

NGB ANNUAL PERFORMANCE PLAN FY2021/24



National Gambling Board
South Africa

a member of the **dti** group





Acronyms and Abbreviations

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



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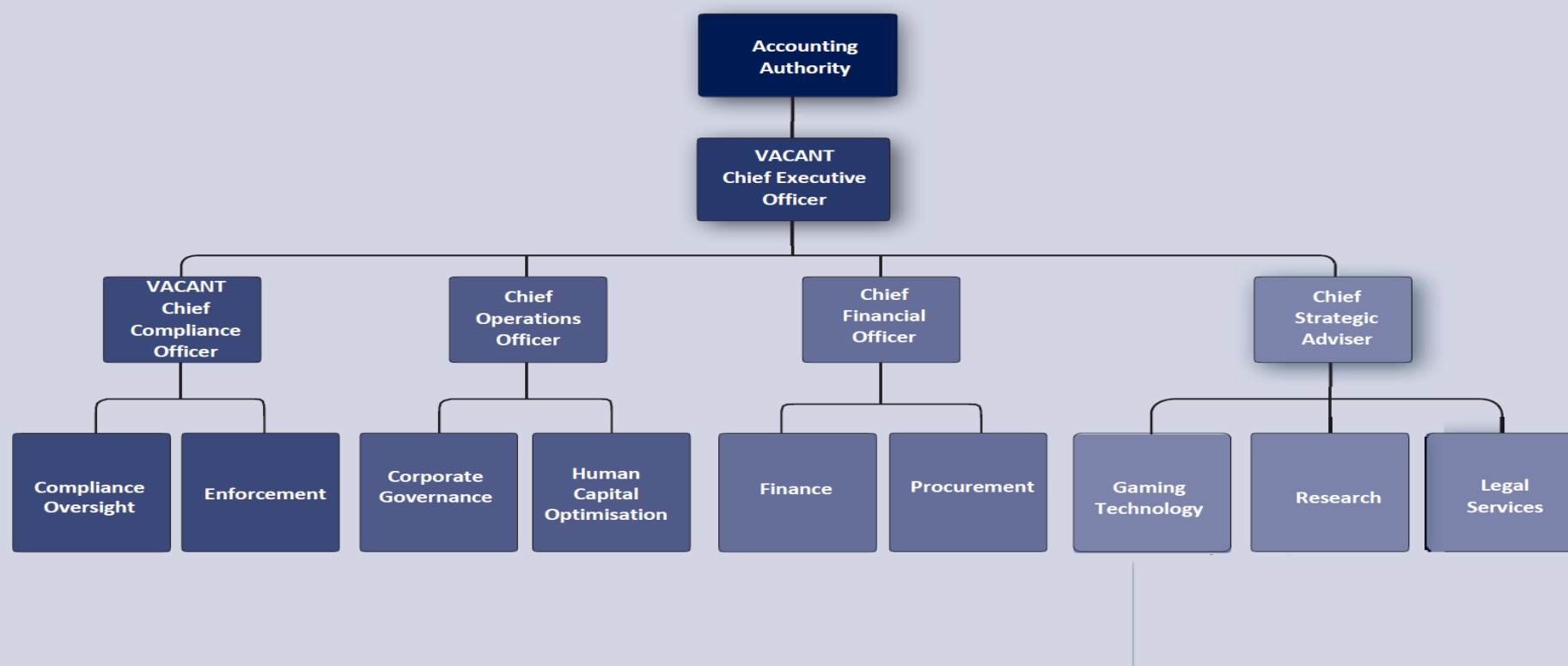
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1. ORGANOGRAM





EXECUTIVE AUTHORITY STATEMENT

This Annual Performance Plan (APP) of the National Gambling Board (NGB) has been prepared by the management for consideration by the Executive Authority and tabling in Parliament. The Annual Performance Plans (APP) of public entities identify the outputs, output indicators and targets that an entity aims to achieve in the new financial year. The Executive Authority is responsible to ensure the APP is aligned with the Strategic Plan, the institution's mandate and government's priorities and to provide direction on the development and implementation of strategic priorities and policies.

The Covid-19 pandemic changed the landscape within which DTIC-entities operate and they are therefore expected to adjust their operations to address the new environment and new priorities. There is an urgent need to boost levels of economic growth and economic recovery, support transformation and build a capable state.

In particular, the APP for the 2021/22 financial year will need to reflect the policy priorities set out in Budget Vote statements tabled in Parliament during this Administration and those that arise from:

- The Economic Recovery and Reconstruction Plan tabled in Parliament in October 2020 by President Ramaphosa.
- The priorities set out in the 2021 State of the Nation Address
- The new performance compacts between members of the Executive and the Presidency signed in November 2020; and the
- New District Development Model as an integration of development efforts at local level.

This APP is tabled and updates to the Plan – when these are effected – will be tabled in Parliament in due course, taking account of the above.

As the practical means to ensure alignment between APPs and policy priorities, the Annual Performance Plan for the DTIC itself has sets out the requirement to ensure integration between the work of the department and all public entities that report to it. Seven new Joint-Indicators (J-KPIs) have been developed for the DTIC that contain the major policy priorities and these are expected to be included in the work of the NGB, with progress against these to be reported to the Ministry on a quarterly basis.

Entities will be expected to show how, within their legal mandate, they have contributed to the achievement of the outcomes for the following seven Joint Indicators (details of which are contained in more detail in the APP of the department itself):

- Joint Indicator 1: Integrated Support to Drive Industrialisation
- Joint Indicator 2: Contribution to the development of an AfCFTA Export Plan
- Joint Indicator 3: Investment Facilitation and Growth
- Joint Indicator 4: Development Model and Spatial Equity
- Joint Indicator 5: Actions to Promote Transformation



- Joint Indicator 6: The Green Economy and Greening the Economy
- Joint Indicator 7: Strengthening and Building a Capable State

In this way, the combined efforts of all public entities will begin to be aligned to the national priorities in a more explicit manner. The Joint-Indicators cover, among others, the work of sector masterplans, initiatives to boost levels of investment and localisation in the economy, expanding trade within the continent, enabling better local economic development, supporting the growth of new industries (in the green economy and through beneficiation) and building a capable state. In respect of Joint-Indicator 7 for example, all public entities will be required to review their procedures, timeframes for delivery, forms to be filled in and public communication of services to simplify these, make processes expeditious where possible, remove unnecessary red-tape where these exist and make it easier for users to access services.

This APP is therefore not about many new objectives but rather on a new way of implementation, with the focus on integration, to enhance the development impact of the work. I therefore endorse the work to align the APP of the NGB with the national priorities and accordingly table the APP for the NGB in accordance with the request by the Speaker.

A handwritten signature in black ink, appearing to read 'Ebrahim Patel', with a long horizontal stroke extending to the right.

EBRAHIM PATEL
MINISTER OF TRADE, INDUSTRY AND COMPETITION

Date: 31 March 2021



ACCOUNTING AUTHORITY STATEMENT

The vision of the NGB is to position South Africa as the pre-eminent jurisdiction with an exemplary and effectively regulated gambling industry. To achieve this, the organisation is tasked with priority delivery areas within the context of the FY2021-2026 Strategic Plan for the NGB, but most importantly taking into account broader economic strategies for the South African economy as enshrined in the National Development Plan (NDP) Five- Year Implementation Plan and the Monitoring Framework for the NDP Five-Year Implementation Plan. In addition to this, the recent global COVID-19 pandemic, which has shaken the world over and resulted in a response by the South African government by way of an Economic Reconstruction and Recovery Plan, requires the organisation to design its APP in a way that entails building a sustainable, resilient and inclusive economy.

