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PROMOTING RESPONSIBLE GAMBLING

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## FOREWORD BY THE CHAIRPERSON OF THE EASTERN CAPE GAMBLING BOARD

The ECGB has an overriding responsibility to regulate all gambling activities, protect the punters, and inform the public about legal and illegal gambling in terms of the Eastern Cape Gambling Act, 1997 (Act 5 of 1997) as amended (“the Act”).

COVID-19 has taken an unprecedented toll in the industry and we commit to being mindful of the impact it may have had on the operations of our licensees.

The gambling industry in the Eastern Cape is operating under difficult and trying times due to the unprecedented COVID-19, albeit such conditions the industry continues to create jobs, promote tourism and contribute significantly towards investment in infrastructure development in the province.

The tenure of four of the eight non-executive members of the present board of directors, including that of the chairperson, will come to an end by the end of this financial year 2020/21, and new leadership in terms of new board members will soon be appointed by the Hon. MEC for Economic Development, Environmental Affairs, and Tourism.

It is with greatest admiration and sense of pride that we shall pass the baton to a fully functional organization, and that the new leadership will only strive to increase the performance trajectory to the highest level and to further continue to implement the following: -

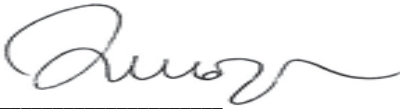
- a) Facilitating the awarding of licences to qualified applicants and ensuring an increase in revenue collection.
- b) Promoting and enforcing compliance and adherence to bid commitments, licence conditions, legislation and regulations by licensees before and after the commencement of the operations.
- c) Providing information and education regarding excessive gambling, and further inform potential business entrepreneurs about economic opportunities within the Provincial Gambling Sector.
- d) Strengthen the law enforcement and gaming control within the Board and ensure the prosecution and displacement of illegal operations.
- e) Building a strong foundation of valid and reliable empirical research to inform operational, policy advisory and public interest

- activities by conducting several research and survey assignments, report and implementing recommendations thereafter.
- f) Strengthening the socio-economic development function and responsibilities of the Board and contributing to the most impoverished areas within the Eastern Cape.
  - g) Implementing corporate and administrative systems for effective planning, monitoring, and evaluation to support and improve the provision of services of the ECGB.
  - h) Implementing and institutionalising risk, financial, and human resources management to support

and strengthen the service delivery mandate of the ECGB.

The members of the Board that will be outgoing, are therefore confident that management will implement this Annual Performance Plan and management will have the support and commitment of the new Board members.

As an outgoing Chairperson of the Board, I wish to endorse this 2021/22 – 2023/24 Annual Performance Plan and express my sincere appreciation to all the members of the current Board, the Hon MEC, and Management of DEDEAT for their continued guidance, support, and commitment to the regulation of the gaming industry and the protection of the public in our province.



**Adv N Mayosi**  
**Chairperson of the Board**

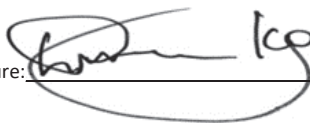
## OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the ECGB under the guidance of the members of the Board of ECGB and the Executive Authority of Finance, Economic Development, Environmental Affairs, and Tourism;
- Takes into account all the relevant policies, legislation, and other mandates for which the ECGB is responsible; and
- Accurately reflects the impact, outcomes, and outputs which the ECGB will endeavour to achieve over the 2021/22 – 2023/24 financial years.

Mr L Tshoko  
**Head Official Responsible for Planning  
and Budget Programme Three**

Signature:



Mr R Hill  
**Chief Financial Officer and  
Budget Programme One**

Signature:



Mr B Jaxa  
**Executive Manager Gambling Regulation  
& Consumer Protection and Budget Programme Two**

Signature:



Mr RM Zwane  
Chief Executive and Accounting Officer

Signature:



### Approved by:

Adv. N Mayosi  
Accounting Authority &  
Chairperson of the Board

Signature:



### Endorsed:

Hon M Mvoko, MPL  
**MEC for Finance & Economic Development,  
Environmental Affairs and Tourism  
Executive Authority**

Signature:



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## LIST OF ACRONYMS AND ABBREVIATIONS

<b>AFS</b>	Annual Financial Statements	<b>IA</b>	Internal Audit
<b>AGSA</b>	Auditor-General of South Africa	<b>IDP</b>	Integrated Development Plan
<b>AO</b>	Accounting Officer	<b>IGR</b>	Inter-Governmental Relations
<b>APP</b>	Annual Performance Plan	<b>IPAP</b>	Industrial Policy Action Plan
<b>B-BBEE</b>	Broad-Based Black Economic Empowerment	<b>ICT</b>	Information Communication Technology
<b>BCMM</b>	Buffalo City Metro Municipality	<b>ISO</b>	Independent Site Operator
<b>CAPEX</b>	Capital Expenditure	<b>IT</b>	Information Technology
<b>CEO</b>	Chief Executive Officer	<b>IYM</b>	In-Year Monitoring
<b>CFO</b>	Chief Financial Officer	<b>LPM</b>	Limited Payout Machine
<b>CSI</b>	Corporate Social Investment	<b>MEC</b>	Member of the Executive Council
<b>DEDEAT</b>	Department of Economic Development, Environmental Affairs & Tourism	<b>MPAT</b>	Management Performance Assessment Tool
<b>DPME</b>	Department of Planning, Monitoring and Evaluation	<b>MPL</b>	Member of the Provincial Legislature
<b>DPSA</b>	Department of Public Service Administration	<b>MTEF</b>	Medium-Term Expenditure Framework
<b>DRDAR</b>	Department of Rural Development & Agrarian Reform	<b>MTSF</b>	Medium-Term Strategic Framework
<b>DSRAC</b>	Department of Sports, Recreation, Arts & Culture	<b>NDP</b>	National Development Plan
<b>EC</b>	Eastern Cape	<b>NGB</b>	National Gambling Board
<b>ECGB</b>	Eastern Cape Gambling Board	<b>PAIA</b>	Promotion of Access to Information Act
<b>ECLB</b>	Eastern Cape Liquor Board	<b>PAJA</b>	Promotion of Administrative Justice Act
<b>FICA</b>	Financial Intelligence Centre Act	<b>PDI</b>	Previously Disadvantage Individual
<b>GG</b>	Government Gazette	<b>POE</b>	Portfolio of Evidence
<b>GGR</b>	Gross Gaming Revenue	<b>PSACF</b>	Public Sector Audit Committee Forum
<b>GRS</b>	Gambling Regulation System	<b>REMCO</b>	Remuneration Committee
<b>GRAF</b>	Gambling Regulators Africa Forum	<b>SED</b>	Socio-Economic Development
<b>GTAC</b>	Government Technical Advisory Centre	<b>SMME</b>	Small Medium Micro Enterprise
<b>HDI</b>	Historically Disadvantaged Individual	<b>SP</b>	Strategic Plan
<b>HoD</b>	Head of Department	<b>SPV</b>	Special Purpose Vehicle
<b>HRM</b>	Human Resource Management	<b>Type A</b>	3-5 Limited Payout Machines
<b>HRD</b>	Human Resource Development	<b>Type B</b>	20-40 Limited Payout Machines
<b>HR</b>	Human Resource	<b>Type C</b>	6-15 Limited Payout Machines
		<b>Type D</b>	40 Limited Payout Machines



## STATEMENT BY THE ACCOUNTING OFFICER (CEO) OF THE ECGB

The 2021/22 – 2023/24 APP of the ECGB has been developed in line with provincial and national priorities to contribute to the desired growth of the economy of the Eastern Cape, thereby creating sustainable job opportunities although the industry is under significant difficulty because of the COVID-19 pandemic.

Conscious and deliberate efforts have also been made to ensure that the work of the ECGB is geared towards achieving the seven national and provincial priorities, in line with the current electoral term.

Despite the negative impact of the COVID-19 pandemic, however, the ECGB has managed to plan and develop key performance targets over the next three years of the Medium-Term Expenditure Framework (MTEF), seeking to achieve the identified strategic outcomes, national and provincial priorities, which will include among others, the following:

- Fifteen (15) key gambling licences to be issued by the Board to qualifying applicants. These licences included Bookmakers, Totalisators, Racecourses, ISOs, and LPM Type B sites.
- Collection of R570 million in terms of gambling tax will be disbursed to the Provincial Fiscus. The tax revenues come from licensees in the form of casinos, limited pay-out machines, totalisators, ISO's, Bingos as well as bookmakers.
- 1.7 million people are expected to provide independent feedback by confirming that they have heard, listened to, or read responsible gambling messages. Several platforms, including print and electronic media will be utilized to rollout the responsible gambling campaigns in the province.
- Twelve (12) CSI projects to be implemented within the limited budget allocation, with a priority given to the implementation of projects in communities located within the identified poorest wards in the province.
- Two (2) research outputs are commissioned in generating a reliable body of valid data and research information about gambling in the province that will ensure all decisions relating to gambling are evidence-based.
- One hundred and seventy-seven (177) revenue audits to be conducted, to ensure the provision of quality assurance on the completeness, accuracy and validity of taxes and fees by verifying, recalculating and reporting the findings.
- Thirty (30) sweeps to be conducted against an increasing number of illegal gambling activities, especially internet-based gambling, and the utilisation of internet cafés in the Province. Furthermore, this will be achieved through working closely with the

- province's law enforcement agencies – particularly in the outer areas of the Eastern Cape.
- Fifteen (15) gambling economic opportunities awareness sessions to be conducted to attract new entrepreneurs into the gambling space and promote awareness about available economic opportunities associated with gambling. Furthermore, to encourage young and black women to explore economic opportunities relating to gambling business activities within the provincial gambling sector.
  - By 2023/24 financial year it is anticipated that the gambling industry in the Province will demonstrate level four compliance maturity levels that we measure as part of regulatory functions and services that we render.
  - In determining organizational maturity, concerning to Strategic Management; Governance and Accountability; Human Resource and Systems Management and Financial Management standards, ICT, and Risk Management, it is anticipated that by 2023/24, the ECGB will have to achieve and demonstrate an organizational maturity level 4.

In this regard, it is important to thank the Board for its solid and astute leadership and support towards the development of the Organization's strategic imperatives and targets under the devastating, difficult, and challenging times of the COVID-19 pandemic.

Our sincere appreciation is particularly extended to the Chairperson of the Board and the other three independent board members who have completed their second term for their valuable guidance and strategic insights to regulate the gambling industry in the Province, whilst ensuring corporate governance, strategic planning, and reporting is adhered to in terms of the relevant laws and prescripts of the Republic.

As the Accounting Officer, I wish to express my sincere appreciation to the Honourable MEC and management of the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) for their continued support and commitment to the regulation of the gambling industry and the protection of the public in our province.



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Mr Reuben Mabutho Zwane  
**CEO and Accounting Officer**



**PART A**  
**OUR MANDATE**



## **PART A: OUR MANDATE**

### **1. RELEVANT LEGISLATIVE AND POLICY MANDATES**

Although there has been no update on relevant pieces of legislation and policy mandates during the development of the Five-Year Strategic Plan and Three-Year Annual Performance Plan, the ECGB is governed by the following pieces of legislation:

- 1.1 Eastern Cape Gambling Act (Act 5 of 1997) (as amended).
- 1.2 National Gambling Act (Act 7 of 2004) (as amended).
- 1.3 Public Finance Management Act (Act 1 of 1999) (as amended).
- 1.4 Promotion of Access to Information Act (Act 2 of 2000).
- 1.5 Promotion of Administrative Justice Act (Act 3 of 2000).
- 1.6 National Treasury Regulations.
- 1.7 Labour Relations Amendment Act (Act 6 of 2014) (as amended).
- 1.8 Basic Conditions of Employment Amendment Act (Act 20 of 2013) (as amended).
- 1.9 Companies Act (Act 71 of 2008), (as amended), and other pieces of legislation incidental thereto.

### **2. INSTITUTIONAL POLICIES AND STRATEGIES**

Although there has been no update on institutional policies and strategies during the development of the five-year Strategic Plan and three-year Annual Performance Plan, the following internal policies, strategies, and frameworks guide the work of the ECGB:

- 2.1 Eastern Cape Provincial Development Plan.
- 2.2 Eastern Cape Provincial Priorities.
- 2.3 Integrated Provincial Anti-Poverty Strategy.
- 2.4 ICT Policy.
- 2.5 Business Continuity Policy.
- 2.6 Safety Health Environment Risk Quality.
- 2.7 Occupational Health and Safety Policy.
- 2.8 Records Management Policy.
- 2.9 Training and Development Policy.

- 2.10 Health and Productivity Management Policy.
- 2.11 Human Resources Management Policy or Manual.
- 2.12 Complaints Investigation Policy.
- 2.13 Performance Information Management Policy.
- 2.14 Intergovernmental Relations Policy.
- 2.15 Bursary Policy.
- 2.16 Wellness Management Policy (Former Employee Assistant Policy).
- 2.17 Funeral Policy.
- 2.18 Donations, Gifts and Sponsorships Policy.
- 2.19 Recruitment and Selection Policy.
- 2.20 Retention and Succession Policy.
- 2.21 Resettlement Policy.
- 2.22 Remunerative Work Outside Employment.
- 2.23 Directive on Leave Policy.
- 2.24 Supply Chain Management Policy.
- 2.25 Petty Cash Management Policy.
- 2.26 Subsistence and Travel Policy.
- 2.27 Enterprise Risk Management Policy.
- 2.28 Code of Ethics and Business Conduct.
- 2.29 Whistle Blower Policy; and
- 2.30 Communication and Social Media Policy.

### 3. RELEVANT COURT RULINGS OR LITIGATION MATTERS

Listed below are relevant court rulings and litigation matters that may influence in the mandate of the organization in the form of precedent, as well as litigation matters that are currently before the Board:

#### **ONGOING COURT CASES:**

- 3.1 EMFULENI RESORTS (PTY) LTD v GALAXY BINGO PORT ELIZABETH (PTY) LTD t/a GALAXY BINGO & OTHERS.
- 3.2 VUKANI GAMING EASTERN CAPE (PTY) LTD v EASTERN CAPE GAMBLING BOARD & OTHERS.
- 3.3 EMFULENI RESORTS (PTY) LTD v EASTERN CAPE GAMBLING BOARD & OTHERS.

#### **DECIDED CASES:**

- 3.4 ELITE BINGO (UTH) (PTY) LTD & ANOTHER v MABUTHO ZWANE N.O & OTHERS – APPEAL (Appeal dismissed with costs in favour of the ECGB. This was a significant outcome in support of the licensing process and decision-making of the Board in awarding of licences).
- 3.5 VUKANI GAMING EASTERN CAPE (PTY) LTD v EASTERN CAPE GAMBLING BOARD – INTERDICT APPLICATION (The interdict application was dismissed with costs in favour of the ECGB).
- 3.6 EMFULENI RESORTS (PTY) LTD v EASTERN CAPE GAMBLING BOARD & OTHERS – INTERDICT APPLICATION (The interdict application was dismissed with costs in favour of the ECGB).



**PART B**  
OUR STRATEGIC  
FOCUS

## PART B: OUR STRATEGIC FOCUS

### 4. SITUATIONAL ANALYSIS

The situational analysis provides the context for implementing the planned initiatives over the medium-term period and must be reviewed regularly. During the first year of the five-year planning cycle, the situational analysis in the APP must be the same as that in the SP.

From the second year of the planning cycle, the information in the SP at the beginning of the planning cycle must be updated annually in the APP, with changes in the institution's internal and external environment guiding the development of the APP. Reviewing the situational analysis must take account of evaluation reports and performance information from the previous financial year; relevant research into emerging trends and the status of women, youth, and people with disabilities (where applicable); and decisions taken through the use of planning tools such as scenario planning, SWOT analysis, PESTEL analysis, Fishbone analysis, and Problem and Solution Tree analysis.

The key areas below are reflected in the new five-year Strategic Plan of the ECGB:

#### 4.1 Strategic Focus of the Institution over the Five-Year Planning Period.

The Strategic Focus of the Institution over the five-year planning period and beyond include the following:

- Grow the revenue and gambling taxes at a rate of 1.5 times the upper limit of the inflation target.
- Enhance regulatory compliance by the gambling industry in the province whilst providing comprehensive support to industry to be sustainable and transformed.
- Invest more energy, time, and resources on harm minimisation as a result of excessive and irresponsible gambling and institutionalisation of a culture of responsible gambling in the province.
- Empower communities located in areas where there is a gambling footprint, as well as impoverished areas.
- Conduct empirical research as well as programme evaluation for policy and strategy decisions; and
- Maintain and sustain sound and effective corporate governance while making the ECGB an employer of choice.

## 4.2 Recent Statistics Relevant to the Institution and Sector

In developing the five-year Strategic Plan, the following statistics have been considered:

### 4.2.1 Revenue Contribution to the Provincial Fiscus

The ECGB is the second largest contributor to the provincial fiscus own revenue, only revenue emanating from motor vehicle licensing accounts for more own revenue in the Eastern Cape. The ECGB's total contribution to the provincial fiscus in the last five years (2015/16 - 2019/20) from gambling and betting taxes, was R891.3 million. Table 1 below indicates the sources of revenue collected over the past five years.

**Table 1: Revenue Collected for the Eastern Cape Fiscus Over the Past Five Years**

Revenue to Fiscus	2015/16	2016/17	2017/18	2018/19	2019/20
	R'000	R'000	R'000	R'000	R'000
Casinos	99 935	97 158	96,057	95 168	90 639
Bookmakers & Totalisator	9 106	11 107	11 759	12 799	11 816
Bingo	21 944	31 411	38 291	45 582	47 484
Limited Payout Machines	27 140	31 142	35 234	37 771	39 824
<b>Total Taxes</b>	<b>158 125</b>	<b>170 818</b>	<b>181 341</b>	<b>191 320</b>	<b>189 764</b>
<b>Growth Rate</b>	<b>12.1%</b>	<b>8.0%</b>	<b>6.2%</b>	<b>5.5%</b>	<b>(0.81%)</b>

Source: ECGB Annual Report (2019/2020)

In the previous strategic cycle, the ECGB stimulated gambling tax revenue growth primarily through the licensing and rollout of bingo and LPMs. This resulted in significant growth in tax revenues paid to the fiscus at rates higher than national averages.

The growth rate prior to 2019/20 was, however, reflecting a decreasing trend and in 2019/20 the year-on-year growth at the end of February 2020 was 3.6% higher than in 2018/19.

The monthly revenues declined on average by 38% in March 2020, primarily because of the COVID-19 pandemic and state of disaster regulations. Consequently, taxes declined by 0.8% for the full year to end March 2020. During 2020/21 revenues have been significantly adversely affected by the lockdown regulations, and it is not yet clear how well the industry will recover, while the risk of future COVID-19 waves also remains. It is likely that two or more years of growth will have been knocked off overall revenues moving forward.

## 4.2.2 Decent Employment Opportunities Through Inclusive Growth

Employment in the gambling industry requires high levels of integrity, honesty, and morality. The Board is responsible for receiving applications and approving key persons and gambling employees. The number of key gambling employees has increased in response to the continued development of the LPM, bookmaking and bingo industries.

The gambling industry continues to create sustainable job opportunities, promote tourism, and facilitate and contribute to significant infrastructural development and investments, even in non-metropolitan areas which stimulate the local economy through procurement of goods and services within the province. Table 2 below reflects the number of sustainable job opportunities created by the provincial gambling sector in the Eastern Cape as at 31 December 2020.

**Table 2: Gambling Industry Facilitated Sustainable Job Opportunities**

Casinos	Bizana Wild Coast Sun Casino	Port Elizabeth Boardwalk Casino	East London Hemingways Casino	Queenstown Queens Casino	Mthatha Mayfair Casino	Total Employment
Total Employees for Casinos	143	211	200	82	78	714
RO and LPMs	Vukani Gaming Eastern Cape (Pty) Ltd			Pioneer Slots (Pty) Ltd		890
Total Employees for RO & LPMs	512			378		
Independent Site Operators						85
Total Employees for ISOs						
Bookmakers (Total of 9 Licensed Bookmakers)						325
Total Employees for Bookmakers						
Totalisator and Racecourse						20
Total Employees for Totalisator & Racecourse						
Bingo Halls (Total of 15 Licensed Bingo Halls)						382
Total Employees for Bingo Halls						
Holders of Certificates of Suitability						56
Total Employees for Certificates of Suitability						
Manufacturers						10
Total Employees for Manufacturers						
<b>Grand Total</b>						<b>2 482</b>

Source: ECGB Gambling Regulation System (GRS)

### 4.2.3 Contributions Towards Infrastructure Development in the Eastern Cape<sup>1</sup>

As a result of the conditions imposed on gambling licensees, casino investments reached beyond the development of the immediate gambling premises and resulted in the establishment of new hotels, shopping malls, entertainment centres and convention centres. Table 3 on the following page depicts the casino profile on infrastructure development in the Eastern Cape.

**Table 3: Functional and Operating Eastern Cape Casino Profile on Infrastructure Development**

Description	Bizana: Wild Coast Sun Casino	Port Elizabeth: Boardwalk Casino	East London: Hemingways Casino	Queenstown: Queens Casino	Mthatha: Mayfair Casino
<b>Date Opened</b>	2009	2010	2011	2017	2018
<b>Total Capital Investment (Rm)</b>	R2.6 Billion	R1 Billion*	R400 Million*	R151 Million	R141 Million

\* These are reinvestments and do not represent the market value or original investment on the first award of licenses

### 4.3 Reference to the Medium and Long-Term Policy Environment

The Cabinet adopted 14 government outcomes as per the National Development Plan (NDP) within which to frame public service delivery priorities and targets. Cabinet ministers have signed performance agreements linked to these outcomes. More detailed delivery agreements have since been developed to extend targets and responsibilities to national and provincial departments, agencies, and municipalities.

The provincial Department of Economic Development, Environmental Affairs, and Tourism has developed a set of Policy Initiatives / Imperatives to be implemented by all public entities that report to the Department. The Eastern Cape Gambling Board, as one of these public entities, has the responsibility of demonstrating how it will implement some of the Policy Initiatives and Imperatives throughout some time.

