



NATIONAL LOTTERIES COMMISSION

ANNUAL PERFORMANCE PLAN 2024/25- MID-TERM REVIEW

In the last year the National
Lotteries Distribution Trust
Fund raised an estimated
R1.2 billion for distribution
to good causes!



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Preamble

The National Lotteries Commission (NLC) has been facing a difficult time as it continues to deal with the issue of fraud and corruption, which has soiled its reputation. However, the NLC has successfully fulfilled its regulatory role by depositing funds into the National Lottery Distribution Trust Fund and using the lottery to create rags-to-riches stories.

In pursuit of excellence and guided by our unwavering commitment to the NLC mission, we embark upon this strategic planning journey to chart the course for our future endeavors. This annual performance plan demonstrates our commitment to our core values of accountability, excellence, integrity, ethical conduct, caring, and respect, as well as our vision of trusted enablers of social cohesion and nation-building that will have a long-term transformative and sustainable impact in the communities we serve. As we navigate the dynamic landscape of being a regulator and grant funder, we recognize the imperative to adapt, innovate, and enhance our capabilities. Through a collaborative and forward-thinking approach, we aim to position the NLC as a leader in regulating lotteries and grant making while upholding the highest standards of integrity, accountability and transparency.

The NLC's expertise in regulating lotteries and sports pools; and the implementation of its monitoring tools has been commendable as the integrity of the lottery has remained intact. The lottery must be conducted "with all due propriety" and safeguard the interests of every participant. Those charged with operating the lottery must be chosen and appointed with care and qualify as "fit and proper" persons. To ensure continuity and sustainability of the NLC, it is envisioned that the 4th National Lottery licence will take a centre stage in the new financial year of 2024/25. To this end, the process is at an advanced stage, following the process of the section 13 notice, wherein prospective applicants for the Fourth National Lottery and Sports Pools licence were briefed on the licensing process, the RFP document has since been made available to the interested parties.

The National Lotteries Commission is responsible for managing and distributing funds to support charity organizations, non-profit organizations (NPOs), and other good causes such as arts, culture, heritage and sports. The lottery is obligated to function with due regard to key constitutional and moral principles of accountability, responsiveness, and openness. Moreover, the lottery is there to execute the national agenda stated in the Preamble to the Constitution, which aims to improve the quality of life of all citizens and free their potential. Guided by the principles of transformation, inclusivity, and a dedication to service, we recognise the pivotal role of the NLC in the grant funding space. Our commitment to our grantees and the applicants remains steadfast, and this performance plan underscores our

pledge to meet their evolving needs with agility and foresight.

As we stand at the intersection of tradition and progress, we embrace the opportunities and challenges that lie ahead. This plan encapsulates our collective vision for the future, where NLC is not merely an organisation distributing funds but a dynamic force for positive change. Through our grant funding mandate, the NLC aims to be a significant driver of social cohesion and nation-building by channeling the lottery funds towards initiatives that unite communities, empower individuals, and contribute to the overall well-being of the nation. The NLC, through strategic investments in diverse projects that we fund, aims to harness the power of lottery funds to address social challenges and build a stronger sense of community and national identity. This initiative aligns with the broader vision of creating a positive and lasting impact on the social fabric of the nation.

The NLC's strategy remains focused on the board's three pillars: returning the NLC to its core mandate of regulation and grant making, as well as restoring its credibility; restoring governance and integrity with a zero tolerance for fraud and corruption; and rebuilding operational excellence. To restore the NLC's credibility and return it to its basic obligations of regulating and grant-making, the organization's mission and vision statements necessitated to be reviewed and enhanced to ensure they coordinate with the key mandates. To this end, they have been revised to more accurately represent the Commission's fundamental objectives and purpose.

The National Lotteries Commission continues to embark on laying down robust systems in place for evaluating grant applications, disbursing funds, and monitoring the impact of the grants provided. The grant application process is also being streamlined to make it more transparent, accessible, and efficient for potential grantees. This ensures that the funds are used effectively and for their intended purposes. Upholding ethical standards is crucial when managing and distributing funds. 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 all efforts are geared to analyse the efficacy in combatting fraud and corruption systematically. A combination of preventive measures and detection mechanisms have already taken center stage, as instruments such as the Anti-Bribery and Corruption Framework, fraud detection and prevention strategy are presently underway. Furthermore, to counteract the components of fraud and corruption, this strategy envisions the NLC maintaining its commitment to ethical standards and integrity by enforcing

a strict code of conduct for NLC employees and leaders that promotes ethical behaviour, honesty, and adherence to professional standards. The organisation will continue to implement systems to safeguard whistleblowers and encourage the reporting of any unethical or fraudulent activities.

In our ongoing commitment to transparency, accountability, and responsiveness, the NLC recognises the critical role that public and stakeholder feedback plays in influencing our operations. As part of our plan, we are reintroducing and reinforcing the "Indaba", a dedicated forum for meaningful dialogue and engagement. The Indaba will serve as an accessible and user-friendly platform for the public and stakeholders to share their perspectives, concerns, and suggestions regarding NLC operations and activities. This demonstrates our commitment to addressing public concerns in a timely manner and foster collaboration and ensure that diverse perspectives are considered in the decision-making process.

The NLC leadership continues to express a clear commitment to ethical behavior and integrity, both in words and actions, and consistently communicates to all staff members the importance of upholding organizational values and ethical standards. The leadership is embedding ethical principles and values into the organization's culture, ensuring that integrity becomes a fundamental aspect of the organization's identity and operations.

This APP is the result of extensive introspection, stakeholder engagements, and a comprehensive analysis of internal and external factors influencing our operations. It outlines our strategic priorities, initiatives, and performance metrics that will guide us over the medium-term towards realising our organisational objectives. Moreover, this APP is more than a roadmap; it is a commitment to the aspirations of those we serve and a blueprint for sustained success. With transparency, accountability, and a spirit of collaboration, we embark upon this journey, confident that our shared efforts will shape a future where the NLC is synonymous with excellence and positive societal influence.

WHO ARE WE?

The National Lotteries Commission (NLC) is a Schedule 3A Public entity that was established in terms of the Lotteries Act 57 of 1997, as amended, to regulate the National Lottery, Sports Pools and society lotteries, to raise funds for worthy causes.

The NLC is governed by a Board appointed by the Executive Authority. The Executive Authority of the NLC is the Minister in the Department of Trade, Industry and Competition.

WHAT DO WE DO?

ADVISE

The minister of Trade Industry and competition on policy matters relating to the National Lottery, sports pools and other lotteries.

DISTRIBUTE

A portion of the revenue from the National Lottery to good causes through the National Lottery Distribution Trust Fund (NLDTF)

REGULATE

The National Lottery and sports pools as well as other lotteries and sports pools



HOW DO WE DO IT

NLC exists to safeguard players and the wider public by ensuring that lottery and sports pools participation is credible

The main ways we do this by:

- Licensing the national lottery and sports pools operator
- Registering society lotteries and their schemes
- Setting out license conditions, codes of practice and approving game rules and regulations
- Carrying out compliance reviews for all lotteries and sports pools operators

- Working closely with the gambling industry to protect participants.
- Providing advice and guidance to players and the public
- Being the leading authority on lotteries related statistics

HOW DO WE FUND?

We fund projects the following categories under the Application Based Model;

- Arts, Culture, National Heritage and Environment
- Charities
- Sports and Recreation

The Research Based Model allows for planned and unplanned funding without having to lodge an application and is based on strategic partnerships with the NLC.



Executive Authority Statement

In an ever-evolving landscape, where challenges and opportunities continuously reshape our environment, it is essential that the dtic cluster remains agile, responsive, and committed to delivering on its mandate with excellence and integrity. It is within this context that NLC present the revised Annual Performance Plan (APP), which reflects our dedication to adapting to new government priorities, addressing emerging needs, and optimizing our resources to achieve the greatest possible impact.

The decision to revise the Annual Performance Plan was driven by a few key considerations. Firstly, we recognize that current socio-economic dynamics have shifted significantly, requiring a recalibration of our objectives and strategic focus areas. These adjustments ensure that our initiatives remain relevant and aligned with national priorities, particularly in strengthening our contribution to sustainable development and inclusive growth. The NLC, like many entities were requested to refine their goals as articulated in the core outputs strategic imperatives document, the intent is to better position the entity to address the needs of those we serve while maximising the impact of our resources.

Secondly, our revision process has provided an invaluable opportunity to incorporate feedback from our stakeholders and beneficiaries. The insights have shaped our approach, enabling NLC to fine-tune their programs to better meet the expectations and demands of our communities. This revised APP is thus more than just a strategic document; it is a testament to our commitment to accountability, transparency, and continuous improvement through elements such as red tape reduction.

Finally, the NLC has taken this opportunity to integrate new performance metrics that will address the effectiveness of the core outputs interventions and the government key three strategic priorities. As we move forward with the revised Annual Performance Plan, the NL reaffirm their commitment to the values that guide the organisation and to the objectives that are pursued with determination. I extend my gratitude to all the NLC family, stakeholders, and staff who have contributed to this critical process. Together, we will continue to work towards a future that embodies our collective goals, strengthens our impact, and achieves lasting outcomes for the benefit of the our communities and beneficiaries.



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

Accounting Authority Statement



As the global community tussles with various challenges from rising debt to bleak economic outlook, the domino effect of our interconnectedness and reliance on the other cannot be disregarded. These factors place additional stress on the economies of the developing countries, and our country and organisation are not immune to these pressures.

It is with this consciousness and against this backdrop that we develop strategies to regulate and invigorate the lotteries environment, and to redress the inequalities and imbalances that exist and persist in South Africa, in line with the national developmental agenda.

Delivering social justice is the premise upon which the National Lotteries Commission (NLC) is established. As a crucial role-player in the developmental agenda of South Africa, the NLC facilitates access to opportunity - particularly for those in society who are disenfranchised - through the execution of its mandate.

Translating the strategy to plan and action is the logical, yet at most times, missing link in our collective vision for the South Africa yearn to build.

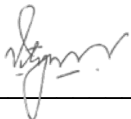
The Board of the NLC has cast a broad vision anchored on three pillars of returning the NLC to the focus of its core mandates by reinstating credibility, restoring governance, and building operational excellence.

While the measurement of the outcomes will take place over the medium-to-long term, we have worked to guide and collaborate with the executive leadership of the organisation to identify areas and methods that will see a ripple effect of impact on the nature of the organisation, its people, its culture, and ultimately – the manner in which we deliver services.

As we set out the outputs, indicators, and targets under the core programmes for the year, we do so with an appreciation that the NLC's ultimate shareholders are communities across South Africa, and that we are accountable to them.

This revised APP is presented as the tool and continuation by which our commitment will be measured, and the NLC is geared for the task. The diagnostic interventions spearheaded by the board have mandated the modifications in order to dissolve the ethical shortcomings, inefficiencies, and ineptitudes that have hampered services to our communities. We are resolute in the principles that govern us, and in the measures that have been implemented over the previous year to strengthen the quality of our outputs, while ensuring that the funds entrusted to the NLC by members of the lottery-playing public are protected and distributed fairly and equitably.

Over the course of the financial year, the Board will continue guiding the policy direction and strategic focus of the NLC, and it is our belief that despite past challenges, the roadmap is clear, and the organisation will live up to the promise of its purpose.



N Barney Pityana GCOB FKC MASSAf

CHAIRPERSON

20201030

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 takes into account 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 2024/2025 MTSF period.

Ms T Maharaj
Chief Financial Officer

Signed:



Mr C.K Mashego
Official Responsible for Planning (Acting)

Signed:



Ms J Scholtz
Commissioner

Signed:



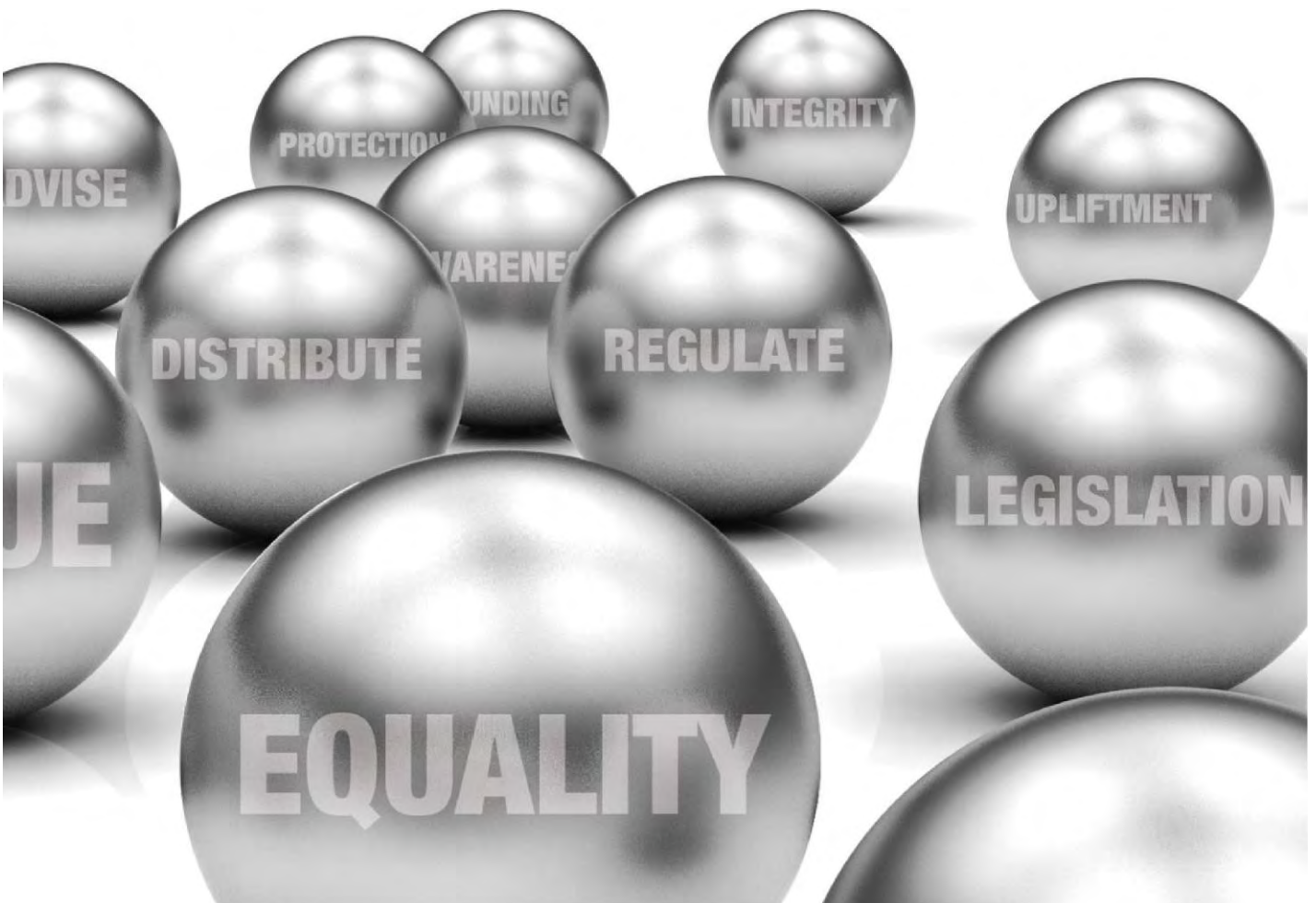
Approved by:

N Barney Pityana GCOB FKC MASSAf
Chairperson

Signed:

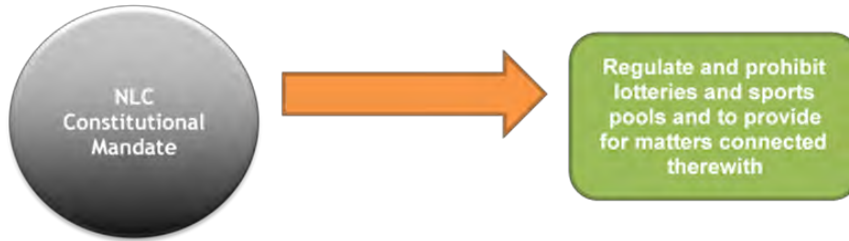


PART A: OUR MANDATE



PART A: NLC's MANDATE

1. Constitutional Mandate



The NLC has the sole mandate to regulate and prohibit 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. 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.

