

# ANNUAL PERFORMANCE PLAN

MID TERM REVISION FOR 2025/26 –  
30 OCTOBER 2025

## 2025/2026





“Without the continued support of the NLC, Canoeing South Africa would be unable to provide the fantastic opportunities to our athletes, as it has done over the past year. This has been a clear manifestation of how sport can change lives.” Colin Simpkins- CanoeSA

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## Executive Authority Statement



South Africa has marked 30 years since the dawn of democracy, and in that year of commemoration, several entities also realised milestones of progress and impact – quite a testament to the work that was established by the ones who came before us in establishing these systems of democracy.

Entities such as the National Lotteries Commission (NLC) are no exception, and the landscape of the country is drizzled with organisations that are testament to its impact over 25 years of existence.

The plans set out in the Annual Performance Plan are not developed in isolation for the NLC and its stakeholders.

As the **Department of Trade, Industry and Competition (the dtic)**, we have taken concerted effort to bring all entities to the same understanding of our collective targets and each entity's role in realising them. During the development of the APP, the emphasis was made to align the plans with the government three strategic priorities and **the dtic** core outputs and outcomes, to demonstrate and derive the synergy as sets out by the Medium-Term Development Plan (MTDP).

The MTDP integrates the NDP's goals and objectives with the GNU's strategic priorities, focusing on development outcomes and addressing existing socioeconomic concerns through an economic strategy. It is well documented that the 7<sup>th</sup> administration focus is on building a government that works for the people by ensuring that there is inclusive growth, transformation, and job creation. Moreover, to build a capable, ethical and developmental state, with particular emphasis on strengthening governance and combating corruption. In pursuit of a broader impact of by **the dtic** family, a different approach was adopted during this planning cycle which required a paradigm shift of developing and aligning with the blue sky growth plan outcomes and the strategic concept of Diversification, De-carbonisation, and Digitalisation (the 3Ds).

The 2025/26 financial year presents the NLC with the opportunity to bring forth several plans and strategies that have been in incubation since the change in Board and executive leadership in 2022/23. As part of its efforts to clean governance, the NLC has committed to work hard to prevent fraud, corruption, and misuse of funds in order to maximise the long-term impact of funds distributed. It is not just about providing short-term assistance; it is about fostering long-term

positive change and societal development. The NLC has adopted a posture in which efforts are geared towards combatting fraud and corruption systematically. A combination of preventive measures and detection mechanisms are being implemented to root out elements of fraud and corruption,

It is our view that the plans that have been set out in this Annual Performance Plan are a clear roadmap toward that goal, and that the resources available and timeframes set out for targets to be met make the outcomes set out in the APP attainable.



**Mr Parks Tau, MP**  
**Minister of Trade, Industry and Competition**

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## Accounting Authority Statement



The National Lotteries Commission is offering yet another year of service for the public good. The mandate of the NLC is to award grants to worthy good causes and thereby supporting the initiatives of communities to be active agents for the development of their own communities and to serve the public good. The NLC has made about R1,4bn available for distribution.

In addition the NLC has the duty to advise the Minister about issuing a licence to operate the national lottery. This year has been one such as a new lottery operator has to operate the lottery when the current licence expires in May 2025. The Commission is mandated to regulate all lotteries and sports pools, assess their operations, sweep the protection of all participants and ensure that prizes are awarded as expected.

The current year has encountered some difficulties. First, the distribution of grants was much delayed. The main reason is that new procedures had to be introduced to protect the integrity of the grant making system, appoint an inspectorate, and as the contracts of the distribution agents came to an end, the appointments of new DAs were much delayed. This meant that the adjudication of applications did not take place as smoothly as expected.

Besides the pro-active grants process that had been the main avenue for corruption in the grant-making system had to be changed. As policy was being developed all awards were frozen. We are happy to report that policy has now been adopted and the research-based funding is now once again operational.

We are delighted to report that among the initiatives introduced so as to enhance the access to applicants is the Thuthuka online grant-management system. We believe that by so doing applications can now be done with greater ease and the processing thereof can also be faster.

Finally, with the partnerships established with other agencies like the DSD, SARS, DHA etc we can now check documentation with greater ease and avoid the proliferation of declined applications as well as those that are not credible. At the same time, we shall make sure that support is available and applicants will be assisted with troubleshooting should the need arise.

This year it is hoped that a National Indaba will be held. The purpose of the Indaba is to bring together all the partners of the NLC as well as associated and beneficiaries. The plan is that we shall present the Strategic Plan of the NLC and promote a new partnership for the advancement of social development and to mobilise communities for social cohesion.

We believe that these are the three milestones that demonstrate the transformation of the NLC and the move away from a discredited past and assure our clients and participants enhanced service. An Annual Performance Plan therefore is an essential tool not just for accountability but that it is also a short and long-term vision of the organisation, and it also injects its moral and ideological lenses into what it seeks to do and to achieve. This is our plan for the next financial year, with a focus on the outcomes and outputs that are depicted in this document.

**N Barney Pityana GCOB FKC MASSAf**  
**Chairperson of the Board**

## Official Signoff

It is hereby certified that this Annual Performance Plan was developed by the management of the National Lotteries Commission (NLC) under the guidance of the Board of Directors and considers the relevant policies, legislation and mandate of the NLC. The plan accurately reflects the impact, outcomes and outputs which the NLC will endeavour to achieve over the 2025/2026 MTDP period.

**Ms T Maharaj**  
**Chief Financial Officer**

**Signed:**



**Ms A Maharaj-Domun**  
**Official Responsible for Planning**

**Signed:**



**Ms J Scholtz**  
**Commissioner**

**Signed:**



**Approved by:**

**N Barney Pityana GCOB FKC MASSAf**  
**Chairperson of the Board**

**Signed:**



# PART A: OUR MANDATE



## PART A: NLC's MANDATE

### 1. Constitutional Mandate



Chapter 2 Bill of Rights s.7(2) stipulates that the state must respect, protect, promote and fulfil the rights in the bill of rights so as to improve the quality of life of all citizens and free the potential of each person. The NLC has the sole mandate to regulate lotteries and sports pools and to provide for matters connected therewith.

### 2. Legislative and policy mandate



- To ensure that the National Lottery and Sports Pools are conducted with all due propriety and strictly in accordance with the Constitution, all other applicable law and the licence for the National Lottery, together with any agreement pertaining to that licence and that the interests of every participant in the National Lottery are adequately protected.

- Conduct research on worthy good causes that may be funded without lodging an application prescribed in terms of the Lotteries Act, upon request by the Minister, Board or on its own initiative in consultation with the Board.
- Invite applications for grants from worthy good causes in the prescribed manner.
- Promote public knowledge and awareness by developing and implementing educational and informational measures to educate the public about the lotteries and provisions of the Lotteries Act, as amended, and educating the public by explaining the process, requirements and qualifications relating to the application for grants in terms of this Act.
- Manage staff and its financial, administrative, and clerical functions and exercise any other function as delegated or directed by the Minister or the Board.

### 3. Institutional Policies and Strategies over the five-year planning period

At the regulatory mandate level, the national lottery continues to make significant deposits to the National Lottery Distribution Trust Fund.

In keeping with the standard practice for all public sector institutions in South Africa, as prescribed by the Department of Planning, Monitoring and Evaluation (DPME), the NLC is poised to develop a strategy for the next five-years inspired by a need to meaningfully contribute towards the realisation of aims reflected in the Medium-Term Development Plan and by extension, the National Development Plan. For the next five years, 2025 – 2030, the National Lotteries Commission (NLC) intends to develop a purpose-fit strategy to chart the future direction of the organisation and ensure that it delivers on its mandate better than it may have done in the previous years, in keeping with the spirit of continuous improvement

In line with its mandate, vision and mission, the NLC's formulation of programme activities and targets is aligned to the social and economic realities of South Africa. From a strategic perspective, the sight of government priorities provides a major opportunity for the NLC within the disciplinary context of social development and social upliftment. This includes addressing unemployment and alleviating poverty as aligned to the NDP and the three identified strategic priority areas of government of national unity.

The Government of National Unity (GNU) Statement of Intent provides a foundation that fortifies various strategic imperatives and policies for the 7<sup>th</sup> administration. The GNU's strategic priorities are:

1. Education, skills and health inclusive growth and job creation;
2. Poverty reduction and tackling the high cost of living; and
3. A capable, ethical and developmental state

To a certain degree, the NLC is therefore driven to find alignment and synchronization to government policies on economic and social development. Through its efficient synchronization with governmental priorities and agenda; and most importantly the NDP, the NLC is vital in propelling social progress, diminishing destitution, and tackling unemployment in South Africa. This approach helps the organization fulfill its mandate and contribute to the well-being of the nation.

#### 4. Relevant Court Rulings

The court cases underway do not have a direct impact on the mandate of the NLC.

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# PART B: OUR STRATEGIC FOCUS



## NLC Vision and Core Values

The NLC vision is to be trusted enablers of social cohesion and nation-building to create a lasting transformative and sustainable impact in the communities we serve. The core values that NLC represents are depicted below:



- **ACCOUNTABILITY**

To embrace our duties with a sense of ownership and responsibility, aiming to create a positive and lasting sustainable influence on the communities we are dedicated to serving.

- **INTEGRITY AND ETHICAL CONDUCT**

To be honest and demonstrate consistent, transparent, fair and an uncompromising adherence to strong moral and ethical principles.

- **CARING AND RESPECT**

To have empathy, compassion, and consideration for others, fostering a positive relationship and supportive work environment.

- **EXCELLENCE**

To be committed to consistently achieve the highest standards of quality and performance in all aspects of our operations.

# 1. Updated Situational Analysis

## 1.1. External Environment Analysis

The NLC is a public entity established by Lotteries Act No. 57 of 1997 (as amended) to regulate the South African lotteries and sports pools industry. Primarily, the organisation was established to undertake the functions of:

1.1.1. Regulation of the National Lottery and other Lotteries and sports pools

1.1.2. Administration of the National Lottery Distribution Trust Fund (NLDTF)

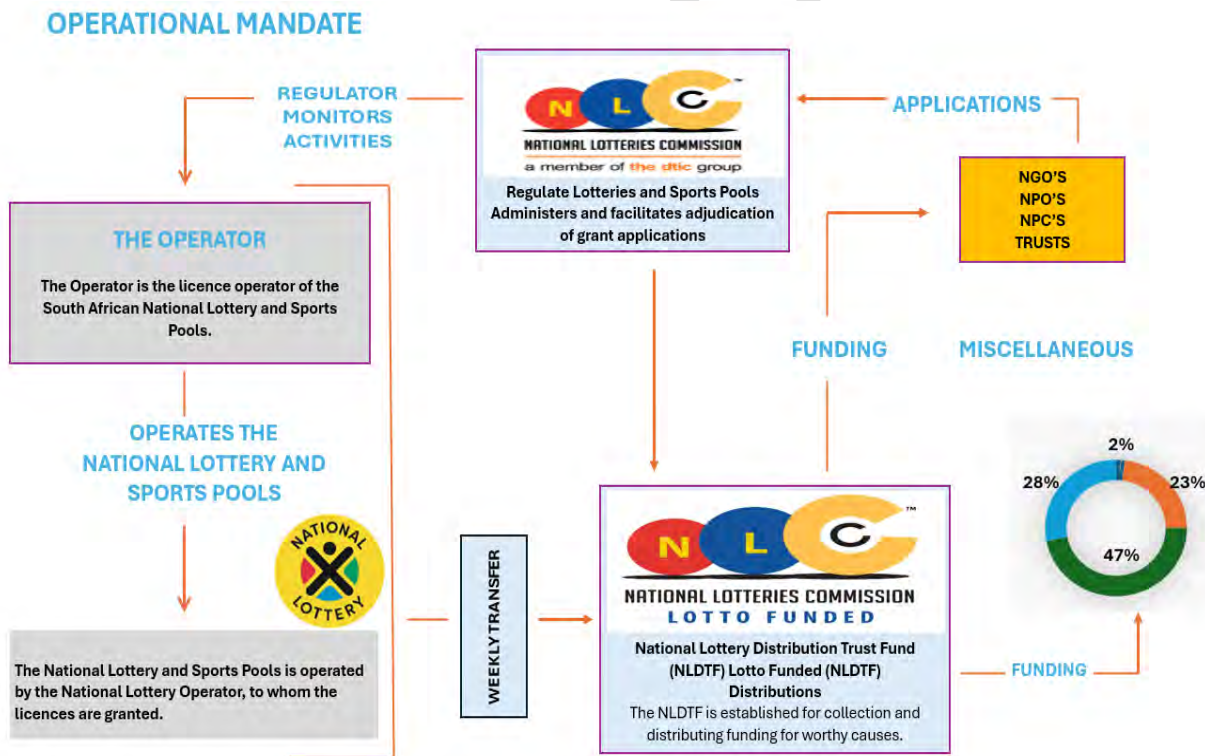
The NLC is governed by a board, whose mandate is to:

1.1.2.1. regulate all lotteries and sport pools with integrity;

1.1.2.2. ensure the protection of all participants;

1.1.2.3. maximise revenue for good causes in a responsible manner; and

1.1.2.4. distribute funds equitably and expeditiously



***NLC Operating Model***

Largely, the NLC serves as a critical link between lottery operator and the broader social and economic communities of South Africa. Its functions are integral to promoting transparency, fairness, and integrity in lottery activities, while also ensuring that the revenue generated benefits the country's communities and fulfills its social development objectives.

## **SITUATIONAL ANALYSIS: THE MACRO ENVIRONMENT**

A situational analysis of the macro environment for the Lottery and Gaming Industry involves examining the broader external factors that can influence the industry. These factors are typically categorized into different dimensions, such as the political, economic, social, technological, environmental, and legal (PESTEL) factors.

Central to the conduct of an environmental analysis that feeds into strategy formulation is the necessity to identify opportunities and threats in each of the sub-environments. This is important as foreknowledge of the opportunities and the threats that exist in the NLC's operating environment would enable the organisation to formulate a strategy that enables the NLC to navigate through its opportunities and threats within its operating context.

### **The Lottery and Gaming Industry**

Continuous business growth necessitates a thorough understanding of changing industry dynamics. This is true for any business as it is for those that operate in the lottery industry. It is therefore pertinent for the organisation to consider the state and possible trends in its business environment. Some of these trends which may be evident on a global, continental, and national scale have made it mandatory for lottery operators to adapt to the changing environment in order to grow or remain in business. Consequently, it is rational to contend that one key reason why some lotteries have remained resilient is their ability to adapt to external challenges.

A notable trend in the lotteries industry is the growing dependence on digital technologies, which are essential for engaging players and boosting revenue. According to IMARC Group's 2023 data, presented in the figure below, the online lottery market is expected to continue its upward trajectory. This growth is being driven by factors such as the expanded availability of high-speed internet and the increasing global sales of smartphones. The enhanced accessibility of online lottery platforms on mobile devices and computers, along with the support for digital and mobile payments, are motivating consumers to adopt these methods.

Improvements in betting processes, security, and reliability further contribute to this positive market outlook. Additionally, the growing preference among users for online lotteries over traditional draw-based games, driven by higher returns on smaller investments, is contributing to market expansion. Furthermore, technological advancements like the integration of virtual and augmented reality (VR/AR) and the introduction of connected wearables, which offer an immersive gaming experience and ensure transparency, are significantly boosting market growth in the lotteries industry.



The growing use of encrypted online payment channels for securing transaction data is also contributing positively to market growth. Other driving factors include a range of promotional activities on social media, increased consumer spending power, and several government initiatives that endorse safe practices and legalise online lottery services. All these elements are expected to further accelerate market expansion.

Globally, terminal-based games, scratch cards, and sports betting remain primary sources of revenue. Specifically, scratch cards are a notable part of total sales. In 2023, scratch cards represented 63% of lottery revenues in the United States, a pattern seen in other major markets as well. The ongoing popularity of scratch cards indicates that they will keep being essential for generating income, providing chances for innovation in both their distribution and marketing.

