

ANNUAL PERFORMANCE PLAN 2023/2026



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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
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

Executive Authority Statement

The 2023/24 Annual Performance Plan of the National Gambling Board (NGB) reflects the continued efforts of **the dtic** Group to align our activities around a common purpose; grounded in efforts to support **Industrialisation** to promote jobs and rising incomes, drive **Transformation** to build an inclusive economy, and build a **Capable State** to ensure improved impact of public policies.

The APP contains an ambitious set of targets aimed at realising the vision of the NGB governing legislation, and utilising these regulations to meet their purpose of empowering a larger number of South Africans to contribute towards our shared prosperity. In the year ahead, the NGB will play a critical role in creating a fair and prosperous South African economy. While companies face a challenging global economic environment, the work of the NGB will help create the conditions for sustained growth that are most needed when times are hardest.

Since the start of the Sixth Administration, the Department of Trade, Industry and Competition and all entities in **the dtic** Group have begun a process of adopting a revised output-driven planning system – grounded in the objective of combining all our efforts towards creating real impact for South Africans.

In 2023/24, **the dtic** concluded this process by introducing 45 output targets, to which the NGB makes a critical contribution. These include supporting 1 million jobs, mobilising R200 billion in investment, supporting R700 billion in manufacturing exports, and helping Black Industrialists to create 20,000 jobs and R36,8 billion in output. The attached table sets out the 45 outcomes¹.

While the NGB has incorporated many of these objectives into the APP, our next steps will be to further align the work of NGB to meet these common objectives through the implementation of its governing legislation. Within one month of tabling this version of the plan, proposed revisions must be submitted to the Executive Authority to better align with the vision of these targets.

Implementation of this plan must take account of the challenging fiscal environment in which government is operating, and as such as I have instructed all entities to undertake a further review of their spending plans for the period of the plan, and to submit a final, revised financial plan within one month of tabling this version of the plan. This plan should aim to reduce unnecessary spending, and redirect these resources to better serve our core objectives. In

¹ Output targets within **the dtic**-group of entities

particular, the National Gambling Board should review their budget allocations for travel and compensation.

The APP 2022/23, is hereby submitted in accordance with the Revised Framework on Strategic and Annual Performance Plans.



Mr Ebrahim Patel
Minister of Trade, Industry and Competition
31 March 2023

Output targets within the dtic-group of entities

Investment

Output
R200 billion in investment pledges secured across the state
100 Investor facilitation and unblocking interventions provided
2 new SEZs designated and support work with provinces related to industrial parks

Industrial production

Output
R40 billion in additional local output committed or achieved
R40 billion in Black Industrialist output achieved

Exports and trade

Output
R700 billion in manufacturing exports
R300 billion in manufacturing exports to other African countries
R2.5 billion in exports of Global Business Services (GBS)
1 Implementation of the AFCFTA
10 High impact trade interventions completed
4 Protocols finalised under the AfCFTA

Industrial support

Output
R30 billion in support programmes administered by or in partnership with the dtic group
R15 billion support programmes to enterprises in areas outside the 5 main metros
R8 billion in financial support programmes to SMMEs, and women and youth-empowered businesses
R7.5 billion in financial support programmes to enterprises in labour absorbing sectors
Promotion of a transparent and just adjudication process for incentive applications

Transformation

Output
R800 Million in Equity Equivalent Investment Programme agreements agreed or administered
20 000 additional workers with shares in their companies
10 high-impact outcomes on addressing market concentration, at sector or firm level.

Jobs

Output
1 million jobs supported or covered by Master Plans
100 000 jobs to be created (50 000 social economy fund part-time or temporary job opportunities and 50 000 full-time jobs)
23 000 jobs in Black Industrialists firms

Energy

Output
R1.3 billion in financial support to enterprises including SMMEs to mitigate impact of load shedding through energy resilience fund
1400 Megawatts of energy from projects facilitated
550 Megawatts of energy available for the grid
1 Energy One-stop Shop operational
Expedited regulatory amendments and flexibility, to promote energy efficiency

Green economy targets

Output
1 Strategy and advocacy finalised responding to green non-tariff barriers (Carbon Border Adjustment Mechanism (CBAM)
1 EV Strategy finalised
1 Finalisation of green hydrogen commercialisation framework

Stakeholder engagement and impacts

Output
10 Business Forums hosted aimed at supporting increased FDI, exports and outward investment.
1000 Case studies of firms, workers, entrepreneurs, professionals or communities impacted by the dtic measures: including 12 local films/documentaries telling the SA story
52 Community outreach programmes by the dtic group
5 Conferences, summits, and international forums hosted
10 Successful actions completed on price monitoring and excessive pricing or price gouging

Addressing crime

Output
Grey-listing: Publication of 'Know Your Shareholder' Regulations and Follow Ups
1 Metal trading system developed to identify stolen public infrastructure entering the scrap metal value-chain, export market or legitimate metal production industry

Red tape and state capability targets

Output
4 High-impact measures to improve the efficiency and/or effectiveness, of the dtic's policy or programme interventions.
10 High-impact measures to reduce red tape or improve turnaround times in administration of incentives and work of agencies
6 Impact assessments or enhancements of trade instruments or measures

Improving the capacity and responsiveness of the state and social partnership

Output
4 Pieces of priority legislation amended, tabled or submitted to Executive Authority, Cabinet or Parliament.
7 Master Plans managed and 1 new masterplan to be finalised.
Oversight of IDC, NEF and ECIC to ensure that at least 95% of planned KPIs are achieved
Oversight of other entities to ensure that at least 95% of planned KPIs are achieved
50 Mergers and acquisitions where public interest conditions have been incorporated

Accounting Authority Statement

The duality of gambling regulation places both economic and social goals at its core. On the one hand, it is called to spur growth and create opportunities for business expansion and transformation. However, it is also mandated to ensure that the growth of the industry is not detrimental to society at large. The NGB's strategic plan is developed as a balancing act, ensuring harmony of these seemingly opposing goals.

The COVID-19 pandemic is now firmly behind us, but it has reshaped lives in a number of ways. For the gambling industry, it saw innovations on the part of operators, improving their offerings when movements were restricted. New products and services are beneficial to the industry but will require increased oversight functions in the coming years, ensuring that new developments are legal, fair and safe. It also pushed people to gamble for financial reasons, which places the public at risk for developing problem gambling, placing the task of consumer education as a key target for the organisation.

The gambling industry has experienced a significant rebound from the previous financial year, with all modes of gambling growing positively from the year of the COVID-19 pandemic. The sports betting industry is particularly enjoying unprecedented growth following the COVID-19 pandemic, growing almost double its value before the pandemic and taking the lion's share of the market. However, the insights from the global pandemic remain relevant as they build on

the continuity of sound regulatory operations at all levels.

Illegal gambling continues to undermine the legitimate gambling industry through its increased prevalence and ease of access which leads to increased adoption and significant loss of revenue. The inability to reach political consensus on draft legislation provides perception of regulatory ineffectiveness and hence strengthens resolve of the illegal operators. The viability of the industry is impacted by strains of high levels of unemployment, poverty and slow economic growth. Changes to the punter profile influenced by technologically advanced offerings which provide instant gratification implies that an increasing number of youth will unwittingly find themselves participating in gambling-related activities without being aware of the potential undesirable effects that may culminate from compulsive and addictive as well as problem gambling.