4. 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 line with its mandate, vision and mission, the NLC's formulation of programme activities and targets is aligned to the political, social and economic realities of South Africa. In particular, the NLC's role and functions as outlined in the Amended Lotteries Act places an obligation on the organisation to support (directly and indirectly) the electoral mandate of Government. 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 seven identified priority areas of government:

1. Education, skills and health
2. Economic transformation and job creation
3. Consolidating the social wage through reliable and quality basic services
4. Spatial integration, human settlements and local government
5. Social cohesion and safe communities
6. A capable, ethical and developmental state
7. A better Africa and world

The NLC is therefore driven by government policies on economic and social development. By effectively aligning with government priorities and the NDP, the NLC play a pivotal role in advancing social development, reducing poverty, and addressing unemployment in South Africa. This approach helps the organization fulfill its mandate and contribute to the well-being of the nation.

5. Relevant Court Rulings

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

- The National Lotteries Commission // Ithuba Holdings (RF) Pty Ltd – Part A of the Application petitioned to the Supreme Court of Appeal by the Operator and Review Part B matter ongoing pursuant to Section 10(2) and (3) of the Lotteries Act.

PART B: OUR STRATEGIC FOCUS



1. Updated Situational Analysis

1.1. External Environment Analysis

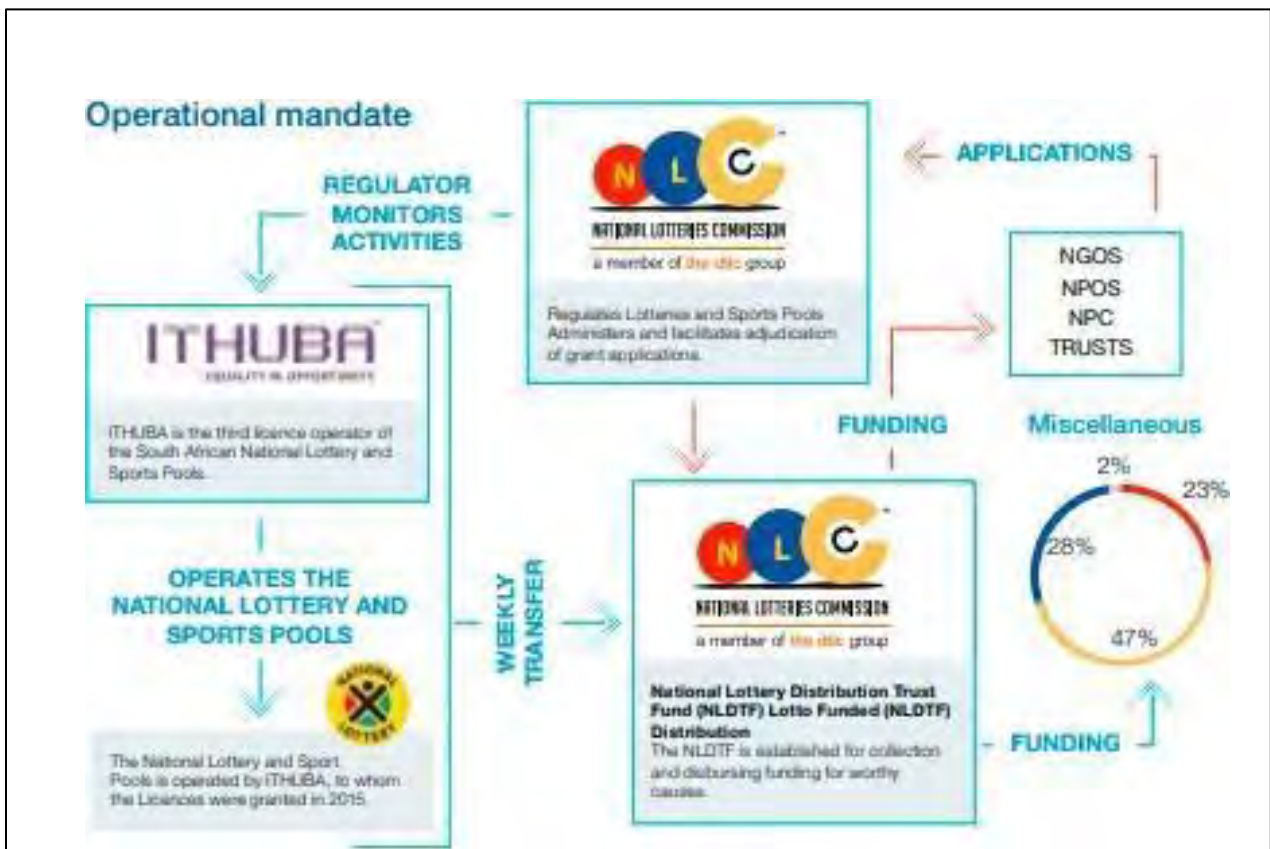
The NLC is a public entity established by Lotteries Act No. 57 of 1997 (as amended) to regulate the South African lotteries and sports pools industry. Primarily, the organisation was established to undertake the functions of:

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

The Lotteries Act (No. 57 of 1997, as amended) clearly defines the duties and responsibilities of the National Lotteries Commission (NLC) and requires the organization to support the national government's electoral mandate both directly and indirectly. The political and economic climate of the nation affects the NLC's business as it works to fulfill its vision and mission, which include, among other things, regulating all lotteries and sport pools with integrity, ensuring the protection of all lottery and sport pool participants, maximizing revenue for worthy causes in an ethical manner, and distributing funds fairly and quickly.

Overall, the NLC serves as a critical link between lottery operations and the broader social and economic development 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

Primarily, the organisation was established to undertake the functions of:

- Regulation of the National Lottery and other Lotteries
- Administration of the National Lottery Distribution Trust Fund (NLDTF)

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. Here is an overview of how these macro-environmental factors may impact the industry:

Political Factors:

Many national lotteries regulatory bodies face challenges related to ensuring fair and transparent operations within the lottery and gambling industry. Government regulations and policies can significantly impact the industry. This includes issues like licensing, taxation, and compliance requirements.

Public policy and perception play a crucial role. Changes in public sentiment and political attitudes towards gambling can result in regulatory changes. Political changes and shifts in public policy priorities can influence the direction of lottery funding; similarly, government priorities can influence the allocation of funds from lotteries to specific charitable and social causes, resulting in changes in funding distribution; for example, a change in government may result in a shift in funding priorities from one cause to another. Public opinion and trust can also have an impact on the industry, where

political scandals or controversies can erode public trust in lotteries, ultimately affecting revenue generation. To effectively navigate these political factors, the National Lotteries must engage with policymakers, maintain transparency, and adapt to changing political landscapes. Building positive relationships with government officials, regulatory bodies, and stakeholders is critical to ensuring the lottery industry's long-term viability and success.

Economic Factors:

The Lottery industry can be influenced by a range of economic factors that affect its revenue, profitability, and overall sustainability. Economic prosperity, or a country's overall economic health, can influence consumer spending on lottery tickets. During economic downturns, people may be less inclined to spend money on non-essential items such as lottery tickets. Furthermore, individuals' willingness to participate in lotteries is heavily influenced by the amount of disposable income they have. Lottery participation may decrease if disposable income is low. Unemployment also has an impact on the lottery industry, as people seek alternative ways to improve their financial situation. Low unemployment, on the other hand, can reduce the incentive to play. Rising inflation can also have influence on the real value of lottery winnings. Lotteries may need to raise prize amounts in some cases to keep players interested.

Lastly, the tax treatment of lottery winnings, both for players and the lottery operators, can influence participation and profitability. Tax policies can affect the attractiveness of lottery games. There is generally also a consumer's confidence element in the economy, essentially, consumer confidence in the stability of the economy can affect discretionary spending, including on lotteries. High consumer confidence may lead to increased ticket sales. It is essential to comprehend how shifting economic conditions impact player behaviors and earnings to keep the lottery sector viable and lucrative. Effective marketing strategies and conscientious gaming practices can also lessen the negative effects of economic downturns on the sector.

Social Factors:

The National Lotteries industry is influenced by a variety of social factors that affect consumer behavior, attitudes, and participation. These factors play a significant role in shaping the industry's success and its relationship with the public. Changes in the population's size, age distribution, and cultural diversity can have an impact on marketing strategies and lottery game target audiences. Individuals with diverse socioeconomic backgrounds may exhibit disparities in their disposable income and reasons for engaging in lottery gaming. Lotteries might have to accommodate a range of financial situations.

It is also possible that different generations have different views on gambling, with younger generations being more accepting of digital lottery platforms and online gaming. Participants' comfort levels with online lottery platforms may be impacted by social concerns about data privacy and the security of personal information. The influence of friends and family as well as the perceived social acceptance of lottery participation can either motivate or dissuade people from purchasing lottery tickets, understanding the motivations and behaviors of customers, such as what attracts them to specific games, is vital.

National Lotteries should be attuned to changes in societal attitudes, engage in responsible gaming initiatives, communicate their contributions to charitable causes, and adapt marketing strategies to align with evolving social norms. Additionally, maintaining transparency and building public trust are essential for the long-term success of the industry.

Technological Factors:

Technological factors play a significant role in shaping the industry, impacting various aspects of operations, marketing, and player experiences. The growth of online and mobile gaming has transformed the industry. Companies must adapt to technological changes and invest in digital platforms. The industry relies on data and analytics for marketing, customer profiling, and fraud prevention. Lotteries may experiment with emerging technologies like the Internet of Things (IoT) to create innovative lottery experiences, such as connected home devices that facilitate ticket purchases. Ensuring that lottery platforms are compatible with a range of devices and operating systems is vital to reach a broad audience.

In an increasingly digital and connected world, National Lotteries must comprehend and adjust to these technological factors if they hope to maintain their competitiveness, improve player experiences, and guarantee the security and integrity of their operations.

Environmental Factors:

Environmental factors, while not typically as prominent as economic or technological factors, can still have an impact on the Lotteries industry. Since traditional paper lottery tickets and marketing materials involve the production and waste of paper, they have an impact on the environment. By utilising sustainable materials, certain lotteries have made efforts to lessen their impact on the environment. Environmental elements like carbon emissions and traffic congestion may be exacerbated by the distribution and transportation of lottery tickets to retailers as well as the movement of players to make ticket purchases.

Depending on where they are, land-based casinos and lottery outlets may be subject to environmental regulations or challenges. Although not the National Lotteries industry's main focus, environmental

factors are becoming more and more significant as society's attention to sustainability and ethical behaviour increases. Lotteries that consider and tackle these elements have the potential to enhance their public perception and be consistent with environmental principles.

Legal Factors:

Legal factors have a significant impact on the lottery as they define the regulatory framework within which lotteries operate. These legal factors vary from one country to another, but common legal considerations include licensing and regulation, taxation laws, age restrictions to name just a few. For the industry, adhering to national and international laws is crucial. The increasing prevalence of online lottery and gambling platforms has led to the evolution of laws addressing various aspects of online gaming, such as player protection and jurisdiction. Legal problems can affect the lottery industry and its reputation. These can include lawsuits and challenges to lottery operations. The way lotteries function as state monopolies or in a competitive market with private operators is determined by the legal frameworks in place. Both models coexist within the same jurisdiction in certain instances.

Lotteries are required by law to adhere to responsible gaming regulations, which may include sponsoring programmes for addiction treatment, giving player information, and encouraging responsible gaming practices.

Global Factors:

International Expansion: Many gaming companies look to expand globally. International trade regulations and global economic conditions can influence expansion strategies.

Health and Safety Concerns:

Pandemics: Events like the COVID-19 pandemic had a profound impact on industry. Health and safety concerns, as well as government restrictions, can significantly affect operations.

Competition and Market Consolidation:

The industry has seen significant market consolidation and increased competition, both from traditional players and newcomers, which can impact market dynamics.

Technology Advancements:

Advancements in technology such as blockchain, augmented reality (AR), and virtual reality (VR) are creating opportunities for innovation in gaming and lotteries.