Remarkably, the record-breaking numbers of players engaged with lotteries through digital platforms provides confirmation that what started as a pandemic-driven adaptation has solidified into a permanent industry feature. The CEO of Jackpocket, an American technology company dedicated to simplifying lottery ticket ordering, announced record orders totalling \$1.3 billion in

March 2024 amidst unprecedented user activity. Likewise, the Director of the Colorado Lottery reported over \$588 million in scratch ticket sales for the 2023/2024 fiscal year. Much of the experienced growth stems from the reality that the Phygital model, which seamlessly blends online and in - store lottery experiences, has effectively enhanced player accessibility and convenience.

South Africa is recognised as the most advanced and regulated lottery markets on the African continent. A portion of lottery revenue in South Africa is channelled towards supporting social welfare projects. The gaming sector in South Africa has transitioned into the digital space, with online casinos and sports betting sites experiencing notable growth, especially following the COVID-19 pandemic (Gambling Outlook South Africa, 2023). This move towards digital platforms has led regulators to enhance enforcement against illegal gambling, which remains a significant challenge.

Undoubtedly, the lotteries and gaming sector in South Africa remains vital to the nation's economy, significantly aiding job creation and public revenue. Since its inception in 1999, the NLC has allocated more than R30 billion to charitable endeavours, supporting a range of initiatives in health, education, and community development. Primarily, the NLC works with Non-profit organisations (NPOs) in this regard. NPOs in South Africa are essential in tackling socio-economic issues and are therefore utilised as vehicles by the NLC to drive desirable social change. The NLC consistently directs a substantial share of its funding to NPOs concentrating on poverty relief, and sports and arts activities acceleration. In 2022, more than R1.2 billion was allocated to different community projects, underscoring the important contribution lotteries make to social development.

The economic situation in South Africa has a direct effect on the lottery market, as high unemployment and income disparity shape consumer spending behaviours. In tough economic times, lottery participation may vary. Some individuals might rely on the lottery for financial relief, while others might cut back due to lower disposable income. The unpredictability of economic recovery after COVID-19 poses a threat to the NLC's revenue, highlighting the importance of tracking economic trends and modifying strategies as needed (Cognitive Market Research, 2023).

Technological progress is transforming the lottery industry globally, and South Africa is part of this trend. The National Lottery operator has adopted digital platforms to appeal to a younger, tech-savvy audience. Nevertheless, this digital shift brings cybersecurity challenges such as data breaches and online fraud, which can undermine public trust and lead to financial losses.

Furthermore, embracing digital platforms might exclude traditional lottery players who favour physical tickets, necessitating a balance between innovation and customer satisfaction for the NLC. Social and cultural factors can also present issues that work for or against the NLC. For instance, although lotteries are generally viewed as entertainment, the social context in South Africa, where many live below the poverty line, heightens concerns about gambling addiction and exploitation.

While the NLC maintains a monopoly over the national lottery, it still contends with competition from other gambling avenues like casinos, sports betting, and online platforms. The increasing appeal of these alternatives, especially online gambling, poses a threat to the lottery's market share. Furthermore, illegal gambling activities, particularly in rural regions, might jeopardise the NLC's revenue and disturb the regulated gambling landscape in South Africa. Risks that the NLC faces operationally include potential fraud, fund mismanagement, and inefficiencies within its systems.

## **A synopsis of the state of the African Lottery Market**

In Africa, the lottery market has been experiencing significant expansion, with an anticipated compound annual growth rate (CAGR) of approximately 9% from 2021 to 2026 (African Gambling Industry Analysis, 2022). This increase is largely fuelled by greater internet access and the extensive use of mobile phones throughout the region (MarkWide Research, 2024). South Africa, Nigeria, and Kenya are at the forefront of this market development, particularly in embracing digital innovations. Notably, South Africa stands out as the leader in regulatory frameworks and technological advancements (Verified Market Research, 2024).

The wider African market continues to struggle with regulatory and infrastructure challenges that impede growth, especially in less developed areas. These challenges notwithstanding, lotteries in Africa have had a noteworthy social impact. They support public welfare programs by funding education, healthcare, and infrastructure projects across the continent. The increasing popularity of charity-themed lotteries targeting socially conscious consumers has further enhanced their ability to drive positive social change (MarkWide Research, 2024).

The gaming and lottery industries in Africa are expanding rapidly, fuelled by the rising accessibility of the internet and the extensive adoption of mobile technology. By 2024, the market for gaming in Africa was valued at over \$2 billion, with a substantial portion of this growth attributed to sports betting (Statista, 2024). In East Africa, Kenya and Tanzania dominate the market, with sports betting being especially prevalent among younger demographics.

Mobile technology is essential in providing access to gaming platforms, with almost 75% of gamers relying on smartphones for betting (Weber & Lukács, 2024). This widespread accessibility has created new opportunities for operators while also introducing challenges related to regulation and responsible gaming practices. Variations in regulatory standards across African nations pose significant issues, as some areas do not have the comprehensive legal frameworks necessary to safeguard consumers and ensure fair play (Gambling Outlook Africa, 2024).

Despite the hurdles, the sector demonstrates significant growth potential, especially as governments consider lotteries and gaming for revenue generation. Nonetheless, achieving sustainable growth mandates robust regulatory frameworks and dedicated efforts to tackle gambling addiction and ensure consumer protection.

## **A PESTEL analysis of the NLC's external business environment**

### **The Political Sub-Environment**

Politics largely defines the operational context, goals and delivery targets of state-aligned and public organisations, entities and functionaries. This is not different for the NLC in South Africa, particularly in the context of the emerging new multi-party governance system arising from the recent elections. So, although the core business of NLC, as defined by the enabling policies, legislation and constitutional provisions, is unlikely to change in the short and immediate terms, the governing authorities of the institution will need to keep track of how politics will affect its mandate in the long term.

In the aftermath of the elections, a stronger emphasis has been placed on ensuring that the government delivers on crucial development policy priorities in the NDP, and the three priorities outlined in the MTDP, namely:

Priority 1: Inclusive growth and job creation;

Priority 2: Reducing poverty and tackling the high cost of living; and

Priority 3: Building a capable, ethical and developmental state.

Therefore, the NLC will have to effect national development priorities by strengthening working relationships with non-profit organisations (NPOs), non-governmental organisations (NGOs), and educational institutions to improve social interventions. Concurrently, the organisation must be duly cognisant of government priority statements as well as declarations contained in the SDGs, MTDP and NDP frameworks as guiding posts for its strategy.

In his weekly communication to the nation, President Ramaphosa underscored this intent by stating that:

*"We have made good on our promise to the South African people to work together as political parties for the good of the country and to deliver a government that will be united in action and purpose (Government Communication and Information System, 2024)*

Based on the stated intention above, the GNU will provide a firm basis for greater stability, coherence, and a focus on implementation. Furthermore, this approach aligns with the broader international understanding that inclusive governance is fundamental to sustainable development. The GNU allows for economic activities such as those related to gambling and gaming to take place.

The GNU can, therefore, be argued as the present collective government, is best placed to ensure multi-party cooperation in reducing polarisation in communities and emphasising how diverse political interests are represented in the current arrangement. Moreover, promoting a sense of shared responsibility toward national development objectives is needed.

It is important to stress that the government plays a vital role in connecting lottery operations to South Africa's overall social and economic growth. Its duties are essential to encouraging openness, justice, and honesty in lottery operations and guaranteeing that the proceeds benefit society through supporting deserving social upliftment projects, arts and sports, among others. The extent to which the NLC fulfils these mandates depends on and complements favourable development-focused government initiatives to address many social, political and economic challenges.

### **The Economic Sub-Environment**

The economic environment in South Africa presents a complex mix of enablers and encumbrances for the National Lotteries Commission (NLC). Persistent high unemployment and poverty levels have deepened economic hardships thereby reducing disposable income and potentially decreasing public participation in lotteries and sports pools. This situation is exacerbated by rising costs and inflation, which increases operational expenses for both the NLC and the non-profit organisations it supports, while also elevating the demand for grant funding as communities face escalating social issues.

Conversely, there is notable growth in the non-profit sector as organisations emerge to address these social challenges. This expansion could enable the NLC to enhance its impact by strategically funding innovative projects with high potential for societal benefit. The growth of the

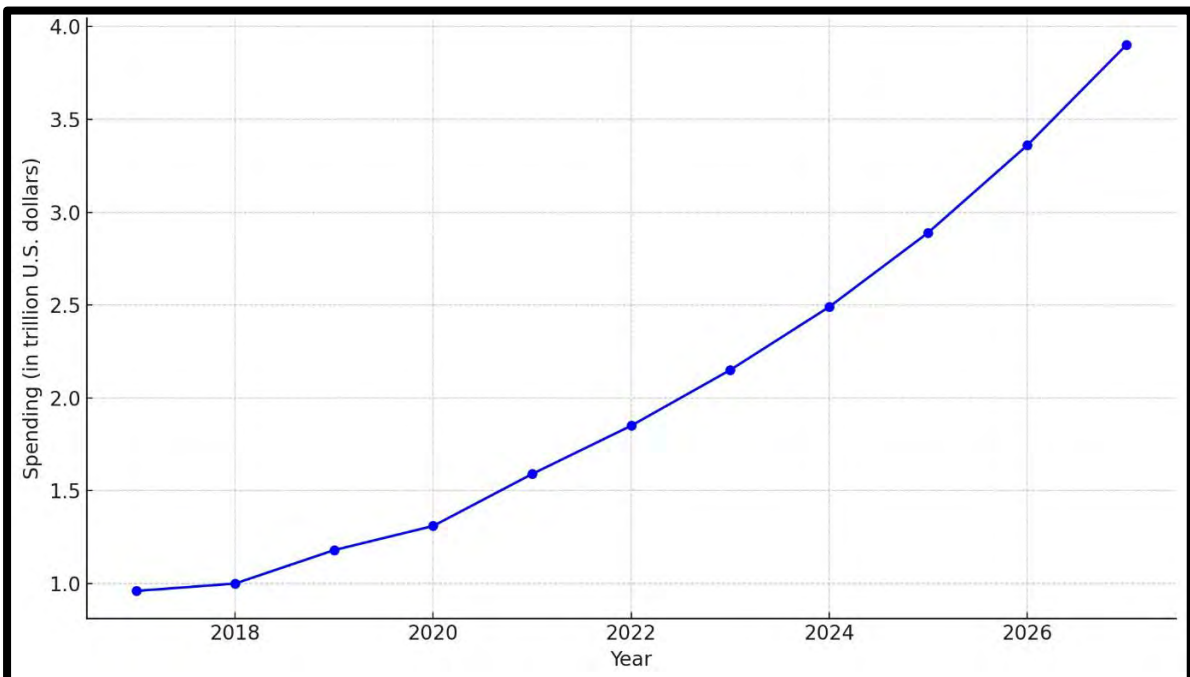
digital economy has had ramifications for the performance of organisations and it paves the way for modernisation of operations and other economic activities. In the specific case of lotteries, the growth of the digital economy seems to have catalysed the adoption of online platforms for lottery participation. Typically, such platforms have the tendency to increase accessibility and convenience, potentially boosting revenue and operational efficiency. Moreover, prospects of economic recovery could lead to increased disposable income among consumers, enhancing participation in lotteries and expanding the NLC's capacity to fund community projects.

Recent socio-economic trends and the increased activism in civil society have highlighted the growing significance of the non-profit sector. This growth directly impacts the NLC's role as a grant funder. With more non-profit organisations emerging, there will be increased competition for limited grant funding. Though this may put pressure on the NLC's financial resources, it could simultaneously lead to a larger pool of proposals to choose from. This could in turn mean that only the most impactful and sustainable proposals will be funded.

The expansion of the digital economy offers the NLC through the Lottery Operator significant opportunities to modernize its operations and enhance economic performance. Projections for the digital platform sector indicate that it could contribute as much as R91.4 billion to the South African economy by 2035, elevating its share from a modest 0.02% in 2022 to an impactful 1.38% (Naspers, 2024). By developing online platforms for lottery participation, the Operator can increase accessibility and convenience for players, potentially boosting ticket sales and revenue.

This digital shift aligns with consumer trends favouring online transactions and can attract a younger, tech-savvy demographic, expanding the lottery's market reach.

The figure below illustrates the global spending on digital transformation technologies and services from 2017 to 2027. Spending has increased significantly over the years, starting at \$0.96 trillion in 2017 and is projected to reach \$3.9 trillion by 2027 (Statista, 2024).



**Figure: Spending On Digital Transformation Technologies and Services Worldwide (2017-2027)**

Source: Statista, 2024

This upward trend reflects the growing importance of digital transformation across industries, as businesses continue to invest in technologies that drive innovation, improve efficiency, and enhance customer experiences. The acceleration in spending, particularly after 2020, suggests a shift in priorities toward digital adoption, influenced by the need for resilience and adaptability in an increasingly digital world.

Further digitising the grant application and management process can significantly enhance efficiency while reducing operational costs. Online applications streamline data collection and processing, leading to faster decision-making and quicker disbursement of funds. This increased efficiency not only improves the experience for non-profit organisations applying for grants but also allows the NLC to handle a higher volume of applications, enabling the support of more community projects and amplifying social impact.

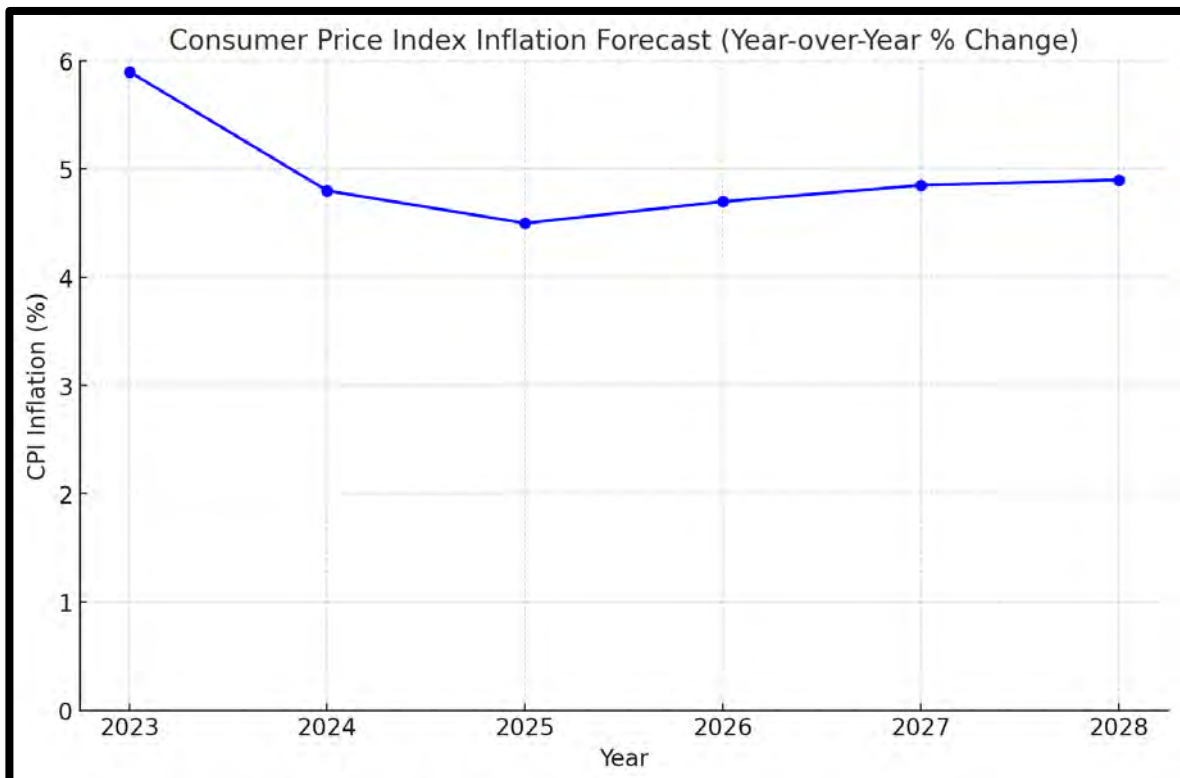
An economic downturn or recession can significantly impact the NLC by reducing individuals' disposable income, noting that household consumption declined from 2.8% in 2022 to 0.7% in 2023 due to higher interest rates (AfDB, 2024). With less money available for discretionary spending, people are less likely to participate in lotteries and sports pools. This decrease in participation directly affects the NLC's revenue streams, as fewer lottery tickets sold mean less

income generated. Consequently, the reduced revenue limits the funds available for the NLC to redistribute through grant projects aimed at improving the lives of South Africans.

