

ANNUAL PERFORMANCE PLAN 2024/2025- 2026/2027



NGGB

National Gambling Board
South Africa

a member of **the dtic** group



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ABBREVIATIONS AND ACRONYMS

APP	–	Annual Performance Plan
B-BBEE	–	Broad-Based Black Economic Empowerment
ACTO	-	Acting Chief Technology Officer
CCO	–	Chief Compliance Officer
CEO	–	Chief Executive Officer
CFO	–	Chief Financial Officer
DPP	–	Department of Public Prosecution
DPSA	–	Department of Public Service and Administration
EA	–	Executive Authority
EBT	–	Electronic Bingo Terminal
FATF	–	Financial Action Task Force
FIC	–	Financial Intelligence Centre
FICA	–	Financial Intelligence Centre Act
FY	–	Financial Year
GDP	–	Gross Domestic Product
GGR	–	Gross Gambling Revenue
HCO	–	Human Capital Optimisation
HDI	–	Historically Disadvantaged Individuals
ICT	–	Information Communications Technology
IG	–	Interactive Gambling
IT	–	Information Technology
LPMs	–	Limited Payout Machines
MOU	–	Memorandum of Understanding
MSP	–	Master Systems Plan
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
NLA	–	National Lotteries Act
NRGP	–	National Responsible Gambling Programme
NT	–	National Treasury
PFMA	–	Public Financial Management Act
PLAs	–	Provincial Licensing Authorities
POCA	–	Prevention of Organised Crime Act
SARGF	–	South African Responsible Gambling Foundation

SAPS	–	South African Police Services
SMME	–	Small medium and micro-sized enterprises
SWOT	–	Strengths, Weaknesses, Opportunities and Threats
the dtic	–	The Department of Trade, Industry and Competition
TOWS	–	Threats, Opportunities, Weaknesses and Strengths
YoY	–	Year on Year

Executive Authority Statement

The Annual Performance Plan 2024-25, is hereby submitted in accordance with the Revised Framework on Strategic and Annual Performance Plans.

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



Mr Parks Tau, MP
Minister of Trade, Industry and Competition
Executive Authority of the National Gambling Board

Accounting Authority Statement

It is with great pleasure that National Gambling Board presents the Annual Performance Plan (APP) 2024-25. This plan is developed in light of the significant developments and changes the South African gambling industry has undergone during the sixth administration, particularly the lasting impact caused by the COVID-19 pandemic.

The South African economy faces several challenges, including sluggish growth, high unemployment, fiscal pressures, energy constraints, and structural inequalities. To this end, at the start of the sixth administration *the dtic* began a process to refocus its work through a reimagined industrial strategy aimed at promoting jobs and rising incomes, building an inclusive economy, and ensuring improved impact of public policies. In 2022/23 this was consolidated into three shared outcomes of Industrialisation, Transformation and building a Capable State.

The strategic plan therefore provides a focused framework that adapts the mandate of the NGB to the new approach to improve our regulation of the gambling industry to ensure that our activities have a beneficial outcome and impact on jobs and inclusive growth. This APP sets out the key elements and targets that guide the work of the NGB.

The South African gambling industry continues to be a significant contributor to the economy, with a diverse range of offerings including casinos, sports and horse-race betting, limited payout machine

gambling and bingo. A combination of economic, regulatory, technological, and societal factors has led to developments and changes to the gambling landscape, making regulation complex. The strategic blueprint of the NGB is thus crafted as a continuous attempt to achieve equilibrium between economic prosperity and societal well-being whilst eliminating illegal activity within the industry.

While the COVID-19 pandemic has now receded into history, its profound impact lingers in various aspects of our lives. Within the gambling industry, the pandemic sparked innovation among operators, elevating their offerings during times of restricted mobility. The introduction of new products and services holds great promise for the industry, but their introduction necessitates heightened oversight in the years to come, ensuring their legality, fairness, and safety. Additionally, the pandemic pushed some individuals to engage in gambling for financial reasons, raising concerns about potential problem gambling and underscoring the imperative of consumer education as a central objective for our organization.

The NGB has a responsibility to monitor and ensure compliance of the gambling industry with the applicable laws and regulations. This includes conducting oversight and inspections and audits of Provincial Licensing Authorities as well as licensed operators to verify that they are adhering to the necessary standards for player protection, responsible gambling practices, and financial integrity.

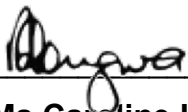
The shadow of illegal gambling looms large, posing a persistent threat to the legitimacy of the industry. Its increasing prevalence and ease of access have led to higher adoption rates and significant revenue losses. In cases of non-compliance or violations of gambling regulations, the NGB has the authority to take enforcement actions.

Despite efforts to promote responsible gambling, compulsive and addictive as well as problem gambling remain a concern, necessitating continued investment in support and awareness programs.

As we look ahead to the year 2024-25 and beyond, The NGB remains committed to enhancing public awareness and industry education, fostering a deeper understanding of regulatory responsibilities and the necessity of enforcement actions when warranted. We are steadfast in our mission to uphold the integrity and fairness

of the industry, actively combatting unlawful activities through the seizure of proceeds from illegal gambling and advancing consumer protection.

The NGB aspires to contribute to the shared vision of an Industrialised, Transformed and Capable State of South Africa, by ensuring the regulation of the gambling industry compliments the imperatives of economic sustainability, recovery, and growth with the enduring commitment to regulating in the public interest. This includes close collaboration with stakeholders from diverse sectors within the gambling industry and the government, facilitating the adoption of strategic changes to legislation, regulations, and policies. Together, we are poised to shape a future where responsible gambling thrives, and societal well-being is safe-guarded.

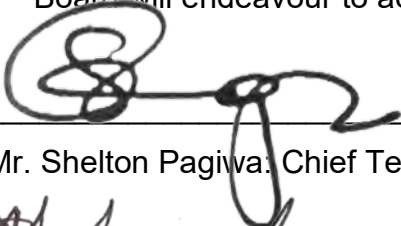


Ms Caroline Kongwa
Accounting Authority

OFFICIAL SIGN-OFF

It is hereby certified that this Strategic Plan:

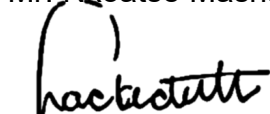
- Was developed by the management of the National Gambling Board under the guidance of Mr Parks Tau, MP
- Takes into account all the relevant policies, legislation and other mandates for which the National Gambling Board is responsible.
- Accurately reflects the Impact, outcomes, and related outputs which the National Gambling Board will endeavour to achieve over the period 2024 –2025.



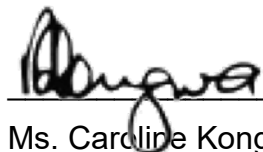
Mr. Shelton Pagiva: Chief Technology Officer



Mr. Nkoatse Mashamaite: Chief Compliance Officer



Ms. Kaveshka Mackerduth: Chief Financial Officer



Ms. Caroline Kongwa: Accounting Authority

Approved by:



Mr Parks Tau, MP
Minister of Trade, Industry and Competition
Executive Authority of the National Gambling Board

PART A: OUR MANDATE

1. Updates to the relevant legislative and policy mandates

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

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

maintaining all other legislator prescribed registers.

- ✚ Investigate alleged unlawful winnings that emanate from unlawful gambling activities. If such winnings are found to be unlawful, an application to the High Court for an order to declare the winnings forfeited to the State is made. Where winnings are deemed to be derived from legal gambling activities, funds are returned to the punter.
- ✚ Advising and providing recommendations to the NGPC on, amongst others, matters of national policy and legislative changes relating to gambling regulation.

Other mandates

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

- ✚ Constitution of the Republic of South Africa, 1996
- ✚ Broad-Based Black Economic Empowerment Act (B-BBEE), 2003 (Act 53 of 2003)
- ✚ The Financial Intelligence Centre Act (FICA), 2001 (Act 38 of 2001)
- ✚ Cyber Crimes Act, 2020 (Act 19 of 2020)
- ✚ Protection of Personal Information Act, 2013 (Act 4 of 2013)
- ✚ Intergovernmental Relations Framework Act (IGRFA), 2005 (Act 13 of 2005)
- ✚ Competition Act, 1998 (Act 89 of 1998)

- ✚ Prevention of Organised Crime Act, 1998 (Act 121 of 1998)
- ✚ Public Finance Management Act (PFMA), 1999 (Act 1 of 1999)
- ✚ Criminal Procedure Act, 1977 (Act 51 of 1977)
- ✚ Films and Publications Act, 1996 (Act 65 of 1996)
- ✚ South African Police Service Act, 1995 (Act 68 of 1995)
- ✚ Standards Act, 2008 (Act 8 of 2008)
- ✚ Legal Metrology Act, 2014 (Act 9 of 2014)
- ✚ National Regulator for Compulsory Specifications Act, 2008 (Act 5 of 2008)
- ✚ Consumer Protection Act (CPA), 2008 (Act 68 of 2008)

Policy mandates

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

2. Updates to institutional policies and strategies

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

- ✚ The National Development Plan (NDP), 2030

- ✚ The Medium-Term Strategic Framework 2019-2024
- ✚ The National Gambling Policy, 2016
- ✚ State of the Nation Address
- ✚ African Continental Free Trade Agreement (AfCFTA)

Constitutional mandate

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

In the Republic, the government is constituted as national, provincial and local spheres of government which are distinctive, interdependent and interrelated. All spheres of government must observe and adhere to the principles of co-operative government and intergovernmental relations and must conduct their activities within the said principles.

3. Updates to relevant court rulings

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

PART B: OUR STRATEGIC FOCUS

4. Updated situational analysis

It has been four years since the onset of the COVID-19 pandemic, and South Africa's economic prospects remain precarious. According to the Organisation for Economic Cooperation and Development (OECD) South African Economic Outlook for 2023, the country's GDP growth is anticipated to decelerate sharply, reaching a mere 0.3%. The National Treasury's economic outlook report for 2023 also underscores these concerns. Despite a modest estimated economic expansion of 2.5% in 2022, South Africa's medium-term growth outlook has deteriorated significantly, with a projected average real GDP growth of 1.4% from 2023 to 2025.

The nation continues to grapple with an unprecedented energy crisis that hampers growth and contributes to inflationary pressures. The inadequate supply of electricity remains a critical impediment to production, investment, and job creation. This challenge is further exacerbated by surging inflation and interest rates, which have curtailed household spending, eroded consumption, and increased the cost of living. Unemployment continues to loom large, standing at a daunting 32.6% as of the second quarter of 2023, and an estimated 30% of the population remains mired in extreme poverty, as of 2022.

Given the persistently weak growth in the domestic economy, stemming from longstanding structural issues, it is imperative to manoeuvre this environment with unwavering commitment to a framework that fosters investment, accelerates ongoing reforms, and enhances the state's capacity.

To this end, the Department of Trade, Industry, and Competition (*the dtic*) revived a reimagined industrial policy for South Africa in 2022.

Under this policy, three paramount outcomes; industrialization, transformation, and the building of a capable state have been introduced. These outcomes are geared towards fostering job creation and income growth, building an inclusive economy, and ensuring more effective implementation of public policies. Consequently, for the the NGB, adopting a new outcome-focused approach with a heightened emphasis on tangible results that closely align with these three primary priorities is imperative.

At the close of the fiscal year 2022/23, the South African gambling industry exhibited notable growth and structural shifts. Total industry turnover reached R815.0 billion, reflecting a substantial 45.6% increase compared to the previous financial year. Gross gambling revenue (GGR) amounted to R47.2 billion, a 37.0% increase from the previous year.

Betting emerged as the dominant contributor to industry GGR, accounting for 50.3% or R23.7 billion. Casinos generated R17.3 billion (36.8% of GGR). The Limited Payout Machine (LPM) sector was the third largest sector (9.0%), generating R4.2 billion during FY2022/23. The bingo sector contributed 3.9% of revenues at R1.8 billion.

Taxes and levies generated by the gambling industry amounted to R4.1 billion in FY2022/23, marking a notable 28.9%

increase from the previous fiscal year. Casinos contributed 43.1% of total taxes/levies, slightly exceeding betting's share at 40.5%.

The industry is forecast to continue its upward trajectory as seen in the increase in GGR for Q1 of FY2023/24, totalling R13.8 billion, a 32.3% increase from the previous year's Q1 figure of R10.4 billion. Taxes also increased by 22.3% from the previous year, to R1.1 billion.

