



2025-26 CROWN CORPORATION BUSINESS PLAN

January 2025

Nova Scotia Gaming Corporation
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Message from the Minister

I am pleased to present the Nova Scotia Gaming Corporation (NSGC) Business Plan for 2025-26. The Plan focuses on the Province's commitment to offer an industry that is well regulated and provides socially responsible gaming to Nova Scotians. This Plan is about making positive contributions to the Province, its people and good causes that are important to Nova Scotians.

On December 1, 2022, NSGC staff were integrated into the Department of Finance and Treasury Board as a result of Government's review of its Crown corporations, in order to manage redundancies, improve efficiencies and bring Nova Scotia in line with other Atlantic Provinces. NSGC's mandate to conduct and manage regulated gaming in Nova Scotia remains. One hundred percent of the net income from NSGC is returned to the government to fund priority programs and services.

The 2025-26 Business Plan continues to give back to Nova Scotians. Since it began in 2006, the *Support4Sport* program has raised more than \$66 million to support local athletes, coaches, officials and community sport organizations. This program is now the largest contributor to amateur sport in Nova Scotia and reflects a longstanding historical link between NSGC and sport. Modelled on the success of the *Support4Sport* program, NSGC launched *Support4Culture* in 2013; this program has contributed more than \$39 million to support the arts, culture and heritage sectors throughout the province.

NSGC's Plan for 2025-26 highlights its strategies to achieve responsible economic returns in an environment where there is increasing competition from both regulated and non-regulated gambling options. NSGC remains committed to offering Nova Scotians a socially responsible and economically sustainable regulated gambling industry.

Respectfully submitted,



The Honourable John Lohr
Minister, Finance and Treasury Board
Minister responsible for Part I of the *Gaming Control Act*

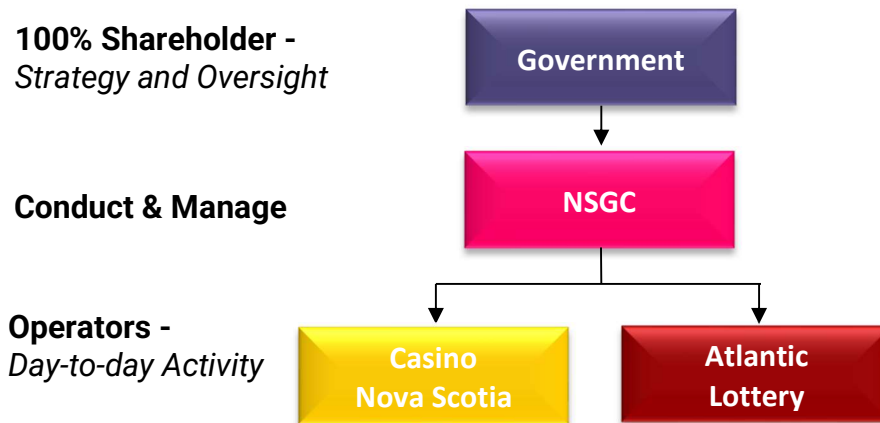


Kelliann Dean
Executive Deputy Minister, Finance and Treasury Board

Organization Mandate

Nova Scotia Gaming Corporation (NSGC) is responsible for conducting and managing regulated gambling in the province. NSGC is a Crown corporation governed by Part I of the *Gaming Control Act*, charged with leading a viable and socially responsible gambling industry for the benefit of all Nova Scotians. Department of Finance and Treasury Board staff support NSGC.

NSGC's role is to ensure gambling in Nova Scotia is socially responsible while returning all profits to government for programs and services that are important to Nova Scotians. In performing this role, staff oversee the gaming operators, Atlantic Lottery Corporation (ALC) and Casino Nova Scotia (CNS), who carry out the day-to-day business. The Government, and ultimately the people of Nova Scotia are the shareholders and owners of the industry.



The public demands that the government offer regulated gambling in a socially responsible manner. Nova Scotians have the right to expect the highest ethical standards, integrity, and social and fiscal accountability from those who manage the industry.

Social responsibility is a critical part of offering trusted and entertaining gaming experiences including providing players with the information they need to make informed choices, ensuring the integrity of the industry, and giving back to the people of Nova Scotia.

Core Responsibilities and Services

Regulated gaming contributes to the Province in a number of notable ways. While the economic benefits are substantial, managing the business in a socially responsible manner is the primary objective.

One hundred percent of NSGC's profits go back to the Province and benefit Nova Scotians through the funding of programs and services. In 2025-26, NSGC plans to provide more than \$177.9 million to the Province. The industry also creates and supports employment for more than 400 people and will provide more than \$35.0 million in retail commissions to local businesses.

