random testing of casino slot machine software to ensure each machine is compliant with the legislated minimum payout percentage, as well as other requirements. The section also monitors payout percentages for video lottery terminals (VLTs) in liquor licensed premises in the province.

Investigation and Enforcement is also responsible for reviewing and making recommendations with respect to all approval requests from the casino operator pertaining to:

- ❖ casino surveillance and security systems,
- ❖ permitted games of chance played in casinos,
- ❖ rules of play, and
- ❖ slot machine installations, modifications, removals and relocations.

PROVINCIAL GAMING ACTIVITY

Overview

The Division is responsible for the regulation of legal gaming activities in Nova Scotia. These activities include video lottery terminals (VLTs), casinos, Atlantic Lottery Corporation (ALC) products, charitable bingos and charitable ticket lotteries.

For the purpose of measuring the volume of gaming activities on a consistent basis, the “wager” is used as a base unit. This figure represents the amount of money actually laid out on each gaming activity before prizes are awarded, operating expenses are deducted, and other assorted expenditures are accounted for. The wager for each type of gaming activity is defined in the following manner:

- ❖ cash deposited in VLTs;
- ❖ cash or the value of vouchers deposited in casino slot machines or used to play table games;
- ❖ cash paid for the purchase of bingo cards; and
- ❖ cash paid for the purchase of tickets in ticket lotteries.

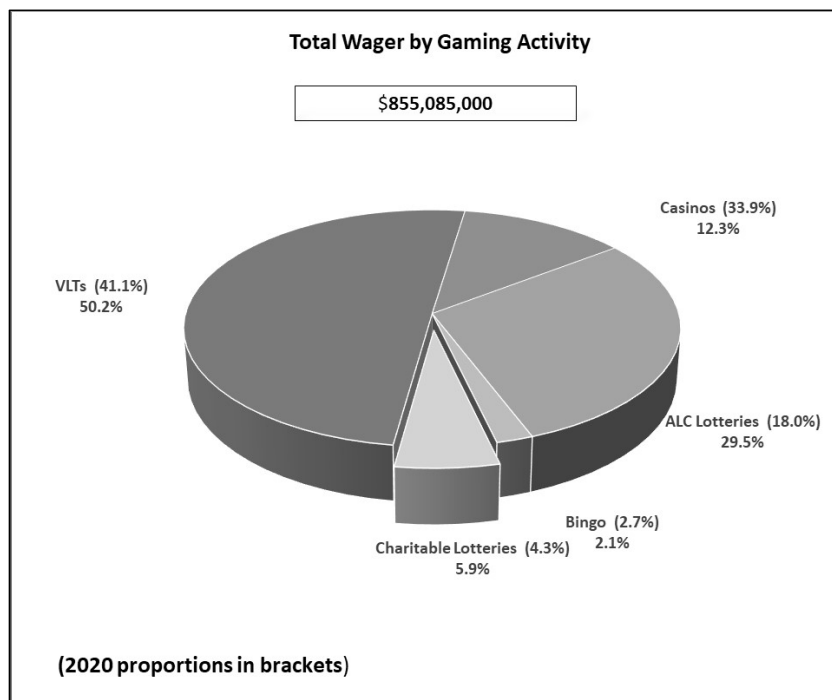
Fiscal Year 2020/2021

Total gaming wager in the province decreased by 38.2 per cent in 2020/2021 to \$855 million, down from \$1.384 billion in 2019/2020.