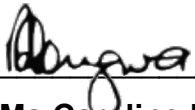
As such, the NGB leadership is needed and more relevant than ever before. The strategic outcomes set out in this plan will frame and guide the NGB's actions over the remainder of the current MTSF as the organisation works to prevent and reduce gambling harm for all South Africans.

The NGB will continue to ensure increased public awareness and educate the industry to ensure increased understanding of regulatory obligations and need to take enforcement actions where necessary. It will ensure fairness and integrity of the industry by minimising participation in unlawful activities through the confiscation of winnings derived from illegal gambling

activities and promotion of consumer protection.

Looking forward to 2023-24 and years ahead, the NGB aims to balance the need for economic sustainability, recovery and growth with continuing its focus on regulating in the public interest. This

includes working with stakeholders from various sectors in the gambling industry, and the government to facilitate adoption of strategic changes to legislation, regulations, and policies.



Ms Caroline Kongwa

Accounting Authority

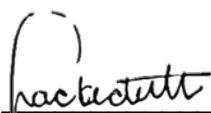
OFFICIAL SIGN-OFF

It is hereby certified that this Strategic Plan:

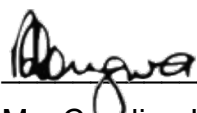
- Was developed by the management of the National Gambling Board under the guidance of Mr Ebrahim Patel
- Takes into account all the relevant policies, legislation and other mandates for which the National Gambling Board is responsible.
- Accurately reflects the Impact and outcomes which the National Gambling Board will endeavour to achieve over the period and Outputs, which the NGB will endeavour to achieve over the period 2023 – 2028.



Mr. Nkoatse Mashamaite: Chief Compliance Officer

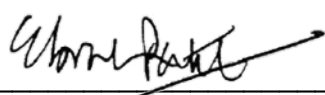


Ms. Kaveshka Mackerduth: Chief Financial Officer



Ms. Caroline Kongwa: Accounting Authority

Approved by:



Mr. Ebrahim Patel: Minister of Trade, Industry and Competition

PART A: OUR MANDATE

1. Updates to the relevant legislative and policy mandates

The NGB is established in terms of the NGA. The NGB is 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 regulation.

Other mandates

The implementation 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 Act (B-BBEE), 2003 (Act 53 of 2003)
- ✚ The Financial Intelligence Centre Act (FICA), 2001 (Act 38 of 2001)
- ✚ Cyber Crimes Act, 2020 (Act 19 of 2020)
- ✚ Protection of Personal Information Act, 2013 (Act 4 of 2013)
- ✚ Intergovernmental Relations Framework Act (IGRFA), 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 (PFMA), 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 9 of 2014)
- ✚ National Regulator for Compulsory Specifications Act, 2008 (Act 5 of 2008)
- ✚ Consumer Protection Act (CPA), 2008 (Act 68 of 2008)

Policy mandates

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

2. Updates to institutional policies and strategies

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
- ✚ State of the Nation Address
- ✚ African Continental Free Trade Agreement (AfCFTA)

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.

3. Updates to relevant court rulings

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

PART B: OUR STRATEGIC FOCUS

4. Updated situational analysis

The financial year FY2021/22 saw the gambling industry rebound. Overall, GGR totalled R34.4 billion in FY2021/22, a figure above the year before the pandemic hit of R32.7 billion. The overall growth of the industry year-on-year (YOY) was 48%.

At the provincial level, statistics show that all provinces experienced positive growth in FY2021/22, contrasting with the previous year where only Mpumalanga's growth was positive.

Demand for betting skyrocketed in FY2020/21 and this trend continued unabated in FY2021/22 with the provincial licencing authorities (PLAs) authorising additional betting licenses. The number of operational bookmakers increased by 40% between FY2020/21 and FY2021/22 (186 to 261 bookmakers). However, the number of bookmaker outlets fell from 599 to 524 by 31 March 2022. This is an indication that the growing number of licenced operators are setting up shop online, as opposed to physical outlets. The number of totalisator outlets also fell over this period from 328 to 306. Betting off-course exhibited exponential growth while that conducted on-course has remained flat over the past decade.

The provinces that generated the largest amount of betting revenues in FY2021/22 are the Western Cape (36.1%) and Mpumalanga (26.3%). These provinces permit casino-style games under betting licenses. The provincial authorities are empowered to regulate gambling within their territories, however national legislation states: "*A person must not*

engage in or make available an interactive game, except as authorised in terms of this Act or any national law". The NGB thus seeks to align this aspect of regulation going forward.

Globally, the sports betting industry has seen tremendous growth in recent years. Industry analysts view the digital revolution as a key driver in the sports betting market. Consumers have simple access to online sports betting platforms due to the rise of digital platforms and internet penetration.

As with the global picture, the South African betting industry has been influenced by rising internet penetration and smart phone use. Up until 2010, less than 10% of the population had access to the internet. The country experienced rapid growth in internet use since 2010. By 2017, 56% of the population were using the internet, 62% in 2018 and 70% in 2020. Whereas punters may have relied on physical outlets in the past, the growing accessibility of online websites through mobile phones will have contributed to the observed steep increases in demand for betting.

At present, the betting industry generates 44.9% of total industry GGR, followed by the casino (39.9%), LPM (10.7%) and bingo (4.4%) sectors. This is a starkly different picture to just 10 years ago when casinos held roughly 80% market share.

The total taxes / levies collected amounted to R3.2 billion in FY2021/22, a 53.8% increase compared to the previous year. Before the pandemic, the industry had generated R3.2

billion in FY2019/20.

Heading into FY2022/23, the gambling landscape continues to evolve with technological advancements and changing preferences affecting demand for the different modes of gambling. The industry is forecast to continue on its upward trajectory as seen in the increase in GGR for FY2022/23 Q1, totalling R10.4 billion, a 30% increase from the previous year's Q1 figure of R8.0 billion. With the exception of casinos, all modes of gambling have exceeded their pre-Covid Q1 GGR levels. A total amount of R929 million has been collected in FY2022/23 Q1, which is 24.9% higher than Q1 taxes/levies in the previous year.

The industry continues to be subject to a number of consolidations amongst major players in the industry which affects levels of competition.

The casino market across all provinces in South Africa is dominated by three major companies, namely Tsogo Sun Gaming, Sun International and Peermont Global with a combined market share of 98% in terms of GGR. These players also participate in other modes of gambling, such as LPM, Betting and Bingo. It is critical that the gambling industry be competitive, contributing to inclusive growth. Thus, the NGB will monitor and provide advice on mergers and market conduct issues with a view of improving market competition.

The 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 NGA requires that regulators guard against the potentially detrimental impact of the proliferation of LPMs in the country. As such, the NGA is prescriptive on the gradual introduction of LPMs and the need for on-going socio-economic impact assessment. This is because, internationally, studies have found a correlation between the density of LPMs and socio-economically disadvantaged areas, which is not in line with the aim of gambling policy to protect society against the harm that can be caused by gambling.

As certain provinces are approaching the upper limit of their phase 1 LPM allocations, the NGB will commission a study to determine the impact of LPMs prior to the further rollout additional LPMs. Thus the study seeks to measure the socio-economic consequences of LPMs in each province in order to determine whether additional LPMs will be a net benefit to society.