In FY2023/24 Q1, a split of the betting GGR data into online and retail betting shows that online betting GGR derived from the Western Cape, Mpumalanga, Limpopo and Northern Cape has the biggest market share at 44% of total GGR whilst retail betting is 14%. The betting sector had the highest rate of growth year-on-year at 61.1% while LPM GGR fell marginally by 1.0%.

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

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

However, the 2020 COVID-19 pandemic also sparked innovation among operators within the gambling industry, elevating their offerings during times of restricted mobility. Through regulatory oversight of the industry, NGB has observed a surge in bookmakers offering bets on the outcome of online casino games, which has shifted the industry landscape from a casino driven industry to a betting led industry.

The gambling industry currently grapples with ongoing structural changes and challenges that hinder its growth, particularly in the LPM and bingo sectors. The National Gambling Act (NGA) mandates regulatory authorities to safeguard against potential adverse effects stemming from the proliferation of LPMs within the country. Consequently, the NGA outlines strict guidelines for the gradual introduction of LPMs, emphasizing the importance of continuous socio-economic impact assessments.

As certain provinces approach the upper limits of their initial LPM allocations in phase 1, the National Gambling Board (NGB) will undertake a comprehensive study to evaluate the effects of LPMs before further expanding their deployment. This study aims to gauge the socio-economic repercussions of LPMs in these provinces, providing crucial insights to determine whether additional LPMs will ultimately benefit society.

In addition to the LPM sector, the bingo industry has also experienced significant structural changes. In the financial year 2022/23, traditional operational bingo has been phased out in favor of Electronic Bingo Terminals (EBTs). Notably, none of the provinces have reported any activity within

the traditional bingo sector. Current bingo regulations do not differentiate between EBTs and traditional bingo, resulting in less stringent regulation of EBTs compared to other electronic gambling machines. This regulatory disparity has created inconsistencies within the industry landscape and raised concerns regarding consumer protection.

The ongoing issue of illegal gambling remains a significant threat to the legitimate economy. The ease of access and increased prevalence of such activities, especially highlighted during the COVID-19 pandemic and its aftermath, has led to a surge in participation. Gambling online, which is undertaken through unlicensed operators, undermines the legitimate gambling industry, causing significant loss in revenue and jobs, which hinders the government's efforts to promote economic growth and establish a capable state.

There continues to be an increase in the number of illegal gambling activities observed in the reported cases obtained from the South African Police Case Register. By 2022, the tally had reached over 6,100 cases, indicating a worrisome trend that could worsen without a concerted effort to address it.

Illegal gambling in its nature often involves organized crime elements, with syndicates employing both illegal and legal means to target vulnerable segments of society. Effective national enforcement strategies, led by multidisciplinary law enforcement agencies and sustained collaboration, are crucial for addressing these illicit activities.

The establishment of the National Stakeholders Priority Committee resulted in

the development of national strategies to combat illegal gambling nationwide. Collaborated efforts by key stakeholders and other regulators in law enforcement and all sectors of society are necessary to ensure a holistic response towards the combat and suppression of illegal gambling operations.

Successful prosecution of illegal operators is a priority, and it is pivotal that the public is informed about the consequences of their participation in illegal gambling activities. In FY2022/23 in Q2, 2246 number of the illegal gambling cases were prosecuted. As such joint targeted investigations focusing on identified hot spots are necessary to prevent and assist with the detection and prosecution of illegal gambling activities.

As of September 30, 2023, over R5 million worth of illegal gambling proceeds have been seized by banks and transferred to the NGB. Currently, 561 unlawful winning cases are pending investigation, with 131 recommended for forfeiture to the state. Educating the public and stakeholders, including banks and financial institutions, is of paramount importance, as winnings derived from illegal gambling may ultimately be reclaimed by the state.

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. In an effort 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.

The following key priorities have been identified which inform the implementation of the entity's strategy:

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

The NGB has formulated a results-oriented strategy, emphasizing expertise in gambling regulation, strong leadership, and regulatory clarity. To bolster its ability to regulate the South African gambling sector effectively, the NGB has initiated a comprehensive social dialogue with a wide range of stakeholders within the local, African, and international gambling industry.

The objective behind establishing such an expansive platform is to facilitate discussions on gambling-related issues among all stakeholders, with a specific focus on regulators. This approach aims to enhance the NGB's capacity to oversee the South African gambling landscape.

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.

continent and internationally. The rationale for the creation of such a broad forum is for

conversations on gambling issues amongst all stakeholders and specifically regulators to enhance the NGB's capability to regulate the South African gambling industry.

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

4.1 External environment analysis

The NGB regularly scans and monitors the macro-environment to identify factors that have an impact on the gambling industry and NGB's ability to execute its mandate.

Political

The strategic plan for FY2024-25 aligns with the vision of the administration that came into effect in 2019. Policy changes, like the potential legalization of online gambling and the review of legislative competency, can impact gambling regulation.

The National Gambling Policy, 2016 necessitated the amendment of the NGA. Currently, there exists a National Gambling Amendment Bill of 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. Passing the Bill could lead to amendments addressing challenges and illegal gambling enforcement.

Urgent attention should be given to the prescription of certain dates in terms of transitional provisions contained in the Schedule to the National Gambling Act, 2004, matters of excluded persons and national registers, re-certification of gambling machines and devices, the

remittance of unlawful winnings to the NGB in terms of section 16 and Form NGB2.

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

Economic

The overall economic health of South Africa directly affects the gambling industry. Economic downturns can lead to decreased consumer spending on entertainment, including gambling.

The South African economic performance has been driven by a combination of domestic and global factors. While the nation has made some progress in key areas such as inflation control and foreign investment, challenges persist in terms of unemployment and fiscal sustainability. The nation's economic growth rate remains insufficient to significantly alleviate unemployment and poverty. South Africa's persistently high unemployment rate, reached 34.5% in Q2 2023 which negatively affects discretionary income available for gambling. Conversely, high unemployment rates can drive some individuals toward gambling as a source of income, sometimes leading to illegal activities which then undermine the legal gambling fraternity.

The energy crisis also has an effect on the gambling industry. Gambling establishments

are high-energy consumers. Prolonged power outages increase the operating costs for gambling establishments, affecting profitability, which may lead to closures and decreased revenue for the industry as well as job losses.

Inflation in South Africa has remained relatively stable, typically hovering within the Reserve Bank's target range of 3-6%. Consumer inflation recently declined to 4.7% in July, the lowest figure since July 2021. However, rising costs of essential goods like food and fuel can reduce the disposable income of recreational bettors, potentially dampening gambling revenues and associated tax income.

In the same light, this consistent inflationary pressure has repercussions for the regulations governing Limited Payout Machines (LPMs), which have traditionally maintained fixed limits. These limits no longer keep pace with inflation, eroding the value of stakes and prizes and negatively impacting industry profitability. Currently, LPMs are constrained by maximum bets of R5.00 and winnings of R500, thresholds established back in 2000. The National Gambling Act (NGA) empowers the Minister of Trade, Industry, and Competition to set these limits to safeguard communities from potential LPM harm. The National Gambling Board (NGB) intends to provide guidance on LPM policies to ensure regular reviews of these limits.

From an industry perspective, the NGB has also been observing slow industry transformation regarding B-BBEE. While licensed operators may be B-BBEE compliant due to such compliance being part of license application requirements, there is a distinction to be made between black empowerment through control, and black

empowerment through equity. Transformation in the form of equity transfer remains a challenge. The gambling industry is also encouraged to provide opportunities to new entrants, particularly the historically disadvantaged individuals, women and youth.

The industry is also undergoing increased mergers among operators, which warrants careful monitoring. Mergers can yield positive outcomes, such as pooling skills, resources, and access to create new possibilities and long-term stability. However, large-scale mergers may also lead to monopolistic situations that impede smaller competitors and create barriers to entry for new entrants, counter to the government's transformation goals. The regulatory status of such mergers as anti-competitive or not remains uncertain, prompting the NGB to advocate for a thorough exploration and resolution of this issue.

Social

Persistent poverty and inequality contribute to a shift in the perception of gambling from a leisure activity to an income-generating pursuit, driving more individuals toward illegal gambling. Compulsive and addictive gambling presents a significant societal challenge, impacting not only the addicted individuals but also their families and society as a whole.

According to the 2022 World Mental Health Report, there were 970 million people living with mental disorders globally in 2019, including 14% of the world's adolescents. South Africa ranks low on mental health, according to the report. This is because our country is beset by living conditions that fuel poor mental health, including social and structural drivers, such as high levels of

violence, poverty, unemployment, and inequality.

Mental health decline over time has had several impacts on the gambling industry and individuals with gambling problems. Individuals facing mental health challenges, such as depression, anxiety, or trauma, may be more vulnerable to developing gambling problems. They may turn to gambling to cope with their emotional pain or distress, seeking temporary relief or distraction from their mental health issues.

For some individuals, gambling can serve as a form of escapism. People experiencing stress, anxiety, or depression may see gambling as a way to temporarily escape their problems and experience moments of excitement or happiness. This can lead to excessive gambling and further exacerbate mental health issues.

The proliferation of gambling advertising continues to shape societal attitudes towards gambling. The increasing prevalence of gambling marketing normalizes gambling with watching sports, fostering a heightened temptation for excessive gambling without clear boundaries. Additionally, the lack of sufficient regulations governing gambling advertising poses a social threat by exposing minors to gambling, encouraging illegal underage participation.

The NGB plans to raise awareness and provide targeted education interventions.

Technology

Technological advancements create new market opportunities and challenges for regulators.

The unrelenting advancement of technology characterized by the pressures and

opportunities posed by 4th Industrial Revolution requires that the NGB adopts innovate approaches towards modernizing its technology. Online capturing of data, sharing of certain mandated reports and notices as well as reports of illegal operations and access thereof by key stakeholders is critical for the national statistical information sharing and reporting.

A further challenge for regulation is ease of access to gambling generally through the use of smartphones. While gambling restricts participation by persons under the age of 18, the new forms of gambling made available through technology impedes on enforcement against betting by minors as this occurs outside regulated environments.

Other regulatory bodies assistance is necessary to identify, prosecute and where possible block access to unregulated gambling markets.

As more young people gain access and are likely to use technology in various ways in their lives, it is important for the NGB to be vigilant of the growing population of a technologically literate generation and to identify strategies that will guide and assist this group with the awareness of the dangers of gambling.

The use of mobile devices enables convenient gambling and may encourage new types of players. Specifically, game developers have recognized that millennials are less drawn to games of pure chance and instead favour games that involve skill. Consequently, they have tailored their offerings to cater to this market segment.

Research indicates a shifting profile among gamblers, with younger individuals aged 18

to 35 increasingly engaging in gambling due to the evolving landscape of technological offerings. This trend has been further accelerated by the impact of the COVID-19 pandemic. It is imperative that the younger generation exercises responsible choices in their gambling activities.

We are currently immersed in the fourth industrial revolution (often referred to as 4IR), characterized by rapid technological advancements. This revolution is reshaping the regulatory environment. Technology continues to drive the development of new gambling products and services, with artificial intelligence, virtual reality, and the Internet of Things (IoT) becoming integral components of the gambling landscape. The pace of change in this realm is accelerating.

Faster internet connectivity, exemplified by the advent of 5G, is poised to make key NGB systems like the National Central Electronic Monitoring System (NCEMS) and the national registers more accessible. This will expedite data collection and enhance the efficiency of various business processes, allowing the NGB to fulfil its mandate more effectively. Moreover, these technological advancements open up new avenues for research and exploration.

However, the proliferation of technology-driven gambling methods also presents challenges in terms of regulation and enforcement. It has created opportunities for increased illegal gambling, especially online gambling by minors, facilitated by easy access via mobile devices. Regulators now grapple with the growing challenge of mobile device-based gambling, which can lead to issues such as over-stimulation and problem gambling.

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.

While technological advancements have enabled the expansion of online gambling services, the South African regulatory model continues to favour the destination-based approach. This preference requires individuals to exert effort to access licensed gambling premises. However, these brick-and-mortar establishments now face challenges to their profitability due to the disruptive impact of technology.

As the gambling landscape diversifies and embraces novel technologies, questions arise about the adaptability of the existing regulatory framework. The NGB must contemplate whether it is necessary to develop a legal framework specifically tailored to govern gambling products and services, rather than maintaining a technologically neutral stance.

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

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Environment

The Control of Tobacco Products and Electronic Delivery Systems Bill could impact smoking regulations in gambling establishments. In 2018, the Department of Health proposed this bill to reduce incidence of tobacco-related illness, disability, and death.

