NGB ANNUAL PERFORMANCE PLAN
FY2022/25

National Gambling Board
South Africa
a member of the dtic group

Acronyms and Abbreviations

AA	–	Accounting Authority
AI	–	Accountable Institutions
APP	–	Annual Performance Plan
B-BBEE	–	Broad-Based Black Economic Empowerment
CCO	–	Chief Compliance Officer
CEO	–	Chief Executive Officer
CFO	–	Chief Financial Officer
COTII	–	Council for Trade and Industry Institutions
DPP	–	Department of Public Prosecution
EA	–	Executive Authority
EBT	–	Electronic Bingo Terminal
FATF	–	Financial Action Task Force
FIC	–	Financial Intelligence Centre
FICA	–	Financial Intelligence Centre Act
FPP	–	Fraud Prevention Plan
FY	–	Financial Year
GDP	–	Gross Domestic Product
GGR	–	Gross Gambling Revenue
GRC	–	Gambling Review Commission
HOD	–	Head of Department
ICT	–	Information Communications Technology
IG	–	Interactive Gambling
LPMs	–	Limited Payout Machines
MoU	–	Memorandum of Understanding
MTEF	–	Medium-Term Expenditure Framework
MTSF	–	Medium-Term Strategic Framework
NCEMS	–	National Central Electronic Monitoring System
NDP	–	National Development Plan
NGA	–	National Gambling Act
NGB	–	National Gambling Board
NGPC	–	National Gambling Policy Council
NGR	–	National Gambling Regulator
NGRF	–	National Gambling Regulators Foundation
NPA	–	National Prosecuting Authority
NRGP	–	National Responsible Gambling Programme
NT	–	National Treasury
PFMA	–	Public Financial Management Act
PLAs	–	Provincial Licensing Authorities
SAPS	–	South African Police Services
SARGF	–	South African Responsible Gambling Foundation
SCM	–	Supply Chain Management
SDS	–	Service Delivery Standards
SONA	–	State of Nation Address
SWOT	–	Strengths, Weaknesses, Opportunities and Threats
TOWS	–	Threats, Opportunities, Weaknesses and Strengths
the dtic	–	The Department of Trade, Industry and Competition
YoY	–	Year-on-Year

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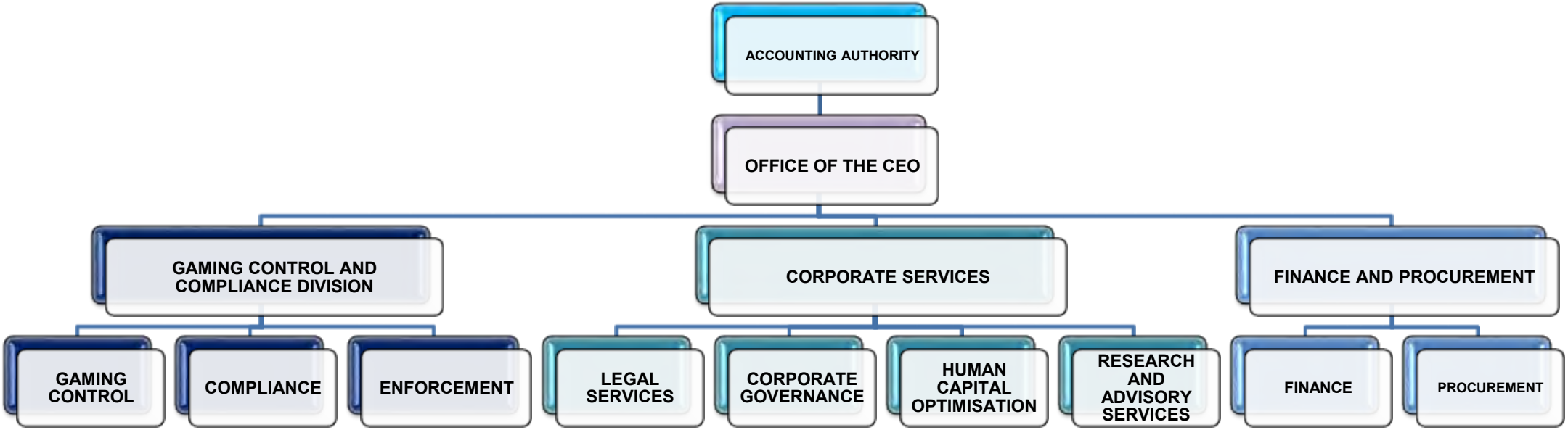
1. ORGANOGRAM



EXECUTIVE AUTHORITY STATEMENT

The Annual Performance Plan (APP) identifies the outputs, output indicators and targets that an entity aims to achieve in the new financial year. The Executive Authority is responsible for providing direction on the development and implementation of policies and strategic priorities of entities in line with their respective mandates, and to ensure the APP is aligned to government's priorities.

The environment in which the APPs of the Department of Trade, Industry and Competition (**the dtic**) and our entities have been formulated remains challenging, given the impact of the COVID-19 pandemic, the July 2021 unrest and more recently the Russia/Ukraine war. At the same time, determined efforts by the Administration has seen signs of economic recovery and greater investor confidence in economic prospects. In this light, Government's priority focus continues to be the recovery of growth, investment and employment, guided by the Economic Recovery and Reconstruction Plan adopted in 2020, and the tasks outlined by President Ramaphosa in the 2022 State of the Nation Address.

This APP is expected to take forward the strategic shift initiated in 2021/2022 toward strengthened implementation and impact of **dtic's** work, through greater integration of efforts within the department and our entities, guided by shared, crosscutting outcomes and joint performance indicators. In this regard, the work of **the dtic** and the entities will be evaluated in relation to three over-arching Outcomes (which incorporate the previous "Joint-KPIs") namely **Industrialisation**; **Transformation**; and **Capable State** (Implementation/ Effective Delivery). In this way these Outcomes more deliberately and directly inform respective outputs and KPIs of the department and entities.

In turn, the scope of the outputs collectively still encompass the identified **dtic's** priorities, which include among others, the work of sector masterplans, initiatives to boost levels of investment and localisation in the economy, expanding trade within the continent, enabling better local economic development, supporting the growth of new industries (in the green economy and through beneficiation) and building a capable state, in particular addressing red tape as prioritised by the President in the 2022 State of the Nation Address.

Every entity in the **dtic** has been requested to align their APPs to the three outputs, it being recognised that a particular entity's core business links more clearly and strongly to one or the other of the overarching Outcomes, than to others.

This APP represents the outcome of the work done by the National Gambling Board. Following the tabling of the APP by **the dtic** itself, each entity of the Department will be expected to consider such additional refinement and additions to be made and following completion of the review, such an addendum to this APP may be submitted in due course after the tabling.

This APP is therefore not about many new objectives but rather on a new way of implementation, with the focus on integration, to enhance the development impact of the work.

I accordingly table the APP for 2022/23 in accordance with the request by the Speaker.

I wish to thank the management for the work done and wish them well in executing the APP and aligning their work to government's overall programmes and priorities.

_____

EBRAHIM PATEL
MINISTER OF TRADE, INDUSTRY AND COMPETITION

Date: ……

ACCOUNTING AUTHORITY STATEMENT

The vision of the NGB is to position South Africa as the pre-eminent jurisdiction with an exemplary and effectively regulated gambling industry. To achieve this, the organisation is tasked with priority delivery areas within the context of the FY2022-2027 Strategic Plan for the NGB, but most importantly taking into account broader economic strategies for the South African economy as enshrined in the National Development Plan (NDP) Five- Year Implementation Plan and the Monitoring Framework for the NDP Five-Year Implementation Plan. In addition to this, the recent global COVID-19 pandemic, which has shaken the world over and resulted in a response by the South African government by way of an Economic Reconstruction and Recovery Plan, requires the organisation to design its APP in a way that entails building a sustainable, resilient and inclusive economy.

The previous financial year (FY2021/22) presented the organisation with many challenges in trying to deal with the shock of the COVID-19 pandemic and navigating through the effects it presented for the gambling industry. For the first time in history, the gambling industry gross gambling revenues plummeted by close to 100%, leaving the industry on its knees and threatened by gambling establishment closures and consequently job losses. However, notwithstanding the difficult environment, the NGB was still able to achieve its objectives of ensuring that it monitored market share and market conduct in the gambling industry, conducted economic analysis and research on the impact of gambling, provided authoritative advice policy, statutory matters and legislative reform in the gambling industry, conducted technical analysis on gaming control and regulation, maintained functional national registers and an operational National Central Electronic Monitoring System, monitored economic transformation opportunities for HDIs in the mainstream gambling industry and better informed and educated stakeholders.

Moving forward, in FY2022/23, the NGB continues on its quest to enhance broad based public education, effectively monitor socio-economic patterns of gambling activity within the Republic, ensure uniformity of legislation in the gambling industry, account for and identified all legal gambling machines, devices and owners, licensed juristic and natural persons and excluded persons and promote economic transformation and increased participation of HDIs in the mainstream gambling industry. Additionally, the NGB will effectively monitor PLA level of compliance with gambling legislation, effectively monitor prohibited gambling and restricted activities and efficiently and effectively investigate proceeds of unlawful gambling winnings. This will be done with a strategic focus of responding to emerging risks in a way that continues to balance consumer choice and enjoyment against the risks associated with gambling and the wider potential economic and social impacts.

The NGB endeavours to align its plan with the South African Economic Reconstruction and Recovery Plan by ensuring the successful implementation of the Plan through complementing its key enablers as well as instituting structural reforms to support the Plan. The NGB will target its resources more effectively to meet the regulatory challenges of an evolving gambling industry coming out of the pandemic while at the same time

holding the industry to account for the responsible conduct of gambling.

This APP reflects the NGB's commitment to effectively address all the strategic issues in the gambling industry for its sustainability with stakeholders, both in the public and private sectors to contribute towards job creation, the objectives of the NDP and other government developmental initiatives.

Ms Caroline Kongwa
Accounting Authority

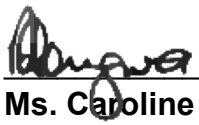
OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the NGB under the guidance of **Ms Caroline Kongwa** in her capacity as the Administrator and Accounting Authority of the NGB
- Takes into account all relevant policies, legislation and other mandates for which the NGB is responsible
- Accurately reflects the outcomes and outputs which the NGB will endeavour to achieve over the period 2022-2025.

Ms Yandisa Ngesi
Acting Chief Compliance Officer

Ms Kaveshka Mackerduth
Chief Financial Officer



Ms. Caroline Kongwa
Accounting Authority

Approved by:

Mr Ebrahim Patel
Minister of Trade, Industry and Competition

PART A: THE NATIONAL GAMBLING BOARD MANDATE

STRATEGIC OVERVIEW

The NGB is established in terms of the National Gambling Act, 2004 (Act 7 of 2004) ("the NGA") under the Executive Authority (EA) of the Minister for Trade, Industry and Competition, to enable Department of Trade, Industry and Competition **(the dtic)** to achieve its objectives and ultimately its mandate. The NGB's mandate is to promote gambling activities in a legal, safe and crime-free environment and protect punters from the over-stimulation of the latent need to gamble.

2. LEGISLATIVE AND POLICY MANDATES

2.1. Constitutional mandate

The Constitution of the Republic of South Africa, 1996, Schedule 4, Part A sets out gambling as a concurrent legislative competence and lists casinos, racing, gambling and wagering (excluding lotteries and sports pools) as functional areas for both national and provincial government. Section 146 of the Constitution applies to a conflict between national legislation and provincial legislation falling within a functional area listed in Schedule 4.

In the Republic, the government is constituted as national, provincial and local spheres of government which are distinctive, interdependent and interrelated.

All spheres of government must observe and adhere to the principles of co-operative government and intergovernmental relations and must conduct their activities within the said principles.

