



a member of **the dtic** group

First, Second and Third Quarter Performance 2023/2024

CONTENT



1. Key highlights for the 2023/2024 financial year
2. Policy and Strategy Context
3. Mandate of the National Gambling Board
4. Operating Context
5. NGB Contribution to ***the dtic's*** outputs
6. Case Study examples Q1 to Q3
7. NGB Overall Performance Q1 to Q3
8. Financial Analysis
9. Conclusion

KEY HIGHLIGHTS FOR THE 2023/2024 FINANCIAL

- NGB achieved its **8th consecutive clean audit** with no audit findings
- **R130.5 million** was spent on **locally procured goods and services** by the NGB as at 31 December 2023.
- **R119.5 million** good and services were procured from **black-owned entities** as at 31 December 2023 against a year-to-date target of R75 million.
- Gross Gambling Revenue (GGR) for FY2023/24 Q1 and Q2 (cumulative) amounted to **R28.2 billion**, representing an increase of 26.8% in comparison to the first two quarters of the previous financial year.
- Taxes/levies amounted to **R2.3 billion** during Q1 and Q2 FY2023/24, having increased by 20.6% from the previous year.
- The **betting industry** generated the largest share of GGR at **58.6%**, followed by casinos at 30.5%. The betting industry generates almost half of gambling industry taxes/levies at R1.1 million.
- Economic transformation in the casino, bingo and LPM sectors of the gambling industry was monitored from Q1 to Q3. The entrenchment of oligopolistic structure in the industry continues. Although operators contribute to skills development, enterprise development, and socio-economic development, complying with tourism codes of the B-BBEE Act, there is a need for an amendment to the Gambling Policy to ensure adequate transformation in the industry due to the absence of specific codes for the gambling industry.
- From Q1 to Q3, **55** community outreach interventions have been undertaken on the risks and socio-economic impact of gambling, with **15** community outreach interventions targeted at rural areas.
- As at 31 December 2023, a total of twenty-two (22) unlawful winnings cases were investigated. The completed twenty-two (22) cases are based on gambling undertaken illegally online with international gambling operators that are not licensed in South Africa

Policy and Strategy Context

- **NATIONAL GAMBLING POLICY:** South Africa has a National Gambling Policy in place to regulate and oversee the gambling industry in the country. Key points of the National Gambling Policy in South Africa include:
- *Regulatory Authority:* The National Gambling Policy establishes the National Gambling Board (NGB) as the regulatory authority responsible for overseeing and regulating the gambling industry in the country.
- *Legal Framework:* The policy outlines the legal framework for various forms of gambling, including casinos, sports betting, bingo and LPMs specifying the conditions under which licenses are granted and the responsibilities of license holders.
- *Social Responsibility:* The policy emphasizes the importance of promoting responsible gambling practices and addressing the potential negative social impacts of gambling.
- *Transformation Objectives:* The policy aims to address historical imbalances and promote economic empowerment in the gambling industry. It includes provisions for the participation of historically disadvantaged individuals and communities in the sector.

MANDATE

The NGB is a Schedule 3A Public Entity in terms of the PFMA, 1999. The NGB is established in terms of the NGA, 2004. In terms of Sections 33 and 65 of the NGA the NGB is mandated to:

- Evaluate the issuance of national licences and the compliance monitoring of licences by the PLAs
- Conduct oversight evaluation of the performance of PLAs to ensure compliance to both the national and provincial legislation, and adherence to national norms and standards
- Assist PLAs to ensure that the unlicensed gambling activities are detected
- Monitor market share and market conduct
- Establish and maintain national registers
- Research the socio-economic impact of gambling
- Conduct public awareness and education programmes
- Advise the Minister, **the dtic** and any other stakeholder on gambling related matters
- Interact with other jurisdictions that have a common agenda to NGB

Mandate further translated into Governments priorities

Government MTSF Priorities	<i>the dtic</i> outputs	NGB Outputs (Q1-Q3)
Industrialisation	<ul style="list-style-type: none"> Output 2: Driving R40 billion in additional local output committed or achieved 	<ul style="list-style-type: none"> R150 million committed to procure local goods and services
Transformation	<ul style="list-style-type: none"> Output 16: 10 High-Impact Outcomes on addressing Market Concentration at Sector or Firm level Output 10: R800 million in Equity Equivalent Investment Programme Agreements 	<ul style="list-style-type: none"> Monitored economic transformation opportunities for HDIs in the mainstream gambling industry produced R75 million spend on procurement of goods and services on black-owned entities
Capable State	<ul style="list-style-type: none"> Output 32: 1000 Case studies of firms, workers, entrepreneurs, professionals or communities impacted by <i>the dtic</i> measures; including 12 local films/ documentaries telling the SA story. Output 33: 52 Community Outreach Programmes by the dtic Group 	<ul style="list-style-type: none"> Eight (8) case studies of firms, workers, entrepreneurs, professionals, individuals or communities impacted by the NGB measures Twenty-five (25) community outreach interventions undertaken focusing on the risks of and socio-economic impact of gambling