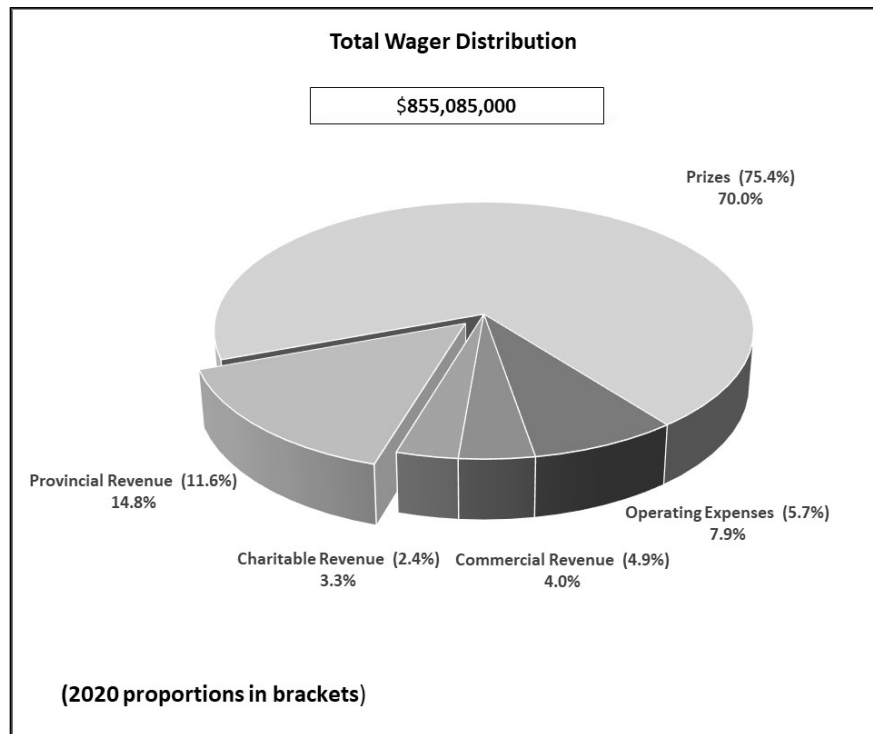
2020/2021 was marked by the global COVID-19 pandemic. Public health measures severely limited public gatherings and the use of public spaces. The areas which saw the greatest decreases in wagers were casinos and bingos, both of which were closed for significant periods during the year.

Total Wager By Gaming Activity (\$ thousands)

	2020/21	2019/20	Change
VLTs	\$428,924	568,946	-24.6%
Casinos	104,910	468,832	-77.6%
ALC Lotteries	252,301	248,420	1.6%
Bingo	18,266	38,042	-52.0%
Charitable Lotteries	50,684	59,322	-14.6%
Total Wager	\$855,085	\$1,383,562	-38.2%
Prizes	599,155	1,042,283	-42.5%
Net Revenue (wager less prizes)	\$255,930	\$341,279	-25.0%



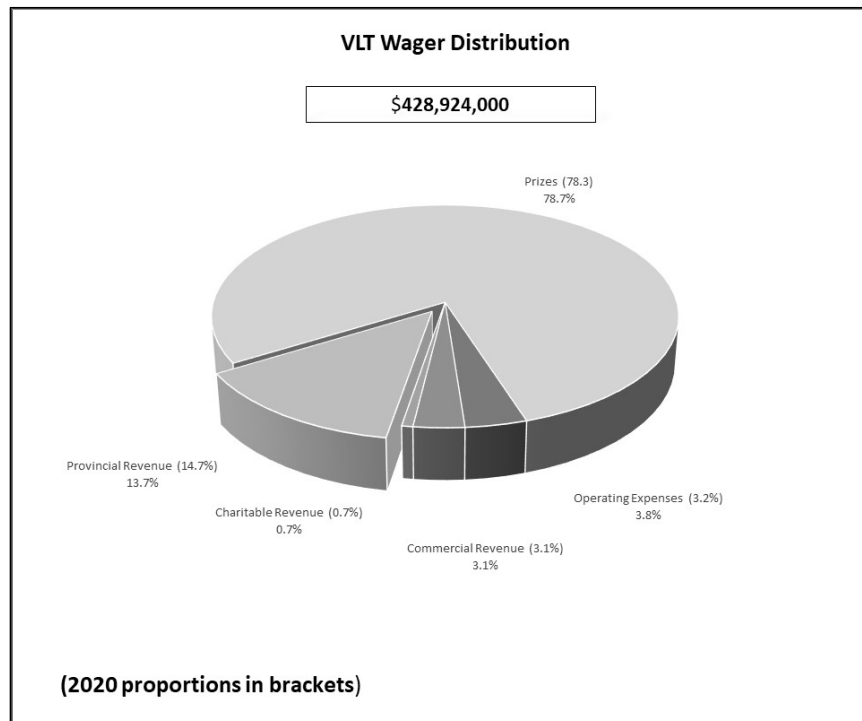
Total Wager Distribution			
(\$ thousands)			
	2020/21	2019/20	Change
Total Wager	\$855,085	\$1,383,562	-38.2%
Prizes	599,155	1,042,283	-42.5%
Net Revenue (wager less prizes)	\$255,930	\$341,279	-25.0%
Operating Expenses	67,132	78,959	-15.0%
Commercial Revenue	34,476	68,094	-49.4%
Charitable Revenue	28,184	33,154	-15.0%
Provincial Revenue	\$126,138	\$161,072	-21.7%