The NGB will continuously monitor gambling sector performance with the intention of keeping abreast of developments in the gambling industry, particularly new offerings coming into the market.

The NGB's service delivery agenda dovetails with the developmental approach taken by South Africa's sixth administration, and thus includes a focus on education and awareness. This aligns to Section 65(2)(f) of the NGA, which states that the board may "provide a broad-based public education programme about the risks and socio-economic impact of gambling."

The NGB has a structured framework which gives the organisation the ability to expand its reach to the public, keeping citizens on the right side of the law when conducting gambling activities, encouraging citizens to report illegal gambling operations in their communities, informing them about the risks associated with gambling, and to providing advice about resources available to gamblers experiencing the impact of problem gambling.

Informing the general public about the addictive potential of gambling is paramount, but more targeted awareness campaigns should be undertaken given each province's unique gambling landscape. These responsible gambling measures need to be undertaken by multiple stakeholders including gambling operators. The organisation has made incremental improvements to engagement, utilising online platforms such as social media and mass communication campaigns, and by leveraging partnerships with like-minded stakeholders to reach a wider spectrum of society. 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 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.

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 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 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 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.

4.1 External environment analysis

The NGB regularly scans the gambling environment to identify opportunities to execute the NGB's mandate.

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 of 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 to 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

According to Statistics South Africa, the South African economy has taken almost two years to recover from the pandemic. Gross Domestic Product (GDP) rose to pre-pandemic levels in the first quarter of 2022. This has been reflected in the gambling industry's performance which has rebounded, with revenues now surpassing pre-pandemic levels. The general economic recovery has however been sluggish when

compared to other countries, and turned negative in Q2 of 2022. The OECD projects that GDP will grow by 1.8% and 1.3% in 2022 and 2023. Positive economic growth will continue to have a positive impact on gambling revenues, however the sluggish pace of the recovery will also mean that gambling revenue growth is muted.

The cost of living rose sharply in 2022, with inflation reaching 7.8% in July 2022². Rising food and fuel prices mean that recreational punters have less disposable income to allocate to gambling. This may negatively affect gambling revenues and taxes in the coming year.

Central Bankers in major economies have been responding to rising inflation by tightening monetary policy³. The South African Reserve Bank has taken a similar approach, raising the repurchase rate by 75 basis points to 5.50% per year in July 2022⁴. This has the impact of raising access to capital markets, reducing the incentive to invest in new products and services which require borrowed capital. New investments are expected in the LPM industry, hence tightened monetary policy may restrict new entrants in the market.

Inflation has been relatively stable in South Africa, largely oscillating between the Reserve Bank's target of 3-6%. This steady increase in prices impacts LPM stake and prize regulations which have historically been fixed. The maximum limits set for the industry do not keep pace with rising inflation. Over time, this erodes the value of the stakes and prizes, negatively affecting industry

profitability. At present, LPMs are limited to a maximum bet of R5.00 and winnings of R500 while slots at casinos tend to be high stakes machines. The maximum thresholds for stakes and prizes were set in 2000 and have not been reviewed to date. The NGA prescribes that the Minister of Trade, Industry and Competition set limits on the maximum allowable stakes and prizes in the industry to limit the potentially detrimental impact of LPMs on communities. The NGB intends to provide advisory on policies regulating LPMs to ensure that limits are reviewed regularly.

South Africa's persistently high unemployment continues to plague the economy, with the unemployment rate at 34.5% in Q1 2022. The unemployment rate is particularly high in the youth category, at 63.9% for those aged 15-24 and 42.1% for the group aged 25-34 years. This leads to South Africans looking to gamble as a means of generating an income and thus engaging in illegal gambling or criminal activities sometimes linked to money laundering.

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 license 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

² <https://www.statssa.gov.za/?p=15678>

³ <https://blogs.imf.org/2022/08/01/soaring-inflation-puts-central-banks-on-a-difficult-journey/>

⁴ <https://www.resbank.co.za/en/home/publications/publications-on-detail-pages/statements/monetary-policy-statements/2022/Statement-of-the-Monetary-Policy-Committee-July-2022>

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

According to the IMF⁵, the strongest predictor of future instability is past instability. South Africa experienced social unrest in the previous year which had a negative impact on the economy. Given the high levels on inequality, unemployment and inflation, this remains an imminent threat to economic activity which ultimately affects spending on entertainment.

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.

Recently, a new wave of Covid-19 infections in China has led the government to reinstate strict containment measures including lockdowns. The risk to the local gambling industry is the possibility of lockdowns that bring the industry to a halt, should cases spread to South Africa. In addition, imports to the gambling industry may be affected in the worst-case scenario.

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

⁵
<https://www.imf.org/en/Publications/WP/Issues/2021/11/0>

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.

A major technological change which continues to impact the gambling industry is the proliferation of affordable smartphones. Punters from all socio-economic classes can access betting services online, reducing transaction costs such as transport to betting outlets. The ease of access to online betting has translated into increased revenues and taxes. On the downside, it eases access to illegal gambling websites which can lead to over-stimulation particularly amongst young people that favour the use of technology and competes unfairly with the legal land-based gambling fraternity.

Statistics sourced from *DataReportal* indicates that over 41 million South Africans are internet users in 2022 (68.2% of the total population). This internet penetration figure increased by 1.3% between 2020 and 2021 and by 1.2% between 2021 and 2022.

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.

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.

Research has further identified that the profile of the punter is changing – younger people (18-35 years) are engaging in gambling due to the technological evolution of gambling offerings. With this increased uptake of technological advances, further propelled by the Covid-19 pandemic, it is vital that the youth exercise responsible choices when it comes to gambling.

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 (5G) 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. Intervention from the NGPC will be required to resolve such matters.

The successful prosecution of illegal operators is vital and the public should be informed of the consequences of participation in 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 the 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 the 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 joint 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 operators. 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 illegal gambling winnings, which emanate from illegal gambling.

The introduction of Protection of Personal Information Act (POPIA) affects the legal compliance of the NGB. Revision of the policies and procedures at NGB applicable to the collection and storage of stakeholder information is therefore vital.

4.2 Internal environment 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:

- a) Create a high-performance organisational culture, recognising teamwork and spirit
- b) Create a learning and development organisational culture
- c) Strategic talent acquisition and retention for organisational effectiveness
- d) An overhaul of the organisational reward strategy
- e) An integrated information management system
- f) Legislative compliance and diversity

The NGB is required to comply with the prescripts of the B-BBEE Act, 2003. As such, an assessment was conducted by a B-BBEE verification agency against the requirements contained in the B-BBEE 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.

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.

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 informs 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, and the distinction between what is legal and what is not, the NGB's National Programme on Broad-based Public Education about the risks and socio-economic impact of gambling is being implemented in the current MTSF cycle. The operational framework provides an integrated and multi-dimensional mechanism, using diverse communication platforms and methodologies to reinforce messages. This includes face-to-face and online tools, mass communication channels, and working with and through partner organisations to reach a wider target audience.

The NGB can 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 can provide broad-based public education and awareness campaigns, it is limited by budgetary constraints from reaching the entire country with its message.

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 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.

Inability to reach political consensus on draft legislation stifles progress in the industry.

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.