Currently, South African laws prohibit smoking in public spaces, providing for a number of exceptions, such as designated smoking areas in licensed premises. The proposed smoking bill seeks to regulate smoking by exercising control over smoking in enclosed public places such as gambling establishments. The proposed smoking ban has gained the attention of the gambling industry due to its potential impact on public health, customer experience, and industry operations. The Bill therefore has implications for the gambling industry as casino, LPM, bingo and betting premises have customers who engage in gambling activities whilst smoking.

Climate change affects the global economy and tourism, potentially impacting the gambling industry's attractiveness to tourists.

The industry's high energy consumption and electricity costs necessitate monitoring and exploration of greener alternatives.

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.

Legislative gaps, misinterpretations, and issues with online gambling and advertising need addressing.

A rising trend has been observed where the licensed bookmakers through their provincial licensing authority offer online bets on the outcome of events such as casino games and other contingencies in and outside their jurisdictions, which is in contradiction with the NGA. Intervention from the NGPC is therefore necessary to resolve such matters.

The inability to enforce certain sections of the NGA is hugely influenced by the delay in the proclamation of certain gambling regulations.

Lack of uniformity and effective national policy implementation of the licensing regime (licensing forms of gambling, which are not envisaged from a national perspective), remains a challenge and is an ongoing debate. Gambling-related crimes are not

regarded as a high priority offence by South African law enforcement agencies, thus creating a challenge to manage the problem. Increased collaboration with the South African Justice System coupled with joint monitoring and implementation of the national enforcement strategies by multi-disciplinary law enforcement agencies is key to ensuring that illegal gambling is addressed.

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

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

4.2 Internal environment analysis

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

The NGB has distinguished itself, based on effective systems, processes, resources and organisational culture, as an efficient, effective and well-recognised gambling regulator that maximises its potential for the benefit of stakeholders, staff and

management. The following strategic human capital pillars have been identified for the next five (5) years in order to ensure that human capital issues are effectively addressed:

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

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

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

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

whole.

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

SWOT analysis

Strengths

Regulatory Authority

The NGB wields significant regulatory power to enforce rules and regulations within the gambling industry effectively.

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. The NGB thus has the authority to evaluate the issuance of national licences and compliance monitoring of licensees by PLAs, through conducting oversight over PLAs for compliance with the NGA and provincial legislation.

The NGB holds regulatory authority to investigate and recommend forfeiture of unlawful winnings to the state. The NGA also empowers the NGB to develop norms and

standards that apply generally across the country.

The NGB has the ability to collaborate with other regulators (international and local), internet service providers and other enforcement agencies within the Criminal Justice System towards addressing illegal gambling.

The NGB has the authority to monitor the market share and market conduct and socio-economic patterns of gambling in the republic as mandated in terms of the NGA. Access to the established national repository for gambling statistics and information as well as access to jurisdictional gambling information enables the NGB to share information with other industry regulators, government and stakeholders with a view to inform decision making.

As the national gambling regulator, it is important to embrace our regulatory obligations and pay particular attention on those who may be at risk. The NGB has authority to protect society against the harmful effects of gambling and illegal operators through its broad-based public education programme.

To ensure that the public is made aware of the risks and socio-economic impact of gambling, and the distinction between legal and illegal gambling, the NGB has in place a National Programme on Broad-based Public Education. The operational framework provides an integrated and multi-dimensional mechanism, using diverse communication platforms and methodologies to reinforce messages on responsible gambling as well as compulsive and addictive gambling and illegal gambling. This includes face-to-face and online tools,

mass communication channels, and working with and through partner organisations to reach a wider target audience.

Legal Framework

South Africa has a well-established legal framework for gambling, providing a solid foundation for the NGB to operate within. The NGA is the national legislation governing the regulation of the gambling industry and prescribes how licensing is to be conducted by Provincial Licensing Authorities. The provincial legislations thus exist only to support the NGA.

Revenue generation

The gambling industry contributes significantly to government revenue through taxes and levies, which are intended to fund public services. The NGB is the only entity in the country that has a legal mandate to establish and maintain National Registers, including the NCEMS, to monitor revenue generated by the LPM sector.

Consumer Protection

In terms of the NGA, the NGB has the powers to monitor and enforce compliance with the provisions of the Act, which is considered a strength to protect consumers from fraudulent and unfair gambling practices with a focus on illegal gambling and harm reduction.

Weaknesses

Despite the existence of empowering legislation, the NGA has limitations that hinder the enforcement activities. While the NGB has established relationships with other enforcement agencies, it is unable to provide

country-wide support to law enforcement agencies due to limited staff capacity.

The NGB has also identified that while it is able to provide broad-based public education and awareness campaigns, it is limited by budgetary constraints from reaching a wider audience and the entire country to educate the public on the socio-economic risks of gambling for punters to make informed choices.

Opportunities

The NGB has also identified various opportunities in the external environment.

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

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

The NGB can implement a national illegal gambling framework and collaborate plans with other enforcement agencies. This can be undertaken through the introduction of an illegal gambling integrated enforcement system. The NGB can also advance the knowledge of relevant enforcement agencies

about illegal gambling through the coordination of workshops and conferences.

The NGB has an opportunity to build the capability of the state in the regulation of gambling through informed policy and legislative development as well as stakeholder engagement and partnerships with other regulatory bodies to share best practices on addressing the risks and socio-economic impact of gambling.

The NGB can promote responsible gambling and increase public awareness about the risks and benefits of gambling for a healthier gambling industry.

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. Thus, highlighted is a need for country-wide implementation of integrated illegal gambling enforcement strategies and plans as well as online systems to identify and record unlicensed gambling activities.

The economic imperative to promote economic inclusion continues to be an opportunity for the NGB to contribute to the economic emancipation of Historically Disadvantaged Individuals by facilitating their participation in the mainstream gambling industry. As such, the NGB has the opportunity to monitor the performance of the gambling industry with regards to fulfilment of the B-BBEE requirements by the industry.

There is also the opportunity for the NGB to embrace changes in technology to better regulate technologically advanced forms of gambling. Technology can also be used by the NGB through the extension of NCEMS to all legal modes of gambling, thereby

increasing its monitoring capability, improved regulation and government accountability for taxes and levies collected which espouses the capable state outcome.

An opportunity also exists for the NGB to procure locally produced goods as well as procure goods and services from black-owned entities.

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.

The presence of unlicensed and illegal gambling operators poses a significant threat to the integrity of the industry. There are delays in the amendments to legislations necessary to prevent, detect and prosecute illegal gambling. For example, crypto currencies are not regulated but are largely used to transfer funds in gambling.

Enablers such as the economic desperation and vulnerability of the population to economic shocks coupled with a majority of the youth population who are technologically savvy are causing disruptions. Currently the NGB is reliant on other enforcement agencies to address illegal gambling. Addressing illegal gambling is reliant on the implementation of an integrated illegal gambling framework and cooperation by other enforcement agencies.

Incomplete documents threaten the organizations' ability to initiate S16 investigations and obtain necessary orders to forfeit the funds from illegal online gambling to the State.

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

TOWS Analysis

The NGB can combine its strengths and weaknesses with the opportunities and threats in the external environment to develop strategic options for the regulation of the gambling industry.

The NGB seeks to contribute to building a capable state by leveraging off its regulatory authority to conduct oversight over PLAs to achieve effective regulation in the gambling industry.

The NGB will promote the realization of a capable state by leveraging the NCEMS for monitoring and regulating the LPM industry, data collection related to revenues generated, number of machines installed, and spatial locations of the gambling sites which informs policy. The NGB plans to improve its monitoring capability by extending NCEMS to other modes of gambling.

The NGB also contributes to the realization of the capable state imperatives through technical analysis of gambling machines and devices, thereby assisting the industry to be well-regulated and ultimately contributing growth of the industry to above R35 billion.

The NGB will monitor the transformation in the gambling industry, focusing on the

participation of HDIs, women, and the youth in mainstream gambling areas.

The NGA empowers the NGB to conduct investigations on unlawful winnings, and proceeds obtained from illegal gambling activities in order for them to be forfeited to the State. By concluding the investigations on reported unlawful winnings, there is therefore a potential of over five million rands (R5 000 000.00) to be forfeited to the State.

The NGB intends to build a capable state by addressing illegal gambling through collaborations with other stakeholders. The NGB will thus develop and implement a national illegal gambling enforcement strategy.

The NGB will utilize the regulatory authority to monitor market share and market conduct as well as monitor socio-economic patterns of gambling in the republic to build a capable state in the regulation of gambling by contributing to the gambling body of knowledge, informed regulation and business decision making.

The NGB will also aim to build a capable state in the regulation of gambling by utilizing its regulatory authority to provide a broad-based public education programme promote public awareness campaigns to educate consumers about the risks and benefits of gambling.

The NGB will leverage its National Broad-based public education programme to reach a wider audience and collaborate with other organisations with related mandates to develop better informed and responsible citizens.

The NGB has committed itself to addressing transformation by procuring goods and services that are locally produced by black-owned entities.

PART C: MEASURING OUR PERFORMANCE

5. Financial Information

5.1. Financial Plan

The NGB relies on two main sources of revenue [grant revenue and limited payout machine (LPM) monitoring fees] to execute the strategic plan and annual performance

5.2. Expenditure trend

Expenditure on goods and services is set to decrease from R270.8 million in 2023/24 to R265.3 million in 2026/27. Goods and services will account for a significant portion of expenditure, largely attributed to the operations of one of the national registers,

plan. It is projected LPM fees will account for approximately 83% of total revenue, while the grant revenue is expected to contribute an estimated 13% of total revenue. The balance of the revenue, 4% will be derived from interest earned on short-term investments. It must be noted that while the LPM monitoring fees will contribute a significant portion of the estimated revenue, a corresponding expenditure of 83% will be incurred to defray NCEMS service fees.

the National Central Electronic Monitoring System. The NGB will also commence with the procurement process to appoint the next NCEMS service provider in the FY2024/2025.

Table 1: Income and Expenditure

R Thousand	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	AUDITED OUTCOMES			BUDGET ESTIMATE			
Revenue	R'000						
Grant from the dtic	31 027	35 928	36 477	33 152	34 641	35 790	37 189
NCEMS monitoring fees	146 064	221 049	247 257	229 009	230 000	230 900	231 500
Interest received	2 315	2 521	5 918	7 378	6 600	7 200	7 200
Rental income	2 237	0	0	1 225	2 105	2 252	2 410
Other miscellaneous income	0	400	311	0	4 350	0	0
Total Revenue	181 643	259 898	289 963	270 764	277 696	276 142	278 299
Expenditure	R'000						
Employee costs	38 005	37 460	41 271	49 143	53 021	56 542	60 317
Subsistence & travel	0	27	4 890	5 595	1 585	4 126	3 402
Administration costs	9 726	8 786	11 441	11 744	5 523	4 808	4 808
NCEMS service fees	121 720	182 482	206 012	190 461	190 900	184 108	180 000
Professional services	5 082	3 598	6 784	7 261	12 900	7 599	8 099
Depreciation	3 193	3 274	2 597	2 554	2 554	3 224	3 224
Other operating expenses	2 356	2 368	2 765	4 001	10 123	7 482	5 482
Total Expenditure	180 082	237 995	275 760	270 759	276 606	267 889	265 332
Surplus	1 561	21 903	14 203	5	1 090	8 253	12 967

5.3. Asset and liability management

It is projected that the NGB's assets will be adequate to cover total liabilities throughout the entire MTEF period. All tangible assets

have been insured with a reputable registered insurer.

5.4. Cash flow projections

Cash Flow Description	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	AUDITED OUTCOMES			BUDGET ESTIMATES			
R Thousand	R'000						
Cash receipts from stakeholders	178 794	258 992	291 699	270 757	273 346	276 142	278 299
Rent received	3 709	582	0	1 225	2 105	2 252	2 410
Transfers received	31 027	35 928	36 477	33 152	34 641	35 790	37 189
Interest	2 306	2 512	5 553	7 378	6 600	7 200	7 200
Limited payout machine monitoring fees	141 752	219 970	249 669	229 002	230 000	230 900	231 500
Cash paid to stakeholders	177 502	228 051	268 028	268 959	278 664	267 889	265 332
Current payments	177 502	228 051	268 028	268 959	278 664	267 889	265 332
Compensation of employees	38 145	37 852	39 566	49 143	53 021	56 542	60 317
Goods and services	139 357	190 199	228 462	219 816	225 643	211 347	205 015
Cash flow from operating activities	1 292	30 941	23 671	1 798	-5 318	8 253	12 967
Cash flow from investing activities	-1 637	-1 016	0	-3 300	-1 700	-350	-350
Cash flow from financing activities	253	99	0	0	130	140	150
Net increase / (decrease) in cash and cash equivalents	-92	30 024	23 671	-1 502	-6 888	8 043	12 767

5.5. Capital expenditure programmes

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

5.6. Dividend policies

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

6. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

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

The NGB strategy is premised on the institution continuing its active role in regulating the gambling industry. A multidimensional regulatory approach involving supervision, cooperation and enforcement is a consideration for the successful execution of the NGB's mandate.