Moreover, during economic slowdowns, the demand for grant funding often increases. Non-profit organisations may face greater challenges and higher operational costs while trying to address the escalating needs within impoverished communities.

The NLC understands that it must balance and sustain its regulatory duties with the growing demands of grant applicants seeking financial support to sustain their initiatives. This situation could lead to tough decisions regarding which projects to fund, emphasising the need for strategic prioritisation to maximise social impact with limited resources.

The table below depicts the Consumer Price Index (CPI) inflation forecast from 2023 to 2028, showing the year-on-year percentage change. Although South Africa will experience some reprieve from inflation, the subsequent years to follow are expected to show a steady increase in CPI (Fitch Solutions, 2024a). Rising costs and inflation in South Africa have significant implications for the NLC. Inflation increases operational expenses, including the costs associated with administering lotteries and overseeing grant programmes.



**Figure: Consumer Price Index inflation forecast from 2023 to 2028, showing the year-over-year percentage change**

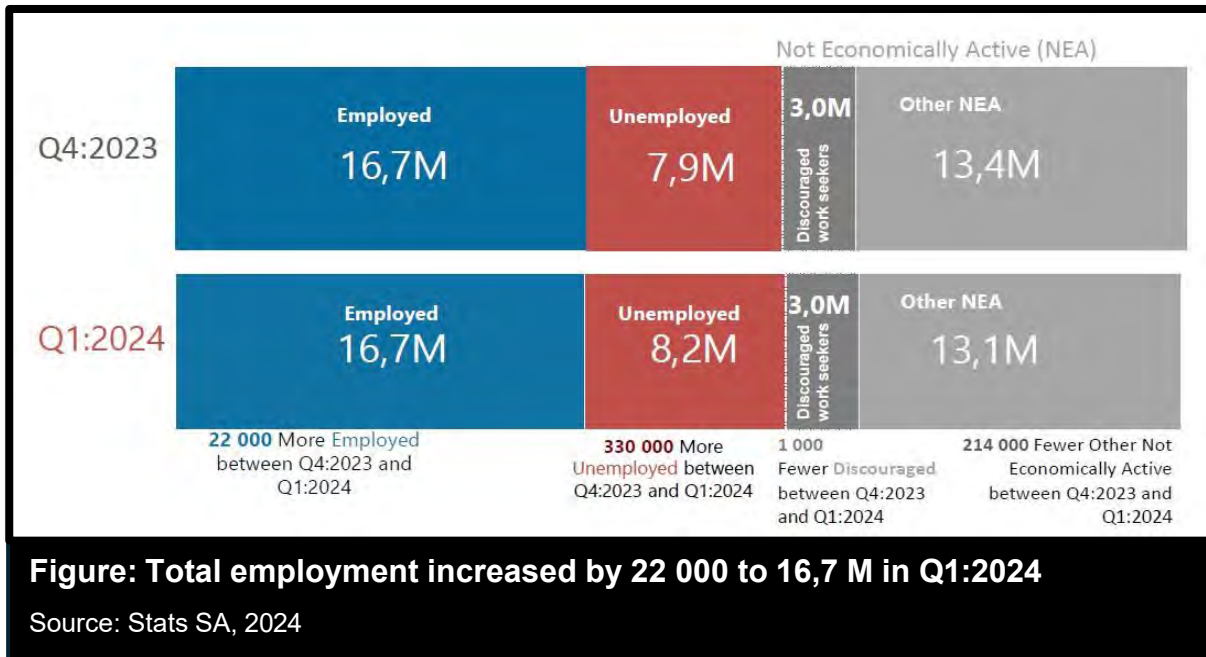
Source: Fitch Solutions, 2024a

In the nonprofit sector, rising costs means that organisations need more funding to achieve the same project outcomes as before. Materials, labour, and other resources become more expensive, so NPOs may request larger grants from the NLC to drive social development interventions. This increased demand for higher grant amounts can stretch the NLC's available resources, making it challenging to support as many projects as possible or to fund them at the necessary levels.

Persistent high unemployment and poverty levels in South Africa present significant challenges for the NLC. As economic hardships deepen, more individuals and communities may turn to the NLC for grant funding to address basic needs and initiate development projects. South Africa is among the top 10 most unequal countries globally (AfDB, 2024). The poverty rate was estimated at 21.6% in 2023, and the Gini coefficient was 0.63. Overall unemployment stood at 32.1% and youth (25–34 years) unemployment at 39%.

The total employment increased by 22 thousand to 16,7M in Q1:2024 (Stats SA, 2024) as demonstrated below. These indicators suggest an increase in demand for social support and can put further strain on the NLC's resources, making it increasingly difficult to meet many funding

requests.



High unemployment often leads to decreased disposable income, which can result in lower participation in lotteries and sports pools. This decline directly affects the NLC's revenue streams, limiting the amount of money available for redistribution to grant applicants. The dual pressure of increased demand and reduced funding can challenge the NLC's ability to fulfil its mandate effectively.

### The Social Sub-Environment

The South African social landscape has barely changed from one defined by high levels of income inequality along racial and social status lines. At present, the country tops the global ranking of economic inequality. These disparities exist along racial and gender lines, with Africans and women mostly falling within the lower-income deciles. In contrast, the other racial groups and men are concentrated around the upper- income brackets.

Therefore, social issues related to race polarities, a lack of real and tangible transformation of the social and economic fabric in the country, erosion of people's cultures, identities and values, and declining confidence in government and judiciary systems coalesce to present pressing challenges of the day. Other social ills such as youth unemployment, the number of children who have dropped out of primary school, HIV/AIDS, high levels of crime, excessive drinking, drug abuse and poor social choices, teenage pregnancies, rising male suicide rates and gender-based violence condemn society to hardships. As the NLC makes sense of these social realities, it must seek opportunities to alleviate poverty and stimulate social development for social upliftment in

communities. By engaging in these activities, the NLC complements government efforts to strengthen societies through attending to NDP/MTDP priorities.

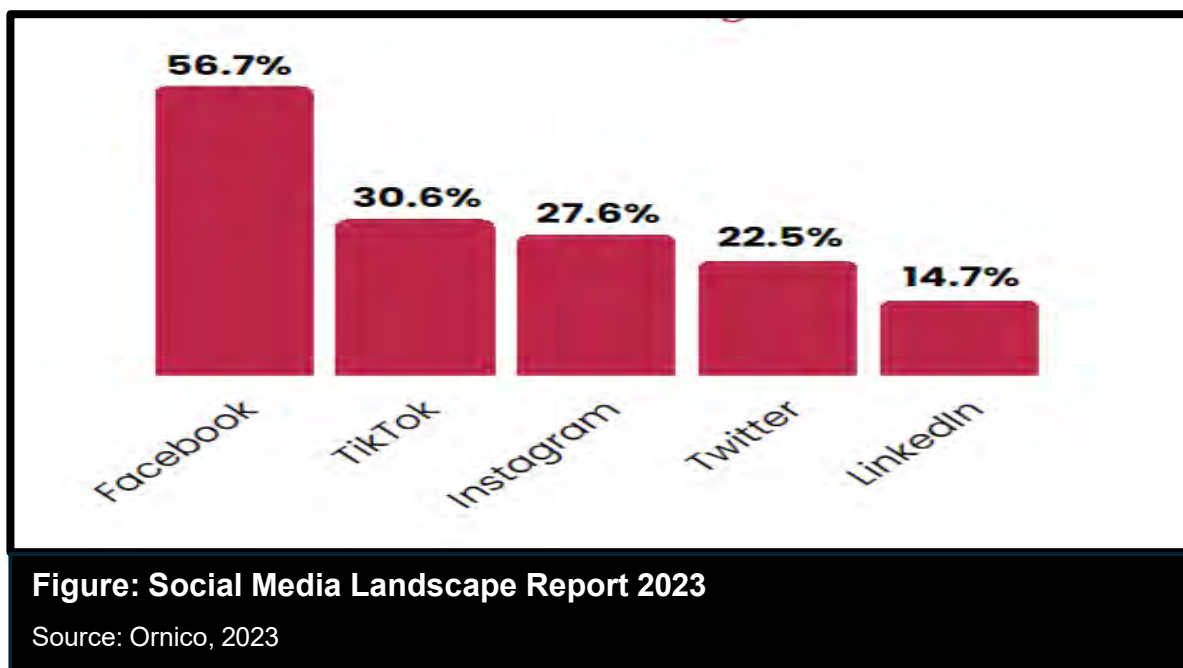
- **Strong social media trends**

South Africa has a vibrant social media community that can be utilised to drive awareness around NLC's role in society and the developmental initiatives that it supports. The wide social media community can be utilised as a source of tapping into issues that deserve attention, communicating the work and social projects funded, and opening up lines of engagement to deal with misconceptions that affect the organisation's reputation. .

Available media usage statistics suggest the NLC can develop a multimedia social media engagement strategy to reach a diverse audience and stakeholders through Facebook, TikTok, Instagram and LinkedIn platforms. Report usage data reveals that of the 43.5 million internet users in South Africa, 35.15 million are active on social media, accounting for 81% of the internet user group.

The user distribution patterns per media platform, with Facebook accounting for over half of the users (56%), followed by TikTok (30%), Instagram (27%), X (2%) and LinkedIn (14%) as demonstrated by the figure below. Moreover, different messages can be tailored on various platforms to align with user profiles and interests.

Social media and internet presence are key to monitoring societal attitudes, communicating causes supported and their impact on society, adapting marketing and communication strategies and increasing the scope of transparency and accountability, which are fundamental to building the public trust necessary for the industry's long-term success. Moreover, gaming interest can be stimulated for instance by posting the lottery winners and their prizes on these social platforms.



- **Rich Sports, Arts, and Culture Disposition of Communities**

Sport is a national heritage in South Africa and is seen as a helpful tool that aligns people with national aspirations for a united country. Sports popularity has its roots in strong community presence. Reportedly as a country:

*We are undeniably a nation passionate about sports, with approximately 75% of South African adults expressing interest in sports and a staggering 25 million actively participating in a sport.*

*(Andrew Fulton, Director at Eighty20, 2024).*

At a national level, sporting successes have been achieved with the 1996 African Cup of Nations triumph, the successful hosting of the 2010 World Cup and the Netball World Cup and Banyana Banyana becoming African champions. In addition to these, it is also noteworthy to acknowledge Tatiana Smith's Olympic Gold Medals, Bafana Bafana claiming an AFCON Bronze, Springbok Rugby World Cup win, Dricus du Plessis becoming the first South African to hold a UFC belt in February 2024 while Akhane Simbine and Prudence Segodiso also won Diamond League Series in their respective codes.

These sports achievements affirm that South Africa has a robust global footprint in sports driven by a huge appetite for sports across the nation. In recognition of this appetite, the NLC can continue playing a key role in sports development at schools and grassroots levels. This would

become a veritable foundation for increased success for South Africa in sports.

However, there are deeper opportunities for NLC interventions when considering inequality patterns that play themselves across sporting codes and gender. In a study by the Commission for Gender Equality (2024) examining gender inequality in sport it was declared that:

*There is a 1100% pay gap between Bafana Bafana and Banyana Banyana players in football. In rugby, the average male player will roughly earn R3 million, and an average woman will earn R221,000 (a 1,155% gap). In cricket, a Protea woman player earns roughly R450,000 and a male player R1,8 million (a 300% gap).*

*(Commission for Gender Equality, 2024)*

This situation violates the SDG 5, which speaks to gender equality and aligns with national concerns about gender equality, female empowerment, equal rights, fair employment, and remuneration practices, which are central to the quest to build an inclusive and equal society. Moreover, this situation validates the pursuit of gender and racially inclined affirmative action programs to promote equal participation in sport and the economy by those discriminated against based on gender and race.

Therefore, as the NLC commits to social upliftment, the issue of gender equality in sports ought to be given priority. Consequently, strategic resource distribution must target supporting programs to introduce and encourage more female participation in sports, advocate for equal pay for comparable work, sponsor elite athletes for specific training programs, and sponsor community-based female sports teams. Prioritising women's sporting rights can be used to measure progress towards realising SDG gender equality provisions as read together with Articles 10(g) and 13(c) of the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW).

### **The Technological Sub-Environment**

The technological landscape in South Africa is rapidly evolving. High mobile phone penetration, particularly the widespread use of smartphones, is reshaping how organisations interact with the public. Advancements in data analytics and big data are offering powerful tools for organisations to improve operational efficiency and decision-making. Leveraging these technologies, even in the lotteries industry, can lead to enhanced fraud detection, deeper market insights, and more effective assessment of the impact of funded projects. Recourse to data-driven approaches have become essential in the contemporary business world.

Emerging technologies like blockchain, automation, and artificial intelligence (AI) are also influencing the operational landscape. Blockchain technology promises increased

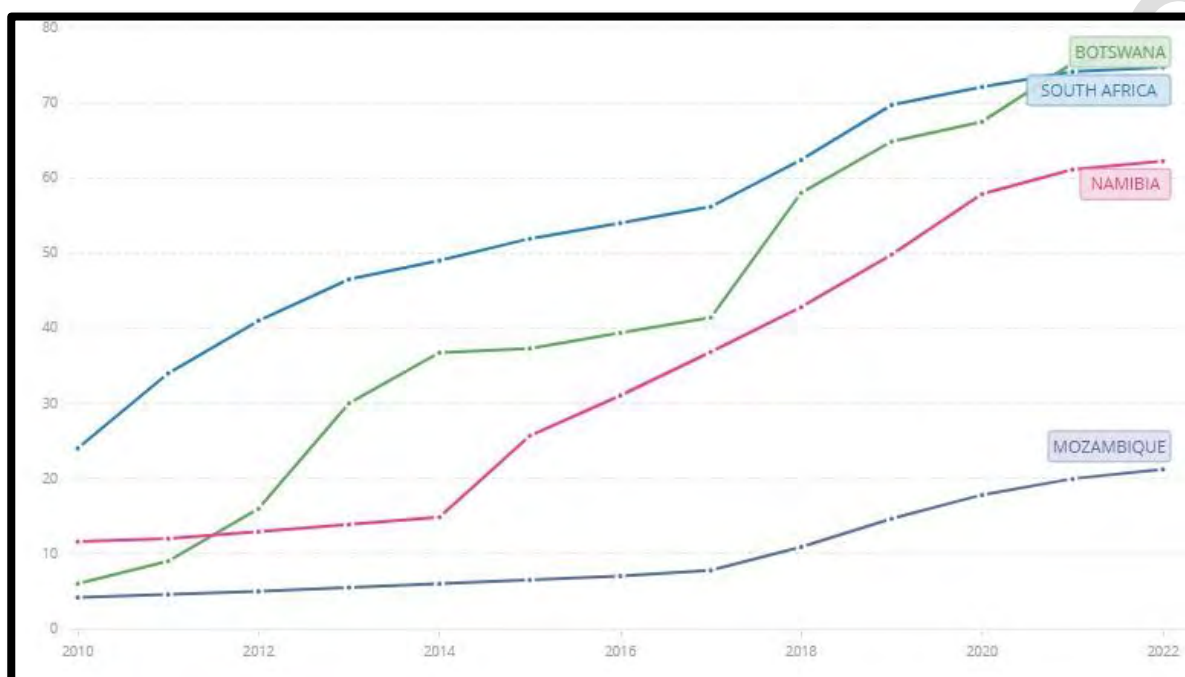
transparency and security in transactions, which are crucial for building trust with stakeholders. Automation and AI can optimise processes, reduce operational costs, and improve customer service through tools like AI-powered chatbots.