The NGB will leverage its ability to reach a wider audience through the implementation of a National Broad-based programme on public education and ability to collaborate with other organisations with related mandates as well as access to and engagement through social media platforms to develop better informed and responsible stakeholders.

Our strong legal and research capability as well as authority to monitor gambling sector performance and ability to analyse trends in market share and market conduct whilst maintaining a national repository of gambling statistics and information enables us to conduct empirical research in order to provide insight, advice, market intelligence and benchmark the South African gambling industry against industry best to inform gambling policy and legislative development. The NGB plans to improve its monitoring capability by extending NCEMS to other modes of gambling.

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 OUR PERFORMANCE

5. Financial Information

5.1. 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

5.2. Expenditure trend

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	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	AUDITED OUTCOME			BUDGET ESTIMATE			
Revenue	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Grant from the dtic	33 797	31 027	35 928	36 477	36 836	38 490	40 338
NCEMS monitoring fees	220 338	146 064	221 049	219 500	253 500	255 500	257 000
Interest received	3 801	2 315	2 521	3 744	4 610	3 840	3 960
Rental income	4 408	2 237	0	0	0	0	0
Other miscellaneous income		0	400	0	0	0	0
Total Revenue	262 344	181 643	259 898	259 721	294 946	297 830	301 298
Expenditure							
Employee costs	33 774	38 005	37 460	44 405	49 115	52 801	56 782
Subsistence & travel	4 062	0	27	516	4 493	4 493	4 885
Administration costs	14 384	9 726	8 786	11 030	12 504	4 047	6 476
NCEMS service fees	183 615	121 720	182 482	182 917	211 250	212 917	214 167
Professional services	6 873	5 082	3 598	13 885	8 199	7 199	7 933
Depreciation	3 158	3 193	3 274	3 230	1 874	1 874	3 408
Other operating expenses	5 167	2 356	2 368	3 695	7 121	8 995	4 031
Total Expenditure	251 033	180 082	237 995	259 678	294 556	292 326	297 682
Surplus / (Deficit)	11 311	1 561	21 903	43	390	5 504	3 616

5.3. 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.

5.4. Cash flow projections

The cash flow projections below reflect an increase in cash receipts from the LPM sector from R219.5 million in 2022/23 to R257 million in 2025/26.

Table 2: Cash flow projections

Cash Flow Description	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	AUDITED OUTCOME			BUDGET ESTIMATE			
R Thousand							
Cash receipts from stakeholders	269 614	178 794	258 992	259 721	294 946	297 830	301 298
Tax receipts	-	-	-				
Rent received	8 000	3 709	582	0	0	0	0
Transfers received	33 797	31 027	35 928	36 477	36 836	38 490	40 338
Fines, penalties and forfeits	-	-	-	-		-	-
Interest	3 779	2 306	2 512	3 744	4 610	3 840	3 960
Rent on land	-	-	-	-		-	-
Limited payout machine monitoring fees	224 038	141 752	219 970	219 500	253 500	255 500	257 000
Cash paid to stakeholders	253 445	177 502	228 051	259 678	294 556	292 326	297 681
Current payments	253 445	177 502	228 051	259 678	294 556	292 326	297 681
Compensation of employees	33 824	38 145	37 852	44 105	49 115	52 801	56 782
Goods and services	219 621	139 357	190 199	215 573	245 441	239 525	240 899
Cash flow from operating activities	16 169	1 292	30 941	43	390	5 504	3 617
Cash flow from investing activities	-458	-1 637	-1 016	-1 350	-350	-350	-700
Cash flow from financing activities	294	253	99	110	120	130	140
Net increase / (decrease) in cash and cash equivalents	16 005	-92	30 024	-1 197	160	5 284	3 057

5.5. 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. During 2022/23 and 2023/24 the entity will undertake a procurement process to acquire its own office premises, funded from a cash surplus retained from previous financial periods.

5.6. 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.

6. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

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.

7. PROGRAMME 1: GAMING CONTROL AND COMPLIANCE

7.1. 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:

7.2. 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.

7.3. 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.

7.4. 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.

7.5. 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.

7.6. 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.

7.7. Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output indicators	Audited performance			Estimated performance and baseline	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Accounted for and identified all legal gambling machines, devices and owners, licensed juristic, natural persons and excluded persons to combat illegal gambling activities	Maintained functional national registers	Percentage uptime on functional national registers	100% uptime of national functional registers	100% uptime of national functional registers	100% uptime of national functional registers	95% uptime 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
Facilitated Limited Pay-out Machine sector gross gambling revenue contribution to the economy	Maintained operational National Central Electronic Monitoring System	Percentage uptime of a fully operational National Central Electronic Monitoring System (NCEMS)	99.95% uptime on a fully operational NCEMS	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
Ensured uniformity of legislation to regulate gambling in a fair and equitable manner, to attract investment in the gambling industry	Advisory Reports on the gambling regulation	Number of reports on gambling regulation in terms of section 65 of the NGA produced	Four (4) S65 advisory reports on gambling regulation and one (1) consolidated S65 report was	Over-achieved: Eight (8) reports were produced: Four (4) S65 advisory reports on gambling	Over-achieved: Eight (8) reports were produced: Four (4) S65	One (1) consolidated S65 advisory report on gambling regulation produced	One (1) consolidated S65 Advisory Report on gambling regulation produced	One (1) consolidated S65 Advisory Report on gambling regulation produced	One (1) consolidated S65 Advisory Report on gambling regulation produced

National Gambling Board
Annual Performance Plan 2023-2026 FY

Outcome	Outputs	Output indicators	Audited performance			Estimated performance and baseline	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
			submitted to the Accounting Authority	regulation and one (1) consolidated S65 report was submitted to the Accounting Authority Three (3) reports on a legislative review were submitted to the Accounting Authority	advisory reports on gambling regulation and one (1) consolidated S65 report was submitted to the Accounting Authority Three (3) reports on a legislative review were submitted to the Accounting Authority				
Effectively monitored PLA compliance with gambling legislation	Evaluation of nine (9) PLAs compliance with gambling legislation	Number of reports on nine (9) PLAs compliance with gambling legislation	N/A	N/A	N/A	One (1) consolidated report on PLA compliance evaluation with gambling legislation	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, machines and devices	Number of reports on technical analysis conducted	N/A	Four (4) advisory Reports on gaming control and One (1) consolidated report on	Four (4) advisory Reports on gaming control and One (1) consolidated	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	One (1) consolidated report on technical analysis of gambling games, machines and devices produced

National Gambling Board
Annual Performance Plan 2023-2026 FY

Outcome	Outputs	Output indicators	Audited performance			Estimated performance and baseline	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
				regulation were submitted to the Accounting Authority	report on regulation were submitted to the Accounting Authority	machines and devices			
Facilitated S16 confiscation of proceeds from suspected illegal gambling activities	Targeted Investigation completed within 30 days on the circumstances of illegal gambling activities	Turn-around time to complete investigations on the circumstances of the illegal gambling activity	N/A	N/A	N/A	100% of the total number of cases targeted for investigation completed	Investigation completed within thirty (30) days from receipt of all information	Investigation completed within thirty (30) days from receipt of all information	Investigation completed within thirty (30) days from receipt of all information

7.8. Output Indicators, Annual and Quarterly Targets

Output indicators	Annual targets 2023/2024	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 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	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 reports on gambling regulation in terms of section 65 of the NGA produced	One (1) consolidated S65 Advisory Report on gambling regulation produced	One (1) S65 Advisory Report on gambling regulation produced	One (1) S65 Advisory Report on gambling regulation produced	One (1) S65 Advisory Report on gambling regulation produced	One (1) consolidated S65 Advisory Report on gambling regulation produced
Number of reports on nine (9) PLAs compliance with the gambling legislation	One (1) consolidated report on PLA compliance evaluation with gambling legislation produced	One (1) report on compliance evaluation of PLAs produced	One (1) report on compliance evaluation of PLAs produced	One (1) report on compliance evaluation of PLAs produced	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
Turn-around time to complete investigations on the circumstances of the illegal gambling activity	Investigation completed with 30 days from receipt of all information	Investigations completed within 30 days from receipt of all information	Investigations completed within 30 days from receipt of all information	Investigations completed within 30 days from receipt of all information	Investigations completed within 30 days from receipt of all information

7.9. 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 NGB'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.