This will be implemented through various key outputs as follows:

- a) Monitored market share and market conduct in the gambling industry
- b) Conducted economic Analysis and research on the impact of gambling
- c) Conducted technical analysis on gaming control and regulation
- d) Maintained functional national registers
- e) Maintained operational National Central Electronic Monitoring System
- f) Monitored economic transformation opportunities for HDIs in the mainstream gambling industry
- g) Evaluation of PLAs compliance with gambling legislation

- h) Evaluation of compliance monitoring of licensees by PLAs
- i) Co-operative activities undertaken to prevent and suppress illegal gambling activities
- j) Suspected cases of unlawful gambling activities investigated

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

7. PROGRAMME 1: GAMING CONTROL AND COMPLIANCE

7.1. Purpose

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

7.2. Functional National Registers

The NGB is the custodian of national registers in terms of the NGA. The Act requires that the NGB must establish and maintain, in the prescribed manner and form national registers to provide a national repository of gambling sector-specific

information. The NGB is required to provide the information in its registry to PLAs in the prescribed manner and form to ensure information sharing and compliance as contemplated in the Act.

7.3. National Central Electronic Monitoring System (NCEMS)

The NGB is obliged by section 27 of the NGA read with regulation 14 of the National Gambling Regulations to supply, install, commission, operate, manage and maintain a National Central Electronic Monitoring System ("NCEMS") which is capable of detecting and monitoring significant events, associated with any LPM that is made available for play in the Republic and analysing and reporting data according to the requirements of sections 21 to 26 of the NGA. NCEMS is essentially a system to track each LPM operated by a Route Operator (RO) or Independent Site Operator (ISO) in terms of location and status; record and validate every transaction on the LPM in real-time, and periodically report collected data. The NCEMS enables the NGB to fulfil its oversight responsibility over the PLAs in terms of section 65 of the Act, maintain the national register in terms of section 21 of the NGA, monitor and evaluate the PLAs compliance with the NGA and enables the NGB to assist the PLAs to detect and

suppress unlawful gambling and unlicensed gambling activities.

7.4. Gaming Control

The NGB will monitor and analyse technological developments that affect gambling regulation and provide advice on the compliance of gambling machines and devices in terms of the NGA. The NGB will review and analyse the certification of gambling products, new gambling products, and the adoption of technology in the gambling industry in accordance with the technical standards (SANS1718) developed by the South African Bureau of Standards in accordance with the Standards Act.

7.5. Compliance

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

7.6. Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output indicators	Audited performance			Estimated performance and baseline	MTEF targets		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Transformation	Monitored economic transformation opportunities for HDIs in the mainstream gambling industry	Number of S53 economic transformation reports in the mainstream gambling industry produced	N/A	Four (4) reports on economic transformation and participation of HDIs in the mainstream gambling industry submitted to the Accounting Authority	Four (4) reports on economic transformation and participation of HDIs in the mainstream gambling industry submitted to the Accounting Authority	One (1) consolidated report on S53 economic transformation in the mainstream gambling industry	One (1) consolidated report on S53 economic transformation in the mainstream gambling industry produced	One (1) consolidated report on S53 economic transformation in the mainstream gambling industry produced	One (1) consolidated report on S53 economic transformation in the mainstream gambling industry produced
Capable State	Monitored technical compliance of gambling games, machines, and devices in the gambling industry	Number of reports on technical compliance produced	N/A	N/A	N/A	New indicator	One (1) consolidated report on technical compliance of gambling games, machines and devices produced	One (1) consolidated report on technical compliance of gambling games, machines and devices produced	One (1) consolidated report on technical compliance of gambling games, machines and devices produced
	Facilitated revenue generation in the LPM industry	Rand value revenue generation facilitated in the LPM industry	N/A	N/A	N/A	New indicator	Facilitated R2.5 billion revenue generation in the LPM industry	Facilitated R2.5 billion revenue generation in the LPM industry	Facilitated R2.5 billion revenue generation in the LPM industry
	Conducted nine (9) PLA compliance evaluations	Percentage of evaluations of PLAs compliance with gambling legislation conducted	N/A	N/A	N/A	One (1) consolidated report on PLA compliance evaluation with gambling legislation	100 % evaluations of PLAs compliance with gambling legislation conducted	100% evaluations of PLAs compliance with gambling legislation conducted	100% evaluations of PLAs compliance with gambling legislation conducted

Outcome	Outputs	Output indicators	Audited performance			Estimated performance and baseline	MTEF targets		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Advisory notes on uniformity in relation to gambling legislation	Number of advisory notes on uniformity in relation to gambling legislation	N/A	N/A	N/A	New Indicator	Four (4) advisory notes on uniformity in relation to gambling legislation	Four (4) advisory notes on uniformity in relation to gambling legislation	Four (4) advisory notes on uniformity in relation to gambling legislation

7.7. Output Indicators, Annual and Quarterly Targets

Output indicators	Annual targets 2024/2025	Q1	Q2	Q3	Q4
Number of S53 economic transformation reports in the mainstream gambling industry produced	One (1) consolidated report on S53 economic transformation in the mainstream gambling industry produced	One (1) report on S53 economic transformation in the mainstream gambling industry produced	One (1) report on S53 economic transformation in the mainstream gambling industry produced	One (1) report on S53 economic transformation in the mainstream gambling industry produced	One (1) consolidated report on S53 economic transformation in the mainstream gambling industry produced
Number of reports on technical compliance produced	One (1) consolidated report on technical compliance of gambling games, machines and devices produced	One (1) report on technical compliance of gambling games, machines and devices produced	One (1) report on technical compliance of gambling games, machines and devices produced	One (1) report on technical compliance of gambling games, machines and devices produced	One (1) consolidated report on technical compliance of gambling games, machines and devices produced
Rand value revenue generation facilitated in the LPM industry	Facilitated R2.5 billion revenue generation in the LPM industry	Facilitated R625 million revenue generation in the LPM industry	Facilitated R625 million revenue generation in the LPM industry	Facilitated R625 million revenue generation in the LPM industry	Facilitated R625 million revenue generation in the LPM industry
Percentage of evaluations of PLAs compliance with gambling legislation conducted	100% evaluations of PLAs compliance with gambling legislation conducted	33.33% evaluations of PLAs compliance with gambling legislation conducted	66.67% evaluations of PLAs compliance with gambling legislation conducted	88.89% evaluations of PLAs compliance with gambling legislation conducted	100% evaluations of PLAs compliance with gambling legislation conducted
Number of advisory notes on uniformity in the gambling legislation	Four (4) advisory notes on uniformity in relation to gambling legislation	One (1) advisory note on uniformity in relation to gambling legislation	One (1) advisory note on uniformity in relation to gambling legislation	One (1) advisory note on uniformity in relation to gambling legislation	One (1) advisory note on uniformity in relation to gambling legislation

7.8. Explanation of planned performance over the medium-term period

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

The NGB efforts towards economic transformation is intended to focus on the participation of HDIs in the mainstream gambling industry whilst prioritising the women, youth and people with disabilities in terms of the broader economic agenda. The NGB will monitor economic transformation commitments for HDIs in the mainstream gambling industry. This will be performed to ensure that the industry is reflective and representative of the government's 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.

The NGB will focus on enabling a capable state by facilitating a R35 billion contribution to the economy by the gambling industry. This will be done ensuring that the industry is well regulated and compliant to both national and provisional legislation through technical analysis of the gambling machines and devices and gaming control. Maintaining an operational National Central Electronic Monitoring System will also contribute to the achievement of a capable state.

Evaluations will be conducted on the

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

The NGB will advise the National Gambling Policy Council (NGPC), through the Minister of Trade, Industry and Competition, on national policy matters relating to casinos, racing, gambling and wagering and on the determination of national norms and standards regarding any matter in terms of the NGA that should apply generally throughout the Republic; and recommend to the NGPC changes to bring about uniformity in the laws of the various provinces in relation to casinos, racing, gambling and wagering, in line with section 65(2) of the NGA.

The NGB will engage **the dtic** to ensure the register of excluded persons is prioritised through the implementation of regulation 2 by **the dtic**. People with problem gambling issues will be excluded in all gambling platforms nationally while they seek professional assistance. The families of problem gamblers will thus be protected from the collateral harm that comes with having a problem gambler in the house, like default in payments of debts to support excessive gambling. There is also a need to review the Regulations to identify any need for amendments to incorporate the completion of the Exclusion Forms through online mode as technology has evolved

Description of planned performance in relation to the programmes outputs

The plan to monitor the economic participation of the HDIs, prioritising the women, youth and people with disabilities, will be achieved by assessing the level of participation of the HDIs in the mainstream gambling industry in compliance with B-BBEE Act. Different gambling entities will be evaluated and PLAs licensing conditions on transformation will also be assessed.

The NGB will monitor the technical compliance of the gambling games, machines and devices, assessing new products ensuring that the industry is compliant to thereby facilitating the contribution of the gambling industry to the economy. The contribution to the economy will also be supported by maintaining an operational NCEMS and a report will be produced in each quarter. Engagement with the dtic on the Gazetting of Regulation 2 and 8(4) dealing with the exclusions of people from gambling and

recertification of gambling machines respectively. This will enable the capable state.

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

The NGB will produce four advisory reports to the NGPC, through the Minister of Trade, Industry and Competition in terms of section 65(2). This is intended to advise the NGPC on matters of national policy relating to casinos, racing, gambling and wagering and on the determination of national norms and standards regarding any matter in terms of the NGA that should apply generally throughout the Republic; and recommend to the NGPC changes to bring about uniformity in the laws of the various provinces in relation to casinos, racing, gambling and wagering.

7.9. Programme resource considerations

Programme 1 - Gaming Control & Compliance (GCCD)							
Rand thousand	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Audited Outcomes			Budget Estimates			
<u>Economic classification</u>							
Current payments	145 380	191 923	211 043	209 031	205 648	197 401	194 083
Compensation of employees	19 972	7 514	12 211	16 330	10 279	11 752	12 542
Goods and services	125 408	184 409	198 832	192 701	195 369	185 649	181 541

Explanation of the resources contribution towards achieving the outputs

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

- Monitored economic transformation

opportunities for HDIs in the mainstream gambling industry;

- Monitored technical compliance of gambling games, machines and devices in the gambling industry;

- Facilitated revenue generation in the LPM industry;
- Conducted nine (9) PLA compliance evaluations; and
- Advisory notes on uniformity in relation to gambling legislation.

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

8. PROGRAMME 2: ENFORCEMENT

8.1. Purpose

This programme is mandated in terms of the Act to undertake co-operative activities to prevent and suppress illegal gambling activities and investigate suspected cases of unlawful gambling activities.