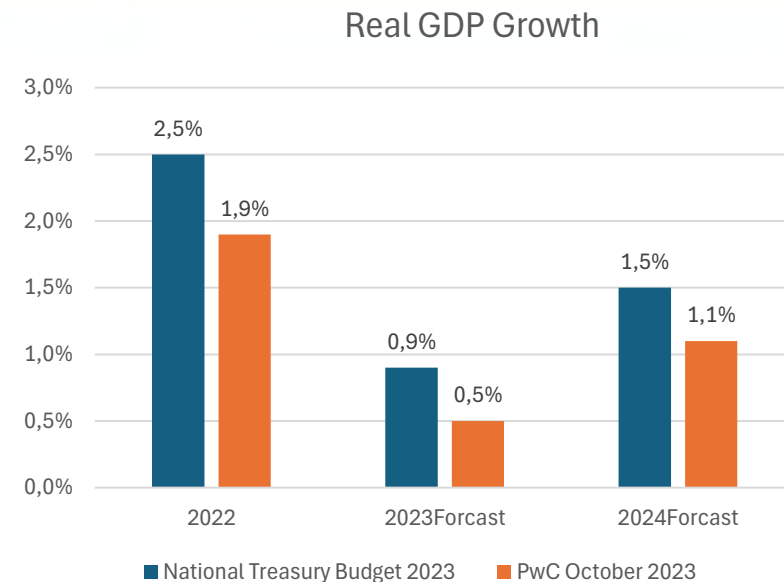
National Gambling Board
South Africa

a member of the **etc** group

Operating context

South African Economic Outlook

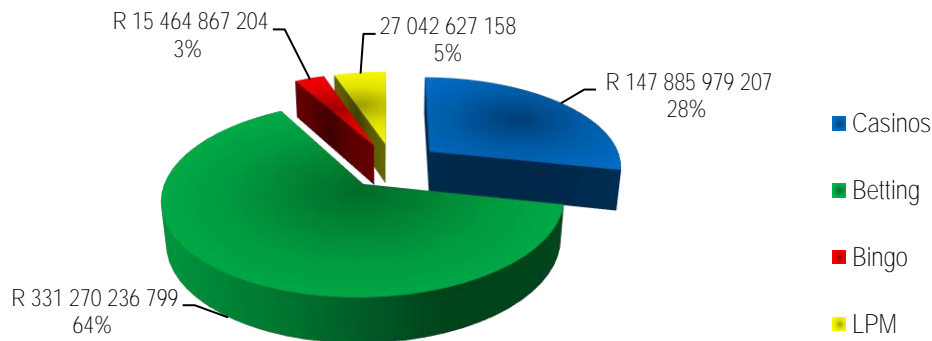
- The South African macroeconomy has deteriorated over the FY2023-24 with pressures on household spending, business investment, export revenues and cost of imports resulting in weaker-than-expected tax income. Consumer price inflation has been slow to decline (headline inflation 7.1% year-on year in March 2023 and remained outside the SARB target range of 3%-6% until May due to rand weakness, elevated global food prices, increasing fuel prices and adverse effect of loadshedding on supply chains) whilst interest rates have increased by more than expected.
- Budget 2023 expected the economy to grow by 0.9% this years and 1.5% in 2024. However, forecast has been revised to lower growth rates of 0.5% and 1.1% respectively. GDP growth is underperforming due to pressure on household spending, business investment and exports.
- Poverty remains high, with an estimated 30% of people living in extreme poverty in 2022. Inequality is also high, with a Gini coefficient of 0.63.
- Unemployment was an estimated 32.6% as of Q2 2023.



GAMBLING INDUSTRY PERFORMANCE

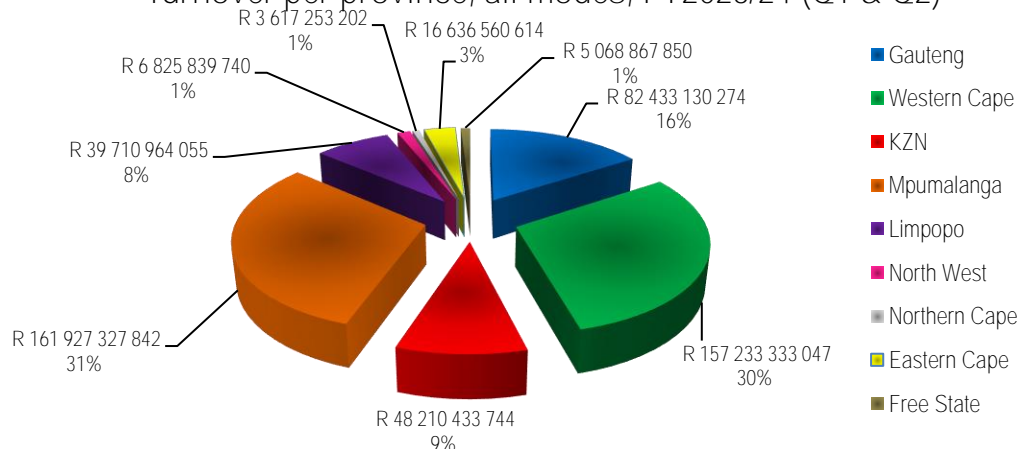
Monitored market share and market conduct in the gambling industry

Turnover per gambling mode, all provinces, FY2023/24 Q1 & Q2



Total turnover: R 521 663 710 369

Turnover per province, all modes, FY2023/24 (Q1 & Q2)

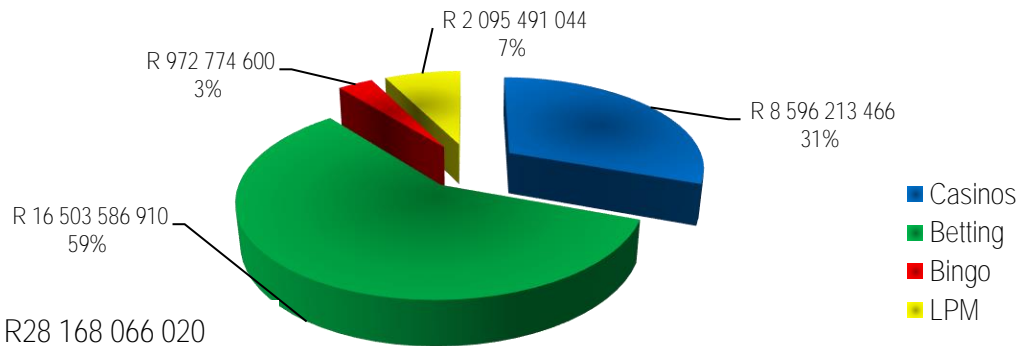


- A total amount of R521.7 billion was wagered in the gambling industry in FY2023/24 Q1 and Q2.
- Total turnover was 41.4% higher than the value wagered during the first two quarters of the previous year.
- Betting wagering accounted for almost two-thirds of turnover at 63.5% and generated the highest amount of turnover in comparison with other gambling modes.
- Mpumalanga and the Western Cape generated the highest proportions of turnover of around 30% each.