Description of planned performance in relation to the programmes 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 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.

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.

The planned performance in relation to

7.10. Programme resource considerations

Programme 1 - Gaming Control & Compliance							
Rand thousand	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Audited Outcome			Budget Estimates			
Economic classification							
Current payments	198 877	137 119	191 923	197 027	228 333	231 187	233 253
Compensation of employees	7 927	11 711	7 514	13 784	15 566	16 753	18 035
Goods and services	190 950	125 408	184 409	183 243	212 767	214 434	215 218

Explanation of the resources contribution towards achieving the outputs

The resource budget for Gaming Control will enable the achievement of the outputs of:

Account for and identify all legal gambling machines, devices and owners, licensed juristic and natural persons and excluded persons;

Economic transformation and increased participation of Historically Disadvantaged Individuals in the mainstream gambling industry;

Effectively monitored PLA compliance with gambling legislation; and

Facilitated S16 confiscation of proceeds from

illegal gambling activities by ensuring that empirical research is undertaken through quantitative and qualitative research to inform and advise on legislative and policy development.

The budget includes NCEMS service fees which will enable NGB to fulfil oversight responsibility in terms of S27 of the NGA. The budget will also assist in maintaining the National Registers in terms of S21 of the NGA. Furthermore, it will enable the NGB to assist PLAs to detect and suppress unlawful and unlicensed gambling activities.

8. PROGRAMME 2: CORPORATE SERVICES AND RESEARCH

8.1. 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 subdivisions, Human Capital Optimisation (HCO), Legal Services, Research, IT, and Corporate Governance. The sub programmes of the CSRD are set out as follows:

8.2. 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.

8.3. 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.

8.4. 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.

8.5. Research and Advisory 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.

8.6. Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output indicators	Audited performance			Estimated performance and baseline	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Addressed structural challenges in the LPM sector to facilitate growth	Conducted research on the structural challenges in the LPM sector to facilitate growth	Number of reports on research conducted on the structural challenges in the LPM sector to facilitate growth	New Indicator	New Indicator	New Indicator	New Indicator	One (1) consolidated report on the structural challenges in the LPM sector to facilitate growth produced	One (1) consolidated report on the structural challenges in the LPM sector to facilitate growth produced	One (1) consolidated report on the structural challenges in the LPM sector to facilitate growth produced
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	Four (4) reports (based on unaudited data) and one (1) annual report on audited gambling sector performance submitted to the Accounting Authority	Over-achieved Eight (8) reports were produced: Four (4) reports (based on unaudited data) and one (1) annual report on audited gambling sector performance were submitted to the Accounting Authority Three (3) reports on socio-economic implications of market share and	Over-achieved Seven (7) reports were produced: Three (3) reports (based on unaudited data) and one (1) annual report on audited gambling sector performance were submitted to the Accounting Authority Three (3) reports on socio-economic implications of market share and	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	Four (4) reports (based on unaudited data) and one (1) annual report on audited gambling sector performance produced

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Outcome	Outputs	Output indicators	Audited performance			Estimated performance and baseline	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
				market conduct in the gambling industry were submitted to the Accounting Authority.	market conduct in the gambling industry were submitted to the Accounting Authority				
	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	Four (4) reports on economic analysis and research conducted on the impact of gambling submitted to the Accounting Authority	Over-achieved Eight (8) reports were produced: Four (4) reports on the economic analysis and research conducted on the impact of gambling were submitted to the Accounting Authority One (1) report on ways in which the gambling industry could	Overachieved Six (6) reports were produced: Three (3) reports on economic analysis and research conducted on the impact of gambling submitted to the Accounting Authority Three (3) reports on benchmarking the South African gambling industry	One (1) consolidated 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	One (1) consolidated 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

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Outcome	Outputs	Output indicators	Audited performance			Estimated performance and baseline	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
				<p>be transformed as part of an economic recovery plan for the future regulation of the gambling industry in response to the devastating effects of the COVID-19 pandemic were submitted to the Accounting Authority</p> <p>Two (2) reports on benchmarking the South African gambling industry against other jurisdictions were submitted to the</p>	<p>against other jurisdictions were submitted to the Accounting Authority.</p>				

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Outcome	Outputs	Output indicators	Audited performance			Estimated performance and baseline	MTEF targets		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
				Accounting Authority One (1) report on the Economic Recovery and Reconstruction Plan for the gambling industry were submitted to the Accounting Authority.					
Educated and informed society on the harmful effects of gambling	Broad based public education interventions	Number of broad-based public educational interventions about the risks of and socio-economic impact of gambling conducted	Conducted thirteen (13) broad-based public education interventions about the risks and socio-economic impact of gambling	Conducted twenty-two (22) broad-based public education interventions about the risks and socio-economic impact of gambling	Conducted fourteen (14) broad-based public education interventions about the risks and socio-economic impact of gambling	Conducted ten (10) broad-based public education interventions about the risks and socio-economic impact of gambling	Conduct thirty (30) broad-based public education interventions about the risks and socio-economic impact of gambling	Conduct thirty (30) broad-based public education interventions about the risks and socio-economic impact of gambling	Conduct thirty (30) broad-based public education interventions about the risks and socio-economic impact of gambling

8.7. Output Indicators, Annual and Quarterly Targets

Output indicators	Annual targets 2023/2024	Q1	Q2	Q3	Q4
Number of reports on research conducted on the structural challenges in the LPM sector to facilitate growth	One (1) consolidated report on the structural challenges in the LPM sector to facilitate growth produced	One (1) report on the structural challenges in the LPM sector to facilitate growth produced	One (1) report on the structural challenges in the LPM sector to facilitate growth produced	One (1) report on the structural challenges in the LPM sector to facilitate growth produced	One (1) consolidated report on the structural challenges in the LPM sector to facilitate growth produced
Number of reports on gambling sector performance	Four (4) reports (based on unaudited data) and one (1) annual report on audited gambling sector performance produced.	One (1) report on gambling sector performance (4th quarter, FY2022/23) produced	One (1) report on gambling sector performance (1st quarter, FY2023/24) produced One (1) audited report on gambling sector performance (FY2022/23) produced	One (1) report on the gambling sector performance (2nd quarter, FY2023/24) produced	One (1) report on gambling sector performance (3rd quarter, FY2023/24) produced
Number of reports on economic analysis and research conducted on the impact of gambling	One (1) consolidated economic analysis and research report on the impact of gambling produced	One (1) report on the economic analysis and research conducted on the impact of gambling produced	One (1) report on the economic analysis and research conducted on the impact of gambling produced	One (1) report on the economic analysis and research conducted on the impact of gambling produced	One (1) consolidated report on the economic analysis and research conducted on the impact of gambling produced
Number of broad-based public educational interventions about the risks of and socio-economic impact of gambling conducted.	Conducted thirty (30) broad-based public education interventions about the risks and socio-economic impact of gambling	Conduct five (5) broad-based public education interventions about the risks and socioeconomic impact of gambling	Conduct ten (10) broad-based public education interventions about the risks and socioeconomic impact of gambling	Conduct ten (10) broad-based public education interventions about the risks and socioeconomic impact of gambling	Conduct five (5) broad-based public education interventions about the risks and socioeconomic impact of gambling

8.8. 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 NGB'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.