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

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

8.2. Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output indicators	Audited performance			Estimated performance and baseline	MTEF targets		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Capable State	Targeted investigations completed on the circumstances of illegal gambling activity to contribute to the reduction of illegal gambling	Percentage of targeted investigations completed on the circumstances of illegal gambling activity to contribute to the reduction of illegal gambling	N/A	N/A	N/A	New	100% of the total number of cases targeted for investigations to contribute to the reduction of illegal gambling	100% of the total number of cases targeted for investigations to contribute to the reduction of illegal gambling	100% of the total number of cases targeted for investigations to contribute to the reduction of illegal gambling
	Interventions implemented to protect the gambling industry	Number of enforcement interventions to protect the gambling industry through raids initiated and cases registered with the SAPS	N/a	N/a	N/a	New	Four (4) enforcement interventions to protect the gambling industry through raids initiated and cases registered with the SAPS	Four (4) enforcement interventions to protect the gambling industry through raids initiated and cases registered with the SAPS	Four (4) enforcement interventions to protect the gambling industry through raids initiated and cases registered with the SAPS
		Number enforcement interventions to protect the gambling industry through notices and/or legal action undertaken	N/a	N/a	N/a	New	Four (4) enforcement interventions to protect the gambling industry through notices and/or legal action undertaken	Four (4) enforcement interventions to protect the gambling industry through notices and/or legal action undertaken	Four (4) enforcement interventions to protect the gambling industry through notices and/or legal action undertaken

8.3. Output Indicators, Annual and Quarterly Targets

Output indicators	Annual targets 2024/2025	Q1	Q2	Q3	Q4
Percentage of targeted investigations completed on the circumstances of illegal gambling activity	100% of the total number of cases targeted for investigations to contribute to the reduction of illegal gambling	25% of the total number of cases for outstanding investigations completed to contribute to the reduction of illegal gambling	50% of the total number of cases for outstanding investigations completed to contribute to the reduction of illegal gambling	75% of the total number of cases for outstanding investigations completed to contribute to the reduction of illegal gambling	100% of the total number of cases for outstanding investigations completed to contribute to the reduction of illegal gambling
Number of enforcement interventions to protect the gambling industry through raids initiated and cases registered with the SAPS.	Four (4) enforcement interventions to protect the gambling industry through raids initiated and cases registered with the SAPS	One (1) enforcement intervention to protect the gambling industry through raids initiated and cases registered with the SAPS	One (1) enforcement intervention to protect the gambling industry through raids initiated and cases registered with the SAPS	One (1) enforcement intervention to protect the gambling industry through raids initiated and cases registered with the SAPS	One (1) enforcement intervention to protect the gambling industry through raids initiated and cases registered with the SAPS
Number enforcement interventions to protect the gambling industry through notices and/or legal action undertaken	Four (4) enforcement interventions to protect the gambling industry through notices and/or legal action undertaken	One (1) enforcement intervention to protect the gambling industry through notices and/or legal action undertaken	One (1) enforcement intervention to protect the gambling industry through notices and/or legal action undertaken	One (1) enforcement intervention to protect the gambling industry through notices and/or legal action undertaken	One (1) enforcement intervention to protect the gambling industry through notices and/or legal action undertaken

8.4. Explanation of planned performance over the medium-term period

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

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

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

Illegal gambling does not only deter revenues that would ordinarily be collected from the licensed gambling institutions, it also negatively impacts society’s financial and social wellbeing. Gamblers stands a chance to lose their winnings as these are,

8.5. Programme resource considerations

in terms of section 16(3) of the NGA, remitted to the NGB. If found to be proceeds of unlawful winnings, through the investigation by the NGB, the funds will be recommended for forfeiture to the State.

Description of planned performance in relation to the programmes outputs

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

The planned performance includes reporting on collaborative and consultative enforcement conducted by law enforcement agencies towards combating illegal gambling across all value chains. The Unit will develop and implement the national enforcement strategy that will be rolled out on a national level in collaboration with the relevant enforcement agencies.

Annual provincial visits informed by gathered information and intelligence on illegal gambling will be undertaken to identify and initiate investigations or enquiries on detected illegal gambling activities.

Programme 2: Enforcement							
Rand thousand	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Audited Outcomes			Budget Estimates			
<u>Economic classification</u>							
Current payments	0	0	0	0	6 291	6 686	7 098
Compensation of employees	0	0	0	0	5 682	6 067	6 479
Goods and services	0	0	0	0	609	619	619

Explanation of the resources contribution towards achieving the outputs

The resource budget for Enforcement will enable the achievement of the outputs of:

Facilitated S16 confiscation of proceeds from illegal gambling activities by ensuring that unlawful winnings are investigated and forfeited to the state.

Furthermore, it will enable the NGB to assist PLAs to detect and suppress unlawful and unlicensed gambling activities.

9. PROGRAMME 3: CORPORATE SERVICES AND RESEARCH

9.1. Purpose

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

The CSR provides support services to the NGB to ensure satisfactory internal and external stakeholder engagement, and seeks to attain a conducive work environment, which enhances business efficiency. CSR comprises of the following subdivisions, Human Capital Optimisation (HCO), Legal Services, Research, IT, and Corporate Governance. The sub programmes of the CSR are set out as follows:

9.2. Legal Services

Legal Services provides corporate legal services to the NGB in form of legal opinions, legal advice, legislative drafting, litigation, drafting and vetting of contracts and records management. Legal Services ensures that NGB's interests are promoted and protected in its business operations and further ensures that the NGB operates within the ambit of the law. Records Management ensures that there is proper maintenance of records, access to and protection of information.

9.3. Corporate Governance

Corporate Governance coordinates implementation of Planning and Reporting

Frameworks to enhance the effectiveness and efficiency of governance and achievement of performance deliverables. Corporate governance also focuses on Risk Management to assist with identification, assessment and mitigation of strategic, operational and reputational risks that may hinder the NGB from achieving its objectives.

9.4. Information Communication technology (ICT)

The function of the ICT unit is to support the NGB in matters of ICT strategic development and maintenance of the communication and management systems, thereby safeguarding the assets of the NGB. The unit ensures that the ICT support functions are carried out in a manner that supports the strategic objectives and the mission statement of the NGB. ICT is geared at supporting and enhancing the overall organizational performance through the provision of assistive technologies.

9.5. Human Capital Optimisation (HCO)

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

9.6. Research and Advisory Services

Mandated in terms of S65(1) and S65(2) of the NGA, the NGB monitors socio-economic patterns of gambling activity within the Republic; monitors gambling sector performance, market share and market conduct in the gambling industry.

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

9.7. Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output indicators	Audited performance			Estimated performance and baseline	MTEF targets		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Capable State	Published and disseminated research and industry trends to the gambling industry and regulators for informed decision making	Number of reports on gambling sector performance produced	Four (4) reports (based on unaudited data) and one (1) annual report on audited gambling sector performance submitted to the Accounting Authority	Over-achieved Eight (8) reports were produced: Four (4) reports (based on unaudited data) and one (1) annual report on audited gambling sector performance were submitted to the Accounting Authority	Over-achieved Seven (7) reports were produced: Three (3) reports (based on unaudited data) and one (1) annual report on audited gambling sector performance were submitted to the Accounting Authority	Four (4) reports (based on unaudited data) and one (1) annual report on audited gambling sector performance produced.	Four (4) reports (based on unaudited data) and one (1) annual report on audited gambling sector performance produced.	Four (4) reports (based on unaudited data) and one (1) annual report on audited gambling sector performance produced	Four (4) reports (based on unaudited data) and one (1) annual report on audited gambling sector performance produced
	Research on the impact of the gambling industry for informed regulation	Number of reports on research on the impact of the gambling industry for informed regulation	N/A	N/A	N/A	New Indicator	One (1) consolidated report on research on the impact of the gambling industry for informed	One (1) consolidated report on research on the impact of the gambling industry for informed regulation produced	One (1) consolidated report on research on the impact of the gambling industry for informed regulation produced

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Outcome	Outputs	Output indicators	Audited performance			Estimated performance and baseline	MTEF targets		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
		produced					regulation produced		
	Broad-based community outreach interventions	Number of broad-based community outreach interventions conducted to inform and educate the public on risks and socio-economic impact of gambling	N/A	N/A	N/A	New Indicator	Forty (40) broad-based community outreach interventions conducted to inform and educate the public on risks and socio-economic impact of gambling	Forty (40) broad-based community outreach interventions conducted to inform and educate the public on risks and socio-economic impact of gambling	Forty (40) broad-based community outreach interventions conducted to inform and educate the public on risks and socio-economic impact of gambling
	Ten (10) Case studies of firms, workers, entrepreneurs, professionals, individuals or communities impacted by the NGB measures in the gambling industry	Number of case studies of firms, workers, entrepreneurs, professionals, individuals or communities impacted by the NGB measures in the gambling industry	N/A	N/A	N/A	New Indicator	Ten (10) case studies of firms, workers, entrepreneurs, professionals, individuals or communities impacted by the NGB measures in the gambling industry	Ten (10) case studies of firms, workers, entrepreneurs, professionals, individuals or communities impacted by the NGB measures in the gambling industry	Ten (10) case studies of firms, workers, entrepreneurs, professionals, individuals or communities impacted by the NGB measures in the gambling industry

9.8. Output Indicators, Annual and Quarterly Targets

Output indicators	Annual targets 2024/2025	Q1	Q2	Q3	Q4
Number of reports on gambling sector performance produced	Four (4) reports (based on unaudited data) and one (1) annual report on audited gambling sector performance produced	One (1) report on gambling sector performance (4th quarter, FY2023/24) produced	One (1) report on gambling sector performance (1st quarter, FY2024/25) produced One (1) audited report on gambling sector performance (FY2023/24) produced	One (1) report on the gambling sector performance (2nd quarter, FY2024/25) produced	One (1) report on gambling sector performance (3rd quarter, FY2024/25) produced
Number of reports on Research on the impact of the gambling industry for informed regulation produced	One (1) consolidated report on Research on the impact of the gambling industry for informed regulation produced	One (1) report on Research on the impact of the gambling industry for informed regulation produced	One (1) report on Research on the impact of the gambling industry for informed regulation produced	One (1) report on Research on the impact of the gambling industry for informed regulation produced	One (1) consolidated report on Research on the impact of the gambling industry for informed regulation produced
Number of broad-based community outreach interventions conducted to inform and educate the public on risks and socio-economic impact of gambling	Forty (40) broad-based community outreach interventions conducted to inform and educate the public on risks and socio-economic impact of gambling	Ten (10) broad-based community outreach interventions conducted to inform and educate the public on risks and socio-economic impact of gambling produced	Ten (10) broad-based community outreach interventions conducted to inform and educate the public on risks and socio-economic impact of gambling produced	Ten (10) broad-based community outreach interventions conducted to inform and educate the public on risks and socio-economic impact of gambling produced	Ten (10) broad-based community outreach interventions conducted to inform and educate the public on risks and socio-economic impact of gambling produced
Number of case studies of firms, workers, entrepreneurs, professionals, individuals, or communities impacted by the NGB measures	Ten (10) case studies of firms, workers, entrepreneurs, professionals, individuals, or communities impacted by the NGB measures	Two (2) case studies of firms, workers, entrepreneurs, professionals, individuals, or communities impacted by the NGB measures	Three (3) case studies of firms, workers, entrepreneurs, professionals, individuals, or communities impacted by the NGB measures	Three (3) case studies of firms, workers, entrepreneurs, professionals, individuals, or communities impacted by the NGB measures	Two (2) case studies of firms, workers, entrepreneurs, professionals, individuals, or communities impacted by the NGB measures

9.9. Explanation of planned performance over the medium-term period

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

By providing regulators, industry and stakeholders with up-to-date information on industry trends, market dynamics and economic impact to integrate into decision-making through publication and dissemination of information in accessible report formats and processes, a capable state can be built. Research findings and recommendations for informed regulation encourage regulators and industry at large to base their decisions on empirical evidence rather than speculation or political pressure enhancing the capability of the state through the development of evidence-based policies and regulations that address the specific needs and challenges of the South African gambling market.

Broad-based community outreach interventions play a crucial role in achieving a capable state in South Africa and fostering a regulated gambling industry that balances economic gains and punter protection. Public awareness of the harmful effects of gambling and responsible gambling initiatives through broad-based community outreach interventions promote responsible gambling behaviours and minimize the negative impacts of gambling on individuals and communities. These

interventions enable the state to mitigate potential harms, ultimately contributing to the well-being of the nation as a whole. The documenting of success stories in the form of case studies of firms, workers, entrepreneurs, professionals, individuals or communities impacted by the NGB measures, promotes transparency and accountability of the state.

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

9.10. Description of planned performance in relation to the programmes outputs

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

The NGB plans to undertake broad-based community interventions to education the public and raise awareness about the risks and socio-economic impact of gambling aimed at encouraging responsible gambling.

9.11. Programme resource considerations

Programme 3: Corporate Services & research Division							
Rand thousand	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Audited Outcomes			Budget Estimates			
<u>Economic classification</u>							
Current payments	14 788	26 577	43 029	42 064	47 995	46 724	46 308
Compensation of employees	10 891	22 501	19 500	23 103	26 354	27 301	29 109
Goods and services	3 897	4 076	23 529	18 961	21 641	19 423	17 199

9.12. Explanation of the resources contribution towards achieving the output

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

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

10. PROGRAMME 4: FINANCE AND PROCUREMENT SERVICES

10.1. Purpose

This programme provides strategic financial management support and procurement services to the organisation. Finance and Procurement Services facilitate the overall management of the NGB and provide strategic financial management support to the organisation. It is the custodian of financial resources. The division comprises of two units that provide specialised support services to the NGB.