The previous financial year (FY2020/21) presented the organisation with many challenges in trying to deal with the shock of the COVID-19 pandemic and navigating through the effects it presented for the gambling industry. For the first time in history, the gambling industry gross gambling revenues plummeted by close to 100%, leaving the industry on its knees and threatened by gambling establishment closures and consequently job losses. However, notwithstanding the difficult environment, the NGB was still able to achieve its objectives of ensuring that it monitored market share and market conduct in the gambling industry, conducted economic analysis and research on the impact of gambling, provided authoritative advice policy, statutory matters and legislative reform in the gambling industry, conducted technical analysis on gaming control and regulation, maintained functional national registers and an operational National Central Electronic Monitoring System, monitored economic transformation opportunities for HDIs in the mainstream gambling industry and better informed and educated stakeholders. Specifically, the NGB in liaison with the Provincial Licensing Authorities submitted proposal on the future regulation of gambling, as well as an economic recovery strategy for the gambling industry in response to the global pandemic effects on the industry.

Moving forward, in FY2021/22, the NGB continues on its quest to enhance broad based public education, effectively monitor socio-economic patterns of gambling activity within the republic, ensure uniformity of legislation in the gambling industry, account for and identified all legal gambling machines, devices and owners, licensed juristic and natural persons and excluded persons and promote economic transformation and increased participation of HDIs in the mainstream gambling industry. This will be done with a strategic focus of responding to emerging risks in a way that continues to balance consumer choice and enjoyment against the risks associated with gambling and the wider potential economic and social impacts.

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



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

Ms Caroline Kongwa
Accounting Authority



OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the NGB under the guidance of **Ms Caroline Kongwa** in her capacity as the Administrator and Accounting Authority of the NGB
- Takes into account all relevant policies, legislation and other mandates for which the NGB is responsible
- Accurately reflects the outcomes and outputs which the NGB will endeavour to achieve over the period 2021 - 2024.

Ms Bawinile Ngcobo
Acting Chief Compliance Officer

Ms. Poppy Kweyama
Chief Operations Officer

Ms Kaveshka Mackerduth
Chief Financial Officer

Ms. Caroline Kongwa
Accounting Authority

Approved by:

Mr Ebrahim Patel
Minister of Trade, Industry and Competition



PART A: THE NATIONAL GAMBLING BOARD MANDATE

STRATEGIC OVERVIEW

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

2. LEGISLATIVE AND POLICY MANDATES

2.1. Constitutional mandate

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

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

2.2. Legislative and Policy Mandates

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

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



winnings that the NGB has held in trust, and either deliver the winnings to the person who won them if not found to be illegal winnings or apply to the High Court for an order to declare the winnings forfeited to the state if the gambling activity was found to be illegal

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

2.3. Other mandates

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

- ✚ Constitution of the Republic of South Africa, 1996 Public Finance Management Act (PFMA), 1999 (Act 1 of 1999)
- ✚ The Prevention of Organised Crime Act (POCA), 1998 (Act 121 of 1998)
- ✚ The Financial Intelligence Centre Act (FICA), 2001 (Act 38 of 2001)
- ✚ Broad-Based Black Economic Empowerment Act (B-BBEE), 2003 (Act 53 of 2003)
- ✚ Consumer Protection Act (CPA), 2008 (Act 68 of 2008)
- ✚ Competition Act, 1998 (Act 89 of 1998)
- ✚ Intergovernmental Relations Framework Act (IGRFA), 2005 (Act 13 of 2005)

2.4. Policy mandates

The NGA is premised on the National Gambling Policy, 2016 through which the outcome of the key performance of the NGB manifests by the effect and quality of its advice and recommendation to the NGPC on,

amongst others, matters of national policy and legislative changes relating to gambling.

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

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

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

In his **State of the Nation Address** on 11 February 2021, his Excellency the President of the Republic of South Africa focused strongly on the Economic Reconstruction and Recovery Plan, laying out four (4) priority interventions to be focused on, namely:

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

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



4. ALIGNMENT WITH the dtic APP

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

- Joint Indicator 1: Integrated Support to Drive Industrialisation;

- Joint Indicator 2: Contribution to the development of an AfCFTA Export Plan;
- Joint Indicator 3: Investment Facilitation and Growth;
- Joint Indicator 4: Development Model and Spatial Equity;
- Joint Indicator 5: Actions to Promote Transformation;
- Joint Indicator 6: The Green Economy and Greening the Economy; and
- Joint Indicator 7: Strengthening and Building a Capable State.

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

5. RELEVANT COURT RULINGS

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



PART B: THE NGB STRATEGIC FOCUS

6. OUR VISION, MISSION AND VALUES



7. SITUATIONAL ANALYSIS

The gambling industry continues to grow, with revenue reaching over R32 billion in FY2019/20. Positive growth in gross gambling revenue (GGR) between FY2018/19 and FY2019/20 was witnessed in all modes of gambling except casinos, with

the highest growth being in the betting sector followed by the bingo and then Limited Payout Machines (LPMs) sector. The taxes or levies collected from the industry as a source of revenue for the government amounted to R3.2 billion in FY2019/20, an



increase from the previous financial year. The casino sector continues to dominate the market space generating the greater proportion of gambling revenue. However, this share in the total market has been declining over the years as there was an upward surge in revenue generated in other modes of gambling i.e. betting on horse racing and sport, LPMs and bingo.

The end of FY2019/20 was marred by the entrance of a global pandemic (COVID-19) that left the international community, the domestic economy and the gambling industry in economic turmoil, as countries instituted stringent measures to contain the spread of the virus. Pandemics like the Coronavirus are known to cause economic damage through multiple channels, including short-term fiscal shocks and longer-term negative shocks to economic growth. The gambling industry in South Africa was not spared by the impact of declaring a national state of disaster that was announced in South Africa at the end of March 2020. This negatively impacted and threatened the destination model to gambling in South Africa, as people were unable to access three of the modes of gambling namely, casinos, limited payout machines (LPMs), and bingo, while bookmakers were also affected negatively by the cancellation of numerous sporting events that they depend on for the outcome of betting contingencies such as sports and horse racing, and their betting shops were also closed.

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 by enhancing economic participation of historically disadvantaged individuals continues to be an opportunity for the NGB to leverage its internal strategic factors. 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, NGB considers a need to strengthen relations with both the PLAs and all stakeholders including the law enforcement agencies. Through collaborative efforts, appropriate dispute resolution mechanisms and the identification of illegal operators, an action plan to curb illegal gambling and focused awareness programmes can be designed to avoid inter-governmental disputes, overwhelming illegality in the gambling industry and promotion of responsible gambling respectively.

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

The NGB will increase its efforts to provide education in terms of the risks and the socio-economic impact of gambling and to educate the public in the reporting of illegal gambling activities. The NGB will also increase its efforts to ensure the prosecution of operators who are found to be offering illegal gambling activities and the forfeiture of unlawful winnings to the State. It is a priority that there is the successful prosecution of illegal operators and that the public is informed about the consequences of participation in illegal gambling activities.

7.1. External environmental analysis

The NGB regularly scans the gambling environment to identify opportunities to execute the NGB's mandate. The following key priorities have been identified which

inform the implementation of the entity's strategy:

- a) To position the NGB strategically and advocate delivery in accordance with national gambling legislation
- b) Substantive review of the NGA
- c) Economic analysis of gambling in RSA
- d) Foster harmonisation and uniformity in the gambling industry
- e) Gaming control and regulation
- f) Position the NGB as a pre-eminent national regulator
- g) National repository for gambling-related information
- h) Engaging in opportunities which create platforms for the benefit of the country with reference to gambling law enforcement
- i) Enhance national enforcement capabilities to lead banning and suppression of illegal gambling in the South Africa
- j) Leveraging from the mandates of other law enforcement agencies to advance gambling law enforcement.
- k) Create an enabling environment that fosters foreign direct investment in this industry
- l) Determine the size and shape of the industry as reflected in the monitoring of market conduct and market share and reporting on gambling sector performance by the NGB
- m) Facilitate and monitor the transformation of the industry in line with the B-BBEE Act and Codes of Good Practice
- n) Informing and educating the public and stakeholders about the socio-economic impact and risks of gambling
- o) Increased monitoring capacity of all legal modes of gambling through extending NCEMS
- p) Conceptualisation on the best approaches to the regulation of betting
- q) Regulate technologically advanced forms



- of gambling
- r) Promulgation of regulations for excluded persons
 - s) Provision of alternative dispute resolution mechanisms to punters
 - t) Increase of revenue base towards becoming a self-sustaining entity
 - u) Conduct research on the socio-economic patterns and consequences of gambling
 - v) Conceptualisation of cost-effective resolution of unlawful winnings
 - w) Legislative reforms in order to effectively regulate gambling.