2.2. Legislative and Policy Mandates

The NGB is established in terms of the NGA. The NGB is established as a Schedule 3A Public Entity in terms of the Public Finance Management Act (PFMA), 1999 (Act 1 of 1999). The mandate of the NGB is set out in sections 33 and 34, read with sections 32, 21 and 65 of the NGA, and these are:

- Oversight of gambling in the Republic of South Africa by:
  - Evaluating the issuing of national licences by the PLAs
  - Evaluating the compliance monitoring of licensees by PLAs
  - Conducting oversight evaluation of the performance of PLAs so as to ensure that the national norms and standards established by the NGA are applied uniformly and consistently throughout the Republic
  - Assisting PLAs to ensure that the unlicensed gambling activities are detected
- Monitoring of market conduct and market share
- Monitoring socio-economic patterns of gambling activity and research and identify patterns of the socio-economic impact of gambling and addictive or compulsive gambling
- Establishing and maintaining a national registry of every gambling machine or gambling device manufactured within or imported into the Republic, as well as

maintaining all other legislator prescribed registers

- Investigate alleged unlawful winnings that emanate from unlawful gambling activities. If such winnings are found to be unlawful, an application to the High Court for an order to declare the winnings forfeited to the State is made. Where winnings are deemed to be derived from legal gambling activities, funds are returned to the punter.

- Advising and providing recommendations to the NGPC on, amongst others, matters of national policy and legislative changes relating to gambling

2.3. Other mandates

The implementation of the of the NGB's mandate is also indirectly governed by the following legislation:

- Constitution of the Republic of South Africa, 1996
- Broad Based Black Economic Empowerment, 2003 (Act 53 of 2003)
- Financial Intelligence Centre Act, 2001 (Act 38 of 2001)
- Cyber Crimes Act, 2020 (Act 19 of 2020)
- Protection of Personal Information Act, 2013 (Act 4 of 2013)
- Inter-governmental Relations Framework Act, 2005 (Act 13 of 2005)
- Competition Act, 1998 (Act 89 of 1998)
- Prevention of Organised Crime Act, 1998 (Act 121 of 1998)
- Public Finance Management Act, 1999 (Act 1 of 1999)
- Criminal Procedure Act, 1977 (Act 51 of 1977)
- Films and Publications Act, 1996 (Act 65 of 1996)
- South African Police Service Act, 1995 (Act 68 of 1995)
- Standards Act, 2008 (Act 8 of 2008)
- Legal Metrology Act, 2014 (Act 09 of 2014)
- National Regulator for Compulsory Specifications Act, 2008 (Act 5 of 2008)
- Consumer Protection Act, 2008 (Act 68 of 2008)

2.4. Policy mandates

The NGA is premised on the National Gambling Policy, 2016 which informs the key performance outcomes of the NGB. These outcomes manifests through advice and recommendations to the NGPC on, amongst others, matters of national policy and legislative changes relating to gambling.

3. INSTITUTIONAL POLICIES AND STRATEGIES OVER THE FIVE YEAR PLANNING PERIOD

There are various Government policies and plans which continue to inform the NGB's strategic direction and implementation of its mandate in order to achieve its intended outcomes. The NGB has aligned its strategy with the following:

- The National Development Plan (NDP), 2030
- The Medium Term Strategic Framework 2019-2024
- The National Gambling Policy, 2016
- The South African Economic Reconstruction and Recovery Plan, 2020
- African Continental Free Trade Agreement

In his **State of the Nation Address** on 10 February 2022, his Excellency the President of the Republic of South Africa focused strongly on the Economic Reconstruction and Recovery Plan, laying out four (4) priority interventions to be focused on, namely:

- A massive rollout of infrastructure throughout the country
- A massive increase in local production
- An employment stimulus to create jobs and support livelihoods
- The rapid expansion of our energy generation capacity

The strategic outcomes and interventions laid out by the NGB for FY2021-2026 were specifically set to complement this plan.

4. ALIGNMENT WITH the dtic APP

The National Gambling Board will also support the Economic Reconstruction and Recovery Plan, 2020, and the seven new joint indicators which are the implementation plans aligned to the NDP. The National Gambling Board objectives are set out in the National Gambling Act, 2004. As a regulatory body it can determine the outcomes of these objectives by aligning its regulatory mandate to meet the objectives of the NDP and the dtic. The three (3) new consolidated joint indicators are:

- Joint Indicator 1: Industrialisation;
- Joint Indicator 2: Transformation;
- Joint Indicator 3: Delivery/Capable State.

The performance progress with regards to all seven new joint indicators will be reported quarterly to **the dtic.**

5. RELEVANT COURT RULINGS

There are no relevant court rulings that have a significant, ongoing impact on operations or service delivery obligations.

PART B: THE NGB STRATEGIC FOCUS

6. OUR VISION, MISSION AND VALUES

7. SITUATIONAL ANALYSIS

The task of the NGB in regulating the industry remains complex with a changing gambling landscape.The financial year FY2020/21 saw the gambling industry in South Africa come to its knees following the outbreak of a global pandemic that led to a complete halt of the industry in the first quarter as well as subsequent re-opening of the gambling facilities at reduced capacity due to extensive COVID-19 health and safety guidelines adopted by the industry and adverse impact on revenue generation. The effects of the

COVID-19 pandemic were clearly visible in the first quarter of FY2020/21, when the land-based industry was completely shut down for the first time in the history of its regulation which resulted in the negative performance of the industry during this period. Gambling revenues were down more than 50% owing to a nationwide lockdown being instituted.

FY2020/21 as a whole saw the gambling industry lose more than R10 billion in gambling revenue generating R23.3 billion in comparison to the previous year, with casino GGR declining the most by 50% from FY2019/20 owing to the effects of the COVID-19 pandemic. The share of casino revenue in total revenue declined below the 50% mark in terms of market share for the first time in ten (10) years. This was because the growth rate in casino operational positions was negative for three (3) consecutive years, the largest drop being in FY2020/21 due to COVID-19.

The COVID-19 pandemic, particularly took betting in South Africa to ground breaking levels due mainly to its continued accessibility even during the lockdown. The betting sector overtook the casino market to become the biggest market share holder in terms of GGR.

Just three (3) years ago, gambling revenue was primarily drawn from the casino sector a land-based sector which generated 61% of total gambling revenue, as online gambling is prohibited in South Africa.

The effects of the COVID-19 lockdown however propelled changes to the gambling landscape as seen in the shift in market share towards the betting industry, an industry cutting across both the land-based fraternity and online. Betting revenue instantly made up 99% of revenue once the land-based landscape was completely shutdown as punters turned to betting as the only form of gambling available and accessible online. As at the end of the 2020/21 financial year it accounted for 45% of gambling revenue.

However, as the FY2021/22 commenced, the period depicted signs of recovery in some modes of gambling in the third wave of the pandemic and under eased lockdown. Money wagered in the betting industry in Q1 (R38.5 billion) was about double the amount wagered in the same period last year and even surpassed money wagered in Q1 FY2019/20 (R19.6 billion), before the COVID-19 pandemic existed. Betting GGR increased to R12.0 billion, more than seven-fold from the last financial year levels as well as pre-COVID-19 levels of R1.8billion. In fact, Q1 alone of FY2021/22 managed to amass more betting GGR than that generated in the entire FY2020/21. Betting GGR in Q1 FY2021/22 was a record 71.8% of total GGR with the Gauteng province generating the most betting GGR. GGR from casinos likewise increased in Q1 of the new financial year (R3.5 billion) compared with Q1 of the previous year but the revenues were still less than the pre-COVID-19 level of FY2019/20Q1 (R4.6 billion).

The NGB will continuously monitor gambling sector performance despite the pandemic and national lockdown with the intention of keeping abreast of developments in the gambling industry in relation to the effects of the COVID-19 pandemic.

Regulators therefore have a great task of regulating gambling in this changing environment as well as making tough decisions concerning the combatting of online gambling. Informing the general public about the addictive potential of gambling is paramount, but more targeted awareness

campaigns should be undertaken given each provinces unique gambling landscape. These responsible gambling measures need to be undertaken by multiple stakeholders including gambling operators.

The gambling environment is continuously changing due to new technology with a host of new products coming into the market. This presents a challenge for a gambling regulator, as the NGB, and requires the regulator to be innovative and agile in achieving its objectives. To support improved industrial performance, dynamism and competitiveness of local companies, the NGB currently monitors the LPM sector through a technologically driven National Central Electronic Monitoring System (NCEMS) ensuring that gambling revenues are accurately captured and allocated to the relevant stakeholders.

From a political perspective, the NGB has been involved in continuous deliberations on the National Gambling Amendment Bill, 2018. The purpose of the bill is to provide for the reconfiguration of the NGB to become the National Gambling Regulator (NGR) led by a Chief Executive Officer (CEO) without a board structure; the automatic forfeiture of unlawful winnings to the NGR; the extension of the NCEMS to other modes of gambling; and the enhancement of the powers of the national inspectorate to curb illegal gambling activities; amongst others.

The economic imperative to promote economic inclusion continues to be an opportunity for the NGB to contribute to the economic emancipation of Historically Disadvantaged Individuals by facilitating their participation in the mainstream gambling industry. As such, the NGB researches key gambling issues to inform the legislative and policy environment.

Economic and social challenges are key focus areas to be addressed by the NGB and the gambling industry. The current regulations attempt to address the economic challenges; however, work still needs to be done to ensure the proper application of these regulations.

Enhanced regulation from an enforcement perspective is required to enable mass monitoring of online traffic to identify gambling-related activities and gambling by minors, as well as prohibiting the offering of illegal online gambling services to the South African public. Improved provisions in the legislation will enable enforcement officers to gather and consolidate intelligence about illegal gambling and to eventually blacklist illegal operators.

As part of its efforts, the NGB considers a need to strengthen relations with the PLAs and all stakeholders including the law enforcement agencies. Through collaborative efforts, appropriate dispute resolution mechanisms and the identification of illegal operators, an action plan to curb illegal gambling and focused awareness programmes can be designed to avoid inter-governmental disputes, overwhelming illegality in the gambling industry and promotion of responsible gambling respectively.

The development of national enforcement strategies by multi-disciplinary law enforcement agencies and continuous collaboration is key to ensuring that detected illegal gambling activities receive the necessary attention.

The NGB will increase its efforts to provide education in terms of the risks and the socio-economic impact of gambling and to educate the public in the reporting of illegal gambling

activities. The NGB will also increase its efforts to assist in the prosecution of operators who are found to be offering illegal gambling activities and the forfeiture of unlawful winnings to the State. It is a priority that there is the successful prosecution of illegal operators and that the public is informed about the consequences of participation in illegal gambling activities.

7.1. External environmental analysis

The NGB regularly scans the gambling environment to identify opportunities to execute the NGB's mandate. The following key priorities have been identified which inform the implementation of the entity's strategy:

a) To position the NGB strategically and advocate delivery in accordance with national gambling legislation
b) Substantive review of the NGA
c) Economic analysis of gambling in RSA
d) Foster harmonisation and uniformity in the gambling industry
e) Gaming control and regulation
f) Position the NGB as a pre-eminent national regulator
g) National repository for gambling-related information
h) Engaging in opportunities which create platforms for the benefit of the country with reference to gambling law enforcement
i) Enhance national enforcement capabilities to lead detection and combatting of illegal gambling in South Africa
j) Leveraging from the mandates of other law enforcement agencies to advance gambling law enforcement.
k) Create an enabling environment that fosters foreign direct investment in this industry
l) Determine the size and shape of the industry as reflected in the monitoring of market conduct and market share and reporting on gambling sector performance by the NGB
m) Facilitate and monitor the transformation of the industry in line with the B-BBEE Act and Codes of Good Practice
n) Informing and educating the public and stakeholders about the socio-economic impact and risks of gambling
o) Increased monitoring capacity of the NGB by extending NCEMS to all legal modes of gambling
p) Conceptualisation on the best approaches to the regulation of betting
q) Regulate technologically advanced forms of gambling
r) Promulgation of regulations for excluded persons
s) Provision of alternative dispute resolution mechanisms to punters
t) Increase of revenue base towards becoming a self-sustaining entity
u) Conduct research on the socio-economic patterns and consequences of gambling
v) Conceptualisation of cost-effective resolution of unlawful winnings
w) Legislative reforms in order to effectively regulate gambling.