As attractive as these technological advancements may be, their adoption comes with challenges. Cybersecurity risks are escalating, with increased threats of data breaches and unauthorised access posing potential harm to organisational reputation and stakeholder trust. The rapid pace of technological change requires continuous investment and adaptation in a bid to stem technological obsolescence. Additionally, the digital divide remains a pressing issue, as not all South Africans have equal access to digital technologies not the understanding of how to engage with these technologies, potentially limiting the reach of offerings that are exclusively floated on technology platforms. As it concerns the business of lotteries, competition from unregulated online gambling platforms is also a threat to the national lottery.

- **Mobile Penetration, Digital Transformation and Online Platforms**

The high rate of mobile phone usage in South Africa, particularly smartphones, presents a significant opportunity for the NLC to enhance its lottery operations. As of January 2024, most South Africans accessed the internet using a mobile phone: a share of 98.7 percent of internet users connected via this device. If this is interpreted using the internet penetration rate depicted below it reveals over 75% of South Africans can be reached via the internet that is accessible from their mobile devices (World Bank, 2022).

By embracing digital platforms and mobile technology for lottery ticket sales, among others the NLC can expand its reach beyond traditional physical outlets. This shift not only makes it more convenient for participants to engage in lotteries but also taps into a broader demographic that prefers digital interactions, potentially increasing participation rates and revenue.



**Figure: Individuals using the Internet (% of population)**

Source: World Bank, 2022

Implementing online systems for grant applications can significantly streamline the process for NPOs. Digital transformation in this area would make it more efficient for NPOs to apply for funding and for the NLC to process these applications. Leveraging online platforms can facilitate instant notifications and easier communication, reducing administrative burdens and accelerating the funding of projects that aim to improve the lives of everyday South Africans.

Moreover, utilising advanced technology for regulatory oversight can enhance the NLC's ability to monitor and ensure compliance effectively. Digital tools can provide real-time data analytics and reporting, which strengthens the commission's mandate to protect participants' interests and ensure all lotteries are conducted with due propriety. By seizing these technological opportunities, the NLC can improve transparency, efficiency, and accountability in its operations.

- **Data Analytics and Big Data**

The integration of Data Analytics and Big Data offers the NLC a powerful tool to enhance its operational efficiency and integrity. By implementing advanced data analytics, the NLC can develop robust fraud detection systems to identify irregularities in lottery operations and grant allocations. This proactive approach helps safeguard the interests of participants and ensures that funds are distributed fairly, reinforcing public trust in the NLC's mandate. Leveraging Big Data also enables the NLC to gain deeper market insights by analysing participant behaviour and preferences.

Data analytics can therefore play a crucial role in impact assessment by measuring the effectiveness of funded projects. By systematically evaluating whether grant recipients are achieving their intended goals, the NLC can ensure that its funding is making a tangible difference in communities. This data-driven approach not only enhances accountability but also guides future funding decisions to maximise social impact and drive meaningful change in the lives of everyday South Africans.

- **Rising wave of Digital Marketing**

The proliferation of social media and digital marketing offers the NLC a powerful platform to engage with a broader audience. By further utilising platforms like Facebook, Twitter, Instagram, LinkedIn, and TikTok, the NLC can extend its reach beyond traditional media, fostering real-time connections with participants and NPOs. In a society where digital information is rapidly consumed, particularly by younger demographics, maintaining a robust online presence is crucial for the NLC to stay relevant and effectively promote its services.

Social media campaigns provide an excellent opportunity for the NLC to promote responsible gaming, raise awareness of grant-funded projects, and showcase the impact of its initiatives. By sharing success stories, educational content, and updates on funded projects, the NLC can enhance public understanding of its contributions to community development. This not only bolsters the organisation's image but also encourages ethical participation in lotteries, aligning with the NLC's mandate to safeguard participants' interests and uphold propriety in all its operations.

In January 2024, South Africa had approximately 26 million social media users, accounting for 42.8 percent of the total population. Notably, ByteDance's advertising data revealed that TikTok had 17.46 million users aged 18 and above in South Africa in early 2024, representing 43.2

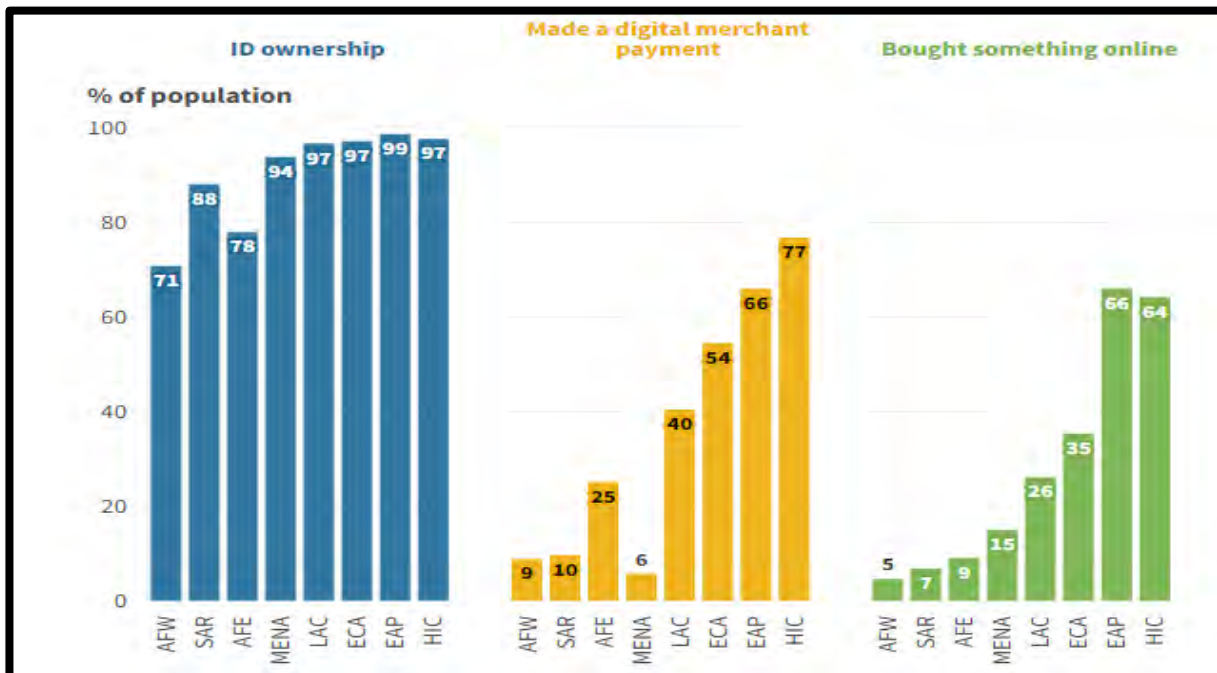
percent of the adult population. This highlights TikTok's growing significance as a marketing tool for reaching a broad audience. Over the past year, TikTok's potential and reach in South Africa increased by 5.6 million users. This translates to a 47.7 percent rise between early 2023 and 2024 (DataReportal, 2024).

Given these trends, the NLC can harness the power of social media, particularly TikTok, to connect with younger users and leverage targeted advertising to promote its initiatives. The use of these platforms will allow the NLC to stay competitive and maintain public engagement in an increasingly digital world, while promoting its core values of responsible gaming and community development. Social media platforms facilitate two-way communication, allowing the NLC to actively engage with stakeholders. By responding to inquiries, conducting polls, and encouraging feedback, the NLC can build stronger relationships with the public and NPOs. This engagement fosters transparency and trust, providing valuable insights into stakeholder needs and concerns. It also enables the NLC to address issues promptly, improving overall satisfaction and reinforcing its commitment to serving the community.

- **Persistent Digital Divide**

In 2021, nearly all adults in wealthy countries embraced digital payments, compared to only 37 percent in low-income countries. The Middle East and North Africa region had the lowest adoption at around 6 percent of the population (World Bank, 2024). The figure below reveals the discrepancy between developed and developing nations with respect to digital payments. The comparison depicted in the figure relates to Africa West (AFW), South Asia (SAR), Africa East (AFE), Middle East and North Africa (MENA), Latin America and Caribbean (LAC), Europe and Central Asia (ECA), East Asia and Pacific (EAP), High Income Countries (HIC).

The digital divide in South Africa poses a significant challenge for the NLC as it expands its digital operations. Due to socio-economic disparities, not all South Africans have equal access to digital technologies like the internet and smartphones. This access inequality means that a considerable portion of the population may be unable to participate in online lottery ticket sales or utilise digital platforms for grant applications. Such limitations can hinder the NLC's goal of reaching a broad and diverse audience, potentially excluding those who are most in need of support.



**Figure: Identification and digital payment, 2021**

Source: World Bank, 2024

Over-reliance on digital platforms risks marginalising participants and NPOs in rural or underserved areas where internet connectivity is limited or non-existent. These communities might already face significant challenges, and lack of access to the NLC's services could exacerbate existing inequalities. Exclusion from lottery participation and grant opportunities may undermine the NLC's mandate to improve the lives of all South Africans, particularly those in impoverished communities who may benefit the most from grant-funded projects.

### The Ecological Sub-Environment

The Ecological Environment is increasingly becoming a critical factor influencing organisational strategies worldwide. Environmental concerns such as climate change, resource depletion, and ecological degradation are not only shaping global policies but also altering consumer expectations and stakeholder demands.

One major trend offering opportunities is the global premium placed on environmental projects. There is a growing emphasis on sustainability initiatives, with increased funding and support for projects that promote environmental conservation and sustainable development. . Organisations are being encouraged, and often required, to adopt eco-friendly methods, reducing their carbon footprint and promoting sustainability in their operations.



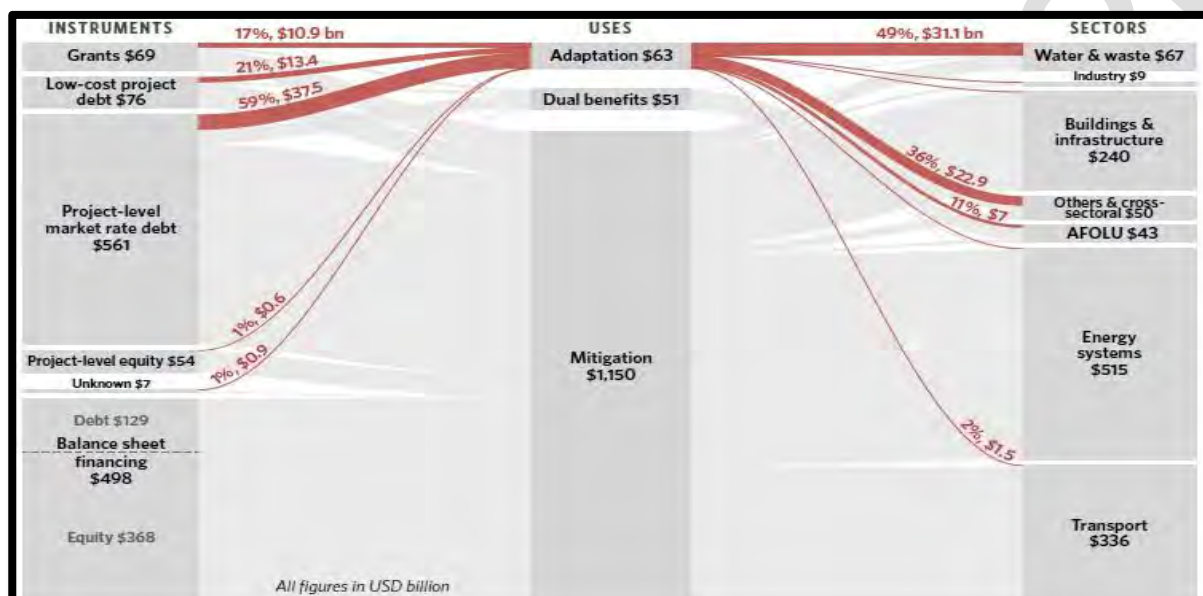
The sub-environment also bodes threats, some of which are posed by the adverse effects of climate change and more stringent environmental regulations. Climate change leads to extreme weather events that can disrupt operations and damage infrastructure thereby affecting projects for good causes funded by the NLC. Moreover, governments are enacting stricter environmental laws, increasing compliance costs and legal risks for organisations that fail to meet new standards. Public scrutiny and environmental activism are also on the rise, with stakeholders demanding greater transparency and responsibility from organisations regarding their environmental impact. Failure to address these concerns can result in reputational damage and loss of public trust.

- **Global premium on environmental projects**

The premium on environmentally friendly projects across the globe, presents a significant opportunity for the NLC to enhance its impact. Through due consideration of environmental initiatives, the NLC can support projects that promote sustainable development, conservation, and ecological education within communities. This not only empowers communities by addressing ecological challenges but also contributes to improving the quality of life for everyday South

Africans, aligning with the NLC's mandate to bring growth and change within impoverished areas.

Through strategically positioning itself within the climate finance landscape, the NLC can play a pivotal role in funding and promoting projects that focus on climate adaptation, mitigation, and sustainability. These include renewable energy projects, conservation efforts, and community-driven environmental programs, aligning with both national development goals and global climate targets. The impetus for this can be derived from the knowledge that grants contribute to approximately 17% of climate financing as shown in the below figure.



**Figure: Adaptation finance by source and instrument**

Source: Climate Policy Initiative, 2023

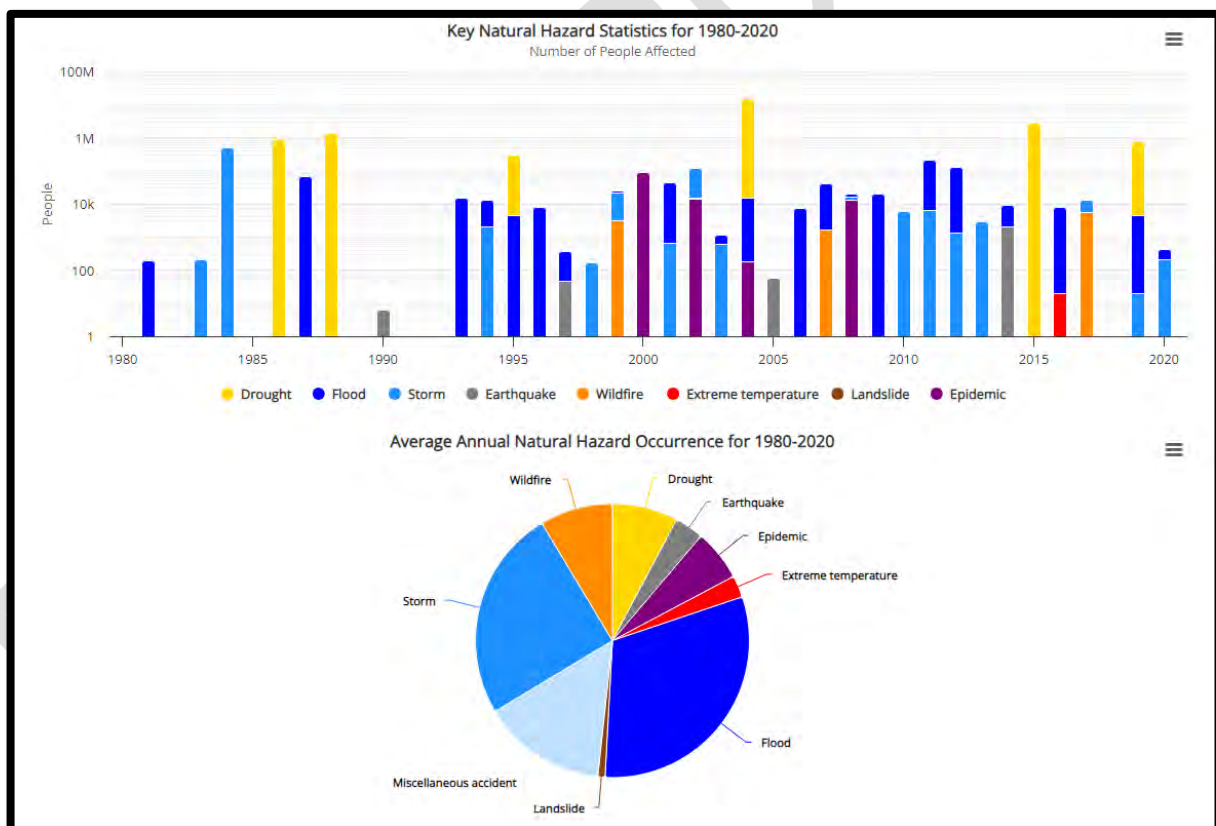
There is an opportunity in this sub-environment to leverage climate finance to drive innovation, job creation, and inclusive growth, particularly in marginalised communities that are most vulnerable to the effects of climate change. By partnering with other stakeholders - such as government bodies, NGOs, and private sector actors, it is possible to maximise the impact of organisational contributions while enhancing reputation as a key player in driving South Africa's sustainable development agenda.