The NGB has developed a strategy that is outcome-focused, taking into account 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.

The NGB considers a need to strengthen relations with both the PLAs and all stakeholders including the law enforcement agencies. Through collaborated efforts, appropriate dispute resolution mechanisms and 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.

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.

It is a priority that there is successful prosecution of illegal operators and the public is informed about the consequences of participation in illegal gambling activities. The aim is to provide education in terms of the risks and socio-economic impact of gambling. In addition to educate the public on their role to assist the NGB in the identification and reporting of illegal gambling activities.

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

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

Lack of uniform and effective national policy implementation of the licensing regime (licensing forms of gambling, which are not envisaged from a national perspective),



remains a challenge and is an ongoing debate. Gambling-related crimes are still not regarded as a high priority offence by South African law enforcement agencies, thus creating a challenge to manage the problem. Increased collaboration with the South African Justice System and joints monitoring and implementation of the national enforcement strategies by multi-disciplinary law enforcement agencies is key to ensuring that detected illegal gambling activities are alleviated.

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

7.2. Internal Environmental analysis

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

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

- ✚ Create a high-performance organisational culture, recognising teamwork and spirit

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

The NGB is required to comply with the prescripts of the B-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 adequate and is positioned to enable the organisation to perform its functions effectively and efficiently thus ensuring that the NGB is able delivering on its mandate.

7.3. Description of NGB strategic planning process

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

In developing the strategic plan, the NGB has taken into account the NDP as the overarching program that guides Government priorities of the current



administration as well as the current MTSF 2019-2024. This is captured in the link between the NGB objectives, MTSF 2019-2024 and the objectives and vision of the NDP.

Secondly, the priorities of **the dtic** were taken into account, to ensure that there is alignment between the NGB objectives and **the dtic** priority areas. In thus implementing its Strategic Plan, the NGB will work towards fulfilling the industry policy objectives as directed by the Minister of Trade, Industry and Competition. A situational analysis was conducted to identify and evaluate the existing internal and external elements or environment that may impact on the NGB's ability to achieve its strategic objectives. A SWOT analysis which is an assessment of the NGBs strengths, weaknesses, opportunities and threats as well as PESTEL which assesses the external elements or environment relating to political, economic, social, technology, environment, and legal were used to understand the NGB's capabilities, customers, and business environment. TOWS (threats, opportunities, weaknesses, strengths) analysis was also used as a guiding tool to identify the extent to which the NGB's strengths and weaknesses are relevant to or capable of dealing with the changes taking place in the gambling environment. The TOWS is the methodology used to derive the NGB's outcomes.

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

An updated risk register has been developed as part of the risk assessment of the new

corporate strategy. The different programs of the NGB are underpinned by a budget that is based on the ability of the NGB to receive grant funding from **the dtic**, as well as the entity being in a position to generate its revenue over the outer lying years in the MTEF period. The overall financial plan takes into account the asset management plan to ensure the NGB has adequate levels of capital and liquidity to meet the regulatory and operational requirements on a sustainable basis.

Political

The strategic plan for FY2021-26 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 prescribing of certain dates in terms of transitional provisions contained in the Schedule to the National Gambling Act, 2004, matters about Excluded persons and National Registers, Re-certification of Gambling machines and devices, Unlawful winnings remitted to the NGB by persons other than licensees 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; alignment of laws and the underlying spirit of co-operative governance. The existing challenges that hinder the effectiveness of the National Gambling Policy Council (NGPC) continue to impede the NGB achieving its mandate.

Economic

The introduction and legalisation of gambling in terms of the NGA ensures that revenue is generated for the country in a manner that fulfils the objects of the NGA. The economic contribution that the industry makes to the economy creates an enabling environment that will further facilitate job creation. Indeed, one of the economic benefits derived from the gambling industry in South Africa is its ability to generate revenue for the government, which supports the administration of fiscal policy in the form of government expenditure towards economic development, infrastructure improvement, building schools, and enhanced service delivery amongst others. The gambling industry has enjoyed year-on-year growth in Gross Gambling Revenue (GGR), which is a positive contribution to GDP. Gambling revenues reached R32 billion in FY2019/20. Taxes and levies derived from the industry amounted to R3.2 billion growing from previous financial years, displaying the need for continued and effective regulation of the industry and dialogue between stakeholders to lead to economically sustainable gambling industry.

However, slow economic growth and recession due to the impact of the COVID-19 pandemic could see a reduction in gambling revenue and tax collection, which would, in turn, erode revenue generation for

government, and could also result in retrenchments in the industry. This scenario can be further predicated upon international economies and trends, with the risk of the recession of the global economy. This would no doubt reduce investment in the gambling industry.

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

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



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

Social

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

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

One social factor the is the impact of gambling to the public health of citizens further global pandemics which subsequently lead to nationwide lockdowns and shutdowns

of the industry for long periods of time as countries fight the spread of disease may result in punters seeking to partake in unregulated gambling activities.

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

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

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

The NGB will continue to monitor the negative effects of gambling and has planned



to increase its efforts to raise public awareness and provide targeted education interventions. This will include the use of technology such as social media to counter the risks of ignorance and misinformation and advocate responsible gambling.

Technology

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

The fourth industrial revolution (known as 4IR) is already upon us, and the regulatory environment is impacted by rapidly changing technology. New products and offerings are continuously developed through technology. We are already in a world of artificial intelligence, virtual reality and “the Internet of Things” (IoT), and the rate of change is itself increasing. Faster Internet Connectivity (5G) was also anticipated to be rolled out in South Africa by 2020, and this 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) will 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.

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

Environment

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 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, as well as through constant analysis of gambling sector performance reports.

Legal

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

7.4. SWOT analysis

Strengths

The NGB is empowered by the NGA to carry out its mandate. The NGA is the national legislation governing the regulation of the gambling industry, and it dictates how licensing is to be conducted by provinces. Provincial legislation thus exists only to support the NGA, but cannot conflict with it.

This authority to evaluate the issuance of national licences and compliance monitoring of licensees by PLAs, by conducting oversight over PLAs for compliance with the NGA and provincial legislation is a key strength of the NGB.

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

Gambling is a legal activity in South Africa. To ensure that the public is made aware of the risks and socio-economic impact of gambling, as well as what is legal and what is not, the NGB can conduct broad-based public education and awareness campaigns, both on its own and in collaboration with external stakeholders.

The NGB is able to maximise its success through relationships with key stakeholders, and in various instances, the NGB has entered into Memoranda of Understanding, which enable the NGB to collaborate with other entities on matters of common interest.

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

Weaknesses

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



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

Opportunities

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

Repositioning of the NGB and a substantive review of the NGA would enable the conceptualisation of better approaches to the regulation of betting 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.

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

Threats

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

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

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

7.5. TOWS analysis

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

In execution of its mandate, the NGB will leverage off the legislative authority of stakeholders through collaborative initiatives to embark on broad-based public education and awareness campaigns in provinces. The NGB plans to improve its monitoring capability by extending NCEMS to other modes of gambling.

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



the future landscape of the gambling industry in South Africa.

The NGB will undertake broad-based education and awareness initiatives to ensure the dissemination of research information to the public on local and international platforms.

The NGB will research key gambling issues and priorities to inform policy development as well as to assist the NGB with fulfilling its mandate.

The NGB 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 developing an industry transformation agenda.



PART C: MEASURING THE NGB PERFORMANCE

8. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

8.1. Financial Plan

The National Gambling Board will derive 33.6 per cent (R102.2 million) of its revenue over the medium term from transfers from the department, while 66.4 percent (R454.9 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 R176.5 in 2021/22 to R191.9 million in 2023/24, representing an increase of 8.7 per cent.