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. The NGB has developed and will continuously implement the operational business plan: National Programme on Broad-based Public Education about the risks and socio-economic impact of gambling which provides the framework through which public education can be conducted to maximise the reach of its campaigns. This includes constant benchmarking of target audiences and key messages against the latest research findings; adapting the key messages and message delivery methodology to address the needs of

society and the industry; utilising a variety of communications tools and channels that best access the target audience, and leveraging off alliances with key partners and stakeholders.

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, participation in unregulated gambling modes and consequences of overstimulation of gambling. Gambling challenges are not restricted to a particular demographic group or income level, however women, youth and people living with disabilities are considered vulnerable groups and will be specifically included in the programmes.

Description of planned performance in relation to the programmes 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.

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.

8.9. Programme resource considerations

Programme 2: Corporate Services & research Division							
Rand thousand	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Audited Outcomes			Budget Estimates			
<u>Economic classification</u>							
Current payments	26 955	14 788	26 577	42 328	49 651	47 265	45 478
Compensation of employees	15 768	10 891	22 501	22 361	24 497	26 311	28 271
Goods and services	11 187	3 897	4 076	19 967	25 154	20 954	17 207

Explanation of the resources contribution towards achieving the outputs

The resource budget for Research will enable the achievement of the output of monitoring market share and market conduct in the gambling industry as well as conducting economic analysis and research by ensuring that empirical research is undertaken through quantitative and qualitative research to inform and advise on legislative and policy development.

The resource budget for Stakeholder Engagement includes a budget for a conference that will bring together various

industry stakeholders to discuss pertinent issues concerning the regulation of gambling. This will be an opportunity for NGB to disseminate information to educate stakeholders on the socio-economic risks of gambling as well as the status of the industry. The budget also includes multimedia campaigns that can reach a wider audience with respect to broad-based public education messages on the risks and harms of gambling. These include radio, TV and billboards.

9. UPDATED KEY RISKS AND MITIGATION FROM THE SP

Risk #	Key risks	Outcomes	Outputs	Risk mitigation
1	<ul style="list-style-type: none"> No centralised gambling-related information accessible to stakeholders Inadequate protection of punters due to the absence of an operative self-exclusions register Vulnerability of national registers to cyber attacks Inability to access national registers Lack of integrity of data to make informed decisions Non-compliance with NGA 	Accounted for and identified all legal gambling machines, devices and owners, licensed juristic, natural persons and excluded persons to combat illegal gambling activities	Maintained functional national registers	<ul style="list-style-type: none"> Registers are hosted in a high availability data centre Continuous back up of data on registers is performed Approved disaster recovery plan is in place Verification of captured data is conducted Back-up systems are available Education and awareness on the consequences of addiction
2	<ul style="list-style-type: none"> Absence of a functional operational NCEMS will result in a failure to regulate the LPM industry Failure to implement NGB mandate in terms of section 27 	Facilitated Limited Pay-out Machine sector gross gambling revenue contribution to the economy	Maintained operational National Central Electronic Monitoring System	<ul style="list-style-type: none"> NCEMS must be hosted in a high availability data centre Continuous back up of data on NCEMS is performed Approved disaster recovery plan is in place Verification of captured data is conducted

Risk #	Key risks	Outcomes	Outputs	Risk mitigation
	<ul style="list-style-type: none"> of the NGA Inoperable NCEMS will result in inability to regulate LPM industry which drives out investment and job creation culminating in the loss of revenue to the fiscus 			<ul style="list-style-type: none"> Back-up systems are available
3	<ul style="list-style-type: none"> Gaps in PLAs' compliance with the NGA due to concurrent competencies The emergence of grey areas brought about by gambling activities taking place outside established technical standards and the legal framework Rolling out of gambling activities that are not aligned to gambling policy and legislation 	Ensured uniformity of legislation to regulate gambling in a fair and equitable manner, to attract investment in the gambling industry	Advisory Reports on gambling Regulation	<ul style="list-style-type: none"> Engaging PLAs during compliance monitoring pre-planning stage Regular and improved communication with PLAs The annual compliance oversight evaluation strategy is in place Invoke the Intergovernmental Relations Framework Act
4	<ul style="list-style-type: none"> Lack of uniformity and consistency in the implementation of gambling legislation Lack of cooperation by PLAs Non-compliance with gambling legislation 	Effectively monitored PLA compliance with gambling legislation	Evaluation of nine (9) PLAs' compliance with gambling legislation	<ul style="list-style-type: none"> Engaging PLAs during compliance monitoring pre-planning stage Regular and improved communication with PLAs The annual compliance oversight evaluation strategy is in place
	<ul style="list-style-type: none"> PLAs allow products that are non-compliant to the NGA and other applicable legislation Gambling products and services offered to punters that do not meet the requirements of technical standards and gambling legislation Increase in illegal gambling 		Conducted technical analysis of gambling games, machines and devices	<ul style="list-style-type: none"> Build technical expertise through continuous training Continuous engagement with NRCS, SABS and PLAs Confiscation of unlawful winnings Compliance notices issued to PLAs

Risk #	Key risks	Outcomes	Outputs	Risk mitigation
5	<ul style="list-style-type: none"> Failure of reporting entities to surrender alleged proceeds of illegal gambling to the NGB Inability to investigate proceeds of illegal gambling Failure to process the confiscation or refund the punter due to incomplete information from reporting entities 	Facilitated S16 confiscation of proceeds from illegal gambling activities	Targeted investigation completed within 30 days on the circumstances of illegal gambling activities	<ul style="list-style-type: none"> Collaboration with banks, gambling operators and PLAs in detecting suspected unlawful winning transactions Implement unlawful winnings standard operating procedures.
6	<ul style="list-style-type: none"> Limited growth of the LPM industry 	Addressed structural challenges in the LPM sector to facilitate growth	Conducted research on the structural challenges in the LPM sector to facilitate growth	<ul style="list-style-type: none"> Undertake comprehensive research to address structural challenges in the LPM industry to inform policy and legislative development Table advice to the dtic and/or the NGPC
7	<ul style="list-style-type: none"> Reliability on third parties for gambling industry statistics Incorrect or omitted gambling statistics will result in the inability to report on market conduct and market share Failure to detect unfair competition and abuse of dominance 	Effectively monitored socio-economic patterns of gambling activity within the Republic	Monitored market share and market conduct in the gambling industry	<ul style="list-style-type: none"> Advise the dtic and NGPC Undertake audit of gambling statistics annually On-going use of secondary data resources Undertake trend analysis using audited data
	<ul style="list-style-type: none"> Research bias on the analysis and impact of gambling Inability to access reliable primary data resulting in ill-informed research findings Inability to yield accurate research results that lead to potential misleading conclusions 		Conducted economic analysis and research on the impact of gambling	<ul style="list-style-type: none"> Conduct research using secondary data Source primary and secondary data using empirically tested methods
8	<ul style="list-style-type: none"> Ineffective broad-based public education and awareness campaigns on the risks and 	Educated and informed society on the harmful effects of	Broad-based public education interventions	<ul style="list-style-type: none"> Conduct research to identify patterns, causes and consequences of the socio-economic

