

ANNUAL PERFORMANCE PLAN



ECGB official handover of CSI/SED
project on maths, science and technology kits.

2022/2023
2024/2025

EASTERN CAPE GAMBLING BOARD STRATEGY MAP 2020 - 2025

THE STRATEGIC FOCUS OF THE ECGB OVER THE FIVE-YEAR PLANNING PERIOD INCLUDE THE FOLLOWING:

- 1) Increasing revenue and gambling taxes where possible for the Provincial Fiscus wherein we aim to collect R875 Million by 2025.
- 2) Enhancing regulatory compliance by the Gambling Industry in the Province whilst providing comprehensive support to the Gambling Industry to be Sustainable and Transformed.
- 3) Investing 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.
- 4) Empowering communities located in areas where there is a gambling footprint as well as impoverished areas.
- 5) Conducting empirical research as well as programme evaluations for policy and strategy decisions.
- 6) Maintaining and sustaining a good and effective corporate governance as well as making the ECGB an employer of choice.

VISION

The Best, Most Efficient and Empowering Gaming Regulator

MISSION

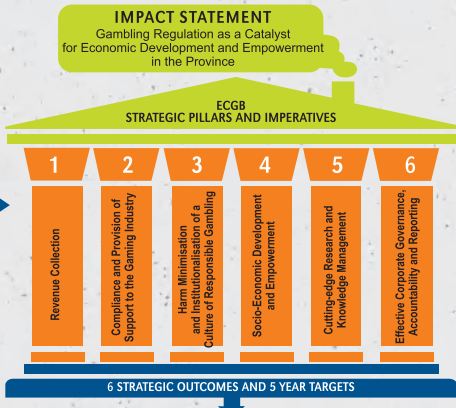
We are committed to promoting a socially responsible industry through regulation, licensing and appropriate enforcement.

We will ensure that the EC Gambling industry is conducted honestly and competitively with maximum contribution to society.

We will achieve this by providing excellent service to our stakeholders and through facilitating and broadening access to socio-economic benefits to the communities within which we operate.

VALUES

+ Honesty + Friendliness + Empowerment
 + Respect + Service delivery + Consultation
 + Teamwork + Community development



	STRATEGIC OUTCOME	OUTCOME INDICATOR	BASELINE	FIVE-YEAR TARGETS BY 2025
OUTCOME ONE	Transformed and Sustainable Gambling Industry in the Province	Number of Key Gambling Licenses Issued	19 Gambling Licenses issued	17 Key Gambling Licenses issued
OUTCOME TWO	Compliant and Protected Gambling Industry	Revenue Collected & Disbursed to Fiscus	R850 Million Collected	R875 Million Collected
		Gambling industry compliance maturity level	Level 3 Compliance Maturity Level	Level 4 Compliance Maturity Level
		Number of revenue audits conducted	354 Revenue audits	307 Revenue audits
		Number of sweeps conducted	24 sweeps conducted	46 Sweeps Conducted
OUTCOME THREE	Educated, Informed and Responsible Punters and General Public	Number of Gambling Economic Opportunities Awareness Sessions Conducted	13 Gambling Economic Opportunities Awareness	23 Gambling Economic Opportunities Awareness
		Number of people provided feedback with regard to excessive & irresponsible gambling messages	New Indicator	2.8 Million people provided feedback
OUTCOME FOUR	Empowered communities located in areas where there is a gambling footprint as well as impoverished areas	Number of key CSI Projects Implemented	20 CSI Projects Implemented	20 CSI Projects Implemented
OUTCOME FIVE	Informed policy decision-making based on Research and Evaluation Outcomes	Number of Empirical Research Studies Commissioned	05 Research Outputs Commissioned	05 Research Outputs Commissioned
OUTCOME SIX	Effective governance with an enabling work-place environment	Organizational Maturity Index	New Indicator	Level 04 Organizational Maturity

ANNUAL PERFORMANCE PLAN

2022/2023 - 2024/2025



**Destruction of illegal gambling devices as confiscated
by ECGB from illegal gambling operators.**



FOREWORD BY THE CHAIRPERSON OF THE EASTERN CAPE GAMBLING BOARD

We have developed our 2022/23 – 2024/25 Annual Performance Plan (APP) and we believe that our clear and consistent strategy demonstrates the required combination of focus and flexibility to deliver results against limited budget allocation, as reflected in the planned targets of the APP.

The ECGB has the overriding responsibility of regulating all gambling activities in the Province, protecting punters, and informing the public about legal and illegal gambling in terms of the Eastern Cape Gambling Act, 1997 (Act No. 5 of 1997) (as amended) (the Act).

The development of the APP is informed by the 12 National Government Outcomes, the National Development Plan (NDP), Eastern Cape Provincial Priorities, and policy imperatives outlined by the Honourable MEC of DEDEAT.

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

For the next three years (2022/23 – 2024/25 MTEF), the Board will implement its strategy informed by the following strategic pillars:

1. **Revenue Collection** – ensure to disburse to the Provincial Fiscus an amount of R600

million in 2022/23 – 2024/25 MTEF period whilst the gambling industry in the Eastern Cape is operating under difficult and trying times due to the unprecedented COVID-19 lockdowns and restrictions.

2. **Compliance and provision of support to the Gaming Industry** - enhance compliance by the industry utilising a Compliance Barometer as an innovative dashboard that will demonstrate areas of non-compliance by the industry.

3. **Harm minimization and institutionalization of a culture of responsible gambling** – ensure we 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. Collaborating with the South African Responsible Gambling Foundation to conduct different responsible gambling programmes and evaluation of the impact.

4. **Socio-economic Development and Empowerment** - Implementation of programmes of the ECGB working with our social and strategic partners to champion social changes in the most impoverished areas of the Province as guided by the Anti-Poverty Strategy of the Province.
5. **Cutting-Edge Research and Knowledge Management** - building a strong foundation of valid and reliable empirical research to inform operational, policy advisory and public interest activities.
6. **Effective Corporate Governance, Accountability and Reporting** - Continued focus on organisational performance, risk management and reporting on the achievement of planned targets whilst maintaining a clean audit outcome is one key pillar that the ECGB will have to deliver on.

The Chief Executive Officer of the ECGB has outlined all the critical targets and projects to be implemented and achieved during the 2022/23 financial year. I am confident that the management team of the ECGB will ensure that the contents of the 2022/23 – 2024/25 APP are communicated to all the stakeholders of the ECGB, including those that we regulate in terms of the Act.

Furthermore, I have no doubt that the leadership of the Department of Economic Development, Environmental Affairs and Tourism and the Board of the ECGB will support the implementation of this APP and be able to report and account on the utilisation of the budget accorded to the ECGB.



Ms. Traci Mackie
Chairperson of the Board

OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the Eastern Cape Gambling Board 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 2022/23 – 2024/25 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: 

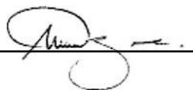
Mr. B Jaxa

Executive Manger
Gambling Regulation
& Consumer Protection
and Budget Programme Two

Signature: 

Mr. RM Zwane

Chief Executive and
Accounting Officer

Signature: 

Approved by:

Ms. Traci Mackie

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



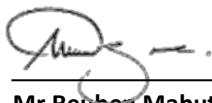
STATEMENT BY THE ACCOUNTING OFFICER (CEO) OF THE ECGB

The Development of 2022/23 – 2024/25 APP is informed by the priorities identified in the Government Outcomes, the National Development Plan (NDP), the Eastern Cape Provincial Priorities, the policy imperatives outlined by the Hon MEC of DEDEAT, as well as the overall direction provided by the Board of the ECGB, under the leadership of its Chairperson.

Over the next MTEF period, the ECGB will be consolidating and strengthening its strategic thrusts of ensuring that it becomes the best, most efficient and empowering Gaming Regulator, and thus the ECGB will be implementing the following:

1. Collecting gambling taxes from licensees and submitting revenue to the provincial Treasury, as required by the Eastern Cape Gambling Act, 1997 (Act No. 5 of 1997) (as amended) (the Act). We will ensure that appropriate mechanism and processes result in collecting R600 Million by the end of the 2022/23 – 2024/25 MTEF period.
2. Investigating and awarding licences and certificates to suitably qualified applicants, accordingly the following nine (9) key licenses will be issued:-
 - 2.1 Zone 1 casino licence will expire in 2025 the last year of the MTEF period and will be considered for bidding purposes for awarding to the successful bidder.
 - 2.2 Issuing of the Request for Proposals for Bookmakers licences expiring during the MTEF period.
 - 2.3 LPM Type B sites.
3. Protection of the public interest and licensed operators from illegal operators and in this regard the focus of the organisation will include the following:-
 - 3.1 conducting sweeps in the Province with planned targets of thirty (30) over the MTEF period, plan to conduct two (2) per zone.
 - 3.2 development of a framework or policy that will outline management of exclusions including feedback and upliftment process in consultation with the Gambling Industry.
 - 3.3 explore a possible regulation mechanisms and/or legislation or policy reform and will benchmark with other international jurisdictions where internet gambling is regulated.
4. Target to receive feedback from Two million, three Hundred Thousand (2.3 million) people who have learned, listened and seen messages of responsible gambling through the campaigns and public education programmes conducted previously utilizing different platforms to ensure the protection of punters and consumers and general citizenry from

- uncontrollable and excessive gambling practices. Furthermore, conduct fifteen (15) Gambling Opportunities Awareness Session with the intention to inform and educate potential business entrepreneurs about economic opportunities within the provincial gambling sector during the licensing process and post licensing.
5. Promoting and enforcing compliance and adherence to bid commitments, licence conditions, legislative and regulatory requirements prior to and after commencement of the operations. Compliance Barometer, a risk-based approach will be used in assessing the compliance history of each licensee within a specific type of license over period of a year and targeting for the industry to achieve Level 3 in 2022/23 and level 4 by end of 2023/24 and 2024/25 respectively.
 6. The ECGB will focus on planning and commissioning three (3) research work as informed by the Research and Development Strategy of the Board. Building a strong foundation of valid and reliable empirical research to inform operational, policy advisory and public interest activities. This will be achieved by conducting a number of research and survey assignments and implementing the relevant recommendations thereafter. Furthermore, we are targeting to develop an Information and Knowledge Management strategy that will outline the effective management processes of information generated within the organization.
 7. Implement during the MTEF Period twelve (12) socio-economic development projects (CSI) with the limited budget and resources available, in areas that have been declared as impoverished in the Province.
 8. Modernisation of our corporate and administrative systems to support the service delivery imperatives of the ECGB and the following will be prioritised during the MTEF Period:-
 - 8.1 continue with the implementation of all documents and records management systems and processes, both electronically and in hard copies.
 - 8.2 review of the organizational structure / organogram to the new Strategy to ensure that the Organisational Structure is fit for purpose and facilitate the implementation of ECGB's strategic focus, pillars and strategic outcomes and realisation of the desired impact statement.
 - 8.3 implementation of ICT systems automation to support the gambling industry including strengthening the regulatory functions of the ECGB as an organisation.
 - 8.4 working with the department of Economic Development, Environmental Affairs & Tourism and Provincial Treasury as the shareholder on the process of the merger between ECGB and ECLB as directed and instructed by the MEC.
 9. As the Accounting Officer of the ECGB, I wish to endorse this APP and further express my sincere appreciation to the members of the ECGB Board, the Chairperson of the ECGB, the Hon MEC and HOD of DEDEAT respectively for their continued guidance, support and commitment to the regulation of gambling industry and the protection of the public in our Province.