Video Lottery Terminals

In 2020/2021, there was a decrease in VLT wager of 24.6 per cent to \$428.9 million, from \$568.9 million in 2019/2020. The VLT wager accounted for 50.2 per cent of the total provincial gaming wager in 2020/2021, up from 41.1 per cent in 2019/2020.

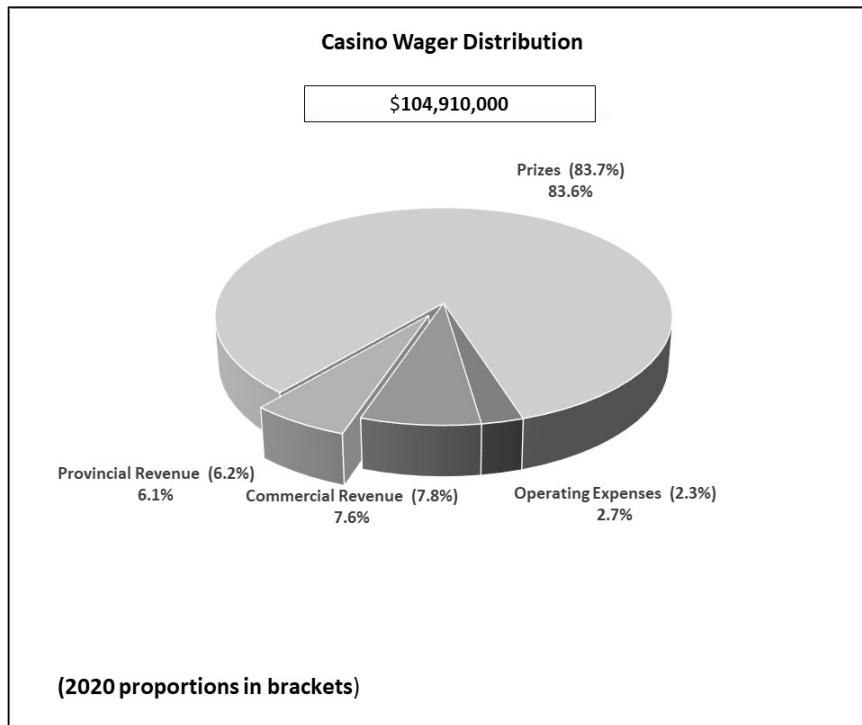
VLT Wager Distribution (\$ thousands)			
	2020/21	2019/20	Change
Total Wager	\$428,924	\$568,946	-24.6%
Prizes	337,655	445,516	-24.2%
Net Revenue (wager less prizes)	\$91,269	\$123,430	-26.1%
Operating Expenses	16,293	18,235	-10.6%
Commercial Revenue	13,430	17,720	-24.2%
Charitable Revenue	2,943	4,009	-26.6%
Provincial Revenue	\$58,603	\$83,466	-29.8%



Casinos

At \$104.9 million, the wager at the Halifax and Sydney casinos this year was down 77.6 per cent from \$468.8 million in 2019/2020. Casino wager accounted for 12.3 per cent of the total provincial wager in 2020/2021, compared to 33.9 per cent the year before.