The NGB has developed a strategy that is outcome-focused, considering gambling regulation expertise, leadership and regulatory certainty. The NGB has created a social dialogue with various stakeholders in the gambling industry locally, on the African continent and internationally. The rationale for the creation of such a broad forum is for conversations on gambling issues amongst all stakeholders and specifically regulators to enhance the NGB's capability to regulate the South African gambling industry.

Bilateral and multilateral agreements to permit enforcement across the South African borders would require regulators to work together to strengthen the capacity to prohibit and combat illegal gambling.

The successful prosecution of illegal operators is vital and the public should be informed of the consequences of participation in illegal gambling activities. The aim is to provide education in terms of the risks and socio-economic impact of gambling. In addition the public should be educated on their role to assist the NGB in the identification and reporting of illegal gambling activities.

The legal industry is affected by the mushrooming of illegal gambling which creates direct unregulated competition and this scenario is of huge concern to regulators. For example illegal gambling operators offer illegal online gambling to South Africans in such a way that participation is perceived as legal. They provide step by step instructions to deposit money in Rand currency and advertise their business by referring to South Africans who won huge amounts of money thus encouraging (potential) gamblers to participate. In some instances, they publish the NGB logo and that of the South African Responsible Gambling Foundation, which gives a false impression that unregulated online gambling is legal in South Africa.

In event Illegal gambling operators are not pursued they are able to use their gambling offerings to mislead the public, and where there is a lack of knowledge regarding licensed and unlicensed forms of gambling by a punter the resultant effect would be participation in illegal gambling.

Lack of uniform and effective national policy implementation of the licensing regime (licensing forms of gambling, which are not envisaged from a national perspective), remains a challenge and is an ongoing debate. Gambling-related crimes are not regarded as a high priority offence by South African law enforcement agencies, thus creating a challenge to manage the problem. Increased collaboration with the South African Justice System and joints monitoring and implementation of the national enforcement strategies by multi-disciplinary law enforcement agencies is key to ensuring that detected illegal gambling activities are alleviated.

South African financial institutions are frequently utilised as mediums of exchange between an online gambler and illegal online operator's. Although banks play a huge role in detecting unlawful winnings, the scope of financial transactions that they deal with is extensive hence it becomes a challenge for banks to report financial transactions that specifically relate to winnings which emanate from illegal gambling.

7.2. Internal Environmental analysis

The NGB, as the implementing agent of **the dtic**, is dependent on a financial grant from **the dtic**. However, the NGB raises additional revenue to deliver on all key performance areas as per the NGB's mandate.

The NGB has distinguished itself, based on effective systems, processes, resources and organisational culture, as an efficient, effective and well-recognised gambling regulator that maximises its potential for the benefit of stakeholders, staff and management. The following strategic human capital pillars have been identified for the next five (5) years in order to ensure that human capital issues are effectively addressed:

- Create a high-performance

organisational culture, recognising teamwork and spirit
- Create a learning and development organisational culture
- Strategic talent acquisition and retention for organisational effectiveness
- Overhaul of the organisational reward strategy
- An integrated information management system
- Legislative compliance and diversity

The NGB is required to comply with the prescripts of the B-BBBE Act, 2003. As such, an assessment was conducted by a B-BBEE verification agency against the requirements contained in the B-BBBE generic scorecard applicable to government enterprises. The NGB was rated with a B-BBEE compliance Level 8 status i.e. a non-compliant entity. Notwithstanding this, the NGB will continue to implement measures to improve its compliance level and adhere to the letter and spirit of the B-BBEE Act, 2003.

ICT systems and processes are in place within the NGB. The ICT infrastructure is adequate and is positioned to enable the organisation to perform its functions effectively and efficiently thus ensuring that the NGB is able to deliver on its mandate.

7.3. Description of NGB strategic planning process

The NGB is committed to an ongoing, inclusive process of strategy development, planning, alignment and review. As an important part of this process, the NGB engages with its key stakeholders and obtains structured inputs into its planning and review process.

In developing the strategic plan, the NGB has considered the NDP as the overarching program that guides Government priorities of the current administration as well as the current MTSF 2019-2024. This is depicted in Table 1 of the Strategic Plan 2022/2027 which reflects the alignment of the NGB objectives, MTSF 2019-2024 and the objectives and vision of the NDP.

Secondly, the priorities of **the dtic** were taken into account, to ensure that there is alignment between the NGB objectives and **the dtic** priority areas. In thus implementing its Strategic Plan, the NGB will work towards fulfilling the industry policy objectives as directed by the Minister of Trade, Industry and Competition as well as the Portfolio Committee for Trade and Industry.

A situational analysis was conducted to identify and evaluate the existing internal and external elements or environment that may impact on the NGB's ability to achieve its strategic objectives. This was performed through the use of a SWOT, PESTEL and TOWS analysis. The TOWS analysis was ultimately utilised to derive the NGB's outcomes.

The overall risk appetite of the organisation has been revisited to take stock of the new challenges in the external environment, changes in the regulatory framework, the internal control environment and the degree of oversight exercised by the NGB as a whole.

An updated risk register has been developed as part of the risk assessment of the new corporate strategy. The different programs of the NGB are underpinned by a budget that is based on the ability of the NGB to receive grant funding from **the dtic,** as well as the entity being in a position to generate its own revenue over the outer lying years in the MTEF period.

The overall financial plan takes into account the asset management plan to ensure the NGB has adequate levels of capital and liquidity to meet the regulatory and operational requirements on a sustainable basis.

Political

The strategic plan for FY2022-27 aligns with the vision of the administration that came into effect in 2019. The regulation of the gambling industry is influenced by policy, and new policy changes, such as possibly legalising online gambling, or a review of the concurrent legislative competency model, would logically impact how gambling is regulated in the country.

The National Gambling Policy, 2016 necessitated the amendment of the NGA. The National Gambling Amendment Bill of 2018, if passed, will provide an opportunity to bring about necessary amendments to the NGA, to address existing challenges and to introduce new approaches to enforcement against illegal gambling and better regulation of legal gambling.

Urgent attention should be given to the prescription of certain dates in terms of transitional provisions contained in the Schedule to the National Gambling Act, 2004, matters about excluded persons and National Registers, Re-certification of Gambling machines and devices, the remittance of unlawful winnings to the NGB in terms of section 16 and Form NGB2.

Certainty is required to urgently and expeditiously deal with disputes between the NGB and PLAs regarding interpretation and implementation of the NGA; implementation of the B-BBEE Act, 2003; and alignment of laws to give effect the underlying spirit of co-operative governance. The existing challenges that hinder the effectiveness of the National Gambling Policy Council (NGPC) continue to impede the NGB achieving its mandate.

Economic

The introduction and legalisation of gambling in terms of the NGA ensures that revenue is generated for the country in a manner that fulfils the objects of the NGA. The economic contribution that the industry makes to the economy creates an enabling environment that will further facilitate job creation. Indeed, one of the economic benefits derived from the gambling industry in South Africa is its ability to generate revenue for the government, which supports the administration of fiscal policy in the form of government expenditure towards economic development, infrastructure improvement, building schools, and enhanced service delivery amongst others. Pre-COVID-19 the gambling industry has enjoyed year-on-year growth in GGR, which was a positive contribution to GDP.

Gambling revenues reached R32 billion in FY2019/20. Taxes and levies derived from the industry amounted to R3.2 billion growing from previous financial years, displaying the need for continued and effective regulation of the industry and dialogue between stakeholders to lead to an economically sustainable gambling industry.

However, slow economic growth and recession due to the impact of the COVID-19 pandemic saw a reduction in gambling revenue to R23.3 billion and tax collection to R2.0 billion, which in turn, eroded revenue generation for government, and resulted in retrenchments in the industry.

Domestically, a high unemployment rate is a contributing factor to people choosing to gamble, especially through illegal gambling offerings. Such punters are driven by the desire to achieve economic freedom as a result of economic desperation. At the same time, other punters may well be aware of the legislation governing legal modes, but continue to participate in illegal modes of gambling, commonly unregulated online gambling, regardless of possessing the knowledge that it is illegal. In most cases, such punters are found to be the more affluent group driven to participate in illegal gambling mainly for entertainment and leisure purposes. Generally, a steady increase in disposable household income could increase the propensity to gamble as discretionary income increases. This practice is usually high during the festive season.

From an industry perspective, the NGB has also been observing slow industry transformation regarding B-BBEE. While licensed operators may be B-BBEE compliant due to such compliance being part of licence application requirements, there is a distinction to be made between black empowerment through control, and black empowerment through equity. Transformation in the form of equity transfer remains a challenge. The gambling industry is also encouraged to provide opportunities to new entrants, particularly the historically disadvantaged individuals, women and youth.

The gambling industry has also been transforming through a growing trend of mergers between operators, and this space needs to be monitored. On the one hand, mergers may be positive to the industry as the combining of skills, resources and access can create new opportunities and provide longer-term stability. On the other hand, mergers between large role players can create monopolies that would stifle existing smaller competitors and create barriers to entry for prospective entrants that may be the very target of the transformation efforts of the government. However, there is regulatory uncertainty whether such mergers are anti-competitive or not, as no determination regarding this issue has been made. The NGB is of the view that this should be explored and resolved.

Social

The NGB is required to coordinate and ensure that society is protected against the over-stimulation of the latent need for gambling. This implies that as part of its strategic plan, the NGB should monitor the likely impact and negative effects of gambling on the community to ensure that there is increased awareness and education.

Persistent poverty and inequality contribute to gambling being perceived as an income-generating activity as opposed to a recreational activity, leading to more punters becoming involved in illegal gambling. Compulsive and addictive gambling is a huge social problem, as it affects not only the individual that is addicted, but also their families and society at large.

One social factor that can affect the gambling industry is the risk of a public health pandemic on citizens (potential punters and employees of gambling establishments) as well as gambling businesses following the nationwide lockdowns and shutdowns of the industry for long periods, which may also result in punters seeking to partake in unregulated gambling activities. In addition, social distancing measures and curfews to mitigate the spread of such pandemics have the risk of decreasing the number of patrons

in a gambling establishment and consequently affecting revenue generation going forward.

Another factor that can lead to over-stimulation is the accessibility of gambling through mobile devices, and in particular, to young people that favour the use of technology rather than traditional methods of gambling. As more young people gain access and are likely to use technology in various ways in their lives, it is important for the NGB to be vigilant of the growing population of a technologically literate generation and to identify strategies that will guide and assist this group with the awareness of the dangers of gambling.

Research has identified that the profile of the punter is changing – younger people (18-35 years) are engaging in gambling due to the evolution of gambling offerings. The use of mobile devices may further allow players to bet on the outcome of various contingencies simultaneously from the convenience of their location and may be encouraging new types of players and new styles of play. For example, the developers of games have identified that millennials find games of chance unappealing, and prefer games that incorporate the element of skill, and have adapted their offerings to target this market segment.

Advertising of gambling is also a factor, as it is not illegal to advertise, and licensed operators also sponsor events and TV shows, which are aimed at having a wider reach into society to draw more punters to their offerings. This is also supported by the influence of social media platforms.

The NGB will continue to monitor the negative effects of gambling and has planned to increase its efforts to raise public awareness and provide targeted education interventions. This will include the use of technology such as social media to counter the risks of ignorance and misinformation and advocate responsible gambling.

Technology

Technology has always played a role in the development of gambling practices and continues to provide new market opportunities and simultaneously challenges for regulators. Specifically, technological advancement has a bearing on social interaction and communication (social networking), where new technologies skirt the gambling regulatory aspects.

The fourth industrial revolution (known as 4IR) is already upon us, and the regulatory environment is impacted by rapidly changing technology. New products and offerings are continuously developed through technology. We are already in a world of artificial intelligence, virtual reality and “the Internet of Things” (IoT), and the rate of change in itself is increasing. Faster internet connectivity will make NGB systems such as NCEMs and the national registers more easily accessible, accelerate the collection of data and improve the efficiency of business processes. The result will be that through technology, the NGB will be able to fulfil its mandate more efficiently. This also creates opportunities for new research to be conducted.