Moreover, the broad range of environmental projects that can be supported would ensure alignment with global sustainability efforts, such as the United Nations Sustainable Development Goals (SDGs), thereby enhancing the international standing of organisations that tap into the opportunity. By demonstrating a commitment to environmental stewardship, the NLC may benefit from improved public perception and stakeholder trust.

- **Natural Disasters**

Natural disasters in South Africa, such as droughts, floods, and storms, have led to substantial social and economic losses, which are expected to intensify as a result of climate change. Between 1900 and 2017, over 100 disaster events were reported, leading to the loss of 2,200 lives, affecting 21 million people, and causing approximately US\$4.5 billion in economic damages (World Bank, 2024b). Despite these challenges, South Africa is considered to have one of the highest levels of resilience to climate change in Africa, due to its relative wealth and adaptive capacity. However, maintaining this resilience will require continued investment in disaster preparedness and adaptation strategies.

The figure as portrayed below provides an overview of the most frequent natural disasters in South Africa and their impacts on human populations. The chart allows for a spatial comparison of natural hazard data with development data, helping to identify the most vulnerable areas. This information is crucial for targeting NLC initiatives that aim to support exposed livelihoods and natural systems, ensuring that disaster-prone regions receive the resources and funding necessary to build resilience and recover from climate- induced disruptions.



**Figure: Natural Hazard Statistics for 1980 - 2020**

Source: World Bank, 2024b

Instructively, implementing eco-friendly solutions in remote locations can be cost-prohibitive and logistically challenging. Establishing digital infrastructure or sustainable facilities in these areas often requires substantial investment and resources. These increased costs can strain the NLC's budget, potentially diverting funds from other critical programs or reducing the overall effectiveness of their sustainability efforts.

### **The Legal Sub-Environment**

The legal framework governing the Lotteries Commission in South Africa is primarily defined by the National Lotteries Act of 1997. This act sets out the guidelines for the operation and regulation of lotteries within the country. It also mandates the establishment of the NLC, which oversees the proper allocation of lottery proceeds to charitable, developmental, and public benefit purposes. The legislation details the licensing process for lottery operators and enforces transparency in the distribution of lottery funds, with an emphasis on social development. This legal structure is essential for upholding integrity within the lottery sector and ensuring that funds are utilised effectively for public benefit.

The NLC must adhere to a range of government regulatory standards, primarily overseen by the Department of Trade, Industry, and Competition (**the dtic**). These standards ensure ethical and legal conduct in lottery operations. Failure to comply can result in significant penalties, such as fines, the suspension of licenses, or other regulatory actions. The Public Finance Management Act (PFMA) is also crucial in ensuring that public funds, including lottery revenues, are managed responsibly and transparently.

As the trend towards online and mobile lottery sales continues to rise, new legal challenges are coming to the forefront. The Electronic Communications and Transactions Act (ECTA) and the Protection of Personal Information Act (POPIA) govern these digital transactions, emphasising cybersecurity and consumers' data protection. With the increasing popularity of digital lotteries, operators must adhere to these regulations to uphold the integrity of online gaming systems and safeguard consumers against fraud.

The legal landscape for the NLC is complex, integrating national laws, regulatory standards, and international protocols. Adhering to the National Lotteries Act (1997) as amended, along with various anti-corruption, consumer protection, and digital gaming regulations is crucial to maintaining transparency, fairness, and accountability in lottery operations.

As the lottery industry evolves, especially with the advent of digital platforms, the legal framework must adapt to ensure the sector remains well-regulated and beneficial to society.

## **The NLC embarking on a journey of Restorative Measures**

### **Support to whistleblowers, communities and NGOs**

During the 2023/24 financial year, the Minister of Trade, Industry and Competition directed the NLC to implement measures to provide support to whistleblowers and communities or NGOs who were deprived of NLC funding due to historic maladministrative and fraud practices at the NLC.

The NLC conducted extensive information gathering and the Board approved the Reparative Measures initiatives in 2024/25 financial year. Whistleblowers who may have suffered because of their reporting under the previous administration and community infrastructure projects as identified in the SIU investigations form part of this reparative measures process. The process is anticipated to be implemented over a multi-year period.

The reparative measures initiative at its core aims to contribute to protecting the new value system of transparency and accountability that the NLC has embarked on to restore the damage done to the NLC and restore trust in its ability to fulfil its mandate. It supports the Ministerial direction and the NLC Board's commitment to institutionalise structures and controls to ensure that the historic malpractices do not happen again.

The NLC adopted a pastoral approach, following a path of restorative justice that would provide for healing and reparative measures. Central to this process is the SIU identified community infrastructure projects. Each community infrastructure project will be evaluated on its own merits. Extensive information gathering and processes in line with feasibility, impact and sustainability criteria will input into the project approach and execution. The quantum of the community infrastructure projects under SIU investigation has not yet been concluded and it is an ongoing process.

Projects will be executed in line with formal project governance structures and project management processes for infrastructure project implementation.

Parallel to this process, individuals impacted because of whistleblowing will be given an opportunity to tell their story as part of an independent advisor process and reparative measures will be considered within the formal NLC governance structures for decision and NLC implementation.

Depending on the recommendations and processes required, the individuals will be engaged to conclude full and final settlement agreements, and this may include private and public apologies. It is anticipated that this first phase of settlements will be finalized early in the first quarter of 2025/26. Should additional individual cases come to the fore, a similar process will be followed.

# PART C: MEASURING OUR PERFORMANCE



## PART C: MEASURING OUR PERFORMANCE

### The Economic Cluster Framework Summary-

#### The dtic blue- sky outputs for Growth Plan- 2025- 2030

The NLC's APP seeks to align with the 7th administration's three strategic priorities, namely, inclusive growth and job creation, poverty reduction and tackling the high cost of living; and building a capable, ethical and developmental state. The following ten core outputs were set out as areas of focus for the economic cluster for the Medium-Term Development Plan (MTDP). These areas of concentration represent significant government initiatives that are broadly detailed in the 7<sup>th</sup> administration three strategic priorities. The NLC will contribute to the attainment of the core targets, the blue-sky outcomes and the concept of 3D's (Diversification, De-carbonisation, and Digitalisation). The NLC contribution is succinctly depicted below:

CORE TARGETS	THE NLC CONTRIBUTION
<b>Inclusive growth and Jobs Created</b>	Inclusive growth and job creation by supporting programs, through grant funding, implemented by grantees to create or retain jobs across the sectors provided in the Lotteries Act. At least 36 000 jobs will be created or retained during the medium-term period, with 6 500 earmarked for 2025/26 FY to contribute to long-term societal growth, stability, and prosperity.
<b>Red- tape Reduction</b> - Improved processes and creating an enabling environment for companies by reducing red tape and unlocking bottlenecks	<ul style="list-style-type: none"> <li>• The modernisation of processes and systems.</li> <li>• Reduction of disbursements timeliness</li> <li>• A fully integrated and digitised management system enrolled to</li> </ul>

CORE TARGETS	THE NLC CONTRIBUTION
	<p>track and monitor service efficiency.</p> <ul style="list-style-type: none"> <li>• Enhancing accessibility, transparency, and ease of use.</li> <li>• Streamlined operations to reduce costs, turnaround times and the overall effectiveness of service delivery</li> <li>• Business processes to increase productivity and reduce inefficiencies across operations.</li> </ul>
<b>Omnibus regulations</b>	<ul style="list-style-type: none"> <li>• Creating an enabling environment for companies through fast tracking of legislation, other instruments, reducing red tape and unlocking bottlenecks, through continuation of the review and amendment of the Lotteries Act and its Regulations in the main</li> <li>• Simplified legislative and regulatory processes to expedite service delivery and facilitate smoother operations across the NLC</li> </ul>
<b>Illicit trade</b>	<ul style="list-style-type: none"> <li>• Prevention of illegal lotteries and schemes and enforcement</li> <li>• Regulatory compliance and the reduction of illegal schemes</li> </ul>
<b>Workforce Readiness and skills for the Economy</b>	<p>The NLC will place at least 275 graduates and student learners for experiential learning and internship programs to enhance skills and employability. 55 placements for 2025/26 financial year. Through the Y.E.S program initiative, the intake is likely to increase during the MTDP period.</p>

CORE TARGETS	THE NLC CONTRIBUTION
<b>SMMEs Supported-</b> 255 000	<ul style="list-style-type: none"> <li>• The NLC commits to supporting 500 SMME's over the 5- year MTDP period.100 SMME's for 2025/26 FY.</li> <li>• Through Enterprise Supplier Development (ESD) initiatives, the NLC would support a minimum of 80 SMME's over the MTDP period, with 16 SMME's supported in 2025/26.</li> <li>• From the Supplier development through the Operator, the requirements of the new license will inform the Supplier Development initiatives.</li> </ul>
<b>International Tourist Arrival-</b> 14.9 million	The NLC will attempt to attract more applications from the tourism sectors, but that will not address the R15m output required. A dent of 2.5% at most, to a greater degree, most of the applications will be for profit and outside the NLC funding scope.
<b>Subsistence Farmers-</b> 441 000	The NLC call for applications under Research Based Funding model for food security concept will contribute towards this priority area. The dependency is on the applications received; numbers can only be quantified post funding.
<b>Transformation-</b> 200 industrial Parks + DDM	Grants will be segmented with the minimum allocation of 5% to all provinces to transform the communities within DDM.

## 2. Institutional Programme Performance Information

Programme 1	Administration and Business Support
Purpose	To ensure that the NLC restore governance and integrity with zero tolerance for fraud and corruption. To implement responsive systems and processes.

### Outcomes, Outputs, Performance Indicators and Targets

Strategic Theme	Outcome	Outputs	Output Indicators	Annual Targets						
				Audited / Actual Performance			Estimated Performance	MTDP Period		
				2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Visibility and Communication	Enhanced stakeholder, community and customer engagement	Effective Communication and Marketing Strategy	1. Review the communication, marketing and public relations strategy and implement the plan					<b>Review of the communication, marketing, and public relations strategy and implementation of the plan as approved</b>	Implementation of a communication, marketing, and public relations implementation plan	Maintain and enhance the implemented strategies.
Strengthening collaboration and partnerships	Enhanced Stakeholder, Community and Customer Engagement for improved partnership and impact	Education and awareness	2. Number of education and awareness engagements conducted nationally	40 education and awareness engagements conducted nationally	80 education and awareness engagements conducted nationally	Conduct 132 education and awareness engagements nationally	Conduct 90 education and awareness engagements nationally	<b>Conduct 120 education and awareness engagements nationally</b>	Conduct 150 education and awareness engagements nationally	Conduct 200 education and awareness engagements nationally
Impact assessment and visibility	Showcasing the impact of the NLC regulatory and funded initiatives	Effective profiling of good stories of communities impacted by the NLC	3. Number of good stories profiled			204 case studies packaged and profiled	Profile 100 case studies of organisations and communities impacted by	<b>Profile 100 good stories of the NLC</b>	Profile 150 good stories of the NLC	Profile 200 good stories of the NLC

Strategic Theme	Outcome	Outputs	Output Indicators	Annual Targets						
				Audited / Actual Performance			Estimated Performance	MTDP Period		
				2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Improved governance and compliance							NLC measures			
	<b>Red tape reduction and reducing poverty and high cost of living</b>	Optimise returns to good causes	4. Percentage disbursement of grants as per GNR644, 6(c)(iv)	85% of grants disbursed in line with the regulated 60 days timeframe	83% of grants paid in line with the regulated 60 days timeframe		25% reduction in timelines for payment of grantees	<b>70% of grants paid in line with the regulated 60 days timeframe</b>	90% of grants paid in line with the regulated 60 days timeframe	100% of grants paid in line with the regulated 60 days timeframe
Diverse, agile, engaged and evolved workforce	Forster a positive work environment that aligns with the organisational objectives	Cultivating a skilled, ethical, and motivated team through organisational culture renewal	5. Implement the organisational culture renewal plan				Development and approval of the organisational culture renewal plan	<b>Implementation of the organisational culture renewal plan</b>	Monitor the effectiveness of the organisational culture renewal plan and framework	Review the impact of organisational culture renewal initiatives
Risk Management and improved governance and compliance	Credible and sustainable governance, risk management and compliance practices	Effective organisational compliance	6. Percentage of organisational compliance risks managed					<b>100% of organisational compliance risks managed</b>	100% of organisational compliance risks managed	Review of the organisational compliance management framework
Innovation and Modernisation	<b>Digitalisation</b> <b>Red tape reduction</b>	Driving effective digital transformation strategy	7. Phase 3 of the digital transformation strategy implementation plan is implemented		The NLC Digital Transformation Strategy is formulated	Implement phase 1 and 2 of the digital transformation strategy	Implement phase 3 the digital transformation strategy	<b>Implement phase 3 of the digital transformation strategy</b>	Institutionalize the third phase of the NLC 4.0 Integrated Business System	Expand digital transformation to include continuous improvement initiatives. Gather feedback from end users to refine the system

Strategic Theme	Outcome	Outputs	Output Indicators	Annual Targets						
				Audited / Actual Performance			Estimated Performance	MTDP Period		
				2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Workforce readiness and skills for the economy	<b>Coordinated internship system with ring-fenced funding programs to increase practical work experience.</b>	Implementation of workplace-based placement internships program	8. Percentage increase in workplace-based placement internships from 7% to 30%				50 graduates and learners placement through internship program	<b>Implementation of workplace-based placement internships with 10% increase from the baseline (50 from prior year)</b>	Implementation of workplace-based placement internships program with 15% increase from the baseline	Implementation of workplace-based placement internships program with 20% increase from the baseline

### Indicators, Annual & Quarterly Targets

Output Indicator	Annual Target	Q1	Q2	Q3	Q4
1. Review the communication, marketing and public relations strategy and implement the plan	Review of the communication, marketing, and public relations strategy and implementation of the plan as approved	Assess and review the current communication, marketing, and PR strategy.	Review and approval of the refined communication, marketing and PR strategy and implementation plan	Implement the communication, marketing and PR implementation plan as approved	Implement the communication, marketing and PR implementation plan as approved and table a report to EXCO
2. Number of education and awareness engagements conducted nationally	Conduct 120 education and awareness engagements nationally	Conduct 40 education and awareness engagements nationally	Conduct 80 education and awareness engagements nationally	Conduct 100 education and awareness engagements nationally	Conduct 120 education and awareness engagements nationally
3. Number of good stories profiled	Profile 100 good stories of the NLC	Profile 25 good stories of the NLC	Profile 50 good stories of the NLC	Profile 75 good stories of the NLC	Profile 100 good stories of the NLC