Mr Reuben Mabutho Zwane
CEO and Accounting Officer

PART A

OUR MANDATE



*Destruction of illegal gambling devices as confiscated
by ECGB from illegal gambling operators.*

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) (as amended).
- 1.5 Promotion of Administrative Justice Act (Act 3 of 2000) (as amended).
- 1.6 Protection of Personal Information Act (Act 4 of 2013).
- 1.7 National Treasury Regulations (2001) (as amended).
- 1.8 Labour Relations Act (Act 66 of 1995) (as amended).
- 1.9 Basic Conditions of Employment Act (Act 75 of 1997) (as amended).
- 1.10 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.
2.30	Communication and Social Media Policy.
2.31	Data Privacy Policy.

3. RELEVANT COURT RULINGS OR LITIGATION MATTERS

Listed below are relevant Court rulings and litigation matters that may have influence on the mandate of the organization in the form of precedent:

ONGOING COURT CASES:

3.1 EMFULENI RESORTS (PTY) LTD v GALAXY BINGO PORT ELIZABETH (PTY) LTD t/a GALAXY BINGO & OTHERS.

The review application was instituted by Emfuleni Resorts (Pty) Ltd (Emfuleni) under case number 2830/2016, against the ECGB and other parties. Emfuleni seeks an order declaring the definition of “bingo” as defined in the ECGA as unconstitutional and invalid.

The ECGB and other respondents’ answering affidavits were served and filed at Grahamstown High Court. We now await the Applicant’s replying affidavit, whereafter the matter can be enrolled for hearing. The pleadings in this matter have, however, been dormant since October 2018 and there are no indications that the matter will be revived.

3.2 EMFULENI RESORTS (PTY) LTD v EASTERN CAPE GAMBLING BOARD & OTHERS.

On 10 April 2018, Emfuleni launched the application at the Grahamstown High Court. Emfuleni seeks an order reviewing and setting aside the decision of the ECGB to grant and award Type D licenses to GEC Gaming (Pty) Ltd and Spin and Win Entertainment Uitenhage (Pty) Ltd.

The matter was enrolled and heard on Thursday, 09 May 2019 at Grahamstown High Court, and judgement was handed down on 25 June 2019 in favour of the ECGB. On 16 July 2019, Emfuleni served and filed a Notice of Application for Leave to Appeal at Grahamstown High Court, and the ECGB opposed same.

The pleadings in this matter have, however, been dormant since July 2019 and there are no indications that the matter will be revived.

3.3 EMFULENI RESORTS (PTY) LTD AND TRANSKEI SUN INTERNATIONAL LIMITED (THE APPLICANTS) v THE EASTERN CAPE GAMBLING BOARD AND THE PROVINCIAL MEC OF FINANCE.

The Applicants launched an application for declaratory order under case number 1706/2021 against the ECGB and the MEC for Finance. They seek an order declaring that Freeplay credits used to bet on gambling machines at the Applicants' casinos do not constitute part of the "drop" for purposes of the computation of adjusted gross revenue and consequently gambling tax payable to the *fiscus*.

Furthermore, they also seek an order that the MEC for Finance should refund the Applicants from the Provincial Revenue Fund an amount of R9,555,600 and R5,996,156 respectively.

The ECGB and the MEC for Finance opposed the application and have since filed their respective answering affidavits. We now await the Applicants' replying affidavit(s). Thereafter, the pleadings will be closed, and the matter can be set down for a hearing.

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 licenses.).
- 3.5 EASTERN CAPE GAMBLING BOARD & OTHERS v VUKANI GAMING EASTERN CAPE (PTY) LTD – APPEAL (On 17 December 2021, the Supreme Court of Appeal upheld the appeal by the ECGB with costs in favour of the ECGB. This was another significant outcome in support of the licensing process and decision-making of the Board in awarding of licenses.).

PART B

OUR STRATEGIC FOCUS



Demonstration by learners during ECGB
official handover of CS/SED project on maths,
science and technology kits.

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 Annual Performance Plan (APP) must be the same as that in the Strategic Plan (SP).

From the second year of the planning cycle onwards, the information in the SP at the beginning of the planning cycle have been 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 have taken 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 SWOT analysis, PESTEL analysis, and Mckinsey 7s model.

The key areas below are reflected in the three-year Annual Performance Plan of the ECGB:

4.1. Strategic Focus of the Institution over the Three-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 Three-year Annual Performance 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 (2016/17 - 2020/21) from gambling and betting taxes, was R835.4 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	2016/17	2017/18	2018/19	2019/20	2020/21
	R'000	R'000	R'000	R'000	R'000
Casinos	97 158	96,057	95 168	90 639	43 863
Bookmakers & Totalisator	11 107	11 759	12 799	11 816	7 757
Bingo	31 411	38 291	45 582	47 484	25 424
Limited Payout Machines	31 142	35 234	37 771	39 824	25 093
Total Taxes	170 818	181 341	191 320	189 764	102 137
Growth Rate	8.0%	6.2%	5.5%	(0.81%)	-(46.2%)

Source: ECGB Annual Report (2020/2021)

In the previous strategic cycle, the ECGB stimulated gambling tax revenue growth primarily through the licensing and rollout of bingo and Limited Pay-out Machines (LPMs). This resulted in significant growth in tax revenues paid to the fiscus at rates higher than national averages. Pre-COVID the growth rate was reflecting a decreasing trend and normalising around CPI, however revenues have been significantly adversely affected by the lockdown regulations post-COVID, and it is not yet clear how well the industry will recover.

Initially, monthly revenues declined on average by 38% in March 2020, and year-on-year at the end of March 2021 cumulative taxes were 46% lower than in 2019/20. During 2021/22 the Board has monitored revenues against (2019/20) "pre-pandemic" levels. The first quarter reflected a recovery to 95% of pre-pandemic revenues until the industry underwent another hard lockdown in June and July. Quarter three levels have averaged 88% of pre-pandemic revenues despite the fourth wave and it is anticipated that if there are no further lockdowns in 2022/23 revenues will return to in excess of 90-95% of pre-pandemic levels.

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 2021.

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	Mayfair Casino	Total Employment
Total Employees for Casinos	146	159	137	65	50	557
RO and LPMs	Vukani Gaming Eastern Cape (Pty) Ltd			Pioneer Slots (Pty) Ltd		
Total Employees for RO & LPMs	392			340		732
Independent Site Operators						
Total Employees for ISOs						71
Bookmakers (Total of 9 Licensed Bookmakers)						
Total Employees for Bookmakers						360
Totalisator and Racecourse						
Total Employees for Totalisator & Racecourse						16
Bingo Halls (Total of 15 Licensed Bingo Halls)						
Total Employees for Bingo Halls						349
Holders of Certificates of Suitability						
Total Employees for Certificates of Suitability						55
Manufacturers						
Total Employees for Manufacturers						19
Grand Total						2159

Source: ECGB Gambling Regulation System (GRS) (Year:2021)

4.2.3. Contributions Towards Infrastructure Development in the Eastern Cape¹

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.

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

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
Date Opened	2021	2010	2011	2017	2018
Total Capital Investment (Rm)	R2.6 Billion	R2 Billion*	R400 Million*	R151 Million	R141 Million

Source: ECGB Gambling Regulation System (GRS) (Year: 2021)

*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 over a period of 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.

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 various type of licensees and the total number of persons employed as a result of licenses issued in terms of the designated groups. The table thus depicts the total number of 3 299 sustainable job opportunities created cumulatively as at 31 December 2021.

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	557	542	343	355	252	278	3	2	520	515	22	42
Bookmakers	360	74	65	193	60	163	1	0	73	337	1	23
Route Operator & Site operators	732	325	147	332	62	292	2	0	183	598	142	134
Bingos	349	248	189	183	170	99	2	0	245	342	3	7
Totalisator	16	0	0	13	0	0	0	0	0	16	0	0
Certificate of Suitability	55	70	18	8	0	0	0	2	53	46	17	9
Manufacturers	19	7	5	4	2	2	0	0	5	19	2	0
ISO	71	44	37	44	14	20	0	0	41	65	3	6
TOTAL	2159	1310	804	1132	560	854	8	4	1120	1938	190	221

Source: ECGB Gambling Regulation System (GRS) (Year: 2021)

4.5. Profile of Types of Gambling Licenses awarded to the Qualified Applicants

4.5.1. Casino Licenses Operations

The Eastern Cape has been allocated five casino licenses out of a total of 41 such licenses allocated throughout the country. The ECGB allocated the provincial licenses 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 licenses 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 License
Nelson Mandela Bay Metropolitan Municipality	Zone 1	Emfuleni Resorts (Pty) Ltd t/a The Boardwalk Casino	Gqeberha	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	2041	20 Years

Source ECGB Gambling Regulation System (GRS) (Year: 2021)

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	Gqeberha: Boardwalk Casino	East London: Hemingways Casino	Queenstown: Queens Casino	Mthatha: Mayfair Casino
Date Opened	September 2021	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	R2 Billion	R400 Million	R151 Million	R141 Million
Total Employees	146	159	137	65	50
Slot Machines	613	763	537	191	80
Tables	24	46	16	10	7
Electronic Player Terminals	8	8	-	8	8

Source: Source ECGB Gambling Regulation System (GRS) (Year:2021)

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 30th September 2020/21 financial year the casino component employed about 494 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 License Operations

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

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

² Regulation 60(3) of the ECGB Regulations indicates that limited gambling machine site licenses 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.

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

Description	Vukani Gaming Eastern Cape (Pty) Ltd	Pioneer Slots (Pty) Ltd
Date License Issued	29/03/2012	01/03/2013
Date License Expires	31/03/2027	29/02/2028
Number of Sites Licensed	108	100
Registered Employees	392	340
Total Slot Machines	870	882

Source: ECGB Gambling Regulation System (GRS) (Year:2021)

In line with legislative amendments to the regulations on LPMs, the Board has also created a fourth category of site license, 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 belowpage depicts Independent Site Owners (ISO) (Type D) licenses.

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

District Municipality or Metro	Licensed ISO	Location of ISO in the province	Date License Issued	Date License Expiry	Employment Created	No. of LPMs	Investment Value
Nelson Mandela Bay Metro	Spin & Win Uitenhage	Kariega	29/03/2018	28/03/2038	20	30	No new investment ³
	Royale Aces	Bay West, Gqeberha	27/09/2019	26/09/2039	10	30	R5.6 Million
Alfred Nzo District	Spin & Win Mbizana	Mbizana	29/03/2018	28/03/2038	12	34	No new investment ⁴
	Spinners Mount Frere	Mount Frere	01/11/2019	31/10/2039	16	33	R2.3 Million
Joe Gqabi District	Golden Palace Sterkspruit	Sterkspruit	07/11/2019	06/11/2039	13	38	R0.9 Million
Total					71	170	R8.8 Million

Source: ECGB Gambling Regulation System (GRS) (Year:2021)

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

³ This was a conversion of an existing Type B to a Type D

⁴ This was a conversion of an existing Type B to a Type D

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 a steady growth recently and several 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 on the following page reflects an overall profile of licensed Eastern Cape bookmakers.