However, new ways of offering and accessing gambling as a result of technological advancement affect both regulation and enforcement. It opens the door to increased illegal gambling such as online gambling by minors due to access on mobile devices and gamblification. The use of mobile devices to partake in gambling will be a growing challenge to gambling regulators.

The ease of access to gambling products as a result of mobile devices can potentially lead to over-stimulation and problem gambling.

At the same time, the constant arrival of inventions and innovation, such as virtual sports and Electronic Bingo Terminals (EBTs) place a strain on the effectiveness of existing regulations, which may be deficient as such technology did not exist at the time that such regulations were developed.

As gambling becomes diverse and embraces new technologies, it raises the question of whether the existing regulatory framework is agile and able to withstand the disruption that technology presents. The NGB has to consider whether it is necessary to develop a legal framework to regulate gambling products and services as opposed to the existing legal framework remaining technologically neutral.

Although technological advancements enable more gambling services to be offered online, the South African regulatory model favours the destination approach, as this requires some effort to gain entry to licensed gambling premises. These brick-and-mortar establishments are now under threat as a result of the impact of technology, and this has had an impact on their profitability.

The NGB will continue to monitor the impact of technology through conducting research to build a knowledge base for advice to its stakeholders.

Environment

The imposition of smoking bans through the enactment of legislation is expected to further erode the profits of such operators, as they have to either invest in costly infrastructure development to be able to cater for both smoking and non-smoking areas or accept the risk of patrons that want to smoke abandoning them and thus forfeiting revenue. The NGB will monitor this risk through its oversight of compliance by operators.

The global issue of climate change continues to have a bearing on the global economy as well as the gambling industry. This is because the industry attracts tourists from all over the world who may be deterred from visiting the country by changes in climate conditions. From an operational point, the industry is a high user of electricity due to its nature of operations which usually constitutes a huge display of lavish bright lights, water sprays and air conditioning as well as servers that operate for 24 hours a day- all of which consume a lot of electricity. The NGB therefore will closely monitor opportunities to move towards a greener gambling industry through the use of renewable energy.

Legal

The law regarding the legalised modes of gambling is clear. However, the application of the NGA has identified various challenges. There is also a need to address the misalignment between the application of national and provincial legislation. Currently, there is an expectation that all provincial legislation is drafted to ensure alignment with the NGA. However, it is within the nature of legislation that while there may be agreement on what law states, there can often be disagreement on how to interpret what the law says. As a result, this can lead to inconsistency in the application of gambling laws, in the absence of clear norms and standards to ensure uniformity in approach from province to province.

7.4. SWOT analysis

Strengths

The NGB is empowered by the NGA to carry out its mandate. The NGA is the national legislation governing the regulation of the gambling industry, and it dictates how licensing is to be conducted by provinces. Provincial legislation thus exists only to support the NGA, but cannot conflict with it. This authority to evaluate the issuance of national licences and compliance monitoring of licensees by PLAs, by conducting oversight over PLAs for compliance with the NGA and provincial legislation is a key strength of the NGB.

The NGB has the authority and ability to monitor Gambling Sector Performance and analyse trends in market share and market conduct and access international gambling information. This information is vital for the government to be constantly aware of the status of the industry, and to be able to make informed projections for future planning of governmental priorities. It is also critical for the assessment of the state and progress of transformation in the industry.

Gambling is a legal activity in South Africa. To ensure that the public is made aware of the risks and socio-economic impact of gambling, as well as what is legal and what is not, the NGB can conduct informed broad-based public education and awareness campaigns, both on its own and in collaboration with external stakeholders.
The NGB is able to maximise its success through relationships with key stakeholders, and in various instances, the NGB has entered into Memoranda of Understanding, which enable the NGB to collaborate with other entities on matters of common interest.

The NGB is the only entity in the country that has a legal mandate to establish and maintain National Registers, including the NCEMS, which is a revenue generator.

Weaknesses

Despite the existence of empowering legislation, the NGA has limitations that hinder the conducting of enforcement activities.

The NGB has also identified that while it does provide broad-based public education and awareness campaigns, these do not reach a sufficient percentage of the intended target market, and the consequence of this is that the mandate of the NGB is not communicated effectively to the public.

Opportunities

The NGB has also identified various opportunities. If the NGB can develop, implement and enforce national gambling industry norms and standards, this would bring about much-needed uniformity in the application of applicable legislative prescripts and would ensure the implementation of industry-related best practice.

Repositioning of the NGB and a substantive review of the NGA would enable the conceptualisation of better approaches to the regulation of new modes of gambling and more cost-effective resolution of unlawful winnings. This also provides an opportunity for the establishment of an ad-hoc National Gambling Tribunal to speedily resolve complaints that may arise between the punters and gambling operators.

The NGB is also able to leverage the legislative authority of other regulators and collaborate on matters of common interest to

maximise achievement of the objectives of the NGB.

The NGB has the opportunity to address the needs of every involved stakeholder in the gambling industry efficiently and effectively through a broad-based national programme on the risks and socio-economic impact of gambling.

There is also the opportunity for the NGB to embrace rapid changes in technology to better regulate technologically advanced forms of gambling. Technology can also be used by the NGB through the extension of NCEMS to all legal modes of gambling, thereby increasing its monitoring capability, improved regulation and government accountability for taxes and levies collected.

Threats

There is a lack of uniformity in the implementation of the NGA by PLAs due to concurrent legislative competence, which brings about anomalies.

Due to delays in amending the national regulatory framework, lacunae in the law are being exploited due to regulatory uncertainty, i.e. betting on the outcomes of lotteries.

Combating illegal gambling is also a challenge for the NGB due to the mushrooming of illegal gambling activities across the country. A further challenge is the lack of prosecution of illegal gambling operators due to illegal gambling not having been viewed as a high priority crime by law enforcement agencies.

Climate change poses a threat to the sustainability of the global economy and the gambling industry itself due to the industry's high-energy consumption.

7.5. TOWS analysis

The NGB can combine its strengths with its opportunities in various ways. Through its relationships with PLAs, it seeks to implement compliance measures for PLAs to achieve effective regulation.

In execution of its mandate, the NGB will leverage off the legislative authority of stakeholders through collaborative initiatives to embark on broad-based public education and awareness campaigns in provinces. Ability to conduct informed broad-based public education and awareness campaigns through various modes of engagement will enable the NGB to address the needs of every involved stakeholder in the gambling industry efficiently and effectively through a broad-based national programme on the risks and socio-economic impact of gambling.

The NGB also will undertake broad-based education and awareness initiatives to ensure the dissemination of research information to the public on local and international platforms. The NGB will research key gambling issues and priorities to inform policy development as well as to assist the NGB with fulfilling its mandate.

The NGB plans to improve its monitoring capability by extending NCEMS to other modes of gambling.

The NGB plans to advise the NGPC about developments in the gambling industry which may inform legislative and policy development. The NGB will monitor Gambling Sector Performance and undertake national and international benchmarks with other jurisdictions to inform the future landscape of the gambling industry in South Africa.

The NGB has identified the improvement of data collection regarding the national registers, by including data import functionality on the registers.

Finally, the NGB will use its mandate to influence the reduction of barriers to transformation in the gambling industry by pursuing an industry transformation agenda.

PART C: MEASURING THE NGB PERFORMANCE

8. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

8.1. Financial Plan

The National Gambling Board will derive 14.5 per cent (R112.0 million) of its revenue over the medium term from transfers from the department, while 85.5 percent (R659.2 million) is derived from other revenue sources, which mainly includes the National Central Electronic Monitoring System and interest revenue. Total revenue is expected to increase from R240.5 in 2021/22 to R257.0 million in 2023/24, representing an increase of 7.0 per cent.

8.2. Expenditure Trends

Expenditure on goods and services is set to increase at an annual average rate of 4.9 per cent, from R232.3 million in 2021/22 to R256.8 million in 2023/24. Goods and services will account for 80.6 per cent of total expenditure over the medium term, largely attributed to the operations of one of the national registers, the National Central Electronic Monitoring System.

Table 1: Income and Expenditure

R Thousand	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	AUDITED OUTCOME			BUDGET ESTIMATE			
Revenue							
Grant from **the dtic**	32 624	33 797	31 027	35 928	36 477	36 836	38 641
NCEMS monitoring fees	202 034	220 338	146 064	200 500	212 500	216 000	219 105
Interest received	3 018	3 801	2 315	3 720	3 744	4 100	3 744
Rental income	4 423	4 408	2 237	0	0	0	0
Other miscellaneous income	-		0	0	0	0	0
Total Revenue	242 099	262 344	181 643	240 148	252 721	256 936	261 490
Expenditure							
Employee costs	25 390	33 774	38 005	41 324	43 663	46 143	48 771
Subsistence & travel	6 151	4 062	0	1 435	1 435	1 435	1 435
Administration costs	12 323	14 384	9 726	10 107	11 247	12 920	12 920
NCEMS service fees	168 362	183 615	121 720	167 083	177 083	182 588	182 588
Professional services	4 288	6 873	5 082	5 273	6 172	6 622	6 672
Depreciation	2 538	3 158	3 193	3 230	3 230	3 230	3 230
Other operating expenses	4 163	5 167	2 356	3 818	3 843	3 842	3 842
Total Expenditure	223 215	251 033	180 082	232 270	246 673	256 780	259 458
Surplus / (Deficit)	18 884	11 311	1 561	7 878	6 048	156	2 032

8.3. Asset and liability management

It is projected that the NGB's assets will be adequate to cover total liabilities throughout the entire MTEF period. All tangible assets have been insured with a reputable registered insurer.

8.4. Cash flow projections

The cash flow projections below reflect a decline in cash receipts from the LPM

industry as the economy is expected to continue to be on a downward trajectory, owing to the impact of COVID-19.

Table 2: Cash flow projections

Cash Flow Description	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	AUDITED OUTCOME			BUDGET ESTIMATE			
R Thousand							
Cash receipts from stakeholders	241 644	269 614	178 794	240 148	252 721	253 436	261 490
Tax receipts	-	-	-	-			
Rent received	2 277	8 000	3 709	0	0	0	0
Transfers received	32 624	33 797	31 027	35 928	36 477	36 836	38 641
Fines, penalties and forfeits	-	-	-	-	-		-
Interest	2 993	3 779	2 306	3 720	3 744	4 100	3 744
Rent on land	-	-	-	-	-		-
Limited payout machine monitoring fees	203 750	224 038	141 752	200 500	212 500	212 500	219 105
Cash paid to stakeholders	236 289	253 445	177 502	229 040	243 443	253 550	256 228
Current payments	236 289	253 445	177 502	229 040	243 443	253 550	256 228
Compensation of employees	31 882	33 824	38 145	41 324	43 663	46 143	48 771
Goods and services	204 407	219 621	139 357	187 716	199 780	207 407	207 457
Cash flow from operating activities	5 355	16 169	1 292	11 108	9 278	-114	5 262
Cash flow from investing activities	-2 826	-458	-1 637	-400	-420	-441	-463
Cash flow from financing activities	405	294	253	267	267	400	267
Net increase / (decrease) in cash and cash equivalents	2 934	16 005	-92	10 975	9 125	-155	5 066

8.5. Capital expenditure programmes

Capital expenditure projects for the medium term will be limited to the replacement of computers as they reach the end of their useful lives.

8.6. Dividend policies

The NGB is a Schedule 3A public entity established in terms of the National Gambling Act. The organisation is funded from grant allocations from **the dtic.** The dividend policy does not apply to the NGB.

9. PROGRAMME PERFORMANCE

The NGB is mandated, amongst other functions in the NGA, to co-ordinate activities relating to the exercise of concurrent competence within the national and provincial spheres of government to establish certain uniform norms and standards. These provisions apply throughout the Republic about casinos, bingo, LPM and betting, so that gambling activities are effectively regulated, licensed, and controlled.