Casino Wager Distribution (\$ thousands)			
	2020/21	2019/20	Change
Total Wager	\$104,910	\$468,832	-77.6%
Prizes	87,723	392,231	-77.6%
Net Revenue (wager less prizes)	\$17,187	\$76,601	-77.6%
Operating Expenses	2,789	10,981	-74.6%
Commercial Revenue	7,935	36,633	-78.3%
Provincial Revenue	\$6,463	\$28,987	-77.7%



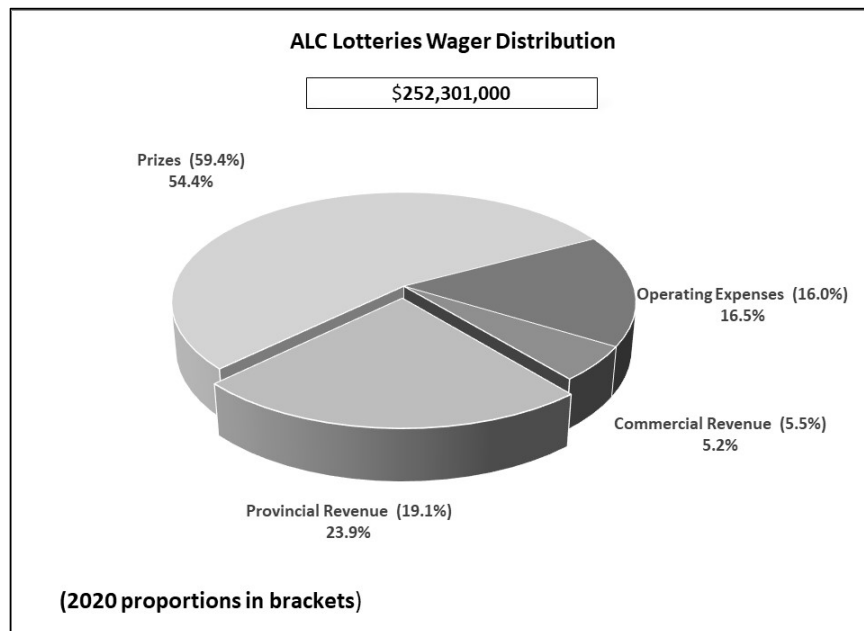
Casino Nova Scotia				
	Halifax		Sydney	
	2020/21	2019/20	2020/21	2019/20
Wager (\$ millions)	\$80.1	\$370.3	\$24.8	\$98.5
Revenue to Province (\$ millions)	\$4.3	\$21.9	\$2.2	\$7.1
Gaming Floor Area (sq. ft.)	34,000	34,000	10,470	10,470
Employees	146	334	62	119
Visitors	68,148	892,209	45,112	344,806
Slot Machines	601	608	185	285
Table Games	27	29	6	6

ALC Lotteries

At \$252.3 million, total wager for ALC lotteries increased 1.6 per cent in 2020/2021, from \$248.4 million a year ago. ALC lotteries accounted for 29.5 per cent of the total provincial wager compared to 18.0 per cent in 2019/2020.

ALC Lotteries Wager Distribution			
(\$ thousands)			
	2020/21	2019/20	Change
Total Wager	\$252,301	\$248,420	1.6%
Prizes	137,246	147,503	-7.0%
Net Revenue (wager less prizes)	\$115,055	\$100,917	14.0%
Operating Expenses	41,650	39,752	4.8%
Commercial Revenue	13,111	13,741	-4.6%
Charitable Revenue*	0	20	-100%
Provincial Revenue	\$60,294	\$47,404	27.2%

*Note: Charitable revenue only reflects revenue that is generated from the sale of ALC products by charitable organizations.