Table 9: Profile of the Eastern Cape Bookmaker Industry

Licensed Bookmakers	Date License Issued	Date License Expires	No. of Branches	Employees
Hollywood Sportsbook Eastern Cape (Pty) Ltd t/a Hollywood Bets	23/06/2021	22/06/2026	12	145
Vandastar (Pty) Ltd t/a G-bets Eastern Cape	30/06/2020	29/06/2025	2	21
WH van der Vyver (Pty) Ltd t/a Marshalls World of Sport	01/01/2018	31/12/2022	8	91
Lucky Bet (Pty) Ltd t/a Soccer Shop	24/11/2017	23/11/2022	3	25
BetXchange Eastern Cape (Pty) Ltd t/a BetXchange	18/12/2020	17/12/2025	2	31
FEE Gaming (Pty) Ltd t/a iGaming	07/08/2017	06/08/2022	1	21
World Sports Betting EC (Pty) Ltd t/a World Sports Betting EC	23/07/2020	22/07/2025	1	1
KJI Company (Pty) Ltd t/a Supabets	11/08/2017	10/08/2022	3	18
Boss Bookmaker (Pty) Ltd t/a G-Bets Eastern Cape	13/12/2017	12/12/2022	2	7
Vula Gaming (Pty) Ltd t/a Vula Gaming	30/09/2021	29/09/2026	2	0
Ukhozi Gaming (Pty) Ltd t/a Ukhozi Gaming	13/12/2021	12/12/2026	4	0
Totals			36	360

Source: ECGB Gambling Regulation System (GRS) (Year:2021)

Totalisator and Racecourse Operations

The ECGB re-licensed Phumelela Gaming and Leisure Ltd (Totalisator) with new totalisator and racecourse licenses valid for a five-year period. The Licences were transferred to 4 Racing (Pty) Ltd in August 2021. Operations extend to 16 totalisator branches and agencies. 4 Racing (Pty) Ltd currently operates the only racecourse in the province - Fairview Racecourse in Gqeberha – which is approximately 2,700m² 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	4 Racing (Pty) Ltd - Totalizator	Fairview - Racecourse
Date License Issued	20/12/2021	20/12/2021
Date License Expiry	19/12/2026	19/12/2026
Registered Employees	16	

Source: ECGB Gambling Information Management System (GIMS) (Year:2021)

*Includes Employees Working at Fairview Racecourse

4.5.4. Bingo License 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 licenses 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 on the following page 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 License Issued	Date License 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	Gqebera	19/03/2014	18/03/2029	26	300	R11 Million
	EC Gaming Uitenhage (Pty) Ltd (2012/136900/07) t/a Galaxy Bingo & Entertainment	Kartega	31/08/2017	31/08/2032	24	255	R17 Million
Amathole District Municipality	Bingo Royale Cleary Park (Pty) Ltd (2012/18692/07) t/a Bingo Royale Port Elizabeth	Gqeberha	05/09/2014	04/09/2029	25	211	R11 Million
	Galaxy Bingo Butterworth (Pty) Ltd (2012/136895/07) t/a Galaxy Bingo	Butterworth	04/09/2015	03/09/2030	19	123	R5 Million
Buffalo City Metropolitan Municipality (Amathole District)	Galaxy Bingo East London (Pty) Ltd (2012/136888/07) t/a Galaxy Bingo Gaming & Entertainment	East London	07/03/2014	06/03/2029	31	177	R5 Million
	Galaxy Bingo King William's Town (Pty) Ltd (1997/005815/07) t/a Galaxy Bingo and Entertainment King	King William's Town	02/02/2017	01/02/2032	29	161	R8 Million

District Municipality or Metro	Licensed Bingo Halls	Location of Bingo Halls in the Province	Date License Issued	Date License Expiry	Employment Created	No. of Electronic Bingo Terminals	Investment Value
	William's Town Bingo Royale Buffalo City CBD (Pty) Ltd (2012/112914/07) t/a Bingo Royale East London	East London	19/09/2014	18/09/2029	28	157	R5 Million
Sarah Baartman District Municipality	Goldrush Bingo EC No.5 (Pty) Ltd (2014/0352210/07) t/a The Goldrush Bingo Grahamstown	Grahamstown	12/06/2015	11/06/2028	27	55	R10.8 Million
	Goldrush Bingo Eastern Cape No.3 (Pty) Ltd t/a Goldrush Bingo Graaff Reinet	Graaff Reinet	23/09/2015	22/09/2030	26	89	R6 Million
	Bingo Royale JBay (Pty) Ltd t/a Bingo Royale JBay	Jeffreys Bay	16/03/2015	15/03/2030	23	126	R5 Million
Chris Hani District Municipality	Goldrush Bingo Eastern Cape No.4 (Pty) Ltd t/a Goldrush Bingo Cradock	Cradock	29/01/2016	28/01/2031	27	89	R7 Million
	Galaxy Gaming Zone 4 (Pty) Ltd (2006/02153/07) t/a Palacio Bingo Engcobo	Ngcobo	27/10/2016	26/10/2031	14	48	R5 Million
OR Tambo District Municipality	K2014016993 (Pty) Ltd (2014/016993/07) t/a Bingo Royale Lusikisiki	Lusikisiki	19/02/2016	18/02/2031	21	121	R 5.3 Million
	Arvindex (Pty) Ltd (2012/112949/07) t/a Bingo Royale Mthatha	Mthatha	06/12/2013	05/12/2028	16	165	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	13	81	R3.5 Million
Total					349	2158	R110 Million

Source: ECGB Gambling Regulation System (GRS) (Year:2021)

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 licenses, the ECGB has been guided by the ECGA 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 licenses 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 stakeholders has revealed the following challenges, among others, 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)
Challenges Experienced by Licensees / Stakeholders During the Previous planning Cycle:	ECGB oversight can have significant impact on operations. Pressure on operators to employ more staff whereas they want to follow a lean manufacturing approach. Public hearings can be intimidating, suggestion that commitments are made in writing, not verbally. Alignment requested in terms of the	LA2 forms and other application forms tedious to complete. Rules and manuals need to be constantly updated e.g., gambling equipment within the province and machine logbooks. Socio-economic development: Board to assist with list of approved organizations Trust fund for community	1. Management of Self-Exclusions – to improve feedback from the ECGB clarify the process moving forward prescribe the process on upliftment Food and Beverage – many local suppliers are not compliant; liquor is costly and expensive. Manufacturing - Issue of technical repairs, no local carpet cleaning company which meets the	Lack of induction conducted by operators. A need for standardization of casino rules Oversaturation concerns (revenue decline) Lack of PDI Development Framework (Training Plan)

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>Board’s requirement on external audit and the Companies Act. Improved consistency in applying regulations in a clear framework. Guidelines on requirements of primary vs secondary business</p> <p>Oversaturation concerns - proximity /radius - fair competition</p> <p>Employee licenses / registration - delays encountered in receiving permanent licenses, out of R/O and S/O control</p> <p>Advanced technology - submission of documents should be allowed electronically to ECGB.</p> <p>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>development programmes. Delays encountered in investigation processes may increase, for example the cost of lease agreements before approval of license</p> <p>PDI supplier challenges: Suppliers over-charging, monopoly, awareness, liquor suppliers are not B_BBEE recognized by ECGB</p> <p>Non-attendance of engagement sessions</p> <p>Lack of technical training on pieces of legislation / policies</p> <p>Lack of knowledge & incompetence of staff</p> <p>Absence / loss of information</p>	<p>standard, there is no local risk assessment company as a specific example with regulated operators.</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 considering challenges highlighted above, the opportunities in the next page will be explored for implementation and aligned to strategic outcomes and planned targets for the five-year period continuing in the MTEF 2022/2023 – 2024/2025:

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 subsiding.	A study on the Revenue generation options has been conducted pre-COVID and implementation of certain recommendations was delayed as a result of the pandemic, however monitoring in this regard is ongoing.	Financial Management Services
2.	Conducting a study on the possible new markets on propensity to gamble and this will be aligned with the current Research Agenda of the ECGB including a proposed study to evaluate the saturation of gambling within the Province.	The Budget Sub-Programme is currently reviewing its Research Strategy and Agenda to determine possible areas to conduct research especially on the emerging markets.	Empirical Research & Information Management
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 AND 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.	The South African Responsible Gambling Foundation is offering this service on behalf of the gambling boards and when cases emerge are referred to the foundation.	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.	The ECGB will develop in 2023/2024 financial year a comprehensive strategy with approach to address key challenges with regards to exclusion programme.	Law Enforcement & Gaming Control AND Responsible Gambling, Public Education & Communication
6.	Setting up of gambling anonymous support structures for self and third party excluded punters in the Province.	This matter was addressed with Gambling Anonymous South Africa (GASA) and has been left for its implementation to GASA.	Responsible Gambling, Public Education & Communication
7.	Development of clear mechanism for monitoring and reporting about trusts and foundations that are established through license conditions to disburse proceeds of gambling.	Compliance mechanisms will be intensified and enhanced from 2023/2024 financial year to incorporate monitoring and reporting about trusts and foundations that are established through license conditions.	Investigation & Licensing Administration
8.	The organization need to embrace the 4IR and its impact to employees as it is here to stay and the preparations of employees including	During the Covid-19 lockdown, the ECGB had to adapt many processes to be performed remotely. This was the first giant leap taken to	Information & Communication Technology

NO.	EMERGING PRIORITIES AND OPPORTUNITIES	PROGRESS IN IMPLEMENTING THESE PRIORITIES & OPPORTUNITIES EXPLOITED	DRIVING / RESPONSIBLE DIVISION
	a paperless environment.	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 2023/2024 financial year to explore possible Internet Interventions for problem gambling.	Information & Communication Technology AND 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 is underway, a service provider was appointed, and work has commenced, to be completed by 31 December	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. The current organisational structure and or organogram is not fit for purpose and is not designed to implement the key strategic focus areas of the ECGB, strategic pillars including strategic outcomes to achieve the desired impact,

The current organizational structure is being reviewed and a proposal of the reviewed structure is anticipated to be completed in March 2022.

4.10. Relevant Stakeholders that 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 rely 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

This 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.	<ul style="list-style-type: none"> Unregulated internet gambling may lead to potential loss of revenue for the fiscus. Benchmark with other international jurisdictions where internet gambling is regulated. 	<ul style="list-style-type: none"> Exploration of possible regulation mechanisms and /or legislation or policy reform. Benchmark with other international jurisdictions where internet gambling is regulated. 	<p>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.</p>	<p>Legal Services AND Investigation & Licensing Administration</p>
2.	<p>A need to embrace the 4th industrial revolution in gambling regulation, risk mitigation and in the overall ICT strategy.</p>	<ul style="list-style-type: none"> Engagement, Benchmarking, and Intensive Seminars and Learning regarding identification and implementation of core activities of the Fourth Industrial Revolution within the gambling sector. 	<p>The ECGB will be undergoing a process reengineering exercise to streamline business processes and ensure that they complement with the ECGB Legislation.</p>	<p>Information & Communication Technology AND Empirical Research & Information Management</p>
3.	<p>Proposed merger between Eastern Cape Liquor Board and ECGB with no feasibility study performed.</p>	<ul style="list-style-type: none"> Engage the department of Economic Development, Environmental Affairs & Tourism to facilitate the process as instructed by the MEC. 	<p>This is pending a formal communication and the guidance from the Department of Economic Development and environmental affairs and tourism.</p>	<p>Office of the CEO</p>
4.	<p>A need for effective management of information generated within the Organization</p>	<ul style="list-style-type: none"> The development of the Information and Knowledge Management strategy that will outline the effective management processes of 	<p>Development of the Information and Knowledge Management strategy will be pursued in 2023/2024 financial year in order to guide the effective</p>	<p>Empirical Research & Information Management</p>