Furthermore, the Eastern Cape province has pronounced seven provincial strategic priorities, with the DEDEATs Group Priorities and the focus on the ECGB included five priorities. From a planning perspective, the ECGB, within its regulatory functions, is obliged to demonstrate how it plans to add value and contribute towards the achievability of the seven national priorities of government outcomes, as outlined in the NDP Five-Year Implementation Plan aligned with the seven provincial strategic priorities.

<sup>1</sup> Contributions towards infrastructure development in the Eastern Cape province address National Outcome 06: “An efficient, competitive and responsive economic infrastructure network.”

Specific outcomes contributing towards the achievability of the seven national priorities of government outcomes, as outlined in the NDP Five-Year Implementation Plan aligned with the seven provincial strategic priorities, are expressed under Part C.

The ECGB, as a gambling regulator, will also consider the above policy imperatives and ensure that its strategic outcomes and planned targets are aligned to these policy imperatives, where possible.

#### 4.4 Evidence-Based Analysis of the Strategic Context and Priorities Relating to Women, Children, Youth, and People with Disabilities

Table 4 below indicates the various type of licensees and the total number of persons employed as a result of licences issued in terms of the designated groups. The table thus depicts the total number of 2 482 sustainable job opportunities created cumulatively as at 31 December 2020.

**Table 4: Profile of Gambling Industry Sustainable Job Opportunities Created and Maintained**

TYPE OF LICENSEES	GAMING TOTAL	NON-GAMING TOTAL	FEMALES		YOUTH		DISABLED		PDI		NON-PDI	
			Non-Gaming	Gaming	Non-Gaming	Gaming	Non-Gaming	Gaming	Non-Gaming	Gaming	Non-Gaming	Gaming
Casinos	714	565	359	379	265	316	2	2	547	660	18	54
Bookmakers	325	83	60	193	71	163	0	0	81	307	2	18
Route Operator & Site operators	890	384	133	328	76	294	0	0	257	745	127	145
Bingos	382	322	258	236	161	157	1	0	318	365	4	17
Totalisator	20	0	0	13	0	0	0	0	0	20	0	0
Certificate of Suitability	56	16	7	3	0	0	0	2	0	40	16	16
Manufacturers	10	15	16	23	10	26	0	0	14	10	1	0
ISO	85	48	28	30	32	20	0	0	46	78	2	7
<b>Total</b>	<b>2482</b>	<b>1433</b>	<b>861</b>	<b>1205</b>	<b>615</b>	<b>976</b>	<b>3</b>	<b>4</b>	<b>1263</b>	<b>2225</b>	<b>170</b>	<b>257</b>

Source ECGB Gambling Regulation System (GRS)

## 4.5 Profile of Types of Gambling Licences awarded to the Qualified Applicants

### 4.5.1 Casino Licences Operations

The Eastern Cape has been allocated five casino licences out of a total of 41 such licences allocated throughout the country. The ECGB allocated the provincial licences to five zones in an endeavour to ensure that a measure of geographic spread was applied to the distribution of casino gambling activities. Table 5 below depicts the five casino licences awarded in the province, including their expiry dates.

**Table 5: Eastern Cape Casinos per Zone or Municipal Boundaries**

District Municipality	Zone	Casino	Location	Expiry Date	Term of Licence
Nelson Mandela Bay Metropolitan Municipality	Zone 1	Emfuleni Resorts (Pty) Ltd t/a The Boardwalk Casino	Port Elizabeth	2025	15 Years
Buffalo City Metropolitan Municipality	Zone 2	Tsogo Sun Emonti (Pty) Ltd t/a Hemingways Casino	East London	2026	15 Years
Chris Hani District Municipality	Zone 3	Zitolor (Pty) Ltd t/a Queens Casino	Queenstown	2037	20 Years
OR Tambo District Municipality	Zone 4	Mayfair Casino (Pty) Ltd (2014/147296/07) t/a Mayfair Casino	Mthatha	2038	20 Years
Alfred Nzo District Municipality	Zone 5	Transkei Sun International Ltd t/a Wild Coast Sun Casino	Mzamba Bizana	2019*	10 Years

\* Licence Extended Until March 2021 Pending Finalisation of the Licensing Process

Casino operations generated gross gaming revenues of R1.13 billion and contributed R90.6 million to the Provincial Revenue Fund during 2019/20. Table 6 below depicts an overall profile of operational Eastern Cape casinos.

**Table 6: Profile of Operating Eastern Cape Casinos**

Description	Bizana: Wild Coast Sun Casino	Port Elizabeth: Boardwalk Casino	East London: Hemingways Casino	Queenstown: Queens Casino	Mthatha: Mayfair Casino
Date Opened	October 2009	October 2010	September 2011	December 2017	December 2018
Operator	Wild Coast Sun International Ltd	Emfuleni Resorts (Pty) Ltd	Tsogo Sun Emonti (Pty) Ltd	Zitolor (Pty) Ltd t/a Queens Casino	Mthatha Casino (Pty) Ltd
Management Company	Sun International Management Ltd	Sun International Management Ltd	Tsogo Sun Casino Management Company	African Pioneer Gaming (Pty) Ltd	No management company
Total Capital Investment (Rm)	R2.6 Billion	R1 Billion	R400 Million	R151 Million	R141 Million
Total Employees	143	211	200	82	78
Slot Machines	650	774	568	181	154
Tables	24	24	22	10	7
Electronic Player Terminals	8	8	-	8	16

Source: Source ECGB GRS

It is evident that the casino component of the Eastern Cape gambling industry is significant and contributes to sustainable job creation in the province. As at the end of the December 2020/21 financial year the casino component employed about 714 people in permanent and temporary jobs. More than R4 Billion has been invested by the casino industry in the province, which attracted over 6 million visitors during 2019/20.

#### 4.5.2 Route and Site Licence Operations

Apart from casino licence operations, the provincial gambling industry also consists of route and site licence operations. These operations are located at recreational and leisure amenities such as taverns, clubs, and pubs<sup>2</sup>. To date, the ECGB has awarded two route operator licences in terms of Section 49 of the Eastern Cape Gambling Act.

Vukani Gaming Eastern Cape (Pty) Ltd, trading as V-Slots, has established several site licence operations distributed widely across the province. In this regard, the Limited Payout Machine (LPM) industry fulfills a demand for entertainment facilities different

<sup>2</sup>Regulation 60(3) of the ECGB Regulations indicates that limited gambling machine site licences may be granted to a wide range of facilities, including sporting or social clubs, licensed taverns and shebeens, racecourses, bookmakers' outlets, totalisator outlets, hotels and nightclubs, licensed sports bars, bingo halls, pool or snooker establishments and licensed bars.

to those provided by casino-type operations. V-Slots is currently operating 796 LPMs from 96 sites. A second route operator, Pioneer Slots (Pty) Ltd, has been licensed to operate 1000 LPMs and is currently operating 819 LPMs from 88 operational sites. Both these route operator licences are valid for a period of 15 years.

Site operations are made up of Type A (3-5 LPMs), Type B (20-40 LPMs), and Type C (6-15 LPMs) site licences. The route and site operations generated gross gaming revenues of R377.7 million and contributed R37.8 million gambling tax to the Provincial Revenue Fund during 2019/20. Table 7 below depicts an overall profile of licensed Eastern Cape route operators.

**Table 7: Profile of Eastern Cape Route Operators and Limited Payout Machines**

Description	Vukani Gaming Eastern Cape (Pty) Ltd	Pioneer Slots (Pty) Ltd
Date Licence Issued	29/03/2012	01/03/2013
Date Licence Expires	31/03/2027	29/02/2028
Number of Sites Licensed	96	88
Registered Employees	512	378
<b>Total Slot Machines</b>	<b>820</b>	<b>844</b>

Source: ECGB Gambling Regulation System (GRS)

In line with legislative amendments to the regulations on LPMs, the Board has also created a fourth category of a site licence, namely Independent Site Owners (ISO), referred to as Type D, with 40 LPMs. The ISO will be independently owned by the site owners with no link or profit sharing with the route operator. Table 8 below page depicts Independent Site Owners (ISO) (Type D) licences.

**Table 8: Independent Site Owners (ISO) or (Type D)**

District Municipality or Metro	Licensed ISO	Location of ISO in the province	Date Licence Issued	Date Licence Expiry	Employment Created	No. of LPMs	Investment Value
Nelson Mandela Bay Metro	Spin & Win Uitenhage	Uitenhage	29/03/2018	28/03/2038	24	30	No new investment <sup>3</sup>
	Royale Aces	Bay West, Port Elizabeth	27/09/2019	26/09/2039	12	30	R5.6 Million
Alfred Nzo District	Spin & Win Mbizana	Mbizana	29/03/2018	28/03/2038	14	30	No new investment <sup>4</sup>
	Spinners Mount Frere	Mount Frere	01/11/2019	31/10/2039	16	40	R2.3 Million
Joe Gqabi District	Golden Palace Sterkspruit	Sterkspruit	07/11/2019	31/10/2039	19	40	R928,974
<b>Total</b>					<b>85</b>	<b>170</b>	<b>R8.8 Million</b>

Source: ECGB GRS

**Note: The other five (5) ISO licences are not yet operational**

### 4.5.3 Bookmaking and Totalisator Operations

#### *Bookmaking Operations*

Betting activities related to horseracing are conducted by nine registered bookmakers in the province who have 36 licensed branches. The bookmaking industry has shown steady growth recently and many new bookmakers with a national footprint have applied, with existing bookmakers also applying for additional premises. Sports betting continues to grow in popularity, despite delays in legislative amendments to zero rate sports betting.

The horseracing industry remains a significant source of employment and provides access to a wide range of specialized job opportunities, supported by comprehensive training and skills development programmes conducted by the racecourse operator which extends to jockeys, trainers, and breeders.

Sports betting and horseracing operations generated gross gaming revenues of R338 million and contributed R11.8 million to the Provincial Revenue Fund during 2019/20. Table 9 below reflects an overall profile of licensed Eastern Cape bookmakers.

<sup>3</sup> This was a conversion of an existing Type B to a Type D

<sup>4</sup> This was a conversion of an existing Type B to a Type D

**Table 9: Profile of the Eastern Cape Bookmaker Industry**

Licensed Bookmakers	Date Licence Issued	Date Licence Expires	No. of Branches	Employees
Hollywood Sportsbook Eastern Cape (Pty) Ltd t/a Hollywood Bets	23/06/2016	22/06/2021	11	128
Vandastar (Pty) Ltd t/a G-bets Eastern Cape	30/06/2020	29/06/2025	4	35
WH van der Vyver (Pty) Ltd t/a Marshalls World of Sport	01/01/2018	31/12/2022	9	67
Lucky Bet (Pty) Ltd t/a Soccer Shop	24/11/2017	23/11/2022	3	23
BetXchange Eastern Cape (Pty) Ltd t/a BetXchange	18/12/2020	17/12/2025	2	11
FEE Gaming (Pty) Ltd t/a iGaming	07/08/2017	06/08/2022	1	31
GEC Gaming (Pty) Ltd t/a Royal Aces Bistro Port Elizabeth	23/07/2020	22/07/2025	1	2
KJI Company (Pty) Ltd t/a Supabets	11/08/2017	10/08/2022	3	24
Boss Bookmaker (Pty) Ltd t/a G-Bets Eastern Cape	13/12/2017	12/12/2022	2	4
<b>Totals</b>			<b>36</b>	<b>325</b>

Source: ECGB Gambling Regulation System (GRS)

### Totalisator and Racecourse Operations

The ECGB re-licensed Phumelela Gaming and Leisure Ltd (Totalisator) with new totalisator and racecourse licences valid for five years. Operations extend to 20 totalisator branches and agencies. Phumelela Gaming and Leisure Ltd currently operate the only racecourse in the province - Fairview Racecourse in Port Elizabeth – which is approximately 2,700m<sup>2</sup> in circumference and has an 800m run-in. Table 10 below depicts an overall profile of the licensed Eastern Cape totalisator and racecourse.

**Table 10: Profile of the Eastern Cape Totalisator and Racecourse**

Licensed Totalizator and Racecourse	Phumelela - Totalizator	Fairview - Racecourse
Date Licence Issued	20/12/2016	20/12/2016
Date Licence Expiry	19/12/2021	19/12/2021
Registered Employees	20	

Source: ECGB Gambling Information Management System (GIMS)

\* Includes Employees Working at Fairview Racecourse

#### 4.5.4 Bingo Licence Operations

A market feasibility study was commissioned in 2010 to ascertain the introduction of bingo as a new form of gambling in the Eastern Cape. The outcome of the study influenced the development of a policy framework that culminated in the awarding and issuing of 15 bingo licences in the Eastern Cape.

The bingo sector generated gross gaming revenues of R474.9 million and contributed R47.5 million to the Provincial Revenue Fund during 2019/20. Table 11 below depicts an overall profile of Eastern Cape operational bingo halls.

**Table 11: Profile of Eastern Cape Operational Bingo Halls**

District Municipality or Metro	Licensed Bingo Halls	Location of Bingo Halls in the Province	Date Licence Issued	Date Licence Expiry	Employment Created	No. of Electronic Bingo Terminals	Investment Value
Nelson Mandela Bay Metropolitan Municipality (Cacadu District)	Galaxy Bingo Port Elizabeth (Pty) Ltd (2012/136896/07) t/a Galaxy Bingo & Entertainment	Port Elizabeth	19/03/2014	18/03/2029	40	300	R11 Million
	EC Gaming Uitenhage (Pty) Ltd (2012/136900/07) t/a Galaxy Bingo & Entertainment	Uitenhage	31/08/2017	31/08/2032	20	235	R17 Million
	Bingo Royale Cleary Park (Pty) Ltd (2012/13692/07) t/a Bingo Royale Port Elizabeth	Port Elizabeth	05/09/2014	04/09/2029	28	211	R11 Million
Amathole District Municipality	Galaxy Bingo Butterworth (Pty) Ltd (2012/136895/07) t/a Galaxy Bingo	Butterworth	04/09/2015	03/09/2030	23	123	R5 Million
Buffalo City Metropolitan Municipality	Galaxy Bingo East London (Pty) Ltd (2012/136888/07) t/a Galaxy Bingo Gaming & Entertainment	East London	07/03/2014	06/03/2029	28	177	R5 Million

District Municipality or Metro	Licensed Bingo Halls	Location of Bingo Halls in the Province	Date Licence Issued	Date Licence Expiry	Employment Created	No. of Electronic Bingo Terminals	Investment Value
(Amathole District)	Galaxy Bingo King William's Town (Pty) Ltd (1997/005815/07) t/a Galaxy Bingo and Entertainment King William's Town Bingo Royale Buffalo City CBD (Pty) Ltd (2012/112914/07) t/a Bingo Royale East London	King William's Town East London	02/02/2017 19/09/2014	01/02/2032 18/09/2029	26 24	161 157	R8 Million R5 Million
Sarah Baartman District Municipality	Goldrush Bingo EC No.5 (Pty) Ltd (2014/0352210/07) t/a The Goldrush Bingo Grahamstown Goldrush Bingo Eastern Cape No.3 (Pty) Ltd t/a Goldrush Bingo Graaff Reinet Bingo Royale JBay (Pty) Ltd t/a Bingo Royale JBay	Grahamstown Graaff Reinet Jeffreys Bay	12/06/2015 23/09/2015 16/03/2015	11/06/2028 22/09/2030 15/03/2030	22 32 33	56 89 122	R10.8 Million R6 Million R5 Million
Chris Hani District Municipality	Goldrush Bingo Eastern Cape No.4 (Pty) Ltd t/a Goldrush Bingo Cradock Galaxy Gaming Zone 4 (Pty) Ltd (2006/02153/07) t/a Palacio Bingo Engcobo	Cradock Ngcobo	29/01/2016 27/10/2016	28/01/2031 26/10/2031	18 19	89 80	R7 Million R5 Million
OR Tambo District Municipality	K2014016993 (Pty) Ltd (2014/016993/07) t/a Bingo Royale Lusikisiki Arvodex (Pty) Ltd (2012/112949/07) t/a Bingo Royale Mthatha	Lusikisiki Mthatha	19/02/2016 06/12/2013	18/02/2031 05/12/2028	22 29	121 165	R 5.3 Million R5 Million
Alfred Nzo District Municipality	Bingo Royale Matatielle (Pty) Ltd (2014/0169944/07) t/a RITZ Bingo Matatielle	Matatielle	21/11/2015	20/11/2030	18	81	R3.5 Million
<b>Total</b>					<b>382</b>	<b>2 167</b>	<b>R110 Million</b>

Source: ECGB Gambling Regulation System (GRS)

## 4.6 Spatial Information Guiding Planning

Spatial planning is a strategic process that seeks to organise how the economy, society, and the built environment operate in space, whilst also seeking to ensure the protection, restoration, and management of the natural environment, underpinned by evidence-based and normative town and regional planning approaches.

In rolling out gambling licences, the ECGB has been guided by the ECG Act and its regulations including various policy imperatives which determine the location of regulated gambling operations.

Over and above the legislative requirements to roll out gambling licences and operations in the province, the ECGB is planning to undertake a study to investigate the extent or levels of saturation (oversaturation or undersaturation) and/or over-concentration of gambling modes, sites, and agencies in local municipal areas and in particular towns, townships, villages or wards that constitute a local municipal area in terms of the Municipal Boundaries Act.

The findings and recommendations of the study will assist the ECGB to utilise spatial information to roll out gambling licensees in the province appropriately.

## 4.7 Challenges Experienced by the Institution in the Performance Environment and Mechanisms to Address the Challenges over the Planning Period

Consultation of the industry in developing the new five-year strategy has revealed the following challenges, which have been taken into consideration to be addressed during this three to five-year period.

AREAS OF ENGAGEMENT	BM, LPM, RO, TOTE (PORT ELIZABETH) (03/09/2019)	BM, LPM, RO, TOTE (REGENT HOTEL) (10/09/2019)	BINGOS AND ISOs (OSNER HOTEL) (16/09/2019)	CASINOS (BORDER CRICKET) (26/09/2019)
<b>Challenges Experienced by Licensees / Stakeholders During the Previous Cycle:</b>	<ol style="list-style-type: none"> <li>1. ECGB oversight can have a significant impact on operations.</li> <li>2. Pressure on operators to employ more staff whereas they want to follow a lean</li> </ol>	<ol style="list-style-type: none"> <li>1. LA2 forms and other application forms tedious to complete.</li> <li>2. Rules and manuals need to be constantly updated e.g., gambling equipment</li> </ol>	<ol style="list-style-type: none"> <li>1. Management of Self-Exclusions                             <ul style="list-style-type: none"> <li>- to improve feedback from the ECGB</li> <li>- clarify the process moving forward</li> <li>- prescribe the process on the upliftment</li> </ul> </li> <li>2. Food and Beverage – many</li> </ol>	<ol style="list-style-type: none"> <li>1. Lack of induction conducted by operators.</li> <li>2. A need for standardization of casino rules</li> <li>3. Oversaturation concerns (revenue decline)</li> </ol>

AREAS OF ENGAGEMENT	BM, LPM, RO, TOTE (PORT ELIZABETH) (03/09/2019)	BM, LPM, RO, TOTE (REGENT HOTEL) (10/09/2019)	BINGOS AND ISOs (OSNER HOTEL) (16/09/2019)	CASINOS (BORDER CRICKET) (26/09/2019)
	<p>manufacturing approach.</p> <p>3. Public hearings can be intimidating, the suggestion that commitments are made in writing, not verbally.</p> <p>4. Alignment requested in terms of the Board's requirement on external audit and the Companies Act.</p> <p>5. Improved consistency in applying regulations in a clear framework.</p> <p>6. Guidelines on requirements of primary vs secondary business</p> <p>7. Oversaturation concerns - proximity /radius - fair competition</p> <p>8. Employee licences / registration - delays encountered in receiving permanent licenses, out of R/O and S/O control</p>	<p>within the province and machine logbooks.</p> <p>3. Socio-economic development:</p> <ul style="list-style-type: none"> <li>• Board to assist with a list of approved organizations</li> <li>• A Trust fund for community development programmes.</li> </ul> <p>4. Delays encountered in investigation processes may increase, for example the cost of lease agreements before approval of licence</p> <p>5. PDI supplier challenges: Suppliers over-charging, monopoly, awareness, liquor suppliers are not BBBEE recognized by ECGB</p> <p>6. Non-attendance of engagement sessions</p> <p>7. Lack of technical training on pieces of legislation / policies</p>	<p>local suppliers are not compliant; liquor is costly and expensive.</p> <p>3. Manufacturing - Issue of technical repairs, no local carpet cleaning company which meets the standard, there is no local risk assessment company as a specific example with regulated operators.</p>	<p>4. Lack of PDI Development Framework (Training Plan)</p>

AREAS OF ENGAGEMENT	BM, LPM, RO, TOTE (PORT ELIZABETH) (03/09/2019)	BM, LPM, RO, TOTE (REGENT HOTEL) (10/09/2019)	BINGOS AND ISOs (OSNER HOTEL) (16/09/2019)	CASINOS (BORDER CRICKET) (26/09/2019)
	<p>9. Advanced technology - submission of documents should be allowed electronically to ECGB.</p> <p>0. Challenges on the cashless system - player cards contain player information which is easier for FIC but may chase a portion of punters away</p>	<p>8. Lack of knowledge &amp; incompetence of staff</p> <p>9. Absence / loss of information</p>		

#### 4.8 Emerging priorities and opportunities which will be implemented during the planning period

Following consultation and strategic conversation with the stakeholders of the ECGB, and in light of the challenges highlighted above, the following opportunities will be explored for implementation and aligned to strategic outcomes and planned targets for the five-year period continuing in the MTEF 2021/2022 – 2023/2024:

NO.	EMERGING PRIORITIES AND OPPORTUNITIES	PROGRESS IN IMPLEMENTING THESE PRIORITIES & OPPORTUNITIES EXPLOITED	DRIVING / RESPONSIBLE DIVISION
1.	Exploration of other revenue generation options since the current model is subsidising.	A study on the Revenue generation options has been conducted in 2019/20 and recommendations will be implemented from 2021/22 going forward.	Financial Management Services
2.	Conducting a study on the possible new markets on the propensity to gamble and will be aligned with the current Research Agenda of the ECGB	Still to decide in 2021/22 on the possible study in this regard.	Empirical Research & Information Management

NO.	EMERGING PRIORITIES AND OPPORTUNITIES	PROGRESS IN IMPLEMENTING THESE PRIORITIES & OPPORTUNITIES EXPLOITED	DRIVING / RESPONSIBLE DIVISION
	including a proposed study to evaluate the saturation of gambling within the Province.		
3.	Advances in technology (GRS, cell-phone technology for effective regulatory service and reporting purposes).	ECGB has implemented a GRS system which has enabled the boardroom to streamline processes as correspondence is now via a web portal. Inspectors will soon be able to perform some tasks via a mobile App on their smart phones.	Information & Communication Technology <b>and</b> Empirical Research & Information Management
4.	Recruitment of qualified counselling staff to address challenges associated with harmful effects of excessive gambling including follow up of self and third party excluded punters in the Province.	This has not been pursued yet and maybe outsourced, where possible, as there is no capacity for qualified counselling staff within the organization.	Human Resources Management & Development
5.	Management of the exclusion programme and the emerging data of those who are on the exclusion list to make follow up with them to reduce excessive gambling.	In 2021/22 collaborations will be pursued with NRGF and the Department of social development where possible to follow with those on the exclusion list.	Law Enforcement & Gaming Control <b>and</b> Responsible Gambling, Public Education & Communication
6.	Setting up of gambling anonymous support structures for self and third party excluded punters in the Province.	Still to engage the relevant stakeholders on the matter of setting up the gambling anonymous support structure for self and third party excluded punters.	Responsible Gambling, Public Education & Communication
7.	Development of a clear mechanism for monitoring and reporting about trusts and foundations that are established through licence conditions to disburse proceeds of gambling.	Compliance mechanisms will be intensified and enhanced to incorporate monitoring and reporting about trusts and foundations that are established through licence conditions.	Licensing and Investigation Administration
8.	The organization needs to embrace the 4IR and its impact on employees as it is here to stay and the preparations of employees including a paperless environment.	During the Covid-19 lockdown, the ECGB had to adapt many processes to be performed remotely. This was the first giant leap	Information & Communication Technology

NO.	EMERGING PRIORITIES AND OPPORTUNITIES	PROGRESS IN IMPLEMENTING THESE PRIORITIES & OPPORTUNITIES EXPLOITED	DRIVING / RESPONSIBLE DIVISION
		taken to embrace IR4. The board will however need to review all its business processes and possibly sections of its Legislation to fully embrace 4IR.	
9.	Innovations of Internet Interventions for problem gambling in the Province for ease of access and reduction of costs during this new five-year period should also be a priority during the sixth administration.	Processes for Benchmarking and collaborations will be pursued in 2021/22 to explore possible Internet Interventions for problem gambling.	Information & Communication Technology <b>and</b> Law Enforcement & Gaming Control
10.	Alignment of organizational structure / organogram to the new Strategy including the development and re-alignment of management responsibilities.	Alignment of organizational structure / organogram the exercise was deferred to 2021/22 due to a budget that had to be reprioritised for 2020/21.	Human Resources Management & Development

#### 4.9 Information on the Capacity of the Institution to Deliver on Its Mandate

The ECGB can implement its mandate and fulfil its responsibilities with its current limited available capacity. Additional responsibilities and functions have emerged, and several officials have been requested to manage and implement these responsibilities.

During the sixth administration, the current organizational structure will need to be reviewed, especially functions that require the support of administration services, as these are limited and have the potential of creating exhaustion and resulting in inefficiencies to line function responsibilities.

#### 4.10 Relevant Stakeholders Who Contribute to the Institution’s Achievement of its Outcomes

The ECGB has an approved Stakeholder Management Strategy which outlines, among other aspects, a list of key stakeholders who have an influence on the regulatory work of the ECGB and those that the ECGB relies on or depend on to implement its various activities. A copy of the approved Stakeholder Management Strategy with the list of all identified stakeholders is available and listed on the ECGB website.

Stakeholders were engaged and consulted regarding the development of this strategy as they provided valuable and objective inputs to frame the new strategy.

#### 4.11 Identified Challenges to be Addressed and Proposed Interventions

The table below captures significant challenges and proposed interventions that have a direct impact on the implementation of the planned targets for the MTEF and beyond.

NO.	CHALLENGES THAT EMERGED	PROPOSED INTERVENTIONS	PROGRESS IN ADDRESSING THESE CHALLENGES	DRIVING / RESPONSIBLE DIVISION
1.	Unregulated internet gambling may lead to a potential loss of revenue for the fiscus.	Exploration of possible regulation mechanisms and /or legislation or policy reform. Benchmark with other international jurisdictions where internet gambling is regulated.	The National Gambling Board ("NGB") has re-opened the debate on the legislation of on-line gambling. The ECGB submitted representations to the NGB on the process to enable the legislation of on-line gambling and revival of the National Gambling Amendment Act, 2008, and the draft regulations on interactive gambling that were published in 2009 but were never approved by the relevant Portfolio Committee.	Legal Services <b>and</b> Licensing and Investigation Administration
2.	A need to embrace the 4th industrial revolution in gambling regulation, risk mitigation, and in the overall ICT strategy.	Engagement, Benchmarking, and Intensive Seminars and Learning regarding identification and implementation of core activities of the Fourth Industrial Revolution within the gambling sector.	The ECGB will be undergoing a process reengineering exercise to streamline business processes and ensure that they complement the ECGB Legislation.	Information & Communication Technology <b>and</b> Empirical Research & Information Management

NO.	CHALLENGES THAT EMERGED	PROPOSED INTERVENTIONS	PROGRESS IN ADDRESSING THESE CHALLENGES	DRIVING / RESPONSIBLE DIVISION
3.	The proposed merger between Eastern Cape Liquor Board and ECGB with no feasibility study performed.	Engage the department of Economic Development, Environmental Affairs & Tourism to facilitate the process as instructed by the MEC.	This is pending formal communication and guidance from the Department of Economic Development and environmental affairs and tourism.	Office of the CEO
4.	A need for effective management of information generated within the Organization	The development of the Information and Knowledge Management strategy that will outline the effective management processes of information generated within the organization.	Development of the Information and Knowledge Management strategy will be pursued in 2021/22 to guide the effective management of information generated within the Organization.	Empirical Research & Information Management
5.	Litigation against Board decisions on awarding licences as the ECGB operates in a highly litigious environment and its decisions may be challenged and /or reviewed by applicants and / or any interested persons.	Develop a clear Risk Management plan to mitigate challenges against the Board decisions to award the Licences.	The Board Secretariat Standard Operating Procedure is in place and meant to address the timelines about submissions presented to the Board and its Committees, and providing governance advisory services to Management, the Board and its Committees. Furthermore, there's a legal panel of attorneys providing sound legal advice to Management and the Board on ethical leadership in respect of legislative matters.	Legal Services <b>and</b> Office of the CEO <b>and</b> Licensing and Investigation Administration

NO.	CHALLENGES THAT EMERGED	PROPOSED INTERVENTIONS	PROGRESS IN ADDRESSING THESE CHALLENGES	DRIVING / RESPONSIBLE DIVISION
6.	Pro-active management required of those punters in self and third-party exclusion list and - to improve feedback from ECGB. - clarify the process moving forward. - prescribe the process on upliftment.	Development of a framework or policy that will outline the management of exclusions, including feedback and upliftment process in consultation with the Gambling Industry.	Development of the framework or policy that will outline the management of exclusions including feedback and upliftment process will be pursued in 2021/22.	Law Enforcement & Gaming Control <b>and</b> Responsible Gambling, Public Education & Communication
7.	Benchmarking and monitoring of turnaround times for employee registration certificates.	A newly developed Gambling Regulation System (GRS) will be enhanced to improve the turnaround time.	Gambling Regulation System (GRS) has been developed and is in the initial stages of operation with continuous improvement of process flows.	Licensing and Investigation Administration
8.	Insufficient Office space for the full staff structure as the industry has grown.	The service providers to expedite completion of the building project.	The extension of the current building is in progress and anticipated to be completed in 2021.	Human Resources Management & Development

#### 4.12 External Environmental Analysis

In conducting an external environmental analysis, a group discussion methodology was utilised, including a reflection on issues or processes that should be changed, strengthened, improved, enhanced, and introduced, or discarded or excluded in terms of operations, regulatory and support services of the ECGB in the next five-year cycle.

Based on the above processes, the core elements of the external environment in this section emerged for consideration:

#### **4.12.1 Background Information on the Demand for Services and Other Factors which Informed the Development of the Strategic Plan**

Herewith important and significant background information on demand for services are rendered by the ECGB:

##### **4.12.1.1 Licensing and Regulatory Services of the ECGB**

The ECGB creates opportunities for industry role players to apply for different types of gambling licences in terms of the Act. An RFP is published inviting individual business organizations or entrepreneurs to apply for available types of licences. The following activities are therefore implemented by the ECGB:

- Gathering of information concerning the applicant's business activities and those of related parties to ensure that gambling is conducted in a manner that promotes the integrity of the gaming industry and does not cause harm to the public interest;
- Reviewing the applicant's supporting documentation (and assertions made therein), included in their application for such licences, to establish if the information truly reflects the integrity and sound financial position of the applicant and its shareholders;
- Ensuring that the applicant and related parties comply with the respective laws, viz the Eastern Cape Gambling Act, the National Gambling Act, FICA as well as other statutory and ethical codes of conduct;
- Gathering and assessing relevant information about the applicant to make recommendations to the Board in respect of the suitability of the applicant concerning criteria spelled out in the applicable gambling legislation and/or RFP;
- Facilitating the registration of all applicants and awarding of licences and registration certificates to suitably qualified applicants.

##### **4.12.1.2 Audit and Compliance Services to Regulate the Gambling Industry**

Following the allocation of temporary and permanent licences to qualified operators, the signing of conditions of a licence, and the commencement and functionality of a licensed gambling establishment, audit and compliance services ensure adherence to legislation and other regulatory instruments. The following services are demanded by the industry and provided by the ECGB:

- Provision of quality assurance on the completeness, accuracy and validity of taxes and fees by verifying, recalculating and reporting the findings.
- Conducting compliance audits to ensure adherence to conditions of a licence, bid commitments, FICA and ECGB legislation by inspecting, corroborating, enquiring, and confirming the completeness, accuracy, and validity of the information and reporting on the findings.
- Audit adherence to ECGB legislation by observing the process of installing gaming software and testing its functionality.

- Audit the viability of the licensee’s operations by analysing their audited or reviewed annual financial statements.
- Review and approval of the licensee’s internal control systems and/or procedure manual.
- Maintain compliance barometer, and
- Conduct annual reviews of licence period financial guarantees.

The Board has since introduced the utilisation of a compliance barometer, an internally developed tool, to measure compliance by licensees.

### ***Compliance Barometer***

The purpose of the compliance barometer is to provide a high-level overview of the level of compliance by the various licensees in line with the terms and conditions of a licence, bid commitment, the ECG Act, rules, and regulations. It is also to monitor the compliance level of licensees and to detect the frequency of transgressions.

The compliance barometer has been introduced by the ECGB and widely welcomed by licensees. Regular sessions are held with each category of the licensee to assist them in developing compliance action plans to implement remedial action and thus serve as their audit tracking tool.

### ***Benefits Derived from Utilising the Barometer***

The compliance barometer:

- Measures levels of compliance by licensees and thus enables them to gauge improvement on a year-to-year basis;
- Allows for easy detection of licensees disregarding compliance adherence from year to year and failure to show commitment to improve and implement recommendations of previous audits;
- Serves as a dashboard for the user to monitor the level of compliance at a glance;
- Allows for the effective monitoring of the number of transgressions by a licensee and also serves to incentivise and reward licensees with good compliance histories, e.g. reduced cost of guarantees for licensees; and
- Promotes interaction with the licensees to ascertain the level of knowledge or understanding about what is required in terms of the licence conditions and ECGB legislation.

Figure 1 below depicts compliance level by licensees as at 31 March 2020



The compliance level is 80% or more  
The compliance level is between 60% and 80%  
The compliance level is below 60%

**Figure 1: Barometer on Compliance Level of Licensees**

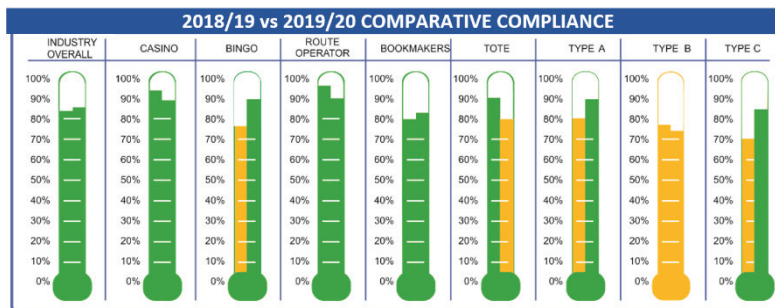


Figure 1 shows average compliance level as at 31 March 2020 was above 80% and has increased year-on-year.

**Risk-Based Audits**

Since the introduction of the compliance barometer, the Audit and Compliance unit has utilised a risk-based approach in assessing the compliance history of each licensee within a specific type of licence over a year. The compliance barometer is updated quarterly. This risk-based approach impacts the frequency of audits for a specific licensee.

As a result of the compliance barometer outcomes, the frequency of revenue audits has been reduced from quarterly to annually for casinos and bingo halls due to their compliance maturity level. Reliance is also placed, where relevant, on the work of the internal audit departments of the licensees who submit their quarterly reports to the Board for review.

Our regulations also require that the external auditors of each licensee must evaluate and report on the licence holder’s compliance with their systems of internal control, as approved by the Board. These reports must be submitted to the Board with their audited annual financial statements, or bi-annually. The ECGB will reinforce this requirement to ensure full compliance by all licensees, in particular the smaller category of licensees. The ECGB also acknowledges that some of the smaller licensees operate as sole proprietors, and proposed amendments which are awaiting MEC approval, have been made to this regulation.

#### 4.12.1.3 Law Enforcement and Gaming Control Services

In mitigating all forms of illegal gambling (slot machines/on-line gambling) and unfair competition, as well as protecting both operators and punters from unscrupulous gambling operators the following activities are rendered by the ECGB:

- Conducting compliance inspections and verifications of gambling related activities in all licensed gaming establishments and operations in the province to ensure compliance with gambling laws, rules, regulations, licence conditions and internal control systems.
- Monitoring and ensuring the integrity of all systems and procedures on gambling devices.
- Liaising with other provincial gambling boards regarding certified testing laboratories, manufacturers, and licensees.
- Processing requests for gambling equipment including transportation, change of floor plans, change of job compendiums, systems and game changes, denomination changes, letter of certification of new equipment in the industry, surveillance view changes, and any other changes that affect the game.
- Maintaining a database of gambling devices by monthly reconciliation of devices on internal systems such as GRS, licensees gambling devices lists and route monitoring systems.
- Conducting investigations and closure of all illegal gaming activities in the province; and
- Overseeing destruction of all dysfunctional gambling equipment, devices and confiscated illegal gambling equipment.

#### 4.12.1.4 Socio-Economic Development and Empowering Services

In addition to the awarding of different types of licences and the collection of revenue for the provincial fiscus, the ECGB has the corporate responsibility of identifying and supporting socio-economic development initiatives to empower impoverished communities, in terms of the Provincial Anti-Poverty Strategy which includes designated and vulnerable groups of youth, elderly, disabled persons and women.

In terms of licence conditions, licensees are expected to contribute a certain percentage of their gross gaming revenue (GGR) by implementing sustainable CSI projects in the areas within which they operate.

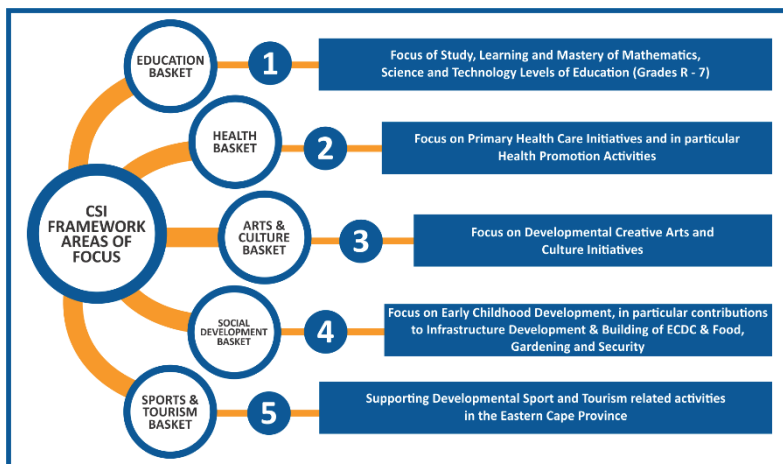
The ECGB developed and approved a CSI framework in March 2016 to guide the implementation of sustainable CSI projects by licensees, either as individual companies or in collaboration with each other.

The CSI framework has identified focus areas or baskets for implementation on sustainable CSI projects by the licensees.

Furthermore, the CSI framework provides guidance on areas or municipal wards where sustainable CSI projects can be implemented. This is meant to realise the implementation of the Provincial Policy and Strategy to reduce levels of poverty, especially in the 16 municipal wards identified as the most impoverished areas in the province (“anti-poverty wards”). Provincial gambling licensees are beginning to invest their CSI projects in these poorest wards.

Figure 2 on the following page depicts the identified focus areas or baskets for implementing sustainable CSI projects by licensees.

**Figure 2: CSI Framework Focus Areas / Baskets**



#### 4.12.1.5 Research and Development and Programme Evaluations

The ECGB is committed to generating a reliable body of valid data and research information about gambling in the province that will ensure all decisions relating to gambling are evidence-based. As a regulated industry, the gambling industry requires rigorous and continuous research due to various factors such as technological advances in gaming, which requires the regulator to be well informed about such developments to regulate effectively.

Furthermore, there is an acknowledgement that, the more the regulator issues licences and creates unlimited access to gaming opportunities within the province, the greater the need to investigate, evaluate and conduct research to determine the extent of unintended outcomes, and consequences of creating a culture of irresponsible and excessive gambling.

Finally, the ECGB as a gambling regulator is also expected to promote the use of research and generation of knowledge to make decisions and direct actions to improve research outcomes that are grounded on evidence from research. Following a strategic review, the Board resolved that research and development must be enhanced and an appropriate budget must be allocated accordingly. The following services are therefore implemented to realise the significance of research, learning and knowledge management:

- Conduct high-quality research that enables the evidence-based advancement of responsible gaming programmes, and problem gambling prevention and treatment.
- Review the Research and Development Strategy of the ECGB.
- Develop and implement a knowledge and management strategy for the ECGB.
- Evaluate the various activities and functions of the ECGB about its regulatory functions in terms of the Research and Development Strategy and instructions of the Board.
- Develop and inculcate a culture of conducting and using research findings for evidence-based decision-making and planning, especially by relevant budget programmes of the ECGB.
- Create a platform for effective involvement of the research community, government, strategic partners and other relevant stakeholders.
- Publicise research findings, using relevant platforms, to communicate the findings and recommendations of research conducted; and
- Mobilise research resources by co-partnering with different state agencies and organizations in conducting specific and related research jointly and collaboratively.

### **Programme Evaluations**

Programme evaluation is a systematic method for collecting, analysing, and using the information to answer questions about projects, policies, and programmes, particularly about their effectiveness and efficiency.

In both the public and private sectors, stakeholders often want to know whether the programmes they are funding, implementing, voting for, receiving or objecting to, are producing the intended effect. While programme evaluation first focuses on this definition, important considerations often include:

- how much the programme costs per participant;
- how the programme could be improved.
- whether the programme is worthwhile.
- whether there are better alternatives;
- if there are unintended outcomes; and
- whether the programme goals are appropriate and useful.

Evaluators help to answer these questions, but the best way to derive answers is for the evaluation to be a joint project between evaluators and stakeholders.

In the last five years, the ECGB has not conducted programme evaluations to understand whether the current programmes are effective and efficient for policy, strategy, and process decisions. This function will be a priority as we approach the next decade.

#### 4.12.1.6 Responsible Gambling and Public Education

The ECGB, as a responsible regulator, acknowledges that gambling can be an elusive, ambiguous, excessive act that requires the utmost care and awareness of the harms of problem gambling. Gambling has become more accessible, not only through access to physical gambling operations, but also through smart phones and the internet. Addicted gamblers often have other addictions which occur simultaneously, such as drug and alcohol abuse, of which communities may not be aware or be informed about.