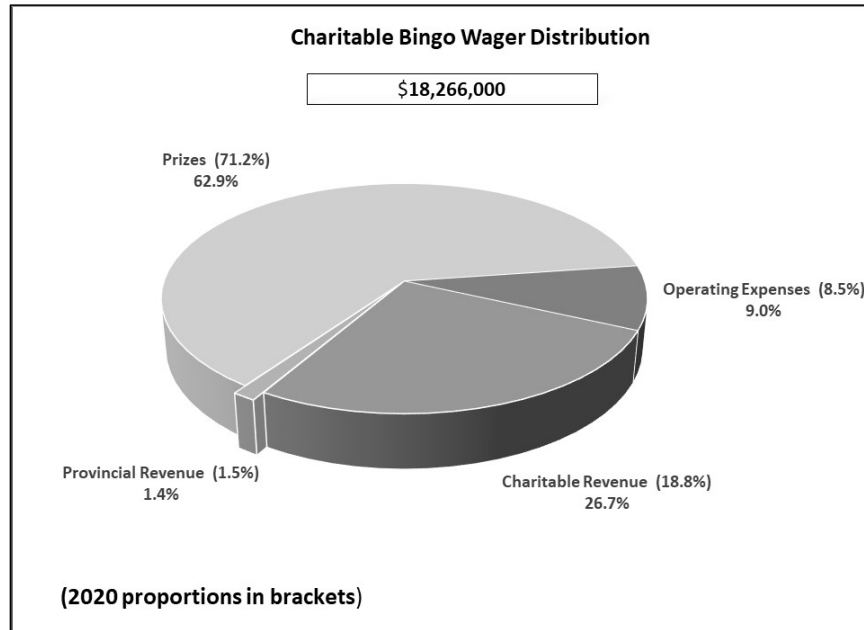
Charitable Bingo

Total charitable bingo wager decreased 52.0 per cent to \$18.3 million in 2020/2021, down from \$38.0 million last year. Bingo wager represented 2.1 per cent of the total provincial wager, down from 2.7 in 2019/2020.

Charitable Bingo Wager Distribution			
(\$ thousands)			
	2020/21	2019/20	Change
Total Wager	\$18,266	\$38,042	-52.0%
Prizes	11,497	27,085	-57.6%
Net Revenue (wager less prizes)	\$6,769	\$10,957	-38.2%
Operating Expenses	1,645	3,238	-49.2%
Charitable Revenue	4,879	7,142	-31.7%
Provincial Revenue	\$245	\$577	-57.5%

Bingos with revenues of at least \$30,000/year are required to file financial reports with the Division. By the end of the 2020/2021 fiscal year, financial reports had been received from 150 bingo licensees, compared to 175 licensees in 2019/2020. Aside from late filings, bingos that remained shuttered throughout the year due to COVID-19 would have no financial reports to submit for 2020/2021.

There were 29 media bingos (TV or radio bingo) that generated \$6.82 million in wagers in 2020/2021, compared to 30 last year with \$6.8 million in wagers. Charitable revenue from media bingos amounted to \$3.2 million this year, compared to \$2.4 million in 2019/2020.



**Charitable Bingo – Wager Received by Licensees (by category)
2020/21**

Wager received category	Licensees #	Licensees %	Total bingo wager (\$ thousands)	% of total bingo wager
\$0-49,999	65	43.3%	\$995	5.4%
50,000-99,999	28	18.7	2,022	11.1%
100,000-149,999	16	10.7	2,062	11.3%
150,000-199,999	12	8.0	2,107	11.5%
200,000-249,999	6	4.0	1,336	7.3%
250,000-299,999	5	3.3	1,422	7.8%
300,000-499,999	11	7.3	4,063	22.3%
500,000-999,999	7	4.7	4,259	23.3%
\$1,000,000+	0	0%	\$0	0%
TOTALS	150	100.0%	\$18,266	100.0%