NO.	CHALLENGES THAT EMERGED	PROPOSED INTERVENTIONS	PROGRESS IN ADDRESSING THESE CHALLENGES	DRIVING / RESPONSIBLE DIVISION
5.	Litigation against Board decisions on awarding licenses 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.	<p>information generated within the organization.</p> <ul style="list-style-type: none"> Development of a clear Risk Management plan to mitigate challenges against the Board decisions to award the Licenses. 	<p>management of information generated within the Organization.</p> <p>The Board Secretariat Standard Operating Procedure is in place and meant to address the timelines pertaining to submissions presented to the Board and its Committees, and providing governance advisory services to Management, the Board and its Committees. Furthermore, there is a legal panel of attorneys providing sound legal advice to Management and the Board on ethical leadership in respect of legislative matters.</p>	<p>Legal Services AND Office of the CEO AND Investigation & Licensing Administration</p>
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.	<ul style="list-style-type: none"> Development of a framework or policy that will outline management of exclusions, including feedback and upliftment process in consultation with the Gambling Industry. A newly developed Gambling Regulation System (GRS) will be enhanced to improve the turnaround time. 	<p>Development of the framework or policy that will outline management of exclusions including feedback and upliftment process will be pursued in 2023/2024 financial year.</p>	<p>Law Enforcement & Gaming Control AND Responsible Gambling, Public Education & Communication</p>
7.	Benchmarking and monitoring of turnaround times for employee registration certificates.	<ul style="list-style-type: none"> Expedite the procurement of service providers to commence with the building project. 	<p>Gambling Regulation System (GRS) has been developed and is in the initial stages of operation with continuous improvement of process flows.</p>	<p>Investigation & Licensing Administration</p>
8.	Insufficient Office space for the full staff structure as the industry has grown.	<ul style="list-style-type: none"> Expedite the procurement of service providers to commence with the building project. 	<p>The extension of the current building has been completed and sufficient office space is available.</p>	<p>Human Resources Management & Development</p>

4.12. External Environmental Analysis

In conducting an external environmental analysis, PESTEL analysis combined with opportunities & threatselements of SWOT analysis for scanning the external environment was utilized. These planning tools havebeen utilised as depicted in the table below:

PESTEL - EXTERNAL ENVIRONMENT		SWOT ANALYSIS - EXTERNAL ENVIRONMENT	
External Analysis	Opportunities	Threats	
Political Factors <ul style="list-style-type: none"> • New leadership in Board being appointed. • New energetic leadership. • No political infighting. • Accountable Board through MEC of DEDEAT Legislature. • Collaboration of municipal and provincial entities - entities generate revenue, e.g. alignment in policies such as EC Liquor Board and those of municipalities. • Indefinite licensing regime – legislation review. • Exploiting Online gambling (interactive gambling) and online betting - political consideration on legislation amendment. 	<ul style="list-style-type: none"> • Political unrest if not managed – lead to investment reduction – no service delivery – social unrest – lack of trust in all government spheres. • Lack of Political guidance on the Merger of ECGB & ECLB. • Lack of political will on Indefinite licensing regime. • Delay on the debate of legislation for Online gambling (interactive gambling) and online betting. 		
Economic Factors <ul style="list-style-type: none"> • Changes in BBBEE act – sectoral transformation requirements. • LED Procurement framework. • Technology Innovation Agency openness for collaborating with the public sector. • National Treasury and World Bank potential support for industry development support (value chain development mainstreaming in government sector Departments programmes). • Leverage on resources of other stakeholders. • Partnerships with communities. • Strong national focus on infrastructure led economic recovery. • Licensing and Fee amendments on licensing. 	<ul style="list-style-type: none"> • Unreliable Electricity Supply. • Economic Consequences of COVID-19 Disaster. • Government funding is decreasing. • Labour intensive sectors are declining and sheddinging jobs. • Access to finance is limited. • Delays in payment of suppliers/ SMMEs. • Poor implementation of economic policy. • Limited access to technology. • Lack of coordination of economic activities. • Economy concentrated in the Metros. • Ease of doing business is poor. • Limited transformation. • Informal sector support – difficult, if they are not registered, they must be tracked. 		

PESTEL - EXTERNAL ENVIRONMENT		SWOT ANALYSIS - EXTERNAL ENVIRONMENT	
External Analysis		Opportunities	Threats
Social Factors	<ul style="list-style-type: none"> Beneficiation through CSI projects as a result of licensing and strengthening socio economic development enterprises. 	<ul style="list-style-type: none"> Invest in enterprises that are not compliant. Job Creation, Environmental Education for COVID-19 relief for informal Sector Deep levels of unemployment exacerbated by the COVID-19 disaster. Youth mostly impacted by unemployment. High crime rate especially in townships. Abuse of substances by young people Absence of safety and security. Lack of collaboration and partnerships with strategic stakeholders / other Departments. Career path in higher education not aligned to industry needs. Job losses - High Unemployment. Social uprising (unguided revolution). Skills shortage – capacity building. Skills migration – to entice those leaving the province. Potential harm out of gambling. Lack of gender balance in the management level by the industry – male dominated. 	<ul style="list-style-type: none"> Internet gambling. Rate of technology (4IR) impacting on employment and others. Emergence of e-commerce impact on brick-and-mortar businesses e.g. banks closing down branches. Less use of technology when transacting. E-learning not yet embraced. Limited innovation centers in the Province. Limited R&D funding on ICT.
Technological Factors	<ul style="list-style-type: none"> High penetration rate of cellphones. Digitalization is here to stay. Technology is proving to be critical for e-commerce and online meetings, compliance regulation (remote audits) (4IR). Technological advancement of industrial business. Self-regulation of the industry on ICT to save costs. Business intelligence – to minimize illegal gambling. Localization of suppliers, repairers or maintenance of gambling devices and equipment. 		

PESTEL - EXTERNAL ENVIRONMENT		SWOT ANALYSIS - EXTERNAL ENVIRONMENT	
External Analysis		Opportunities	Threats
Environmental Factors	<ul style="list-style-type: none"> High attention to environmental management. Consistent application of Environmental laws. Technology – Virtual working – Paperless good for the environment. 	<ul style="list-style-type: none"> High attention to environmental management. Consistent application of Environmental laws. Technology – Virtual working – Paperless good for the environment. 	<ul style="list-style-type: none"> Load shedding. Cyber security / threats. Climate change impacting on the Province, e.g. less water in dams, crops failing. Deteriorating environmental quality. Weak enforcement of environmental laws at local level.
Legal Factors	<ul style="list-style-type: none"> Legislation reviewed to enhance operations and governance - internet gambling. Competition laws consideration on new entrants in the gambling space. Good environmental legislation. Merger of ECGB and ECLB. 	<ul style="list-style-type: none"> Legislation reviewed to enhance operations and governance - internet gambling. Competition laws consideration on new entrants in the gambling space. Good environmental legislation. Merger of ECGB and ECLB. 	<ul style="list-style-type: none"> Increased litigious environment. Licensing delays. High compliance requirements with legal and regulatory environment. Consumer protection laws. Hospitality /Tourism industry– affected by Covid19 enterprises not generating income yet landlords expect rentals.

4.12.1. Background Information on the Demand for Services and Other Factors that 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 licenses in terms of the Eastern Cape Gambling Act. A Request for Proposal (RFP) is published inviting individual business organizations or entrepreneurs to apply for available types of licenses.

The following activities are therefore implemented by the ECGB:

- gathering of information with respect to the applicant's business activities and those of related parties in order 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 licenses, 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 are in compliance 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 with the objective of making recommendations to the Board in respect of the suitability of the applicant with reference to criteria spelled out in the applicable gambling legislation and/or RFP;
- facilitating the registration of all applicants and awarding of licenses 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 licenses to qualified operators, the signing of conditions of license 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 license, 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 license 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 license, bid commitment, the ECGA, rules and regulations. It is also to monitor the compliance level of licensees and to detect 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 licensee to assist them in developing compliance action plans to implement remedial action and thus serves 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 license conditions and ECGB legislation.

Figure 1: below depicts compliance level by licensees as at 31 March 2021



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

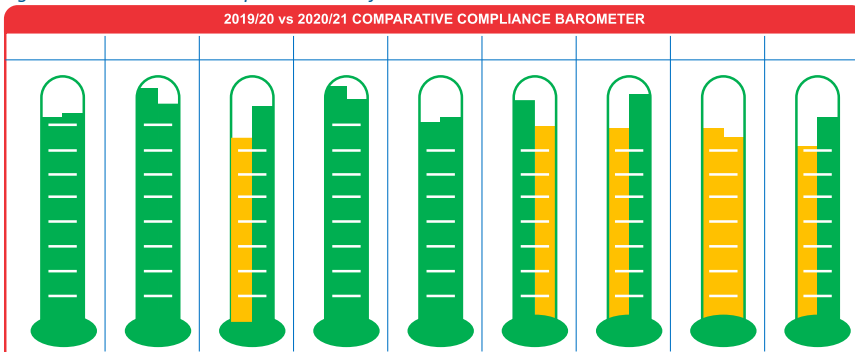


Figure 1 shows average compliance level as at 31 March 2021 was above 80% and has increased year- on-year.

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 license over a year period. The compliance barometer is updated on a quarterly basis. This risk-based approach impacts on 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 license 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 in order to ensure compliance with gambling laws, rules, regulations, license conditions and internal control systems.

- Monitoring and ensuring the integrity of all systems and procedures pertaining to 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 GIMS, 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 licenses 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 license 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 figure below are the basic principles that will be followed to guide the implementation of this framework by all licensees, stakeholders and partners:

Figure 2: Framework Basic Principles



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

Figure 3: 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 on 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 licenses 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 which 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.
- Conduct an evaluation of the various activities and functions of the ECGB pertaining to 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 in a joint and collaborative manner.

Programme Evaluations

Programme evaluation is a systematic method for collecting, analysing, and using 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 evaluation 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 which 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.

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 grant. 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 the 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:

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 personal issues that may affect individual behaviour.	<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>	Punter on a high risk of addictive gambling.
3	Utilisation of different platforms to profile messages of responsible gambling and mitigation of excessive and irresponsible gambling	<p>Various community platforms to communicate messages of responsible gambling - Community Advocacy.</p> <p>Integrated communication, media and public outreach programmes and utilisation of outside broadcasts, billboards, industrial theatre, various events.</p>	<p>Provincial citizenry and/or communities, ward councillors and their communities;</p> <p>traditional leaders and their communities, different community formations.</p> <p>Provincial citizenry</p>
4	Advocating the formulation or amendment of policies and	Public and private sector organization, including non-	Employees and managers of

NO.	SERVICES	TYPE OF PROJECTS	BENEFICIARIES
5	<p>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</p> <p>Facilitating and ensuring that gambling environments, processes and sites are safer and more supportive of gambling consumers or punters</p>	<p>governmental organizations.</p> <p>All players across all gambling codes be registered with smart cards which will allow the co-ordination of self-exclusion process. Smart cards will allow the regulator to monitor the player's habits regarding excessive gambling.</p> <p>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.</p> <p>Player workshops, briefings before participating in social and recreational gambling and encourage players to attend short, focused briefing sessions which outlines: Statistical probabilities in decision-making Dangers of excessive gambling Symptoms of problem gambling</p>	<p>different public and private sector organizations, including NGOs.</p> <p>Punters and gambling operators in the province.</p>

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.