NO.	SERVICES	TYPE OF PROJECTS	BENEFICIARIES
1	Inform, empower, communicate and enhance understanding of problem gambling and excessive gambling and how to deal with this phenomenon and maintain the productivity and healthy functioning of an individual, potential punter, punter or community of persons or citizens of the province.	<p>Schools; as gambling, alcohol, and drug free zones - Taking Risks Wisely - School Programme</p> <p>Workshop sessions to minimise harmful effects of excessive and irresponsible gambling – Gracious Ageing</p> <p>Minimisation of the harmful effects of excessive and irresponsible gambling in the workplace – Private and Public Servants Empowerment</p> <p>Project targeting institutions of higher learning in the province to create awareness on excessive and irresponsible gambling</p>	<p>Young people in and out of school</p> <p>Old-age pensioners and senior citizens of the province</p> <p>Directors, senior, general, and executive managers. Policy Reform and Development</p> <p>Employees across occupational levels in the private and public service</p> <p>Students, lecturers, and administrators of institutions of higher learning</p>
2	Provision of referral and support services that are available when problem gambling is identified, including resolving personal concerns, health, family, financial, alcohol, drug, emotional, stress or other	<p>Enhancement and provision of self- and third-party exclusion programme and the management of data regarding self- and third-party exclusions</p> <p>Establishment of an Eastern Cape Gamblers Anonymous Network</p>	A Punter on a high risk of addictive gambling

NO.	SERVICES	TYPE OF PROJECTS	BENEFICIARIES
	personal issues that may affect individual behaviour.		Provincial citizenry and/or communities, ward councillors and their communities; traditional leaders and their communities, different community formations.
3	The utilisation of different platforms to profile messages of responsible gambling and mitigation of excessive and irresponsible gambling	Various community platforms to communicate messages of responsible gambling - Community Advocacy. Integrated communication, media, and public outreach programmes and utilisation of outside broadcasts, billboards, industrial theatre, various events.	Provincial citizenry
4	Advocating the formulation or amendment of policies and procedures to include responsible gambling and minimisation of harmful and excessive effects of irresponsible gambling in employee wellness programmes, policies and strategies, ICT governance, and risk management policies of different public and private sector organizations	Public and private sector organization, including non-governmental organizations.	Employees and managers of different public and private sector organizations, including NGOs
5	Facilitating and ensuring that gambling environments, processes and sites are safer and more supportive of gambling consumers or punters	All players across all gambling codes are registered with smart cards which will allow the co-ordination of the self-exclusion process. Smart cards will allow the regulator to monitor the player's habits regarding excessive gambling. Implementation of pop-up messages to warn against overspend or to initiate breaks where machines cease to play, if the player has exceeded his/her time.	Punters and gambling operators in the province

NO.	SERVICES	TYPE OF PROJECTS	BENEFICIARIES
		<p>Player workshops, briefings before participating in social and recreational gambling and encourage players to attend short, focused briefing sessions which outlines:</p> <ul style="list-style-type: none"> <li>• Statistical probabilities in decision-making</li> <li>• Dangers of excessive gambling</li> <li>• Symptoms of problem gambling</li> </ul>	

Various research studies have been conducted or commissioned by the ECGB to determine the impact of irresponsible gambling in various sectors of the province, notably the prevalence of a gambling research study among public servants in the province and those who receive old age social security grants. These studies require the ECGB to implement a comprehensive, integrated communication, media, and public outreach programme to minimise the harmful effects of excessive and irresponsible gambling.

The ECGB won two awards from Gambling Indaba (Africa’s Premium Gambling Conference and Expo) on 4 September 2018: “Best Responsible Gambling Programme in South Africa” as well as “Best Efficient Gambling Regulator in South Africa”.

Balancing the negative effects and social ills of gambling against the noble objectives of job creation, revenue generation, and protection of the punters, a responsible gambling strategy was recently approved by the Board of ECGB to facilitate and ensure that potential gamblers and current users of legal and/or regulated gambling activities remain recreational and social gamblers. This strategy also aims to ensure that provincial gambling licensees continuously support and protect potential gamblers without being coerced or forced through compliance and regulatory requirements.

The table below outlines services rendered by the ECGB to minimise harmful effects of excessive and irresponsible gambling:

One of the pillars of the ECGB’s Responsible Gambling Strategy is the utilization of different platforms to profile messages of responsible gambling and mitigation of excessive and irresponsible gambling in illegal sites. Outside billboards are utilised as one of the platforms to communicate messages of responsible gambling and mitigation against the use of illegal gambling sites.

The images in the following page depict different towns in the province where billboards are mounted in high traffic areas or zones where there is a gambling footprint. The following towns were targeted during the last six months of the 2019/2020 financial year: Grahamstown, Bhisho, Mthatha, Butterworth, and Bizana.

**Outside Billboards Mounted in Different Towns of the Province**



Source: ECGB 2019 Q3 Report

Digital screen billboards, which are utilized as another platform to profile and communicate messages of responsible gambling, were installed at the Buffalo City Metropolitan Municipality through intergovernmental relations and cooperative governance mechanisms.

**Digital Screen Billboards Installed in Buffalo City Metropolitan Municipality**



Source: ECGB 2019 Q3 Report

### Posters Utilised to Communicate Messages of Responsible Gambling



#### 4.13 Trend Analysis Based on Annual Reports and End-Term Reports which will Inform the Strategy Going Forward

Previous five-year annual reports were also utilised to track significant matters to be addressed and considered in developing a new five-year strategy of the ECGB. Of significance is that the reports of the external auditors, or the Auditor-General, have been favourable in both financial and performance information. It will be key to enhance the work that has been performed, ensure a sustainable organization, and mitigate all potential areas which could cause the organization to regress.

#### 4.14 Findings of Internal or External Research Used to Inform the Strategy of the Organization

There was no internal and or external research conducted to inform the development of a new five-year strategy. However, the ECGB has a research agenda and several research outputs are commissioned during the year.

Findings and recommendations of some of these research reports were utilised to guide the development of this new five-year strategy.

#### 4.15 Findings of Internal or External Evaluations Used to Inform the Strategy of the Organization

The ECGB has not yet conducted programme evaluations, either internally or externally. This matter has been prioritised for the next five-year period.

#### 4.16 Information from the Political Environment which May Impact the Implementation of the Strategic Plan

The following key political issues emerged when a PESTEL analysis methodology was utilised which informed the development of this new five-year Strategic Plan of the ECGB:

PESTLE ANALYSIS MODEL	GUIDING FACTORS	DISCUSSIONS AND EMERGING ISSUES
<b>Political Factors</b>	<ul style="list-style-type: none"> <li>• Government changes</li> <li>• Shareholder and their demands</li> <li>• Funding</li> <li>• Government leadership</li> <li>• Lobbying</li> <li>• Foreign pressures</li> <li>• Conflicts in the political arena</li> </ul>	<ol style="list-style-type: none"> <li>1. Change of leadership impact:               <ul style="list-style-type: none"> <li>• Delay in implementation e.g., zero rating of tax.</li> <li>• Change of direction/focus.</li> <li>• New policies.</li> <li>• Lack of appetite.</li> <li>• New focus by leadership.</li> </ul> </li> <li>2. Policy Council between the National Minister and MEC of Economic Development not being scheduled as expected.</li> <li>3. A Merger between the ECGB and ECLB.</li> </ol>

## 4.17 Internal Environment Analysis

The ECGB has a responsibility to conduct an internal environmental analysis which should provide a summary of the internal institutional factors, which may impact the achievement of the institution’s outcomes. Below are the core areas that emerged when conducting internal environmental analysis utilizing group discussion methodology.

### 4.17.1 Human Resources and Capacity

For the organization to deliver on its mandate, the strategy and the structure must be woven together seamlessly. With a clear focus on what the organization wants to achieve, it will proceed to align its structure in such a manner to best achieve this. The ECGB has an organizational structure in place that assists in carrying out its mandate. The current structure was reviewed in response to the human resource needs required by the strategy at the time.

Now that a new strategy has emerged and been developed, another review of organisational structure must be conducted to align with the new strategy, to determine the required human resources and capacity to execute the organisational strategy.

In doing so, people, positions, policies, procedures, processes, technology, and other related elements that comprise the organization need to be considered and reviewed, where necessary.

Appropriate technologies required to improve efficiencies and support the strategy will also be considered. A Budget is required for the successful implementation of these processes.

Figure 3 on the following page depicts the organizational structure that will have to be reviewed following the consideration and approval of the new strategy.



#### 4.17.2 Information Communication and Technology resources

The Eastern Cape Gambling Board (ECGB) has developed a Master System Plan / IT Strategy, which detailed the organizational status quo and provided a way forward for the organization to address the ICT challenges it faces.

The strategic imperatives that have been identified will guide and form the basis of the implementation of the ECGB's IT Strategy and its drive towards embracing the 4th industrial revolution. The implementation of the Protection of Personal Information Act is planned to be complete by the end of the first quarter of the 2021/22 financial year and requisite resources have been planned in this regard. In addition, ECGB will continue benchmarking to the Corporate Governance of ICT Policy Framework. Other strategic imperatives that will be dealt with over the next three years include:

- Review, communicate and monitor all relevant IT governance, policies, and guidelines to enhance the IT capability of ECGB.
- Enhance the ECGB's IT infrastructure and systems capability (hardware).
- Synchronisation and client data backups.
- Continuously communicate and monitor IT norms and standards to support the divisions of the ECGB.
- Video conferencing and field connectivity.
- IT and administration systems.
- Automation of systems to support the core business of licensing and compliance, as well as the support functions of the organization; and
- Provision of IT support in developing a paperless environment.

#### 4.17.3 The Status of the institution regarding compliance with the B-BBEE Act

The ECGB upholds and promotes the principles enshrined in legislation on black economic empowerment. As such, the entity seeks to ensure commitment, adherence, and compliance to B-BBEE legislative provisions, specifically the Level Two target achieved by most licensees.

The ECGB was previously rated Level One, however, this B-BBEE certificate has expired and the current verification is underway.

#### 4.17.4 The Status of Women, Youth, and People with Disabilities

In terms of the current workforce profile, there is an under-representation of women in senior and top management positions and no representation of people with disabilities within the entire organization.

The ECGB adopted an Employment Equity Plan with the aim of eliminating the imbalances of the past and ensuring the employment of people from designated groups. Currently, there is 12% women representation in senior management and 0% people with disabilities within the entire organization.

A new plan targeting woman, especially in senior management positions, will be developed and a target for employing people with disabilities will be set.

The ECGB is committed to youth empowerment and has a 24-month internship programme in place. This programme offers internship opportunities to young people within the Eastern Cape (straight from tertiary) to assist them in gaining the necessary experience and competencies that will enable them to enter the job market.

Currently, there are six(6) interns on the internship programme gaining exposure in the following areas: Information & Communication Technology, Human Resource Management, Compliance & Licensing, Procurement, and Strategic Management Services. Table 12 on the following page depicts the current workforce profile of the ECGB.

Table 12: ECGB Workforce Profile

DESCRIPTION		MALES					FEMALES				FOREIGN NATIONALS		
		A	C	I	W	TOTAL	A	C	I	W	TOTAL	MALES	FEMALES
EQUITY	Provincial Economic Active Population Percentages	42.3%	7.9%	0.1%	2.9%	53.2%	37.5%	6.8%	0.0%	2.5%	46.8%	0%	0%
	Actual Employee numbers	20	0	1	3	24	28	1	0	0	29	0	0
	Disabled Employees	0	0	0	0	0	0	0	0	0	0	0	0
	ECGB Workforce Percentages	37.7%	0.0%	1.89%	5.66%	45.3%	52.83%	1.89%	0%	0%	54.7%	0%	0%
TOTAL PERMANENT STAFF	53	20	0	1	3	24	28	1	0	0	29	0	0
INTERNS/ LEARNERS	6	2	0	0	0	2	4	0	0	0	4	0	0

#### 4.17.5 Budget Programme Structure of the ECGB

- 4.17.5.1 A budget programme is a main division within ECGB’s budget that clearly defined a set of outcomes based on the services or functions within the ECGB’s legislative and other mandates.
- 4.17.5.2 A sub-programme is a constituent part of a Budget programme, that defines the services or activities which contribute to the achievement of the outcomes of the programme. Some of the defined services or activities could include key projects identified by the ECGB. Figure 4 below indicate the three Budget Programmes and Budget Sub-programmes of the ECGB:

Figure 4: Budget Programme Structure



#### Overview of the Budget and MTEF Estimates

Table 13: Budget Estimates by Economic Classification

Economic Classification	Audited Outcomes / Actuals			Adjusted Appropriation 2020/21 R'000	Medium-Term Expenditure Estimate		
	2017/18 R'000	2018/19 R'000	2019/20 R'000		2021/22 R'000	2022/23 R'000	2023/24 R'000
<b>REVENUE</b>							
Equitable Share Allocation	53 072	55 761	58 710	61 350	61 961	65 043	65 725
Own Revenue	16 112	16 623	16 729	12 603	16 622	18 099	18 826
<b>TOTAL REVENUE</b>	<b>69 184</b>	<b>72 384</b>	<b>75 439</b>	<b>73 953</b>	<b>78 583</b>	<b>83 142</b>	<b>84 551</b>
<b>EXPENDITURE</b>							
<b>Compensation of Employees</b>	<b>37 832</b>	<b>41 191</b>	<b>46 900</b>	<b>46 889</b>	<b>51 535</b>	<b>54 112</b>	<b>54 443</b>
<b>Goods and Services</b>	<b>23 958</b>	<b>27 405</b>	<b>25 355</b>	<b>21 000</b>	<b>26 472</b>	<b>27 913</b>	<b>29 334</b>
Administrative Expenses	9 653	9 852	9 570	6 145	10 785	11 379	11 768
Corporate Social Investment	441	292	562	446	464	490	521
Consumer Protection and Public Education	4 005	4 691	2 568	1 014	1 055	1 113	1 185
Depreciation and Amortisation	1 497	1 716	2 052	2 617	2 748	2 885	3 029
Legal Costs	2 709	4 882	3 929	3 750	2 340	2 469	2 629
Marketing and Research Costs	704	700	553	633	1 131	1 193	1 271
Other Operating Expenses	3 599	4 002	4 878	5 135	6 531	6 890	7 338
Statutory Audit Fees	1 350	1 271	1 243	1 261	1 417	1 495	1 593
<b>TOTAL EXPENDITURE</b>	<b>61 790</b>	<b>68 596</b>	<b>72 255</b>	<b>67 889</b>	<b>78 007</b>	<b>82 025</b>	<b>83 777</b>
<b>TOTAL CAPEX</b>	<b>2 875</b>	<b>5 967</b>	<b>4 306</b>	<b>13 470</b>	<b>3 325</b>	<b>4 002</b>	<b>3 803</b>

#### Trend Analysis of Expenditure

- 4.17.6.1 The Equitable share grant funding of the institution has been increasing at or close to inflation over the past three years, however in 2021/22 is an increase of only 1%. Over the MTEF own revenue is projected to be enhanced to mitigate this.
- 4.17.6.2 The Treasury guidelines on budgeting for Compensation of Employees have been applied and the prior budget baselines were reduced by 4.3% on average. In 2020/21 certain positions were frozen however over the MTEF the full establishment has been budgeted for.
- 4.17.6.3 Goods and Services have increased over the previous three years by less than inflation due to cost containment initiatives implemented. During the 2020/21 Financial year, additional temporary measures were applied as a direct impact of the COVID-19 Pandemic, and the budget for 2021/22 reflects an average annual increase of 3.3% for goods and services overall since 2017/18.
- 4.17.6.4 Capital expenditure (CAPEX) increased in 2020/21 due to the Building extension project required to adequately house all staff which is currently underway and will be completed in the last quarter of 2021/22. Accordingly, Capital expenditure returns to average trend-levels over the MTEF.

4.18 ECGB's ALIGNMENT WITH THE NATIONAL, PROVINCIAL DEVELOPMENT PLAN GOALS & DEDEAT'S PRIORITIES / POLICY INITIATIVES

NO.	SEVEN NATIONAL PRIORITIES AS PER NATIONAL DEVELOPMENT PLAN (NDP)	APPLICABILITY TO THE ECGB	SIX EASTERN CAPE PROVINCIAL DEVELOPMENT PLAN GOALS (PDP)	APPLICABILITY TO THE ECGB
1.	Economic transformation and job creation	Applicable to ECGB. See budget programme Investigation & Licensing Administration page 58 & 59, through issuing of gambling licences to qualified Applicants	GOAL 1: Innovative and inclusive growing economy.	Applicable to ECGB. See budget programme Investigation & Licensing Administration page 58 & 59, through issuing of gambling licences to qualified Applicants.
2.	Education, skills, and health	Applicable to ECGB. See budget programme Strategic Management Services page 54 & 55, through corporate social investment for Maths, Science Technology projects.	GOAL 2: An enabling Infrastructure Network.	Applicable to ECGB. See budget programme Investigation & Licensing Administration page 58 & 59, through issuing of gambling licences to qualified Applicants.
3.	Consolidating the social wage through reliable and quality basic services	Not applicable to the ECGB.	GOAL 3: Rural Development and an innovative and high-value agriculture sector.	Not applicable to the ECGB.
4.	Spatial integration, human settlements, and local government	Not applicable to the ECGB.	GOAL 4: Human Development.	Applicable to ECGB. See budget programme Office of the CEO page 55.
5.	Social cohesion and safe communities	Applicable to ECGB. See budget programme Law Enforcement and Gaming Control page 58 & 59.	GOAL 5: Environmental Sustainability.	Not applicable to the ECGB.
6.	A capable, ethical, and developmental state	Not applicable to the ECGB.	GOAL 6: Capable Democratic institutions.	Not applicable to the ECGB.
7.	A better Africa and World	Not applicable to the ECGB.		Not applicable to the ECGB.

#### 4.19 PROCESS FOLLOWED IN DEVELOPING THE 2021/22 – 2023/24 ANNUAL PERFORMANCE PLAN

- 4.19.1 The development of the 2021/22 – 2023/24 Annual Performance Plan was informed by several processes which are meant to see an improved statutory planning document, with clear strategic outcomes, performance indicators, targets and priorities for the next three years of the MTEF.
- 4.19.2 An exclusive two sessions on the 18 September 2020 and 6 October 2020 for review and development of the first draft 2021/22 – 2023/24 Annual Performance Plan were organized and facilitated for all ECGB Management wherein key priorities and high-level strategies were identified for implementation over the next three years.
- 4.19.3 These key priorities and high-level strategies have subsequently presented to the Board of Directors for additional thoughts. All the recommended changes in the oriented strategic outcomes for the organisation, as well as the respective programme-specific strategic outcomes, have find expression in the final 2021/22 – 2023/24 APP.
- 4.19.4 The following stakeholders have been consulted in the development of the 2021/22 – 2023/24 APP:
  - 4.19.4.1 The entire ECGB Management Team.
  - 4.19.4.2 The Department of Economic Development, Environmental Affairs, and Tourism – tendered an apology on the day of the session.
  - 4.19.4.3 Internal Auditors reviewed the 2021/22 – 2023/24 draft APP to ensure compliance with the Treasury Framework for Development of Strategic Plan and Annual Performance Plan.
  - 4.19.4.4 The full Board, Committees of the Board, in particular the Joint Finance and ARC Committees.
- 4.19.5 From these engagements and consultations, the following issues emerged:
  - 4.19.5.1 A robust discussion on strategic outcomes to reflect the new strategic imperatives of the ECGB;
  - 4.19.5.2 Agreement to maintain the three Budget Programmes with 11 Budget Sub-Programmes and three Budget Programmes;
  - 4.19.5.3 The alignment of the new Five-Year Strategic Plan of the ECGB with the 2021/22 – 2023/24 APP, especially with the Strategic outcomes and other imperatives that were planned and to ensure compliance with the statutory requirements governing the development of the Strategic Plan and Annual Performance Plan.
  - 4.19.5.4 The alignment of the NDP, National Outcomes and Provincial Priorities was also addressed with a view for these to find expression in the Statutory Planning Documents of the ECGB, to ensure the achievability of national and provincial imperatives.
- 4.19.6 The second and last draft of the 2021/22 – 2023/24 Annual Performance Plan was presented to the Audit and Risk Committee as well as the Finance Committee of the Board for review, consideration, and recommendation for its approval by the Board before submitted to the Shareholder Department, i.e. Eastern Cape Department of Economic Development, Environmental Affairs, and Tourism.

A hand is shown holding a fan of Euro banknotes, with the 10 Euro note being the most prominent. The background is a blurred image of a person's hands using a calculator. The entire image has a blue color cast. A white rounded rectangle is centered in the upper half of the image, containing the text 'PART C' in yellow and 'MEASURING PERFORMANCE' in white.

# PART C

MEASURING  
PERFORMANCE

## PART C: MEASURING OUR PERFORMANCE

### 5. INSTITUTIONAL PERFORMANCE INFORMATION

### 6. BUDGET PROGRAMME ONE: CORPORATE SERVICES MANAGEMENT & ADMINISTRATION

#### 6.1 PURPOSE OF THE BUDGET PROGRAMME

The purpose of this programme is to provide corporate administrative and management support services to the organization and the budget programme, including the Board of Directors, to ensure that the ECGB mandate is executed, achieved, and reported accordingly. A theory of change for Programme One to align with the impact and outcomes is provided as Annexure A.

### 7. BUDGET SUB-PROGRAMME: FINANCIAL MANAGEMENT SERVICES

#### 7.1 PURPOSE OF THE BUDGET SUB-PROGRAMME

To administer the ECGB's revenue and expenditure to conduct all financial dealings efficiently and effectively.

#### 7.2 BUDGET SUB-PROGRAMME: OUTCOMES, OUTPUTS, SELECTED KPIs & ANNUAL TARGETS

NO.	OUTCOME	OUTPUTS	OUTCOME INDICATOR	STRATEGIC PLAN TARGET 2024/25	AUDITED / ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2020/21	MEDIUM-TERM TARGETS		
					2017/18	2018/19	2019/20		2021/22	2022/23	2023/24
7.2.1	<b>Compliant and Protected Gambling Industry</b>	Taxes & Fees Collected from Licensed Operators  Licence Certificates Issued to Operate	Revenue Collected & Disbursed to Fiscus	R875 Million	R 181.3 Million	R 191.3 Million	R 189.7 Million	R90 Million	R170 Million	R190 Million	R210 Million

### 8. BUDGET SUB-PROGRAMME: STRATEGIC MANAGEMENT SERVICES

#### 8.1 PURPOSE OF THE BUDGET SUB-PROGRAMME

The purpose of the budget sub-programme is to:

- 8.1.1 Manage the ECGB strategic planning process in line with Treasury requirements and monitor and evaluate organizational performance against agreed targets.
- 8.1.2 Facilitate the empowerment of local communities and contribute to the Eastern Cape government's Poverty Eradication Programme and Anti-Poverty Strategy.
- 8.1.3 Mainstream vulnerable and designated groups, which are the youth, the disabled, women and the elderly within the province, including other emerging vulnerable groups identified by the Department of Planning, Monitoring and Evaluation (DPME).
- 8.1.4 Strengthen and support the socio-economic development projects of the Board and those established in terms of licence conditions so that they are sustainable and add value to the lives of the people of the Eastern Cape.