8.2. Expenditure Trends

Expenditure on goods and services is set to increase at an annual average rate of 4.9 per cent, from R52 million in 2020/21 to R192 million in 2023/24. Goods and services will account for 65.1 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	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	AUDITED OUTCOME			BUDGET ESTIMATE			
Revenue							
Grant from the dtic	31 627	32 624	33 797	31 090	35 152	34 965	32 052
NCEMS monitoring fees	63 694	202 034	220 338	0	137 592	150 000	156 000
Interest received	2 884	3 018	3 801	2 451	3 720	3 780	3 840
Rental income	4 250	4 423	4 408	5 040	0	0	0
Other miscellaneous income	87	-		661	0	0	0
Total Revenue	102 542	242 099	262 344	39 243	176 464	188 745	191 892
Expenditure							
Employee costs	19 087	25 390	33 654	35 295	40 492	42 848	45 345
Subsistence & travel	1 239	6 151	4 062	0	1 435	1 435	849
Administration costs	10 051	12 323	14 634	9 534	10 364	11 120	11 063
NCEMS service fees	43 390	168 362	183 615	0	114 660	125 000	130 000
Professional services	11 740	4 288	6 873	5 175	4 004	3 454	2 454
Depreciation	2 336	2 538	3 158	0	2 672	2 672	0
Other operating expenses	1 017	4 163	5 168	2 426	2 778	2 212	2 056
Total Expenditure	88 860	223 215	251 164	52 430	176 406	188 741	191 768
Surplus / (Deficit)	13 682	18 884	11 180	-13 187	58	4	124

8.3. Asset and liability management

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

8.4. Cash flow projections

The cash flow projections below reflect a decline in cash receipts from the LPM industry as the economy is expected to continue to be on a downward trajectory, owing to the impact of COVID-19.

Table 2: Cash flow projections

Cash Flow Description	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	AUDITED OUTCOME				BUDGET ESTIMATE			
R Thousand								
Cash receipts from stakeholders	82 417	241 644	269 614	38 581	153 532	163 745	165 892	178 276
Tax receipts		-	-	-	-			
Sales of goods and services other than capital assets	2 214	2 277	8 000	5 040	0	0	0	0
Transfers received	31 627	32 624	33 797	31 090	35 152	34 965	32 052	34 616
Fines, penalties and forfeits	-	-	-	-	-	-		-
Interest and rent on land	2 862	2 993	3 779	2 451	3 720	3 780	3 840	4 560
Rent on land		-	-	-	-	-		-
Unclassified revenue	45 714	203 750	224 038	0	114 660	125 000	130 000	139 100
Cash paid to stakeholders	80 731	236 289	253 445	52 430	173 733	186 069	191 588	206 015
Current payments	80 731	236 289	253 445	52 430	173 733	186 069	191 588	206 015
Compensation of employees	19 407	31 882	33 824	35 295	40 492	42 848	45 345	47 992
Goods and services	61 324	204 407	219 621	17 135	133 241	143 221	146 243	158 023
Cash flow from operating activities	1 686	5 355	16 169	-13 849	-20 201	-22 324	-25 696	-27 739
Cash flow from investing activities	-4 336	-2 826	-458	-360	-360	-360	-360	-360
Cash flow from financing activities	-893	405	294	310	327	327	400	327
Net increase / (decrease) in cash and cash equivalents	-3 543	2 934	16 005	-13 899	-20 234	-22 357	-25 656	-27 772

8.5. Capital expenditure programmes

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

8.6. Dividend policies

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

PART D: PROGRAMME PERFORMANCE

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

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

- a) Monitored market share and market conduct in the gambling industry
- b) Conducted economic Analysis and research on the impact of gambling
- c) Provided authoritative advice policy, statutory matters and legislative reform in the Gambling Industry
- d) Conducted technical analysis on Gaming control and regulation
- e) Maintained functional national registers
- f) Maintained operational National Central Electronic Monitoring System
- g) Monitored economic transformation opportunities for HDIs in the mainstream gambling industry

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

9. PROGRAMME 1: GAMING CONTROL AND RESEARCH

Purpose

The Gaming Control and Research Division (GCRD) provides mandated operational core functions in terms of the National Gambling Act, 2004, (Act 7 of 2004). The GCRD 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 economic growth. It provides advice through its research function on economic and regulatory matters.

The sub programmes of the GCRD division are set out as follows:

Functional National Registers

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

National Central Electronic Monitoring System (NCEMS)

The NGB is obliged by section 27 of the NGA read with regulation 14 of the National



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

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.

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.

Research and Information

The Research and Information research to monitor and report on gambling sector performance in the South African gambling industry (specifically market conduct, market share, B-BBEE contributor levels and employment based on national gambling statistics (turnover, GGR and taxes/levies)). The research includes, but is not limited to, projects to determine the socio-economic

impact of gambling in South Africa, as well as to benchmark South Africa with other countries in terms of the prevalence of gambling, problem gambling, legal versus illegal gambling modes, tax rates, and regulations in terms of advertising, amongst others. Other research includes economic analysis and insights in terms of market share from economic and institutional perspectives, as well as reports on illegal gambling. Research might include any topic as identified or required at a specific time.

Legal Research

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

Gaming Control

The NGB will monitor and analyse technological developments that affect gambling regulation and advise on the compliance of gaming devices to legislation.

Legal Services

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



Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output indicators	Audited performance			Estimated performance and baseline	MTEF targets		
			2017 /18	2018 /19	2019 /20	2020/21	2021/22	2022/23	2023/24
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 submitted to the Accounting Authority	N/A	N/A	Four (4) reports (based on unaudited data) and one (1) annual report on audited gambling sector performance, and four (4) reports on market share and economic analysis were presented to the Accounting Authority	Four (4) reports (based on unaudited data) and one (1) annual report on audited gambling sector performance submitted to the Accounting Authority	Three (3) reports (based on unaudited data) and one (1) annual report on audited gambling sector performance submitted to the Accounting Authority	Four (4) reports (based on unaudited data) and one (1) annual report on audited gambling sector performance submitted to the Accounting Authority	Four (4) reports (based on unaudited data) and one (1) annual report on audited gambling sector performance submitted to the Accounting Authority
	Conducted economic Analysis and research on the impact of gambling	Number of reports on Economic Analysis and research conducted on the impact of gambling submitted to the Accounting Authority	N/A	N/A	N/A	Four (4) reports on economic analysis and research conducted on the impact of gambling submitted to the Accounting Authority	Three (3) reports on economic analysis and research conducted on the impact of gambling submitted to the Accounting Authority	Four (4) reports on economic analysis and research conducted on the impact of gambling submitted to the Accounting Authority	Four (4) reports on economic analysis and research conducted on the impact of gambling submitted to the Accounting Authority
Uniformity of legislation in the gambling industry	Provided authoritative advice policy, statutory matters and legislative reform in the Gambling Industry	Number of reports on advice provided in terms of section 65 of the NGA submitted to the	N/A	N/A	S65 advisory report was presented to the Accounting Authority	Four (4) S65 advisory reports on gambling regulation and one (1) consolidated S65 report submitted to the Accounting	Four (4) S65 advisory reports on gambling regulation and one (1) consolidated S65 report submitted to the	Four (4) S65 advisory reports on gambling regulation and one (1) consolidated S65 report submitted to the Accounting Authority	Four (4) S65 advisory reports on gambling regulation and one (1) consolidated S65 report submitted to the Accounting Authority