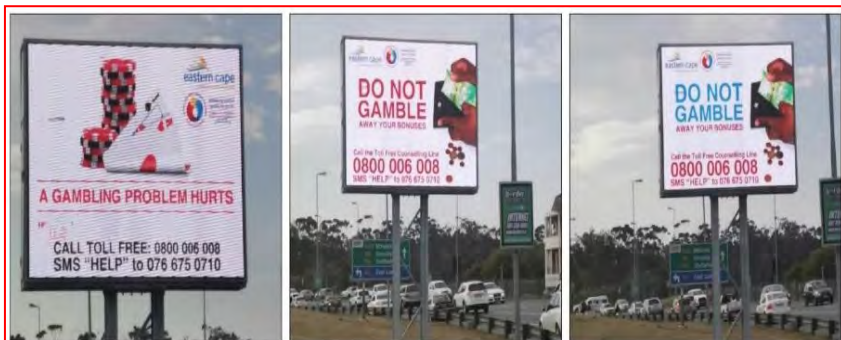
Outside Billboards Mounted in Different Towns of the Province



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



Source: ECGB 2019 Q3 Report

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. Political Environment which may impact on the Implementation of the Strategic Plan

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

PESTLE ANALYSIS MODEL	GUIDING FACTORS	DISCUSSIONS AND EMERGING ISSUES
Political Factors	Government changes Shareholder & their demands Funding Government leadership Lobbying Foreign pressures Conflicts in the political arena	Change of leadership impact: Delay in implementation e.g., zero rating of tax. Change of direction/focus. New policies. Lack of appetite. New focus by leadership. Policy Council between the National Minister and MEC of Economic Development not being scheduled as expected. Merger between the ECGB and ECLB.

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 situation. This may impact on the achievement of the institution’s outcomes. The areas that emerged when conducting internal environmental analysis utilizing Mckinsey 7s model combined with strength & weaknesses elements of SWOT analysis for scanning internal environment are reflected in the table below:

McKINSEY 7S - INTERNAL ENVIRONMENT	SWOT ANALYSIS - INTERNAL ENVIRONMENT	
Internal Analysis	Strengths	Weaknesses
STRATEGY	Strategy in place fit for purpose and delivering on the economic trajectory of the Province. Clear targets for the planning cycle towards mandate implementation.	Organogram / structure not reviewed following the development of the strategy. Under reporting and lack of information provision on the opportunities provided by the strategy.
STRUCTURE	Diverse culture in the organization. Flexibility.	Slow review processes of the Organogram / structure. Organogram and structure not aligned with the new strategy or structure is not fit for the purpose. Lack of diversity and inclusivity of the gender balance in the Senior / Executive Management.
SYSTEMS	Clean audit outcomes A few functional systems, e.g. VIP, NAVISION. ICT uptime averages above 98%. Governance structures in place.	Absence of business intelligence. Lack of automated / limited integrated ICT systems. (Automated IPA system; No performance information management system.

McKINSEY 7S - INTERNAL ENVIRONMENT	SWOT ANALYSIS - INTERNAL ENVIRONMENT	
Internal Analysis	Strengths	Weaknesses
	<p>Functional board. Cloud computing services. Assist the entities to deliver more by sharing the electronic platforms. Develop electronic reporting system that will consolidate reports for the organization. Embracing technology. IT system that will bridge a gap in rural places as a community centre. Integrated process to enhance holistic governance. Monitoring and Reporting. Zero based budgeting. Collaboration with public entities on planning. Reduction of utilising consultants. Improved sourcing of goods and services. Gambling revenue projected to exceed R218 million by 2023. Fair financial management.</p>	<p>Limited and fragmented Knowledge management. Cyber threats. No focus of prioritising technology, access to resources, training, and sharing resources. Slow pace of procurement before tender awarded. Entity and DEDEAT Regional Offices working in silo but there is space that can be shared at regional offices. Increased regulatory costs. Budgets cuts. Unfunded projects / Mandate e.g. merger. Artificial intelligence not embraced. Not fully functional Audit system. Lack of document management system.</p>
SKILLS	<p>Skilled workforce. General capability is satisfactory. Good technical capacity of staff in various portfolios. Bursaries offered linked to skills matrix of the organization.</p>	<p>Succession plan not yet implemented (lack of internal mentor / coach for succession purposes). Lack of upskilling workforce on technological aspects to match the industry demands. (Conduct gap analysis report in line with the skills matrix).</p>
STAFF	<p>Staffing level at +98%. Majority young workforce.</p>	<p>Recruitment is slow and negatively impacts the work implementation. Increasing CoE costs. Lack of diversity and inclusivity of the gender balance in the Senior / Executive Management.</p>
STYLE	<p>Communication systems in place. Strong governance and Managerial leadership. High accountability of the leadership team. Ability of engaging on issues independently.</p>	<p>Lack of gender balance / equity profile Challenges emerged from a current employees satisfaction survey regarding organizational culture and style of management.</p>
SHARED VALUES	<p>Organization embrace the values as enshrined in the strategy. Vast number of stakeholders in both public and private sector. Range of services provided and Wider reach of implementing agents on programmes. High quality service support. New services with partners and Departments.</p>	<p>Limited effective collaborations. Limited effective coordination e.g. SMMEs. Assessment of functionality of stakeholder management. Capacity to take up services in local areas is limited. Not all Indicators are pitched at impact level. Lack of collaboration by DEDEAT Group.</p>

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 of 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 is under review in response to the human resource needs required to support the implementation of the existing strategy.

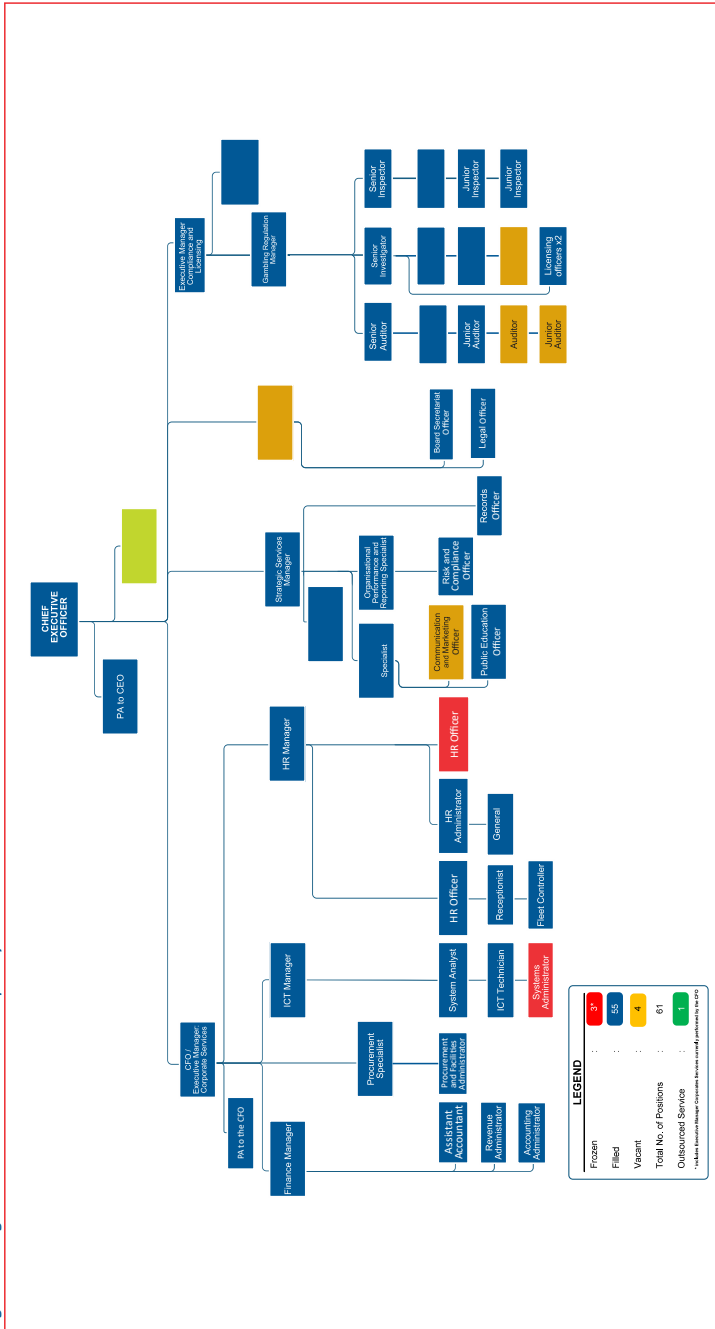
Now that a new strategy has emerged and been developed, it is imperative that another review of the organizational structure be conducted to align with the new strategy, to determine the required human resources and capacity to execute the organizational strategy.

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. Budget is required for successful implementation of these processes.

Figure 3 on the following page depicts the organisational structure which is currently being reviewed following the approval of the new five-year strategy of the organisation.

Figure 4: Organizational Structure & Capacity



LEGEND

Frozen	: 3
Filled	: 55
Vacant	: 4
Total No. of Positions	: 61
Onboarded Service	: 1

* - 1 share Administrator Onboarded Service based on capacity for the DPS

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 implementation of the ECGB's IT Strategy and its drive towards embracing the 4th industrial revolution. POPIA was implemented in the first quarter of the 2021/22 financial year, however compliance with POPIA is an ongoing process which the ECGB continues to monitor and enhance. 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. Compliance with the B-BBEE Act

The ECGB upholds and promotes the principles enshrined in legislation pertaining to 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 0% women representation at executive management level, 20% women representation at middle 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 five (5) interns on the internship programme gaining exposure in the following areas: Finance, Legal Services & Board Secretariat and Strategic Management Services. Table 12 on the following page depicts the current workforce profile of the ECGB.

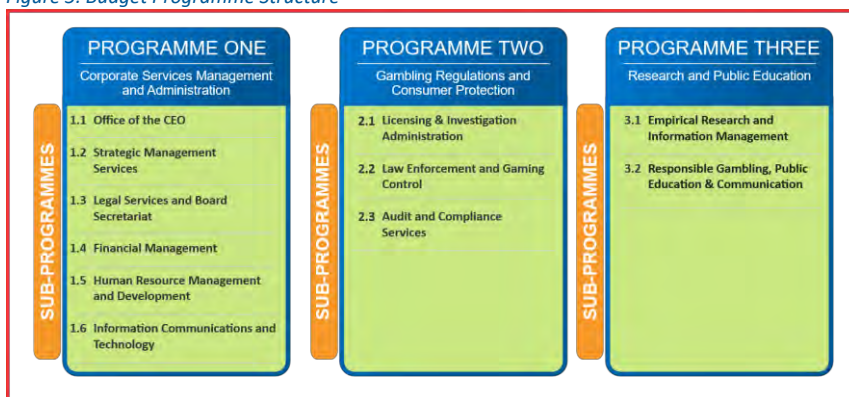
Table 12: ECGB Workforce Profile

DESCRIPTION 2021/22		MALES					FEMALES				FOREIGN NATIONALS		
		A	C	I	W	TOTAL	A	C	I	W	TOTAL	MALES	FEMALES
EQUITY	Provincial Economic Active Population Percentages	41.6%	5.7%	0.5%	3.4%	51.2%	40.6%	5.6%	0.4%	2.2%	48.8%	0%	0%
	Actual Employee numbers	22	0	1	3	26	29	1	0	0	30	0	0
	Disabled Employees	0	0	0	0	0	0	0	0	0	0	0	0
	ECGB Workforce Percentages	39.28%	0.0%	1.78%	5.35%	46.42%	51.78%	1.78%	0%	0%	53.57%	0%	0%
TOTAL PERMANENT STAFF	56	22	0	1	3	26	29	1	0	0	30	0	0
INTERNS/ LEARNERS	5	2	0	0	0	2	3	0	0	0	3	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 5: Budget Programme Structure