The NGB strategy is premised on the institution continuing its active role in regulating the gambling industry. A multidimensional regulatory approach involving supervision, cooperation and enforcement is a consideration for the successful execution of the NGB's mandate. This will be implemented through various key outputs as follows:

a) Monitored market share and market conduct in the gambling industry
b) Conducted economic Analysis and research on the impact of gambling
c) Provided authoritative advice policy, statutory matters and legislative reform in the Gambling Industry
d) Conducted technical analysis on gaming control and regulation
e) Maintained functional national registers
f) Maintained operational National Central Electronic Monitoring System
g) Monitored economic transformation opportunities for HDIs in the mainstream gambling industry
h) Evaluation of PLAs compliance with gambling legislation
i) Evaluation of compliance monitoring of licensees by PLAs
j) Co-operative activities undertaken to prevent and suppress illegal gambling activities
k) Suspected cases of unlawful gambling activities investigated

The outputs will be delivered through the programmes Gaming Control and Compliance and Corporate Services and Research in the respective divisions.

10. PROGRAMME 1: GAMING CONTROL AND COMPLIANCE

Purpose

The Gaming Control and Compliance Division (GCCD) provides mandated operational core functions in terms of the National Gambling Act, 2004, (Act 7 of 2004). The GCCD provides technical analysis of the modes of gambling, system audits and enforcement in line with statutory imperatives as provided for in gambling legislation. It provides reliable information through national centralised databases and contributes towards providing accessible, transparent and sufficient access for economic citizens to ensure the ease of doing business.

The sub programmes of the GCCD are set out as follows:

Functional National Registers

The NGB is the custodian of national registers in terms of the NGA. The Act requires that the NGB must establish and maintain, in the prescribed manner and form national registers to provide a national repository of gambling sector-specific information. The NGB is required to provide the information in its registry to PLAs in the prescribed manner and form to ensure information sharing and compliance as contemplated in the Act.

National Central Electronic Monitoring System (NCEMS)

The NGB is obliged by section 27 of the NGA read with regulation 14 of the National Gambling Regulations to supply, install, commission, operate, manage and maintain a National Central Electronic Monitoring System ("NCEMS") which is capable of detecting and monitoring significant events, associated with any LPM that is made available for play in the Republic and analysing and reporting data according to the requirements of sections 21 to 26 of the NGA.

NCEMS is essentially a system to track each LPM operated by a Route Operator (RO) or Independent Site Operator (ISO) in terms of location and status; record and validate every transaction on the LPM in real-time, and periodically report collected data.

The NCEMS enables the NGB to fulfil its oversight responsibility over the PLAs in terms of section 65 of the Act, maintain the national register in terms of section 21 of the NGA, monitor and evaluate the PLAs compliance with the NGA and enables the NGB to assist the PLAs to detect and suppress unlawful gambling and unlicensed gambling activities.

Gaming Control

The NGB will monitor and analyse technological developments that affect gambling regulation and provide advice on the compliance of gambling machines and devices in terms of the NGA.

The NGB will review and analyse the certification of gambling products, new gambling products, and the adoption of technology in the gambling industry in accordance with the technical standards (SANS1718) developed by the South African Bureau of Standards in accordance with the Standards Act.

Compliance

The NGB will ensure compliance with section 33 of NGA which requires the NGB to evaluate the issuing of national licences by PLAs and the compliance monitoring of licensees by PLAs. The section further requires the NGB to conduct oversight evaluations of the performance of PLAs, in a manner stipulated in section 34 of the NGA so as to ensure that norms and standards are applied uniformly and consistently by all PLAs.

Enforcement

Through collaborated efforts with law enforcement agencies and other stakeholders the enforcement division, mandated by section 33(c) of the NGA will assist PLAs to ensure that unlicensed gambling activities are detected in compliance with section 66(2) and (3) of the NGA.

The division will further ensure, in complying with section 16(4) of the NGA, that the circumstances of the gambling activity of any winnings withheld and remitted to the NGB are investigated and if found to be illegally obtained, such funds will be forfeited to the State.

Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output indicators	Audited performance			Estimated performance and baseline	MTEF targets		
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Account for and identify all legal gambling machines, devices and owners, licensed juristic and natural persons and excluded persons	Maintained functional national registers	Percentage uptime on functional national registers	N/A	100% uptime of national functional registers	100% uptime of national functional registers	95% uptime of 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
	Maintained operational National Central Electronic Monitoring System	Percentage uptime of a fully operational National Central Electronic Monitoring System (NCEMS)	N/A	99.95% uptime on a fully operational NCEMS	99.95% uptime on a fully operational NCEMS	95% uptime of 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
Economic transformation and increased participation of Historically Disadvantaged Individuals in the mainstream gambling industry	Monitored economic transformation commitments for HDIs in the mainstream gambling industry	Number of S53 economic transformation reports in the mainstream gambling industry produced	N/A	N/A	Four (4) reports on economic transformation and participation of HDIs in the mainstream gambling industry submitted to the Accounting Authority	Four (4) reports on economic transformation in the mainstream gambling industry submitted to the Accounting Authority	One (1) consolidated report on S53 economic transformation in the mainstream gambling industry produced	One (1) consolidated report on S53 economic transformation in the mainstream gambling industry produced	One (1) consolidated report on S53 economic transformation in the mainstream gambling industry produced
Effectively monitored PLA compliance with gambling legislation	Evaluation of PLAs compliance with gambling legislation	Number of reports on nine (9) PLAs compliance with gambling legislation produced	N/A	N/A	N/A	New indicator	One (1) consolidated report on PLA compliance evaluation with gambling legislation produced	One (1) consolidated report on PLA compliance evaluation with gambling legislation produced	One (1) consolidated report on PLA compliance evaluation with gambling legislation produced
	Conducted technical analysis of gambling games,	Number of reports on technical analysis conducted	N/A	N/A	Four (4) advisory Reports on gaming control and one (1)	Four (4) advisory reports on gaming control and regulation and	One (1) consolidated report on technical analysis of gambling games, machines and devices produced	One (1) consolidated report on technical analysis of gambling games, machines and devices produced	One (1) consolidated report on technical analysis of gambling games, machines and devices produced

Outcome	Outputs	Output indicators	Audited performance			Estimated performance and baseline	MTEF targets		
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	machines and devices				consolidated report on regulation were Submitted to the Accounting Authority	one (1) consolidated report on gaming control and regulation submitted to the Accounting Authority			
Facilitated S16 confiscation of proceeds from illegal gambling activities	Targeted investigations completed on the circumstances of the illegal gambling activity	Percentage of targeted investigations completed on the circumstances of the illegal gambling activity	N/A	N/A	N/A	New indicator	100% of the total number of cases targeted for investigation completed	10% variance of the number of total cases received	10% variance of the number of total cases received

Indicators, Annual and Quarterly Targets

Output indicators	Annual targets 2021/2022	Q1	Q2	Q3	Q4
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	95% uptime and system analysis on functionality, effectiveness and maintenance of national registers
Percentage uptime of a fully operational National Central Electronic Monitoring System (NCEMS)	95% uptime of 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
Number of S53 economic transformation reports in the mainstream gambling industry produced	One (1) consolidated report on S53 economic transformation in the mainstream gambling industry produced	One (1) report on S53 economic transformation in the mainstream gambling industry produced	One (1) report on S53 economic transformation in the mainstream gambling industry produced	One (1) report on S53 economic transformation in the mainstream gambling industry produced	One (1) consolidated report on S53 economic transformation in the mainstream gambling industry produced
Number of reports on the evaluation of compliance with gambling legislation by nine (9) PLAs produced	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	One (1) consolidated report on PLA compliance evaluation with gambling legislation produced
Number of reports on technical analysis 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	One (1) consolidated report on technical analysis of gambling games, machines and devices produced
Percentage of targeted investigations completed on the circumstances of the illegal gambling activity	100% of the total number of cases outstanding investigation completed	25% of the total number of cases outstanding investigation completed	50% of the total number of cases outstanding investigation completed	75% of the total number of cases outstanding investigation completed	100% of the total number of cases outstanding investigation completed

Key Risks

Risk #	Key risks	Outcomes	Outputs	Risk mitigations
1	• No centralised gambling-related information accessible to stakeholders • Inability to place reliance on the third party related gambling information • Vulnerability of national registers to cyber attacks • Integrity of data to make informed decisions • Inability to access credible gambling-related data • Absence of a functional operational NCEMS will result in non-effective or efficient regulation of the LPM industry • Inoperable LPM industry Loss of revenue to the fiscus	Account for and identify all legal gambling machines, devices and owners, licensed juristic and natural persons and excluded persons	Maintained functional national registers Maintained operational National Central Electronic Monitoring System	• Registers are hosted in a high availability data centre • Continuous back up of data on registers • Approved disaster recovery plan • Verification of captured data • Back-up systems available
2	• Failure of HDIs participating in the mainstream gambling industry due to existing high barriers to entry • Failure of the gambling industry to meet economic development imperatives Failure by the industry to embrace the transformation agenda	Economic transformation and increased participation of Historically Disadvantaged Individuals in the mainstream gambling industry	Monitored economic transformation opportunities for HDIs in the mainstream gambling industry	• Incorporate transformation agenda in the regulatory framework • Set norms and standards • Facilitate the expansion of economic opportunities for HDIs in the mainstream gambling industry
3	Lack of cooperation by PLAs	Effectively monitored PLA compliance with gambling legislation	Evaluation of PLAs compliance with gambling legislation	• Engaging PLAs during compliance monitoring pre-planning stage • Regular and improved communication with PLAs
4	• Gambling products and services offered that do not meet the technical standards PLAs allow products that are non-compliant to the NGA and other applicable legislation		Conducted technical analysis of gambling games, machines and devices	• Build technical expertise through continuous training • Continuous engagement with NRCS, SABS and PLAs
5	• Incomplete information from reporting entities. • Improper investigation process followed	Facilitated S16 confiscation of proceeds from illegal gambling activities	Targeted investigations completed on the circumstances of the illegal gambling activity	• Collaboration with banks, gambling operators and PLAs in detecting suspected unlawful winning transactions • Implement unlawful winnings standard operating procedures.

EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM EXPENDITURE FRAMEWORK PERIOD

The contribution of the outputs to achieving the intended outcomes and impact in the Strategic Plan and the institution's mandate including, where applicable, priorities in relation to women, youth and people with disabilities.

Maintaining functional national registers and an operational National Central Electronic Monitoring System is intended to account for and identify all legal gambling machines, devices and owners, licensed juristic and natural persons and excluded persons. This is to continuously and effectively capture those persons who are excluded and accurately monitor the LPM industry in real-time to derive the intended economic benefits by way of revenue collection.

To prioritise the women, youth and people with disabilities in terms of the broader economic agenda, the NGB intends, to monitor economic transformation commitments for HDIs in the mainstream gambling industry. This will be done by ensuring that the industry is reflective of an industry that is representative of the government transformation agenda. This should be informed by the industry being more inclusive, sustainable, bearing an appropriate sectoral balance with opportunities for all coupled with integrated value-chains and fewer barriers to entry.

Evaluations will be conducted on the performance of PLAs with a view to detect and report deficiencies in respect of the issuance of national and provincial licensees. The NGA makes it a requirement for every license holder to comply with both the provisions of the national and provincial legislations. It further gives jurisdictions to the PLA to enforce the NGA within the jurisdiction within which it operates. It is thus necessary to conduct evaluations with an intent to ensure compliance with applicable legislations by PLAs and its licensees.

Illegal gambling does not only deter revenues that would ordinarily be collected from the licensed gambling institutions, it also negatively impacts society's financial and social wellbeing. Gamblers stands a chance to lose their winnings as these are, in terms of section 16(3) of the NGA, remitted to the NGB. If found to be proceeds of unlawful winnings, through the investigation by the NGB, the funds will be recommended for forfeiture to the State.

A description of planned performance in relation to the programme's outputs.

The plan around maintaining functional national registers and an operational National Central Electronic Monitoring System is to ensure that a 95% uptime of all systems is maintained every quarter and reporting on any deficiencies is conducted.