Application of the PESTEL Framework to analyze pertinent factors from the perspective of the NLC

PESTLE Theme		Current Factor	Forward-looking how can NLC align/adapt/leverage	Strategic Implications (L/M/H)
Political	O	<ul style="list-style-type: none"> South Africa has a modern constitution with institutions such as the Constitutional Court to enforce adherence to the constitution. NLC is legislated and has clear mandate and policy 	Leverage on the existing political goodwill and legislation and policy to make a social and economic impact to the South Africa communities	Medium
Economical	T	<ul style="list-style-type: none"> Declining confidence in the capacity of the state's ability to provide fundamental services Legitimate protests by citizens over poor service delivery, causing violence and looting Corruption 	Align to its legislative and policy directives, which involve conducting comprehensive research on deserving charitable initiatives, aiming to reduce the possibility of funding corruption	High
Social	O	<ul style="list-style-type: none"> The interlocked nature of the SDGs, the AU Agenda 2063 and the NDP, allow for the developmental contributions made by the NLC to have global, continental and national resonance 	Align grant funding to SDGs, AU Agenda 2023 and NDP to contribute to job creation, rural development, infrastructure development, promoting wellness and social cohesion.	High
Technological	T	<ul style="list-style-type: none"> Declining household income disposable income High unemployment rate – 32.7% Hike in inflation and interest rates – declining GDP 	Align to dtic strategic priority of building mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic development objectives	High
Environmental	O	<ul style="list-style-type: none"> Huge appetite for sports Rich arts, culture and heritage 	Leverage the huge appetite for sports and sports betting to maximise revenue.	Medium
	T	<ul style="list-style-type: none"> Alcohol and drug abuse The Surge of Violent Crimes, Inclusive of Gender-Based Violence and mass shootings Increasing emigration 	Align with government priorities regarding of social development and social upliftment.	Medium
Legal	O	<ul style="list-style-type: none"> High adoption with respect to new technologies: The artificial intelligence phenomenon, Big data adoption by businesses, Cryptocurrencies wave 	Establishment of the PC4IRto focus on amongst others infrastructure and resources, human capital and future of work that will impact NLC mandate	High

Current trends in Lottery and Gaming Industry

The lottery and gaming industry is dynamic and subject to ongoing changes driven by technological advancements, regulatory developments, and shifting consumer preferences to name just a few. The lottery and gaming industry is undergoing a significant digital transformation, these include the growth of online lotteries, mobile gaming apps, and internet-based gambling platforms. Players increasingly prefer the convenience of participating in lottery games and gambling from their computers and mobile devices.

The adoption of mobile payment solutions is equally growing, making it easier for players to deposit and withdraw funds while enhancing security. Some lotteries and gaming operators are exploring the use of cryptocurrencies and blockchain technology for transactions and transparency. It is widely reported that blockchain can enhance the security and integrity of lottery games and online gambling.

In the regulatory space, there is a growing emphasis on responsible gambling and player's protection. Regulatory bodies and operators are implementing measures to prevent addiction, such as self-exclusion programs and mandatory limits on deposits and bets. To draw in a wider range of players, including younger ones, the industry is implementing novel gaming structures and experiences. In lottery and gaming products, skill-based games and gamification components are becoming more prevalent, creating an enormous problem for regulators to protect the players. Regulators and operators are increasingly using data analytics to understand player behavior and preferences. This data helps in offering personalised experiences, promotions, and game recommendations, and often aids in preventing compulsive gambling.

In a technologically rapid environment, it is not always smooth sailing as behind every opportunity lies challenges. Sports betting continues to expand globally, with an increasing focus on in-play and mobile betting. Esports betting is also growing as competitive gaming gains mainstream recognition, threatening the same space of lottery players. However, regulatory frameworks are evolving in many regions, some countries are removing or loosening their gambling laws to capture tax revenue and better regulate the industry, whilst others are on course to impose stricter controls.

Some lotteries are forming international collaborations, allowing players from different countries to participate in shared jackpot draws. This can lead to larger jackpots and increased excitement. However, it is crucial to conduct thorough risk assessments to understand the potential challenges and benefits of international participation. Factors such as currency exchange, political stability, and legal compliance should be considered and pose a potential risk both for regulators and players.

To this end, many regulators and operators are adopting environmentally responsible practices and social initiatives to contribute positively to the communities they serve. These include green gaming

practices and support for charitable causes. These trends are shaping the future of the lottery and gaming industry, offering new opportunities for regulators, operators and an evolving landscape for players. In the current economic climate, opportunities can be found in the form of state subsidies, higher minimum wages, and the reintegration of some individuals into organizations that had scaled back during the peak of the global health crisis, leading to an increase of lottery and gaming participants. Staying updated on these trends is crucial for businesses in the sector to remain competitive and compliant with changing regulations.

According to the experts in the sector, the lottery industry is expanding through usage of computerized systems for lotteries and gaming accounts for a significant amount of its current and potential future growth. Perhaps the most likely to bring about constructive disruptions in the way the lottery industry operates is the technology environment. With the use of big data analytics, lottery operators can now make more informed judgments thanks to these technological advancements, which can also boost the lottery industry and the player experience at various lottery platforms.

However, extreme weather and poor air quality are two further risks posed by the ecological environment. The floods that recently ravaged numerous places, in the context of South Africa, were particularly a direct result of the extreme weather compounded by the global climate change. South Africa, like many other nations, recognizes the significance of green jobs and the potential they hold for the nation's future. The pursuit of preserving the environment and alternative energy sources in South Africa aligns with the nation's environmental protection goals and offers numerous social and economic benefits. It's an evolving field with great potential to shape the future of the country, reduce environmental impact, and provide sustainable employment opportunities.

Lastly, on the legal front, a strong and respected legal system, along with effective legislative oversight, is indispensable for the NLC to fulfill its mission of funding good causes in society with integrity and accountability. It provides a solid foundation for good governance, regulatory compliance, and the protection of beneficiaries and stakeholders. All these factors are crucial for the NLC to consider as we embark on a journey of a new strategic direction for the upcoming financial year.



The emerging trends in the form of a shift from traditional modes of physical draw-based games to the virtual ones in the United Kingdom (UK) online lottery market is also evident in the South African market.

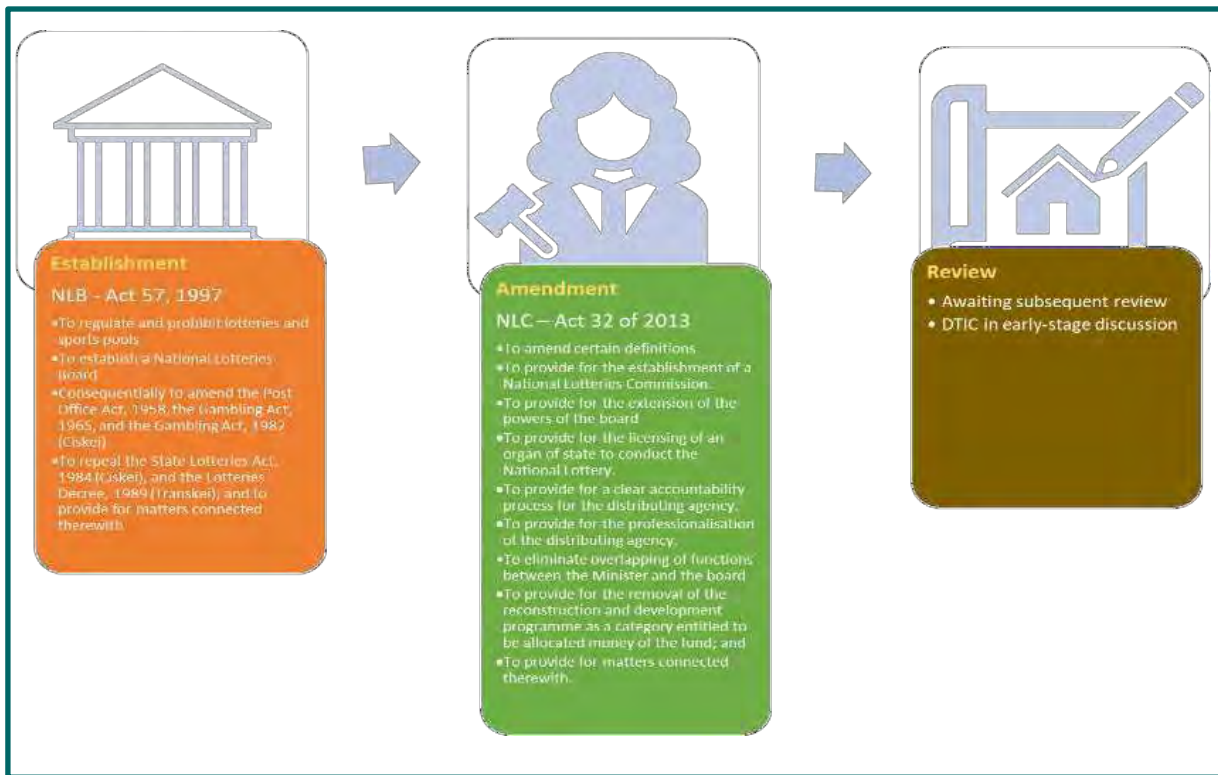
- Organisational Environmental Analysis 2023/24.

The regulatory role of the NLC – amendment of the Lotteries Act 57 of 1997

The NLC was established in terms of the Lotteries Act 57 of 1997. The Act was enacted to regulate and prohibit lotteries and sports pools; to establish a National Lotteries Board; consequentially to amend the Post Office Act, 1958, the Gambling Act, 1965, and the Gambling Act, 1982 (Ciskei), and to repeal the State Lotteries Act, 1984 (Ciskei), and the Lotteries Decree, 1989 (Transkei); and to provide for matters connected therewith.

Act No. 32 of 2013: Lotteries Amendment Act, 2013 was gazetted on 14 April 2015 to amend the Lotteries Act 57 of 1997, so as:

- to amend 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 professionalisation 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.
- to provide for matters connected therewith.



The role of the Executive Authority [Department of Trade, Industry and Competition (dtic)]

The impact of the dtic strategic outlook on the mandate and operations of the NLC

The mission of the Department of Trade, Industry and Competition (the dtic) is to promote structural transformation, towards a dynamic industrial and globally competitive economy; provide a predictable, competitive, equitable and socially responsible environment, conducive to investment, trade and enterprise development; broaden participation in the economy to strengthen economic development; and continually improve the skills and capabilities of the dtic to effectively deliver on its mandate and respond to the needs of South Africa's economic citizens.

The Department's strategic objectives are to: facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation; build mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic development objectives; facilitate broad-based economic participation through targeted interventions to achieve more inclusive growth; create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner; and promote a professional, ethical, dynamic, competitive and customer-focused working environment that ensures effective and efficient service delivery.

In line with the dtic's strategic outlook and its impact on the NLC operations, the institutional legislative mandate entails:

- Ensuring that the National Lottery and sports pools are conducted with all due propriety and strictly in accordance with the Constitution, the Lotteries Act, all other applicable laws 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.
- Conducting research on worthy 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.
- Inviting applications for grants from worthy causes in the prescribed manner, upon request by the Minister, Board or on its own initiative in consultation with the Board.
- Promoting public knowledge and awareness, developing, and implementing educational and informational measures to instruct the public on the lotteries and provisions of the Lotteries Act, as amended, and educating the public by detailing the process, requirements and qualifications relating to the application for grants in terms of the Act.
- Managing staff, and its financial, administrative, and clerical functions.
- Exercising any other function as delegated or directed by the Minister or the Board.

Alignment of the dtic and the NLC strategic objectives with national development priorities

The National Development Plan (NDP) is implemented through 5-year implementation plans that are consolidated into the outcomes of the Medium-Term Strategic Framework (MTSF). The South African government is in the second full year of implementation of the Medium-Term strategic Framework 2019-24. The work of the dtic is guided by Priorities 2 and 7 of the MTSF which covers economic transformation and job creation, and a better world and Africa. In addition, the dtic's work programme is informed by the Re-imagined Industrial Strategy and the Economic Reconstruction and Recovery Programme (ERRP), while the State of the National Address (SONA) by the President highlights specific priorities for the coming financial year. The following figure provides a graphical illustration of how these frameworks collectively guide the department's prioritisation of objectives and the associated 'levers' to be used to ensure achievement of the apex priorities.



The dtic has two key strategic objectives:

i. Building Dynamic Firms

Dynamic firms create decent jobs, pay tax revenue, provide career paths for workers, are resilient to the rapidly changing economic conditions, and inject entrepreneurial dynamism in and across value-chains. The dtic will facilitate the conditions for the emergence of dynamic firms and will provide the requisite support for established firms to become more dynamic and resilient. In this regard the dtic:

- strengthens partnerships with the private sector, focusing on opportunities;
- supports growth in the domestic market, including through localisation efforts;
- cultivates a wider export market, especially in Africa; and
- implements supply side measures to build competitiveness.

ii. Building Economic Inclusion

The dtic's focus on economic inclusion is essential to increase the growth potential of the South African economy as deeply inequitable economies tend to grow slower than countries with a more equitable distribution of wealth. As a result, the dtic:

- addresses structural challenges to growth primarily, through competition policies; and
- strengthens the inclusivity and transformative quality of growth, including broadening ownership and more inclusive corporate governance models.

In line with its mandate, vision and mission, NLC's formulation of programme activities and targets is aligned to the political, social and economic realities of South Africa. In particular, the NLC's role and functions as outlined in the Amended Lotteries Act place an obligation on the organisation to support (directly and indirectly) the electoral mandate of Government. From a strategic perspective, the government's priorities provide a major opportunity for the NLC within the disciplinary context of social development and upliftment. This includes addressing unemployment and alleviating poverty as aligned to the NDP. The NLC is therefore driven by government policies on economic and social development.

Latest developments in the lotteries market

Globally, the increasing acceptance and popularity of the lottery in general has resulted in the creation of a whole different form of gaming on the Internet of which South Africa is no exception in this paradigm shift. The rise in consumer choice for online lottery is propelled by faster internet connectivity, which permits operators to stream various events from around the world, allowing the consumers to bet on several games of chance including the lottery. Furthermore, although the lotteries are characterised by relatively higher odds of winning, they offer a high return on low investment as compared to other games of chance. As result, a large group of individuals are attracted by the rewards and invest accordingly to participate in these games.

Improved Internet Connections, Advances in Security, Encryption and Streaming Technology

The unprecedented growth opportunities in online games of chance have compelled online vendors to improve the security and reliability of online betting platforms which also resulted in the popularity of online lotteries across the globe.

Improved security and reliability in the form of advanced encryption and banking technology has further addressed concerns about banking security while conducting any kind of transaction over the Internet resulting in punters playing securely and confidently online. To further ensure the integrity of online software platforms for online betting and conducting transactions, international regulatory bodies and independent auditing companies conduct regular auditing and other security evaluation measures.