GAMBLING INDUSTRY PERFORMANCE

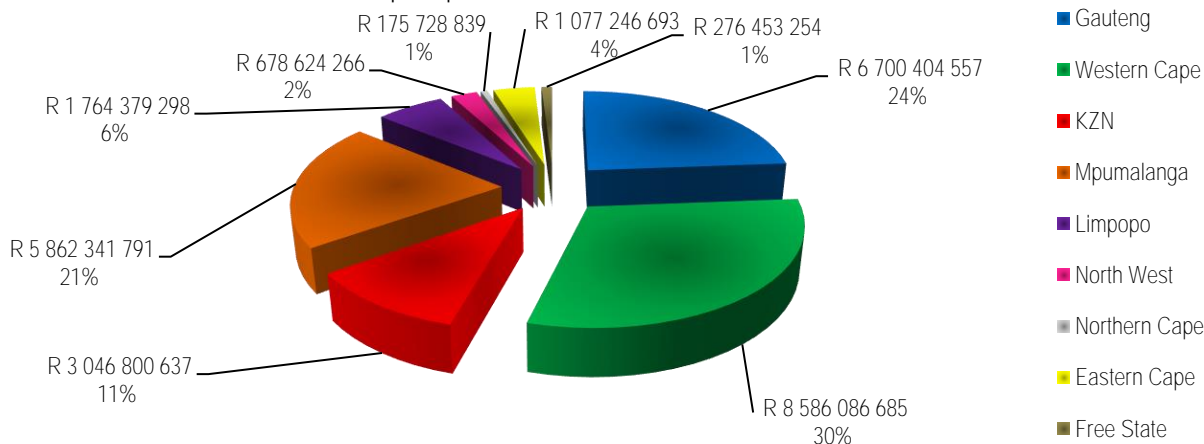
Monitored market share and market conduct in the gambling industry: Unaudited

GGR per gambling mode, all provinces, FY2023/24 Q1 & Q2



•GGR amounted to R28.2 billion during FY2023/24 Q1 and Q2. Betting accounted for the highest GGR generated, being 59% as compared to other gambling modes followed by casinos at 30.5%.

GGR per province, all modes, FY2023/24 Q1 & Q2

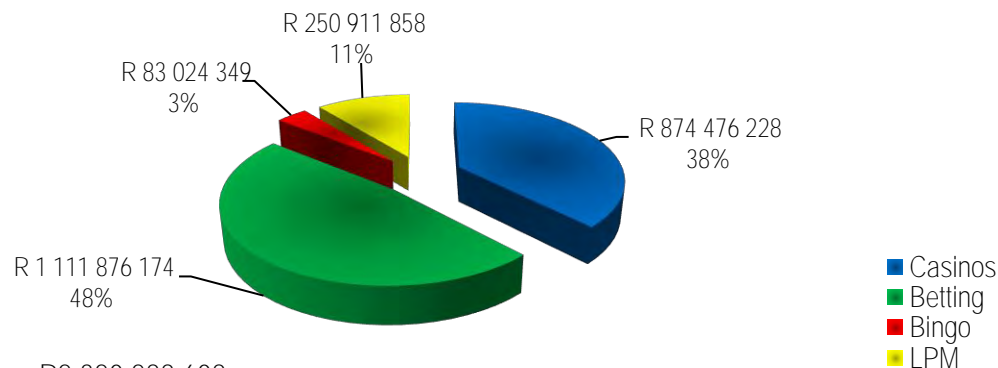


•Provincially, the Western Cape and Gauteng account for the largest share of GGR. While Gauteng is still the second largest generator of GGR, its share has dropped significantly since FY2022/23 where it held 30.2%. At the same time, Mpumalanga's share has increased from 13.8% to 20.8%.

GAMBLING INDUSTRY PERFORMANCE

Monitored market share and market conduct in the gambling industry

Taxes/levies per gambling mode, all provinces, FY2023/24 Q1 & Q2



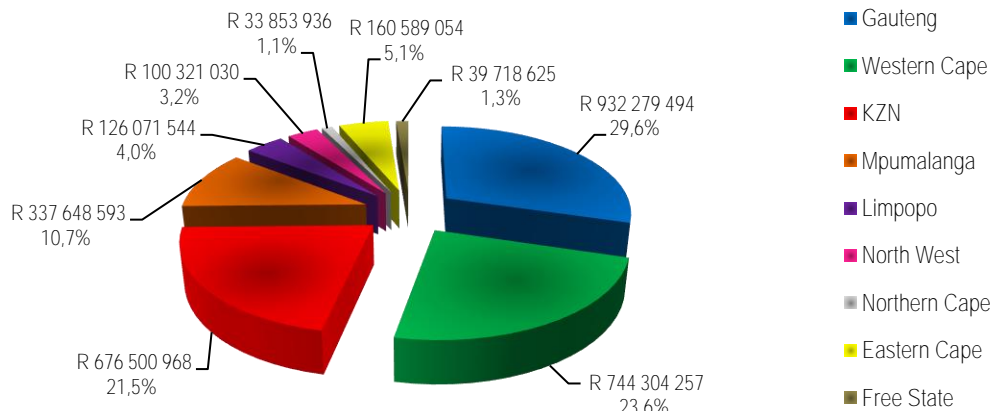
- Taxes/levies amounted to R2.3 billion during Q1 and Q2 FY2023/24, having increased by 20.6% from the previous year.

- The betting industry generates almost half (48%) of industry taxes/levies, followed by casinos at 37%.

- Provincially, most taxes/levies are generated in Gauteng (25%) and the Western Cape (28%).