To monitor economic transformation opportunities for HDIs in the mainstream gambling industry the NGB plans to report quarterly on aspects of transformation within the industry that would shift focus from growth in and of itself to the form and nature of such growth insofar as creating an inclusive, fair, equitable and transparent gambling industry that minimises barriers to entry and has consideration HDIs, women, youth and people with disabilities.

To evaluate PLA compliance with gambling legislation, the NGB will conduct PLA oversight in the first three quarters of the financial year and report on the level of compliance.

The NGB will assist PLAs and enforcement agencies, through quarterly reporting on co-operative activities undertaken, to detect, prevent and suppress illegal gambling activities.

Suspected cases of unlawful gambling activities will be investigated and reported quarterly in order to determine the circumstances under which the gambling activity was undertaken and recommend for refund to the person who won, if the NGB is satisfied that the gambling activity was lawful, or forfeited to the State.

11. PROGRAMME 2: CORPORATE SERVICES AND RESEARCH

Purpose

The Corporate Services and Research Division (CSRD) provides mandated operational core functions in terms of the National Gambling Act, 2004, (Act 7 of 2004). The division specifically provides a broad based public education and awareness programme as well as an economic analysis of gambling sector performance of the industry.

The CSRD provides support services to the NGB to ensure satisfactory internal and external stakeholder engagement, and seeks to attain a conducive work environment, which enhances business efficiency.

CSRD comprises of the following sub-divisions, Human Capital Optimisation (HCO), Legal Services, Research, IT, and Corporate Governance.

The sub programmes of the CSRD are set out as follows:

Legal Services

Legal Services provides corporate legal services to the NGB in form of legal opinions, legal advice, legislative drafting, litigation, and drafting and vetting of contracts.

Legal Services ensures that NGB's interests are promoted and protected in its business operations and further ensures that the NGB operates within the ambit of the law.

Corporate Governance

Corporate Governance focuses on Risk Management and governance matters relating to Information Communication Technology (ICT) and Records Management.

Risk Management will focus on the identification, assessment and mitigation of strategic, operational and reputational risks that may hinder the NGB from achieving its objectives.

Records Management ensures that there is proper maintenance of records, access to and protection of information.

ICT will ensure that assistive technologies are provided to support and enhance the overall organisational performance and efficiency.

Human Capital Optimisation (HCO)

HCO focuses on integrated management of the work environment in order to optimise and nurture human capital to ensure business efficiency is obtained and ensure that there is a conducive environment wherein balanced labour relations are maintained.

Research Services

Mandated in terms of S65(1) and S65(2) of the NGA, the NGB monitors socio-economic patterns of gambling activity within the Republic; monitors gambling sector performance, market share and market conduct in the gambling industry. An economic analysis into the insights of market share and market conduct from economic and institutional perspectives is undertaken.

A broad-based public education programme about the risks and socio-economic impact of gambling will be facilitated through educational campaigns and programmes. The aim is to maintain social dialogue with industry stakeholders on the consequences of the overstimulation of gambling, compulsive and addictive gambling, and the negative impact of participating in any unregulated gambling activity.

The NGB will carry out a benchmarking analysis of various legal issues that are pertinent across provinces to foster harmonisation and uniformity in the gambling industry and inform the setting of norms and standards in the industry that ultimately create a conducive environment for the gambling industry.

Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output indicators	Audited performance			Estimated performance and baseline	MTEF targets		
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Effectively monitored socio-economic patterns of gambling activity within the Republic	Monitored market share and market conduct in the gambling industry	Number of reports on gambling sector performance produced	N/A	Four (4) reports (based on unaudited data) and one (1) annual report on audited gambling sector performance presented to the Accounting Authority	Four (4) reports (based on unaudited data) and one (1) annual report on audited gambling sector performance submitted to the Accounting Authority	Three (3) reports (based on unaudited data) and one (1) annual report on audited gambling sector performance submitted to the Accounting Authority	Four (4) reports (based on unaudited data) and one (1) annual report on audited gambling sector performance produced	Four (4) reports (based on unaudited data) and one (1) annual report on audited gambling sector performance produced	Four (4) reports (based on unaudited data) and one (1) annual report on audited gambling sector performance produced
	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	N/A	N/A	Four (4) reports on economic analysis and research conducted on the impact of gambling submitted to the Accounting Authority	Three (3) reports on economic analysis and research conducted on the impact of gambling submitted to the Accounting Authority	One (1) annual consolidated economic analysis and research report on the impact of gambling produced	One (1) annual consolidated economic analysis and research report on the impact of gambling produced	One (1) annual consolidated economic analysis and research report on the impact of gambling produced
Uniformity of legislation in the gambling industry	Provided authoritative advice on policy, statutory matters and legislative reform in the Gambling Industry	Number of reports on advice provided in terms of S65 of the NGA produced	N/A	S65 advisory report was presented to the Accounting Authority	S65 advisory report was presented to the Accounting Authority	Four (4) S65 advisory reports on gambling regulation and one (1) consolidated S65 report submitted to the Accounting Authority	One (1) annual consolidated S65 advisory report on gambling regulation produced	One (1) annual consolidated S65 advisory report on gambling regulation produced	One (1) annual consolidated S65 advisory report on gambling regulation produced

Outcome	Outputs	Output indicators	Audited performance			Estimated performance and baseline	MTEF targets		
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Broad-based public education	Better informed and educated stakeholders	Number of broad-based public educational interventions about the risks of and socio-economic impact of gambling conducted	Four (4) broad-based public educational programmes through interventions	Eight (8) broad-based public educational interventions about the risks and socio-economic impact of gambling	Conducted thirteen (13) broad-based public education interventions about the risks and socioeconomic impact of gambling	Conduct ten (10) broad-based public educational interventions about the risks and socio-economic impact of gambling	Conduct ten (10) broad-based public educational interventions about the risks and socio-economic impact of gambling	Conduct ten (10) broad-based public educational interventions about the risks and socio-economic impact of gambling	Conduct ten (10) broad-based public educational interventions about the risks and socio-economic impact of gambling

Indicators, Annual and Quarterly Targets

Output indicators	Annual targets 2022/23	Q1	Q2	Q3	Q4
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, FY2021/22) produced	One (1) report on gambling sector performance (1st quarter, FY2022/23) produced One (1) audited report on gambling sector performance (FY2021/22) produced	One (1) report on the gambling sector performance (2nd quarter, FY2022/23) produced	One (1) report on gambling sector performance (3rd quarter, FY2022/23) produced
Number of reports on economic analysis and research conducted on the impact of gambling produced	One (1) annual consolidated economic analysis and research report on the impact of gambling produced	One (1) economic analysis and research report on the impact of gambling produced	One (1) economic analysis and research report on the impact of gambling produced	One (1) economic analysis and research report on the impact of gambling produced	One (1) consolidated economic analysis and research report on the impact of gambling produced
Number of reports on advice provided in terms of S65 of the NGA produced	One (1) annual 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	One (1) annual consolidated S65 advisory report on gambling regulation produced
Number of broad-based public educational interventions about the risks and socio-economic impact of gambling conducted	Conduct ten (10) broad-based public educational interventions about the risks and socio-economic impact of gambling	Conduct two (2) broad-based public education interventions about the risks and socio-economic impact of gambling	Conduct three (3) broad-based public education interventions about the risks and socio-economic impact of gambling	Conduct three (3) broad-based public education interventions about the risks and socio-economic impact of gambling	Conduct two (2) broad-based public education interventions about the risks and socio-economic impact of gambling

Key Risks

The following key issues must be covered in each programme's narrative:

No	Outcomes	Outputs	Key risks	Risk mitigation
1	Effectively monitored Socio economic patterns of gambling activity within the Republic	Monitored market share and market conduct in the gambling industry Conducted economic Analysis and research on the impact of gambling	• Gaps in compliance due to concurrent competencies • Lack of financial resources to conduct research projects • Limited human capital resources to conduct research • Incorrect or omitted gambling statistics will result in the inability to report on market conduct and market share resulting in failure to detect unfair competition	• Advise **the dtic** and NGPC • Conduct In-house research • Outsource research project • Undertake audit of gambling statistics annually
2	Uniformity of legislation in the gambling industry	Provided authoritative advice policy, statutory matters and legislative reform in the Gambling Industry		
3	Broad-based public education	Better informed and educated stakeholders	• Inability to reach the targeted audience on interventions conducted • Lack of financial resources to conduct research to identify patterns, causes and consequences of the socio-economic impact of gambling to inform broad based public education • Lack of financial resources to conduct public education and awareness campaigns	• Development and implementation of broad-based public education programme • Continuous in-house research to inform and guide policy and practice on broad-based public education • Innovative methods to conduct public education and awareness campaigns (namely, utilising in-house human capital and other non-financial mechanisms)

EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD

The contribution of its outputs to achieving the intended outcomes and impact in the Strategic Plan and the institution's mandate including, where applicable, priorities in relation to women, youth and people with disabilities.

Through the monitoring of gambling sector performance, market share and market conduct, as well as conducting economic analysis and research on the impact of gambling, the NGB intends to ensure the effective monitoring of socio-economic patterns of gambling activity within the Republic with the aim of ensuring that a balance of the economic gains derived from the gambling industry such as revenue, job creation and infrastructure development is maintained against the negative social consequences such as problem gambling and addiction.

By providing authoritative advice on policy, statutory matters and legislative reform in the gambling industry the intention is to create an enabling environment for the industry directed towards harmonising norms and standards within the industry through which uniformity of legislation can be achieved.

Broad-based public educational intervention about the risks and socio-economic impact of gambling conducted is mandated by the NGA. However, the Act is not prescriptive on how the educational interventions should be implemented. As such, it is deemed prudent to conduct numerous repetitive education and awareness initiatives to identified target groups. The broad-based public educational interventions are also aimed at educating and raising awareness on illegal forms of gambling, as well as participating in any unregulated gambling modes and consequences of overstimulation of gambling. Gambling challenges are not restricted to a particular demographic group, they cut across all income levels and affect youth, women and people with disabilities. Women, youth and people living with disabilities are considered vulnerable groups so there will be specific education and awareness programs tailor-made for them.

A description of planned performance in relation to the programme's outputs.

The planned performance in relation to monitoring market share and market conduct, as well as research on the impact of gambling is to undertake gambling sector performance analysis of trends, economic market structure and research on a quarterly basis and report on this by way of published articles disseminated to various stakeholders in the industry.

From an economic analysis perspective, an assessment will be made on the global outlook, micro and macroeconomic factors and economic growth in certain gambling jurisdictions in relation to the gambling industry, and calculating the value of the impact of the gambling industry in the economy.

It is prudent to undertake a forecast of the gambling industry against economic performance at national and global levels, to inform the level of investment and better

allocation of resources and provide an overall assessment of market conditions in order to induce investment in the gambling industry.

This further involves establishing and quantifying the cost and benefits of the gambling industry informed by the regulatory cost of investing in the industry based on an assessment of the value of the gambling industry.

To provide authoritative advice on policy, statutory matters and legislative reform in the gambling industry, the NGB plans to report on matters within its authority as per section 65 of the NGA with the intention of bringing them to the attention of the Minister for possible deliberation at the NGPC.

The NGB plans to have education and awareness campaigns/interventions about the risks and socio-economic impact of gambling aimed at encouraging responsible gambling as gambling should be viewed as a recreational as opposed to an income-generating activity.

PART D: TECHNICAL INDICATOR DESCRIPTION

12. GCCD TECHNICAL INDICATOR DESCRIPTION

The National Gambling Board (NGB) has developed a set of Technical Indicator Description (TID) in line with the identified outputs. These include desired performance for the Annual Performance Plan (APP). The purpose of the TID is to track on-going performance.

The GCCD TID also reflect equity concerns and value for money in the use of resources. In developing the TID, specific attention was given to developing a TID related to economy, efficiency and equity considering that effectiveness is assessed in relation to the achievement of the NGB's outputs, baselines and targeted performance.

Programme performance TID are reliable, well-defined, verifiable, cost-effective, appropriate and relevant. These are linked to the baseline information and targets expressed in terms of planned performance in order to ensure that the management processes are in place to collect the information required to track performance against each indicator and that each output meets the SMART criteria (specific, measurable, accurate, relevant and timely).