Risk #	Key risks	Outcomes	Outputs	Risk mitigation
	socio-economic impact of gambling • Emergence of punters who exhibit irresponsible gambling behaviour • Punters continued exposure to negative consequences of gambling	gambling		impact of gambling to inform broad based public education • Implementation of broad-based public education programme

10. PUBLIC ENTITIES

Name of Public Entity	Mandate	Key Outputs	Current Annual Budget
National Gambling Board	National Gambling Act, 2004 (Act 7 of 2004)	Maintained functional national registers	R 262,133,294
		Maintained operational National Central Electronic Monitoring System	
		Monitored economic transformation opportunities for HDIs in the mainstream gambling industry.	
		Evaluation of PLAs compliance with gambling legislation	
		Conducted technical analysis of gambling games, machines and devices	
		Targeted Investigation completed on the circumstances of the illegal gambling activities	
		Monitored market share and market conduct in the gambling industry	
		Conducted economic Analysis and	

Name of Public Entity	Mandate	Key Outputs	Current Annual Budget
		research on the impact of gambling	
		Provided authoritative advice policy, statutory matters and legislative reform in the Gambling Industry	
		Better informed and educated stakeholders	

11. INFRASTRUCTURE PROJECTS

No.	Project Name	Programme	Description	Outputs	Start Date	Completion Date	Total Estimated Cost	Current Year Expenditure
Not Applicable								

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	<ul style="list-style-type: none"> This indicator is informed 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	<ul style="list-style-type: none"> PLAs, manufacturers and licensees
Method of calculation/assessment	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Availability of valid, accurate and complete data uploaded as and when required by the NGB for purposes of monitoring, evaluation and reporting
Assumptions	<ul style="list-style-type: none"> 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)	<ul style="list-style-type: none"> N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> N/A
Calculation type	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Quarterly
Desired performance	<ul style="list-style-type: none"> Fully compliant with targeted performance
Indicator responsibility	<ul style="list-style-type: none"> Senior Manager: Gaming Technology

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

Indicator title	TID 2 Percentage uptime of a fully operational National Central Electronic Monitoring System (NCEMS)
Definition	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> National Central Electronic Monitoring System
Method of calculation/assessment	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Availability of valid, accurate and complete data uploaded as and when required by the NGB for purposes of monitoring, evaluation and reporting
Assumptions	<ul style="list-style-type: none"> 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)	<ul style="list-style-type: none"> N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> N/A
Calculation type	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Quarterly
Desired performance	<ul style="list-style-type: none"> Fully compliant with targeted performance
Indicator responsibility	<ul style="list-style-type: none"> Senior Manager: Gaming Technology

12.3. Technical Indicator Description (TID): Number of reports on gambling legislation regulation in terms of Section 65 of the NGA produced

Indicator title	TID 3 Number of reports on gambling regulations in terms of section 65 of the NGA produced
Definition	<ul style="list-style-type: none"> • Authoritative advice on, <i>inter alia</i>, policy, statutory matters, legislation and reforms provided in terms of S65(2) of the NGA
Source of data	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Three (3) reports per quarter and one (1) annual consolidated report produced. [Four (4) reports per annum].
Means of verification	<ul style="list-style-type: none"> • Case law, statutes, precedents, policy
Assumptions	<ul style="list-style-type: none"> • Advice provided will be implanted and legislation and policies will be reviewed •
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> • N/A
Calculation type	<ul style="list-style-type: none"> • Quantitative: Number of reports on S65 advice produced. [One(1) report in quarter one(1), one (1) in quarter two (2), one in quarter three (3) and one consolidated report in quarter four (4). Four reports per annum. • Cumulative:
Reporting cycle	<ul style="list-style-type: none"> • Annually
Desired performance	<ul style="list-style-type: none"> • Advice to be fit for use and to add value
Indicator responsibility	<ul style="list-style-type: none"> • Senior Manager: Compliance Oversight

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

Indicator title	TID 4.1 Number of reports on nine (9) PLAs compliance with gambling legislation produced
Definition	<ul style="list-style-type: none"> • Oversight evaluations conducted of PLAs compliance with gambling legislation and compliance monitoring of licensees by PLAs
Source of data	<ul style="list-style-type: none"> • Interviews with PLAs, Licensing conditions imposed, gambling legislation, evaluation reports per PLA
Method of calculation/assessment	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Compliance checklist, evaluation reports per PLA
Assumptions	<ul style="list-style-type: none"> • Co-operation from PLAs • Submission of all requested information required to conduct oversight
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> • N/A
Calculation type	<p>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)]</p> <p>Qualitative: Nature and content and whether objectives have been met</p>
Reporting cycle	<ul style="list-style-type: none"> • Annually
Desired performance	<ul style="list-style-type: none"> • Fully compliant with targeted performance
Indicator responsibility	<ul style="list-style-type: none"> • Senior Manager: Compliance Oversight

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

Indicator title	TID 4.2 Number of reports on technical analysis conducted
Definition	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> National registers, LOCs, gaming laboratories, PLAs, gaming manufacturers, NRCS, SABS and NCEMS
Method of calculation/assessment	<ul style="list-style-type: none"> Three (3) quarterly reports and one (1) annual consolidated report on technical analysis submitted to the Accounting Authority Cumulative
Means of verification	<ul style="list-style-type: none"> Data from national registers, LOCs, gaming laboratories, gaming manufacturers, PLAs, NRCS, SABS and NCEMS
Assumptions	<ul style="list-style-type: none"> 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)	<ul style="list-style-type: none"> N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> N/A
Calculation type	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Annually
Desired performance	<ul style="list-style-type: none"> Advice to be fit for use and to add value
Indicator responsibility	<ul style="list-style-type: none"> Senior Manager: Gaming Technology

12.6. Technical Indicator Description (TID): Turn-around time to complete investigations on the circumstances of the illegal gambling activity

Indicator title	TID 5 Turn-around time to complete investigations on the circumstances of the illegal gambling activity
Definition	<ul style="list-style-type: none"> Report on suspected cases of unlawful gambling activities investigated as required by S16 (4) of the NGA
Source of data	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Targeted per quarter Actual number of investigations conducted within 30 day turn-around time Each case takes 30 days to investigate provided all information for the case is received Cumulative
Means of verification	<ul style="list-style-type: none"> Investigation report with supporting documents (including the investigation diary) Inspection of gambling website
Assumptions	<ul style="list-style-type: none"> Co-operation from PLAs, banks and operators Co-operation from punter Submission of all relevant information
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> N/A
Calculation type	Quantitative: Targeted per quarter <ul style="list-style-type: none"> Actual number of investigations conducted within 30 days Simple Count
Reporting cycle	<ul style="list-style-type: none"> Quarterly
Desired performance	<ul style="list-style-type: none"> Fully compliant with targeted performance
Indicator responsibility	<ul style="list-style-type: none"> 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 research conducted on structural challenges in the LPM sector to facilitate growth