Total taxes/levies: R2 320 288 608

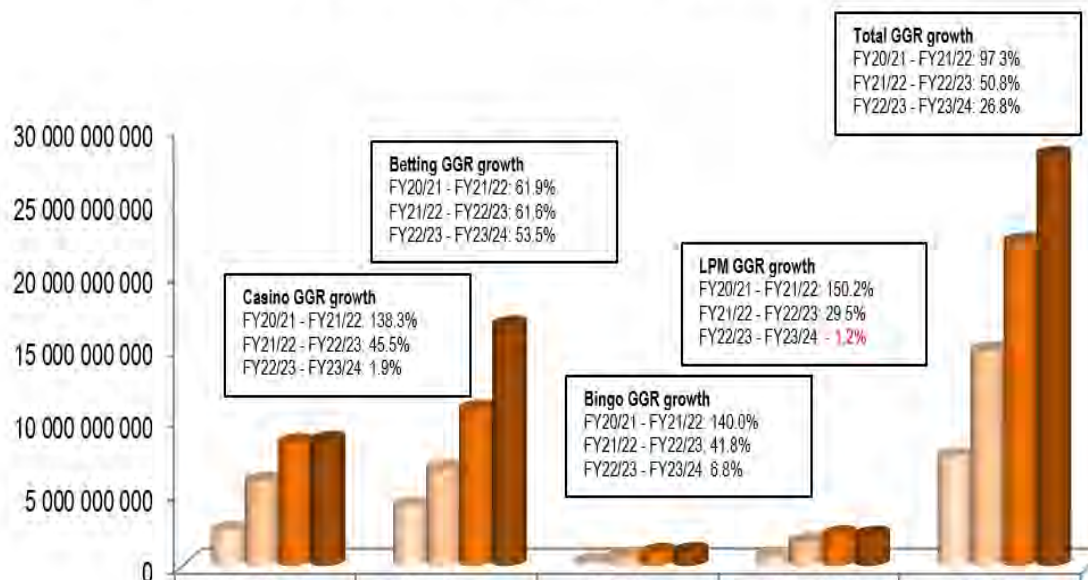
Taxes/levies per province, all modes, FY2021/22



GAMBLING INDUSTRY PERFORMANCE

Monitored market share and market conduct in the gambling industry

Growth in GGR (all modes): FY2020/21- FY2023/24 (Q1 & Q2)



	GGR Casino	GGR Betting	GGR Bingo	GGR LPM	TOTAL
GGR, FY2020/21 Q1-Q2	2 432 798 535	4 108 924 985	267 689 473	655 055 927	7 464 468 920
GGR, FY2021/22 Q1-Q2	5 796 376 649	6 651 250 349	642 406 827	1 638 789 807	14 728 823 631
GGR, FY2022/23 Q1-Q2	8 434 359 848	10 749 025 302	910 837 802	2 121 726 186	22 215 949 137
GGR, FY2023/24 Q1-Q2	8 596 213 466	16 503 586 910	972 774 600	2 095 491 044	28 168 066 020

- The gambling industry grew by 26.8% over the first two quarters of FY2023/24 relative to the previous year's Q1 and Q2 revenues.
- Betting exhibited exceptionally high growth of 53.5%. Casinos experienced low (1.9%) and LPMs negative (-1.2%) growth. Bingo grew modestly at 6.8%.



National Gambling Board
South Africa

a member of **the dtic** group

NGB's progress towards *the dtic* OUTPUTS

NATIONAL GAMBLING BOARD'S CONTRIBUTION TO *the dtic* OUTPUTS

Outcome 1: Industrialisation	dtic Output 2: Driving R40 billion in additional local output committed or achieved	
	Target (Q1 to Q3): R150 million committed to procure local goods and services	
	Q1- Q3 Achievement: As at 31 December 2023, the NGB has procured locally produced goods and services to the value of R130.5million. This is against a year-to-date target of R150 million.	
Outcome 2: Transformation	dtic Output 16: 10 High-Impact Outcomes on addressing Market Concentration at Sector or Firm level	dtic Output 10: R800 million in Equity Equivalent Investment Programme Agreements
	Target (Q1 to Q3): Three (3) reports on S53 economic transformation in the mainstream gambling industry	Target (Q1 to Q3): R75 million spend on procurement of goods and services on black-owned entities
	Q1-Q3 Achievement: Three (3) reports on S53 economic transformation in the mainstream gambling industry produced <ul style="list-style-type: none"> The current transformation levels for the route operator sector were monitored in the Q3 of FY2023/24. Four route operators analysed are, namely, Sun Slots (Pty Ltd) a subsidiary of Sun International, Vukani Gaming Corporation (Pty) Ltd (V-Slots) a subsidiary of Tsogo Sun, Crazy Slots (Pty) Ltd a subsidiary of Goldrush Group and Pioneer Slots owned by the African Pioneer Group All operators contribute towards, skills development, enterprise development and socio-economic development in compliance with the tourism codes of the B-BBEE Act. 	Q1-Q3 Achievement: Achieved <ul style="list-style-type: none"> The NGB procured goods and services amounting to R119.5 million from black-owned entities against a year-to-date target of R75 million.