4.17.6. Overview of the Budget and MTEF Estimates

Table 13: Budget Estimates by Economic Classification

Economic Classification	Audited Outcomes / Actuals			Adjusted Appropriation	Medium-Term Expenditure Estimate		
	2018/19 R'000	2019/20 R'000	2020/21 R'000	2021/22 R'000	2022/23 R'000	2023/24 R'000	2024/25 R'000
REVENUE							
Equitable Share Allocation	55 761	58 710	61 350	61 961	70 043	70 725	70 756
Own Revenue	16 623	16 729	13 905	13 597	15 022	17 062	18 500
TOTAL REVENUE	72 384	75 439	75 255	75 558	85 065	87 787	89 256
EXPENDITURE							
Compensation of Employees	41 191	46 900	46 950	50 516	54 112	57 332	59 906
Goods and Services	27 405	25 355	18 885	24 546	28 538	27 721	29 031
Administrative Expenses	9 852	9 570	5 272	9 010	10 598	10 147	11 240
Corporate Social Investment	292	562	283	464	487	512	535
Consumer Protection and Public Education	4 691	2 568	245	1 055	3 107	2 000	1 118
Depreciation and Amortisation	1 716	2 052	2 684	2 747	2 885	3 029	3 181
Legal Costs	4 882	3 929	3 634	2 840	2 457	2 580	3 079
Marketing and Research Costs	700	553	607	1 131	1 188	1 247	1 303
Other Operating Expenses	4 002	4 878	4 957	5 881	6 327	6 644	6 943
Statutory Audit Fees	1 271	1 243	1 204	1 417	1 488	1 563	1 633
TOTAL EXPENDITURE	68 596	72 255	65 835	75 062	82 650	85 053	88 937
TOTAL CAPEX	5 967	4 306	10 232	7 905	5 300	5 763	3 499

Trend Analysis of Expenditure

- 4.17.6.1 The Equitable share grant funding of the institution has increased by 3.6% on average over the past three years, however in 2022/23 there is an increase of 13% which then reduces in the outer years. This increase is attributable to funds allocated by DEDEAT and set aside for mitigation of irresponsible and illegal gambling activities. Over the remaining MTEF own revenue is projected to be enhanced to mitigate the lower than inflation Grant increases.
- 4.17.6.2 The Treasury guidelines on budgeting for Compensation of Employees have been applied over the MTEF. In 2020/21 certain positions and salaries were frozen and overall COE increased by only 0.1%. Over the MTEF, no positions are frozen and the full establishment has been budgeted for per the guidelines.
- 4.17.6.3 Goods and Services have on averaged reduced by 1% over the past three years due to cost containment initiatives, and specific temporary measures applied during 2020/21 as a direct impact of the Covid 19 Pandemic. The budget moving forward over the MTEF accounts for CPI increases on average and additional funding as noted above.
- 4.17.6.4 Capital expenditure (capex) increased in 2020/21 and 2021/22 due to the Building extension project required to adequately house all staff. Over the MTEF expenditure is budgeted at R5.3 million, 5.7 million and 3.5 million respectively.

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 69 & 71, through issuing of gambling licenses to qualified Applicants.	GOAL 1: Innovative and inclusive growing economy.	Applicable to ECGB. See budget programme Investigation & Licensing Administration page 69 & 71, through issuing of gambling licenses to qualified Applicants.
2.	Education, skills and health	Applicable to ECGB. See budget programme Strategic Management Services page 63 & 64, 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 63 & 64, through issuing of gambling licenses 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 63 & 64
5.	Social cohesion and safe communities	Applicable to ECGB. See budget programme Law Enforcement and Gaming Control page 70 & 71.	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 2022/23 – 2024/25 ANNUAL PERFORMANCE PLAN

- 4.19.1 The development of the 2022/23 – 2024/25 Annual Performance Plan was informed by a number of 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 session on the 27 September 2021 for review and development of the 2022/23 – 2024/25 Annual Performance Plan was organized and facilitated for all ECGB Management wherein key priorities and high-level strategies were identified for implementation over the next three years through the use of planning tools such as PESTEL, SWOT analysis and Mc-Kinsey 7s Model.
- 4.19.3 The issues emerged from the use of PESTEL, SWOT analysis and Mc-Kinsey 7s Model planning instruments or tools are provided in paragraphs 4.12 and 4.17. Key issues were then prioritised for implementation during the MTEF period.
- 4.19.4 Internal Auditors reviewed the 2022/23 – 2024/25 draft APP to ensure compliance with the Treasury Framework for Development of Strategic Plan and Annual Performance Plan.
- 4.19.5 The Joint Audit & Risk Committee and Finance Committee at its meeting of the 20 January 2022 engaged and deliberated on the 2022/23 – 2024/25 Annual Performance Plan and budget allocated to implement the priorities, targets and projects outlined in the APP.
- 4.19.6 The Board at its meeting of the 31 January 2022 engaged and approved the 2022/23 – 2024/25 Annual Performance Plan and budget allocated to implement the priorities, targets and projects outlined in the APP.

PART C

MEASURING PERFORMANCE



Demonstration by learners during ECGB
official handover of CS/SED project on maths,
science and technology kits.

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 B.

6.2. PRIORITIES FOR PROGRAMME ONE EMERGING FROM ENVIRONMENTAL SCANNING USING PESTEL AND SWOT ANALYSIS PLANNING INSTRUMENTS

- Alignment of the organizational structure / organogram to the new Strategy to ensure that the Organisational Structure is fit for purpose and facilitate the implementation of ECGB's strategic focus, pillars and strategic outcomes and realisation of the desired impact statement
- Reconsideration of executive, senior and middle management structures including clear responsibilities.
- Finalisation of the administrative delegation of authorities to enhance executive, senior and middle management responsibilities within the organisation.
- Allowing the department of Economic Development, Environmental Affairs & Tourism and Provincial Treasury as the shareholder to facilitate the process of the merger between ECGB and ECLB as directed and instructed by the MEC.
- Finalisation of the development and implementation of the Organisational Maturity Barometer of the organisation.

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	MEDIUM-TERM TARGETS		
					2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
7.2.1	Compliant and Protected Gambling Industry	Taxes & Fees Collected from Licensed Operators License Certificates Issued to Operate	Revenue Collected & Disbursed to Fiscus	R875 Million	R 191.3 Million	R 189.7 Million	R102.1 Million	R156 Million	R185 Million	R200 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 license 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 2021/22	MEDIUM-TERM TARGETS		
					2018/19	2019/20	2020/21		2022/23	2023/24	2024/25
8.2.1	Empowered Communities Located in Areas Where There is a Gambling Footprint as well as Impoverished Areas	Maths, Science & Technology Kits, Interactive e- Learning Material Towards 4IR Evaluation Reports on Demonstrating Desired Outcomes	Number of ⁵ Key CSI Projects Implemented	20	4	4	4	4	4	4	

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 2021/22	MEDIUM-TERM TARGETS		
					2018/19	2019/20	2020/21		2022/23	2023/24	2024/25
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	Level 4 Organizational Maturity	New Indicator	New Indicator	New Indicator	Level 3 Organizational Maturity	Level 3 Organizational Maturity	Level 4 Organizational Maturity	Level 4 Organizational Maturity

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

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 2022/23	QUARTER TARGETS			
				Q1	Q2	Q3	Q4
10.1.1	Revenue Collected & Disbursed to Fiscus	Quarterly	R185 Million	R44 Million	R45 Million	R50 Million	R46 Million

10.2. BUDGET SUB-PROGRAMME: STRATEGIC MANAGEMENT SERVICES

NO.	OUTPUT INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2022/23	QUARTER TARGETS			
				Q1	Q2	Q3	Q4
10.2.1	Number of Key CSI Projects Implemented ⁶	Annually	4	-	-	-	4

10.3. BUDGET SUB-PROGRAMME: OFFICE OF THE CEO

NO.	OUTCOME INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2022/23	QUARTER TARGETS			
				Q1	Q2	Q3	Q4
10.3.1	Organizational Maturity Index	Annually	-	-	-	-	Level 3 Organizational Maturity

⁶ 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.

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

Over and above the awarding of different types of licenses 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. In addition, 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.

In terms of license 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 specifically the negative growth in gaming revenues as a result of the COVID-19 pandemic. As such realistic forecasts based on the trends monitored over the past three years have informed this target assuming all currently operational licensees continue to operate. The 2022/23 target on a high-level represents a return to pre-COVID tax revenue levels.

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

12. PROGRAMME ONE RESOURCES CONSIDERATION: BUDGET ALLOCATION

BUDGET PROGRAMME 1: SUB-PROGRAMMES	Audited Outcomes / Actuals			Adjusted Appropriation	Medium-Term Expenditure Estimate		
	2018/19 R'000	2019/20 R'000	2020/21 R'000	2021/22 R'000	2022/23 R'000	2023/24 R'000	2024/25 R'000
1. Corporate Services Management and Administration							
1.1. Office of the CEO	7 214	7 178	5 687	6 712	7 225	7 730	8 584
1.2. Strategic Management Services	4 069	5 867	4 917	5 606	5 983	6 306	6 592
1.3. Legal Services and Board Secretariat	7 854	7 470	6 699	7 513	7 640	8 038	8 784
1.4. Financial Management	10 787	11 714	12 264	13 029	13 573	14 361	15 028
1.5. Human Resource Management and Development	5 957	6 148	6 158	7 982	8 579	9 059	9 570
1.6. Information Communication Technology	4 074	4 645	5 290	5 373	5 764	6 066	6 340
TOTAL PROGRAMME EXPENDITURE	39 955	43 022	41 015	46 215	48 764	51 560	54 898

12.1. CONTRIBUTION OF RESOURCES TOWARDS ACHIEVEMENT OF OUTPUTS

PROGRAMME 1: ECONOMIC CLASSIFICATION	Audited Outcomes / Actuals			Adjusted Appropriation	Medium-Term Expenditure Estimate		
	2018/19 R'000	2019/20 R'000	2020/21 R'000	2021/22 R'000	2022/23 R'000	2023/24 R'000	2024/25 R'000
Compensation of Employees	21 409	24 730	25 109	27 001	28 824	30 554	31 912
Goods And Services:	18 546	18 292	15 906	19 214	19 940	21 006	22 986
Administrative Expenses	6 812	6 190	3 378	6 420	6 878	7 291	8 256
Corporate Social Investment	292	562	283	464	487	512	535
Depreciation and Amortisation of assets	1 716	2 052	2 684	2 747	2 885	3 029	3 181
Legal Costs	4 882	3 929	3 634	2 840	2 457	2 580	3 079
Marketing and Research Costs	111	158	209	145	152	159	167
Other Operating Expenses	3 462	4 158	4 513	5 180	5 592	5 871	6 136
Statutory Audit Fees	1 271	1 243	1 204	1 417	1 488	1 563	1 633
PROGRAMME EXPENDITURE	39 955	43 022	41 015	46 215	48 764	51 560	54 898

Trend Analysis of Expenditure

12.1.1 Programme One compensation of employees’ expenditure is budgeted to increase in line with cost-of-living adjustments and the treasury guideline.

12.1.2 In 2022/23 goods and services expenditure is budgeted to increase below inflation due to ongoing cost-effective contracts. However, over the remaining MTEF period inflationary increases have been budgeted for.