Europe holds a major share in the global lottery market

The rapid technological advancements in European countries have indeed played a significant role in changing consumer preferences from traditional physical draw-based lottery games to virtual online versions. Europe has witnessed widespread access to high-speed internet and a tech-savvy population. This environment has made it conducive for the adoption of online activities, including online lottery gaming. It's important to note that while online lotteries offer convenience and entertainment, they also present challenges related to responsible gaming and consumer protection. Regulatory bodies play a vital role in ensuring that online lottery operators adhere to legal and ethical standards, promoting fair play and safeguarding the interests of participants.

The shift from traditional to online lottery gaming in Europe is part of a broader global trend where technological advancements and changing consumer preferences are reshaping the landscape of the gambling and entertainment industries. This evolution requires a balance between promoting innovation and ensuring responsible and safe gaming practices.

Global Online Lottery Market - Market Size, by Region, 2019



IT'S NOT JUST A LOTTERY TICKET



IT HAS HELPED THE NLC TO DISTRIBUTE
OVER 30 BILLION TO GOOD CAUSES SINCE 1999.

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The National Lottery's commitment to staying informed about developments and trends in the lottery market is crucial for its continued success. The global lottery market is indeed highly competitive and dynamic, which demands constant adaptation, innovation, and creativity. Lottery regulators, like the NLC, should be forward-thinking and creative in designing new games and experiences to capture the interest of the market and stand out in a crowded field. By keeping up with technological advancements, embracing innovation, and being responsive to changing market dynamics, the NLC and similar organizations can remain competitive and continue to generate revenue for good causes and initiatives in their respective regions.

Impact of technology in the regulation of the lottery industry

Technological advancements create a challenge for regulators and policy makers particularly in the gaming industry including the National Lottery. Since the legalization of gambling in South Africa in 1996, the gambling industry has grown and evolved substantially. Technological advancements on existing forms of gambling and new forms of gambling have emerged and have created challenges for regulators and policy makers to effectively regulate the gaming industry. This has been shown by certain forms of illegal gambling that have been persistently growing in popularity.

The influence of information technology in the gaming environment including the lottery is shown in research where nearly half of the participants in the National Lottery Participants and Attitudes Survey in South Africa (2019) believe that information technology enhances participation in the lottery.

Entrance of New Gaming Modes

The entrance of new gaming modes in the gaming and the lottery industry had a considerable impact on the National Lottery market share and in the games of chance industry. As a result, the National Lottery experienced a shrinking and stagnant market share. This was further confirmed by studies that show that the decline in the sale of lottery tickets is due to growing competition. The National Lottery competitors include bookmakers and betting operators that accept wagers on the outcome of the National Lottery as well as other international lotteries or similar games that offer higher prizes compared with the pay-out by the National Lottery. Until the issue around the direct National Lottery competitors is adequately addressed by the NLC, the competition from the operators will continue to restrain the growth of the National Lottery. However, due to an increase in online ticket sales, there was 0.7 % change from 2019 to 2021.

National Lottery (R millions)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2017-21 CAGR
GGR	2 355	2 297	2 280	2 213	2 980	2 990	3 010	3 030	3 050	3 080	
% change	2.9	-2.5	-0.7	-2.9	34.7	0.3	0.7	0.7	0.7	1.0	0.7
Contribution to NLDTF from ticket sales	1 600	1 562	1 550	1 073	1 372	1 380	1 380	1 390	1 400	1 410	
% change	-4.2	-2.4	-0.8	-30.8	27.9	0.6	0.0	0.7	0.7	0.7	0.5

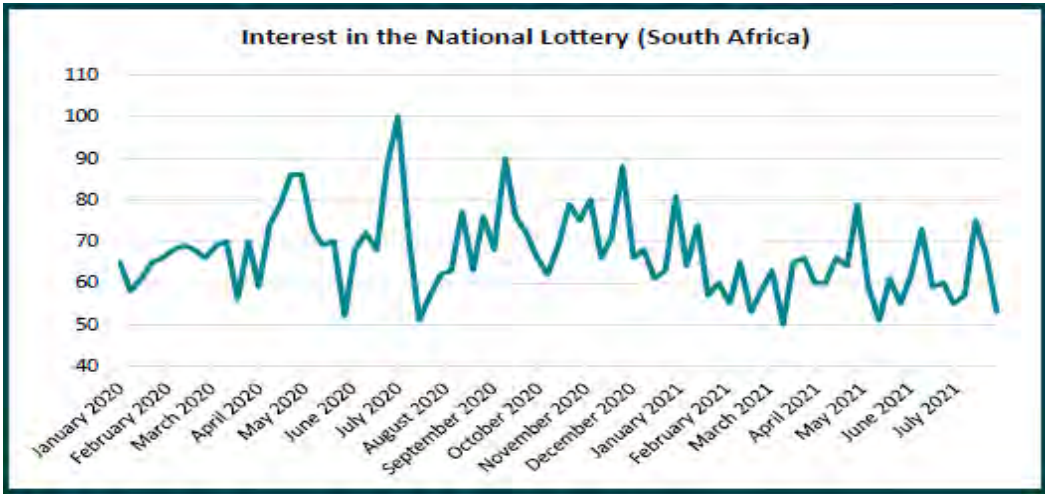
Sources: National Lotteries Commission, PricewaterhouseCoopers LLP, Wilkofsky Gruen Associates

Attitudes and Perceptions Towards the National Lottery and Other Games

The last study that was conducted by the NLC commissioned in 2018 has shown that the poor odds of winning National Lottery games as compared to other competing and illegal games appeared to be the major drawback associated with National Lottery. More specifically, the odds of winning large jackpot prizes are seen to be extremely slim compared to other games that directly compete with the National Lottery Games.

Besides the poor odds of winning associated with the National Lottery games, it was further revealed from the study that there is a general lack of trust towards the National Lottery system by the communities. The apparent skepticism against the National Lottery system stems from the methods that are used to draw the lottery winning numbers. The methods involved in the process are seen to be non-transparent and raise a lot of suspicion leading to the belief that the lottery winning numbers are in some way being manipulated. This view was expressed by lotto players and non-players who are of the opinion that the lottery system is designed to generate more revenue for the NLC than to allow for more winners.

It appears from Big Data analyses that during the period January 2020 to October 2020 there was an increasing consumer interest in the National Lottery whereafter interest decreased during the period November 2020 to July 2021. This consumer interest pattern with respect to the South African National Lottery can be explained by a complex mix of lockdown, economic growth, employment, and consumer finance factors. However, the bulk of these factors are underlying or non-proximate predictors of interest in the National Lottery with the proximate predictors being the pay-off issues mentioned in the preceding discussion.



Review of the NLC study – the NLC stakeholder perceptions survey

There are numerous strategic outflows that emerged from the findings of the study that was conducted by the NLC during 2021. Some of the most salient strategic outflows that should be considered by the NLC from the recent NLC stakeholder perception survey include:

a. The NLC regulatory function

There was view of a broad lack of awareness regarding the regulatory function of the NLC, necessitating more proactive education to increase public awareness of this crucial role in ensuring that the interests of all participants in the National Lottery are adequately protected. In addition, a decentralised approach, to the regulatory function of the NLC, will empower provincial managers to assist the general public with enquiries. Such a drive will improve the quality and turnaround time of service delivery across all areas of operation of the NLC.

b. The NLC Communication

To optimize transparency and build staff morale, excellent internal communication is required to ensure that staff feel included and experience a sense of belonging. This will contribute to productivity and efficient service delivery as a positive workforce will strive for excellence.

c. Grant application process

The grant application process should be as accessible and simple as possible. Having the application forms available in a selection of South African national languages, in an online and hard copy format, will be favourably received. There is a need for feedback to applicants during the period they await the result of their application as this will create transparency and contribute to improved service delivery. The need for more support by the NLC during the application process was expressed, especially in the rural areas.

d. Discretionary grants

The negative view held particularly by external stakeholders regarding discretionary grants for worthy good causes, requires reviewing and subsequent communication providing clarity regarding the decisions taken concerning this matter.

e. The NLC standard of service delivery

The same high standard of service delivery across all provincial branches should be encouraged.

f. The NLC technological advancement

It was recommended that a forward-looking technology approach is adopted by integrating innovative platforms in all operational areas of the NLC where it adds value.

Ultimately, by tailoring the framework and these principles and concepts to the NLC's specific context and needs, the organization can effectively navigate the complex and evolving landscape of the lottery industry while fulfilling its commitment to supporting good causes and contributing positively to society. The following 8 strategic themes and 8 strategic outcomes serve as overarching areas of focus that will guide the NLC strategic planning and decision-making and provide a high-level framework to align various initiatives. These themes and outcomes provide a high-level framework that guides strategic planning and decision-making, ensuring that the NLC aligns its efforts with its mission and objectives while addressing the evolving needs and challenges in the lottery industry.

	Strategic Theme	Strategic Outcome
A	Social Cohesion	A sustainable and impactful civil society sector
B	Collaboration	Effective collaborative partnerships with diverse stakeholders, creating a unified ecosystem that drives innovation.
C	Improved Governance and Compliance	A credible and sustainable governance, risk management, and compliance practices
D	Strengthened Regulatory Monitoring	A credible and sustainable governance, risk management, and compliance practices
E	Risk	Effectively manage and mitigate risks associated with lottery operations while maximizing revenue generation for community development and social initiatives.
F	Modernisation	Innovative and technologically responsive systems and processes
G	Workforce Development	Cultivating a skilled, ethical, motivated, and diverse team
H	Improved Communication	An effective communication strategy that advocates for a transparent and efficiency

SWOT Analysis of the NLC based on some elements of the strategic themes

Strengths	Weaknesses
Improved Monitoring	
<ul style="list-style-type: none"> • Good framework and defined processes 	<ul style="list-style-type: none"> • Gap in the issuing of grants – resulting to funding non-real NPO
	<ul style="list-style-type: none"> • Limitations in proper monitoring and evaluation of grants
	<ul style="list-style-type: none"> • Data integrity (shortcoming not capturing important information such as ID numbers to enable the NLC to mitigate the exposure to risk)
	<ul style="list-style-type: none"> • System and process do not allow the relevant beneficiaries information to pick up - organisational inability to flag that information
	<ul style="list-style-type: none"> • Current application form is the root cause for incorrectly capturing of information
Improved Governance and Compliance	
<ul style="list-style-type: none"> • Improved Governance 	<ul style="list-style-type: none"> • Managing conflict of interest
Enhanced Regulation	
<ul style="list-style-type: none"> • Established strong brand 	<ul style="list-style-type: none"> • Lack of enforcement powers for regulating illegal lotteries
<ul style="list-style-type: none"> • Organisational competence 	
<ul style="list-style-type: none"> • Sole regulator in the industry 	
Collaboration	
<ul style="list-style-type: none"> • National footprint - ability to engage with stakeholders on educational awareness 	<ul style="list-style-type: none"> • Lack of guidelines when dealing with partnerships
<ul style="list-style-type: none"> • Established networks and stakeholders 	
Workforce Development	
<ul style="list-style-type: none"> • New board bringing new leadership 	<ul style="list-style-type: none"> • Disengaged and demotivated workforce
	<ul style="list-style-type: none"> • Lack of performance management systems, processes and environment
	<ul style="list-style-type: none"> • Misalignment in organisational structure
	<ul style="list-style-type: none"> • Low turnover – inability to attract new talent
Improved Communication	
<ul style="list-style-type: none"> • Established strong brand 	<ul style="list-style-type: none"> • Inefficient harvesting of the case studies
	<ul style="list-style-type: none"> • Lack of well documented educational awareness

Opportunities	Threats
Modernisation	
<ul style="list-style-type: none"> Use of Data mining to create meaningful reports 	<ul style="list-style-type: none"> Cyber security threats
<ul style="list-style-type: none"> Ability to use AL tools to go beyond sampling 	
Improved Communication	
	<ul style="list-style-type: none"> The Commission's Messaging - communication to the public as its agent be fine-tuned
Improved Governance and Compliance	
<ul style="list-style-type: none"> Rebuilding of the NLC 	<ul style="list-style-type: none"> Incorrect capturing of beneficiary information
<ul style="list-style-type: none"> Ability to be more proactive to deal with fraud and monitor all projects 	<ul style="list-style-type: none"> Ease of unauthorised individuals gaining access to confidential data
	<ul style="list-style-type: none"> Demographic challenges such as lack of infrastructure and accessibility in rural areas
Enhanced Regulation	
<ul style="list-style-type: none"> Ability to be more proactive to deal with fraud and monitor all projects 	<ul style="list-style-type: none"> Illegal lotteries
<ul style="list-style-type: none"> Enhanced operational efficiency 	<ul style="list-style-type: none"> Public perception of the lotto being rigged (misrepresentation)
<ul style="list-style-type: none"> Regulatory improvement 	
<ul style="list-style-type: none"> Proactive Funding 	
Collaboration	
<ul style="list-style-type: none"> Partnerships with corporate companies, academia and provincial partnerships 	
<ul style="list-style-type: none"> Collaboration with the Sport, Arts and Culture (SAC) Sector to foster an active, creative, winning and socially cohesive nation 	
Workforce Development	
<ul style="list-style-type: none"> Repositioning of the organisation 	<ul style="list-style-type: none"> Human Capital role is not defined
<ul style="list-style-type: none"> Hiring competent personnel 	<ul style="list-style-type: none"> Lack of subject expert matters
<ul style="list-style-type: none"> Willingness of the employees to change with the company 	<ul style="list-style-type: none"> Physical safety of employees is compromised
<ul style="list-style-type: none"> Training of employees and harnessing the right skills 	<ul style="list-style-type: none"> Lack of accountability amongst the organisation
<ul style="list-style-type: none"> Rebuilding of the organisational culture 	<ul style="list-style-type: none"> Complacency of people – not everyone is a progressive leader

PART C: MEASURING OUR PERFORMANCE



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The Dtic Impact Targets for the 2024/25 FY

During 2021, the Minister issued a directive to all entities in the dtic family to work on a set of "Joint KPI's" (J-KPI's). Initially, there were seven recognised areas that were consolidated into three broad integrated outputs. The joint indicators were further refined as Impact targets in the 2023/24 financial year.