NATIONAL GAMBLING BOARD'S CONTRIBUTION TO *the dtic*

OUTPUTS

Outcome 3: Capable State

Output 32: Output 32: 1000 Case studies of firms, workers, entrepreneurs, professionals or communities impacted by the dtic measures; including 12 local films/ documentaries telling the SA story.	Output 33: 52 Community Outreach Programmes by the dtic Group
Target (Q1 to Q3): Eight (8) case studies of firms, workers, entrepreneurs, professionals, individuals or communities impacted by the NGB measures	Target (Q1 to Q3): Twenty-five (25) community outreach interventions conducted
<p>Achievement:</p> <p>Eight (8) case studies were completed from Q1 to Q3 of FY2023/2024, as follows:</p> <ul style="list-style-type: none"> Gambling, despite its allure and potential for excitement, can have significant negative consequences for individuals, families, and society as a whole. These include addiction and financial problems, problem gambling and emotional and mental health issues, negative impact on productivity, increased crime and illegal activities, relational and family conflict. Illegal gambling has particularly mushroomed over the years with the involvement of persons under the age of 18 in gambling activities being a concern. There is therefore a need for understanding and addressing the potential risks and harm associated with illegal gambling in order to minimize the negative impacts on individuals and society. The case studies document the success stories of South African impacted by measures undertaken by the NGB to raise awareness of potential risks and harm associated with gambling and illegal gambling 	<p>Achievement: Fifty- five (55) community outreach interventions conducted</p> <ul style="list-style-type: none"> The 55 community outreach interventions were conducted through face-to-face interactions, a radio campaign and through the NGB website. Fifteen (15) were community outreach interventions conducted in the rural areas of Eastern Cape, Limpopo, Mpumalanga, Kwa-Zulu Natal and Northern Cape in the following districts: Face-to-Face: <ul style="list-style-type: none"> Moses Kotana Municipality, North-West; Bushbuck Ridge Municipality, Mpumalanga, Chris Hani Municipality, Eastern Cape, Ga-Segonyana Municipality, Northern Cape, Mogalakwena Municipality, Limpopo. Rural Radio community stations in <ul style="list-style-type: none"> Zululand Municipality, Kwa Zulu Natal, Gert-Sibande district, Mpumalanga, Vhembe, Capricorn, and Mopani districts, Limpopo, Thabo-Mofutsanyana district , Free State, OR Tambo and Amathole districts, Eastern Cape, John Taolo Gaetsewe and Sol Plaatje districts, Northern Cape.



National Gambling Board
South Africa

a member of the **etc** group

Case Study examples Q1 to Q3

Success Story Q1 : Transoranje School for the Deaf

Background on the company

The NGB conducted community outreach interventions to educate disabled minors and youth between the ages of 14 and 21 from the Transoranje School for the Deaf.

Support provided

The outreach intervention included a visual presentation and sign language interpretation on gambling laws; illegal gambling in general with a specific focus on illegal underage gambling and how to report illegal gambling in communities. The main issue to be addressed was illegal and underage gambling. The intended outcome was better informed and educated minors and youth on illegal and underage gambling, who are empowered to seek help for themselves or on behalf of family/friends/community members.

Impact of the support provided

Learners at the Transoranje School for the Deaf benefitted through access to information that could allow them to be responsible and law-abiding citizens, avoid the repercussions of participating in illegal gambling, and to become empowered to access services for free gambling addiction counselling and treatment.

Comments by owner/Employee(s)

The Head of Department expressed that the learners grasped the information effectively and began asking questions on whether the types of games they played were considered as illegal gambling. This initiative has provided them with a clear vision of what is happening in their environment in terms of illegal gambling on the streets.



Background on the company

Inpatient treatment of problem gamblers in the South African Responsible Gambling Foundation (SARGF) National Responsible Gambling Programme (NRGP).

Support provided

The National Responsible Gambling Programme (NRGP) is a combination of nationwide public education around responsible gambling and a comprehensive treatment and counselling programme for problem gamblers who voluntarily enlist the help of treatment professionals at SARGF. The intended result is to treat and rehabilitate problem gamblers to become productive and responsible citizens.

Thembi K is a female client (41 years old), whose primary diagnosis was Problem Gambling and comorbid of suicidal ideation, was admitted at Elim Clinic in Kempton Park. The client was admitted on the 7th of June 2022 and discharged on the 27th of June 2022; she stayed there for a period of 21 days. She further attended 2 aftercare (outpatient) sessions with the Foundation's Treatment Professional.



Impact of the support provided

In addition to addressing social and behavioural problems arising from problem gambling behaviour, treatment and counselling of addicted gamblers reduces the negative financial impact that excessive and compulsive gambling has on the lives of individual gamblers and their extended dependants.

Success Story Q3: Punter Education, Northern Cape

Background on the company

Mama's place , a tavern in Kimberly, is a site operator licensed to provide Limited Payout Machines gambling.

Support provided

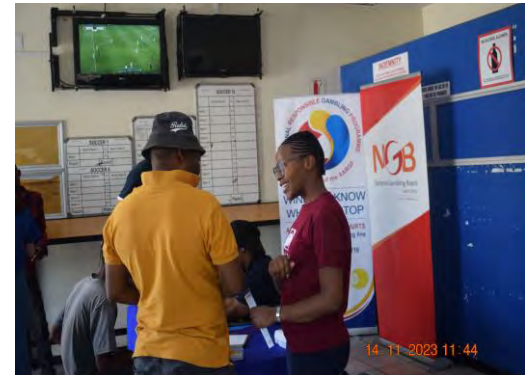
The National Broad-based Public Education Programme by the NGB aims to address the needs of vulnerable groups within society (women, the youth, social grant recipients) in all provinces, covering rural, urban and peri-urban settings. It is aimed at creating a nationwide footprint of informed and knowledgeable gambling punters who are equipped to identify and address any disordered gambling behaviour by seeking professional and free treatment and counselling from the SARGF – a Public-Private-Partnership between regulators and gambling operators.

The intervention had an impact on the individuals and the wider community as evidenced by the case studies provided from outreaches in the Northern Cape Province :

“I know I have that problem of gambling too much. Only time when I don't gamble is when I don't have money, but when I do get it I come to gamble. Even sometimes I make loans to come and gamble. I lost all my money and my job. So I will call your counsellors, I need help. At least its free because I don't have money to pay.” Anonymous, Female, Kimberley, Northern Cape.