12.1 Technical Indicator Description (TID): Percentage uptime on Functional National Registers

Indicator title	TID 1 Percentage uptime on functional national registers
Definition	• This indicator is dictated by the NGA and plays a role in the registration of every gambling machine or gambling device manufactured within or imported into the Republic, licences (provincial/ national), excluded persons, probity, and illegal operators
Source of data	• PLAs, manufacturers and licensees
Method of calculation/assessment	• Analysis of functionality, effectiveness and maintenance of 95% uptime of functional national registers • Total number of hours (within reporting period) that registers were online and available/total number of hours within the reporting period multiplied by one hundred (100). • Cumulative
Means of verification	• Availability of valid, accurate and complete data uploaded as and when required by the NGB for purposes of monitoring, evaluation and reporting
Assumptions	• Availability of valid, accurate and complete data uploaded for licenced gambling machines and devices or excluded persons as and when required by the NGB for purposes of monitoring, evaluation and reporting
Disaggregation of beneficiaries (where applicable)	• N/A
Spatial transformation (where applicable)	• N/A
Calculation type	• **Quantitative**: Total number of hours (within reporting period) that registers were online and available/total number of hours within the reporting period multiplied by one hundred (100). • **Qualitative**: Analysis of data in relation to gambling machines and devices, probity, and excluded persons • Cumulative
Reporting cycle	• Quarterly
Desired performance	• Fully compliant with targeted performance
Indicator responsibility	• Senior Manager: Gaming Technology

12.2 Technical Indicator Description (TID): Percentage uptime of a fully operational National Central Electronic Monitoring System

Indicator title	TID 2 Percentage uptime of a fully operational National Central Electronic Monitoring System (NCEMS)
Definition	• 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
Source of data	• National Central Electronic Monitoring System
Method of calculation/assessment	• Analysis of fully operational NCEMS 95% uptime • Total number of hours (within the reporting period) that the NCEMS was online and available/total number of hours within the reporting period multiplied by one hundred (100) • Cumulative
Means of verification	• Availability of valid, accurate and complete data uploaded as and when required by the NGB for purposes of monitoring, evaluation and reporting
Assumptions	• Availability of valid, accurate and complete data uploaded for licenced LPMs and devices as and when required by the NGB for purposes of monitoring, evaluation and reporting
Disaggregation of beneficiaries (where applicable)	• N/A
Spatial transformation (where applicable)	• N/A
Calculation type	• **Quantitative**: Total number of hours (within the reporting period) that the NCEMS was online and available/total number of hours within the reporting period multiplied by one hundred (100) • **Qualitative**: Analysis of data and significant events associated with LPMs, as well as analysis and recommendations • Lack of access to testing data limits understanding of some data irregularities and system downtime
Reporting cycle	• Quarterly
Desired performance	• Fully compliant with targeted performance
Indicator responsibility	• Senior Manager: Gaming Technology

12.3 Technical Indicator Description (TID): Number of S53 economic transformation reports in the mainstream gambling industry produced

Indicator title	TID 3 Number of S53 economic transformation reports in the mainstream gambling industry produced
Definition	• This indicator is dictated by the NGA and plays a role in the application, issuance or transfer of a non-employment gambling licence and the imposition of reasonable and justifiable conditions to the extent necessary to achieve governments' transformation agenda.
Source of data	• Government policy, legislation, research empirical evidence, PLAs
Method of calculation/assessment	• Three (3) quarterly reports and one (1) annual consolidated report on S53 economic transformation in the mainstream gambling industry submitted to the Accounting Authority • Cumulative
Means of verification	• National Development Plan, New Growth Path publications and research reports
Assumptions	• Implementation of the transformation agenda will create an enabling environment for the gambling industry to grow • Implementation of the transformation economic opportunities will expand the small business sector • Equitable and inclusive gambling industry • Implementation of the identification of possible features that stifle competition will create an enabling environment for the gambling industry to grow
Disaggregation of beneficiaries (where applicable)	• N/A
Spatial transformation (where applicable)	• N/A
Calculation type	• **Quantitative:** Number of S53 economic transformation reports in the mainstream gambling industry submitted to the Accounting Authority [one (1) per quarter for quarter one (1), two (2) and three (3) and one (1) annual consolidated report for quarter four (4)] • **Qualitative:** Nature and content and whether objectives have been met
Reporting cycle	• Annually
Desired performance	• Fully compliant with targeted performance
Indicator responsibility	Manager: Gaming Compliance

12.4 Technical Indicator Description (TID): Number of reports on nine (9) PLAs compliance with gambling legislation produced

Indicator title	TID 4 Number of reports on nine (9) PLAs compliance with gambling legislation produced
Definition	• Oversight evaluations conducted of PLAs compliance with gambling legislation and compliance monitoring of licencees by PLAs
Source of data	• Interviews with PLAs, Licensing conditions imposed, gambling legislation, evaluation reports per PLA
Method of calculation/assessment	• Three (3) quarterly reports and one (1) annual consolidated report on nine (9) PLAs compliance with gambling legislation gambling industry submitted to the Accounting Authority • Cumulative
Means of verification	• Compliance checklist, evaluation reports per PLA
Assumptions	• Co-operation from PLAs • Submission of all requested information required to conduct oversight
Disaggregation of beneficiaries (where applicable)	• N/A
Spatial transformation (where applicable)	• N/A
Calculation type	**Quantitative:** Number of reports on nine (9) PLAs compliance with gambling legislation submitted to the Accounting Authority [one (1) per quarter for quarter one (1), two (2) and three (3) and one (1) annual consolidated report for quarter four (4)] **Qualitative:** Nature and content and whether objectives have been met
Reporting cycle	• Annually
Desired performance	• Fully compliant with targeted performance
Indicator responsibility	• Senior Inspector: Enforcement

12.5 Technical Indicator Description (TID): Number of reports on technical analysis conducted

Indicator title	TID 5 Number of reports on technical analysis conducted
Definition	• Monitor and analyse technological developments in the gambling industry. Technical analysis of gambling games, machines and devices and compliance thereof with technical standards (SANAS 1718) and licence conditions.
Source of data	• National registers, LOCs, gaming laboratories, PLAs, gaming manufacturers, NRCS, SABS and NCEMS
Method of calculation/assessment	• Three (3) quarterly reports and one (1) annual consolidated report on technical analysis submitted to the Accounting Authority • Cumulative
Means of verification	• Data from national registers, LOCs, gaming laboratories, gaming manufacturers, PLAs, NRCS, SABS and NCEMS
Assumptions	• Availability of valid, accurate and complete data as and when required by the NGB for purposes of monitoring, evaluation and reporting
Disaggregation of beneficiaries (where applicable)	• N/A
Spatial transformation (where applicable)	• N/A
Calculation type	• **Quantitative**: Number of reports on technical analysis submitted to the Accounting Authority [one (1) per quarter for quarter one (1), two (2) and three (3) and one (1) annual consolidated report for quarter four (4)] • **Qualitative**: Nature and content of analysis provided informed by technological advancements submitted to the Accounting Authority • Cumulative
Reporting cycle	• Annually
Desired performance	• Advice to be fit for use and to add value
Indicator responsibility	• Senior Manager: Gaming Technology

12.6 Technical Indicator Description (TID): Percentage of targeted investigations completed on the circumstances of the illegal gambling activity

Indicator title	TID 6 Percentage of targeted investigations completed on the circumstances of the illegal gambling activity
Definition	• Report on suspected cases of unlawful gambling activities investigated as required by section 16 (4) of the NGA
Source of data	• NGB 2 forms and other relevant information submitted by banks, gambling operators and PLAs • Proof of remittances of funds to NGB bank account. • Information from punters

Method of calculation/assessment	• **New matters:**
	  • 5 investigations targeted per quarter = 20 per annum
	  • (actual number of investigations conducted) divided by number of targeted investigations * 100%
	  • [(Actual investigations conducted/20)]*100%= 100%
	• **Old matters**
	  • Total number of targeted investigations for old matters = 173
	  • (actual number of investigations conducted) divided by number of targeted investigations * 100%
	  • [(Actual investigations conducted /173)]*100%= 100%
	• Total percentage of investigations completed = (The sum of the percentage of old matters investigated plus the percentage of new matters investigated) divided by 2
	• All cases take 30 days to investigate (Cases received between 1st of March to 31st of March of each financial year will be excluded from the calculation. These cases will be included in the subsequent month of the next financial year)
	• Cumulative

Means of verification	• Investigation report with supporting documents (including the investigation diary) • Inspection of gambling website
Assumptions	• Co-operation from PLAs, banks and operators • Co-operation from punter • Submission of all relevant information
Disaggregation of beneficiaries (where applicable)	• N/A

Indicator title	TID 6 Percentage of targeted investigations completed on the circumstances of the illegal gambling activity
Spatial transformation (where applicable)	• N/A

Calculation type	**Quantitative:**
	• **New matters:**
	  • 5 investigations targeted per quarter = 20 per annum
	  • (actual number of investigations conducted) divided by number of targeted investigations * 100%
	  • [(Actual investigations conducted/20)]*100%= 100%
	• **Old matters**
	  • Total number of targeted investigations for old matters = 173
	  • (actual number of investigations conducted) divided by number of targeted investigations * 100%
	  • [(Actual investigations conducted /173)]*100%= 100%
	• Total percentage of investigations completed = (The sum of the percentage of old matters investigated plus the percentage of new matters investigated) divided by 2
	• All cases take 30 days to investigate (Cases received between 1st of March to 31st of March of each financial year will be excluded from the calculation. These cases will be included in the subsequent month of the next financial year)
	• Cumulative

Reporting cycle	• Quarterly
Desired performance	• Fully compliant with targeted performance
Indicator responsibility	• Senior Inspector: Enforcement

13. CSRD TECHNICAL INDICATOR DESCRIPTION

The National Gambling Board (NGB) has developed a set of Technical Indicator Description (TID) in line with the identified outputs. These include desired performance for the Annual Performance Plan (APP). The purpose of the TID is to track on-going performance.

The TID also reflect equity concerns and value for money in the use of resources. In developing the TID, specific attention was given to developing a TID related to economy, efficiency and equity considering that effectiveness is assessed in relation to the achievement of the NGB's outputs, baselines and targeted performance.

Programme performance TID are reliable, well-defined, verifiable, cost-effective, appropriate and relevant. These are linked to the baseline information and targets expressed in terms of planned performance in order to ensure that the management processes are in place to collect the information required to track performance against each indicator and that each output meets the SMART criteria (specific, measurable, accurate, relevant and timely).