The areas of concentration represent significant government initiatives that are detailed in the dtic's Annual Performance Plan. The NLC will contribute to the attainment of the Impact targets, and the required output is a report to the Executive Authority outlining the entity's actions and highlighting its contributions to the achievement of the dtic targets. The NLC contribution is succinctly summarized below:

CORE TARGETS	WHAT IT IS ABOUT	WHAT IS EXPECTED FROM THE NLC
Million Jobs Supported or covered by Master Plans	This output reflects the reach of the dtic group's interventions in terms of jobs. It is measured as the total number of permanent, full-time jobs in the firms and sectors that have received financial or non-financial support from the dtic group. It includes firms that have accessed dtic group financial support; are covered by a sector masterplan which is in implementation; are benefiting from partnership agreements such as the EEIP; are benefiting from trade measures such as tariffs, rebates or sector interventions such as the APDP; or are located in an SEZ.	Jobs supported from the NLC (NLDTF) funded projects across the sectors provided in the Lotteries Act.

SMMEs Supported	This output reflects the impact of interventions across the dtic group to support the SMME's	NLC's procurement is mostly from SMME businesses and therefore the support is already being rendered. Between October and March, at least 75 to the value of 70mil will be supported.
Million Jobs Supported or covered by Master Plans	This output reflects the reach of the dtic group's interventions in terms of jobs. It is measured as the total number of permanent, full- time jobs in the firms and sectors that have received financial or non-financial support from the dtic group. It includes firms that have accessed dtic group financial support; are covered by a sector masterplan which is in implementation; are benefiting from partnership agreements such as the EEIP; are benefiting from trade measures such as tariffs, rebates or sector interventions such as the APDP; or are located in an SEZ.	Jobs supported from the NLC (NLDTF) funded projects across the sectors provided in the Lotteries Act.
R30 Billion in support programmes administered by or in partnership with the dtic-group	This output reflects the value of financial support provided by the dtic group to enterprises. It is measured as the value of financial support approved (but not necessarily disbursed) by the dtic, IDC and NEF including grants, loans, and equity and export promotion funds. Also included in the definition are financial disbursements from competition settlements, disbursements by the Social Employment fund, and BEE- mandated funds such as the employment equity investment programme (EEIP). In addition, the IDC and NEF will contribute R24.2 billion to the annual target of R30 billion.	<p>NLC funding provided for projects through the NLDTF.</p> <p>An equitable spread of funding nationally by ensuring that funding against the budget is allocated quarterly as follows:</p> <p>Q1 – 10% of the available budget Q2 – 40% of the available budget Q3 – 60% of the available budget Q4 – 95% of the available budget</p>

<p>1000 Case studies of firms, workers, entrepreneurs, professionals, or communities impacted by the dtic measures: including 12 local films/documentaries telling the SA story</p>	<p>This output refers to production of 1 000 case studies of firms, workers, entrepreneurs, professionals or communities impacted by the dtic measures: including 12 local films/documentaries telling the SA story. The output will be measured through a simple count of the dtic success stories profiled by the dtic programmes and entities through written case studies, examples used in presentations, website highlights, advertising campaigns and social media platforms; as well as financing of 12 films that tell the SA story, including aspects of our painful history development of charging infrastructure.</p>	<p>NLC = 100 (25 per quarter)</p>
<p>52 Community Outreach Programmes by the dtic Group</p>	<p>This output refers to the undertaking of community outreach programmes by relevant programmes and entities within the dtic group. This entails:</p> <ol style="list-style-type: none"> 1. Community outreach sessions showcasing the range of government support and programmes available to SMMEs (which includes bringing the dtic, DFIs, SARS and CIPC and other relevant agencies. 	<p>90 education and awareness workshops conducted nationally.</p>
<p>Red tape reduction processes</p>	<p>Red tape is defined as non-essential procedures, forms, licenses, and regulations that add to the cost of dealing with government</p>	<p>Commencement of the process of review and amendment of the Lotteries Act and its Regulations.</p>

2. Institutional Programme Performance Information

Programme 1	Building operational excellence, innovation, and agility
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	MTEF Period		
				2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Workforce Development	Cultivating a skilled, ethical, and motivated team	A functional and trained workforce	1. Develop and implement the reskilling and upskilling interventions				Rescoping of the training interventions	Development and Implementation of the reskilling and upskilling interventions	Review the impact of the reskilling and upskilling programme	Monitor and track progress
		Creating positive work environment to boost employee morale	2. Implement the change management framework and the plan					Implementation of change management framework and the plan	Review the impact of Change Management initiatives.	
Improved communication and social cohesion	Improved stakeholder engagements	Education and awareness	3. Number of education and awareness engagements conducted nationally	20 stakeholder engagements focused on regulatory mandate conducted	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	Conduct 120 education and awareness engagements nationally	Conduct 150 education and awareness engagements nationally

Modernisation and improved processes	Red tape reduction Interventions A capable, ethical and developmental state	Driving effective digital transformation strategy	4. Phase 3 of the digital transformation strategy implementation plan is implemented.				Implement phase 1 and 2 of the digital transformation strategy	Implement phase 3 the digital transformation strategy	Monitor the implementation of the digital transformation strategy	Monitor the implementation of the digital transformation strategy
Modernisation and improved processes	A capable, ethical and developmental state Red tape reduction Interventions	Driving modernization to enhance business processes.	5. Review and redesign of business processes				Establishment of the modernisation project	Redesigning and mapping new business processes	Monitor the business review and enhance	Continuous process monitoring and enhancements
Improved governance and compliance	Reduce poverty and tackling the high cost of living	Optimise returns to good causes	6. Timely payment of grants					25% reduction in timelines for payment of grantees	70% of grants paid in line with the regulated 60 days timeframe	70% of grants paid in line with the regulated 60 days timeframe

Indicators, Annual & Quarterly Targets

Output Indicator	Annual Target	Q1	Q2	Q3	Q4
1. Develop and implement the reskilling and upskilling interventions	Development and Implementation of the reskilling and upskilling interventions	Develop a new learning and development plan through consolidation of divisional skills audit outcomes	Implement the reskilling and upskilling interventions for Grant Funding	Implement the reskilling and upskilling interventions for HCM	Implement the reskilling and upskilling interventions for Finance and report tabled to EXCO
2. Implement the change management framework and the plan	Implementation of change management initiatives in accordance with the framework and the plan	Implement targeted Change Management initiatives	Implement targeted Change Management initiatives	Implement targeted Change Management initiatives	Impact assessment report of Change Management initiatives.
3. Number of education and awareness engagements conducted nationally	Conduct 90 education and awareness engagements nationally	Conduct 40 education and awareness engagements nationally	Conduct 60 education and awareness engagements nationally	Conduct 75 education and awareness engagements nationally	Conduct 90 education and awareness engagements nationally
4. Phase 3 of the digital transformation strategy implementation plan is implemented	Implement phase 3 of the digital transformation strategy	Deployment of the NLC Core Grant Funding business solution	Institutionalisation of the NLC Core Grant Funding business solution and the ongoing development of other NLC functional solution	2 digital modules solution Implemented to improve operational efficiency	2 digital modules solution Implemented to improve operational efficiency
5. Review and redesign of business processes	Redesigning and mapping new business processes	Redesign and map new business processes for HCM, Internal Audit and Finance	Redesign and map new business processes for Regulatory Compliance, Operations (Marketing and Communications), ICT and Legal	Redesign and map new business processes for Commissioner's office and Company Secretariat to improve operational efficiency	Evaluate the impact of the redesigned processes and report to EXCO
6. Timely payment of grants	25% reduction in timelines for payment of grantees	N/A	N/A	20% reduction in timelines for payment of grantees from Q2 of 2024/25	25% reduction in timelines for payment of grantees from Q3 of 2024/25

Programme 2	Returning the NLC to its core mandate of regulatory compliance and reinstating its credibility
Purpose	To ensure that the trust and integrity of the lotteries and sports pools landscape is maintained through exercising our regulatory oversight for credible and sustainable lotteries and sports pools.

Strategic Theme	Outcome	Outputs	Output Indicators	Annual Targets						
				Audited / Actual Performance			Estimated Performance	MTEF Period		
				2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Strengthened regulatory monitoring	A capable, ethical and developmental state Reduce poverty and tackle the high cost of living	A fair and safe national lottery and sports pools	7. 100% of National Lottery and Sports Pools Licence conditions monitored	Compliance with Licence conditions monitored	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	Manage transition from the Third to the Fourth National Lottery and Sports Pools Operator	Compliance monitoring of the National Lottery and Sports Pools Licence conditions
Collaboration	A capable, ethical and developmental state.	Regulatory effectiveness and sustainability of the National Lottery and Sports Pools sustainability	8. National and Provincial Gambling Boards engaged to enhance collaboration on regulatory matters					Engage National and two Provincial Gambling Boards to enhance collaboration on regulatory matters	Engage seven National and Provincial Gambling Boards to enhance collaboration on regulatory matters	Collaborate with National and Provincial Gambling Boards on regulatory matters
Strengthened regulatory monitoring	A capable, ethical and developmental state Reduce poverty and tackle the high cost of living	A fair and safe national lottery and sports pools	9. The Fourth National Lottery and Sports Pools Licensing Process managed					Manage the Fourth National Lottery and Sports Pools Licensing Process	Compliance monitoring of the National Lottery and Sports Pools Licence conditions	Compliance monitoring of the National Lottery and Sports Pools Licence conditions

Indicators, Annual & Quarterly Targets

Output Indicator	Annual Target	Q1	Q2	Q3	Q4
7. 100% of National Lottery and Sports Pools Licence conditions monitored	Compliance monitoring of the National Lottery and Sports Pools Licence conditions	100% compliance monitoring of the National Lottery and Sports Pools Licence conditions	100% compliance monitoring of the National Lottery and Sports Pools Licence conditions	100% compliance monitoring of the National Lottery and Sports Pools Licence conditions	100% compliance monitoring of the National Lottery and Sports Pools Licence conditions
8. National and Provincial Gambling Boards engaged to enhance collaboration on regulatory matters	Engage National and two Provincial Gambling Boards to enhance collaboration on regulatory matters	Engage the National Gambling Board on regulatory matters	N/A (The Board will be engaged with the RFP process)	Engage one Provincial Gambling Board on regulatory matters	Engage one Provincial Gambling Board on regulatory matters
9. The Fourth National Lottery and Sports Pools Licensing Process is managed	Manage the Fourth National Lottery and Sports Pools Licensing Process	Manage the Fourth National Lottery and Sports Pools Evaluation Process	Manage the Fourth National Lottery and Sports Pools Evaluation and Adjudication Process	Manage the Fourth National Lottery and Sports Pools Licensing Process	Manage the Fourth National Lottery and Sports Pools Licensing Process

Programme 3		Returning the NLC to its core mandate of grant making and reinstating its credibility									
Purpose		Supporting a sustainable and impactful civil society sector to boost economic growth, inclusion and to enable meaningful transformation.									
Strategic Theme	Outcome	Outputs	Output Indicators	Annual Targets						2025/26	2026/27
				Audited / Actual Performance	Estimated Performance	MTEF Period					
				2020/21	2021/22	2022/23	2023/24	2024/25			
Social cohesion and nation-Building	Reduce poverty and tackle the high cost of living	Funding model aligned to the developmental needs of South Africa	10. Research and assessment of ECD programmes conducted				Conduct an impact evaluation assessment on small grants.	Conduct research and assessment on ECD programmes	Implement the recommendations from the assessment	Implement and monitor the revised programme	

Improved governance and compliance	A capable, ethical and developmental state	Assurance that NLDTF funds are utilised for the intended purpose	11. Strengthened monitoring of funded projects	1400 monitoring reports (site visit)	2500 monitoring reports	Complete 2000 Monitoring assessments	Complete 3000 Monitoring assessments	100% monitoring of eligible funded projects	100% monitoring of eligible funded projects	100% monitoring of eligible funded projects
	A capable, ethical and developmental state	Investing in the sustainability and functionality of funded organisations by transferring skills	12. Number of structured capacity building programs implemented nationally			Implement 4 structured capacity-building programs nationally	Review of the structured capacity-building & mentorship programme model	Implementation of 9 structured capacity building programs nationally	Implementation of 12 structured capacity building programs nationally	Implementation of 15 Structured capacity building programs nationally
	Reduce poverty and tackle the high cost of living Inclusive growth and job creation	Strengthened good governance model	13. Enforcement of a good governance to implement planned research-based budget allocation				Develop a governance model to implement Research-Based Model and approval by the board.	Allocation of 50% of the planned research-based funding budget	Allocation of 100% of the planned research-based funding budget	Monitor and track progress
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 grantees					3000 jobs created or retained by grantees	6500 jobs created or retained by grantees	8500 jobs created or retained by grantees
Social cohesion and nation building	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		90% of applications adjudicated within 150 days	80% of applications adjudicated within 150 days	100% of applications adjudicated within 150 days

Indicators, Annual & Quarterly Targets

Output Indicator	Annual Target	Q1	Q2	Q3	Q4
10. Research and assessment of ECD programmes conducted	Conduct research and assessment on ECD programmes	Develop the ToRs and advertise the bid	Appoint the service provider and commence research & assessment on ECD programmes	Conduct research and assessment on ECD programmes	Produce a report with recommendations to EXCO for noting
11. Strengthened monitoring assessments 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
12. Number of structured capacity building programs implemented nationally	Implement 9 structured capacity building programs nationally	Assessment and analysis of grantee capacity	Implement 3 structured capacity building programs	Implement 3 structured capacity building programs	Implement 3 structured capacity building programs
13. Enforcement of a good governance to implement planned research-based budget Allocation	Allocation of 50% of the planned research-based funding budget	Planning and Call for Proposal issued	Evaluation of the strategic partners	Advertise the call for the research-based funding	Evaluate and allocate 50% of the planned research-based funding budget
14. Number of jobs created or retained by grantees	3000 jobs created or retained by grantees.	N/A	N/A	1200 jobs created or retained by grantees.	1800 jobs created or retained by grantees.
15. Percentage of applications adjudicated within 150 days	90% of applications adjudicated within 150 days	N/A	N/A	90% of applications adjudicated within 150 days	90% of applications adjudicated within 150 days

Link to Key 3 Strategic Priorities- Institutional Programme Performance Information