#### 8.2 BUDGET SUB-PROGRAMME: OUTCOMES, OUTPUTS, SELECTED KPI & ANNUAL TARGETS

NO	OUTCOME	OUTPUTS	OUTCOME INDICATOR	STRATEGIC PLAN TARGET 2024/25	AUDITED / ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2020/21	MEDIUM-TERM TARGETS		
					2017/18	2018/19	2019/20		2021/22	2022/23	2023/24
8.2.1	<b>Empowered Communities Located in Areas Where There is a Gambling Footprint as well as Impoverished Areas</b>	Maths, Science & Technology Kits, Interactive e-Learning Material Towards 4IR  Evaluation Reports on Demonstrating Desired Outcomes	Number of <sup>3</sup> Key CSI Projects Implemented	20	4	4	4	4	4	4	

<sup>5</sup> Key CSI projects are those four recommended and approved upfront by the ECGB CSI Committee in line with the ECGB CSI Policy.

## 9. BUDGET SUB-PROGRAMME: OFFICE OF THE CEO

### 9.1 PURPOSE OF THE BUDGET SUB-PROGRAMME

To provide leadership, overall strategic oversight, and an administrative function to ensure the efficiency of the ECGB. In addition, to implement risk assurance management systems and services to improve corporate governance requirements within the entity.

### 9.2 BUDGET SUB-PROGRAMME: OUTCOMES, OUTPUTS, SELECTED KPI & ANNUAL TARGETS

NO	OUTCOME	OUTPUTS	OUTCOME INDICATOR	STRATEGIC PLAN TARGET 2024/25	AUDITED / ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2020/21	MEDIUM-TERM TARGETS		
					2017/18	2018/19	2019/20		2021/22	2022/23	2023/24
9.2.1	Effective Governance with an Enabling Workplace Environment	Organizational Maturity Index Framework Report on Assessment of the Organization's Maturity	Organizational Maturity Index <sup>6</sup>	Level 4 Organizational Maturity	New Indicator	New Indicator	New Indicator	New Indicator	Level 3 Organizational Maturity	-	Level 4 Organizational Maturity

## 10. BUDGET SUB-PROGRAMMES: SELECTED KEY PERFORMANCE INDICATORS, ANNUAL & QUARTERLY TARGETS

### 10.1 BUDGET SUB-PROGRAMME: FINANCIAL MANAGEMENT SERVICES

NO.	OUTCOME INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2021/22	QUARTER TARGETS			
				Q1	Q2	Q3	Q4
10.1.1	Revenue Collected & Disbursed to Fiscus	Quarterly	R170 Million	R40 Million	R42 Million	R46 Million	R42 Million

### 10.2 BUDGET SUB-PROGRAMME: STRATEGIC MANAGEMENT SERVICES

NO.	OUTPUT INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2021/22	QUARTER TARGETS			
				Q1	Q2	Q3	Q4
10.2.1	Number of Key CSI Projects Implemented <sup>7</sup>	Annually	4	-	2	2	-

### 10.3 BUDGET SUB-PROGRAMME: OFFICE OF THE CEO

NO.	OUTCOME INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2021/22	QUARTER TARGETS			
				Q1	Q2	Q3	Q4
10.3.1	Organizational Maturity Index <sup>8</sup>	Annually	Level 3 Organizational Maturity	-	-	-	Level 3 Organizational Maturity

## 11. EXPLANATION OF PROGRAMME ONE PLANNED PERFORMANCE AND RISK APPETITE OVER THE MEDIUM-TERM PERIOD

Over and above the awarding of different types of licences and the collection of revenue for the provincial fiscus, the ECGB has corporate responsibility for identifying and supporting socio-economic development initiatives to empower communities in areas compounded with poverty. Also the ECGB supports impoverished communities in terms of the Provincial Anti-Poverty Strategy, including designated and vulnerable groups which are youth, elderly, disabled persons, and women.

<sup>6</sup> Assessment of the organization maturity level will be conducted every two years which means the target will be achieved in 2021/22, the second year of the MTEF, hence no target in 2021 and 2023.

<sup>7</sup> Support impoverished communities, including designated and vulnerable groups which are youth, elderly, disabled persons & women, with focus on supporting the baskets (areas of focus) in terms of the CSI Framework, Education, Health, Developmental Sports, Arts and Culture, Early Childhood Development and Food Security & Nutrition. Department of Education identify the relevant needy schools in the impoverished communities to be project beneficiaries on maths, science & technology in line with CSI policy of the ECGB.

<sup>8</sup> Assessment of the organization maturity level will be conducted using the MPAT tool every two years which means the target will be achieved in 2021/22, the second year of the MTEF, hence no target in 2020/21 and 2022/23.

In terms of licence conditions, licensees are expected to contribute a certain percentage of their GGR by implementing sustainable CSI projects where they operate in the province. A CSI framework was developed and approved by the Board to guide the implementation of sustainable CSI projects by provincial licensees, either as individual companies or in collaboration with each other.

Human Resources are important enablers towards the implementation of the Organizational Strategy. Having a well-informed structure will contribute to the sustainability and success of the organization, especially in meeting organizational planned targets and objectives.

The Organizational Maturity Index is an assessment tool used to assess organization's performance, governance and accountability as perceived by selected employees of the ECGB. Outcomes of such assessment then informs appropriate strategies to be utilized to strengthen performance, governance functionality and effectiveness in the organization.

Revenue collection for the provincial fiscus is one of ECGB's key mandates. Although expectations are high in this regard, these have been tempered against the current economic conditions and negative growth in gaming revenues in certain sectors. As such realistic forecasts based on the most recent historic trends have informed this target assuming all currently operational licensees continue to operate.

The targets in Programme 1 have been informed by current baseline performance, and the strategic plan expectations together with the available budget.

## 12. PROGRAMME ONE RESOURCES CONSIDERATION: BUDGET ALLOCATION

BUDGET PROGRAMME 1:	Audited Outcomes / Actuals			Adjusted Appropriation	Medium-Term Expenditure Estimate		
SUB-PROGRAMMES	2017/18 R'000	2018/19 R'000	2019/20 R'000	2020/21 R'000	2021/22 R'000	2022/23 R'000	2023/24 R'000
<b>1. Corporate Services Management and Administration</b>							
1.1 Office of the CEO	6 414	7 214	7 178	5 671	6 894	7 252	7 268
1.2 Strategic Management Services	4 045	4 069	5 867	5 180	5 670	5 959	6 079
1.3 Legal Services and Board Secretariat	5 930	7 854	7 470	6 863	7 371	7 740	8 104
1.4 Financial Management	9 636	10 787	11 714	12 385	13 396	14 083	14 412
1.5 Human Resource Management and Development	6 069	5 957	6 148	7 042	9 941	10 474	10 919
1.6 Information Management and	3 248	4 074	4 645	4 642	5 753	6 057	6 304
<b>TOTAL PROGRAMME EXPENDITURE</b>	<b>35 342</b>	<b>39 955</b>	<b>43 022</b>	<b>41 783</b>	<b>49 025</b>	<b>51 565</b>	<b>53 086</b>

### 12.1 CONTRIBUTION OF RESOURCES TOWARDS ACHIEVEMENT OF OUTPUTS

PROGRAMME 1:	Audited Outcomes / Actuals			Adjusted Appropriation	Medium-Term Expenditure Estimate		
ECONOMIC CLASSIFICATION	2017/18 R'000	2018/19 R'000	2019/20 R'000	2020/21 R'000	2021/22 R'000	2022/23 R'000	2023/24 R'000
<b>Compensation of Employees</b>	<b>19 804</b>	<b>21 409</b>	<b>24 730</b>	<b>24 532</b>	<b>28 462</b>	<b>29 884</b>	<b>30 040</b>
<b>Goods and Services:</b>	<b>15 538</b>	<b>18 546</b>	<b>18 292</b>	<b>17 251</b>	<b>20 563</b>	<b>21 681</b>	<b>23 046</b>
Administrative Expenses	6 269	6 812	6 190	4 553	7 619	8 038	8 561
Corporate Social Investment	441	292	562	446	464	490	521
Depreciation and Amortisation of assets	1 497	1 716	2 052	2 617	2 748	2 885	3 029
Legal Costs	2 709	4 882	3 929	3 750	2 340	2 469	2 629
Marketing and Research Costs	112	111	158	139	145	153	162
Other Operating Expenses	3 160	3 462	4 158	4 485	5 830	6 151	6 551
Statutory Audit Fees	1 350	1 271	1 243	1 261	1 417	1 495	1 593
<b>PROGRAMME EXPENDITURE</b>	<b>35 342</b>	<b>39 955</b>	<b>43 022</b>	<b>41 783</b>	<b>49 025</b>	<b>51 565</b>	<b>53 086</b>

#### Trend Analysis of Expenditure

- 12.1.1 In 2020/21 the legal manager position was frozen due to the pandemic, however over the MTEF the full establishment has been budgeted for. The average cost of living increases in the outer two years is 2.8% on average.
- 12.1.2 Goods and Services have generally increased over the previous three years by less than inflation due to cost containment initiatives implemented. Legal costs have continued to prove difficult to constrain because of litigation against the Board.
- 12.1.3 In addition, other operating expenses and Depreciation and amortisation have increased at higher than inflation because of additional licence fees and amortisation expenditure related to the proprietary Gambling Regulatory System (GRS.)

### 13. KEY RISKS IDENTIFIED

NO.	OUTCOME	KEY RISKS DESCRIPTION	CONSEQUENCES	RISK MITIGATIONS PLANS
1.	Effective Governance with an Enabling Workplace Environment	1. Loss of information	<ul style="list-style-type: none"> <li>Delays turnaround time</li> <li>Negative audit outcomes</li> <li>Unable to service stakeholders.</li> <li>Reputational damage</li> <li>Business continuity interruptions / denial of service</li> </ul>	<ul style="list-style-type: none"> <li>Business Continuity Plan</li> <li>ICT Disaster Recovery Plan</li> <li>ICT Security Policy</li> <li>ICT Network Manual, daily checklists, etc.</li> <li>Folder structures set up on file server.</li> <li>Annual testing of disaster recovery plan</li> <li>Daily and weekly offsite backups</li> <li>Quarterly awareness sessions held.</li> <li>ICT Steering Committee in place and functional</li> </ul>
		2. Regression in an internal control environment	<ul style="list-style-type: none"> <li>Negative audit outcomes</li> <li>Reputational damage</li> <li>Non-detection of errors, financial loss</li> <li>Inaccurate financial and performance information reporting</li> </ul>	<ul style="list-style-type: none"> <li>Delegation of Authority</li> <li>Finance Manual</li> <li>SCM policy</li> <li>Fraud Prevention Plan</li> <li>Cost Containment Policy</li> <li>Combined assurance framework</li> <li>Internal audit</li> <li>Treasury instructions monitored and reviewed for legislative updates.</li> <li>Audit &amp; Risk Committee in place and quarterly reporting includes:                             <ol style="list-style-type: none"> <li>Audit tracking schedule.</li> <li>Key control dashboard; and</li> <li>Fraud and corruption hotline</li> </ol> </li> <li>Reconciliations and monthly working paper files</li> </ul>
		3. A proposed merger between Eastern Cape Liquor Board and ECGB	<ul style="list-style-type: none"> <li>Loss of key staff and low staff morale</li> <li>Revised legislative and strategic frameworks.</li> <li>Delays in implementation of the ECGB mandate</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>
		4. Inability to retain appropriate skills impacting on capable workforce	<ul style="list-style-type: none"> <li>Inability to meet the mandate and achieve targets.</li> <li>Low staff morale and loss of critical and scarce skills</li> </ul>	<ul style="list-style-type: none"> <li>HR Strategy</li> <li>Succession &amp; Retention Policy</li> <li>Performance Management Policy</li> <li>Bursary Policy</li> <li>HR Manual.</li> <li>HR Efficiency Action Plan</li> <li>Awarding of bursaries to eligible staff</li> <li>Implementation of the training plan</li> </ul>
		5. Lack of governance oversight	<ul style="list-style-type: none"> <li>Poor governance</li> <li>Non-compliance with the ECGB Act &amp; other legislative prescripts</li> <li>Non-compliance with the King IV corporate governance principles</li> </ul>	<ul style="list-style-type: none"> <li>ECGB Act &amp; other legislative prescripts</li> <li>King IV on Corporate Governance.</li> <li>Notification to DEDEAT to commence the process of appointment.</li> <li>Board is sensitised</li> </ul>
2.	Empowered communities located in areas where there is a gambling footprint, as well as impoverished areas	6. Lack of evaluation of outcomes of CSI projects	<ul style="list-style-type: none"> <li>Failure of the desired impact</li> </ul>	<ul style="list-style-type: none"> <li>CSI policy and framework</li> <li>CSI implementation plan in place and executed.</li> <li>CSI Committee in place and functional</li> </ul>

### 14. BUDGET PROGRAMME TWO: GAMBLING REGULATION & CONSUMER PROTECTION

#### 14.1 PURPOSE OF THE BUDGET PROGRAMME

The purpose of this programme is to implement the ECG Act and other statutory mandates through conducting investigations, licensing, compliance, revenue, and environmental audits and gaming control and law enforcement, as well as protecting consumers. A theory of change for Programme Two to align with the impact and outcomes is provided as Annexure A.

## 15. BUDGET SUB-PROGRAMME: INVESTIGATION & LICENSING ADMINISTRATION

### 15.1 PURPOSE OF THE BUDGET SUB-PROGRAMME

To implement the ECG Act and other statutory mandates through conducting investigations to award licences to suitably qualified applicants by the Board of Directors of the ECGB. Furthermore, to provide information on economic opportunities associated with the gambling industry, including types of licences to be rolled out by the ECGB, to potential entrepreneurs and investors, business organizations, and local economic development agencies within the province.

### 15.2 BUDGET SUB-PROGRAMME: OUTCOMES, OUTPUTS, SELECTED KPI & ANNUAL TARGETS

NO.	OUTCOME	OUTPUTS	OUTCOME / OUTPUT INDICATOR	STRATEGIC PLAN TARGET 2024/25	AUDITED / ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2020/21	MEDIUM-TERM TARGETS		
					2017/18	2018/19	2019/20		2021/22	2022/23	2023/24
15.2.1	Transformed and Sustainable Gambling Industry in the Province	Licence Certificates Issued to Operate Gambling Site	Number of Key Gambling Licences <sup>9</sup> Issued	17	10	2	1	2	6	8	1
15.2.2		Reports on the Awareness Sessions Conducted Number of Persons Who Attended Economic Opportunities Session	Number of Gambling Economic Opportunities Awareness Sessions Conducted	23	2	5	2	3	5	5	5

## 16. BUDGET SUB-PROGRAMME: LAW ENFORCEMENT AND GAMING CONTROL

### 16.1 PURPOSE OF THE BUDGET SUB-PROGRAMME

To implement the ECG Act and other statutory legislation through conducting compliance inspections to eliminate non-compliance through law enforcement and gaming control. Also the sub-programme provides investigative leadership concerning to detection, investigations, and prevention of illegal gambling, as well as working closely with law enforcement agencies in the province.

### 16.2 BUDGET SUB-PROGRAMME: OUTCOMES, OUTPUTS, SELECTED KPI & ANNUAL TARGETS

NO.	OUTCOME	OUTPUTS	OUTCOME INDICATOR	STRATEGIC PLAN TARGET 2024/25	AUDITED / ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2020/21	MEDIUM-TERM TARGETS		
					2017/18	2018/19	2019/20		2021/22	2022/23	2023/24
16.2.1	Compliant and Protected Gambling Industry	Reports on Illegal Operations Identified Reports on the Closure of Illegal Gambling Sites Number of Confiscated Illegal Gambling Devices and Equipment	Number of <sup>10</sup> Sweeps Conducted	46	5	5	5	6	10	10	10

## 17. BUDGET SUB-PROGRAMME: AUDIT AND COMPLIANCE SERVICES

### 17.1 PURPOSE OF THE BUDGET SUB-PROGRAMME

To implement the ECG Act and other statutory legislation through conducting compliance audits to ensure revenue is correct, devices are not easily manipulated, environmental audits are performed and bid commitments are adhered to and fulfilled.

<sup>9</sup> Key Licences refer to Casino, Bookmakers, Totalisators, Racecourses, Independent Site Operators (ISOs), Bingo Halls and LPM Type B sites.

<sup>10</sup> Sweeps refer to operations conducted by ECGB inspectors in collaboration with other law enforcement agencies. These operations are sometimes clandestine in nature, to combat all illegal gambling activities in the province.

## 17.2 BUDGET SUB-PROGRAMME: OUTCOMES, OUTPUTS, SELECTED KPI & ANNUAL TARGETS

NO.	OUTCOME	OUTPUTS	OUTCOME / OUTPUT INDICATOR	STRATEGIC PLAN TARGET 2024/25	AUDITED / ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
					2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
17.2.1	Compliant and Protected Gambling Industry	Reports on Revenue Audits for Verification of Taxes & Fees	Number of Revenue Audits Conducted	307	80	71	69	43	45	66	66
17.2.2		Reports on Compliance Audits Conducted	Gambling Industry Compliance Maturity Level	Compliance Level 4	New Target	New Target	Compliance Level 3	Compliance Level 3	Compliance Level 3	Compliance Level 4	Compliance Level 4

## 18. BUDGET SUB-PROGRAMMES: SELECTED KEY PERFORMANCE INDICATORS, ANNUAL & QUARTERLY TARGETS

### 18.1 BUDGET SUB-PROGRAMME: INVESTIGATION & LICENSING ADMINISTRATION

NO.	OUTPUT / OUTCOME INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2021/22	QUARTER TARGETS			
				Q1	Q2	Q3	Q4
18.1.1	Number of Key Gambling Licences Issued	Annual	6	-	-	-	6
18.1.2	Number of Gambling Economic Opportunities Awareness Sessions Conducted	Quarterly	5	1	2	1	1

### 18.2 BUDGET SUB-PROGRAMME: LAW ENFORCEMENT AND GAMING CONTROL

NO.	OUTPUT INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2021/22	QUARTER TARGETS			
				Q1	Q2	Q3	Q4
18.2.1	Number of Sweeps Conducted	Quarterly	10	2	3	2	3

### 18.3 BUDGET SUB-PROGRAMME: AUDIT AND COMPLIANCE SERVICES

NO.	OUTPUT / OUTCOME INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2021/22	QUARTER TARGETS			
				Q1	Q2	Q3	Q4
18.3.1	Number of Revenue Audits Conducted	Quarterly	45	22	-	10	13
18.3.2	Gambling Industry Compliance Maturity Level	Annual	Compliance Level 3	-	-	-	Compliance Level 3

## 19. EXPLANATION OF PROGRAMME TWO PLANNED PERFORMANCE AND RISK APPETITE OVER THE MEDIUM-TERM PERIOD

The ECGB creates opportunities for industry role players to apply for different types of gambling licences in terms of the Act. An RFP is published inviting individual business organizations or entrepreneurs to apply for available types of licences.

Following the allocation of temporary and permanent licences to qualified operators, the signing of conditions of a licence, and the commencement and functionality of a licensed gambling establishment, audit and compliance services assure adherence to the legislation and other regulatory instruments.

Awarding of new key licences is a key driver of economic growth in the gaming industry. During the previous strategic plan cycle, ECGB has completed the licensing and rollout of the Bingo, Casino and two Route Operators for LPM's in the Eastern Cape Province. Licensing targets have been reduced accordingly based on the remaining modes and locations available.

Since the introduction of the Compliance Barometer, a risk-based approach was used in assessing the compliance history of each licensee within a specific type of licence over period of a year. As a result of the Compliance Barometer outcomes, the frequency of Revenue Audits has been reduced from quarterly to Bi-Annually for Casinos and Bingo due to their compliance maturity level, an outcome indicator has been crafted to measure the compliance maturity level of the industry utilising Compliance Barometer outcomes.

## 20. PROGRAMME TWO RESOURCES CONSIDERATION: BUDGET ALLOCATION

BUDGET PROGRAMME 2:	Audited Outcomes / Actuals			Adjusted Appropriation	Medium-Term Expenditure Estimate		
SUB-PROGRAMMES	2017/18 R'000	2018/19 R'000	2019/20 R'000	2020/21 R'000	2021/22 R'000	2022/23 R'000	2023/24 R'000
<b>2. Gambling and Regulation</b>							
2.1 Licensing and Investigation Administration	11 147	11 160	11 917	10 278	10 929	11 485	11 250
2.2 Law Enforcement and Gaming Control	3 940	4 629	5 106	5 172	5 825	6 121	6 245
2.3 Audit and Compliance Services	5 085	5 181	6 708	6 895	7 643	8 030	8 181
<b>PROGRAMME EXPENDITURE</b>	<b>20 172</b>	<b>20 969</b>	<b>23 731</b>	<b>22 344</b>	<b>24 397</b>	<b>25 635</b>	<b>25 676</b>

### 20.1 CONTRIBUTION OF RESOURCES TOWARDS ACHIEVEMENT OF OUTPUTS

PROGRAMME 2:	Audited Outcomes / Actuals			Adjusted Appropriation	Medium-Term Expenditure Estimate		
ECONOMIC CLASSIFICATION	2017/18 R'000	2018/19 R'000	2019/20 R'000	2020/21 R'000	2021/22 R'000	2022/23 R'000	2023/24 R'000
Compensation of employees	16 813	17 936	20 044	20 250	20 870	21 915	22 063
Goods and services	3 359	3 033	3 687	2 094	3 526	3 720	3 613
Administrative Expenses	2 898	2 415	2 995	1 413	2 794	2 947	2 789
Marketing and Research Costs	42	109	30	55	58	61	65
Other Operating Expenses	419	510	662	625	675	712	759
<b>PROGRAMME EXPENDITURE</b>	<b>20 172</b>	<b>20 969</b>	<b>23 731</b>	<b>22 344</b>	<b>24 397</b>	<b>25 635</b>	<b>25 676</b>

#### Trend Analysis of Expenditure

- 20.1.1 Programme Two Compensation of Employees expenditure increased by only 1% in the 2020/21 financial year due to cost containment initiatives. Over the MTEF increases of 2.9% on average are attributable to the inflationary cost of living adjustments.
- 20.1.2 The Goods and services budget in 2020/21 was cut significantly and reflects a 43% decrease year-on-year – this was primarily due to Covid-19 associated regulations. In 2021/22 the budget returns to a similar level as 2019/20 and increases generally by inflation over the remaining MTEF with additional costs allocated for audit and inspection activities.