Outcome	Outputs	Output indicators	Audited performance			Estimated performance and baseline	MTEF targets		
			2017 /18	2018 /19	2019 /20		2021/22	2022/23	2023/24
		Accounting Authority				Authority	Accounting Authority		
	Conducted technical analysis on Gaming control and regulation	Number of reports on technical analysis on gaming control and regulation submitted to the Accounting Authority	N/A	N/A	N/A	Four (4) advisory reports on gaming control and regulation submitted to the Accounting Authority	Four (4) advisory reports on gaming control and regulation and one (1) consolidated report on gaming control and regulation submitted to the Accounting Authority	Four (4) advisory reports on gaming control and regulation and one (1) consolidated report on gaming control and regulation submitted to the Accounting Authority	Four (4) advisory reports on gaming control and regulation and one (1) consolidated report on gaming control and regulation submitted to the Accounting Authority
Account for and identify all legal gambling machines, devices and owners, licensed juristic and natural persons and excluded persons	Maintained functional national registers	Percentage uptime on functional national registers	N/A	N/A	100% uptime of national functional registers	95% uptime of national registers	95% uptime of national registers	95% uptime of national registers	95% uptime of national registers
	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	95% uptime of National Central Electronic Monitoring System (NCEMS)	95% uptime of National Central Electronic Monitoring System (NCEMS)	95% uptime of National Central Electronic Monitoring System (NCEMS)	95% uptime of National Central Electronic Monitoring System (NCEMS)
Economic transformation and increased participation of HDIs in the mainstream gambling industry	Monitored economic transformation opportunities for HDIs in the mainstream gambling industry	Report on economic transformation in the mainstream gambling industry submitted to the Accounting Authority	N/A	N/A	N/A	Four (4) reports on economic transformation in the mainstream gambling industry submitted to the Accounting Authority	Four (4) reports on economic transformation in the mainstream gambling industry submitted to the Accounting Authority	Four (4) reports on economic transformation in the mainstream gambling industry submitted to the Accounting Authority	Four (4) reports on economic transformation in the mainstream gambling industry submitted to the Accounting Authority



Indicators, Annual and Quarterly Targets

Output indicators	Annual targets 2021/2022	Q1	Q2	Q3	Q4
Number of reports on gambling sector performance submitted to the Accounting Authority	Three (3) reports (based on unaudited data) and one (1) annual report on audited gambling sector performance submitted to the Accounting Authority	No activity	One (1) report on gambling sector performance (1st quarter, FY2021/22) submitted to the Accounting Authority One (1) audited report on gambling sector performance (FY2020/21) submitted to the Accounting Authority	One (1) report on the gambling sector performance (2nd quarter, FY2021/22) submitted to the Accounting Authority	One (1) report on gambling sector performance (3rd quarter, FY2021/22) submitted to the Accounting Authority
Number of reports on economic analysis and research conducted on the impact of gambling submitted to the Accounting Authority	Three (3) reports on economic analysis and research conducted on the impact of gambling submitted to the Accounting Authority	No activity	One (1) report on the economic analysis and research conducted on the impact of gambling submitted to the Accounting Authority	One (1) report on the economic analysis and research conducted on the impact of gambling submitted to the Accounting Authority	One (1) report on the economic analysis and research conducted on the impact of gambling submitted to the Accounting Authority
Number of reports on advice provided in terms of section 65 of the NGA submitted to the Accounting Authority	Four (4) S65 advisory reports on gambling regulation and one (1) consolidated S65 report submitted to the Accounting Authority	One (1) S65 advisory report on gambling regulation submitted to the Accounting Authority	One (1) S65 advisory report on gambling regulation submitted to the Accounting Authority	One (1) S65 advisory report on gambling regulation submitted to the Accounting Authority	One (1) S65 advisory report on gambling regulation submitted to the Accounting Authority One (1) consolidated S65 advisory report on gambling regulation submitted to the Accounting Authority
Number of reports on technical analysis on gaming control and regulation submitted to the Accounting Authority	Four (4) advisory reports on gaming control and regulation and one (1) consolidated report on gaming control and regulation submitted to the Accounting Authority	One (1) Advisory report on gaming control and regulation submitted to the Accounting Authority	One (1) Advisory report on gaming control and regulation submitted to the Accounting Authority	One (1) Advisory report on gaming control and regulation submitted to the Accounting Authority	One (1) Advisory report on gaming control and regulation submitted to the Accounting Authority One (1) consolidated Advisory report on gaming control and regulation submitted to the Accounting Authority
Percentage uptime on functional national 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	95% uptime and system analysis on functionality, effectiveness and maintenance of national registers
Percentage uptime of National Central Electronic Monitoring	95% uptime of National Central Electronic Monitoring System	95% uptime on a fully operational NCEMS and system analysis of data,	95% uptime on a fully operational NCEMS and system analysis of data, detection and	95% uptime on a fully operational NCEMS and system analysis of data,	95% uptime on a fully operational NCEMS and system analysis of data,



Output indicators	Annual targets 2021/2022	Q1	Q2	Q3	Q4
System (NCEMS)	(NCEMS)	detection and monitoring of significant events associated with any LPM made available for play in the Republic	monitoring of significant events associated with any LPM made available for play in the Republic	detection and monitoring of significant events associated with any LPM made available for play in the Republic	detection and monitoring of significant events associated with any LPM made available for play in the Republic
Report on economic transformation in the mainstream gambling industry submitted to the Accounting Authority	Four (4) reports on economic transformation in the mainstream gambling industry submitted to the Accounting Authority	One (1) report on economic transformation in the mainstream gambling industry submitted to the Accounting Authority	One (1) report on economic transformation in the mainstream gambling industry submitted to the Accounting Authority	One (1) report on economic transformation in the mainstream gambling industry submitted to the Accounting Authority	One (1) report on economic transformation in the mainstream gambling industry submitted to the Accounting Authority



Key Risks

No	Outcomes	Outputs	Key risks	Risk mitigations
1	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"> • Failure to provide advice to the Minister • Lack of cooperation and compliance by the PLAs • Gaps in compliance due to concurrent competencies • New complex gaming products and technologies • Overstimulation of latent demand for gambling 	<ul style="list-style-type: none"> • Signed Shareholder Compact • Continuous advice provided to the dtic • Build technical expertise through continuous training • Continuous engagement with NRCS
		Conducted economic Analysis and research on the impact of gambling		
2	Uniformity of legislation in the gambling industry	Provided authoritative advice policy, statutory matters and legislative reform in the Gambling Industry		
		Conducted technical analysis on Gaming control and regulation		
3	Account for and identify all legal gambling machines, devices and owners, licensed juristic and natural persons and excluded persons	Maintained functional national registers	<ul style="list-style-type: none"> • No centralised gambling-related information accessible to stakeholders • Inability to place reliance on the third party related gambling information • Integrity of compliance oversight compromised • Vulnerability of national registers to cyber attacks • Integrity of data to make informed decisions • Inability to access credible gambling-related data • Absence of a functional operational NCEMS will result in non-effective or efficient regulation of the LPM industry • Inoperable LPM industry • Loss of revenue to the fiscus 	<ul style="list-style-type: none"> • Registers are hosted in a high availability data centre • Continuous back up of data on registers • Approved disaster recovery plan • Verification of captured data • Back-up systems available
		Maintained operational National Central Electronic Monitoring System		
4	Economic transformation and increased participation of Historically Disadvantaged Individuals in the mainstream gambling industry	Monitored economic transformation opportunities for HDIs in the mainstream gambling industry	<ul style="list-style-type: none"> • Failure of HDIs participating in the mainstream gambling industry due to existing high barriers to entry • Failure of the gambling industry to meet economic development imperatives • Failure by the industry to embrace the transformation agenda 	<ul style="list-style-type: none"> • Incorporate transformation agenda in the regulatory framework • Set norms and standards • Expand economic opportunities for HDIs in the mainstream gambling industry
5	Broad-based public education		<ul style="list-style-type: none"> • Incorrect and omitted gambling statistics presented to the NGB by PLAs • Undetected unfair competition due to failure to monitor market share and market conduct • Uninformed decision making on gambling-related matters • Incorrect and omitted gambling statistics presented to the NGB by PLAs • Incorrect data on economic factors • Failure to provide authoritative research-based advice • Inability to identify patterns, causes and consequences of the socio-economic impact of gambling 	<ul style="list-style-type: none"> • Ongoing communication with PLAs • Audit of gambling statistical information • Trend analysis of growth in gambling sectors, licensing and ownership • Consult alternative reputable and relevant sources for data • Audit of gambling statistical information • Co-ordination of research projects amongst stakeholders in the gambling industry • Consult alternative relevant sources for research



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

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

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

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

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 opportunities 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.

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

The planned performance in relation to monitoring market share and market conduct, as well as conducting economic analysis and 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.