The NGB, as an agency of **the dtic** and an organ of State, strives to be a cautious steward for the management of State resources allocated to it to carry out its mission. Section 74 of the NGA provides an opportunity for the NGB to grow its revenue base in addition to its grant allocation, the collection of any fees payable, or any other money accruing to the NGB from other sources.

The Finance and Procurement Services division combined the performance expectations outlined in the Business Plan with the fiscal accountability demonstrated by its ability to design and implement a financial model that alleviated its sole dependency on a grant allocation. It was crucial for the NGB to manage statutory reporting requirements and achieve its performance with great financial accountability.

The Finance and Procurement Services division took cognizance of the current economic climate; and will continue to adopt cost containment measures introduced by the National Treasury. To this end, financial efficiencies are envisaged on cost items, which include travel, accommodation,

catering and the use of consultants. The following sub-divisions contribute to the provision of services by the Finance and Procurement Services:

10.2. Finance

The Finance sub-programme maintains reliable financial records which are prepared regularly for both internal and external stakeholders. These financial records are presented to external auditors annually to obtain an independent opinion on whether the NGB's financial records fairly present the state of its financial position, performance and cash flows. The NGB achieved a clean audit for the 2022/23 financial year, which is consistent with performance since 2015/16 FY.

10.3. Procurement

The Supply Chain Management (SCM) sub-programme endeavours to procure goods and services in a manner that is fair, equitable, transparent, competitive and cost-effective. This is achieved by ensuring that goods and services procured are in line with the objectives of the NGB as set out in the Strategy and Annual Performance Plan. The SCM sub-programme also ensures that all procurement prescripts are complied with and that all SCM reporting requirements are met.

Internal controls include Finance and SCM strategies, policies and procedures which are reviewed annually to ensure their continued effectiveness and compliance with statutory requirements. These controls are tested by internal auditors to verify that they are adequate.

10.4. OUTCOMES, OUTPUTS, OUTPUT INDICATORS AND TARGETS

Outcome	Outputs	Output indicators	Audited performance			Estimated performance and baseline	MTEF targets		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Industrialisation	R160 million in additional local output committed or achieved	Rand value committed to procure local goods and services	New Indicator	New Indicator	New Indicator	R100.8 million committed to procure local goods and services	R160 million committed to procure local goods and services	R165 million committed to procure local goods and services	R170 million committed to procure local goods and services
Transformation	R100 million spend on procurement of goods and services from black-owned entities	Rand value spend on procurement of goods and services from black-owned entities	New Indicator	New Indicator	New Indicator	R89.3 million spend on procurement of goods and services from black-owned entities	R100 million spend on procurement of goods and services from black-owned entities	R105 million spend on procurement of goods and services from black-owned entities	R110 million spend on procurement of goods and services from black-owned entities

10.5. Output Indicators, Annual and Quarterly Targets

Output indicators	Annual targets 2024/2025	Q1	Q2	Q3	Q4
Rand value committed to procure local goods and services	R160 million in additional local output committed or achieved	R40 million in additional local output committed or achieved	R40 million in additional local output committed or achieved	R40 million in additional local output committed or achieved	R40 million in additional local output committed or achieved
Rand value spend on procurement of goods and services from black-owned entities	R100 million spend on procurement of goods and services from black-owned entities	R25 million spend on procurement of goods and services from black-owned entities	R25 million spend on procurement of goods and services from black-owned entities	R25 million spend on procurement of goods and services from black-owned entities	R25 million spend on procurement of goods and services from black-owned entities

10.6. Explanation of planned performance over the medium-term period

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

The NGB intends to spend on locally manufactured goods and services through an NCEMS operator that has established and maintains an NCEMS on behalf of the NGB in terms of Section 27 of the NGA.

The NCEMS operator is responsible for operating all the aspects of the NCEMS on a commercial basis and shall generate its revenue by means of levying a service fee for services and/or products rendered to defined system users (Route Operators and Independent Site Operators) on behalf of the NGB.

The NCEMS Operator offers a system that is 100% locally manufactured. As such all costs incurred by the NGB in relation to payments effected contribute in its entirety to locally manufactured goods as well as related services.

10.7. Description of planned performance in relation to the programmes outputs

The planned performance in relation to the NGB's commitment to spend on locally produced goods and services will entail ensuring that the NCEMS operator is paid timeously in terms of its contractual obligations. All payments made to the

NCEMS operator will translate into a contribution to locally manufactured goods and services as the NCEMS is 100% locally produced.

10.8. Programme resource considerations

Programme 4: Corporate Services & Research Division							
Rand thousand	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Audited Outcomes			Budget Estimates			
<u>Economic classification</u>							
Current payments	19 915	19 496	21 688	19 664	15 172	17 077	17 842
Compensation of employees	7 136	7 444	9 560	9 710	10 706	11 421	12 187
Goods and services	12 779	12 052	12 128	9 954	4 466	5 656	5 655

10.9. Explanation of the resources contribution towards achieving the output

The resource budget for Finance sub-programme will enable the achievement of the outputs for the spend on locally produced goods and services as well as transformation imperatives that are planned.

The NCEMS will also provide the basis for the calculation of fees payable to the determine the value of local content contribution by the NGB.

11. UPDATED KEY RISKS AND MITIGATION FROM THE SP

#	Outcomes	Outcome Indicator	Key Risks	Risk Mitigations
1.	Industrialisation	<ul style="list-style-type: none"> Total value committed to procure local goods and services. 	<ul style="list-style-type: none"> Limited expenditure on locally produced goods and services due to absence of a local market for goods and services resulting in an outflow of expenditure to foreign suppliers. 	<ul style="list-style-type: none"> Setting standards for local content in procurement requests.
2.	Transformation	<ul style="list-style-type: none"> Monitored economic transformation and increased participation of HDIs in the mainstream gambling industry. 	<ul style="list-style-type: none"> Failure to meet government's economic development imperatives to promote HDI participation in the gambling industry due to existing high barriers to enter the gambling industry resulting in a non-transformed industry. 	<ul style="list-style-type: none"> Conduct oversight to monitor the implementation of B-BBEE Act imperatives and make recommendations for corrective action.
		<ul style="list-style-type: none"> Total spend on goods and services procured from black owned entities. 	<ul style="list-style-type: none"> Inability to spend on goods and services from black owned entities due to unavailability of black owned entities to supply goods and services required by the NGB resulting in failure to meet transformation imperatives. 	<ul style="list-style-type: none"> Spend on black-owned entities listed on the National Treasury's Central Supplier Database (CSD).
3.	Capable State	<ul style="list-style-type: none"> Facilitated R12.5 billion contribution to the economy. 	<ul style="list-style-type: none"> The existence of the unregulated gambling industry due to offering of illegal gambling to punters resulting in loss of revenue to the fiscus. 	<ul style="list-style-type: none"> Implement Enforcement interventions against illegal.
			<ul style="list-style-type: none"> Existence of a grey market in the gambling industry due to offering of non-compliant gambling products and services to punters which results in limited investment in the gambling industry. 	<ul style="list-style-type: none"> Compliance notices issued. Continuous engagement with NRCS, SABS and PLAs. Conduct technical analysis of gambling products.
		<ul style="list-style-type: none"> Regulation of the LPM gambling industry through maintained operational National Central Electronic Monitoring System. 	<ul style="list-style-type: none"> Inoperable NCEMS may lead to the inability to regulate the LPM industry due to absence of a functional, operational NCEMS which will drive out investment and job creation culminating in the loss of revenue to the fiscus. 	<ul style="list-style-type: none"> NCEMS must be hosted in a high availability data centre. Continuous back up of data on NCEMS is performed. Approved disaster recovery plan is in place. Verification of captured data is conducted. Back-up systems are available.
	<ul style="list-style-type: none"> Nine (9) PLA compliance with the National Gambling Legislative framework. 	<ul style="list-style-type: none"> Non-compliant gambling industry due to lack of uniformity and consistency in the implementation of gambling legislation, resulting in lack of confidence in the regulation of the industry. 	<ul style="list-style-type: none"> Issue deficiency notices on non-compliance of PLAs. Engaging PLAs during compliance monitoring pre-planning stage. 	

#	Outcomes	Outcome Indicator	Key Risks	Risk Mitigations
				<ul style="list-style-type: none"> Regular and improved communication with PLA. Implement annual compliance oversight evaluation strategy.
		<ul style="list-style-type: none"> Authoritative advice on policy, statutory matters and legislative reform in the Gambling Industry. 	<ul style="list-style-type: none"> Non-compliance of PLAs to NGA due to concurrent legislative competencies resulting in misalignment with national gambling policy and national legislation. 	<ul style="list-style-type: none"> Continuously advise the dtic on developments in the gambling industry. Implement annual compliance oversight evaluation strategy. Regular and improved communication with PLAs. Invoke the Intergovernmental Relations Framework Act.
		<ul style="list-style-type: none"> Monitored market share and market conduct of the four (4) sectors in the gambling industry. 	<ul style="list-style-type: none"> Inability to accurately and reliably report gambling trends due to inaccurate and incomplete data provided by PLA's on the gambling industry resulting in incorrect advice on the gambling industry provided. 	<ul style="list-style-type: none"> Undertake gambling trend analysis. Engagement with PLAs on ratification of incomplete and inaccurate data. Undertake audit of gambling statistics annually. Conduct gambling sector performance analysis using secondary data sources.
		<ul style="list-style-type: none"> Conducted evidence-based research on the impact of gambling. 	<ul style="list-style-type: none"> Failure to conduct empirical evidence-based research and measure the socio-economic impact of the gambling industry due to research bias resulting in ill-informed policy decision-making. 	<ul style="list-style-type: none"> Ongoing research using secondary data sources.
		<ul style="list-style-type: none"> Educated and informed people on the harmful effects of gambling. 	<ul style="list-style-type: none"> Uninformed and uneducated people due to limited information on legal, responsible, compulsive, and addictive gambling resulting in participation in illegal forms of gambling. 	<ul style="list-style-type: none"> Ongoing implementation of broad-based public education programme informed by evidence-based research.
		<ul style="list-style-type: none"> Facilitated S16 confiscation of proceeds from illegal gambling activities. 	<ul style="list-style-type: none"> Delays in processing unlawful winnings from illegal gambling activities due to incomplete information received from the reporting entities resulting in failure to implement the mandate to process unlawful winnings by either forfeiting to the state or refunding to the punter. 	<ul style="list-style-type: none"> Collaborate with banks, gambling operators and PLAs in detecting suspected unlawful gambling winning transactions. Monitor PLAs through compliance oversight of the implementation of S16 by licensees. Implement unlawful gambling winnings standard operating procedures.

#	Outcomes	Outcome Indicator	Key Risks	Risk Mitigations
				<ul style="list-style-type: none"> Substituted service application for untraceable punters. Institute exparte applications for untraceable S16 matters.
		Protection of a regulated industry.	<ul style="list-style-type: none"> Increased participation in internet-based gambling activities and increase in illegal internet gambling establishments due to ease of access to illegal internet gambling resulting in loss of revenue to the regulated gambling industry. 	<ul style="list-style-type: none"> Engage relevant authorities and network service providers to block access to illegal gambling websites.

12. PUBLIC ENTITIES

Name of Public Entity	Mandate	Key Outputs	Current Annual Budget
National Gambling Board	National Gambling Act, 2004 (Act 7 of 2004)	R160 million in additional local output committed or achieved	R 262,133,294
		Monitored economic transformation opportunities for HDIs in the mainstream gambling industry	
		R100 million spend on goods and services from black owned entities	
		Monitored technical compliance of gambling games, machines, and devices in the gambling industry	
		Facilitated revenue generation in the LPM industry	
		Conducted nine (9) PLAs' compliance evaluations	
		Advisory notes on the uniformity in the gambling legislation	
		Targeted investigations completed on the circumstances of illegal gambling activity	
		Interventions implemented to protect the gambling industry	
		Published and disseminated research and industry trends to the gambling industry and regulators for informed decision making.	
		Research on the impact of the gambling industry for informed regulation	
		Broad based public education interventions	
		Ten (10) Case studies of firms, workers, entrepreneurs, professionals, individuals, or communities impacted by the NGB measures in the gambling industry	

13. INFRASTRUCTURE PROJECTS

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

PART D: TECHNICAL INDICATOR DESCRIPTION

14. GCCD Technical Indicator Description

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

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

baselines and targeted performance.