NSGC will continue to achieve its core mandate in the following ways:

Responsible Industry Development

Initiatives that provide a balanced and socially responsible industry that is sustainable and benefits all Nova Scotians will continue to be developed through:

1. *Policy and Planning* – Manage the business to provide value to Nova Scotians and ensure the business and strategies are aligned with the Province's goals for gambling.
2. *Responsible Product Implementation* – Make evidence-based decisions in assessing changes to products and environments in which they are offered.
3. *Social Responsibility* – Lead healthy play and continue to be among the most socially responsible jurisdictions in the world. Nova Scotia will continue to offer healthy play programs that promote awareness, education and informed choice for all Nova Scotians.

Operations Management

Continue to effectively manage the regulated gambling businesses: ticket lottery, video lottery and casino operations in Halifax and Sydney. There are three aspects to this activity:

1. *Operator Management* – Oversee Nova Scotia's gaming operators (i.e., ALC and CNS) to ensure there is strategic alignment with Nova Scotia's goals and that initiatives are completed as planned. NSGC is responsible for the conduct and management of regulated gambling in the province and ensures the operators offer products that are socially responsible, in an environment of security and integrity.

2. *Risk Management and Quality Control* – Proactively manage risks and employ effective quality control of the day-to-day activities and the business environments.
3. *Compliance Management* – Ensure operations conform with legislation, regulations, contracts and policies. Careful oversight of operations ensures the industry is managed to the highest standards of integrity, public confidence and security.

Status of 2024-25 Activities

The casinos and video lottery are seeing lower than expected results, primarily due to traffic disruptions as a result of the Cogswell Interchange Redevelopment Project and lower volume in Video Lottery due to unfavourable economic conditions and the overall maturity of the product line that has not seen material changes in over two decades. Ticket Lottery is responding well to the increased marketing efforts for iCasino and the increased jackpot levels for Lotto Max. Some of the highlights in each area include:

Casinos: The casinos in Halifax and Sydney are both under budget as of September 30, 2024. The Halifax casino is seeing lower visitation as a result of the Cogswell Interchange Redevelopment Project while the Sydney casino is influenced by socioeconomic factors such as inflation, high interest rates, and area demographics.

Ticket Lottery: Ticket Lottery has increased sales from iCasino and high jackpot offerings in Lotto Max, which is slightly offset by lower sales in Digital Instants and Scratch 'N Win.

Video Lottery: Video lottery is a mature business line and has continued to be a stable source of revenue for the Province. As of September 30, 2024, sales have declined due to unfavourable economic conditions and the overall maturity of the product line.

Healthy Play: Healthy play programs remain a priority for Nova Scotia. Initiatives completed in 2024-25 included:

- ▶ The continuation of a year-round campaign promoting improved gambling literacy;
- ▶ Updating of the Healthy Play Training at Casino Nova Scotia; and,
- ▶ Continued implementation of the Healthy Play Assessment Program to ensure all games, promotions and materials are evaluated prior to launch.

2025-26 Strategic Goals and Priorities

Nova Scotia's vision is to offer a gambling industry that Nova Scotians are proud of and enjoy, while being a major contributor to the economy, communities and good causes. There are four goals related to this activity:

Goal #1: Provide exceptional value through its offerings to achieve responsible revenue and profits

Responsible returns to the Province will be achieved by using sustainable business models and fulfilling a commitment to integrity and security. Decisions will be evidence-based and healthy play will be incorporated into the design, delivery, promotion and use of gaming products.

Priorities

In striving to generate responsible economic returns, focus will be placed on the following priorities in 2025-26:

Casinos – CNS will seek to attract, energize and drive player engagement while celebrating its 30th year in business. Macroeconomic pressures have limited growth in the Sydney location in recent years and access to the Halifax casino may continue to be affected by the Cogswell Interchange Redevelopment Project as it nears its completion in the final stage; however, mitigation plans have been developed to lessen the impact.

Ticket Lottery – Ticket lottery is Nova Scotia's most mature business line, and the majority of the future growth will come from improvements to the online experience and efforts to improve player satisfaction. In 2025-26, ALC will enhance player communications and look to better compete with unregulated and illegal gaming operators. ALC will also seek to improve online gaming content through game diversification and improved features. The strategic focus is to better align with the needs of shifting demographics, while continuing to maintain and appeal to the broader consumer base.

Video Lottery – The focus for 2025-26 will include efforts to address video lottery systems and assets that are reaching the end of their useful lives.

Goal #2: Provide customers with products they want, in an environment they expect

Deliver products that customers want, when, where, and how they want them by seeking input from players to make sound decisions on how to advance the gambling industry in Nova Scotia.

Priorities

The plan for 2025-26 is to improve the player experience and expand the offering for those who choose to purchase lottery products online. ALC will strive to ensure that the transactional web portal and any player-facing components meet or exceed industry standards and players' expectations. In addition, the online platform will continue to offer a regulated environment in which to play, as well as provide harm-mitigation tools for those who choose to gamble online.