## 21. KEY RISKS IDENTIFIED

NO.	OUTCOME	KEY RISKS DESCRIPTION	CONSEQUENCES	RISK MITIGATIONS PLANS
1.	Transformed and Sustainable Gambling Industry in the Province	1. Litigation against Licensing and Transformation Initiatives of the Board	<ul style="list-style-type: none"> <li>Litigation Costs</li> <li>Delays in Licensing Processes and Rollout</li> <li>Reputational Damage</li> </ul>	<ul style="list-style-type: none"> <li>Investigation &amp; Licensing Manual</li> <li>Legal Services Policy</li> <li>Legal Support Available to Advise the Board on Decision-Making Process</li> <li>Adherence to Requirements of the RFP and Refinement thereof</li> </ul>
		2. Over Concentration of Licences in a Geographic Area	<ul style="list-style-type: none"> <li>Unsustainable Licensees</li> <li>Non-Adherence to Bid Commitments</li> <li>Proliferation of Gambling</li> </ul>	<ul style="list-style-type: none"> <li>Reliance on Research and Five Zoned Approach</li> <li>Board Directives</li> </ul>
		3. Lack of Interest or Reduced Investment in the Province as a Result of Fixed-Term Regime	<ul style="list-style-type: none"> <li>Discourages Investment</li> <li>Not Awarding Licences</li> <li>Lack of Revenue Generation</li> <li>Prevents Business Imperatives from Driving Investment Decisions</li> </ul>	<ul style="list-style-type: none"> <li>Executive Authority Approval for Indefinite Licensing</li> </ul>
2.	Compliant and Protected Gaming Industry	4. Failure to Prevent and Detect Non-Compliance by Licensees and /or Related Parties	<ul style="list-style-type: none"> <li>Under Collection of Revenue</li> <li>Reputational Damage</li> <li>Increase in Non-Compliant Behaviour</li> </ul>	<ul style="list-style-type: none"> <li>Audit and Compliance Methodology (Used to Perform Compliance Audits)</li> <li>Penalties Framework</li> <li>Audit Procedure Manual</li> <li>Law Enforcement and Gaming Control Manual</li> <li>Interest &amp; penalties Imposed for Non-Compliance</li> <li>Review (Increase/Decrease) of Guarantee(s)</li> </ul>

NO.	OUTCOME	KEY RISKS DESCRIPTION	CONSEQUENCES	RISK MITIGATIONS PLANS
		5. The Proliferation of Illegal Gambling	<ul style="list-style-type: none"> <li>Loss of Tax Revenue</li> <li>Reputational Damage</li> <li>Unfair Competition</li> <li>Excessive Gambling</li> <li>Tax Evasion and Money Laundering</li> </ul>	<ul style="list-style-type: none"> <li>Law Enforcement and Gaming Control Procedure Manual</li> <li>Regular Sweeps and Closure of Illegal Sites</li> <li>Illegal Gambling Sessions with Law Enforcement Agencies</li> <li>Fraud Hotline</li> </ul>

## 22. BUDGET PROGRAMME THREE: RESEARCH AND PUBLIC EDUCATION

### 22.1 PURPOSE OF THE BUDGET PROGRAMME

The purpose of this programme is to build a strong foundation of valid and reliable empirical research and programme evaluations to inform operational and policy advisory decision-making, including public interest activities such as educating consumers and the public about responsible gambling and mitigation of excessive and uncontrolled gambling. A theory of change for Programme Three to align with the impact and outcomes is provided as Annexure A.

## 23. BUDGET SUB-PROGRAMME: EMPIRICAL RESEARCH AND INFORMATION MANAGEMENT

### 23.1 PURPOSE OF THE BUDGET SUB-PROGRAMME

To build a strong foundation of valid and reliable empirical research to inform operational, policy advisory and public interest activities, as well as to conduct *ad hoc* surveys to examine levels of information, attitudes, behaviour, and social changes within the gaming industry in the Eastern Cape and the ECGB itself.

### 23.2 BUDGET SUB-PROGRAMME: OUTCOMES, OUTPUTS, SELECTED KPI & ANNUAL TARGETS

NO.	OUTCOME	OUTPUTS	OUTPUT INDICATOR	STRATEGIC PLAN TARGET 2024/25	AUDITED / ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
					2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
23.2.1	Informed Policy Decision Making Based on Research and Evaluation Outcomes	Bid Specification									
		Bid Evaluation Report Tender Issued									
		SLA	<sup>11</sup> Empirical Research Studies Commissioned	5	1	1	1	1	1	-	1
		Board's Resolutions on Findings and Recommendations									
		Checklist on the Implementation of Research Findings and Recommendations									

## 24. BUDGET SUB-PROGRAMME: RESPONSIBLE GAMBLING, PUBLIC EDUCATION AND COMMUNICATIONS

### 24.1 PURPOSE OF THE BUDGET SUB-PROGRAMME

To implement the ECG Act and other statutory legislation through conducting responsible gambling campaigns and public education and utilisation of different platforms to ensure the protection of punters and consumers and general citizenry from uncontrollable and excessive gambling practices. Also to market and profile the ECGB as an efficient and effective gaming regulator and development entity.

<sup>11</sup> Research work being conducted and achieved by March during a financial year, to ensure that research is conducted to assist the ECGB in making informed decisions on gambling industry developments.

## 24.2 BUDGET SUB-PROGRAMME: OUTCOMES, OUTPUTS, SELECTED KPI & ANNUAL TARGETS

NO.	OUTCOME	OUTPUTS	OUTPUT / OUTCOME INDICATOR	STRATEGIC PLAN TARGET 2024/25	AUDITED / ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
					2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
24.2.1	Educated, Informed and Responsible Punters and General Public	Confirmation Reports Regarding Messages of Responsible Gambling	Number of People Provided Feedback about Excessive & Irresponsible Gambling Messages	2.8 Million People Provided Feedback	New Target	New Target	New Target	250 000 People Provided Feedback	350 000 People Provided Feedback	600 000 People Provided Feedback	750 000 People Provided Feedback

## 25. BUDGET SUB-PROGRAMMES: SELECTED KEY PERFORMANCE INDICATORS, ANNUAL & QUARTERLY TARGETS

### 25.1 BUDGET SUB-PROGRAMME: EMPIRICAL RESEARCH & INFORMATION MANAGEMENT

NO.	OUTPUT INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2021/22	QUARTER TARGETS			
				Q1	Q2	Q3	Q4
25.1.1	Empirical Research Studies Commissioned	Annual	1	-	-	1	-

### 25.2 BUDGET SUB-PROGRAMME: RESPONSIBLE GAMBLING, PUBLIC EDUCATION & COMMUNICATIONS

NO.	OUTPUT INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2021/22	QUARTER TARGETS			
				Q1	Q2	Q3	Q4
25.2.1	Number of People Provided Feedback about Excessive & Irresponsible Gambling Messages	Annual	350 000 People Provided Feedback	-	-	-	350 000 People Provided Feedback

## 26. EXPLANATION OF PROGRAMME THREE PLANNED PERFORMANCE AND RISK APPETITE OVER THE MEDIUM-TERM PERIOD

The ECGB as a gambling regulator is expected to promote the use of research and generation of knowledge to make decisions and direct actions to improve research outcomes which are grounded on evidence from research. ECGB is committed to generating a reliable body of valid data and research information about gambling in the province that will ensure all decisions relating to gambling are evidence-based.

As a regulated industry, the gambling industry requires rigorous and continuous research due to various factors such as technological advances in gaming, that require the regulator to be well informed about such developments to regulate effectively. ECGB, as a responsible regulator, acknowledges that gambling can be an elusive, ambiguous, excessive act that requires the utmost care and awareness of the harms of problem gambling.

Gambling sites and modes have become more accessible, not just through the infrastructure or physical sites to gamble, but also through smart phones and the internet. Addicted gamblers often have other addictions which occur simultaneously such as drug and alcohol abuse, of which communities may not be aware or be informed about.

Public education on responsible gambling and the related initiatives and messaging, a new outcome indicator was set focusing on punters and the public to confirm that they would have heard, listened and read messages of responsible gambling in the Province.

The targets in programme 3 have been informed by the intent to enhance activities in the budget programme within budget constraints including a limited workforce.

## 27. PROGRAMME THREE RESOURCES CONSIDERATION: BUDGET ALLOCATION

BUDGET PROGRAMME 3	Audited Outcomes / Actuals			Adjusted Budget	Medium-Term Expenditure Estimate		
SUB-PROGRAMMES	2017/18 R'000	2018/19 R'000	2019/20 R'000	2020/21 R'000	2021/22 R'000	2022/23 R'000	2023/24 R'000
<b>3. Research and Development</b>							
3.1 Empirical Research	510	272	284	389	819	864	920
3.2 Responsible Gambling, Public Education & Communication	5 766	7 399	5 218	3 373	3 765	3 961	4 094
<b>PROGRAMME EXPENDITURE</b>	<b>6 276</b>	<b>7 671</b>	<b>5 502</b>	<b>3 762</b>	<b>4 584</b>	<b>4 825</b>	<b>5 014</b>

### 27.1 CONTRIBUTION OF RESOURCES TOWARDS ACHIEVEMENT OF OUTPUTS

BUDGET PROGRAMME 3:	Audited Outcomes / Actuals			Adjusted Appropriation	Medium-Term Expenditure Estimate		
ECONOMIC CLASSIFICATION	2017/18 R'000	2018/19 R'000	2019/20 R'000	2020/21 R'000	2021/22 R'000	2022/23 R'000	2023/24 R'000
<b>Compensation of employees</b>	<b>1 217</b>	<b>1 846</b>	<b>2 126</b>	<b>2 107</b>	<b>2 203</b>	<b>2 313</b>	<b>2 339</b>
<b>Goods and services</b>	<b>5 059</b>	<b>5 826</b>	<b>3 377</b>	<b>1 655</b>	<b>2 381</b>	<b>2 512</b>	<b>2 675</b>
Administrative Expenses	486	625	385	178	372	393	418
Other Operating Expenses	18	30	58	24	25	27	28
Marketing and Research Costs	550	480	365	439	929	980	1 044
Consumer Protection and Public Education	4 005	4 691	2 568	1 014	1 055	1 113	1 185
<b>PROGRAMME EXPENDITURE</b>	<b>6 276</b>	<b>7 671</b>	<b>5 502</b>	<b>3 762</b>	<b>4 584</b>	<b>4 825</b>	<b>5 014</b>

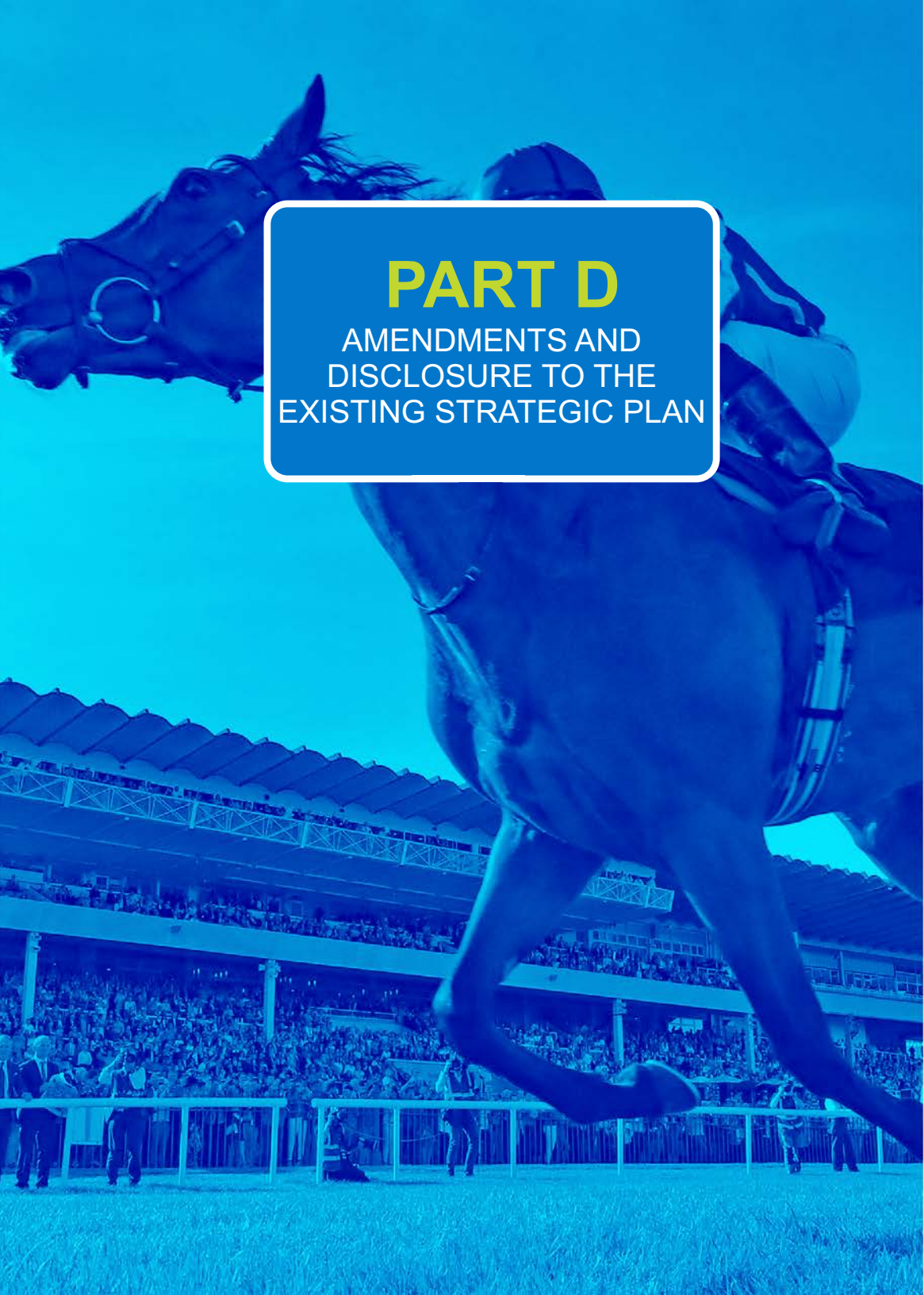
#### Trend Analysis of Expenditure

- 27.1.1 Programme Three Compensation of Employees expenditure declined in the 2020/21 financial year due to cost containment initiatives. Over the MTEF increases of 3.6% on average are attributable to the inflationary cost of living adjustments.
- 27.1.2 The Goods and services budget in 2020/21 was cut significantly – this was due to Covid-19 associated regulations as well as a change in approach from events based public education (responsible gambling messaging) to a multimedia-based approach. In 2021/22 the normalised budget reflects an average annual decline of 3.3% since 2019/20 which is primarily as the multimedia approach is planned to continue over the MTEF.

## 28. KEY RISKS IDENTIFIED

### 29.

NO.	OUTCOME	KEY RISKS DESCRIPTION	CONSEQUENCES	RISK MITIGATIONS PLANS
1.	Informed Policy Decision Making Based on Research and Evaluation Outcomes	1. Inability to Keep Abreast with Industry Developments	<ul style="list-style-type: none"> <li>Inability to Regulate the Industry Because of New Developments Including 4th Industrial Revolution.</li> <li>Incorrect Regulatory Mechanism</li> <li>Incorrect Decision Making</li> </ul>	<ul style="list-style-type: none"> <li>Research and Development Strategy</li> <li>Formal Processes in Place for Conducting Empirical Research to Inform Policy Decisions</li> <li>Research Seminars Held</li> <li>Communication of Research Findings to Relevant Stakeholders</li> <li>Checklist for the Implementation of Research Findings &amp; Recommendations</li> </ul>
		2. Decisions Based on Lack of or Inappropriate Research Studies	<ul style="list-style-type: none"> <li>Litigations</li> <li>Financial Loss</li> <li>Reputational Damage</li> </ul>	<ul style="list-style-type: none"> <li>Research and Development Strategy and the Research Agenda</li> <li>Management Review of Research Outcomes</li> </ul>
2.	Educated, Informed, and Responsible Punters and General Public	3. Prevalence of Irresponsible Gambling	<ul style="list-style-type: none"> <li>Increased Levels of Gambling Addiction and Resultant Negative Social Impact</li> </ul>	<ul style="list-style-type: none"> <li>Responsible Gambling and Public Education Strategy</li> <li>Responsible Gambling Programmes and Awareness Sessions Held</li> <li>The utilisation of Multi-Media Platforms to Disseminate Responsible Gambling Messages</li> </ul>



# PART D

AMENDMENTS AND  
DISCLOSURE TO THE  
EXISTING STRATEGIC PLAN

## PART D: AMENDMENTS AND DISCLOSURE TO THE EXISTING STRATEGIC PLAN

### AMENDMENTS AND DISCLOSURE TO THE EXISTING STRATEGIC PLAN

- Following the development of the 2021/22 – 2023/24 APP of the ECGB, some issues emerged during the planning and review process. Although, there are no significant policy shifts that have to be considered by the ECGB, there are however some service delivery matters that the ECGB had to amend or update the current Strategic Plan of the ECGB.
- The updating of those matters is therefore disclosed here in the 2021/22 – 2023/24 APP in terms of issuing this amendment as required by Treasury’s Framework for Strategic Plans and APP.
- Due to the COVID-19 pandemic 5-year targets in the Strategic Plan have been revised and the table below demonstrates the issues that would have appeared in the Strategic Plan of the ECGB but are considered as an annexure and addendum thereto, which is reflected in this 2021/22 – 2023/24 APP.

NO.	OUTCOME	OUTPUTS	OUTCOME / OUTPUT INDICATOR	INITIAL 5-YEAR STRATEGIC PLAN TARGETS 2024/25	REVISED 5-YEAR STRATEGIC PLAN TARGETS 2024/25
1.	Compliant and Protected Gambling Industry	Taxes & Fees Collected from Licensed Operators Licence Certificates Issued to Operate	Revenue Collected & Disbursed to Fiscus	R1 Billion	R875 Million
2.	Transformed and Sustainable Gambling Industry in the Province	Reports on the Awareness Sessions Conducted Number of Persons Who Attended Economic Opportunities Session	Number of Gambling Economic Opportunities Awareness Sessions Conducted	25 Gambling Economic Opportunities Awareness Sessions	23 Gambling Economic Opportunities Awareness Sessions
3.	Compliant and Protected Gambling Industry	Reports on Illegal Operations Identified Reports on the Closure of Illegal Gambling Sites Number of Confiscated Illegal Gambling Devices and Equipment	Number of Sweeps Conducted	50 Sweeps Conducted on illegal Gambling	46 Sweeps Conducted on illegal Gambling
4.		Reports on Revenue Audits for Verification of Taxes & Fees		Number of Revenue Audits Conducted	350 Revenue Audits Conducted
5.	Educated, Informed and Responsible Punters and General Public	Confirmation Reports Regarding Messages of Responsible Gambling	Number of People Provided Feedback about Excessive & Irresponsible Gambling Messages	3 Million People Provided Feedback	2.8 Million People Provided Feedback

- The indicator “Number of Gambling Economic Opportunities Awareness Sessions Conducted” in the APP has been correctly aligned to the Strategic Outcome “Transformed and Sustainable Gambling Industry in the Province” However, the same indicator in the Strategic plan has been incorrectly aligned to Strategic Outcome “Educated, Informed and Responsible Punters and General Public”. Therefore in the Strategic Plan the indicator “Number of Gambling Economic Opportunities Awareness Sessions Conducted” should have been aligned to the strategic outcome “Transformed and Sustainable Gambling Industry in the Province” and the amendment of the misalignment in the Strategic Plan is being disclosed in the table below.