13. KEY RISKS IDENTIFIED

NO.	OUTCOME	KEY RISKS DESCRIPTION	CONSEQUENCES	RISK MITIGATION PLANS
1.	Effective Governance with an Enabling Workplace Environment	1. Loss of information	<ul style="list-style-type: none"> Delays turnaround time Negative audit outcomes Unable to service stakeholders. Reputational damage Business continuity interruptions / denial of service 	<ul style="list-style-type: none"> Business Continuity Plan ICT Disaster Recovery Plan ICT Security Policy ICT Network Manual, daily checklists, etc. Folder structures set up on file server. Annual testing of disaster recovery plan Daily and weekly offsite backups Quarterly awareness sessions held. ICT Steering Committee in place and functional
		2. Regression in internal control environment	<ul style="list-style-type: none"> Negative audit outcomes Reputational damage Non-detection of errors, financial loss Inaccurate financial and performance information reporting 	<ul style="list-style-type: none"> Delegation of Authority Finance Manual SCM policy Fraud Prevention Plan Cost Containment Policy Combined assurance framework Internal audit Treasury instructions monitored and reviewed for legislative updates. Audit & Risk Committee in place and quarterly reporting includes: <ul style="list-style-type: none"> Audit tracking schedule. Key control dashboard; and Fraud and corruption hotline Reconciliations and monthly working paper files
		3. Proposed merger between Eastern Cape Liquor Board and ECGB	<ul style="list-style-type: none"> Loss of key staff and low staff morale Revised legislative and strategic frameworks. 	<ul style="list-style-type: none"> Pending guidance of the Executive authority on legislation, business case and cost benefit analysis.

NO.	OUTCOME	KEY RISKS DESCRIPTION	CONSEQUENCES	RISK MITIGATION PLANS
			<ul style="list-style-type: none"> Delays in implementation of the ECGB mandate 	
		4. Inability to retain appropriate skills impacting on capable workforce	<ul style="list-style-type: none"> Inability to meet the mandate and achieve targets. Low staff morale and loss of critical and scarce skills 	<ul style="list-style-type: none"> HR Strategy Succession & Retention Policy Performance Management Policy Bursary Policy HR Manual. HR Efficiency Action Plan Awarding of bursaries to eligible staff Implementation of the training plan
		5. Lack of governance oversight	<ul style="list-style-type: none"> Poor governance Non-compliance with the ECGA & other legislative prescripts Non-compliance with the King IV corporate governance principles 	<ul style="list-style-type: none"> ECGA & other legislative prescripts King IV on Corporate Governance. Notification to DEDEAT to commence process of appointment. Board is sensitised
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"> Failure of the desired impact 	<ul style="list-style-type: none"> CSI policy and framework CSI implementation plan in place and executed. CSI Committee in place and functional

14. BUDGET PROGRAMME TWO: GAMBLING REGULATION & CONSUMER PROTECTION

14.1. PURPOSE OF THE BUDGET PROGRAMME

The purpose of this programme is to implement the ECGA 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.

14.2. PRIORITIES FOR PROGRAMME TWO EMERGING FROM ENVIRONMENTAL SCANNING USING PESTEL AND SWOT ANALYSIS

Exploration of possible regulation mechanisms and /or legislation or policy reform. Benchmark with other international jurisdictions where internet gambling is regulated. Development of a framework or policy that will outline management of exclusions including feedback and upliftment process in consultation with the Gambling Industry.

15. BUDGET SUB-PROGRAMME: INVESTIGATION & LICENSING ADMINISTRATION

15.1. PURPOSE OF THE BUDGET SUB-PROGRAMME

To implement the Eastern Cape Gambling Act (ECGA) and other statutory mandates through conducting investigations in order to award licenses 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 licenses 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	MEDIUM-TERM TARGETS		
					2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
15.2.1		License Certificates Issued to Operate Gambling Site	Number of Key Gambling Licenses ⁷ Issued	17	2	1	3	6	6	2	1
15.2.2	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	23	5	2	3	5	5	5	5

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

16.1. PURPOSE OF THE BUDGET SUB-PROGRAMME

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

⁷ Key Licenses refer to Casino, Bookmakers, Totalisators, Racecourses, Independent Site Operators (ISOs), Bingo Halls and LPM Type B sites.

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	MEDIUM-TERM TARGETS		
					2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
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 Sweeps Conducted	46	5	5	6	10	10	10	10

17. BUDGET SUB-PROGRAMME: AUDIT AND COMPLIANCE SERVICES

17.1. PURPOSE OF THE BUDGET SUB-PROGRAMME

To implement the ECGA 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.

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		
					2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
17.2.1	Compliant and Protected Gambling Industry	Reports on Revenue Audits for Verification of Taxes & Fees	Number of Revenue Audits Conducted	307	71	69	44	45	68	73	78
17.2.2	Compliant and Protected Gambling Industry	Reports on Compliance Audits Conducted	Gambling Industry Compliance Maturity Level	Compliance Level 4	New Target	Compliance Level 3	Compliance Level 3	Compliance Level 3	Compliance Level 3	Compliance Level 4	Compliance Level 4

⁸ 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.

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 2022/23	QUARTER TARGETS			
				Q1	Q2	Q3	Q4
18.1.1	Number of Key Gambling Licenses Issued	Annually	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 2022/23	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 2022/23	QUARTER TARGETS			
				Q1	Q2	Q3	Q4
18.3.1	Number of Revenue Audits Conducted	Quarterly	68	38	-	-	30
18.3.2	Gambling Industry Compliance Maturity Level	Annually	Level 3	N/A	N/A	N/A	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 licenses in terms of the Eastern Cape Gambling Act. A Request for Proposal is published inviting individual business organizations or entrepreneurs to apply for available types of licenses.

Following the allocation of temporary and permanent licenses to qualified operators, the signing of conditions of license 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 licenses 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, two Route Operators for Limited Pay-out Machines and Independent Site Operators in the Eastern Cape Province. Licensing targets have been reduced accordingly based on 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 license 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 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	2018/19 R'000	2019/20 R'000	2020/21 R'000	2021/22 R'000	2022/23 R'000	2023/24 R'000	2024/25 R'000
2. Gambling and Regulation							
2.1. Licensing and Investigation Administration	11 160	11 917	10 893	11 106	12 053	12 803	13 385
2.2. Law Enforcement and Gaming Control	4 629	5 106	4 801	5 645	7 046	6 377	6 665
2.3. Audit and Compliance Services	5 181	6 708	6 181	7 500	7 928	8 363	8 741
PROGRAMME EXPENDITURE	20 970	23 731	21 876	24 251	27 027	27 543	28 791

20.1. CONTRIBUTION OF RESOURCES TOWARDS ACHIEVEMENT OF OUTPUTS

PROGRAMME 2:	Audited Outcomes / Actuals			Adjusted Appropriation	Medium-Term Expenditure Estimate		
ECONOMIC CLASSIFICATION	2018/19 R'000	2019/20 R'000	2020/21 R'000	2021/22 R'000	2022/23 R'000	2023/24 R'000	2024/25 R'000
Compensation of employees	17 936	20 044	19 647	21 275	22 901	24 261	25 362
Goods and services	3 033	3 687	2 229	2 976	4 125	3 282	3 429
Administrative Expenses	2 415	2 995	1 753	2 244	3 356	2 474	2 584
Marketing and Research Costs	109	30	53	58	61	64	66
Other Operating Expenses	510	662	423	675	709	744	778
PROGRAMME EXPENDITURE	20 970	23 731	21 876	24 251	27 027	27 543	28 791

Trend Analysis of Expenditure

20.1.1 Programme Two Compensation of Employees expenditure increases are attributable to an inflationary cost of living adjustment, as per the Treasury budget guidelines.

20.1.2 Goods and services budget in 2022/23 shows a 38% increase due to the planned additional licensing and sweeps to be conducted to combat illegal gambling activities. Over the remaining MTEF inflationary increases have been applied.

21. KEY RISKS IDENTIFIED

NO.	OUTCOME	KEY RISKS DESCRIPTION	CONSEQUENCES	RISK MITIGATION 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"> • Litigation Costs • Delays in Licensing Processes and Rollout • Reputational Damage 	<ul style="list-style-type: none"> • Investigation & Licensing Manual • Legal Services Policy • Legal Support Available to Advise the Board on Decision-Making Process • Adherence to Requirements of the Request for Proposal (RFP) and Refinement thereof
		2. Over Concentration of Licenses in a Geographic Area	<ul style="list-style-type: none"> • Unsustainable Licensees • Non-Adherence to Bid Commitments • Proliferation of Gambling 	<ul style="list-style-type: none"> • Reliance on Research and Five Zoned Approach • Board Directives
		3. Lack of Interest or Reduced Investment in the Province as a Result of Fixed-Term Regime	<ul style="list-style-type: none"> • Discourages Investment • Not Awarding Licenses • Lack of Revenue Generation • Prevents Business Imperatives from Driving Investment Decisions 	<ul style="list-style-type: none"> • Executive Authority Approval for Indefinite Licensing
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"> • Under Collection of Revenue • Reputational Damage • Increase in Non-Compliant Behaviour 	<ul style="list-style-type: none"> • Audit and Compliance Methodology (Used to Perform Compliance Audits) • Penalties Framework • Audit Procedure Manual • Law Enforcement and Gaming Control Manual • Interest & penalties Imposed for Non-Compliance • Review (Increase/Decrease) of Guarantee(s)
		5. Proliferation of Illegal Gambling	<ul style="list-style-type: none"> • Loss of Tax Revenue • Reputational Damage • Unfair Competition 	<ul style="list-style-type: none"> • Law Enforcement and Gaming Control Procedure Manual

NO.	OUTCOME	KEY RISKS DESCRIPTION	CONSEQUENCES	RISK MITIGATION PLANS
			<ul style="list-style-type: none"> • Excessive Gambling • Tax Evasion and Money Laundering 	<ul style="list-style-type: none"> • Regular Sweeps and Closure of Illegal Sites • Illegal Gambling Sessions with Law Enforcement Agencies • Fraud Hotline

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.

22.2. PRIORITIES FOR PROGRAMME THREE EMERGING FROM ENVIRONMENTAL SCANNING USING PESTEL AND SWOT ANALYSIS

The develop Information and Knowledge Management strategy that will outline the effectiveness management processes of information generated within the organization.

23. BUDGET SUB-PROGRAMME: EMPIRICAL RESEARCH AND INFORMATIONMANAGEMENT

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		
					2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
23.2.1	Informed Policy Decision Making Based on Research and Evaluation Outcomes	Bid Specification	⁹ Empirical Research Studies Commissioned	5	1	1	1	1	1	1	1
		Bid Evaluation Report Tender Issued									
		SLA									
		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 ECGA 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. In addition, to market and profile the ECGB as an efficient and effective gaming regulator and development entity.

⁹ 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		
					2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
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 ¹⁰	New Target	New Target	0 Thousand People Provided Feedback ¹⁰	350 000 Thousand People Provided Feedback	650 000 Thousand People Provided Feedback	792 500 Thousand People Provided Feedback	850 500 Thousand 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 2022/23	QUARTER TARGETS			
				Q1	Q2	Q3	Q4
25.1.1	Empirical Research Studies Commissioned	Annually	1	-	-	1	

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

NO.	OUTPUT INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2022/23	QUARTER TARGETS			
				Q1	Q2	Q3	Q4
25.2.1	Number of People Provided Feedback about Excessive & Irresponsible Gambling Messages	Annually	650 000 Thousand People Provided Feedback	-	-	-	650 000 Thousand People Provided Feedback

¹⁰ The target on the number of people provided feedback about excessive & irresponsible gambling messages is based on the population size of the five Zones in terms of the ECGB demarcations of the province for licensing wherein we are planning to survey one zone a year in the five-year planning cycle.

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, 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 which requires the utmost care and awareness of the harms of problem gambling.