Outcomes, Outputs, Performance Indicators and Targets

Strategic Theme	Outcome	Outputs	Output Indicators	Annual Targets					
				Audited / Actual Performance			Estimated Performance	Link to 3 Strategic Priorities	
				2020/21	2021/22	2022/23	2023/24	2024/25	NLC Contribution
Workforce Development	Cultivating a skilled, ethical, and motivated team	A functional and trained workforce	1. Develop and implement the reskilling and upskilling interventions				Rescoping of the training interventions	Development and Implementation of the reskilling and upskilling interventions	This indicator is inwardly focused as the NLC is going through a transition that involves modernisation and business process reengineering. This process necessitates training interventions to build competent workforce
		Creating positive work environment to boost employee morale	2. Implement the change management framework and the plan					Implementation of change management framework and the plan	This indicator is inwardly oriented since change management programs and cultural revitalisation must be given priority due to the NLC's transition
		Education and awareness	3. Number of education and awareness engagements conducted nationally	20 stakeholder engagements focused on regulatory mandate conducted	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	Linked to strategic priority 3 - A capable, ethical and developmental state by engaging our stakeholders on the primary and secondary mandate of the NLC. These engagements also reduce red tape as our applicants are taken through the grant funding processes and the entire value chain. Equally, the engagements focus on the aspects and processes of regulatory compliance
Improved communication and social cohesion	Improved stakeholder engagements	Education and awareness	3. Number of education and awareness engagements conducted nationally	20 stakeholder engagements focused on regulatory mandate conducted	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	Linked to strategic priority 3 - A capable, ethical and developmental state by engaging our stakeholders on the primary and secondary mandate of the NLC. These engagements also reduce red tape as our applicants are taken through the grant funding processes and the entire value chain. Equally, the engagements focus on the aspects and processes of regulatory compliance

Modernisation and improved processes	Red tape reduction Interventions A capable, ethical and developmental state	Driving effective digital transformation strategy	4. Phase 3 of the digital transformation strategy implementation plan is implemented				Implement phase 1 and 2 of the digital transformation strategy	Implement phase 3 the digital transformation strategy	This directly enhances customer experience by reducing red tape, eliminating inefficiencies, and implementing controls that support the development of a capable, ethical, and progressive state
Modernisation and improved processes	A capable, ethical and developmental state Red tape reduction interventions	Driving modernization to enhance business processes.	5. Review and redesign of business processes				Establishment of the modernisation project	Redesigning and mapping new business processes	This directly enhances customer experience by reducing red tape, eliminating inefficiencies, and implementing controls that support the development of a capable, ethical, and progressive state
Improved governance and compliance	Reduce poverty and tackling the high cost of living	Optimise returns to good causes	6. Timely payment of grants					25% reduction in timelines for payment of grantees	Linked to strategic priority 2 - Reducing poverty and tackling the high cost of living, through timely grants disbursements from the NLC, the grantees are able to implement funded projects which have an impact in communities and reduces poverty and aid in driving a developmental state and reducing red tape

Programme 2	Returning the NLC to its core mandate of regulatory compliance and reinstating its credibility
Purpose	To ensure that the trust and integrity of the lotteries and sports pools landscape is maintained through exercising our regulatory oversight for credible and sustainable lotteries and sports pools.

Strategic Theme	Outcome	Outputs	Output Indicators	Annual Targets					
				Audited / Actual Performance			Estimated Performance	Link to 3 Strategic Priorities	
				2020/21	2021/22	2022/23	2023/24	2024/25	NLC Contribution
Strengthened regulatory monitoring	Reduce poverty and tackle the high cost of living A capable, ethical and developmental state	A fair and safe national lottery and sports pools	7. 100% of National Lottery and Sports Pools Licence conditions monitored	Compliance with Licence conditions monitored	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	Linked to strategic priority 2 - Reduce poverty and tackle the high cost of living, through generating funds from the National Lottery and Sports Pools to fund good causes; and Linked to strategic priority 3 - A capable, ethical and developmental state by simplifying regulatory processes that can make it easier for regulated entities to fulfil their objectives of raising funds to support good causes, together with reducing red tape
Collaboration	A capable, ethical and developmental state	Regulatory effectiveness and sustainability of the National Lottery and Sports Pools sustainability	8. National and Provincial Gambling Boards engaged to enhance collaboration on regulatory matters					Engage National and two Provincial Gambling Boards to enhance collaboration on regulatory matters	Linked to strategic priority 3 - A capable, ethical and developmental state by collaborating with other regulators to curb illegal lotteries and gambling, in addition to educating members of the public on responsible play and prevention of excessive play

Strengthened regulatory monitoring	Reduce poverty and tackle the high cost of living A capable, ethical and developmental state	A fair and safe national lottery and sports pools	9. The Fourth National Lottery and Sports Pools Licensing Process managed					Manage the Fourth National Lottery and Sports Pools Licensing Process	Linked to strategic priority 2 - Reduce poverty and tackle the high cost of living, through generating funds from the National Lottery and Sports Pools to fund good causes; and Linked to strategic priority 3 - A capable, ethical and developmental state by ensuring that the appointed Licensee will enhance the objective of ensuring that the National Lottery and Sports Pools are conducted with due propriety
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Programme 3		Returning the NLC to its core mandate of grant making and reinstating its credibility							
Purpose		Supporting a sustainable and impactful civil society sector to boost economic growth, inclusion and to enable meaningful transformation.							
Strategic Theme	Outcome	Outputs	Output Indicators	Annual Targets					Link to 3 Strategic Priorities
				Audited / Actual Performance	Estimated Performance	MTEF Period			
				2020/21	2021/22	2022/23	2023/24	2024/25	
Social cohesion and nation-Building	Reduce poverty and tackle the high cost of living	Funding model aligned to the developmental needs of South Africa	10. Research and assessment of ECD programmes conducted				Conduct an impact evaluation assessment on small grants.	Conduct research and assessment on ECD programmes	Linked to strategic priority 2 - Reduce poverty and tackle the high cost of living, by assessing the needs of ECDs and developing funding areas that will address the need of reducing poverty

Improved governance and compliance	A capable, ethical and developmental state	Assurance that NLDTF funds are utilised for the intended purpose	11. Strengthened monitoring of funded projects	1400 monitoring reports (site visit)	2500 monitoring reports	Complete 2000 Monitoring assessments	Complete 3000 Monitoring assessments	100% monitoring of eligible funded projects	Linked to strategic priority 3 - A capable, ethical and developmental state by monitoring grantees to ensure that funds allocated are used for their intended purpose through supporting communities served by grantees
	A capable, ethical and developmental state	Investing in the sustainability and functionality of funded organisations by transferring skills	12. Number of structured capacity building programs implemented nationally			Implement 4 structured capacity-building programs nationally	Review of the structured capacity-building & mentorship programme model	Implementation of 9 structured capacity building programs nationally	Linked to strategic priority 3 - A capable, ethical and developmental state by capacitating grantees and enhancing their skills in financial management, operational maturity and governance to ensure the efficient use of grant funding received
Improved governance and compliance	Inclusive growth and job creation Reduce poverty and tackle the high cost of living	Strengthened good governance model	13. Enforcement of a good governance to implement planned research-based budget allocation				Develop a governance model to implement Research-Based Model and approval by the board.	Allocation of 50% of the planned research-based funding budget	The indicator will create sustainable social enterprises that makes a meaningful contribution to the inclusive growth and job creation by empowering communities to be self-reliant while addressing pressing socio-economic issues. Poverty alleviation and reduction in the cost of living will see an improvement because meaningful jobs will be created. Ethical and good governance practices will be embedded in the programme designs and will also be anchored by the collaborative partnerships that will drive these initiatives.
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 grantees					3,000 jobs created or retained by grantees.	Linked to strategic priority 1 - Inclusive growth and job creation by supporting programs implemented by grantees to create or retain jobs across the sectors provided in the Lotteries Act.

Explanation of Planned Performance over the Medium-Term Period

Programme 1: Building operational excellence, innovation, and agility.

The Minister of Trade, Industry, and Competition's presentation of the impact targets and additional APP priorities has signaled a new path for the NLC in aiming to combine all government initiatives to uplift society. The National Lottery operates in a dynamic environment marked by rapidly changing technological advancements and a competitive gaming industry characterized by the entry of new and innovative gaming modes, as well as constantly changing gaming attitudes and behavioral patterns among punters. In this sense, it is critical for the NLC to stay aware of technical advances and to be proactive and innovative in product creation in order to be relevant in industry regulation.

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. In today's ever-changing business world, new products and services, technological and social media trends, political, legal, and economic shifts necessitate ongoing investment in an organization's most valuable asset, its people.

To remain relevant and thrive in today's rapidly evolving and competitive business landscape, organisations must emphasize exceptional leadership and efficient business processes. Exceptional leadership is characterized by adaptability. Leaders must be flexible, open to change, and capable of guiding their organisations through uncertainty. They should inspire and motivate their teams to embrace change and work towards a shared vision.

Investing in the development of employees is vital. Organisations can build a skilled and motivated workforce capable of driving success by providing training, mentorship, and opportunities for growth, which is the cornerstone of the NLC's focus on the upcoming fiscal year.

Employee development programs, including training and mentorship, enable staff to acquire new skills and enhance their competencies. This leads to a more skilled and capable workforce, which can contribute to improved job performance and productivity. When employees perceive that their organisation is invested in their development, they tend to be more engaged and motivated. Engaged employees are more likely to contribute their best efforts to the organisation and exhibit higher levels of job satisfaction.

The NLC will be focusing on cultivating a skilled, ethical and motivated team, through the development and implementation of new agile organisational structure, rescoping of training interventions in order to increase the skilled and efficient workforce and most importantly, improve job satisfaction through a more focused change management framework and initiatives.

Change management is crucial within the NLC as the organisation is embarking on introducing new initiatives and reviewed processes workflow, as well as to ensure a smooth transition to minimize resistance. Workforce development is a win-win for both the NLC and its workforce as it fosters a culture of continuous learning and growth, leading to a more capable, engaged, and adaptable workforce.

Business Process Reengineering (BPR) play a crucial role in ensuring that an organization's processes remain efficient, effective, and aligned with its strategic objectives. Business process redesign focuses on radical transformation, while review emphasizes ongoing assessment and adjustment to maintain optimal performance. Combining these approaches contributes to an organization's ability to thrive in a dynamic and competitive business environment.

Business process review looks at processes from end to end, emphasizing a comprehensive evaluation of how work is done across the organization, it often involves making fundamental changes to processes, including the elimination of redundant steps, adoption of new technologies, and redefinition of roles. BPR encourages collaboration across different functions and departments to break down silos and improve overall coordination, furthermore it shifts the focus from tasks to outcomes, ensuring that processes are designed to deliver value to both internal and external stakeholders. To this end, NLC will embark on a modernization journey that will signify and solidify the exploration and reform of its business processes in the coming financial year.

Digital transformation is not a one-time event; it's an ongoing process that requires commitment, investment, and the ability to adapt to rapidly evolving technology and market trends. Successful digital transformation can position an organization to thrive in the digital era by being more responsive, customer-centric, and efficient. The NLC's digital transformation journey began in 2022 and is expected to continue in the coming year as various phases are completed. Many digital transformation initiatives place a strong focus on meeting customer/stakeholder needs and delivering superior experiences. This includes using data to better understand customer preferences and behaviors.

The NLC continues to enhance operational efficiency through automation and digital tools to streamline processes, reducing manual efforts, and eliminating bottlenecks as the organisation intent to launch the new grant management system. These will lead to improved turnaround times, better experience for our grantees and improved efficiencies.

Programme 2 and 3: Returning the NLC to its core mandates of regulatory compliance and grant making and reinstating its credibility.

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 monitoring of the National Lottery and Sports Pools Operator is executed through the monitoring matrices. This is at the heart of the regulatory function and is directly derived from the licence agreement. The output in this programme is intended to ensure a safe and sustainable lottery industry for maximum economic and social impact.

The collaboration between the NLC and National/Provincial Gambling Boards is crucial for several reasons, considering their roles in overseeing and regulating different aspects of the lottery and gambling industries. Collaboration ensures a more comprehensive and cohesive regulatory framework. The National Lottery Regulators and National Gambling Boards can work together to align regulations, policies, and enforcement strategies, creating a more unified approach to overseeing the entire gaming sector. Engaging and collaborating helps in identifying and addressing potential regulatory gaps, through open communication, the regulators can ensure that there are no loopholes or areas of the industry left unregulated, reducing the risk of illicit activities.

It is against this backdrop that the NLC Board anticipate to engage the Boards of National and Provincial Gambling with an aim of fostering a relationship that is essential for creating a robust, adaptable, and unified regulatory environment. The forged collaboration can contribute to the overall integrity of the lottery and gambling industry, protecting the players and consumers, and fosters a responsible and transparent approach to these activities.

In the 2022/23 financial year, the Board imposed a moratorium on proactive-based funding. This decision followed the widespread maladministration of funds intended for good causes through this funding vehicle. The new model refers to accessing funding without having to lodge an application as research-based or strategic funding. It is premised on the identification of partners that will be subjected to sign robust partnership agreements with the NLC for implementation of the research-based projects.

Furthermore, enforcing good governance in the implementation of research-based funding is critical to ensuring that resources are used efficiently, transparently, and effectively. A sound budget allocation will be considered by enforcing good governance in the implementation of research-based funding, allowing the NLC to ensure that research funds are used efficiently, ethically, and in a manner that advances the mission and strategic objectives of the organisation.

The NLC will be conducting research and assessment on Early Childhood Development (ECD) programmes with the objective of producing meaningful and actionable results. The NLC intends to systematically gather and analyze information to understand the effectiveness, impact, and quality of programs designed to aid young children. The findings from the research is envisioned to contribute significantly to the enhancement of programs and policies aimed at promoting the well-being and development of young children.

Monitoring and evaluation is critical in assessing the impact of our developmental interventions. Whilst it is not the only mechanism we deploy, the tools used are important to measure the outputs (products, capital goods, and services that result from a development intervention. e.g., number of people trained / number of workshops conducted) and the outcomes (the likely or achieved short-term and medium-term effects or changes of an intervention's outputs. e.g., increased skills / new employment opportunities) and the impact (the long-term consequences of the program, may be positive and negative effects. e.g., improved standard of living). The resources assigned to carry out this mammoth task will be strengthened and equipped to be equal to the task, as well as the inspectorate function. The NLC will endeavour to complete monitoring assessments for 100 percent of eligible funded projects, with no intention of leaving any stone un-turned.

Many of the NLC's grantees face challenges which cannot be overcome overnight. To survive and flourish, civil society organizations must have the competence to represent themselves and others. That is why training must be continuous, and why capacity building processes can be so effective. Training is critical, but it must cover more ground than just the fundamentals.

The NLC seeks to equip grantees on a national scale in order to ensure that South Africa has a robust and sustainable civil society sector through the structured capacity building program. 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. The desired outcome is to return the NLC to its core mandates of regulatory compliance and grant making and reinstating its credibility.