To provide authoritative advice on policy, statutory matters and legislative reform in the gambling industry and conduct technical analysis on gaming control and regulation, the NGB plans to report on matters within its authority as per section 65 of the NGA with the intention of bringing them before the Minister for deliberation at the National Gambling Policy Council (NGPC).

The plan around maintaining functional national registers and an operational National



Central Electronic Monitoring System is to ensure that a 95% uptime of all systems is maintained every quarter and reporting on any deficiencies is conducted.

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

10. GCRD 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 GCRD 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).



10.1. Technical Indicator Description (TID): Gambling Sector Performance

Indicator title	TID 1 Number of reports on gambling sector performance submitted to the Accounting Authority
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	<ul style="list-style-type: none"> • One (1) report in quarter two (2), in quarter three (3) and in quarter four (4) and one (1) annual report (four per annum)
Means of verification	<ul style="list-style-type: none"> • Excel spreadsheets submitted by PLAs
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 [One (1) report in quarter two (2), in quarter three (3) and in quarter four (4) and one (1) annual report (four per annum)] • Qualitative: Nature and content, and whether objectives have been met • Cumulative
Reporting cycle	<ul style="list-style-type: none"> • Quarterly and annual reports
Desired performance	<ul style="list-style-type: none"> • Fully compliant with targeted performance
Indicator responsibility	<ul style="list-style-type: none"> • Economic Researcher



10.2. Technical Indicator Description (TID): Economic Analysis and Research conducted on the impact of Gambling

Indicator title	TID 2 Number of reports on economic analysis and research conducted on the impact of gambling submitted to the Accounting Authority
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"> One (1) research report in quarter two (2), in quarter three (3) and in quarter four (4). (Three research reports per annum)
Means of verification	<ul style="list-style-type: none"> Excel spreadsheets submitted by PLAs
Assumptions	<ul style="list-style-type: none"> Co-operation from research participants Availability of historical evidence to inform the subject matter of the 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 [One (1) research report in quarter two (2), in quarter three (3) and in quarter four (4). (Three research reports per annum)]
Reporting cycle	<ul style="list-style-type: none"> Quarterly, bi-annual or annual
Desired performance	<ul style="list-style-type: none"> Fully compliant with targeted performance
Indicator responsibility	<ul style="list-style-type: none"> Economic Researcher



10.3. Technical Indicator Description (TID): Section 65 Advice

Indicator title	TID 3 Number of reports on advice provided in terms of section 65 of the NGA submitted to the Accounting Authority
Definition	<ul style="list-style-type: none"> Authoritative advice on, inter alia, policy, statutory matters, legislation and reforms provided in terms of S65(2) of the NGA
Source of data	<ul style="list-style-type: none"> Where the information is collected from
Method of calculation/assessment	<ul style="list-style-type: none"> One (1) report per quarter and one (1) consolidated report [five (5) 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 implemented 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 [one (1) per quarter and one (1) per annum] Cumulative
Reporting cycle	<ul style="list-style-type: none"> Quarterly and annual reports
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"> Economic Researcher



10.4. Technical Indicator Description (TID): Technical Analysis on Gaming Control and Regulation

Indicator title	TID 4 Number of reports on technical analysis on gaming control and regulation submitted to the Accounting Authority
Definition	<ul style="list-style-type: none"> Monitor and analyse technological developments in the gambling industry
Source of data	<ul style="list-style-type: none"> National registers, LOCs, gaming laboratories, PLAs, gaming manufacturers and NCMS
Method of calculation/assessment	<ul style="list-style-type: none"> One (1) report per quarter and one (1) annual report [five (5) per annum]
Means of verification	<ul style="list-style-type: none"> Data from national registers, LOCs, gaming laboratories, gaming manufacturers, PLAs and NCMS
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 of gaming control and regulation [one (1) per quarter and one (1) per annum] Qualitative: Nature and content of analysis provided informed by technological advancements Cumulative
Reporting cycle	<ul style="list-style-type: none"> Quarterly and annual reports
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



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

Indicator title	TID 5 Percentage uptime on functional national registers
Definition	<ul style="list-style-type: none"> This indicator is dictated by the NGA and plays a role in the registration of every gambling machine or gambling device manufactured within or imported into the Republic licences (provincial/ national), excluded persons, probity, and illegal operators
Source of data	<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 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



10.6. Technical Indicator Description (TID): Percentage uptime of National Central Electronic System (NCEMS)

Indicator title	TID 6 Percentage uptime of National Central Electronic System (NCEMS)
Definition	<ul style="list-style-type: none"> Fully operational NCEMS in the LPM industry
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 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



10.7. Technical Indicator Description (TID): Economic Transformation in the mainstream gambling industry

Indicator title	TID 7 Report on economic transformation in the mainstream gambling industry submitted to the Accounting Authority
Definition	<ul style="list-style-type: none"> • Reports on the transformation
Source of data	<ul style="list-style-type: none"> • Government policy, legislation, research empirical evidence
Method of calculation/assessment	<ul style="list-style-type: none"> • One (1) report per quarter [four (4) per annum] on economic transformation in the mainstream gambling industry • Cumulative
Means of verification	<ul style="list-style-type: none"> • National Development Plan, New Growth Path publications and research reports
Assumptions	<ul style="list-style-type: none"> • Implementation of the transformation agenda will create an enabling environment for the gambling industry to grow • Implementation of the transformation economic opportunities will expand the small business sector • Equitable and inclusive gambling industry • Implementation of the identification of possible features that stifle competition will create an enabling environment for the gambling industry to grow
Disaggregation of beneficiaries (where applicable)	<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 economic transformation in the mainstream gambling industry [one (1) per quarter; four (4) per annum] • Qualitative: Nature and content and whether objectives have been met
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

11. PROGRAMME 2: CORPORATE AND STAKEHOLDER ENGAGEMENT

Purpose

The Corporate and Stakeholder Engagement Division (CSED) provides support services to the NGB to ensure heightened stakeholder engagement, high customer satisfaction, and a conducive work environment which enhances business efficiency.

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

Human Capital Optimisation (HCO)

HCO provides human resources systems, processes and procedures that support the operations and determination of performance levels as provided in the business and operational documents of the NGB. HCO ensures that there is compliance with labour laws and all the other relevant Human Resources Frameworks and practices that exist external to the organisation. It also ensures that there is a sound and fair performance management system in place.

Facilities Management

Facilities Management focuses on the efficient and effective delivery of support services for the organisation. It is the integrated management of the work environment and supporting services to provide an environment that enables the business to achieve its primary objective. Facilities Management is responsible for some aspects of the Occupational Health and Safety Act. Facilities Management serves as a single point of entry for the coordination of

all services relating to the efficient and effective running of the organisation.

Corporate Governance

Corporate Governance Service mainly focuses on litigation, Risk and Fraud Management, Stakeholder Liaison and Records Management. Good corporate governance ensures that there is good governance embedded in the NGB through its systems, policies, governance structures and business performance management. It also ensures that the NGB measures its business performance against its Strategic Plan, APP and Business Plan, and reports on its performance on time as stipulated to **the dtic** and all the other relevant external stakeholders. To ensure this, the NGB must identify, assess and mitigate all risks that may hinder it from achieving its objectives.

Stakeholder Liaison

The Stakeholder Liaison's activities are mainly related to stakeholder relationship management and social dialogue with stakeholders through broad-based public education interventions about the risks and socio-economic impact of gambling. The sub-division provides strategic stakeholder engagement and coordination as well as communication. This includes, but is not limited to, embarking on public awareness campaigns and educational programmes to inform stakeholders and the public on the socio-economic impact of gambling, illegal forms of gambling, as well as participating in any unregulated gambling modes and consequences of overstimulation of gambling.



Litigation Services

The Litigation Services is responsible for facilitating litigation matters brought by or against the NGB including overseeing Labour Relations matters. Litigation 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. Litigation Services endeavours to maintain sound Labour Relations in the organisation.

Records Management

Records Management ensures that there is proper maintenance and access to records. Records Management is the supervision and administration of digital or paper records, regardless of format. Its activities include the creation, receipt, maintenance, use and disposal of records. It provides a set of activities required for systematically controlling the creation, distribution, use,

maintenance, and disposition of recorded information maintained as evidence of business activities and transactions.