NO.	OUTCOME	OUTPUTS	OUTCOME / OUTPUT INDICATOR	INITIAL 5-YEAR STRATEGIC PLAN TARGETS 2024/25
1.	Transformed and Sustainable Gambling Industry in the Province	Reports on the Awareness Sessions Conducted Number of Persons Who Attended Economic Opportunities Session	Number of Gambling Economic Opportunities Awareness Sessions Conducted	23 Gambling Economic Opportunities Awareness Sessions



# PART E

## TECHNICAL INDICATOR DESCRIPTORS

## PART E: TECHNICAL INDICATOR DESCRIPTIONS

### BUDGET PROGRAMME ONE: CORPORATE SERVICES MANAGEMENT AND ADMINISTRATION

#### BUDGET SUB-PROGRAMME - FINANCIAL MANAGEMENT SERVICES

TABLE A1

Indicator Title	Revenue Collected & Disbursed to Fiscus
Definition	Total tax collected monthly during a financial year and disbursed to the provincial Treasury
Sources of Data	Tax Returns; Revenue Collection Spreadsheet; Summative Revenue Report
Method of Calculation / Assessment	A simple Count of Rands Collected
Means of Verification	Report; proof of payment transfer; acknowledgement of receipt by DEDEAT.
Assumptions	All licensed gambling operators will pay valid, accurate, and complete due levies & fees within the prescribed period
Disaggregation of Beneficiaries	Not Applicable
Spatial Transformation	Not Applicable
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	Increased amount of revenue collected and later disbursed to the provincial Treasury
Indicator Responsibility	Budget Sub-Programme Manager: Budget Management

#### BUDGET SUB-PROGRAMME – STRATEGIC MANAGEMENT SERVICES

TABLE A2

Indicator Title	Number of Key CSI Projects Implemented.
Definition	Social responsibility projects conducted quarterly by June, September, December, and March during a financial year to provide support to all the anti-poverty sites, in line with the Provincial Anti-Poverty Strategy and the ECGB SED policy and to further ensure that projects that are supported are functional and sustainable. Key CSI projects are those four recommended and approved upfront by the ECGB CSI Committee in line with the ECGB CSI Policy.
Sources of Data	SED Policy; Anti-Poverty Strategy; Summative SED Report
Method of Calculation / Assessment	A simple count of projects conducted
Means of Verification	Report; Beneficiaries appreciation / confirmation letter; Minutes of CSI Committee.
Assumptions	Budget allocation is made available to support projects that are identified in areas that are impoverished in terms of the Anti-Poverty Strategy of the province.
Disaggregation of Beneficiaries	Target for Youth – 100%
Spatial Transformation	Impoverished wards as determined by the Eastern Cape Antipoverty Strategy
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired Performance	It is desirable to implement more social responsibility projects in the province especially in areas that are impoverished in terms of the Anti-Poverty Strategy of the province
Indicator Responsibility	Budget Sub-Programme Manager: Strategic Management Services

## BUDGET SUB-PROGRAMME - OFFICE OF THE CEO

TABLE A3

Indicator Title	Organizational Maturity Index
Definition	The assessment of organizational performance maturity will be administered every two years to ensure that the effective functionality of all governance processes and components of the ECGB are pitched at a maximum level. Each budget programme and sub-programme has a set of resources, namely human capital (people), financial resources (budget allocation), and facilities. Budget programmes and sub-programmes are responsible for a set of core competencies that are broadly categorised as four key performance areas (KPA), namely strategic management, governance, and accountability, human resource and systems management and financial management. Management practices assessed through the Management Performance Assessment Tool (MPAT) framework fall under one of the four KPAs. Each KPA is further disaggregated into performance areas. Together, the KPAs and performance areas with specific inputs and activities result in a set of targeted outputs.
Sources of Data	MPAT Framework; ECGB Organizational Maturity Index Framework
Method of Calculation / Assessment	The ECGB Organizational Maturity Index Framework has not yet been approved by the Board, however the method of calculation will be specified therein and updated in the Annual Performance Plan accordingly. The framework is based on the MPAT Framework with four levels representing the following: <ul style="list-style-type: none"> <li>• Non-compliance with Legal/Regulatory Requirements in Management Area – Level 1</li> <li>• Partial Compliance with Legal/Regulatory Requirements in Management Area – Level 2</li> <li>• Full Compliance with Legal/Regulatory Requirements in Management Area – Level 3</li> <li>• Full Compliance and Doing Things Smartly – Level 4</li> </ul> The administration and assessment of the questionnaire as per the ECGB framework will be conducted every two years and the average score calculated using a weighted scoring formula
Means of Verification	Report of independent validator/assessor;
Assumptions	Governance processes and achievement of clean audit outcomes are strengthened and enhanced.
Disaggregation of Beneficiaries	Applicable to all employees of the ECGB
Spatial Transformation	Not Applicable
Calculation Type	Non-Cumulative
Reporting Cycle	Annually (every two years)
Desired Performance	Maximum Maturity Level 4 is desired to be achieved with regards to Strategic Management; Governance and Accountability; Human Resource and Systems Management and Financial Management standards.
Indicator Responsibility	Budget Sub-Programme Manager: Strategic Management Services

## BUDGET PROGRAMME TWO: GAMBLING REGULATION AND CONSUMER PROTECTION

### BUDGET SUB-PROGRAMME - INVESTIGATION & LICENSING ADMINISTRATION

TABLE B1

Indicator Title	Number of Key Gambling Licences Issued
Definition	Key gambling licences issued to qualified applicants to operate gambling and betting business activities. To maintain a record of permissible gambling and betting business activities within the province at any given point. It also provides knowledge about revenue sources. Licences are issued annually by March during a financial year. Key Licences refer to Casino, Bookmakers, Totalisators, Racecourses, Independent Site Operators (ISOs), Bingo Halls and LPM Type B sites.
Sources of Data	The ECG Act, Rules and Regulations; Bid Commitments; NGB Act and Regulations; the ECGB Investigators Manual; Register of Licences Issued; Licence Certificates and Summative Investigation Report
Method of Calculation / Assessment	A simple count of licences issued
Means of Verification	Board minutes; Copy of Licence issued
Assumptions	Applications for gambling licences will be received and issued to qualified applicants to operate gambling and betting business activities in the province. Public hearings arranged & Board meetings take place to award licences to qualifying applicants.
Disaggregation of Beneficiaries	<ul style="list-style-type: none"> <li>• Target for Women – 8-10%</li> <li>• Other (Local PDI) – 26-51%</li> </ul>
Spatial Transformation	Not Applicable
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired Performance	It is desirable that more entrepreneurs in the province should apply for gambling licences that are available at a particular time so that economic opportunities, job creation, and infrastructure development are enhanced. More importantly, when more licences are issued to qualified applicants, more gambling tax will be collected and disbursed to the provincial fiscus.
Indicator Responsibility	Budget Sub-Programme Manager: Investigation and Licensing Administration

TABLE B2

Indicator Title	Number of Gambling Economic Opportunities Awareness Sessions Conducted.
Definition	Gambling Economic Opportunities Awareness sessions are initiatives undertaken to attract new entrepreneurs in the gambling space and promote awareness about available economic opportunities associated with gambling. Encourage as many people as possible to exploit economic opportunities relating to gambling business activities. Awareness sessions are conducted quarterly during a financial year.
Sources of Data	The ECG Act, Rules and Regulations; NGB Act and Regulations; Requests for Proposals; Summative Report.
Method of Calculation / Assessment	A simple count of gambling economic opportunities awareness sessions conducted
Means of Verification	Report; attendance register; invitation letters
Assumptions	Economic opportunities within the gaming sector have not yet been made more available and accessible to potential entrepreneurs in the province.
Disaggregation of Beneficiaries	Not Applicable
Spatial Transformation	Not Applicable
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	More sessions are desirable to increase knowledge and prospects for participation in gambling-related economic opportunities by local entrepreneurs in the province.
Indicator Responsibility	Budget Sub-Programme Manager: Investigations and Licensing Administration.

### BUDGET SUB-PROGRAMME - LAW ENFORCEMENT AND GAMING CONTROL

TABLE B3

Indicator Title	Number of Sweeps Conducted
Definition	Sweeps refer to operations conducted by ECGB inspectors in collaboration with other law enforcement agencies. These operations are sometimes clandestine to combat all illegal gambling activities in the province. Sweeps for illegal operations conducted with an annual target of 10 sweeps achieved through conducting two planned sweeps per zone during a financial year. Furthermore, to implement proactive action to combat and displace all illegal operations in the province to shut them down.
Sources of Data	The ECG Act, Rules and Regulations; Bid Commitments; NGB Act and Regulations; ECGB Illegal Gambling Procedure Manual and Summative Report
Method of Calculation / Assessment	A simple count of sweeps conducted
Means of Verification	Reports; SAPS confirmation sheet; Planning Memorandum
Assumptions	Collaborations with law enforcement agencies have been established with MOUs signed.
Disaggregation of Beneficiaries	Not Applicable
Spatial Transformation	Not Applicable
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	Displacing, curbing, and mitigating illegal gambling operations within the province.
Indicator Responsibility	Budget Sub-Programme Manager: Law Enforcement and Gaming Control

### BUDGET SUB-PROGRAMME - AUDIT AND COMPLIANCE SERVICES

TABLE B4

Indicator Title	Number of Revenue Audits Conducted
Definition	This indicator is about testing licensees' (casinos, bookmakers, totalisators, and bingo and route operators) compliance in line with ECGB legislation for the collection of taxes for the financial year, to ensure that gambling fees and levies paid by the operators are accurate, valid, and complete at all material times. Revenue audits are conducted quarterly by June, September, December, and March during a financial year, as sampled per the risk-based audit plan as informed by the Compliance Barometer.
Sources of Data	Tax Returns; Bank Statements; Monitoring Systems; Wagering and Recordkeeping system; Summative Final Revenue Audit Report
Method of Calculation / assessment	A simple count of revenue audits conducted
Means of Verification	Audit planning memorandum; revenue audit reports; engagement letters.
Assumptions	Gambling fees and taxes paid by the operators are valid, accurate and complete at all material times
Disaggregation of Beneficiaries	Not Applicable
Spatial Transformation	Not Applicable
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	It is desirable to have more revenue audits conducted. Furthermore, meant to show an increase in the validity, accuracy, and completeness of gambling levies paid by operators (casinos, bookmakers, totalisators, and bingo and route operators).
Indicator Responsibility	Budget Sub-Programme Manager: Audit and Compliance Services.

TABLE B5

Indicator Title	Gambling Industry Compliance Maturity Level
Definition	A measure to gauge the industry's compliance levels, to determine the level of compliance by the industry, identify specific non-compliance areas, and risk-profile the licensees (type, individually, as well as specific areas).
Sources of Data	Compliance Barometer based on Compliance and Revenue Audit Outcomes
Method of Calculation / Assessment	The overall industry average of compliance level for each operator sector i.e., casino, LPM, bingo, and bookmaker sectors. Compliance Barometer mechanics (<60% = non-compliant (Level 1); 70% - 79% = partially compliant (level 2); 80% - 89% = compliant (Level 3) and 90% - 100% = fully compliant (Level 4). The Compliance Barometer is utilised to gauge the compliance level of the licensees and to incentivise them by reducing their submitted Financial Guarantee according to their compliance level.
Means of Verification	Compliance Audit reports; Compliance Barometer.
Assumptions	Licensees' comply with Act, Rules & Regulations, Bid Commitments, and B-BBEE Codes.
Disaggregation of Beneficiaries	Not Applicable
Spatial Transformation	Not Applicable
Calculation Type	Cumulative
Reporting Cycle	Annually
Desired Performance	Licensees' activities are compliant with licence bid commitments, conditions of a licence, and legislation at all material times.
Indicator Responsibility	Budget Sub-Programme Manager: Audit and Compliance Services.

## BUDGET PROGRAMME THREE: RESEARCH AND PUBLIC EDUCATION

### BUDGET SUB-PROGRAMME – EMPIRICAL RESEARCH AND INFORMATION MANAGEMENT

TABLE C1

Indicator Title	Empirical Research Studies Commissioned
Definition	Research work being conducted and achieved by March during a financial year, to ensure that research is conducted to assist the ECGB in making informed decisions on gambling industry developments
Sources of Data	Research Strategy and Agenda of the Department.
Method of Calculation / Assessment	A simple count of research reports approved by the Board
Means of Verification	Report; SLA; Bid committees report.
Assumptions	The Research to be commissioned is informed by the research strategy of the ECGB of emerging issues to be researched or evaluated.
Disaggregation of Beneficiaries	Research will be informed by different demographics as beneficiaries at the time, including the research strategy of the department.
Spatial Transformation	Not Applicable.
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired Performance	It is desirable to have increased evidence-based knowledge that will be utilised to inform appropriate policy, strategy, and regulatory decisions regarding gambling and other related gambling activities in the province.
Indicator Responsibility	Budget Sub-Programme Manager: Research and Development

### BUDGET SUB-PROGRAMME – RESPONSIBLE GAMBLING, PUBLIC EDUCATION, AND COMMUNICATIONS

TABLE C2

Indicator Title	Number of People Provided Feedback with Regard to Excessive & Irresponsible Gambling Messages
Definition	Initiatives undertaken to receive feedback from the punters and general citizenry in the province about the adverse effects associated with gambling and take appropriate and relevant action to address potential gambling addiction or excessive gambling. These initiatives will be conducted by September & March during a financial year through various media platforms, including electronic platforms (TV, radio, etc.); print platforms (newspapers, magazines, etc.) and general events platforms.
Sources of Data	ECG Act, Rules and Regulations; Bid Commitments; NGB Act and Regulations; Consumer Protection Strategy; Dispute Resolution Mechanism Document, National Responsible Gambling Programme and Summative Report
Method of Calculation / Assessment	Independent survey or research will be utilised to establish the number of persons confirming they have read, listened to or heard messages of responsible gambling during a particular period of time.
Means of Verification	Interview results of the people given feedback; Report.
Assumptions	Effective platforms have been established to communicate messages of responsible gambling and mitigation of gambling in illegal gambling sites or participating in illegal gambling activities.
Disaggregation of Beneficiaries	Not Applicable
Spatial Transformation	Not Applicable
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired Performance	It is desirable for more people in the province to confirm that they have heard, listened to or read messages of responsible gambling.
Indicator Responsibility	Budget Sub-Programme Manager: Responsible Gambling, Public Education and Communications.

A photograph of three women sitting at a roulette table in a casino. They are all smiling and looking towards the left. The table is covered with a green felt and has a roulette layout with numbers and betting areas. The image is overlaid with a blue tint and a white rounded rectangle containing the text 'PART F ANNEXURES'.

# PART F

## ANNEXURES

**PART F:  
ANNEXURES  
ANNEXURE: A**

**Breakdown of the Five-Year Strategic Plan Targets**

NO.	OUTCOME	OUTPUTS	OUTCOME / OUTPUT INDICATOR	STRATEGIC PLAN TARGETS 2024/25	BREAKDOWN OF THE 5-YEAR STRATEGIC PLAN TARGETS				
					2020/21	2021/22	2022/23	2023/24	2024/25
1.	Compliant and Protected Gambling Industry	Taxes & Fees Collected from Licensed Operators	Revenue Collected & Disbursed to Ficus <sup>12</sup>	R875 Million	R170 Million	R190 Million	R210 Million	R215 Million	
2.	Empowered Communities Located in Areas Where There is a Gambling Footprint as well as Impoverished Areas	Licence Certificate's Issued to Operate Maths, Science & Technology Kits, Interactive e-Learning Material Towards 4IR Evaluation Reports on Demonstrating Desired Outcomes	Number of <sup>13</sup> Key CSI Projects Implemented	20	4	4	4	4	
3.	Effective Governance with an Enabling Workplace Environment	Organizational Maturity Index Framework Report on Assessment of the Organization's Maturity	Organizational Maturity Index <sup>14</sup>	Level 4 Organizational Maturity Index	Level 3 Organizational Maturity	-	Level 4 Organizational Maturity	-	
4.	Transformed and Sustainable Gambling Industry in the Province	Licence Certificate's Issued to Operate Gambling Site	Number of Key Gambling Licences <sup>15</sup> Issued	17	6	8	1	-	
5.		Reports on the Awareness Sessions Conducted Number of Persons Who Attended Economic Opportunities Session Reports on Illegal Operations Identified	Number of Gambling Economic Opportunities Awareness Sessions Conducted	23	5	5	5	5	
6.	Compliant and Protected Gambling Industry	Reports on the Closure of Illegal Gambling Sites Number of Confiscated Illegal Gambling Devices and Equipment	Number of <sup>16</sup> Sweeps Conducted	46	10	10	10	10	
7.		Verification of Taxes & Fees	Number of Revenue Audits Conducted	307	66	66	66	66	

<sup>12</sup> Based on declining year-on-year growth rate of revenue as at the end of Quarter 4 of 2019/20, the current year target will not be achieved. Medium-term targets have been set conservatively as a result.

<sup>13</sup> Key CSI projects are those four recommended and approved upfront by the ECGB CSI Committee in line with the ECGB CSI Policy.

<sup>14</sup> Assessment of the organization maturity level will be conducted biennially, i.e. every two years, which means the target will be achieved in 2021/22, the second year of the WTEF; hence no target in 2020/21 and 2022/23.

<sup>15</sup> Key Licences refer to Casino, Bookmakers, Totalisators, Race courses, Independent Site Operators (ISOs), Bingo Halls, and LPM Type B sites.

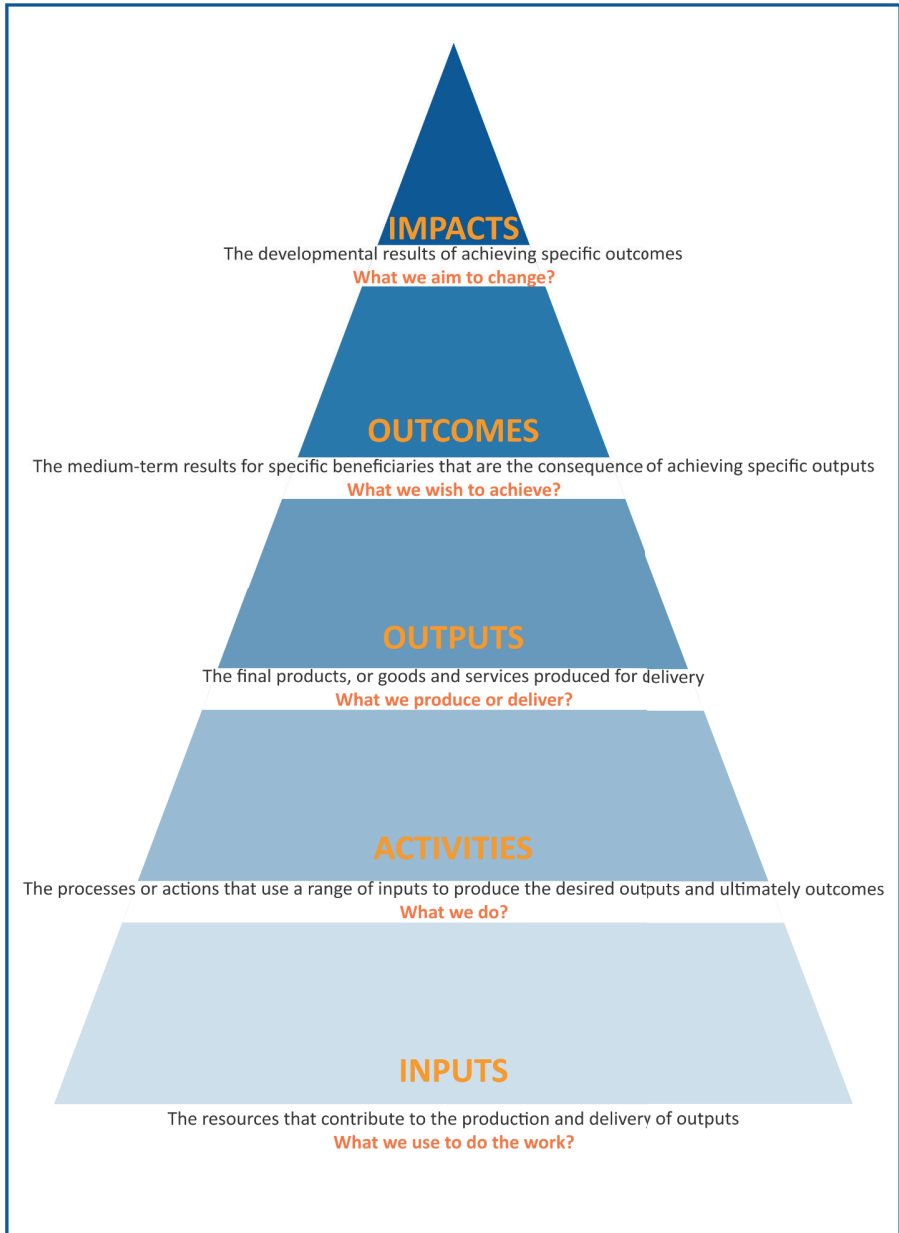
<sup>16</sup> Sweeps refer to operations conducted by ECGB inspectors in collaboration with other law enforcement agencies. These operations are sometimes clandestine in nature, to combat all illegal gambling activities in the province.

NO.	OUTCOME	OUTPUTS	OUTCOME / OUTPUT INDICATOR	STRATEGIC PLAN TARGETS 2024/25	BREAKDOWN OF THE 5-YEAR STRATEGIC PLAN TARGETS				
					2020/21	2021/22	2022/23	2023/24	2024/25
8.		Reports on Compliance Audits Conducted	Gambling Industry Compliance Maturity Level	Level 4 Gambling Industry Compliance Maturity	Compliance Level 3	Compliance Level 4	Compliance Level 4	Compliance Level 4	Compliance Level 4
9.	Informed Policy Decision Making Based on Research and Evaluation Outcomes	Bid Specification Bid Evaluation Report Tender Issued; SLA Board's Resolutions on Findings and Recommendations Checklist on the implementation of Research Findings and Recommendations	<sup>17</sup> Empirical Research Studies Commissioned	5 Research Studies Commissioned	1	1	-	1	2
10.	Educated, Informed and Responsible Punters and General Public	Confirmation Reports Regarding Messages of Responsible Gambling	Number of People Provided Feedback about Excessive & Irresponsible Gambling Messages	2.8 Million People Provided Feedback	250 000 People Provided Feedback	500 000 People Provided Feedback	550 000 People Provided Feedback	600 000 People Provided Feedback	900 000 People Provided Feedback

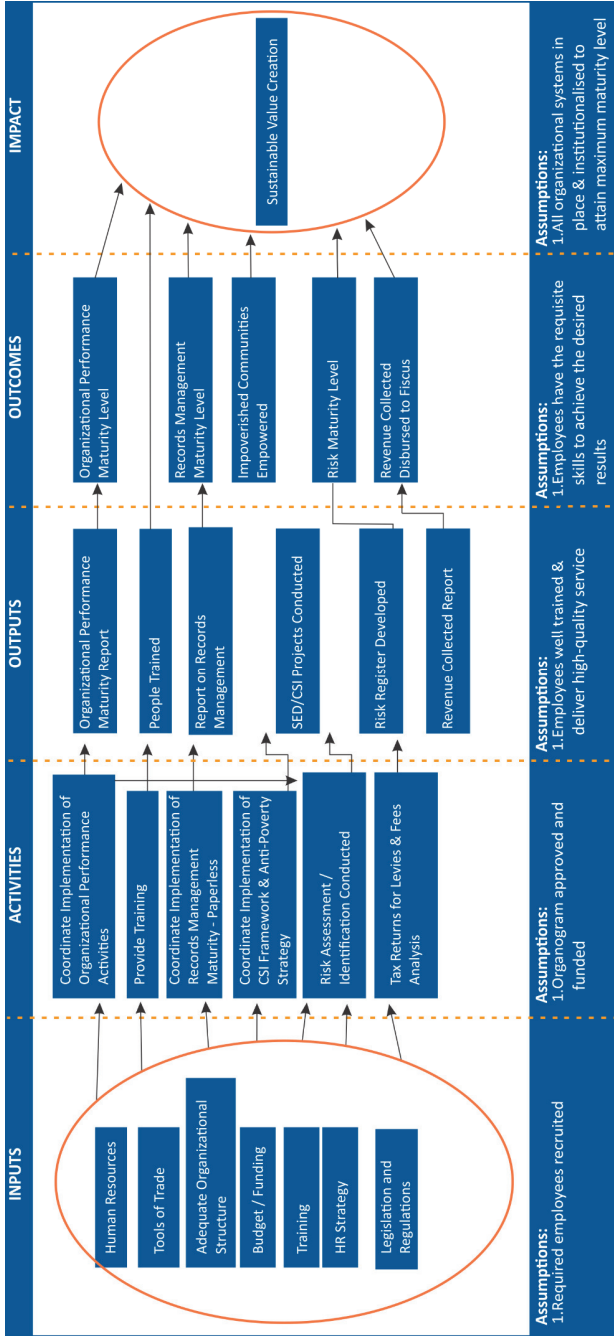
<sup>17</sup> Research work being conducted and achieved by March during a financial year, to ensure that research is conducted in order to assist the ECGB in making informed decisions on gambling industry developments.