3 Programme Resource Considerations

The NLC's process of preparing its budget is done in accordance to ensure alignment with the strategy and the Annual performance plan outputs. The process factors in the Board of Directors strategic direction; the cascading of these into the divisional planning of core and support business units. The finance division issues comprehensive budget guidelines for the compilation of the budget which is followed by one-on-one sessions with the CFO and team to ensure alignment of the budget with the strategy and APP. Budgets are prepared on an activity-based approach and cost containment measures are always incorporated in the process.

The NLC must ensure the financial sustainability, control and discipline of the organization in line with applicable legislation and policy prescripts.

The NLDTF does not receive an appropriation from the fiscus, however as stipulated in section 23 of the Lotteries Act, the revenue of the fund (i.e. the NLDTF) consists of-

- a. The sums paid to the fund in terms of section 14(2)(e) - share of ticket sales from the national lottery.
- b. Interest and dividends derived from the investment of money standing to the credit of the fund; and
- c. Other money lawfully paid into the fund.

The projected revenue has increased by 3% to R2.296 billion mainly due to increased forecast on interest income and increase in revenue from the operator. The increase in interest income is based on actual interest earned as at the end of August 2024. The amount available for allocation after considering the revised expenses from the fund increased by 1% from R1.476 to R1.491 billion.

The implementation of the digital transformation strategy through the broader modernization project in relation to building efficiencies within the entity is also contributing to the increase in budget. The projected revenue is expected to decrease over the medium due to the expiry of the 3rd lottery licence and transitioning into the new operator to be appointed during the 2024/25 financial year. The reduction is based on trends experienced during the 3rd Lottery License process.

The budget policy requires that operational expenditure be capped at 30% of revenue which translates to R688.89 million for 2024/25 financial year. The budget for operational expenditure translates to 34.1% of revenue, including costs relating to the RFP for the 4th National Lottery License Operator. The total expenditure excluding RFP costs amounts to 29.9% of revenue totalling R686 million.

2024/25 Financial year revised budget

	Approved Budget	Revised Mid- Term Budget	
	2024/25	2024/25	% Change
	R 000	R 000	
REVENUE	2 228 790	2 295 203	3%
NLDTF	1 878 545	1 924 646	2%
Interest Received	210 736	262 742	20%
License Signing Fees	2 833	2 833	0%
Societies & Other Lotteries	62	62	0%
Unclaimed and expired prize money	120 000	89 391	-34%
Withdrawals	5 000	5 000	0%
Interest from the Participants Trust	9 614	8 528	-13%
Sundry Income	2 000	2 000	0%

EXPENDITURE	2 221 086	2 295 203	
Allocations	1 476 346	1 479 758	1%
Advertising & Publicity	30 725	27 348	-12%
Agency Emoluments	15 600	912	-1611%
Audit Fees	13 069	13 934	6%
Bank Charges	269	269	0%
Board Members Emoluments	8 046	15 584	48%
ICT Operational Cost	31 700	33 132	4%
Conferences venue	4 206	4 474	6%
Consulting Fees	28 081	58 539	52%
Courier & Postages	708	665	-6%
Depreciation	7 704	34 987	78%
Electricity, water, rates & taxes	5 279	6 165	14%
Refreshments & Catering	2 205	3 259	32%
General Expenses	929	1 028	10%
Insurance	799	803	0%
Legal Fees	31 400	78 380	60%
Motor Vehicle Expenses	3 000	3 000	0%
Outsourced services	46 320	28 679	-62%
Print & Stationery	3 539	2 506	-41%
Lease costs	26 355	33 220	21%
Repairs & Maintenance	3 201	5 115	37%
Removals	120	800	85%

	Approved Budget	Revised Mid-Term Budget	
Employee Costs	355 034	355 034	0%
Recruitment costs -			
Permanent appointments	1 500	2 535	41%
Staff Training	6 303	6 114	-3%
Staff Welfare	2 289	2 000	-14%
Subscriptions	560	266	-110%
Security	13 387	13 089	-2%
RFP Costs	59 369		100%
Reparations	10 000	10 000	0%
Telephone & Fax	2 630	1 229	-114%
Travel & Accommodation	19 682	26 561	26%
Workmens Compensation	800	800	0%
Investigation cost	5 000	39 998	87%
Trust Administration Fee	4 058	4 058	0%
Trustee fees	871	961	9%
NET SURPLUS	7 704	-	
TOTAL CAPEX BUDGET	45 780	72 796	-59%
Office accommodation	10 000	10 000	0%
Leasehold Improvements	5 000	19 813	-296%
Computer Equipment	8 217	9 170	-12%
Office Equipment	2 584	1 534	41%
Intangible Assets	5 570	18 870	-239%
Furniture and Fittings	7 000	7 000	0%
Motor Vehicles	1 000	-	100%
Network Infrastructure	6 409	6 409	0%

4 Updated Key Risks

Crafting a strategic risk involved the process of identifying, assessing, and managing potential risks that could impact the achievement of the organization's strategic objectives. A broader assessment of global risks and South African country-wide risks was undertaken.

Risk Description	Causes/ Background to risks	Consequences/Impact	Inherent Risk Exposure	Current controls	Control Assessment	Residual Risk Exposure	Interventions/ Actions to improve management of the risk	Resources Required	Owner	Start Date	End Date
Inadequate regulatory oversight over Lotteries and Sports Pools	Non-compliance by Lotteries and sport pools Operators. Inadequate awareness of the requirements of the lotteries Act	Lottery participants not protected. Impaired organisational sustainability. Litigation Reputational harm/ integrity of lotteries and sports pools		<ul style="list-style-type: none"> Periodic engagements with lottery and sports pools operators on compliance requirements - License agreement with the national lottery and sports pools operator License compliance and performance monitoring matrix developed and implemented 	Satisfactory		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.	R500 thousand (estimated)	Executive: Regulatory Compliance	01/04/2024	31/03/2025
	Ineffective monitoring of the national lottery and sports pools operator			<ul style="list-style-type: none"> Daily, weekly, monthly and quarterly reviews of reports generated by the operator and 	Satisfactory	Continuous monitoring of existing controls	Use internal resources	Executive: Regulatory Compliance	01/04/2024	31/03/2025	

Risk Description	Causes/ Background to risks	Consequences/Im pact	Inherent Risk Exposure	Current controls	Control Assessment	Residual Risk Exposure	Interventions/ Actions to improve management of the risk	Resources Required	Owner	Start Date	End Date
				<ul style="list-style-type: none"> reviewed for compliance Performance management of the national lottery and sports pools operator 							
Ineffective enforcement and prohibition action of illegal lotteries	Ambiguity in the enabling legislation (Lotteries Act) and the gambling legislation.	Litigation Impaired organisational sustainability Financial loss		<ul style="list-style-type: none"> Fostering of relations between the Commission and the Gambling Boards across. Seeking a declaratory order. 	Major Improvement Required		<ul style="list-style-type: none"> Review of Lotteries Act to enhance enforcement powers. Revamped fourth operating license conditions Declaratory court order to declare Bookmakers who take bets on the outcomes of the national lottery 	The dtic lotteries policy review Legal fees for Lotto Star and Lottoland	Executive: Regulatory Compliance & Executive: Legal	01/04/2024	31/03/2025

Risk Description	Causes/ Background to risks	Consequences/Impact	Inherent Risk Exposure	Current controls	Control Assessment	Residual Risk Exposure	Interventions/ Actions to improve management of the risk	Resources Required	Owner	Time Scale	
										Start Date	End Date
	<p>Circumvention of the Lotteries Act and other relevant legislation by illegal operators</p> <p>Overlapping regulatory mandate between the NLC and Gambling Boards (Provincial licencing authorities)</p>			<ul style="list-style-type: none"> Ongoing awareness campaigns on legal and illegal lotteries Legal action Continuous monitoring of society and other lotteries 	<p>Satisfactory</p> <p>Satisfactory</p>					01/04/2024	31/03/2025
<p>Delayed appointment of the national lottery and sports pools operator.</p> <p>Transition between the current operator and the 4th operating license holder</p>	<p>Legal challenges to RFP process by stakeholders arising out of perceptions of the RFP process</p> <p>Non-compliance with licensing and procurement processes and time-lines</p>	<p>Reputational harm/ integrity of national lottery</p> <p>'Impaired organisational sustainability</p> <p>'Financial loss</p> <p>Inability to distribute funds</p>		<ul style="list-style-type: none"> Supply chain management processes Implementation of the project plan. Board oversight of the RFP process Appointment of the RFP Project Manager 	<p>Major Improvement Required</p>		<ul style="list-style-type: none"> Appointment process for the new lottery operator Establish and monitor timelines, triggers and escalation points for the Board Collaboration between Minister & NLC Board Appoint a panel of law and audit firms to advise the Board 		Board Commissioner	01/04/2024	31/03/2025

Risk Description	Causes/ Background to risks	Consequences/Impact	Inherent Risk Exposure	Current controls	Control Effectiveness	Residual Risk Exposure	Interventions/ Actions to improve management of the risk	Resources Required	Owner	Time scale	
										Start Date	End Date
Fraud and unethical conduct	<p>Inadequate organisational ethical and compliance culture.</p> <p>Non adherence with policies and procedures</p> <p>Economic downturn</p> <p>Unemployment</p> <p>Cost of living crisis</p>	<p>Reputational harm/ integrity of national lottery Financial losses Litigation Impaired sustainability</p>		<p>Whistleblowing policy Independent fraud hot line Ethics policy Audit and Risk Committee oversight Disciplinary policy and procedures Human Resources Board Committee oversight</p> <p>Ethics and Social Responsibility Committee oversight Capacitated Internal audit</p> <p>Roll-out of Integrity Testing</p> <p>Ongoing engagements with the Banks for identification of fraudulent activities</p> <p>Reviewed and optimised business processes within Grant funding</p> <p>Moratorium on research based funding and the reviewed the policy</p> <p>Review and realign the forensic investigation structure.</p> <p>Ongoing fraud awareness interventions</p>	Major Improvement Required		<p>Anti-bribery fraud and corruption program</p> <p>Corporate values redefined</p> <p>Conducting ethics risk assessment and reviewing of the recommendation on the efficacy of the Ethics function</p> <p>Implementation of the Lifestyle audit</p> <p>Initiated cultural transformation</p> <p>Implementation of the partnership with SA Fraud Prevention services</p> <p>Embedding the ISO37001 standard into new system development</p> <p>Implementation of recommendations from the Fraud Risk Assessment.</p>	Financial resources	CoSec/ CRO, CM, CIO, HCM, COO, CFO, CAE	01/04/2024	31/03/2025

Risk Description	Causes/ Background to risks	Consequences/Impact	Inherent Risk Exposure	Current controls	Control Assessment	Residual Risk Exposure	Interventions/ Actions to improve management of the risk	Resources Required	Owner	Start Date	End Date
	Misrepresentation and or fronting by applicants - submission of fraudulent documents			Revised Verification process /due diligence process Submission of constitution and IDs of members Bank confirmation and Confirmation of bank signatories. Introduction of the Inspectorate function. Capturing of the Director's id's Introduction of the submission of tax clearance certificates M&E visitation on all funded projects	Satisfactory		Automated validation of all applications. Authentication of third-party information using API's.		CoSec/ CRO, CM, CIO, HCM, COO, CFO, CAE	01/04/2024	01/03/2025

Risk Description	Causes/ Background to risks	Consequences/Impact	Inherent Risk Exposure	Current controls	Control Effectiveness	Residual Risk Exposure	Interventions/ Actions to improve management of the risk	Resources Required	Owner	Time scale	
										Start Date	End Date
Inefficient ICT infrastructure and systems	Inadequate business service continuity plan and infrastructure. Inadequate skills and resources to rollout fit for purpose technology	Operational, financial and reputational harm as a result of denial of service.		Targeted training based on needs analysis Outsourcing partners (providing inhouse training and skills transfer) Employment of interns to complement the current skills set and develop applications and systems. Capacitation of the ICT division. Cybersecurity solution and infrastructure portfolio. Desktop assessment	Major Improvement Required		Co -locating the disaster recovery site at the IDC. Implementation of the modernization project	R45m Internal resources	CIO Modernization Project Manager	Mar-24	Mar-25
Cybersecurity (new risk)	Ensuring continuity and availability of services.			Cybersecurity assessment of the entire environment to assure the appropriateness of the cybersecurity stack. Periodic infrastructure penetration tests			Introduction of SIEM				

Risk Description	Causes/ Background to risks	Consequences/Impact	Inherent Risk Exposure	Current controls	Control Effectiveness	Residual Risk Exposure	Interventions/ Actions to improve management of the risk	Resources Required	Owner	Time scale	
										Start Date	End Date
Ineffective data management (new risk)	Systems limitation including data analysis and mining. Clearly defined business requirements Inadequate knowledge management	Impaired performance and service delivery Reputational harm		Customised generated reports. Validation of records / data using API's to third party data sources such as CIPC, SAFPS	Major Improvement Required		Enterprise, content and records management Specialist to be appointed. Implementation of ISO 15489 standard as part of the modernization program			Apr-24	Mar-25

Risk Description	Causes/ Background to risks	Consequences/Impact	Inherent Risk Exposure	Current controls	Control Effectiveness	Residual Risk Exposure	Interventions/ Actions to improve management of the risk	Resources Required	Owner	Time scale	
										Start Date	End Date
Reputational Risk	Fraud, corruption and unethical conduct of employees, Board and beneficiaries Corporate governance failure	Reputational harm/ integrity of national lottery Impaired Financial losses Litigation		Whistleblowing policy Independent whistleblowing hot-line Disciplinary policy and procedures Anti-fraud and corruption policy Investigation of reported cases Policies review underway Internal governance framework King IV training rolled-out to Board Appointment of the new Board Implementation of forensics reports recommendations	Major Improvement Required		Conduct training of Board and employees to improve governance controls		CoSec CM	01/04/2024	31/03/2025

Risk Description	Causes/ Background to risks	Consequences/Impact	Inherent Risk Exposure	Current controls	Control Effectiveness	Residual Risk Exposure	Interventions/ Actions to improve management of the risk	Resources Required	Owner	Time scale	
										Start Date	End Date
	Litigation	Reputational harm/ integrity of national lottery	High	Access to legal advise Board review committee	Major Improvement Required	High	Continuous training and development to improve quality assurance	Internal resources			
	Poor management of media including social media	Impaired		Media and social media policy Media relations Developed the communication and marketing strategy	Satisfactory	Medium	Pro-active media engagement Review the media and social media policy Implementation of the communication and marketing strategy		COO	01/04/2024	31/03/2025