Risk Management

The AA has committed the NGB to a process of risk management that is aligned to the principles of good corporate governance, as supported by the Public Finance Management Act, 1999. Risk management is a systematic and formalised process instituted by the NGB to identify, assess, manage and monitor risks. The benefits of risk management are that the NGB implements and maintains effective, efficient and transparent systems of risk management and internal control. This area includes fraud prevention.

Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output indicators	Audited performance information			Estimated performance	MTEF targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Broad-based public education	Better informed and educated stakeholders	Number of broad-based public educational interventions about the risks of and socio-economic impact of gambling	Four (4) broad-based public educational programmes through interventions	Eight (8) broad-based public educational interventions about the risks and socio-economic impact of gambling	Conducted thirteen (13) broad-based public education interventions about the risks and socioeconomic impact of gambling	Conduct ten (10) broad-based public educational interventions about the risks and socio-economic impact of gambling	Conduct ten (10) broad-based public educational interventions about the risks and socio-economic impact of gambling	Conduct ten (10) broad-based public educational interventions about the risks and socio-economic impact of gambling	Conduct ten (10) broad-based public educational interventions about the risks and socio-economic impact of gambling

Indicators, Annual and Quarterly Targets

Output indicators	Annual targets	Q1	Q2	Q3	Q4
Number of broad-based public educational interventions about the risks and socio-economic impact of gambling	Conduct ten (10) broad-based public educational interventions about the risks and socio-economic impact of gambling	Conduct two (2) broad-based public education interventions about the risks and socio-economic impact of gambling	Conduct three (3) broad-based public education interventions about the risks and socio-economic impact of gambling	Conduct three (3) broad-based public education interventions about the risks and socio-economic impact of gambling	Conduct two (2) broad-based public education interventions about the risks and socio-economic impact of gambling

Key Risks

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

Outcomes	Outputs	Key risks	Risk mitigations
Broad-based public education	Better informed and educated stakeholders	<ul style="list-style-type: none"> Ineffective punter protection that leads to problem gambling Emergence of problem gambling as a health issue Uninformed decision making on gambling-related activities Inability to identify patterns, causes and consequences of the socio-economic impact of gambling 	<ul style="list-style-type: none"> Provide continuous education and awareness interventions Ongoing communication with PLAs

EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD

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

Broad-based public educational intervention about the risks and socio-economic impact of gambling conducted is mandated by the National Gambling Act, 2004. However, the Act is not prescriptive on how the educational interventions should be implemented. As such, it is deemed prudent to conduct numerous repetitive education and awareness initiatives to identified target groups. The broad-based public educational interventions are also aimed at educating and raising awareness on illegal forms of gambling, as well as participating in any unregulated gambling

modes and consequences of overstimulation of gambling. Gambling challenges are not restricted to a particular demographic group, they cut across all income levels and affect youth, women and people with disabilities. Women, youth and people living with disabilities are considered vulnerable groups so there will be specific education and awareness programs tailor-made for them.

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

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



12. CSED 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).

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

Indicator title	Number of broad-based public education interventions about the risks and socio-economic impact of gambling
Definition	<ul style="list-style-type: none"> Report on the number of broad-based public educational interventions about the risks and socio-economic impact of gambling conducted
Source of data	<ul style="list-style-type: none"> Publications, public awareness campaigns/programs/interventions
Method of calculation/assessment	<ul style="list-style-type: none"> Number of broad-based public educational interventions about the risks and socio-economic impact of gambling conducted – ten (10) per annum
Means of verification	<ul style="list-style-type: none"> Articles, media releases, audio clips, video clips, photos, invitations,
Assumptions	<ul style="list-style-type: none"> It is assumed that all education and awareness campaigns/programs/interventions will take place as planned
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 broad-based public educational interventions about the risks and socio-economic impact of gambling conducted Qualitative: Nature and content of messages disseminated



Indicator title	Number of broad-based public education interventions about the risks and socio-economic impact of gambling
Reporting cycle	<ul style="list-style-type: none"> Quarterly and annually
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"> Senior Manager: Corporate Governance



13. THE DTIC'S JOINT KEY PERFORMANCE INDICATORS

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

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

- Develop joint KPIs that will require integrated planning, implementation and reporting across multiple branches and Departmental entities (e.g. Industrialisation, Transformation, and the District Development Model).
- Create flexible and quick-response capacity that can be rapidly deployed to areas requiring urgent policy or programme support.
- Shift financing to the priority areas identified.
- Use non-financial capacities to complement the financial allocations to industry (e.g. Competition measures such as market inquiries and merger conditions, and trade measures).
- Refocus, where possible, off-balance sheet financial resources to pursue the strategic priorities (e.g. the Equity Equivalent Investment Programme, competition funds and equity funds).

Joint Key Performance Indicators ("J-KPIs")

The NGB will implement **the dtic's** seven joint indicators in financial year 2021/22 covering

- Integrated Support to Drive Industrialisation
- The AfCFTA Export Plan
- Investment Facilitation and Growth
- District Development Model and Spatial Equity
- Actions to Promote Transformation
- The Green Economy and Greening the Economy
- Strengthening and Building a Capable State

The following Joint Indicators set out areas of focus that the National Gambling Board will report to on a quarterly basis to the Executive Authority. The areas of focus represent key priorities of government that are set out in more detail in the Annual Performance Plan for 2021/22 for **the dtic**. The National Gambling Board will contribute to achievement of the Joint indicators and the output required is a report to the Executive Authority that sets out the actions taken by the National Gambling Board highlighting the contributions to achievement of **the dtic** outcomes.

JOINT INDICATOR 1 – Integrated Support to Drive Industrialisation

Outcome:	Increased industrialisation and localisation opportunities implemented		Performance period	2021/2022
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 quarterly reports on measures enacted by the NGB to drive industrialisation that supports economic recovery; covering industry Master Plans, localisation initiatives across the economy, COVID-Industrial Interventions and beneficiation.		This indicator will be resourced within current entity resources	
NGB Quarterly Target/s	Q1	Q2	Q3	Q4
	Develop a concept paper pertaining to the promotion of economic growth, development and employment within the Gambling Industry	Conduct analysis of the Gambling industry value chain and identify the enablers of economic growth which can be prioritised	Consult the dtic , SEZ's and other strategic partners regarding industrialisation and localisation opportunities for the Gambling Industry	Produce final report on Industrialisation in the Gambling Industry

JOINT INDICATOR 2 – The AfCFTA Export Plan

Outcome:	Increased export-readiness by South African firms, measured by knowledge of market opportunities and firm-level actions to utilise these opportunities	Performance period	2021/2022
Output /s:	A clear plan that indicates the potential opportunities to grow exports in terms of the AfCFTA, with responsibilities assigned to facilitate implementation		
Indicator title:	Completed AfCFTA Export Plan to grow value-added exports to the rest of Africa, setting out the opportunities by product, sector and country		
Indicator definition	AfCFTA export plan to grow value-added exports to the rest of Africa setting out the opportunities by product, sector and country		
Annual dtic Target/s	Contribution by NGB	Resourcing (MTEF Budget Allocation)	
Completed AfCFTA export plan to grow value-added exports to the rest of Africa setting out the opportunities by product, sector and country completed	Four quarterly reports on measures enacted by the NGB to contribute to an AfCFTA export plan to grow value-added exports to the rest of Africa	This indicator will be resourced within current entity resources	
NGB Quarterly Target/s	Q1	Q2	Q3
	Explore export opportunities for the Gambling Industry	Analyse export readiness by South African firms within the Gambling value chain	Explore strategic partnerships for the export of gambling products and services
			Q4
			Develop draft export plan for gambling products and services