Output Indicator	Annual Target	Q1	Q2	Q3	Q4
4. Percentage disbursement of grants as per GNR644, 6(c)(iv)	70% of grants paid in line with the regulated 60 days timeframe	60% of grants paid in line with the regulated 60 days' timeframe	65% of grants paid in line with the regulated 60 days' timeframe	70% of grants paid in line with the regulated 60 days' timeframe	70% of grants paid in line with the regulated 60 days' timeframe
5. Implement the organisational culture renewal plan	Implementation of the organisational culture renewal plan	Implement 2 organisational culture renewal initiatives	Implement 2 organisational culture renewal initiatives	Implement 2 organisational culture renewal initiatives	Implement 2 organisational culture renewal initiatives and assessment report tabled at EXCO
6. Percentage of organisational compliance risks managed	100% of organisational compliance risks managed	25% of organisational compliance risks managed	50% of organisational compliance risks managed	75% of organisational compliance risks managed	100% of organisational compliance risks managed
7. Phase 3 of the digital transformation strategy implementation plan is implemented	Implement phase 3 of the digital transformation strategy	Review the digital transformation strategy and the plan. Obtain approval from the ICT Steering Committee & EXCO	Development and implementation of module 6 - -	Development and implementation of module 7  Development of Regulatory compliance solution -	-  Implementation of Regulatory Compliance solution  Development of HCM solution
<b>8. Percentage increase in workplace-based placement internships from 7% to 30%</b>	Implementation of workplace-based placement internships with 10% increase from the baseline (50 from prior year)	Identification of beneficiaries and divisions in need of graduates and student interns.	Implement workplace-based placement internships program with 5% increase from the baseline	Implement workplace-based placement internships program with 7% increase from the baseline	Implement workplace-based placement internships program with 10% increase from the baseline

Programme 2	Regulatory Compliance
Purpose	Restoring the NLC to its core mandate of regulatory compliance and reinstating its credibility

### Outcomes, Outputs, Performance Indicators and Targets

Strategic Theme	Outcome	Outputs	Output Indicators	Annual Targets						
				Audited / Actual Performance			Estimated Performance	MTDP Period		
				2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Illicit Trade by clamping down on proliferation of illegal lotteries and schemes	Illicit Trade to attain decrease in the value of illegal lotteries and schemes	Enhanced measures to regulate lotteries and sports pools	9. Percentage compliance of lottery schemes with the Lotteries Act	100% of all identified and reported lottery schemes investigated	Conduct investigations on 100% of all identified and reported lottery schemes	50% increase in the number of compliant lottery schemes	75% increase in the number of compliant lottery schemes	<b>80% of lottery schemes are compliant with the Lotteries Act</b>	85% of lottery schemes are compliant with the Lotteries Act	90% of lottery schemes are compliant with the Lotteries Act
Enhanced Regulatory Monitoring	Building capable state through Improved and credible regulatory processes	A fair and safe national lottery and sports pools	10. Develop and implement the Licence Monitoring Matrix	Compliance with Licence conditions monitored	Implementation of the National Lottery & Sports Pools Monitoring Matrix	Implementation of the National Lottery & Sports Pools Monitoring Matrix	Compliance monitoring of the National Lottery and Sports Pools Licence conditions	<b>Development and implementation of the Licence Monitoring Matrix</b>	Compliance monitoring of the National Lottery and Sports Pools Licence conditions	Compliance monitoring of the National Lottery and Sports Pools Licence conditions
Enhanced Regulatory Monitoring  Visibility and Communication	Reduce poverty and tackle the high cost of living	Driving compliant societies lotteries	11. Research on measures to increase the uptake of society lotteries				Assess society lottery applications and assist NPOs to comply with the Act	<b>Conduct research on measures to increase the uptake of society lotteries</b>	Implement the recommendations of the research	Monitor and review the implemented initiatives

## Indicators, Annual & Quarterly Targets

Output Indicator	Annual Target	Q1	Q2	Q3	Q4
9. Percentage compliance of lottery schemes with the Lotteries Act	80% of lottery schemes are compliant with the Lotteries Act	55% of lottery schemes are compliant with the Lotteries Act	65 % of lottery schemes are compliant with the Lotteries Act	75% of lottery schemes are compliant with the Lotteries Act	80% of lottery schemes are compliant with the Lotteries Act
10. Develop and implement the Licence Monitoring Matrix	Development and implementation of the National Lottery and Sports Pools License Monitoring Matrix	Develop the License Monitoring Matrix	Develop and approve the License Monitoring Matrix	Implement the License Monitoring Matrix	Implement the License Monitoring Matrix
11. Research on measures to increase the uptake of society lotteries	Conduct research on measures to increase the uptake of society lotteries	Planning, develop terms of reference and issue the Request for Proposals.	Appoint a service provider and conduct research	Conduct research	Conduct research and table the research report to EXCO

Programme 3	Grant Making
Purpose	Restoring the NLC to its core mandate of grant and reinstating its credibility

### Outcomes, Outputs, Performance Indicators and Targets

Strategic Theme	Outcome	Outputs	Output Indicators	Annual Targets						
				Audited / Actual Performance			Estimated Performance	MTDP Period		
				2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Social Cohesion and Impact assessment	Reduce poverty and tackle the high cost of living  Inclusive growth and job creation	Enhanced allocation efficiency and effectiveness of research-based funding to realise impactful outcomes in communities	12. Conduct research on worthy good causes that may be funded without lodging an application in terms of the Act			Develop a governance model to implement Research-Based Model and approval by the board.	Allocation of 50% of the planned research-based funding budget	<b>Conduct and present three research concepts on worthy good causes for Board consideration</b>	Allocation of funds to research-based funding programmes	Allocation of funds to research-based funding programmes
Enhanced Regulatory Monitoring	Building a capable, ethical and developmental state through impactful funding	Assurance that NLDTF funds are utilised for the intended purpose	13. Strengthened monitoring of funded projects	2500 monitoring reports	Complete 2000 Monitoring assessments	Complete 3000 Monitoring assessments	100% monitoring of eligible funded projects	<b>100% monitoring of eligible funded projects</b>	100% monitoring of eligible funded projects	100% monitoring of eligible funded projects
Social cohesion and nation building	Inclusive growth and job creation	Supporting programs that create or retain jobs.	14. Number of jobs created or retained by the NLC funded Grantees, Lottery operator and society lotteries				3000 jobs created or retained by grantees	<b>6,500 jobs created or retained by the NLC funded Grantees, Lottery operator and society lotteries</b>	7000 jobs created or retained by the NLC funded Grantees, Lottery operator and society lotteries	7500 jobs created or retained by NLC funded Grantees, Lottery operator and society lotteries

Social cohesion and nation building	Inclusive growth and job creation Reduce poverty and tackle the high cost of living	Regulation 3A(1)(a)	15. Percentage of applications adjudicated within 150 days	90% of applications adjudicated within 150 days	61% of applications adjudicated within 150 days			<b>80% of applications adjudicated within 150 days</b>	100% of applications adjudicated within 150 days	100% of applications adjudicated within 150 days
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### Indicators, Annual & Quarterly Targets

Output Indicator	Annual Target	Q1	Q2	Q3	Q4
12. Conduct research on worthy good causes that may be funded without lodging an application in terms of the Act	Conduct and present three research concepts on worthy good causes for Board consideration	-	Conduct research on one worthy good cause and present research concepts for Board consideration	Conduct research on one worthy good cause and present research concepts for Board consideration	Conduct research on one worthy good cause and present research concepts for Board consideration
13. Strengthened monitoring of funded projects	100% monitoring of eligible funded projects	100% monitoring of eligible funded projects	100% monitoring of eligible funded projects	100% monitoring of eligible funded projects	100% monitoring of eligible funded projects
14. Number of jobs created or retained by the NLC funded Grantees, Lottery operator and society lotteries	6,500 jobs created or retained by the NLC funded Grantees, Lottery operator and society lotteries	500 jobs created or retained by the NLC funded Grantees, Lottery operator and society lotteries	1500 jobs created or retained by the NLC funded Grantees, Lottery operator and society lotteries	4500 jobs created or retained by the NLC funded Grantees, Lottery operator and society lotteries	6,500 jobs created or retained by the NLC funded Grantees, Lottery operator and society lotteries
15. Percentage of applications adjudicated within 150 days	80% of applications adjudicated within 150 days	25% of applications adjudicated within 150 days	50% of applications adjudicated within 150 days	65% of applications adjudicated within 150 days	80% of applications adjudicated within 150 days

### **3 Explanation of Planned Performance over the Medium-Term Period**

#### **Programme 1: Administration and Business Support**

The combination of outputs in this programme will position the NLC to execute both mandates to ensure a safe and sustainable lottery industry for maximum economic and social impact through the support functions.

Consistent engagement (both direct and indirect) with our stakeholders assists with our planning and related interventions - as not only does it track satisfaction levels amongst stakeholder groups but also provides direction in terms of areas of improvement. Historical trends within the NLC has demonstrated that the medium of “education and awareness” engagement sessions with stakeholders results in effective information dissemination even to grassroots level. It is imperative that the NLC strengthen its visibility campaign regarding the South African lottery and grant making.

In this campaign the focus would be on encouraging people to participate in the national lottery, to inform people about participant protection, the good uses of lottery funds with an emphasis on how peoples’ lives have been positively impacted by the lottery as well as legal and illegal lottery activities. Aligned to this and the theme of communication and visibility, it is indicator to tell the good stories. The NLC will also profile and package the success stories of the impactful work of the organisation

Digital transformation is a continuous process that requires dedication, effort, and the agility to react to fast changing technologies and market trends. Successful digital transformation may lead to increased responsiveness, customer-centricity, and operational efficiency, allowing businesses like the NLC to prosper in the digital age. The NLC modernisation initiative addresses this fundamental cog that drives the work of the organisation, The NLC began its digital transformation journey in 2022 and will continue to implement several phases throughout the next year.

The NLC plays a crucial role in funding initiatives that drive social development, empower communities, and promote economic growth. However, excessive bureaucratic hurdles can impede the effectiveness of this mandate, discouraging eligible applicants and delaying the disbursement of funds. To maximize impact, through this modernisation drive, the NLC is prioritising reducing red tape and enhancing the ease of doing business, ensuring a streamlined, transparent, and accessible grant funding process. The ultimate goal is of the new system is to address the needs of the grantees and stakeholders while creating a whole new exceptional experience for the grantees and beneficiaries. Moreover, the NLC is devoted to improving operational efficiency through automation

and technology.

The NLC is deliberate on developing a high-performing, diverse, agile engaged and evolved workforce. In the previous financial year, the organisation embarked on a process of change management and developed the framework and plan that assisted the workforce in transitioning to the new desired state of the organisation. During the financial year, the focus will be on building on the change initiatives that ultimately support the organisational culture renewal. The successful implementation of the organizational culture renewal plan over the medium-term period requires a structured approach, ongoing commitment, and adaptability to feedback. The organization seeks to create a thriving culture that supports its mission and enhances overall effectiveness; and a more engaged workforce that feels valued and aligned with organizational goals. With enhanced collaboration, we seek to build a culture that promotes teamwork and innovation, leading to better problem-solving and creativity

As part of the Minister's core outputs, red tape reduction processes element cannot be over-emphasised. Having 70% of grants paid within the regulated 60-day timeframe is a crucial performance indicator for the NLC. It demonstrates the organization's efficiency in processing grant applications and disbursing funds, ensuring that beneficiaries receive timely support. The NLC aims to pay grants within a set timeframe to enhance operational efficiency and reduce administrative bottlenecks. The rapid speed of disbursement will ensure that recipients can commence their work promptly, leading to a timeous significant impact on the NLC funded projects.

## **Programme 2: Regulatory Compliance**

The developments in the gaming and lottery industry have an influence on the regulatory environment of the lotteries and contributed to the amendment of the Lotteries Act 57 of 1997. Provisions made in the Lotteries Amendment Act No.32 of 2013 had an impact on the NLC regulatory, functional and governance role namely: amendment of certain definitions; to provide for the establishment of a National Lotteries Commission; to provide for the extension of the powers of the board; to provide for the licensing of an organ of state to conduct the National Lottery; to provide for a clear accountability process for the distributing agency; to provide for the professionalization of the distributing agency; to eliminate overlapping of functions between the Minister and the board; to provide for the removal of the reconstruction and development programme as a category entitled to be allocated money of the fund; and to provide for matters connected therewith.

The outputs in this programme aim to uplift the regulatory function of the organisation to give direct impetus to the Board's strategic agenda. It further serves to reinforce the NLC's existence to safeguard participants and the wider public by effectively regulating the lottery industry. The

approach will enable the NLC to respond to emerging risks and issues whilst constantly seeking ways to drive up standards. This is especially important due to the challenges and opportunities that online gaming and smartphone technology are bringing to the sphere. Protecting children and the vulnerable from being harmed or exploited by gaming continues to be a priority as demonstrated through the monitoring of the licence operator.

### **Programme 3: Grant Making**

The outputs in this programme are intended to improve the way we fund. The combination of outputs in this programme will position the NLC to execute the funding mandate to ensure a safe and sustainable lottery industry for maximum economic and social impact.

Like many governments, international development agencies, public sector organisations, and grant-making organisations around the globe, the NLC finds itself in a place where it is required to do more with less, as demand for funding outstrips what is available. This calls for a much more systematic and deliberate approach to grant making. Furthermore, the role of the NLC in the development space demands that we continuously ask the questions “Are we making the right investments?” and “If we are, how will we know?”

In answering these questions, as well as in response to the requirements of the amended Act, the NLC revised the underpinning philosophy of its research-based funding model. This revised philosophy and the strategic positioning of the organization is based on the core concept of “Funding for Impact”. This marks a strategic shift in the NLC’s positioning in the development sector. It moves the NLC from merely focusing on the distribution of funds to being more broadly and deeply involved and engaged in managing and understanding the impact that its funding has on funded communities and grant holders. It asks the NLC to become more purposeful in ensuring that it is indeed a catalyst for social upliftment, changing lives for the better and contributing to the development of the poorest and most marginalised communities. The NLC intends to allocate funds through this vehicle to make a desired impact.

Provisions in both the previous Act and the amended Act require that grants be equitably distributed geographically, with specific focus on the sectors where the need is the greatest. These legislative provisions are examples of the intention of the amended Act that grant funding be impactful not just geographically, but specifically, where the need is the greatest. Funding for impact therefore aligns to the broad intention of the amended Act to reach the most marginalised and impoverished communities, with timeous adjudication of applications, as per the regulated time in terms of Regulation 3A(1)(a) in which an application received from the public should be adjudicated within 150 days of receipt.

In addition to funding for impact, several of the provisions in the amended Act are intended to enhance the experience of beneficiaries by improving the operational efficiency of the NLC, making

it easier and less burdensome to access grant funding. Emphasis is also placed on the need to educate and empower communities, applicants and grant holders to enable them to derive the maximum benefit from their interaction and relationship with the NLC.

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## 4 Programme Resource Considerations

The projected revenue has increased by 69 percent to R2.216 billion mainly due to the appointment of the temporary license operator and increase in interest income.

The amount available for allocation, after taking into account the revised expenditure, increased by 23 percent from R1.055 to R1.4 billion. The accounting for grants requires that grants are recognised when the compliance requirements have been met the projects that were included in contingent liabilities as at 31 March 2025 are likely to meet requirements during the current financial year and therefore affecting the budget consumption of the current year. The available budget will cover the applications from the 2024/25 financial year and the call that is going to be opened during the current year.