Impact of the support provided

In addition to addressing social and behavioural problems arising from problem gambling behaviour, treatment and counselling of addicted gamblers reduces the negative financial impact that excessive and compulsive gambling has on the lives of individual gamblers and their extended dependants.





a member of **the dtic** group

NGB Overall Performance

Q1 to Q3

Q1 to Q3 PLANNED TARGETS

PROGRAMME	OUTPUT INDICATORS	Q1 TARGET	Q2 TARGET	Q3 TARGET	ACHIEVED
PROGRAMME 1: Gaming Control and Compliance	6	6	6	6	18
PROGRAMME 2: Corporate Services and Research Division	4	4	4	4	12
TOTAL	10	10 (100%)	10 (100%)	10 (100%)	30 (100%)
Ministerial JKPI					
Consolidated report	3	3	3	3	3



PROGRAMME 1: GAMING CONTROL AND COMPLIANCE

Output	Output Indicator	2023/24 Annual Target	1st milestones	Quarter	2nd milestones	Quarter	3rd milestones	Quarter	Actual Achievement (Q1-Q3)	Reasons for Variance	Corrective Action
PROGRAMME 1: GAMING CONTROL AND COMPLIANCE											
Maintained functional national registers	Percentage uptime on functional national registers	95% uptime and system analysis on functionality, effectiveness and maintenance of national registers	95% uptime and system analysis on functionality, effectiveness and maintenance of national registers		95% uptime and system analysis on functionality, effectiveness and maintenance of national registers		95% uptime and system analysis on functionality, effectiveness and maintenance of national registers		Overachieved 100% uptime was achieved in all three quarters (Q1 to Q3)	Dedicated resource to the maintenance and management of functional national registers has been allocated	Not applicable
Maintained operational National Central Electronic Monitoring System	Percentage uptime of a fully operational National Central Electronic Monitoring System (NCEMS)	95% uptime on a fully operational NCEMS and system analysis of data, detection and monitoring of significant events associated with any LPM made available for play in the Republic	95% uptime on a fully operational NCEMS and system analysis of data, detection and monitoring of significant events associated with any LPM made available for play in the Republic		95% uptime on a fully operational NCEMS and system analysis of data, detection and monitoring of significant events associated with any LPM made available for play in the Republic		95% uptime on a fully operational NCEMS and system analysis of data, detection and monitoring of significant events associated with any LPM made available for play in the Republic		Overachieved 100% uptime was achieved in all three quarters (Q1 to Q3)	Dedicated resource to the maintenance and management of a fully operational NCEMS has been allocated	Not applicable
Advisory Reports on the gambling regulation	Number of reports on gambling regulation in terms of section 65 of the NGA produced	One (1) consolidated S65 Advisory Report on gambling regulation produced	One (1) S65 Advisory Report on gambling regulation produced		One (1) S65 Advisory Report on gambling regulation produced		One (1) S65 Advisory Report on gambling regulation produced		Achieved. Three (3) reports on S65 Advisory Report on gambling regulation produced (Q1 to Q3)	Not applicable	Not applicable
Evaluation of nine (9) PLAs compliance with gambling legislation	Number of reports on nine (9) PLAs compliance with gambling legislation	One (1) consolidated report on PLA compliance evaluation with gambling legislation produced	One (1) report on compliance evaluation of PLAs produced		One (1) report on compliance evaluation of PLAs produced		One (1) report on compliance evaluation of PLAs produced		Achieved. Three (3) reports on compliance evaluation of PLAs produced (Q1 to Q3)	Not applicable	Not applicable
Conducted technical analysis of gambling games, machines and devices	Number of reports on technical analysis of gambling games, machines and devices conducted	One (1) consolidated report on technical analysis of gambling games, machines and devices produced	One (1) report on technical analysis of gambling games, machines and devices produced		One (1) report on technical analysis of gambling games, machines and devices produced		One (1) report on technical analysis of gambling games, machines and devices produced		Achieved. Three (3) reports on technical analysis of gambling games, machines and devices produced (Q1 to Q3)	Not applicable	Not applicable
Targeted Investigation completed within 30 days on the circumstances of illegal gambling activities	Turn-around time to complete investigations on the circumstances of the illegal gambling activity	Investigations completed within 30 days from receipt of all information	Investigations completed within 30 days from receipt of all information		Investigations completed within 30 days from receipt of all information		Investigations completed within 30 days from receipt of all information		Achieved. All Investigations conducted were completed within 30 days of receipt of all information (Q1 to Q3)	Not applicable	Not applicable

PROGRAMME 1: GAMING CONTROL AND COMPLIANCE

Output	Output Indicator	2023/24 Annual Target	1st milestones	Quarter	2 nd milestones	Quarter	3 rd milestones	Quarter	Actual Achievement (Q1-Q3)	Reasons for Variance	Corrective Action
PROGRAMME 2: CORPORATE SERVICES AND RESEARCH											
Conducted research on the structural challenges in the LPM sector to facilitate growth	Number of reports on research conducted on the structural challenges in the LPM sector to facilitate growth	One (1) consolidated report on the structural challenges in the LPM sector to facilitate growth produced	One (1) report on the structural challenges in the LPM sector to facilitate growth produced		One (1) report on the structural challenges in the LPM sector to facilitate growth produced		One (1) report on the structural challenges in the LPM sector to facilitate growth produced		Achieved Three (3) reports on the structural challenges in the LPM sector to facilitate growth produced	Not applicable	Not applicable
Monitored market share and market conduct in the gambling industry	Number of reports on gambling sector performance produced	Four (4) reports (based on unaudited data) and one (1) annual report on audited gambling sector performance produced.	One (1) report on gambling sector performance (4th quarter, FY2022/23) produced		One (1) report on gambling sector performance (1st quarter, FY2023/24) produced		One (1) report on gambling sector performance (2nd quarter, FY2023/24) produced		Over- Achieved Three (3) reports on gambling sector performance (4th quarter FY2022/23, 1st quarter FY2023/24 and 2nd quarter FY2023/24) produced Three (3) additional reports on socio-economic implications of market share and market conduct in the gambling industry produced	Three (3) additional reports were produced due to efficiencies within the division	Not applicable
Conducted economic analysis and research on the impact of gambling	Number of reports on economic analysis and research conducted on the impact of gambling produced	One (1) consolidated economic analysis and research report on the impact of gambling produced	One (1) report on the economic analysis and research conducted on the impact of gambling produced		One (1) report on the economic analysis and research conducted on the impact of gambling produced		One (1) report on the economic analysis and research conducted on the impact of gambling produced		Over- Achieved Three (3) reports on economic analysis of the gambling industry contribution to the economy and research on the impact of gambling produced Three (3) reports on benchmarking on the South African gambling industry against other jurisdictions produced	Three (3) additional reports were produced due to efficiencies within the division	Not applicable
Broad based public education interventions	Number of broad-based public educational interventions about the risks of and socio-economic impact of gambling conducted	Conduct thirty (30) broad-based public education interventions about the risks and socio-economic impact of gambling	Conduct five (5) broad-based public education interventions about the risks and socio-economic impact of gambling		Conduct ten (10) broad-based public education interventions about the risks and socio-economic impact of gambling		Conduct ten (10) broad-based public education interventions about the risks and socio-economic impact of gambling		Over-Achieved. Fifty-five (55) broad-based public education interventions conducted	Thirty (30) additional interventions conducted due to efficiencies within the division	Not applicable