**Charitable Bingo – Licensee Net Profit on Wager Received
(by category) 2020/21**

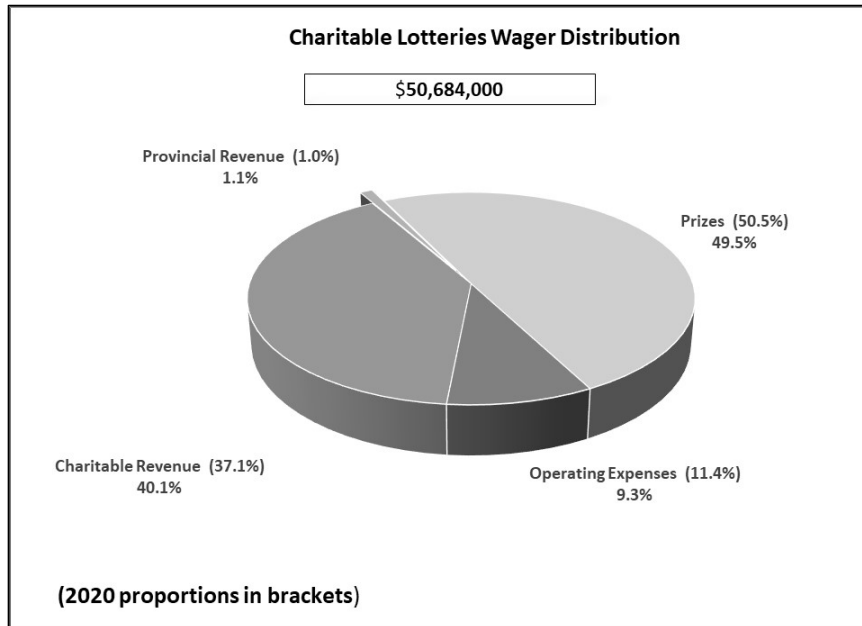
Wager received category	Licensees #	Licensee Net profits			
		<0%	0-15%	>15%	Average
\$0-49,999	65	11	23	31	13.3%
50,000-99,999	28	3	9	16	16.9%
100,000-149,999	16	2	8	6	18.9%
150,000-199,999	12	0	8	4	12.8%
200,000-249,999	6	1	3	2	13.8%
250,000-299,999	5	1	1	3	20.6%
300,000-499,999	11	1	0	10	39.4%
500,000-999,999	7	0	0	7	39.1%
\$1,000,000+	0	0	0	0	0%
TOTALS	150	19	52	79	26.7%

Charitable Ticket Lotteries

The wager on charitable ticket lotteries was \$50.7 million in 2020/2021, down 14.6 per cent from \$59.3 million last year. The charitable ticket lottery wager was 5.9 per cent of the total provincial wager, compared to 4.3 per cent in 2019/2020. Charitable revenue from ticket lotteries decreased by 7.4% to \$20.3 million, compared to \$21.9 million in 2019/20.

Charitable Lotteries Wager Distribution (\$ thousands)

	2020/21	2019/20	Change
Total Wager	\$50,684	\$59,322	-14.6%
Prizes	25,034	29,948	-16.4%
Net Revenue (wager less prizes)	\$25,650	\$29,374	-12.7%
Operating Expenses	4,755	6,753	-29.6%
Charitable Revenue	20,362	21,983	-7.4%
Provincial Revenue	\$533	\$638	-16.5%



**Charitable Lotteries - Wager Received by Licensees
(by category) 2020/21**

Wager received category	Licensees		Total charitable lotteries wager (\$ thousands)	% of total charitable lotteries wager
	#	%		
\$0-49,999	372	74.4%	\$4,398	8.7%
50,000-99,999	62	12.5	4,357	8.6
100,000-149,999	20	4.0	2,327	4.6
150,000-199,999	12	2.4	2,111	4.2
200,000-249,999	9	1.7	1,930	3.8
250,000-299,999	5	1.0	1,357	2.7
300,000-499,999	3	0.6	1,036	2.0
500,000-999,999	4	0.8	2,324	4.6
\$1,000,000+	13	2.6%	30,844	60.8%
TOTALS	500	100.0%	\$50,684	100.0%

**Alcohol, Gaming, Fuel and Tobacco Division
Department of Service Nova Scotia and Internal Services**

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<https://novascotia.ca/sns/access/alcohol-gaming.asp>