Indicator title	TID 1 Number of reports on research conducted on structural challenges in the LPM sector to facilitate growth
Definition	<ul style="list-style-type: none"> Conduct research on structural challenges in the LPM sector to facilitate growth
Source of data	<ul style="list-style-type: none"> Research data, interviews/focus groups with stakeholders and/or the public
Method of calculation/assessment	<ul style="list-style-type: none"> Three (3) quarterly reports and one (1) consolidated report produced
Means of verification	<ul style="list-style-type: none"> Excel spreadsheets submitted by PLAs; Reports from Stats SA; Statistics from the South African Reserve Bank, World Bank, International Monetary; and any other credible source of statistical information
Assumptions	<ul style="list-style-type: none"> Co-operation from research participants Availability of historical evidence to inform the subject matter of the analysis and research
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> N/A
Calculation type	<ul style="list-style-type: none"> Quantitative: Number of reports on research conducted on structural challenges in the LPM sector to facilitate growth [One (1) research report in quarter one (1), one (1) in quarter two (2), one (1) in quarter three (3) and one (1) consolidated report in quarter four (4). (Four research reports per annum)] Cumulative
Reporting cycle	<ul style="list-style-type: none"> Quarterly and Annually
Desired performance	<ul style="list-style-type: none"> Fully compliant with targeted performance
Indicator responsibility	<ul style="list-style-type: none"> Economic Researcher

13.2. Technical Indicator Description (TID): Number of reports on gambling sector performance produced

Indicator title	TID 2.1 Number of reports on gambling sector performance produced
Definition	<ul style="list-style-type: none"> • Monitor statistical socio-economic patterns to determine trends of gambling activity within the gambling industry
Source of data	<ul style="list-style-type: none"> • Information submitted by PLAs as required quarterly and annually
Method of calculation/assessment	Five (5) reports per annum produced: <ul style="list-style-type: none"> • One (1) report per quarter • One (1) annual audited report in quarter two (2)
Means of verification	<ul style="list-style-type: none"> • Excel spreadsheets submitted by PLAs, NCEMS
Assumptions	<ul style="list-style-type: none"> • PLAs submit valid, accurate and complete data timeously as and when required by the NGB for purposes of reporting
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> • N/A
Calculation type	<ul style="list-style-type: none"> • Quantitative: Number of reports on gambling sector performance produced. [Five (5) reports per annum produced: <ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Quarterly and annually
Desired performance	<ul style="list-style-type: none"> • Fully compliant with targeted performance
Indicator responsibility	<ul style="list-style-type: none"> • Economic Researcher

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

Indicator title	TID 2.2 Number of reports on economic analysis and research conducted on the impact of gambling produced
Definition	<ul style="list-style-type: none"> • Monitor and determine the socio-economic impact of gambling
Source of data	<ul style="list-style-type: none"> • Desktop research, interviews/focus groups with stakeholders and/or the public
Method of calculation/assessment	<ul style="list-style-type: none"> • Four reports per annum produced • Three (3) quarterly reports • One (1) consolidated report
Means of verification	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Co-operation from research participants • Availability of historical evidence to inform the subject matter of the analysis and research
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> • N/A
Calculation type	<ul style="list-style-type: none"> • Quantitative: Number of reports on research conducted on the impact of gambling produced. Four reports produced per annum: • One (1) research report per quarter • Cumulative
Reporting cycle	<ul style="list-style-type: none"> • Quarterly and Annually
Desired performance	<ul style="list-style-type: none"> • Fully compliant with targeted performance
Indicator responsibility	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> Publications, public awareness campaigns / programs / interventions
Method calculation/assessment of	<ul style="list-style-type: none"> Number of broad-based public educational interventions about the risks and socio-economic impact of gambling conducted – thirty (30) per annum: <ul style="list-style-type: none"> Five (5) interventions in quarter one (1) Ten (10) interventions in quarter two (2) Ten (10) interventions in quarter three (3) Five (5) interventions in quarter four (4)
Means of verification	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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)	<ul style="list-style-type: none"> N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> N/A
Calculation type	<ul style="list-style-type: none"> Quantitative: Number of broad-based public educational interventions about the risks and socio-economic impact of gambling conducted. Thirty (30) per annum: <ul style="list-style-type: none"> Five (5) interventions in quarter one (1) Ten (10) interventions in quarter two (2) Ten (10) interventions in quarter three (3) Five (5) interventions in quarter four (4) Qualitative: Nature and content of messages disseminated Cumulative
Reporting cycle	<ul style="list-style-type: none"> Quarterly
Desired performance	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Economic Researcher

PART E: THE DTICs 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** began 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 the financial year 2023/24 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).

The following Joint Indicators set out areas of focus that the NGB will report 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 2023/24 for **the dtic**.

JOINT INDICATOR 1 – Industrialisation

Outcome:	Increased industrialisation and localisation opportunities implemented			Performance period	2023/2024
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 on localisation in the South African Gambling Industry.		This indicator will be resourced within current entity resources		
NGB Quarterly Target/s	Q1	Q2	Q3	Q4	
	Analyse the feasibility of localisation of products and services in the gambling industry.	Analyse policies that promote localisation and their applicability to gambling industry	Identify opportunities for localisation in gambling industry	Report on potential localisation proposals in 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	The NGB will assess the gambling industry's contribution to spatial transformation to determine whether growth is balanced between rural and urban and between provinces.		This indicator will be resourced within the current entity resources		
NGB Quarterly Target/s	Q1	Q2	Q3	Q4	
	Report on casino sector gambling contribution to spatial transformation to determine whether casino growth is balanced between rural and urban and between provinces over time	Report on betting sector contribution to spatial transformation to determine whether betting growth is balanced between rural and urban and between provinces over time	Report on LPM sector contribution to spatial transformation to determine whether LPM growth is balanced between rural and urban and between provinces over time	Report on bingo sector contribution to spatial transformation to determine whether bingo growth is balanced between rural and urban and between provinces over time	

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	2022/2023
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) reports on the reduction of identified red tape in the gambling industry.		This indicator will be resourced within the current entity resources	
NGB Quarterly Target/s		Q1	Q2	Q3	Q4
		Engagement with stakeholders with regards to identified red tape	Produce a document aligned to engagements with stakeholders and findings on red tape	Workshop the document with stakeholders	Finalise and consolidate the outcomes from stakeholder engagements for policy consideration



National Gambling Board
South Africa

a member of the dtic group

Physical Address:

420 Witch-Hazel Avenue, Eco Glades 2,
Block C, Eco Park, Centurion, 0144

Postal Address:

Private Bag X27, Hatfield, 0002

Contact Details:

Tel: +27 (0)10 003 3475 | Fax: +27 (0)86 618 5729
E-mail: info@ngb.org.za | Web: www.ngb.org.za