a member of **the dtic** group

PROGRAMME 1

Performance

PROGRAMME 1: GAMING CONTROL AND COMPLIANCE

<p>Outcome 1: Account for and identify all legal gambling machines, devices and owners, licensed juristic and natural persons and excluded persons</p>	<p>Output: Maintained functional national registers</p>	<p>Outcome 2: Facilitated Limited Pay-out Machine sector gross gambling revenue contribution to the economy</p>	<p>Output: Maintained operational National Central Electronic Monitoring System</p>
	<p>Target (Q1 to Q3): 95% uptime and system analysis on functionality, effectiveness and maintenance of national registers</p> <p>Q1-Q3 Achievement:</p> <ul style="list-style-type: none"> • 100% uptime for the period under review. 		<p>Target (Q1 to Q3): 95% uptime on a fully operational NCEMS and system analysis of data, detection and monitoring of significant events associated with any LPM made available for play in the Republic</p> <p>Q1-Q3 Achievement:</p> <ul style="list-style-type: none"> • 100% uptime for the period under review

PROGRAMME 1: GAMING CONTROL AND COMPLIANCE

Output: Advisory Reports on the gambling regulation

Target (Q1 to Q3): Three (3) S65 Advisory Report on gambling regulation produced

Q1-Q3 Achievement:

Three (3) S65 Advisory Reports on gambling regulation produced

- In relation to section 65(1)(b) the following was noted:
 - Licensed bookmakers are offering interactive online games such as Roulette which are considered illegal in terms of section 11 of the National Gambling Act.
 - It was also discovered that some PLAs grants licences to sites with more than five (5) machines without prior approval of the NGB as prescribed by Regulation 3 (2) of the LPM regulations.
- In terms of transitional provision 7 of the NGA, section 14 (1) to (6) remain inoperable until the Minister declares a date by notice in the Gazette after the board has established the national register of excluded persons as required by section 14(7). The national register contemplated in section 14(7) was established by the NGB, however, the declaration has not been made by the Minister. Section 14 of the NGA must be put into operation to ensure a complete and consistent implementation of regulation 2 as the NGB has noted that PLAs apply inconsistent.
- However, it is worth mentioning that to date, only the self-exclusion forms have been prescribed. Further that for effective regulation, it is important for the Minister to also prescribe the fees referred to in sub-regulation 14 (9) (b) as well as the standards to be employed by licensees in giving effect to subsections (10) and (11) referred to in regulation 14 (9) (c).

Outcome 3:

Ensured uniformity of legislation to regulate gambling in a fair and equitable manner, to attract investment in the gambling industry

PROGRAMME 1:

GAMING CONTROL AND COMPLIANCE

Outcome 4: Effectively monitored PLA compliance with gambling legislation

Output: Evaluation of nine (9) PLAs compliance with gambling legislation	Output: Conducted technical analysis of gambling games, machines and devices
Target (Q1 to Q3): Three (3) reports on compliance evaluation of PLAs produced	Target (Q1 to Q3): Three (3) reports on technical analysis of gambling games, machines and devices produced
Q1-Q3 Achievement: Three (3) reports on compliance evaluation of PLAs produced <ul style="list-style-type: none"> • The NGB conducted oversight evaluations over the compliance of Western Cape Gambling and Racing Board, Limpopo Gambling Board, Mpumalanga Economic Regulator, Free State Gambling, Liquor and Tourism Authority, North-West Gambling Board, Gauteng Gambling Board (GGB), Kwazulu-Natal Gambling and Betting Board and the Northern Cape Gambling Board in terms of the NGA, 2004. • Of great concern amongst other findings was that PLAs have licensed bookmakers to offer betting on casino slot type games. The bookmakers' online platforms offer online slot games which require punters to interact with the game to proceed. As such, this is regarded as interactive gambling as defined in the NGA. The operators have made available computer screens for punters to participate on the online gaming platforms, which is a contravention of Section 11 of the NGA. Licensed operators are thus potentially engaging in illegal gambling. • During the site visit and review of site application files, sites were found to operate more than five LPMs in single premises, which is in contradiction with the NGA. Further, oversight visits revealed payments on LPMs above the prescribed amount of five hundred rand (R500) are made to punters. • The non-compliance findings identified through oversight visits to PLAs demonstrate the importance of continuous and collaborative work with PLAs. 	Q1-Q3 Achievement: Three (3) reports on technical analysis of gambling games, machines and devices were produced <ul style="list-style-type: none"> • Reports covered topics on Artificial Intelligence (AI), Virtual Gambling and Blockchain and Cryptocurrencies. AI is changing sports betting by enabling more accurate predictions and analysis of data. • The NGB reviewed blockchain and cryptocurrencies in the gambling industry. With the rise of cryptocurrency, more and more online casinos have started accepting digital currency as a form of payment. This has led to the emergence of a new type of online casino that is tailored specifically to cryptocurrency users. The first and most widely known cryptocurrency is Bitcoin. • Transactions using cryptocurrency are anonymous and the lack of a central authority means that there is little risk of government interference. However, due to the anonymous nature of cryptocurrency transactions, they have been frequently used for illegal purposes such as money laundering and the purchase of illegal goods.