13.1 Technical **Indicator Description (TID): Number of reports on gambling sector performance produced**

Indicator title	**TID 1** **Number of reports on gambling sector performance produced**
Definition	• Monitor statistical socio-economic patterns to determine trends of gambling activity within the gambling industry
Source of data	• Information submitted by PLAs as required quarterly and annually
Method of calculation/assessment	Five (5) reports per annum submitted to the Accounting Authority: • One (1) report per quarter • One (1) annual audited report in quarter two (2)
Means of verification	• Excel spreadsheets submitted by PLAs, NCEMS
Assumptions	• PLAs submit valid, accurate and complete data timeously as and when required by the NGB for purposes of reporting
Disaggregation of beneficiaries (where applicable)	• N/A
Spatial transformation (where applicable)	• N/A

Calculation type	• **Quantitative**: Number of reports on gambling sector performance produced. [Five (5) reports per annum submitted to the Accounting Authority:
	  • One (1) report per quarter
	  • One (1) annual audited report in quarter two (2)]
	• **Qualitative**: Nature and content, and whether objectives have been met
	• **Cumulative**

Reporting cycle	• Quarterly and annually
Desired performance	• Fully compliant with targeted performance
Indicator responsibility	• Economic Researcher

13.2 Technical Indicator Description (TID): Number of reports on Economic Analysis and Research conducted on the impact of Gambling produced

Indicator title	TID 2 Number of reports on economic analysis and research conducted on the impact of gambling produced
Definition	• Monitor and determine the socio-economic impact of gambling
Source of data	• Desktop research, interviews/focus groups with stakeholders and/or the public
Method of calculation/assessment	Three (3) quarterly reports and one (1) annual consolidated report submitted to the Accounting Authority
Means of verification	• Excel spreadsheets submitted by PLAs; Reports from Stats SA; Statistics from the South African Reserve Bank, Word Bank, International Monetary; and any other credible source of statistical information
Assumptions	• Co-operation from research participants • Availability of historical evidence to inform the subject matter of the analysis and research
Disaggregation of beneficiaries (where applicable)	• N/A
Spatial transformation (where applicable)	• N/A
Calculation type	• **Quantitative**: Number of economic analysis and research reports conducted on the impact of gambling submitted to the Accounting Authority [one (1) per quarter for quarter one (1), two (2) and three (3) and one (1) annual consolidated report for quarter four (4)] • **Cumulative**
Reporting cycle	• Annually
Desired performance	• Fully compliant with targeted performance
Indicator responsibility	• Economic Researcher

13.3 Technical Indicator Description (TID) 3: Number of reports on advice provided in terms of section 65 of the NGA produced

Indicator title	TID 3 Number of reports on advice provided in terms of section 65 of the NGA produced
Definition	• Authoritative advice on, *inter alia*, policy, statutory matters, legislation and reforms provided in terms of S65(2) of the NGA
Source of data	• Legislation in the Republic of South Africa, the Constitution, the NGA and Regulations, requests for advice, proactive advice, King IV on governance and provincial legislation
Method of calculation/assessment	• Three (3) reports per quarter and one (1) annual consolidated report submitted to the Accounting Authority.
Means of verification	• Case law, statutes, precedents, policy
Assumptions	• Advice provided will be implemented and legislation and policies will be reviewed
Disaggregation of beneficiaries (where applicable)	• N/A
Spatial transformation (where applicable)	• N/A
Calculation type	• **Quantitative**: Number of reports on S65 advice submitted to the Accounting Authority [one (1) per quarter for quarter one (1), two (2) and three (3) and one (1) annual consolidated report for quarter four (4)] • **Cumulative**
Reporting cycle	• Annually
Desired performance	• Advice to be fit for use and to add value
Indicator responsibility	• Economic Researcher

13.4 Technical Indicator Description (TIDs): Number of Broad-Based Public Educational interventions about the risks of and Socio-Economic Impact of gambling

Indicator title	TID 4 Number of broad-based public educational interventions about the risks and socio-economic impact of gambling
Definition	Events/campaigns programmes, as well as other initiatives as stated in the Broad Based Public Education and Awareness Programme.
Source of data	• Publications, public awareness campaigns / programs / interventions
Method of calculation/assessment	• Number of broad-based public educational interventions about the risks and socio-economic impact of gambling conducted – ten (10) per annum: o Two (2) interventions in quarter one (1) o Three (3) interventions in quarter two (2) o Three (3) interventions in quarter three (3) o Two (2) interventions in quarter four (4)
Means of verification	• Articles; media releases; audio clips; video clips; photos; invitations; email confirmations; attendance registers; number of hits on NGB website; social media number of likes, sharing of social media content, and/or comments; number of TV viewership for specific programme, number of listenership on radio
Assumptions	• It is assumed that all education and awareness campaigns/programs/interventions will take place as planned • Targeted audience has been impacted through the targeted intervention
Disaggregation of beneficiaries (where applicable)	• N/A
Spatial transformation (where applicable)	• N/A
Calculation type	• **Quantitative**: Number of broad-based public educational interventions about the risks and socio-economic impact of gambling conducted. Ten (10) per annum: o Two (2) interventions in quarter one (1) o Three (3) interventions in quarter two (2) o Three (3) interventions in quarter three (3) o Two (2) interventions in quarter four (4) • **Qualitative**: Nature and content of messages disseminated • **Cumulative**
Reporting cycle	• Annually
Desired performance	• To have an educated punter who is a responsible gambler; empowered by the education and awareness initiatives conducted on the risks associated with problem gambling and the socio-economic impact thereof
Indicator responsibility	• Economic Researcher

14. THE DTIC'S JOINT KEY PERFORMANCE INDICATORS

The financial year 2020-21 saw the conclusion of the functional merger of the former departments of Economic Development, and Trade and Industry into the Department of Trade, Industry and Competition (**the dtic**). In the 2021/22 financial year, **the dtic** will begin a process of much closer integration across branches, its entities and other spheres of government and has resolved a New Way of Working.

the dtic is responsible for 17 entities and 45 pieces of legislation, covering a substantial part of South Africa's economic policy landscape. In order to ensure that the department achieves its apex priorities, the following interventions will become a core part of **the dtic's** modus operandi:

- Develop joint KPIs that will require integrated planning, implementation and reporting across multiple branches and Departmental entities (e.g. Industrialisation, Transformation. and the District Development Model).

- Create flexible and quick-response capacity that can be rapidly deployed to areas requiring urgent policy or programme support.

- Shift financing to the priority areas identified.

- Use non-financial capacities to complement the financial allocations to industry (e.g. Competition measures such as market inquiries and merger conditions, and trade measures).

- Refocus, where possible, off-balance sheet financial resources to pursue the strategic priorities (e.g. the Equity Equivalent Investment Programme, competition funds and equity funds).

Joint Key Performance Indicators ("J-KPIs")

The NGB will continue to implement **the dtic's** three (3) consolidated joint indicators in financial year 2022/23 covering:

- **Industrialisation**: building dynamic firms through a combination of efforts in partnership with the private sector, focusing on opportunities to grow in the domestic market (through localisation-promotion policies, sector partnerships, beneficiation, promoting the green economy and fostering higher levels of investment); fostering higher levels of African economic integration through the African Continental Free Trade Area (AfCFTA) and building a wider export market for SA-products; with supply-side reforms to build competitiveness.

- **Transformation**: Building economic inclusion through transformation programmes in three broad areas: first addressing structural challenges to growth through active competition policies, particularly where the concentration levels in markets limit new entrants and small

and medium businesses; second, policies that promote spatial transformation, enabling more balanced growth between rural and urban and between provinces; and third, strengthening the inclusive/transformation in the quality of growth, including broadening ownership and more inclusive corporate governance models.

- **Delivery/Capable State**: Building a new culture of partnership in the economy, characterised by greater responsiveness and nimbleness by **the dtic** and entities, which includes reviewing internal processes and legislation/regulations that make it harder for small businesses and investors to grow their businesses (and replacing these with smart regulation that achieves key public policies in the least bureaucratic manner possible).
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The following Joint Indicators set out areas of focus that the National Gambling Board will report to on a quarterly basis to the Executive Authority. The areas of focus represent key priorities of government that are set out in more detail in the Annual Performance Plan for 2022/23 for **the dtic**. The National Gambling Board will contribute to achievement of the Joint indicators and the output required is a report to the Executive Authority that sets out the actions taken by the National Gambling Board highlighting the contributions to achievement of **the dtic** outcomes.

JOINT INDICATOR 1 – Industrialisation

Outcome:	Increased industrialisation and localisation opportunities implemented	**Performance period**	2022/2023
Output /s:	Report documenting the integrated support to drive industrialisation through master plans in national priority sectors; increased and diversified localisation through government and private sector procurement; and promotion of beneficiation		
Indicator title:	Report on integrated support across **the dtic** to drive industrialisation that supports economic recovery; covering industry Master Plans, localisation initiatives across the economy, COVID-Industrial Interventions and beneficiation		
Indicator definition	Integrated support across **the dtic** to drive industrialisation that supports economic recovery; covering industry Master Plans, localisation initiatives across the economy, COVID-Industrial Interventions and beneficiation.		

Annual dtic Target/s	**Contribution by NGB**	**Resourcing (MTEF Budget Allocation)**
Integrated support to drive industrialisation that supports economic recovery; covering industry Master Plans, localisation initiatives across the economy, COVID-Industrial Interventions and beneficiation	Four (4) quarterly reports by the NGB on the analysis of South Africa and the potential to industrialise the gambling industry	This indicator will be resourced within current entity resources

	Q1	**Q2**	**Q3**	**Q4**
NGB Quarterly Target/s	Analysis of the feasibility of manufacturing gambling products and services	Analysis of the African markets identified as potential markets for the export of locally manufactured gambling products and services	Consultation with the dtic on prospects for industrialisation in the gambling industry:	Analysis of South Africa and the potential to industrialise the gambling industry

JOINT INDICATOR 2 – Transformation

Outcome:	Promoting a growing and inclusive economy	**Performance period**	2022/2023
Output /s:	Report on actions to promote transformation through structural changes in the economy to enable greater inclusion and growth; and empowerment of designated groups, using the range of public tools such as procurement, incentives, technical support and enabling opportunities		
Indicator title:	Report on actions to promote transformation through structural changes in the economy to enable greater inclusion and growth; and empowerment of designated groups, using the range of public tools such as procurement, incentives, technical support and enabling opportunities		
Indicator definition	Actions to promote transformation through structural changes in the economy to enable greater inclusion and growth; and empowerment of designated groups, using the range of public tools such as procurement, incentives, technical support and enabling opportunities		

Annual dtic Target/s	**Contribution by NGB**	**Resourcing (MTEF Budget Allocation)**
Actions to promote transformation through both structural changes in the economy to enable greater inclusion and growth; and empowerment of designated groups, using the range of public tools such as procurement, incentives, technical support and enabling opportunities	Four (4) quarterly reports by the NGB on structural challenges to the promotion of growth and inclusiveness in the gambling industry	This indicator will be resourced within the current entity resources

NGB Quarterly Target/s	**Q1**	**Q2**	**Q3**	**Q4**
	Report on structural challenges to the promotion of growth and inclusiveness in the gambling industry	Report on structural challenges to the promotion of growth and inclusiveness in the gambling industry	Report on structural challenges to the promotion of growth and inclusiveness in the gambling industry	Report on structural challenges to the promotion of growth and inclusiveness in the gambling industry

JOINT INDICATOR 3 – Delivery/Capable State

Outcome:	Functional, efficient and integrated services within **the dtic** to improve economic development and ease of doing business	**Performance period**	2021/2022
Output /s:	Actions to promote functional, efficient and integrated government and measures to reduce red tape across **the dtic** and entities		
Indicator title:	Report on strengthening and building capabilities and agility in **the dtic** and its entities, to improve efficiencies in programmes and entities, to contribute to economic development and ease of doing business		
Indicator definition	Strengthening and building capabilities and agility in **the dtic** and its entities, to improve efficiencies in programmes and entities, to contribute to economic development and ease of doing business		

Annual dtic Target/s	**Contribution by the NGB**	**Resourcing (MTEF Budget Allocation)**
Review of unnecessary red tape and compliance reporting requirements in DTIC entities and programmes; monitoring implementation times of DTIC services	Four (4) quarterly reports by the NGB on legislative review of the National Gambling Act and regulations	This indicator will be resourced within the current entity resources

NGB Quarterly Target/s	**Q1**	**Q2**	**Q3**	**Q4**
	Report on legislative review of the National Gambling Act and regulations	Report on legislative review of the National Gambling Act and regulations	Report on legislative review of the National Gambling Act and regulations	Report on legislative review of the National Gambling Act and regulations

PART E: LINKS TO OTHER PLANS

15. FRAUD PREVENTION PLAN

The FPP has been revised and approved and is herewith attached as Attachment A for ease of reference.

16. MATERIALITY AND SIGNIFICANCE FRAMEWORK

This framework outlines the acceptable levels of materiality and significance that have been approved by the Accounting Authority. (Refer to attached Annexure C).

17. RISK REGISTER

The NGB reviews organisational potential risks annually and ensures that mitigating measures are put in place to address the identified risks (refer to attached Annexure B).

18. SERVICE DELIVERY STANDARDS

This document outlines the acceptable turnaround times that have been approved by the Accounting Authority and agreed upon with the relevant Executive Authority with respect to service delivery targets (refer to attached Annexure D).

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South Africa

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