JOINT INDICATOR 3 – Investment Facilitation and Growth

Outcome:	Strategic investment by enterprises (private and public) to support growth of South African economy			Performance period	2021/2022
Output /s:	Investment projects facilitated and investment directed towards key sectors of the economy				
Indicator title:	Report on Investment facilitation and growth: steps taken to support new investment in key sectors				
Indicator definition	Investment facilitation and growth through steps taken to support new investment in key sectors				
Annual dtic Target/s	Contribution by NGB		Resourcing (MTEF Budget Allocation)		
Report on investment facilitation and growth: steps taken to support new levels of investment in key sectors developed	Four quarterly reports on measures enacted by the NGB to support investment in South Africa		This indicator will be resourced within current entity resources		
NGB Quarterly Target/s	Q1	Q2	Q3	Q4	
	Analyse the regulatory cost for potential investment in the gambling industry value chain	Identify the potential barriers to entry for South African firms in the export market and enablers for foreign direct investment	Explore improvements and opportunities from a regulatory and policy perspective of how new investments and expansion of existing investments can be made	Explore new regulatory and policy requirements to support investment facilitation and growth	

JOINT INDICATOR 4 – District Development Model and Spatial Equity

Outcome:	Contribute to intergovernmental action in implementation of the District Development Model towards district economic development			Performance period	2021/2022
Output /s:	District integrated report with district development economic maps				
Indicator title:	Report on District Development Model and Spatial equity including incorporating all work within the District Model				
Indicator definition	District Development Model and Spatial equity including incorporating all work within the District Model District Development Model and Spatial equity including incorporating all work within the District Model				
Annual dtic Target/s		Contribution by NGB		Resourcing (MTEF Budget Allocation)	
District Development Model and Spatial equity including incorporating all work within the District Model		Four quarterly reports by the NGB which set out how their work has contributed to the economic development in each of the Districts and Metropolitan Areas of South Africa		This indicator will be resourced within the current entity resources	
NGB Quarterly Target/s		Q1	Q2	Q3	Q4
		Develop a list of potential local manufacturing opportunities for the gambling industry products/services in each province	Identify programmes to establish local manufacturing opportunities in the gambling industry in each province	Identify Local manufacturers with off-take agreements for gambling industry products and services in each province	Identify possible partnerships to promote export of local products to the rest of the African continent

JOINT INDICATOR 5 – Actions to Promote Transformation

Outcome:	Promoting a growing and inclusive economy			Performance period	2021/2022
Output /s:	Report on actions to promote transformation through structural changes in the economy to enable greater inclusion and growth; and empowerment of designated groups, using the range of public tools such as procurement, incentives, technical support and enabling opportunities				
Indicator title:	Report on actions to promote transformation through structural changes in the economy to enable greater inclusion and growth; and empowerment of designated groups, using the range of public tools such as procurement, incentives, technical support and enabling opportunities				
Indicator definition	Actions to promote transformation through structural changes in the economy to enable greater inclusion and growth; and empowerment of designated groups, using the range of public tools such as procurement, incentives, technical support and enabling opportunities				
Annual dtic Target/s	Contribution by NGB		Resourcing (MTEF Budget Allocation)		
Actions to promote transformation through both structural changes in the economy to enable greater inclusion and growth; and empowerment of designated groups, using the range of public tools such as procurement, incentives, technical support and enabling opportunities	Four quarterly reports on the contributions made by the NGB to promote transformation through structural changes in the economy to enable greater inclusion and growth; and empowerment of designated groups		This indicator will be resourced within the current entity resources		
NGB Quarterly Target/s	Q1	Q2	Q3	Q4	
	Explore joint skills development initiatives for Historically Disadvantaged Individuals (HDI's) specifically the promotion of skills transfer and development through the creation of innovation hubs in conjunction with universities and dominant industry players for skills transfer in a meaningful way to HDIs, women and youth	Analyse the gambling regulatory and policy framework regarding opportunities for increased participation of HDI's in gambling licencing, fair shareholding and start-up capital loan repayments'	Develop a transformation agenda pertaining to the promotion of economic growth, development and employment within the Gambling Industry	Produce draft amendments to the National Gambling Policy to address issues relating to transformation, economic and social development issues	

JOINT INDICATOR 6 – The Green Economy and Greening the Economy

Outcome:	Growing the Green Economy and greening the economy			Performance period	2021/2022
Output /s:	Report on growing the Green Economy and greening the economy				
Indicator title:	Report on growing the Green Economy and greening the economy through actions to support project facilitation, policy development, investment promotion, new product development or industrial processes				
Indicator definition	Actions to green the economy				
Annual dtic Target/s	Contribution by NGB		Resourcing (MTEF Budget Allocation)		
Actions to grow the Green Economy and greening the economy, through measures such as support for project facilitation, policy development investment promotion, new product development or industrial processes	Four quarterly reports on measures enacted by the NGB to support the green economy or the greening of the economy		This indicator will be resourced within current entity resources		
NGB Quarterly Target/s	Q1	Q2	Q3	Q4	
	Explore initiatives with Provincial Gambling Boards for gambling licensees to incorporate in the CSI spend projects to grow the Green Economy and greening the economy	Explore initiatives with Provincial Gambling Boards for gambling licensees to incorporate in the CSI spend projects to grow the Green Economy and greening the economy	Explore initiatives with Provincial Gambling Boards for gambling licensees to incorporate in the CSI spend projects to grow the Green Economy and greening the economy	Explore initiatives with Provincial Gambling Boards for gambling licensees to incorporate in the CSI spend projects to grow the Green Economy and greening the economy	

JOINT INDICATOR 7A – Strengthening and Building a Capable State

Outcome:	Functional, efficient and integrated services within the dtic to improve economic development and ease of doing business			Performance period	2021/2022
Output /s:	Actions to promote functional, efficient and integrated government and measures to reduce red tape across the dtic and entities				
Indicator title:	Report on strengthening and building capabilities and agility in the dtic and its entities, to improve efficiencies in programmes and entities, to contribute to economic development and ease of doing business				
Indicator definition	Strengthening and building capabilities and agility in the dtic and its entities, to improve efficiencies in programmes and entities, to contribute to economic development and ease of doing business				
Annual dtic Target/s		Contribution by the NGB		Resourcing (MTEF Budget Allocation)	
Review of unnecessary red tape and compliance reporting requirements in DTIC entities and programmes; monitoring implementation times of DTIC services		Four quarterly reports on measures enacted by the NGB to improve the ease of clients using its services, including forms and procedures reviewed for simplicity and necessity		This indicator will be resourced within the current entity resources	
NGB Quarterly Target/s		Q1	Q2	Q3	Q4
		Quarterly report on the proposed reduction of red tape regarding the gambling licencing process and the ease of doing business in the gambling industry	Quarterly report on the proposed reduction of red tape regarding the gambling licencing process and the ease of doing business in the gambling industry	Quarterly report on the proposed reduction of red tape regarding the gambling licencing process and the ease of doing business in the gambling industry	Quarterly report on the proposed reduction of red tape regarding the gambling licencing process and the ease of doing business in the gambling industry

PART E: LINKS TO OTHER PLANS

14. ASSET MANAGEMENT PLAN

Assets are managed through internal policies, which are approved by the Accounting Authority and applied to protect the assets and ensure procedural processes are applied when assets are acquired, disposed of, or donated. All assets are insured with a reputable registered insurer. The NGB's major assets are in the form of leasehold improvements, which are attached to a leased building. These assets form part of the NGB's property, plant and equipment and will be phased out of the NGB's records for the lease such that when the lease expires, the leasehold improvements will be fully depreciated. All the NGB's assets are managed per the Generally Recognised Accounting Practices (GRAP) and an asset register is maintained on the Asset Ware System.

15. INFORMATION TECHNOLOGY Plan

The NGB's ICT infrastructure will be optimised by acquiring new ICT servers to replace the servers which have been in existence for the past seven years. This will include, amongst others, infrastructure and a robust ICT service continuity plan, as well as enhanced ICT security and support infrastructure. The rest of the NGB's ICT infrastructure, such as software upgrades, were recently purchased and are considered to be in line with current technology. The NGB's ICT division is in the process of revising the ICT governance policies and

procedures to bring this in line with existing applications.

16. FRAUD PREVENTION PLAN

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

17. MATERIALITY AND SIGNIFICANCE FRAMEWORK

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

18. RISK REGISTER

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

19. SERVICE STANDARDS DELIVERY

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



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South Africa

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Gamble Legally and Responsibly