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

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

Indicator title	TID 1 Number of S53 economic transformation reports in the mainstream gambling industry produced
Definition	<ul style="list-style-type: none"> This indicator is informed by the NGA and plays a role in the application, issuance or transfer of a non-employment gambling licence and the imposition of reasonable and justifiable conditions to the extent necessary to achieve governments' transformation agenda.
Source of data	<ul style="list-style-type: none"> Government policy, legislation, research empirical evidence, PLAs
Method of calculation/assessment	<ul style="list-style-type: none"> Three (3) quarterly reports and one (1) annual consolidated report on S53 economic transformation in the mainstream gambling industry submitted to the Accounting Authority Cumulative
Means of verification	<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 S53 economic transformation reports in the mainstream gambling industry submitted to the Accounting Authority [one (1) per quarter for quarter one (1), two (2) and three (3) and one (1) annual consolidated report for quarter four (4)] Qualitative: Nature and content and whether objectives have been met
Reporting cycle	<ul style="list-style-type: none"> Quarterly and Annually
Desired performance	<ul style="list-style-type: none"> Fully compliant with targeted performance
Indicator responsibility	<ul style="list-style-type: none"> Senior Manager: Compliance Oversight

14.2. Technical Indicator Description (TID): Number of reports on technical compliance produced

Indicator title	TID 2 Number of reports on technical compliance produced
Definition	<ul style="list-style-type: none"> Monitor and analyse technological developments in the gambling industry. Technical analysis of gambling games, machines and devices and compliance thereof with technical standards (SANAS 1718) and licence conditions. This indicator is informed by the NGA and plays a role in the registration of every gambling machine or gambling device manufactured within or imported into the Republic, licences (provincial/ national), excluded persons, probity, and illegal operators
Source of data	<ul style="list-style-type: none"> National registers, LOCs, gaming laboratories, PLAs, gaming manufacturers, NRCS, SABS, NCEMS and licensees
Method of calculation/assessment	<ul style="list-style-type: none"> Three (3) quarterly reports and one (1) annual consolidated report on technical compliance submitted to the Accounting Authority Cumulative
Means of verification	<ul style="list-style-type: none"> Data from national registers, LOCs, gaming laboratories, gaming manufacturers, PLAs, NRCS, SABS, NCEMS and licensees
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 compliance submitted to the Accounting Authority [one (1) per quarter for quarter one (1), two (2) and three (3) and one (1) annual consolidated report for quarter four (4)] Qualitative: Nature and content of analysis provided informed by technological advancements submitted to the Accounting Authority Cumulative
Reporting cycle	<ul style="list-style-type: none"> Quarterly and annually
Desired performance	<ul style="list-style-type: none"> Advice to be fit for use and to add value
Indicator responsibility	<ul style="list-style-type: none"> Senior Manager: Compliance Oversight

14.3. Technical Indicator Description (TID): Rand value revenue generation facilitated in the LPM industry

Indicator title	TID 3 Rand value revenue generation facilitated in the LPM industry
Definition	<ul style="list-style-type: none"> Fully operational NCEMS and system analysis of data, detection and monitoring of significant events associated with any LPM made available for play in the Republic to enable revenue generation in the LPM sector
Source of data	<ul style="list-style-type: none"> National Central Electronic Monitoring System
Method of calculation/assessment	<ul style="list-style-type: none"> Actual gross gambling revenue generated in the LPM sector 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 and minimum 95% system availability
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: Simple count rand value of revenue generated by operators Qualitative: N/A
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: Compliance Oversight

14.4. Technical Indicator Description (TID): Percentage of evaluations of PLAs compliance with gambling legislation conducted

Indicator title	TID 4 Percentage of evaluations of PLAs compliance with gambling legislation conducted
Definition	<ul style="list-style-type: none"> Oversight evaluations conducted of PLAs compliance with gambling legislation and compliance monitoring of licensees by PLAs
Source of data	<ul style="list-style-type: none"> Interviews with PLAs, Licensing conditions imposed, gambling legislation, evaluation reports per PLA
Method of calculation/assessment	<ul style="list-style-type: none"> Three (3) PLA evaluations conducted per quarter [Q1= $(3/9*100) = 33.33\%$; Q2= $(6/9*100) = (33.33\%+Q1)=66.67\%$; Q3= $(8/9*100) = 88.89\% = (33.33\%+Q2)$ and Q4= $(9/9*100) = (33.33\%+Q3)=100\%$] Cumulative
Means of verification	<ul style="list-style-type: none"> Compliance checklist, evaluation reports per PLA
Assumptions	<ul style="list-style-type: none"> Co-operation from PLAs Submission of all requested information required to conduct oversight
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> N/A
Calculation type	<ul style="list-style-type: none"> Quantitative: Percentage of evaluations of compliance with gambling legislation [33% for quarter one (1), 66.7% for quarter two (2), 88.89% for quarter three (3) and 100% for quarter four (4)]
Reporting cycle	<ul style="list-style-type: none"> Quarterly and Annually
Desired performance	<ul style="list-style-type: none"> Fully compliant with targeted performance
Indicator responsibility	<ul style="list-style-type: none"> Senior Manager: Compliance Oversight

14.5. Technical Indicator Description (TID): Number of advisory notes on uniformity in the gambling legislation

Indicator title	TID 5 Number of advisory notes on uniformity in the gambling legislation
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"> • Legislation in the Republic of South Africa, the Constitution, the NGA and Regulations, requests for advice, proactive advice, King IV on governance and provincial legislation
Method of calculation/assessment	<ul style="list-style-type: none"> • Four (4) advisory notes per annum, i.e. one (1) per quarter.
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 advisory notes produced [One (1) advisory note in quarter one (1), one (1) advisory note in quarter two (2), one (1) advisory note in quarter three (3) and one (1) advisory note in quarter four (4). (Four Advisory notes produced per annum)] • Qualitative: Nature and content • Non-Cumulative
Reporting cycle	<ul style="list-style-type: none"> • Quarterly
Desired performance	<ul style="list-style-type: none"> • Advice to be fit for use and to add value
Indicator responsibility	<ul style="list-style-type: none"> • Senior Manager: Compliance Oversight

15. ENFORCEMENT 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

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

Indicator title	TID 1 Percentage of targeted investigations completed on the circumstances of illegal gambling activity to contribute to the reduction of illegal gambling
Definition	<ul style="list-style-type: none"> Report on suspected cases of unlawful gambling activities investigated as required by section 16 (4) of the NGA
Source of data	<ul style="list-style-type: none"> NGB 2 forms and other relevant information submitted by banks, gambling operators and PLA's Proof of remittances of funds to NGB bank account. Information from punters
Method of calculation/assessment	<ul style="list-style-type: none"> Actual number of investigations conducted divided by total targeted number of investigations multiplied by 100 All cases take 30 days to investigate Cumulative
Means of verification	<ul style="list-style-type: none"> Investigation report with supporting documents (including the investigation diary) Inspection of gambling website
Assumptions	<ul style="list-style-type: none"> Co-operation from PLAs, banks and operators Co-operation from punter Submission of all relevant information
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> N/A
Calculation type	<ul style="list-style-type: none"> Actual number of investigations conducted divided by total targeted number of investigations multiplied by 100 All cases take 30 days to investigate 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 Inspector: Enforcement

15.2. Technical Indicator Description (TID): Number of enforcement interventions to protect the gambling industry through raids initiated and cases registered with the SAPS.

Indicator title	TID 2 Number of enforcement interventions to protect the gambling industry through raids initiated and cases registered with the SAPS.
Definition	<ul style="list-style-type: none"> Investigations initiated within 30 days from receipt of information to confirm the illegal gambling activities, inspections conducted and cases handed over to relevant enforcement agencies to initiate raids and registration of cases
Source of data	<ul style="list-style-type: none"> Info-email/ Public complaints Inspections and/or investigations reports Oversight evaluation findings
Method of calculation/assessment	<ul style="list-style-type: none"> Four (4) enforcement interventions conducted through raids initiated and cases registered with the SAPS. <ul style="list-style-type: none"> ➤ One (1) enforcement intervention conducted through raids initiated and cases registered with the SAPS per quarter
Means of verification	<ul style="list-style-type: none"> Number of investigations conducted divide by the number of detected illegal gambling activities Illegal Gambling Portal information Raids Conducted Court Cases Registered
Assumptions	<ul style="list-style-type: none"> Cooperation by enforcement agencies
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> Fully compliant with targeted performance
Calculation type	<ul style="list-style-type: none"> Quantitative: Simple count of the number of raids initiated and cases registered with the SAPS Qualitative: N/A
Reporting cycle	<ul style="list-style-type: none"> Quarterly and Annually
Desired performance	<ul style="list-style-type: none"> Fully compliant with targeted performance
Indicator responsibility	<ul style="list-style-type: none"> Senior Inspector: Enforcement

15.3. Technical Indicator Description (TID): Number enforcement interventions to protect the gambling industry through notices and/or legal action undertaken

Indicator title	TID 3 Number enforcement interventions to protect the gambling industry through notices and/or legal action undertaken
Definition	<ul style="list-style-type: none"> • Notices are issued on operators and persons conducting unlawful gambling activities
Source of data	<ul style="list-style-type: none"> • Oversight evaluation findings • Inspection and investigation reports
Method of calculation/assessment	<ul style="list-style-type: none"> • Four (4) enforcement interventions conducted through notices and /or legal action undertaken. <ul style="list-style-type: none"> ➢ One (1) enforcement intervention conducted through notices and/or legal action undertaken per quarter
Means of verification	<ul style="list-style-type: none"> • Court papers • Inspections and investigation reports • Notice Letters/ interdicts issued to operators
Assumptions	<ul style="list-style-type: none"> • Availability of accurate information • Cooperation by enforcement agencies
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> • Fully compliant with targeted performance
Spatial transformation (where applicable)	<ul style="list-style-type: none"> • Senior Inspector: Enforcement
Calculation type	<ul style="list-style-type: none"> • Quantitative: Simple count of the number of notices issued and or legal actions taken • Qualitative: N/A
Reporting cycle	<ul style="list-style-type: none"> • Quarterly and Annually
Desired performance	<ul style="list-style-type: none"> • Fully compliant with targeted performance
Indicator responsibility	<ul style="list-style-type: none"> • Senior Inspector: Enforcement

16. CSRD TECHNICAL INDICATOR DESCRIPTION

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

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

the achievement of the NGB's outputs, baselines and targeted performance.