5 Public Entities

Not applicable to the NLC

6 Infrastructure Projects

Not applicable to the NLC

7 Public Private Partnerships

Not applicable to the NLC

PART D: TECHNICAL INDICATORS



Indicator Title	1. Develop and implement the reskilling and upskilling interventions
Definition	The indicator refers to the process of creating and executing initiatives aimed at enhancing the skills and capabilities of NLC employees to adapt to changing work environment, technological advancements, and shifts in job requirements. Reskilling and upskilling will be interventions employed by NLC to ensure that employees remain competent and relevant in their roles.
Source of data	Training records and training interventions reports.
Method of Calculation / Assessment	HCM reports of training interventions
Means of verification	Reports on the implementation of the reskilling and upskilling interventions
Assumptions	Training interventions are relevant to job roles, organisational goals. Employees participate and engage in training programmes.
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	The indicator's targeted performance is to ensure that employees remain competent and relevant in their roles.
Indicator Responsibility	SM: HCM

Indicator Title	2. Implement the change management framework and the plan
Definition	The change management framework and plan involves putting into action a structured approach to guide an organization through a process of planned transformation. The change management framework indicates the creation of an organized approach to transitioning the NLC employees from their current situation to a desired future one. The implementation plan will include details on how the change will be executed, communicated, and sustained.
Source of data	Project progress reports and organisational change management documentation.
Method of Calculation / Assessment	Production of change management reports and implementation plan
Means of verification	Project status reports and change management framework and implementation records.
Assumptions	Employees are committed to the success of the change management initiatives
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	To transition the NLC employees from their current state to a desired future one by embracing the transformation
Indicator Responsibility	SM: HCM

Indicator Title	3. 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, 90 engagements must take place nationally. These educational instruments/engagements may take the following forms:</p> <ul style="list-style-type: none"> o Workshops o Brochures o Posts on social media o Internal communication o Print and electronic media o Awareness Posters
Source of data	Attendance registers; Distribution lists; Screenshots of social media posts and developed content
Method of Calculation / Assessment	Simple Count
Means of verification	POE: Production 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	4. 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 year, post the digital transformation strategy formulation, wherein implementation of phase 3 commences.
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
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	5. Review and Redesign of business processes
Definition	Business Process Redesign (BPR) in NLC context is a holistic approach to redesigning and rethinking an organisation's business processes to achieve significant improvements in efficiency, effectiveness, and overall performance. The intended redesign of business processes goes beyond incremental improvements and aims to transform the way NLC operates.
Source of data	Implementation reports as per the business process review and redesign plan
Method of Calculation / Assessment	Progress against the quarterly milestones and plan for the business process review and redesign
Means of verification	Quarterly implementation reports on the business review and redesign tabled at Exco
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 achieve substantial improvements in efficiency, effectiveness, and overall performance.
Indicator Responsibility	CM

Indicator Title	6. Timely payment of grants
Definition	This target refers to the percentage reduction 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.
Source of data	Finance payment reports
Method of Calculation / Assessment	Quantitative
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
Indicator Responsibility	CFO

Indicator Title	7. 100% of the National Lottery & Sports Pools licence conditions monitored.
Definition	The Lotteries Act requires that the Operator complies with conditions of the National Lottery and Sports pools Licences. The Licences contain clauses that the Operator must comply with for the duration of the Licence process.
Source of data	National lottery & sports pools monitoring matrices generated quarterly
Method of Calculation / Assessment	Assessed / Completed National Lottery & sports pools Monitoring matrices
Means of verification	Quarterly populated and completed monitoring matrices
Assumptions	The operator is monitored for compliance to 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	8. National and Provincial Gambling Boards engaged to enhance collaboration on regulatory matters
Definition	The Board of the NLC aims to develop and nurture strategic partnerships to ensure regulatory effectiveness and sustainability of the National Lottery and Sports Pools sustainability.
Source of data	Attendance registers and minutes of the Board engagements with the National and Provincial Gambling Boards.
Method of Calculation / Assessment	Simple count of attendance register and minutes.
Means of verification	Simple count of attendance register and minutes.
Assumptions	The identified National and Provincial Gambling Boards are amenable to engage with the NLC.
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	Consensus-building and alignment among the regulators
Indicator Responsibility	EMRC

Indicator Title	9. The Fourth National Lottery and Sports Pools Licencing Process is managed
Definition	The Minister, in terms of Section 13 of the Lotteries Act, has issued a notice for the request for proposals the Fourth National Lottery and Sports Pools Licence.
Source of data	Progress reports on the Fourth National Lottery and Sports Pools Licencing Process.
Method of Calculation / Assessment	Submitted progress reports on the Fourth National Lottery and Sports Pools Licencing Process.
Means of verification	Quarterly progress reports on the Fourth National Lottery and Sports Pools Licencing process.
Assumptions	The Evaluation and Adjudication Committees report periodically on the Licencing process.
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	Managed Fourth National Lottery and Sports Pools Licencing process.
Indicator Responsibility	EMRC

Indicator Title	10. Research and assessment of ECD programmes conducted
Definition	Research on the Early Childhood Development (ECD) sector, current ECD strategy and policy; and an assessment of the projects and ECD Centres funded by the NLC over the past five years, to design an informed, aligned, holistic programme with measurable goals to support ECDs in the future.
Source of data	Research and Assessment Report
Method of Calculation / Assessment	Qualitative and quantitative analysis
Means of verification	Research Report submitted to EXCO for noting
Assumptions	The assessment is conducted timeously
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 output supports decisions regarding NLC support to the ECD sector
Indicator Responsibility	SM: BDD

Indicator Title	11. 100% monitoring of eligible funded projects
Definition	Monitoring is important for the NLC as it assists us to ensure that projects and programmes are being implemented in accordance with the grant agreement and are achieving the agreed outputs, leading to the desired short, medium and long-term programme outcomes in accordance with the NLC's strategic funding objectives. The M&E Department will in the year implement the Monitoring Plan by conducting monitoring assessments including outputs on all eligible funded projects across all sectors (i.e. projects that have been paid at least six months prior). This is to ensure that grantees are complying with the grant agreement by implementing the funded activities resulting in the agreed outputs.
Source of data	Monitoring tracker; monitoring assessment reports.
Method of Calculation / Assessment	Simple count
Means of verification	Count of the number of monitoring reports
Assumptions	Adequate data sample and capacity to monitor
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	Funding used for intended purposes, outputs and short-term outcomes contribute to desired funding outcomes.
Indicator Responsibility	SM: BDD

Indicator Title	12. Number of structured capacity building programs implemented nationally
Definition	Sustainability of Non-profit organisations is a concern for the NLC as the current demand for funding far outstrips the supply. We believe that Capacity Building is the first step in elevating the non-profit companies to the next level of operational, programmatic, financial, governance and organisational maturity so that it may effectively advance its mission into the future. The NLC would like to ensure that this effort will represent a strategy towards the creation of a sustainable and effective organisation by building the competencies of the people leading the NPC's. For the year under review, 9 programs must be implemented.
Source of data	9 attendance registers for the program as implemented
Method of Calculation / Assessment	Simply count of the registers.
Means of verification	Participant registration and attendance records
Assumptions	Grantees/ Beneficiary organizations' willingness to attend the programs
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	Impactful and sustainable funding
Indicator Responsibility	COO

Indicator Title	13. Enforcement of a good governance to implement planned research-based budget allocation
Definition	The percentage of the budget allocated for the planned research-based model that is effectively used in compliance with good governance principles. For the year under review, a minimum of 50% of the planned research-based budget must be allocated.
Source of data	Budget allocation records, and grant allocations reports
Method of Calculation / Assessment	A minimum of 50% allocated against the total budget of the planned research-based funding. $\% \text{ calculation} = \frac{\text{Total allocated to planned research projects}}{\text{Total budget of planned research budget}} \times 100$
Means of verification	Budget allocation records and financial reports.
Assumptions	The intended budget for implementing the research-based model is allocated.
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	Percentage (%)
Reporting Cycle	Annually
Desired performance	Credible & transparent research-based funding model
Indicator Responsibility	COO

Indicator Title	14. Number of jobs created or retained by grantees
Definition	Job creation at the NLC is measured through organisations that have been funded for salaries as well as stipends under approved items. A new job is created, or an existing job is retained when salaries and stipends are funded.
Source of data	Monitoring assessment reports or site visits reports
Method of Calculation / Assessment	A simple count of jobs created or retained through grantees that have been funded.
Means of verification	Count of the number of jobs created or retained where salaries and stipends were funded.
Assumptions	The grantees apply for the projects across the sectors provided in the Lotteries Act that stimulate job creation.
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 (annually)
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 the last two quarters, the target is to adjudicate 90% of applications that are fully compliant and received a project number. This is dependent on system (NLC 4.0) completion and is also dependent on the full DA's complement
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, and less the number of days awaiting verification and validation from the APIs partners
Means of verification	Date stamp on compliant application and the Distributing Agency Adjudication Sheet
Assumptions	Adequate capacity to adjudicate the applications in a form of fully appointed Distributing Agency members and the new system capability
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

ANNEXURE A - MINISTER'S PRIORITIES IN THE NLC APP

A. MINISTERIAL IMPACT TARGETS

	Outputs	Output indicators	Annual target	What is expected from the NLC
1.	R5 million of the total spend on goods and services for the financial year ending March 2025 is spent on local suppliers	Value (Rands) of total spent on goods and services on local suppliers	R5 million	The NLC will contribute to the R40 bn target by the dtic by ensuring that R5 million of the total spend on goods and services for the financial year ending March 2025 is spent on local suppliers.
2.	Supporting R700 billion in manufacturing exports	Allocations made to the sector	10% of allocations made to the Arts Sector be granted for skills or goods for export	10% of allocations made to the Arts Sector be granted for skills or goods for export
3.	Jobs supported from the NLC (NLDTF) funded projects across the sectors provided in the Lotteries Act.	Number of jobs supported from the NLC (NLDTF) funded projects across the sectors provided in the Lotteries Act.	10 000 jobs supported	Jobs supported from the NLC (NLDTF) funded projects across the sectors provided in the Lotteries Act.
4.	Percentage of available budget spent on support programmes	Value (% of the available budget) for support programmes administered by the NLC	95% of available budget spent on support programmes	NLC funding provided for projects through the NLDTF. An equitable spread of funding nationally by ensuring that funding against the budget is allocated quarterly as follows: Q1 – 10% of the available budget Q2 – 40% of the available budget Q3 – 60% of the available budget Q4 – 95% of the available budget
5.	Case studies of organizations, workers, entrepreneurs, professionals, or communities impacted by the NLC measures.	Number of case studies of organizations, workers, entrepreneurs, professionals, or communities impacted by the NLC measures	100 case studies	NLC = 100 (25 per quarter) (Case studies)

	Outputs	Output indicators	Annual target	What is expected from the NLC
6.	Education and awareness workshops conducted nationally	Number of education and awareness workshops conducted nationally	90 education and awareness workshops conducted nationally.	90 education and awareness workshops conducted nationally.
B	MINISTER'S PRIORITIES			
1.	Vulnerabilities that led to corruption, fraud, waste, abuse, and mismanagement proactively identified and reduced.	Number of completed lifestyle reviews.	Completion of Phase One: Lifestyle review dependent on the number of employees who completed the lifestyle disclosure forms.	Implementation of the Lifestyle Audit Policy. Consolidated report of completed lifestyle reviews.
2.	Pro-active funding programme reviewed		Research-based funding	The review of the research-based funding
3.	Investigations of all transactions involving consultants over the past 5 years, including law firms, IT services and public relations services finalised.	Prioritization of investigations of high-value transactions involving consultants, including law firms, IT services, and public relations services finalized for the past 5 years.	Complete 10 investigations into high-value transactions involving consultants, including law firms, IT services, and public relations services.	A memorandum containing a list of 10 investigations of high value transactions completed containing a summary of the outcome and actions implemented.
4.	Activities of the regions of the NLC investigated.	Number of investigations linked to the regions emanating from the incident reports.	Completion of 30 investigations pertaining to the regions emanating from the received incident reports.	A memorandum containing a list of completed investigations pertaining to the regions emanating from the received incident reports.
5.	All previous forensic and internal reports reviewed and recommendations for systemic changes to avoid opportunities for corruption considered.	Updated quarterly Forensic Investigation register and Internal Audit Tracker.	100% updated Forensic investigation register and Internal Audit tracker containing recommendations of all Final Internal audit and Forensic Investigations reports completed and tracked quarterly.	Executive summary report on the implementation of recommendations of Forensic investigation reports and Internal Audit reports.

	Outputs	Output indicators	Annual target	What is expected from the NLC
6.	Findings of the Auditor General in management reports addressed to ensure improvement in the control environment.	Updated AGSA Finding implementation tracker.	100% updated AGSA Finding tracker containing all unresolved AGSA findings containing progress on implementation of findings.	Summary of resolved and unresolved AGSA Findings.
7.	Whistle- blowers who were threatened or dismissed supported			The reparation project will entail the plan
8.	Support to communities or NGOs who were deprived of the NLC funding, provided.	Number of projects funded as part of service delivery improvement.	The findings and recommendations of the survey will determine the basis for service delivery improvement.	The findings and recommendations of the survey will determine the basis for service delivery improvement.
9.	Monthly reports on beneficiaries published.	Number of monthly reports on beneficiaries published	12 reports on beneficiaries published	Beneficiary list published monthly
10.	Oversight visits to project sites by NLC Board conducted	Number of oversight visits to project sites by NLC Board conducted	9 Provincial visits	9 Provincial visits
11.	Approve grant funding that positively impacts on communities and the targeted sectors, and that is free from corruption.			The funding process was enhanced with additional internal controls.
12.	Publish requests for proposals for the new Lotto license, evaluate the applications and make recommendations on suitable firms	The Fourth National Lottery and Sports Pools Licensing Process is managed	Manage the Fourth National Lottery and Sports Pools Licensing Process	The Licence RFP Applications are evaluated. The Evaluation Report is compiled by the Evaluation Committee and presented to the Adjudication Committee. The Adjudication Committee compiles the adjudication report on the Licence RFP adjudication process and makes a recommendation for the Minister's consideration, as outlined in the Lotteries Act and the Fourth National Lottery and Sports Pools RFP document.