Goal #3: Lead healthy play

The Province will advance its social responsibility agenda by leading healthy play programs that provide Nova Scotians with the tools and information they need to make informed decisions. Gaming operators will promote positive play experiences, which require the industry to conduct business with an understanding of how its activities can impact others. NSGC's Social Responsibility Charter is integrated into its culture and commits stakeholders associated with the regulated gambling industry to social responsibility.

Priorities

NSGC will continue healthy play programs such as:

- ▶ Year-round messaging to improve gambling literacy;
- ▶ Responsible Gambling Resource Centres (RGRC) at both casinos;
- ▶ Access to healthy play information at both casinos for when the RGRC is not available;
- ▶ Healthy play training for ticket and video lottery retailers, casino staff, and gaming-related employees; and,
- ▶ Evaluation of new products, initiatives and projects using the Healthy Play Assessment Program.

Goal #4: Focus on Nova Scotians through excellence in social responsibility

The people of Nova Scotia are the industry's valued customers, employees, neighbours, families, suppliers and business partners. Dedicated revenue and industry expertise will be leveraged to support good causes throughout the province and strong management and accountability will be provided by ensuring timely and complete communication to the media, public, and stakeholders when managing the business.

Priorities

NSGC will continue:

- ▶ *Support4Sport* – a dedicated lottery program that raises funds to buy sports equipment, creates recreation/participation programming for all ages, supports performance training programs for competitive athletes, and hires coaches at all levels, making it the largest source of funding for amateur sport in the province.
- ▶ *Support4Culture* – a dedicated lottery program that raises funds for arts, culture, and heritage in communities throughout Nova Scotia.
- ▶ *Support4Communities* – provides in-kind support and learning opportunities for charitable organizations in Nova Scotia. This includes fundraising seminars and licensed Monte Carlo fundraisers for charitable groups.
- ▶ In addition, quarterly reports, an annual report, a Crown corporation business plan, a community report, and fact sheets about NSGC programs and the gambling industry will be made available via its website throughout the year.

Outcomes and Performance Measures

Outcome	Indicator(s)	Measure(s)	Baseline	Target 2025-26	2025-26 Strategies and Initiatives	Long-term Target 2028-29
Nova Scotia has an economically sustainable and socially responsible gambling industry.	The Province has a sustainable source of revenue from gambling to fund programs and services.	Net sales	5-year Average (2020-2024) \$306.1 million	\$381.3 million	Continue to provide relevant and engaging products to players in a safe and regulated environment.	\$400.6 million
		Payment to Province	5-year Average (2018 to 2023) \$146.4 million	\$177.9 million	Ensure operators are meeting business plan objectives.	\$187.5 million
	Reduced Government reliance on revenue from VLTs.	Video lottery as % of total provincial revenue	(2010-11) 0.91%	0.50%	Grow revenue from other business lines (e.g., ticket lottery).	0.50%
	Small businesses across the province are supported through commissions to retailers.	Commission paid to retailers	(2010-11) \$39.8 million	\$35.2 million	Leverage new ticket and video lottery products and make further enhancements to the video lottery business model.	\$36.3 million
Nova Scotia has a socially responsible gambling industry, players have the information they need to play responsibly, and games remain entertaining, safe and fun.	Nova Scotians are aware of appropriate healthy play behaviours.	% of public that can cite two healthy play behaviours	(2019-20) 17%	20%	Execute healthy play and public awareness programs.	25%
	Nova Scotians are aware of and support healthy play programs.	% of public that support NSGC's commitment to healthy play	(2019-20) 87%	90%		90%
Nova Scotia's gambling industry is trusted and supported.	NSGC's response time to routine access requests for information.	% of routine access requests responded to within two business days	100%	100%	Employ sound operations management.	100%
	Nova Scotians are in favour of regulated gambling.	% support for regulated gambling	(2019-20) 63%	65%	Execute initiatives in the Corporate Social Responsibility Business Plan.	65%

2025-26 Budget

	Estimate 2024-25 (\$ 000)	Forecast 2024-25 (\$ 000)	Estimate 2025-26 (\$ 000)
Net Sales			
Casinos	\$ 94,500	\$ 93,000	\$ 94,100
Ticket Lottery	152,500	154,800	163,200
Video Lottery	<u>128,300</u>	<u>122,700</u>	<u>124,000</u>
Total Net Sales	<u>375,300</u>	<u>370,500</u>	<u>381,300</u>
Cost of Sales	<u>178,000</u>	<u>173,400</u>	<u>182,100</u>
Gross Profit	<u>197,300</u>	<u>197,100</u>	<u>199,200</u>
Expenses			
Corporate Expenses	1,000	(1,900)	2,600
Healthy Play Programs	7,100	7,000	7,500
Community Programs	<u>10,800</u>	<u>11,200</u>	<u>11,200</u>
Total Expenses	<u>18,900</u>	<u>16,300</u>	<u>21,300</u>
Net Income	<u>\$ 178,400</u>	<u>\$ 180,800</u>	<u>\$ 177,900</u>