PROGRAMME 1: GAMING CONTROL AND COMPLIANCE

Outcome 5:
**Facilitated S16 confiscation of
proceeds from illegal gambling
activities**

Output:

Targeted Investigation completed within 30 days on the circumstances of illegal gambling activities

Target (Q1 to Q3): Investigations completed within 30 days from receipt of all information

Q1-Q3 Achievement:

All Investigations conducted from Q1 to Q3 were completed within 30 days of receipt of all information

- In the FY2023/24, suspected unlawful winnings matters remitted to the NGB in terms of 16 (4) of the NGA must be investigated within thirty (30) days of allocation for investigation.
- As at 31 December 2023, a total of twenty-two (22) unlawful winnings cases were investigated. These cases were investigated within thirty (30) days from the date when the matters were allocated for investigation.
- The completed twenty-two (22) cases are based on gambling undertaken online with international gambling operators that are not licensed in South Africa. These were, upon conclusion of the investigation, recommended for forfeiture in terms of section 16 (4) (b) of the NGA.

PROGRAMME 2: CORPORATE SERVICES AND RESEARCH DIVISION

Output:
Conducted research on the structural challenges in the LPM sector to facilitate growth

Target (Q1 to Q3):

Three (3) reports on the structural challenges in the LPM sector to facilitate growth produced

Q1-Q3 Achievement:

Three (3) reports on the structural challenges in the LPM sector to facilitate growth produced

- The rollout of LPMs in the country is governed by national legislation and regulations which determine the number of machines allocated to each province and their gradual rollout in three distinct phases.
- The analysis assessed the degree of market saturation of LPMs by district within the provinces of Limpopo and North-West where further rollouts are expected in the near future.
- In Limpopo, Waterberg is the most saturated market across all market saturation measures. Mopani is the second most saturated market along 3 of the 4 measures. Vhembe and Capricorn were equally the least saturated with 2 of the lowest measures each.
- In the North-West Province, Ngaka Modiri Molema is the most saturated market across most market saturation measures. Dr Ruth Segomotsi Mompati is the least saturated across all measures.

Outcome 6:

Addressed structural challenges in the LPM sector to facilitate growth

PROGRAMME 2: CORPORATE SERVICES AND RESEARCH DIVISION

Outcome 7: Effectively monitored socio-economic patterns of gambling activity within the Republic	Output: Monitored market share and market conduct in the gambling industry	Output: Conducted economic analysis and research on the impact of gambling
	Target (Q1 to Q3): Three (3) reports on gambling sector performance (4th quarter FY2022/23, 1st quarter FY2023/24 and 2nd quarter FY2023/24) produced	Target (Q1 to Q3): Three (3) reports on the economic analysis and research conducted on the impact of gambling produced
	Q1-Q3 Achievement: Three (3) reports were produced: <ul style="list-style-type: none"> • Reports analysed turnover, gross gambling revenue and taxes in the gambling industry. Market share and market conduct were analysed across the four modes of gambling 	Q1-Q3 Achievement: Three (3) reports were produced: <ul style="list-style-type: none"> • Reports analysed potential effects of a smoking ban on the gambling industry, online gambling and the effect of economic conditions on on luck vs skills based gambling

PROGRAMME 2: CORPORATE SERVICES AND RESEARCH DIVISION

Output: **Monitored market share and market conduct in the gambling industry**

Target (Q1 to Q3): Conduct twenty-five (25) broad-based public education interventions about the risks and socio-economic impact of gambling

Q1-Q3 Achievement:

- Conducted fifty-five (55) broad-based public education interventions about the risks and socio-economic impact of gambling across rural and urban areas.
- A radio campaign on legal versus illegal gambling; compulsive and addictive gambling; and responsible gambling was conducted and reached over 2.5 million listeners in rural and urban areas.
- The face-to-face communication technique brought strong messages around compulsive/addictive gambling and responsible gambling and reached 480 rural citizens.

Outcome 8:

Educated and informed society on the harmful effects of gambling



National Gambling Board
South Africa

a member of the **etc** group

FINANCIAL ANALYSIS

FINANCIAL ANALYSIS

- Financial Performance of the NGB reflects **revenue generated** amounts to **R206 million** and total **expenditure** incurred was **R195 million**, thus a **surplus** of approximately **R11 million** was realized for the quarter ended 31 December 2023.

- Financial Position reflected a **total assets balance of R125.4 million**, and **total liabilities of R125.4 million**. This balance includes confiscated winnings amounting to R5.4 million as well as retained earnings from previous financial periods.

- Eligible creditors **payments** were made within **19 days**.

Item Description	Current Month	YTD Actual 31 December 2023	YTD Budget 31 December 2023	Budget variance	Total Budget for the year
Revenue					
Transfers from Government Department	0	33 152 000	33 152 400	-400	33 152 400
Other Income	18 993 279	172 981 588	176 709 905	-3 728 317	253 034 905
Total Revenue	18 993 279	206 133 588	209 862 305	-3 728 717	286 187 305
Expenses					
Personnel Costs	6 713 075	32 953 570	32 480 049	-473 521	50 041 863
Travelling & Subsistence	196 347	4 350 063	3 618 536	-731 527	4 653 336
Administrative Expenses	335 929	9 207 009	8 100 300	-1 106 709	11 033 400
Professional and Consulting Fees	17 206 843	144 314 305	145 419 678	1 105 373	209 154 345
Depreciation	206 973	1 754 089	1 633 968	-120 121	2 343 936
Other Operating Expenses	182 630	2 547 805	2 533 200	-14 605	5 200 800
Total Expenses	24 841 797	195 126 841	193 785 731	-1 341 110	282 427 680
(Deficit)/Surplus from Operations	-5 848 518	11 006 747	16 076 574	-5 069 827	3 759 625



National Gambling Board
South Africa

a member of **the dlc** group

CONCLUSION

Legislative reform required

- **National Self Exclusion Register**
- **National study on the socio-economic impact of further rollout of LPMs**
- **Conclusion of the National Gambling Bill and mediation process**
- **Online Gambling**

QUESTIONS



*Gambling legally
and
responsibly*