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

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

Indicator title	TID 1 Number of reports on gambling sector performance produced
Definition	<ul style="list-style-type: none"> Monitor trends in 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"> Five (5) reports per annum produced: <ul style="list-style-type: none"> One (1) report per quarter One (1) annual audited report in quarter two (2)
Means of verification	<ul style="list-style-type: none"> Excel spreadsheets submitted by PLAs, NCEMS
Assumptions	<ul style="list-style-type: none"> PLAs submit valid, accurate and complete data timeously as and when required by the NGB for purposes of reporting
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> N/A
Calculation type	<ul style="list-style-type: none"> Quantitative: Number of reports on gambling sector performance produced. [Five (5) reports per annum produced: <ul style="list-style-type: none"> One (1) report per quarter One (1) annual audited report in quarter two (2)] Qualitative: Nature and content, and whether objectives have been met Cumulative
Reporting cycle	<ul style="list-style-type: none"> Quarterly and annually
Desired performance	<ul style="list-style-type: none"> Fully compliant with targeted performance
Indicator responsibility	<ul style="list-style-type: none"> Senior Manager: Strategy and Organisational Performance

16.2. Technical Indicator Description (TID): Number of reports on research on the impact of the gambling industry for informed regulation produced

Indicator title	TID 2 Number of reports on research on the impact of the gambling industry for informed regulation produced
Definition	<ul style="list-style-type: none"> Monitor and determine the socio-economic impact of gambling, gambling prevalence and problem gambling rates and illegal gambling
Source of data	<ul style="list-style-type: none"> Desktop research, interviews/focus groups with stakeholders and/or the public
Method of calculation/assessment	<ul style="list-style-type: none"> Four report per annum produced: Three (3) quarterly reports one (1) consolidated report
Means of verification	<ul style="list-style-type: none"> Research data, interviews/focus groups with stakeholders and/or the public, Excel spreadsheets submitted by PLAs; Reports from Stats SA; Statistics from the South African Reserve Bank, World Bank, International Monetary; and any other credible source of statistical information
Assumptions	<ul style="list-style-type: none"> Co-operation from research participants Availability of historical evidence to inform the subject matter of the analysis and research
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> N/A
Calculation type	<ul style="list-style-type: none"> Quantitative: Number of reports on research findings and recommendations on the impact of the gambling industry for informed regulation produced. Four reports produced per annum: One (1) research report per quarter Cumulative
Reporting cycle	<ul style="list-style-type: none"> Quarterly and Annually
Desired performance	<ul style="list-style-type: none"> Fully compliant with targeted performance
Indicator responsibility	<ul style="list-style-type: none"> Senior Manager: Strategy and Organisational Performance

16.3. Technical Indicator Description (TID) 3: Number of broad-based community outreach interventions conducted to inform and educate the public on risks and socio-economic impact of gambling

Indicator title	TID 3 Number of broad-based community outreach interventions conducted to inform and educate the public on risks and socio-economic impact of gambling
Definition	<ul style="list-style-type: none"> Events/campaigns programmes, as well as other initiatives as stated in the Broad-Based Public Education and Awareness Programme.
Source of data	<ul style="list-style-type: none"> Publications, public awareness campaigns / programs / interventions
Method of calculation/assessment	<ul style="list-style-type: none"> Number of broad-based community outreach interventions conducted on the risks and socio-economic impact of gambling conducted – Forty (40) per annum: <ul style="list-style-type: none"> Ten (10) interventions in quarter one (1) Ten (10) interventions in quarter two (2) Ten (10) interventions in quarter three (3) Ten (10) interventions in quarter four (4)
Means of verification	<ul style="list-style-type: none"> Articles; media releases; audio clips; video clips; photos; invitations; email confirmations; attendance registers; number of hits on NGB website; social media number of likes, sharing of social media content, and/or comments; number of TV viewership for specific programme, number of listenership on radio
Assumptions	<ul style="list-style-type: none"> It is assumed that all education and awareness campaigns/programs/interventions will take place as planned Targeted audience has been impacted through the targeted intervention
Disaggregation of beneficiaries (where applicable)	<ul style="list-style-type: none"> N/A
Spatial transformation (where applicable)	<ul style="list-style-type: none"> N/A

Calculation type	<ul style="list-style-type: none"> • Quantitative: • Forty (40) per annum: • Ten (10) interventions in quarter one (1) • Ten (10) interventions in quarter two (2) • Ten (10) interventions in quarter three (3) • Ten (10) interventions in quarter four (4) • Cumulative
Reporting cycle	<ul style="list-style-type: none"> • Quarterly
Desired performance	<ul style="list-style-type: none"> • To have an educated punter who is a responsible gambler; empowered by the education and awareness initiatives conducted on the risks associated with problem gambling and the socio-economic impact thereof
Indicator responsibility	<ul style="list-style-type: none"> • Senior Manager: Strategy and Organisational Performance

16.4. Technical Indicator Description (TIDs): Number of case studies of firms, workers, entrepreneurs, professionals, individuals or communities impacted by the NGB measures in the gambling industry

Indicator title	TID 4 Number of case studies of firms, workers, entrepreneurs, professionals, individuals or communities impacted by the NGB measures in the gambling industry
Definition	<ul style="list-style-type: none"> • Production of ten (10) case studies on firms, workers, entrepreneurs, professionals, individuals or communities impacted by the NGB outreach programmes and initiatives undertaken within the gambling industry.
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"> • The output will be measured through a simple count of the NGB success stories through written case studies, examples used in presentations, website highlights, advertising campaigns and social media platforms. • Number of case studies conducted totals ten (10) per annum as follows: <ul style="list-style-type: none"> • Two (2) case studies in quarter one (1) • Three (3) case studies in quarter two (2) • Three (3) case studies in quarter three (3) • Two (2) case studies in quarter four (4)
Means of verification	<ul style="list-style-type: none"> • Invitations and confirmations for community outreach programmes; attendance registers; photos of community outreach programmes, video and audio recordings of interviews with community members and community outreach programmes and initiatives conducted.
Assumptions	<ul style="list-style-type: none"> • It is assumed that all education and awareness campaigns/programs/interventions will take place as planned • It is assumed that stakeholders will be willing to participate in the community outreach programmes and take photos as well as video and audio recordings • Targeted audience has been impacted through the targeted intervention

Indicator title	TID 4 Number of case studies of firms, workers, entrepreneurs, professionals, individuals or communities impacted by the NGB measures in the gambling industry
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 case studies conducted totals ten (10) per annum as follows: <ul style="list-style-type: none"> • Two (2) case studies in quarter one (1) • Three (3) case studies in quarter two (2) • Three (3) case studies in quarter three (3) • Two (2) case studies in quarter four (4) • Qualitative: Nature and content of messages disseminated • Cumulative
Reporting cycle	<ul style="list-style-type: none"> • Quarterly
Desired performance	<ul style="list-style-type: none"> • To have a visible and responsive organisation that educates and empowers stakeholders through community outreach interventions conducted on the risks and socio-economic impact of gambling
Indicator responsibility	<ul style="list-style-type: none"> • Senior Manager: Strategy and Organisational Performance

17. FINANCE AND PROCUREMENT 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)

17.1 Technical Indicator Description (TID): Rand value committed to procure local goods and services

Indicator title	TID 1 Rand value committed to procure local goods and services
Definition	<ul style="list-style-type: none"> Expenditure incurred with respect to a fully operational NCEMS and the collection of monitoring fees in the Republic
Source of data	<ul style="list-style-type: none"> National Central Electronic Monitoring System Invoices Bank statements
Method of calculation/assessment	<ul style="list-style-type: none"> Actual expenditure incurred for payments that are made to the NCEMS Operator at the end of each quarter
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. Bank statements to confirm payments made. Authorisation for payments to be effected.
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: Rand value spend on the NCEMS Operator Qualitative: N/A
Reporting cycle	<ul style="list-style-type: none"> Quarterly and Annual
Desired performance	<ul style="list-style-type: none"> Fully compliant with targeted performance
Indicator responsibility	<ul style="list-style-type: none"> Senior Manager Finance

17.2 Technical Indicator Description (TID): Rand value spend on procurement of goods and services from black owned entities

Indicator title	TID 2 Rand value spend on procurement of goods and services from black owned entities
Definition	<ul style="list-style-type: none"> Expenditure incurred with respect to procurement of goods and services from black owned entities as defined in the B-BBEE Act
Source of data	<ul style="list-style-type: none"> National Central Electronic Monitoring System Invoices Bank statements
Method of calculation/assessment	<ul style="list-style-type: none"> Actual expenditure incurred for payments that are made to black owned entities
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. Bank statements to confirm payments made. Authorisation for payments to be effected.
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 Entities provide valid accurate and complete B-BBEE certificates
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: Simple count – Rand value spend on payments effected to black owned entities Qualitative: N/A
Reporting cycle	<ul style="list-style-type: none"> Quarterly and Annual
Desired performance	<ul style="list-style-type: none"> Fully compliant with targeted performance
Indicator responsibility	<ul style="list-style-type: none"> Senior Manager: Finance

PART E: LINKS TO OTHER PLANS

18. ANNEXURE TO THE STRATEGIC PLAN 2022-2027 FY

The Annexure to the Strategic Plan provides the rationale for the changes to the FY2024/25-FY2028/29 Strategic Plan

19. FRAUD PREVENTION PLAN

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

20. MATERIALITY AND SIGNIFICANCE FRAMEWORK

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

21. 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).

22. SERVICE DELIVERY STANDARDS

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

ANNEXURE - STRATEGIC PLAN 2022-2027 FY



INTRODUCTION

1.1. The South African economy confronts an array of challenges, such as sluggish growth, high unemployment rates, fiscal pressures, energy limitations, and structural inequalities. In response, the Department of Trade, Industry, and Competition (**the dtic**) initiated a process at the onset of the sixth administration to realign its focus through a reimagined industrial strategy. The new approach by **the dtic** is designed to cascade the objectives of the National Development Plan (NDP) and Economic Reconstruction and Recovery Plan (ERRP). In 2022/23, the framework of the approach crystallized into three shared objectives: Industrialisation, Transformation, and the development of a Capable State.

2. PURPOSE

2.1. The NGB has prepared an annexure to its Strategic Plan FY2022-2027 that aligns with the new approach developed by **the dtic**. This alignment is intended to translate the mandate of the National Gambling Board (NGB) into three overarching performance indicators: Industrialisation, Transformation, and a Capable State.

2.2. In its pursuit of these objectives, the NGB endeavours to enhance the regulation of the gambling industry effectively in a way that ensures a positive impact on employment and inclusive economic growth.

2.3. The new outcomes and their respective indicators are presented in the table below, while the associated outputs required to achieve these outcomes are detailed in the Annual Performance Plan.

3. MEASURING OUR OUTCOMES

MTSF priority				
#	Outcome	Outcome Indicator	Baseline	Five-year target
1.	Industrialisation	1. Total value committed to procure local goods and services	New Indicator	R160 million committed to procure local goods and services
2.	Transformation	2. Monitored economic transformation and increased participation of HDIs in the mainstream gambling industry	New Indicator	One (1) report on the monitored economic transformation and increased participation of HDIs in the mainstream gambling industry
		3. Total spend on goods and services procured from black owned entities	New Indicator	R100 million spend on goods and services procured from black owned entities
3.	Capable State	4. Facilitated R12.5 billion contribution to the economy	New Indicator	R12.5 billion contribution to the economy
		5. Regulation of the LPM gambling industry through maintained operational National Central Electronic Monitoring System	There was a consistent zero-point zero two percent (0.02%) variance on the uptime of the systems in: FY2020/2021, FY2021/2022 and FY2022/2023.	Within 5% variance of uptime on the systems
		6. Nine (9) PLA compliance with the National Gambling Legislative framework	Fourteen (14) compliance oversight evaluations conducted for PLAs compliance with gambling legislation. Compliance oversight evaluations conducted as follows: Nine (9) conducted in FY2021/22 and FY2022/23.	Twenty-seven (27) compliance oversight evaluations conducted for PLAs compliance with gambling legislation
		7. Authoritative advice on policy, statutory matters and legislative reform in the Gambling Industry	Six (6) Advisory reports pertaining to the following matters were presented to the dtic: <ul style="list-style-type: none"> • Future regulation of the gambling industry in FY2020/21; • The economic recovery and reconstruction plan for the gambling industry in FY2020/21; • Gambling Legislative Advisory Report in FY2020/21; • Market Inquiry Report 2021/22; • Gambling Legislative Advisory Report FY2021/22; and • Gambling Legislative Advisory Report FY2022/23 	Five (5) Advisory reports on policy, statutory matters and legislative reforms in the Gambling Industry

MTSF priority				
#	Outcome	Outcome Indicator	Baseline	Five-year target
		8. Monitored market share and market conduct of the four (4) sectors in the gambling industry	The NGB has published four (4) Gambling Sector Performance Reports for the following financial years: <ul style="list-style-type: none"> • FY2018/19; • FY2019/20; • FY2020/21; and • FY2021/22. 	Five (5) annual publications
		9. Conducted evidence-based research on the impact of gambling	New indicator	One (1) evidence-based advisory report on the impact of gambling
		10. Educated and informed people on the harmful effects of gambling	New Indicator	Two hundred (200) community outreach interventions to inform and educate the public on the harmful effects of gambling
		11. Facilitated S16 confiscation of proceeds from illegal gambling activities	8% reduction in the balance of proceeds from illegal gambling activities	100% reduction in the balance of proceeds from illegal gambling activities
		12. Protection of a regulated industry	New Indicator	Four (4) enforcement interventions to protect the gambling industry

4. KEY RISKS

- 4.1. The regulation of the gambling industry is essential to ensure that it operates fairly and responsibly, but there are risks and challenges associated with this regulation. To address these risks, NGB must strike a balance between facilitating a well-regulated gambling industry and safeguarding consumers from potential harm.
- 4.2. In light of these considerations, the NGB has conducted a comprehensive risk assessment for each of the stated outcomes. The purpose of this was to identify key risks that could impede the achievement of these outcomes and to outline the primary mitigations. A detailed account of these risks and their mitigations is provided in the Risk Register Annexure.



NGGB

National Gambling Board
South Africa

a member of **the dtic** group