The revised budget for the RFP process decreased by 12 percent mainly due to revised Board fees, consulting fees and Legal fees. These were partly offset by utility costs and license renewal costs.

The capital expenditure budget decreased by 17 percent mainly due to reduction in Office accommodation, Furniture and fittings and network infrastructure following revised activity planning. This was partially offset by increases in leasehold improvements from first-quarter commitments and higher computer equipment costs projections to support new IT infrastructure and service requirements. The increase in intangible assets relate to transfer of salaries for the employees working on Thuthuka to ensure budget is aligned with the accounting treatment of those costs.

## 5 2025/26 Financial year budget

### FINANCIAL IMPLICATIONS – REVISED BUDGET

	APPROVED BUDGET	Revised Mid-term Budget	Actual YTD	% CHANGE	Admin	Operations	Regulation & Compliance	NLPT
	2025/26 R 000	2025/26 R 000	2025/26 R 000		R 000	R 000	R 000	
REVENUE	684 939	2 215 594	1 084 575	69%	2 209 460	-	-	
NLDTF	337 356	1 836 674	906 760	82%	1 836 674	-	-	-
Interest Received	242 909	270 388	135 486	10%	264 254	-	-	6 134
License Signing Fees	472	1 889	1 178	75%	1 889	-	-	-
Societies & Other Lotteries	62	62	25	-1%	62	-	-	-
Unclaimed and expired prize money	90 000	88 814	36 549	-1%	88 814	-	-	-
Withdrawals	5 000	8 500	-	41%	8 500	-	-	-
Interest from the Participants Trust	7 139	8 669	3 964	18%	8 669	-	-	-
Sundry Income	2 000	597	612	-235%	597	-	-	-
EXPENDITURE	1 900 674	2 215 594	442 799		1 342 258	1 529 956	174 131	
Net Grant Allocations	1 055 000	1 372 576	106 324	23%	-	1 372 576	-	-
TOTAL OPEX	845 674	843 018	336 475	-27%	671 129	78 690	87 065	5 730
Distributing Agency Emoluments			572					
Advertising & Publicity	36 415	20 030	595	-82%	835	17 498	1 697	-
Audit Fees	13 181	14 619	11 572	10%	13 646	-	-	973
Bank Charges	277	204	97	-36%	129	-	-	75
Board Members Emoluments	6 000	5 592	3 006	-7%	4 078	-	1 514	-
ICT Operational Cost	33 904	39 382	20 717	14%	33 838	-	5 544	-
Conferences venue	5 933	16 675	3 428	64%	1 700	14 509	466	-
Consulting Fees	58 762	32 572	5 290	-80%	20 690	-	11 882	-
Courier & Postages	298	89	63	-234%	-	89	-	-

	APPROVED BUDGET	Revised Mid-term Budget	Actual YTD	% CHANGE	Admin	Operations	Regulation & Compliance	NLPT
	2025/26	2025/26	2025/26					
	R 000	R 000	R 000		R 000	R 000	R 000	
Depreciation	25 558	27 219	6 621	6%	27 219	-	-	-
Electricity, water, rates & taxes	8 102	8 128	3 033	0%	3 120	4 636	372	-
Refreshments & Catering	3 986	2 435	621	-64%	1 129	948	358	-
General Expenses	1 523	1 868	508	18%	1 663	205	-	-
Insurance	962	905	352	-6%	685	-	-	220
Legal Fees	118 350	126 817	45 269	7%	66 817	-	60 000	-
Motor Vehicle Expenses	3 000	125	3	-2300%	-	125	-	-
Outsourced services	41 630	34 711	9 385	-20%	21 348	13 362	-	-
Print & Stationery	2 604	1 396	220	-86%	1 054	342	-	-
Lease costs	35 955	26 774	14 793	-34%	18 366	5 896	2 511	-
Repairs & Maintenance	6 364	7 335	3 391	13%	6 085	1 250	-	-
Removals	900	898	46	0%	898	-	-	-
Employee Costs	374 679	377 469	173 807	1%	377 469	-	-	-
Recruitment costs - Permanent appointments	1 038	2 471	661	58%	2 471	-	-	-
Staff Training	7 600	5 088	2 074	-49%	4 988	-	-	100
Staff Welfare	1 915	1 515	698	-26%	1 365	-	150	-
Subscriptions	298	557	278	46%	527	30	-	-
Security	12 775	12 255	5 368	-4%	2 794	9 462	-	-
Telephone & Fax	2 520	2 501	366	-1%	2 051	450	-	-
Recruitment -Temporary Staff appointments	385	392	-	2%	392	-	-	-
Travel & Accommodation	15 002	28 792	8 487	48%	16 332	9 889	2 571	-
<b>Workmen's Compensation</b>	800	800	-	0%	800	-	-	-
Investigation cost	20 000	38 639	12 774	48%	38 639	-	-	-
Trust Administration Fee	4 379	4 362	2 140	0%	-	-	-	4 362
Trustee fees	579	404	240	-43%	-	-	-	404
NET SURPLUS	-1 215 735	-	641 776					
TOTAL CAPEX BUDGET	68 800	57 026	2 595	17%	57 026	-	-	
Office accommodation	20 000	10 000	-	50%	10 000	-	-	
Leasehold Improvements	-	1 355	1 355.00		1 355	-	-	
Computer Equipment	15 413	17 618	1 136.00	-14%	17 618	-	-	

	APPROVED BUDGET	Revised Mid-term Budget	Actual YTD	% CHANGE	Admin	Operations	Regulation & Compliance	NLPT
	2025/26 R 000	2025/26 R 000	2025/26 R 000		R 000	R 000	R 000	
Office Equipment	120	115	103.99	4%	115	-	-	
Intangible Assets	16 747	20 938	-	-25%	20 938	-	-	
Furniture and Fittings	7 000	2 500	-	64%	2 500	-	-	
Network Infrastructure	9 520	4 500	-	53%	4 500	-	-	
	25 558	27 219	6 620.95		27 219	-	-	
Depreciation	25 558	27 219	6 620.95		27 219	-	-	
	-1 258 976	-29 807	645 801.96		(29 807)	-	-	

## 6 Updated Key risks and mitigations from the SP

#	Outcomes	Key Risks	Risk Mitigations
1	Enhanced measures to regulate lotteries and sports pools	Regulatory Compliance Oversight	<ol style="list-style-type: none"> <li>1. Review and enhance monitoring of all licensed and registered lotteries and sports pools; including procurement of monitoring systems and case management system to enhance regulatory work.</li> <li>2. Continuous monitoring and implementation of current/existing controls - report quarterly on current/existing controls.</li> <li>3. Implement consequence Management illegal lotteries</li> </ol>
2		Regulatory Enforcement Powers	<ol style="list-style-type: none"> <li>1. Review of Lotteries Act to enhance enforcement powers.</li> <li>2. Revamped fourth operating license conditions.</li> <li>3. Declaratory court order to declare Bookmakers who take bets on the outcomes of the national lottery.</li> </ol>
3	Manage transition from the Third to the Fourth National Lottery and Sports Pools Operator	Fourth Operator Licence (Appointment and Transmissions)	<ol style="list-style-type: none"> <li>1. Implementation of Operator's Transition Plan</li> <li>2. Implement the Minister's Decision (Currently Temporary Licence)</li> </ol>
4	Building a capable, ethical and developmental state through impactful funding	Grant Funding and Funded Projects Implementation	<ol style="list-style-type: none"> <li>1. Implementation of Grantee Awareness and Engagement Plan.</li> <li>2. Increase the Capacity (number of appointed DAs) to enable a three sector DA structure.</li> <li>3. Implementation of War Room (NLC &amp; DSD and Solution Implementer) for Grantees assistance and increasing number of compliant Grantee</li> <li>4. Close and finalise funds distribution for 2024-25 Call</li> <li>5. Open 2025-26 Call</li> <li>6. Implementation of grand funding controls (i.e., Vetting, Inspectorate, Evaluation and Awarding,)</li> <li>7. Implementation of the reviewed Pro-active funding policy</li> <li>8. Development and Implementation of None-Compliant Grantee Project Plan</li> <li>9. Implementation of Thuthuka system and continues improvement</li> </ol>
5	NLC restored governance and integrity with zero tolerance for fraud and corruption.	Fraud and Unethical Conduct	<ol style="list-style-type: none"> <li>1. Create awareness on Whistleblower Policy, PEP Policy and ABCF Policy</li> <li>2. Implementation of 2025-26 Anti-bribery, Corruption and Fraud Prevention Plan</li> <li>3. Annual review of fraud risk registers</li> <li>4. Implementation of the Lifestyle audit</li> <li>5. Develop and implement 2025-26 Ethics and Morality Plan</li> <li>6. Implementation of the partnership with SA Fraud Prevention services.</li> <li>7. Implementation of Anti-Bribery Management System - ISO37001 standard and Certification development</li> <li>8. Process all reported incidents in line with investigation framework and preliminary investigation requirements</li> </ol>

#	Outcomes	Key Risks	Risk Mitigations
			9. Implementation of Consequence Management and Response Controls: a) Internally and Externally investigated disciplinary referrals b) Non-Compliance Grantee Listings c) Loss recovery based on materiality and cost and benefit analysis 10. Conduct Awareness Sessions (International Anti-Corruption Day and Fraud Awareness Week)
6	Implementation of the digital transformation strategy	Cybersecurity	1. Develop and Implement ICT Cybersecurity Plan 2. Review and implementation of ICT Disaster Recovery Plan (including establishment of DR site) 3. Conduct ICT security awareness 4. Implementation of Cybersecurity Assessment Recommendations 5. Audit review of Thuthuka System 6. Independent Quality Assurance of Thuthuka System
7	Implementation of the digital transformation strategy	ICT Strategy and Modernisation	1. Implementation of Thuthuka module 6 and 7 2. Development of Cloud Strategy 3. Review of CT Strategy 4. Review and Capacitate ICT Structure 5. Conduct third party contracts review
8	Effective response and litigation management	Legal and Litigation	1. Capacitate Division to render legal advisory services to the Commission. 2. Conduct Contract Management Awareness/Training. 3. Effective Management of litigation for and against NLC. 4. Effective legal panel management (instructions to Attorneys and briefs to Counsels). 5. Finalize and monitor the Shareholders compact. 6. Solicit formal delegation of prohibition, recovery and withdrawals from the Minister 7. Review of General Liability and Directors and Officers Insurance Cover
9	Effective Organisational Compliance	Organisational Compliance	1. Implement Organisational Compliance Policy. 2. Develop Compliance Universe for the Commission. 3. Conduct Compliance Assessments on the prioritised legislation and prescripts. 4. Monitor and address compliance audit (Internal and External) findings. 5. Loss Control Committee to provide oversight over irregular expenditure and incurred losses incurred and consequence management.
10	Cultivating a skilled, ethical, and motivated team through organisational culture renewal	Human Capital and Performance	1. Create Awareness on HR Policies 2. Commissioners and EXCO Staff engagements 3. Develop a new learning and development plan through consolidation of divisional skills audit outcomes 4. Implementation of Performance Management Policy and ensure 100% compliance with the performance management cycle 5. Implement targeted Change Management initiatives

#	Outcomes	Key Risks	Risk Mitigations
			6. Implementation organisation-wide redesign and Structure 7. Development and implementation Succession Plan
11	Enhanced Stakeholder, Community and Customer Engagement for improved partnership and impact.	Reputation	1. Development and implementation Social Media Policy 2. Development and implementation of Integrated Stakeholder engagement plan. 3. Implementation of brand reposition and revitalisation Plan.

**7 Public Entities**

Not applicable to the NLC

**8 Infrastructure Projects**

Not applicable to the NLC

**9 Public Private Partnerships**

Not applicable to the NLC

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**PART D:  
TECHNICAL  
INDICATOR  
DESCRIPTORS**

Indicator Title	1. Review the communication, marketing and public relations strategy and implement the plan.
Definition	The NLC seeks to perform a comprehensive review and implement a well-crafted communication, marketing, and public relations strategy, which can effectively communicate the organisation message, build relationships, and enhance synergy to optimize the overall impact of the organisation. The refined strategy intends to create a cohesive approach that enhances brand visibility, strengthens stakeholder relations and drives a positive image. The strategy and implementation plan will align with the organisation's overall mission and objectives for maximum effectiveness.
Source of data	Refined and Approved Communication, Marketing and Public Relations strategy document. Implementation Plan and/ or SMMC Reports.
Method of Calculation / Assessment	Qualitative- Production of the reviewed and refined strategy document, the approved strategy document and the implementation plan reports.
Means of verification	Quarterly Implementation Plan Reports.
Assumptions	The strategy is reviewed, refined, approved and implemented accordingly and there are no budgetary constraints.
Disaggregation of Beneficiaries (where applicable)	Target for Women: n/a Target for Youth: n/a Target for People with Disabilities: n/a
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: n/a Reflect on the spatial impact area: n/a
Calculation type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	Improved and focused communication.
Indicator Responsibility	COO

Indicator Title	2. Number of education and awareness engagements conducted nationally.
Definition	<p>Education and awareness engagements refer to the promotion of the NLC's mandate as a regulator and funder through the various communication platforms available to the organisation. During the current financial year, 120 engagements must take place nationally. These educational instruments/engagements may take the following forms:</p> <ul style="list-style-type: none"> <li>o Workshops</li> <li>o Brochures</li> <li>o Posts on social media</li> <li>o Internal communication</li> <li>o Print and electronic media</li> <li>o Awareness Posters</li> </ul>
Source of data	Attendance registers; Distribution lists; Screenshots of social media posts, copy of posters or developed content.
Method of Calculation / Assessment	Simple Count
Means of verification	POE: Production of any of the sources of data.
Assumptions	Appropriate and relevant content is developed.
Disaggregation of Beneficiaries (where applicable)	<p>Target for Women: n/a</p> <p>Target for Youth: n/a</p> <p>Target for People with Disabilities: n/a</p>
Spatial Transformation (where applicable)	<p>Reflect on contribution to spatial transformation priorities: n/a</p> <p>Reflect on the spatial impact area: n/a</p>
Calculation type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	All stakeholders are aware of the functions of the NLC.
Indicator Responsibility	COO

Indicator Title	3. Number of good stories profiled.
Definition	The indicator forms a basis for a theme of visibility and improved communication. It is intended to proactively showcase the work of the NLC and create more awareness of the impactful work that the organisation is mandated to execute. It is premised on a proactive stance in communicating with all stakeholders in respect of the work of the NLC. These will be good narratives created by the NLC to tell the impactful story and elevate its brand visibility.
Source of data	The good stories will be collected from different areas of work performed by the NLC in executing both mandates and beyond.
Method of Calculation / Assessment	Simple Count
Means of verification	Compilation of good stories in the form of text, images, audio, video, or animation.
Assumptions	Communication is effective in showcasing good stories and that there are no budgetary constraints.
Disaggregation of Beneficiaries (where applicable)	Target for Women: n/a Target for Youth: n/a Target for People with Disabilities: n/a
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: n/a Reflect on the spatial impact area: n/a
Calculation type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	Communicating and sharing engaging and impactful good stories of the NLC. Also, promote effective and transparent communication to elevate the NLC brand.
Indicator Responsibility	COO

Indicator Title	4. Percentage disbursement of grants as per GNR644, 6(c)(iv).
Definition	This target refers to the percentage of allocated grants that must be paid (disbursed) as per regulation (GNR644). This implies that 1st tranche payments must be made within 60 days of receipt of a fully compliant grant agreement. A grant agreement is considered to be compliant if all stipulated conditions have been met, including the submission of an acceptable form of verification of banking details. If the grantee is referred before payment, they will be deemed non-compliant.
Source of data	Finance payment reports
Method of Calculation / Assessment	Quantitative % calculation= $\frac{\text{Projects paid within 60 days} \times 100}{\text{Number of projects paid}}$
Means of verification	Finance Management Report
Assumptions	Grantees are fully compliant with NLC requirements.
Disaggregation of Beneficiaries (where applicable)	Target for Women: n/a Target for Youth: n/a Target for People with Disabilities: n/a
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: n/a Reflect on the spatial impact area: n/a
Calculation type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	Timeous and accurate payments to grantees to reduce red tape.
Indicator Responsibility	CFO

