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Department:  
Trade, Industry and Competition  
REPUBLIC OF SOUTH AFRICA

## **THE NATIONAL ASSEMBLY**

### **QUESTION FOR WRITTEN REPLY**

#### **QUESTION NO. 2408**

**Mr M M Gasa (MK) to ask the Minister of Trade, Industry and Competition:**

- (1) What are the reasons that his department permits the unchecked proliferation of online gambling, particularly sports betting, when it is clear that the practice is preying on the most vulnerable citizens, turning desperation into addiction rather than offering legitimate economic solutions;
- (2) Given the explosive rise in gambling revenues, his department imposes any moral responsibility on the industry that generates trillions of rands in revenue while simultaneously fuelling widespread societal harm and driving millions further into poverty;
- (3) What are the reasons that there is no urgency within his department to completely overhaul the regulatory framework of the gambling industry, including immediate restrictions on gambling advertisements, to protect the youth and financially vulnerable populations from the devastating consequences of gambling addiction?

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#### **REPLY:**

- 1) Online (interactive) gambling is unlawful in South Africa in terms of section 11 of the National Gambling Act, 2004 (Act No. 7 of 2004). Online betting or wagering is lawful in South Africa and is offered by licensed bookmakers. Gambling is a functional area of concurrent national and provincial legislative competence with regards to casinos, racing, gambling and wagering as provided in Schedule 4 of the Constitution, 1996. Provinces issue gambling licences. Section 30 of the National Gambling Act imposes

on the Provincial Licensing Authorities (PLAs) responsibility to issue gambling licences and to monitor the licensees' compliance with the licence conditions and the Act.

The department is aware of the growing challenge of illegal online gambling in South Africa. There is also a challenge of illegal sports betting activities identified, wherein bookmakers are offering online gambling illegally. The National Gambling Board (NGB) is working closely in collaboration with law enforcement agencies to combat illegal gambling in the country, including unlawful online gambling. The collaborations include awareness campaigns. To strengthen initiatives, this matter will be discussed in the National Gambling Policy Council between Minister, the Members of the Executive Council (MECs) in the provinces, PLAs and the NGB.

- 2) The gambling industry plays a vital part in the economy, contributing significantly through revenue generation and job creation. Conversely, it also brings challenges, such as problem gambling and social issues, which require continued attention and responsive regulation. Provincial Licensing Authorities collect gambling revenues in the 9 provinces.

There is collaboration between **the dtic**, PLAs, the NGB and other institutions on issues of prevention of problem gambling through education and awareness programmes and workshops that take place annually in the nine provinces. The licensees (operators) contribute a certain percentage of their Gross Gambling Revenue (GGR) towards funding counselling and rehabilitation offered by the South African Responsible Gambling Foundation that works closely with the NGB.

- 3) Section 15 of the National Gambling Act, 2004 and Regulation 3 of the National Gambling Regulations, 2004 provides for gambling advertisement regulation, which ensures responsible advertisement that is not targeted at minors and vulnerable persons. To close the gaps in gambling advertising and its related negative impact on the vulnerable members of society, the comprehensive National Gambling Amendment Bill, 2016 was adopted by Cabinet in February 2016 and introduced in Parliament in August 2018 after undergoing legislative processes between 2016 and 2018. The Bill that was introduced had strengthened regulation on advertising to

prevent unsolicited short message services (SMS) and multi-media messaging services (MMS) intended on enticing people to gamble.

Due to time constraints at the time, the Portfolio Committee resolved to concentrate on matters that were considered to be urgent before the end of the term and reduced the Bill. The reduced Bill had lapsed during the dissolution of the sixth Parliament and has been resuscitated by the seventh Parliament. The issues of gambling advertising were in the comprehensive Bill. The department plans to revisit the remaining amendments not in the current Bill in Parliament, including issues of advertising restrictions.

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