## ANNEXURE: B

### Theory of Change Process



The ECGB has three key areas where Theories of Change (ToC) have been developed: Corporate Management, Gambling Regulation, and Responsible Gambling, Public Education & Knowledge Management.  
*Corporate Management Theory of Change*



### Corporate Management Theory of Change Narrative

Over and above the awarding of different types of licences and the collection of revenue for the provincial fiscus, the ECGB has the corporate responsibility of identifying and supporting socio-economic development initiatives to empower communities who are in areas compounded with poverty. Also the entity supports impoverished communities in terms of the Provincial Anti-Poverty Strategy, including designated & vulnerable groups which are youth, elderly, disabled persons, and women.

In terms of licence conditions, licensees are expected to contribute a certain percentage of their GGR by implementing sustainable CSI Projects where they operate in the province. A CSI framework was developed and approved by the Board to guide the implementation of sustainable CSI projects by provincial licensees, either as individual companies or in collaboration with each other.

Human resources are important enablers towards the implementation of the organizational strategy. Having a well-informed structure is believed to contribute to the sustainability and success of the organization, especially in meeting organizational planned targets and objectives.

The Organizational Maturity Index is an assessment tool used to assess the organization's performance, governance, and accountability, as perceived by selected employees of the ECGB. Outcomes of such assessment then inform appropriate strategies to be utilized to strengthen performance, governance functionality and effectiveness in the organization.

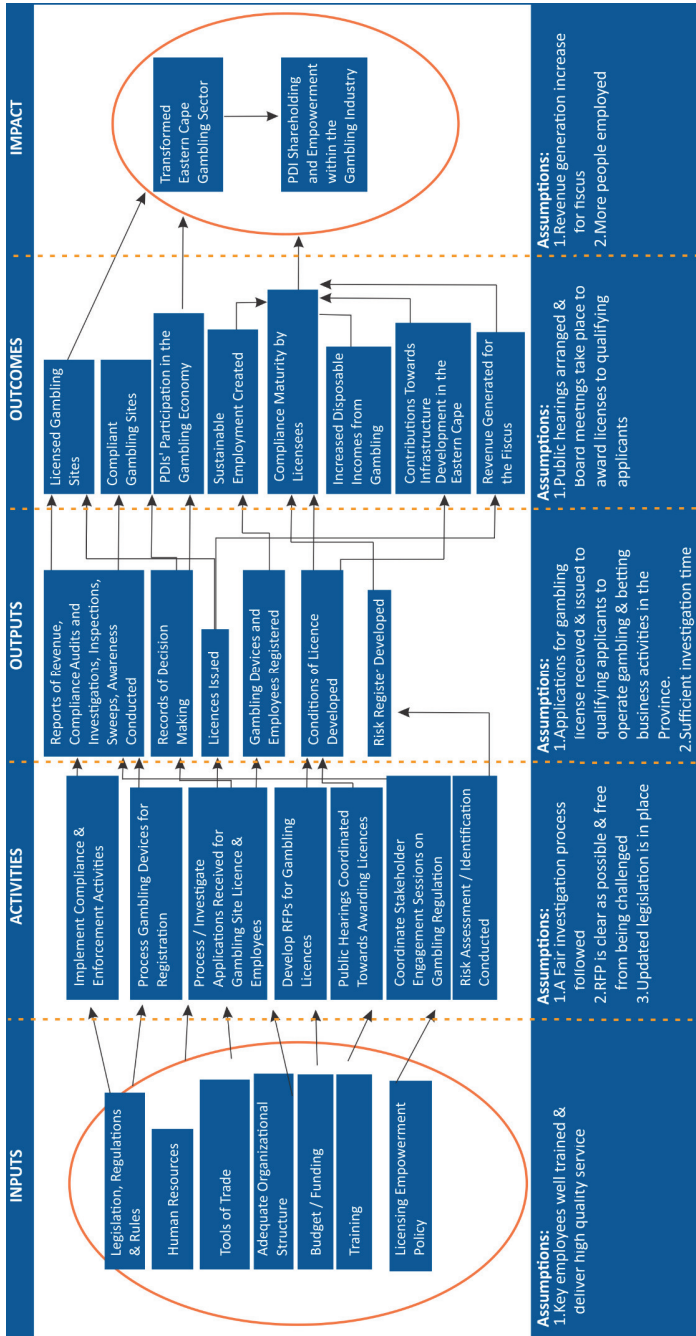
For the theory of change to achieve the desired results the following services are therefore implemented:

- Human Resources Management provides a strategic and change agent role; performs an employee champion role including improved employee relations and as an employer of choice.
- Successful risk management has to be integrated into business operations from an enterprise-wide perspective and assists in identifying areas for improvement and prioritising risk management activities.
- ECGB as an employer of choice in the management of its human capital.
- Excellent, quality and professional corporate services with excellent people & processes in order to optimise the service delivery offering of the ECGB.
- Building an environment of trust, transparency, and accountability necessary for fostering long-term financial stability and ethical business integrity through the development and creation of a paperless environment; and measuring the extent to which ECGB views records management as an operational and strategic priority.
- Maximising socio-economic development benefits for communities in the province located in impoverished areas.
- Implementing and contributing towards the achievability of the Eastern Cape Anti-Poverty Strategy & ECGB Corporate Social Investment Policy, including the CSI Framework and Licence Conditions; and
- Social cohesion and safe communities in terms of Priority 5 of the seven priorities derived from the Electoral Mandate and State of the Nation Address.

To achieve the desired results the following should be in place:

- Alignment with government and citizens' priorities
- Leadership
- Accountability
- Adequate financial and human resources
- Adequate systems
- Research and business intelligence
- Trust and collaborations
- Skilled implementers
- Dedicated and active citizens
- Embrace change.
- Constant interaction and communication with relevant stakeholders

Gambling Regulation Theory of Change



### Gambling Regulation Theory of Change Narrative

The ECGB creates opportunities for industry role players to apply for different types of gambling licences in terms of the Act. A Request for Proposal is published inviting individual business organizations or entrepreneurs to apply for available types of licences.

Following the allocation of temporary and permanent licences to qualified operators, the signing of conditions of a licence, and the commencement and functionality of a licensed gambling establishment, audit and compliance services assure adherence to the legislation and other regulatory instruments.

In mitigating of all forms of illegal gambling (slot machines /on-line gambling) and unfair competition as well as protecting both operators and punters from unscrupulous gambling operators.

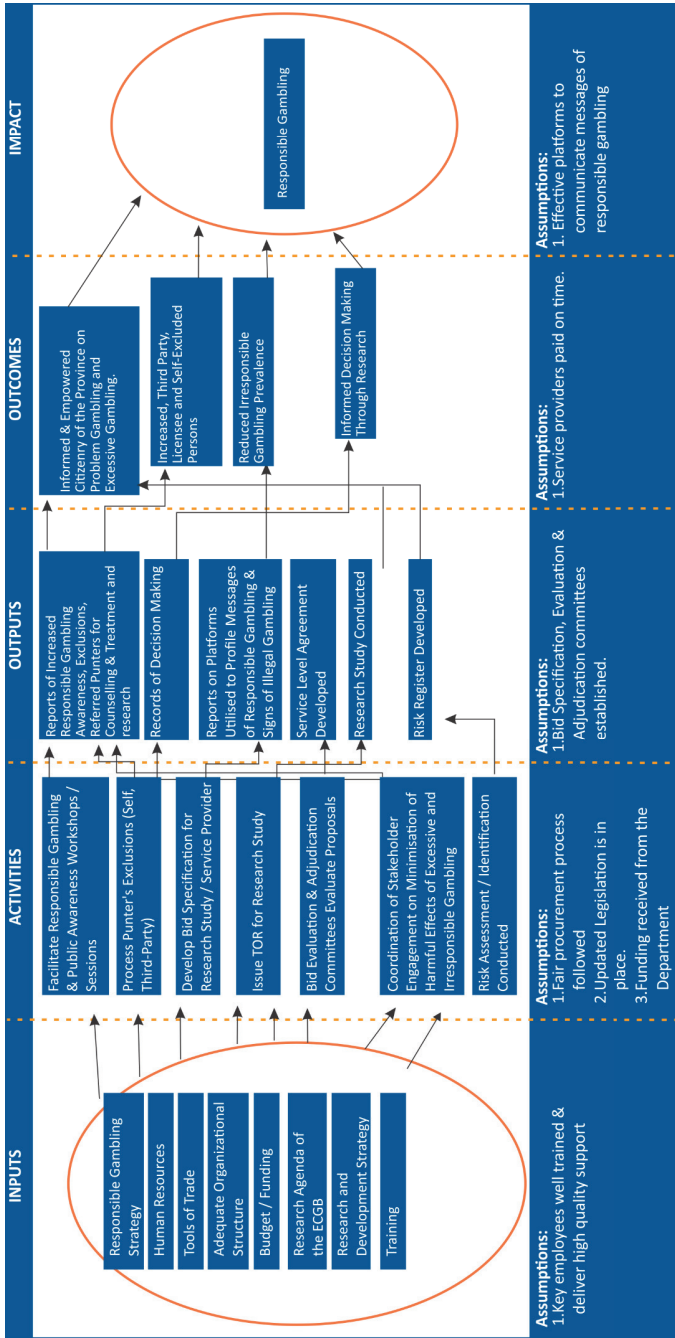
For the theory of change to achieve the desired results the following services are therefore implemented:

- Gathering of information for the applicant's business activities, and those of related parties to ensure that gambling is conducted in a manner that promotes the integrity of the gaming industry and does not cause harm to the public interest;
- Reviewing the applicant's supporting documentation (and assertions made therein) included in their application for such licences to establish if the information truly reflects the integrity and sound financial position of the applicant and its shareholders;
- Ensuring that the applicants and related parties are in compliance with the respective laws, viz, the Eastern Cape Gambling Act, the National Gambling Act, as well as other Statutory and Ethical codes of conduct;
- Gathering and assessing relevant information about the applicant to make recommendations to the Board in respect of the suitability of the applicant concerning criteria spelled out in the applicable gambling legislation and/or RFP;
- Facilitating the registration of all applicants and awarding of licences and registration certificates to suitably qualified applicants;
- Providing quality assurance on the completeness, accuracy and validity of taxes and fees by verifying, recalculating and reporting the findings;
- Conducting compliance audits to ensure adherence to Conditions of Licence, bid commitments, FICA and ECGB legislation by inspecting, corroborating, enquiring and confirming the completeness, accuracy and validity of the information and reporting the findings;
- Audit adherence to ECGB legislation by observing the process of installation of gaming software and testing its functionality;
- Audit the viability of licensees' operations by analysing their audited annual financial statements;
- Reviewing and approving licensees' internal control systems and/or procedure manuals;
- Maintaining compliance barometer to assess the maturity and appropriate level of compliance;
- Conducting an annual review of licence period financial guarantees;
- Conducting compliance inspections and verifications of gambling-related activities in all licensed gaming establishments and operations in the province to ensure compliance with gambling laws, rules, regulations, licence conditions and internal control systems.
- Monitoring and ensuring the integrity of all systems and procedures about gambling devices.
- Liaising with other provincial gambling boards regarding certified testing laboratories, manufacturers and licensees.
- Processing requests for gambling equipment including transportation, change of floor plans, change of job compendiums, systems and game changes, denomination changes, letters of certification of new equipment in the industry, surveillance view changes and any other changes that affect the game.
- Maintaining database of gambling devices by monthly reconciliation of devices on internal systems such as GIMS, licensees' gambling devices lists, and route monitoring systems.
- Conducting investigations and closure of all illegal gaming activities in the Province; and
- Overseeing the destruction of all dysfunctional gambling equipment, devices, and confiscated illegal gambling equipment.

To achieve the desired results the following should be in place:

- Alignment with government and citizens' priorities
- Leadership
- Accountability
- Adequate financial and human resources
- Adequate systems
- Research and business intelligence
- Trust and collaborations
- Skilled implementers
- Dedicated and active citizens
- Embrace change
- Constant interaction and communication with relevant stakeholders

Responsible Gambling, Public Education & Knowledge Management Theory of Change



### *Responsible Gambling & Knowledge Management Theory of Change Narrative*

The ECGB, as a gambling regulator, is expected to promote the use of research and generation of knowledge to make decisions and direct actions to improve research outcomes that are grounded in evidence from research. The entity is therefore committed to generating a reliable body of valid data and research information about gambling in the province that will ensure all decisions relating to gambling are evidence-based. As a regulated industry, the gambling industry requires rigorous and continuous research due to various factors such as technological advances in gaming, which require the regulator to be well informed about such developments to regulate effectively.

ECGB, as a responsible regulator, acknowledges that gambling can be an elusive, ambiguous, excessive act that requires the utmost care and awareness of the harms of problem gambling. Gambling sites and modes have become more accessible, not just through the infrastructure or physical sites to gamble, but also through smart phones and the internet. Addicted gamblers often have other addictions which occur simultaneously such as drug and alcohol abuse, of which communities may not be aware or be informed about.

For the theory of change to achieve the desired results the following services are therefore implemented:

- Development of high-quality research that enables the evidence-based advancement of responsible gaming programmes, problem gambling prevention and treatment.
- Review the Research and Development Strategy and research agenda of the ECGB.
- Develop and Implement a Knowledge and Management Strategy for the ECGB.
- Conduct the evaluation of various activities and functions of the ECGB about the regulatory functions of the ECGB, in terms of the Research and Development Strategy and instructions from the Board.
- Develop and inculcate a culture of conducting and using research findings for evidence-based decision-making and planning, especially by relevant budget programmes of the ECGB.
- Create a platform for effective involvement of the research community, government, strategic partners and other relevant stakeholders.
- Publicise research findings using different platforms to communicate relevant findings and recommendations of research conducted.
- Mobilise research resources by co-partnering with different state agencies and organizations in conducting specific and related research jointly and collaboratively.
- Conduct workshops and sessions aimed at minimising the harmful effects of excessive and irresponsible gambling in the workplace (empowerment of private and public sector workers).
- Utilize integrated communication, media, and public outreach programmes, as well as outside broadcasts, billboards, industrial theatre, various events.
- Utilize schools as gambling-, alcohol- and drug-free zones (Taking Risks Wisely School Programme); and
- Engaging various community platforms to communicate messages of responsible gambling (community advocacy).

To achieve the desired results the following should be in place:

- Alignment with government and citizens' priorities
- Leadership
- Accountability
- Adequate financial and human resources
- Adequate systems
- Research and business intelligence
- Collaborations
- Skilled implementers
- Dedicated and active citizens
- Embrace change
- Constant interaction and communication

## ANNEXURE: C

### LIST OF REPORTING INDICATORS FOR REFLECTING AND TRACKING DURING THE IMPLEMENTATION OF THE STRATEGY

NO.	STRATEGIC OUTCOME	OUTPUT / OUTCOME INDICATOR	RATIONALE FOR THE CHOICE OF THE OUTPUT / OUTCOME INDICATORS	COORDINATING / RESPONSIBLE BUDGET SUB-PROGRAMME	REPORTING PERIOD BY THE INDUSTRY
1.		Rand Value of Gambling Industry Investment Spend in Infrastructure	<ul style="list-style-type: none"> <li>Economic transformation and job creation, which are seven priorities derived from the electoral mandate and State of the Nation Address.</li> <li>Eastern Cape Provincial Priorities.</li> <li>Implementation of licence conditions and bid commitments.</li> </ul>	Investigation & Licensing	Annual
2.		Rand Value of Local Procurement in the Province by the Gaming Industry	<ul style="list-style-type: none"> <li>Economic transformation and job creation, which are part of the seven priorities derived from the electoral mandate and State of the Nation Address.</li> <li>Eastern Cape Provincial Priorities.</li> <li>Implementation of licence conditions and bid commitments.</li> </ul>	Audit and Compliance Services	Six Months - Bi-Annual
3.	Transformed and Sustainable Gambling Industry in the Province	Rand Value Contribution of the Gambling Industry CSI	<ul style="list-style-type: none"> <li>Implementation of the ECGB CSI Framework and licence conditions.</li> <li>Maximisation of socio-economic development benefits for communities in the province located in impoverished areas.</li> <li>Implementation and contribution towards the achievability of the Eastern Cape Anti-Poverty Strategy</li> <li>Eastern Cape Provincial Priorities.</li> <li>Social cohesion and safe communities in terms of Priority 5 of the seven priorities derived from the Electoral Mandate and State of the Nation Address.</li> </ul>	Audit and Compliance Services	Six Months - Bi-Annual
4.		Number of Functional Enterprise Development Projects by the Gaming Industry	<ul style="list-style-type: none"> <li>Economic transformation and job creation is part of the seven priorities derived from the Electoral Mandate and State of the Nation Address.</li> <li>Implementation of licence conditions and bid commitments.</li> <li>The desired impact of socio-economic (CSI) projects delivered by licencees and directly by the Board.</li> </ul>	Audit and Compliance Services	Six Months - Bi-Annual
5.		Employment Equity Status Statistics by the Industry	<ul style="list-style-type: none"> <li>Economic transformation and job creation are seven priorities derived from the electoral mandate and State of the Nation Address.</li> <li>Eastern Cape Provincial Priorities.</li> <li>Implementation of licence conditions and bid commitments.</li> </ul>	Audit and Compliance Services	Six Months - Bi-Annual or Quarterly
6.		Established Trusts as a Result of Gambling Licence Provision	<ul style="list-style-type: none"> <li>Special purpose vehicles that have been established as a result of a provision of a gambling licence to disburse funds in terms of licence conditions, or trust deeds.</li> <li>All have a relationship with the ECGB, and such a relationship should be maintained and ensure good corporate governance is adhered to in those trusts and foundations.</li> <li>Licence conditions should be amended to reflect this requirement, including responsibilities of reporting and accounting to the ECGB in terms of their</li> </ul>	Audit and Compliance Services	Six Months - Bi-Annual

NO.	STRATEGIC OUTCOME	OUTPUT / OUTCOME INDICATOR	RATIONALE FOR THE CHOICE OF THE OUTPUT / OUTCOME INDICATORS	COORDINATING / RESPONSIBLE BUDGET SUB-PROGRAMME	REPORTING PERIOD BY THE INDUSTRY
7.	Compliant and Protected Gambling Industry	Rand Value from Confiscated Illegal Gambling Equipment	<ul style="list-style-type: none"> <li>planned work and the impact that they are making because of gaming proceeds.</li> <li>A comprehensive monitoring and evaluation framework will have to be developed to guide what trusts and/or foundations have to report to the ECGB.</li> <li>Adherence to and implementation of licence conditions, bid commitments, different pieces of legislation, and approved frameworks and or regulations.</li> <li>Eastern Cape gaming industry is conducted honestly &amp; competitively with a maximum contribution to society.</li> <li>Protected gambling operators from unlicensed gambling operators and illegal competition of incidents of illegal gambling</li> <li>Adherence to the 4th Industrial Revolution requirements in protecting &amp; supporting the gambling industry in the province.</li> </ul>	Law Enforcement & Gaming Control	Six Months - Bi-Annual
8.		Number of Cases Involving Illegal Gambling Operators		Law Enforcement & Gaming Control	Six Months - Bi-Annual
9.		Number of Illegal Gambling Sites Closed Down		Law Enforcement & Gaming Control	Six Months - Bi-Annual
10.	Educated, Informed, and Responsible Punters and General Public	Number of Self, Third-Party & License-Excluded Persons	<ul style="list-style-type: none"> <li>Management of emerging data or information regarding self- and third-party exclusion for decision-making and supporting punters.</li> </ul>	Law Enforcement & Gaming Control	Six Months - Bi-Annual
11.		Number of Referrals Made to Counselling and Treatment		Law Enforcement & Gaming Control	Six Months - Bi-Annual
12.	Effective Governance with an Enabling Workplace Environment	Number of Litigations Ruled in Favour of the Entity & Recovered Costs	<ul style="list-style-type: none"> <li>Litigation risk is the possibility that legal action will be taken because of ECGB's action, inaction, regulatory services, or licensing.</li> <li>Gambling regulation is considered a litigious environment, hence there is a need to employ some type of litigation risk analysis and management to identify key areas where the litigation risk is high, thereby enabling appropriate measures to be taken to limit or eliminate those risks.</li> </ul>	Legal Services	Six Months - Bi-Annual