Indicator Title	5. Implement the organisational culture renewal plan.
Definition	In the context of the NLC, an organizational culture renewal plan is a strategic initiative designed to transform an organization's existing culture into a new, more desirable one. It involves identifying the desired cultural characteristics, developing strategies to foster those characteristics, and implementing change initiatives to achieve the desired outcome. The NLC seeks to implement specific actions to bridge the gap between the two.
Source of data	The Organisational Culture renewal plan.
Method of Calculation / Assessment	Culture renewal implementation plan and culture renewal implementation reports.
Means of verification	Quarterly implementation reports on the organisational culture renewal.
Assumptions	There are no budgetary constraints.
Disaggregation of Beneficiaries (where applicable)	Target for Women: n/a  Target for Youth: n/a  Target for People with Disabilities: n/a
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: n/a  Reflect on the spatial impact area: n/a
Calculation type	Cumulative (Quarterly)
Reporting Cycle	Quarterly
Desired performance	To create a more positive, productive, and innovative work environment culture that aligns with the NLC strategic imperatives.
Indicator Responsibility	SM: HCM

Indicator Title	6. Percentage of organisational compliance risks managed.
Definition	Organisational Compliance Management is a structured approach to managing compliance with laws, regulations and standards across an organisation by providing a comprehensive and integrated framework for identifying, assessing, mitigating and monitoring compliance risks.
Source of data	Compliance Management Framework and Register.
Method of Calculation / Assessment	$\% \text{ calculation} = \frac{\text{Number of mitigation measures addressed}}{\text{Total number of compliance risk mitigations}} \times 100$
Means of verification	Compliance Management Framework, Compliance Charter, Regulatory Universe and Compliance Risk Management Plans.
Assumptions	The organization has the necessary human, financial, and technological resources to implement and maintain the compliance framework.
Disaggregation of Beneficiaries (where applicable)	Target for Women: n/a Target for Youth: n/a Target for People with Disabilities: n/a
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: n/a Reflect on the spatial impact area: n/a
Calculation type	Cumulative (Quarterly)
Reporting Cycle	Quarterly
Desired performance	To create a robust system for identifying, assessing, and mitigating risks associated with non-compliance.
Indicator Responsibility	EMLS

Indicator Title	7. Phase 3 of the digital transformation strategy implementation plan is implemented.
Definition	The NLC's Digital Transformation Strategy is a plan of action describing how the NLC will strategically reposition itself in the digital economy to allow for innovation, and the enhancement of the operating and business models to improve service delivery and access to the organisation. This is a follow-on target from the previous financial years, post the digital transformation strategy formulation, implementation of phase 1, 2 and implementation of phase 3 continues.
Source of data	Implementation reports as per the Digital Transformation Strategy for phase 3.
Method of Calculation / Assessment	Progress against the quarterly milestones and against the plan for the Digital Transformation Strategy phase 3.
Means of verification	Quarterly implementation progress reports on the Digital Transformation strategy reported at Exco.
Assumptions	Adequate resources and funding are allocated to the Digital Transformation project.
Disaggregation of Beneficiaries (where applicable)	Target for Women: n/a Target for Youth: n/a Target for People with Disabilities: n/a
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: n/a Reflect on the spatial impact area: n/a
Calculation type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	A digitally enabled organisation with enhanced service delivery and access.
Indicator Responsibility	CM

Indicator Title	8. Percentage increase in workplace-based placement internships from 7% to 30%
Definition	Workplace- based internships are a structured process that organizations use to design, launch, and manage internship opportunities within actual work environments. These programs are aimed at helping students and graduates, gain real-world experience while preparing them for long-term employment. The programme would link university students, TVET colleges students' learners that are unemployed to a workplace related to their field of study as it aims to combine academic learning of a field of study with the practice of work to alleviate unemployment, whilst providing valuable experience to enhance the job market.
Source of data	Human Capital Management monthly and quarterly reports
Method of Calculation / Assessment	Qualitative analysis- percentage increase from the placements baseline.
Means of verification	Quarterly workplace-based placement internships reports tabled at EXCO
Assumptions	There are no budget constraints
Disaggregation of Beneficiaries (where applicable)	Target for Women: n/a Target for Youth: n/a Target for People with Disabilities: n/a
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: n/a Reflect on the spatial impact area: n/a
Calculation type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	Increase the number of workplace-based opportunities to gain work experience by prioritising skills for internships
Indicator Responsibility	SM: HCM

Indicator Title	9. Percentage compliance of lottery schemes with the Lotteries Act.
Definition	Lottery schemes are identified through a process of monitoring the internet, scanning print and electronic media as well as reports by members of the public. Once identified as a lottery scheme, a legal analysis is drafted, which will have recommendations on lottery schemes contravening the Lotteries Act. The NLC communicates the applicable Enforcement Sanctions to the lottery scheme operator, informing them of the contravention of the Lotteries Act and compliance requirements thereto. The scheme operator is expected to comply with the demands of the enforcement sanction communicated, which seeks to cease the illegal lottery scheme or take corrective action for future lottery schemes to comply with the Lotteries Act. Compliance seminars are held with illegal lottery scheme operators, to educate and advise them on compliance requirements for conducting lotteries.
Source of data	The Lottery Schemes Register with issued enforcement sanctions, which may comprise of: <ul style="list-style-type: none"> <li>• Letter of Demand</li> <li>• Warning Letter</li> <li>• Promoters communicate through email/letter/telephony their intent to comply with the provisions of the Lotteries Act</li> </ul>
Method of Calculation / Assessment	80% of lottery schemes have undertakings to ensure compliance with the Lotteries Act. The formula used will be the following: $\% = \frac{\text{Total number of compliant lottery schemes}}{\text{Total number of identified lottery schemes}} \times 100$
Means of verification	The Lottery Schemes Register listing the number of lottery schemes identified and the number of enforcement sanctions issued to scheme operators for ensuring compliance with provisions of the Lotteries Act.
Assumptions	Cooperation from lottery scheme operators
Disaggregation of Beneficiaries (where applicable)	Target for Women: n/a Target for Youth: n/a Target for People with Disabilities: n/a
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: n/a Reflect on the spatial impact area: n/a
Calculation type	Cumulative (Annual)
Reporting Cycle	Quarterly
Desired performance	Preventing harm and ensuring that the interests of all lottery participants are adequately protected.
Indicator Responsibility	EMRC

Indicator Title	10. Develop and implement the Licence Monitoring Matrix.
Definition	The Lotteries Act requires that the Operator complies with conditions of the National Lottery and Sports pools Licence. The Licence contains clauses that the Operator must comply with for the duration of the Licence period. A license monitoring matrix is a tool used to track and manage the National Lottery and Sports Pools Licence Agreement by the NLC. The implementation of the matrix measures the conditions contained in the license, the measures the compliance of the Operator
Source of data	Developed and approved License Monitoring Matrix. National lottery & sports pools licence monitoring matrix generated quarterly.
Method of Calculation / Assessment	Developed and approved License Monitoring Matrix. Completed National Lottery & Sports pools Licence Monitoring Matrix.
Means of verification	Quarterly completed licence monitoring matrix.
Assumptions	The operator is monitored for compliance with the licence conditions for the national lottery and sports pools.
Disaggregation of Beneficiaries (where applicable)	Target for Women: n/a Target for Youth: n/a Target for People with Disabilities: n/a
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: n/a Reflect on the spatial impact area: n/a
Calculation type	Cumulative (Quarterly)
Reporting Cycle	Quarterly
Desired performance	Optimum compliance by the National Lottery and Sports Pools Operator.
Indicator Responsibility	EMRC

Indicator Title	11. Research on measures to increase the uptake of society lotteries
Definition	Society lotteries (fundraising schemes) are allowed in terms of the Lotteries Act for non-profit entities to raise funds by running raffles and competitions, through selling tickets to members of the public, for a chance to win a prize(s). With the increase in the promotion of unlawful fundraising schemes, the NLC has a mandate to protect lottery participants, by ensuring that only legal lotteries are available to the public. Society lotteries are required to register with the NLC, wherein they should be assessed for compliance with the Act and its regulations. The NLC seeks to conduct research that will identify measures to be implemented to increase the number of society lotteries conducted and funds raised to support operations of non-profit entities.
Source of data	The Research Report Appointment letter & research methodology, Implementation plan, Draft/ Progress report
Method of Calculation / Assessment	Qualitative and quantitative analysis. Production of Research conducted progress reports.
Means of verification	Inception report, Quarterly Research progress reports, Draft/Final research report tabled at EXCO.
Assumptions	Adequate resources to undertake the research and availability of information.
Disaggregation of Beneficiaries (where applicable)	Target for Women: n/a Target for Youth: n/a Target for People with Disabilities: n/a
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: n/a Reflect on the spatial impact area: n/a
Calculation type	Cumulative (year-end)
Reporting Cycle	Annual
Desired performance	Research outcomes aid the NLC to increase the uptake of society lotteries and increase funds raised to support operations of non-profit entities.
Indicator Responsibility	EMRC

Indicator Title	12. Conduct research on worthy good causes that may be funded without lodging an application in terms of the Act
Definition	<p>The Research Based funding model relies on rigorous research and analysis to identify worthy good causes or recipients for funding that are innovative and that demonstrate effectiveness and positive outcomes.</p> <p>For the year under review, three research studies/concepts will be conducted and presented to the Board for consideration.</p>
Source of data	Research document on RBF concepts and/or Research Presentations
Method of Calculation / Assessment	Production of Research studies/concepts reports
Means of verification	Research reports on Research Based Funding concepts. Board Minutes or Board Agenda.
Assumptions	There are no budgetary or capacity constraints
Disaggregation of Beneficiaries (where applicable)	<p>Target for Women: n/a</p> <p>Target for Youth: n/a</p> <p>Target for People with Disabilities: n/a</p>
Spatial Transformation (where applicable)	<p>Reflect on contribution to spatial transformation priorities: n/a</p> <p>Reflect on the spatial impact area: n/a</p>
Calculation type	Cumulative (year-end)
Reporting Cycle	Annually
Desired performance	Informed and strategic decisions on worthy good causes to be funded based on credible research.
Indicator Responsibility	SM: BDD

Indicator Title	13. 100% monitoring of eligible funded projects.
Definition	<p>Monitoring is important for the NLC as it ensures that projects and programmes are being implemented in accordance with the grant agreement, leading to the desired short, medium and long- term programme outcomes in accordance with the NLC's strategic funding objectives.</p> <p>100% of projects paid in a quarter will be monitored in the next quarter plus one. Thus, projects paid in Q3 of the year will be eligible for monitoring in Q1 of the following year, projects paid in Q4 will be monitored in Q2, and so forth. In other words, projects will be monitored between 4 and 6 months after payment.</p>
Source of data	Monitoring tracker; monitoring assessment reports.
Method of Calculation / Assessment	<p>Quantitative- the performance measure is set as 100% eligible projects monitored in the ensuing quarter plus one, expressed as follows:</p> $\% \text{ calculation} = \frac{\text{Total number of monitored funded projects}}{\text{Total number of eligible funded projects}} \times 100$
Means of verification	Count of the number of monitoring reports
Assumptions	Adequate data sample and capacity to monitor
Disaggregation of Beneficiaries (where applicable)	<p>Target for Women: n/a Target for Youth: n/a</p> <p>Target for People with Disabilities: n/a</p>
Spatial Transformation (where applicable)	<p>Reflect on contribution to spatial transformation priorities: n/a</p> <p>Reflect on the spatial impact area: n/a</p>
Calculation type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	Funding used for intended purposes, outputs and short-term outcomes contribute to desired funding outcomes.
Indicator Responsibility	SM: BDD

Indicator Title	14. Number of jobs created or retained by the NLC funded Grantees, Lottery operator and society lotteries.
Definition	<p>One of the 7th administration apex priorities and <b>the dtic</b> core outputs is job creation and inclusive growth, which has become a storyline and strategic component of all government entities. Job creation and retention at the NLC is measured through grantees that have been funded for salaries as well as stipends under approved items. A new job, temporary and permanent is created, or an existing job, temporary and permanent, is retained when salaries and stipends are funded for grantees. The NLC funded grantees will contribute towards this key priority by creating or retaining directly, a minimum of at least 6500 jobs. Other forms of job creation will be derived from lottery operator and society lotteries</p>
Source of data	Data dashboard and data collection tool with supporting Portfolio of Evidence (POE).
Method of Calculation / Assessment	Quantitative, simple count of jobs created or retained through NLC funded grantees. Also, Jobs created or retained by lottery operator and society lotteries.
Means of verification	<p>The supporting POE will be Signed Employment contracts OR Letter of Employment OR A letter from the CEO/ Accounting Officer or Head of HR confirming a job created or retained AND System Generated Payroll OR Payslip OR signed Salary Register.</p> <p>In instances where there are no employment contracts/letter of employment/ appointment letters and only the salary register available, an acceptable form of identification must accompany the register.</p> <p>In respect of jobs created by the National Lottery Operator and Society Lotteries, a letter from the Accounting Officer/ CEO/ the Head of HR confirming the number of jobs created or retained.</p>

Assumptions	Grantees apply for salaries and stipends and the Distributing Agencies allocate funds for salaries and stipends when awarding grants to stimulate job creation and support job retention
Disaggregation of Beneficiaries (where applicable)	Target for Women: n/a Target for Youth: n/a Target for People with Disabilities: n/a
Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: n/a Reflect on the spatial impact area: n/a
Calculation type	Cumulative (year-end)
Reporting Cycle	Annually
Desired performance	Inclusive growth and job creation.
Indicator Responsibility	SM: BDD

Indicator Title	15. Percentage of applications adjudicated within 150 days.
Definition	150 days is the regulated time in terms of Regulation 3A(1)(a) in which an application received from the public should be adjudicated. This is aimed at ensuring that the NLC responds to applicants within a reasonable time. The additional control mechanisms implemented resulted in a risk-based approach for assessing funding applications. A 360-degree assessment has been introduced to complement the existing evaluation process, making it difficult to achieve the target. For 2025/26, the target is to adjudicate 80% of applications that are fully compliant and received a project number from 2024 call of applications. This is dependent on system (NLC 4.0) completion and is also dependent on the full DA's complement (11 DA's across the three sectors).
Source of data	150-days report of compliant applications.
Method of Calculation / Assessment	Date of adjudication by the Distributing Agency less the date of compliant application. Day one only commences once the project is fully compliant and receives a project number, less number of days without the full complement of the DA's (11 DA's), and less the number of days awaiting verification and validation from the API's partners. Percentage adjudicated= X Date project adjudicated= a Date project number allocated= b Days no full DA's + days for APIs to run= c Number of applications adjudicated during the period= d $X = \frac{(a-b-c)}{d} \times 100$
Means of verification	Date stamp on compliant application and the Distributing Agency Adjudication Sheet.
Assumptions	Adequate capacity to adjudicate the applications in the form of fully appointed Distributing Agency members and the new system capability. RBF applications are excluded from the regulation 3(A).
Disaggregation of Beneficiaries (where applicable)	Target for Women: n/a Target for Youth: n/a Target for People with Disabilities: n/a

Spatial Transformation (where applicable)	Reflect on contribution to spatial transformation priorities: n/a Reflect on the spatial impact area: n/a
Calculation type	Cumulative (year-end)
Reporting Cycle	Annually
Desired performance	Ensuring timeous adjudication of applications received. Red tape reduction and improve service delivery
Indicator Responsibility	COO