Gambling sites and modes have become more accessible, not just 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 Appropriation	Medium-Term Expenditure Estimate		
	2018/19 R'000	2019/20 R'000	2020/21 R'000		2021/22 R'000	2022/23 R'000	2023/24 R'000
3. Research and Development							
3.1. Empirical Research	272	284	346	819	860	903	944
3.2. Responsible Gambling, Public Education & Communication	7 399	5 219	2 596	3 776	5 999	5 048	4 305
PROGRAMME EXPENDITURE	7 671	5 503	2 942	4 595	6 859	5 951	5 249

27.1. CONTRIBUTION OF RESOURCES TOWARDS ACHIEVEMENT OF OUTPUTS

BUDGET PROGRAMME 3:	Audited Outcomes / Actuals			Adjusted Appropriation	Medium-Term Expenditure Estimate		
ECONOMIC CLASSIFICATION	2018/19 R'000	2019/20 R'000	2020/21 R'000	2021/22 R'000	2022/23 R'000	2023/24 R'000	2024/25 R'000
Compensation of employees	1 846	2 126	2 191	2 240	2 387	2 517	2 632
Goods and services	5 826	3 377	750	2 355	4 473	3 434	2 616
Administrative Expenses	625	385	141	346	364	382	399
Other Operating Expenses	30	58	21	25	26	28	29
Research and Seminars Costs	480	365	344	929	975	1 024	1 070
Consumer Protection and Public Education	4 691	2 569	245	1 055	3 107	2 000	1 118
PROGRAMME EXPENDITURE	7 671	5 503	2 942	4 595	6 859	5 951	5 249

Trend Analysis of Expenditure

- 27.1.1 Programme Three Compensation of Employees increases are attributable to an inflationary cost-of-living adjustment, as per the Treasury budget guidelines.
- 27.1.2 Goods and services budget in 2022/23 shows a significant increase. This is due to additional funding received for 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.

28. KEY RISKS IDENTIFIED

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

PART D

AMENDMENTS AND DISCLOSURE TO THE EXISTING STRATEGIC PLAN



*Demonstration by learners during ECGB
official handover of CS/SED project on maths,
science and technology kits.*

PART D: AMENDMENTS AND DISCLOSURE

TO THE EXISTING STRATEGIC PLAN

AMENDMENTS AND DISCLOSURE TO THE EXISTING STRATEGIC PLAN

- Following the development of the 2022/23 – 2024/25 APP of the ECGB, there were issues that 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 are therefore disclosed here in the 2022/23 – 2024/25 APP in terms of issuing this amendment as required by Treasury’s Framework for Strategic Plans and APP.
- Due to 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 2022/23 – 2024/25 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 License 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	Number of Sweeps Conducted	50 Sweeps Conducted on illegal Gambling	46 Sweeps Conducted on illegal Gambling

NO.	OUTCOME	OUTPUTS	OUTCOME / OUTPUT INDICATOR	INITIAL 5-YEAR STRATEGIC PLAN TARGETS 2024/25	REVISED 5-YEAR STRATEGIC PLAN TARGETS 2024/25
4.		Gambling Devices and Equipment			
		Reports on Revenue Audits for Verification of Taxes & Fees	Number of Revenue Audits Conducted	350 Revenue Audits Conducted	307 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

4. 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



*Demonstration by learners during ECGB
official handover of CS/SED project on maths,
science and technology kits.*

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	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 on a quarterly basis 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	CSI /SED Policy; Anti-Poverty Strategy; Summative CSI /SED Report
Method of Calculation / Assessment	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 starting from 2021/22 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 developed Organizational Maturity Framework and Assessment Tool of the ECGB. 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 as approved by the Board, however the method of calculation is specified therein and updated in the Annual Performance Plan accordingly. The framework consists of four levels of maturity representing the following: Non-compliance with Legal/Regulatory Requirements in Management Area – Level 1 Partial Compliance with Legal/Regulatory Requirements in Management Area – Level 2 Full Compliance with Legal/Regulatory Requirements in Management Area – Level 3 Full Compliance and Doing Things Smartly – Level 4 The administration and assessment of the questionnaire as per the ECGB framework will be conducted based on 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 and other relevant stakeholders
Spatial Transformation	Not Applicable
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
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 Licenses Issued
Definition	Key gambling licenses 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. Licenses issued annually by March during a financial year. Key Licenses refer to Casino, Bookmakers, Totalisators, Racecourses, Independent Site Operators (ISOs), Bingo Halls and LPM Type B sites.
Sources of Data	The ECGA, Rules and Regulations; Bid Commitments; NGBA and Regulations; the ECGB Investigators Manual; Register of Licenses Issued; License Certificates and Summative Investigation Report
Method of Calculation / Assessment	Simple count of licenses issued
Means of Verification	Board minutes: Copy of License issued
Assumptions	Applications for gambling licenses will be received and issued to qualified applicants to operate gambling and betting business activities in the province. Public hearings arranged & Board meetings takes place to award licenses to qualifying applicants.
Disaggregation of Beneficiaries	Target for Women – 8-10% Other (Local PDI) – 26-51%
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 licenses that are available at a particular time so that economic opportunities, job creation and infrastructure development are enhanced. More importantly, when more licenses 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 on a quarterly basis during a financial year.
Sources of Data	The ECGA, Rules and Regulations; NGB Act and Regulations; Requests for Proposals; Summative Report.
Method of Calculation / Assessment	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 in nature, 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 the financial year. Furthermore, to implement proactive action to combat and displace all illegal operations in the province with the aim of shutting them down.
Sources of Data	The ECGA, Rules and Regulations; Bid Commitments; NGB Act and Regulations; ECGB Illegal Gambling Procedure Manual and Summative Report
Method of Calculation / Assessment	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 on a quarterly basis 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	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	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	It is desirable that Licensees as gaming operators are more compliant with license bid commitments, conditions of license 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	Simple count of research reports approved by the Board
Means of Verification	Report; SLA; Bid committees report.
Assumptions	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 about 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	ECGA, 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	% Women hearing messages of responsible gambling % Man hearing messages of responsible gambling
Spatial Transformation	Not Applicable
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired Performance	It is desirable that 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.

PART F

ANNEXURES



Demonstration by learners during ECGB official handover of CS/SED project on maths, science and technology kits.

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 License Certificates Issued to Operate	Revenue Collected & Disbursed to Fiscus ¹¹	R875 Million	R156 Million	R190 Million	R200 Million	R210 Million	
2.	Empowered Communities Located in Areas Where There is a Gambling Footprint as well as Impoverished Areas	Maths, Science & Technology Kits. Interactive e-Learning Material Towards 4IR Evaluation Reports on Demonstrating Desired Outcomes	Number of ¹² Key CSI Projects Implemented	20 Key CSI Projects Implemented	4	4	4	4	
3.	Effective Governance with an Enabling Workplace Environment	Organizational Maturity Index Framework	Organizational Maturity Index ¹³	Level 4 Organizational Maturity Index	Level 3 Organizational	Level 3 Organizational	Level 4 Organizational	Level 4 Organizational	

¹¹ 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.

¹² Key CSI projects are those four recommended and approved upfront by the ECGB CSI Committee in line with the ECGB CSI Policy.

¹³ Assessment of the organization maturity level will be conducted biennial i.e. 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.

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
		Report on Assessment of the Organization's Maturity			Maturity	Maturity	Maturity	Maturity	Maturity
4.	Transformed and Sustainable Gambling Industry in the Province	License Certificates Issued to Operate Gambling Site	Number of Key Gambling Licenses ¹⁴ Issued	17 Licenses Issued	2	6	6	2	1
5.		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	3	5	5	5	5
6.	Compliant and Protected Gambling Industry	Reports on Illegal Operations Identified Reports on the Closure of Illegal Gambling Sites	Number of ¹⁵ Sweeps Conducted	46 Sweeps Conducted on illegal Gambling	6	10	10	10	10
7.		Reports on Revenue Audits for Verification of Taxes & Fees	Number of Revenue Audits Conducted	307 Revenue Audits Conducted	44	45	46	48	50
8.		Reports on Compliance Audits Conducted	Gambling Industry Compliance Maturity Level	Level 4 Gambling Industry Compliance	Compliance Level 3	Compliance Level 3	Compliance Level 3	Compliance Level 4	Compliance Level 4

¹⁴ Key Licenses refer to Casino, Bookmakers, Totalisators, Racecourses, Independent Site Operators (ISOs), Bingo Halls and LPM Type B sites.

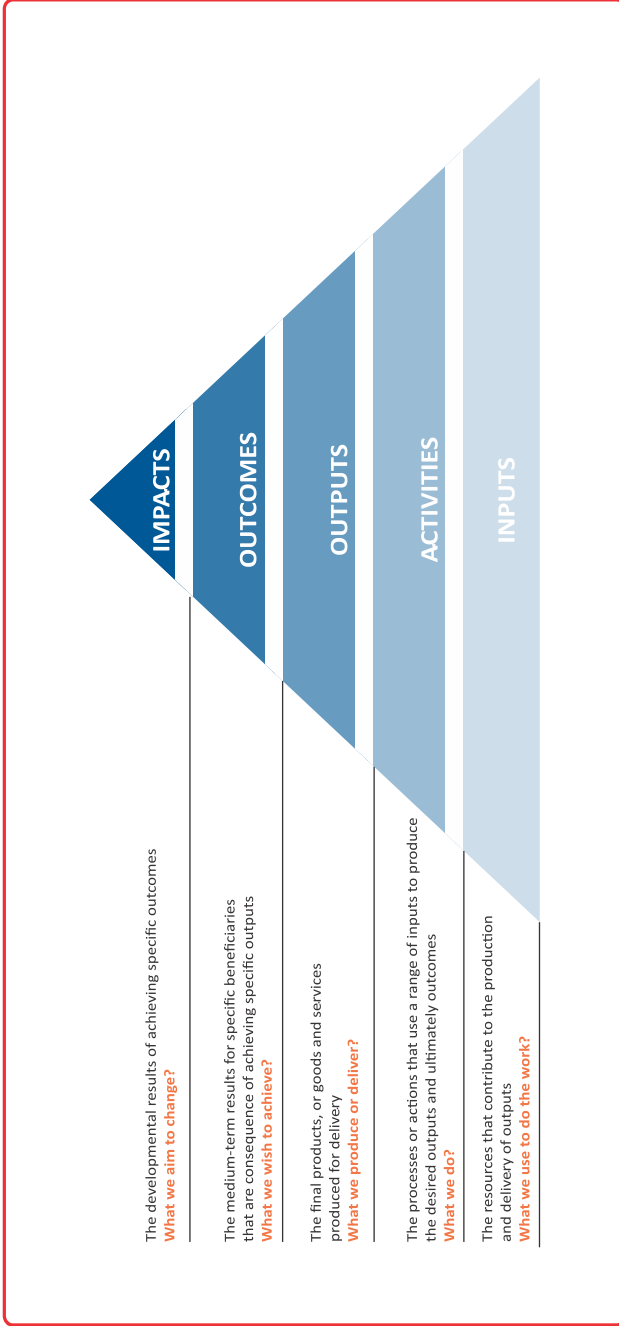
¹⁵ Sweeps refer to operations conducted by ECGB inspectors in collaboration with other law enforcement agencies. These operations are sometimes clandestine in nature, to combat all illegal gambling activities in the province.

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	
				Maturity						
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	¹⁶ Empirical Research Studies Commissioned	5 Research Studies Commissioned	1	1	1	1	1	
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	157 500 People Provided Feedback	350 000 People Provided Feedback	650 000 People Provided Feedback	792 500 People Provided Feedback	850 500 People Provided Feedback	

¹⁶ 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.

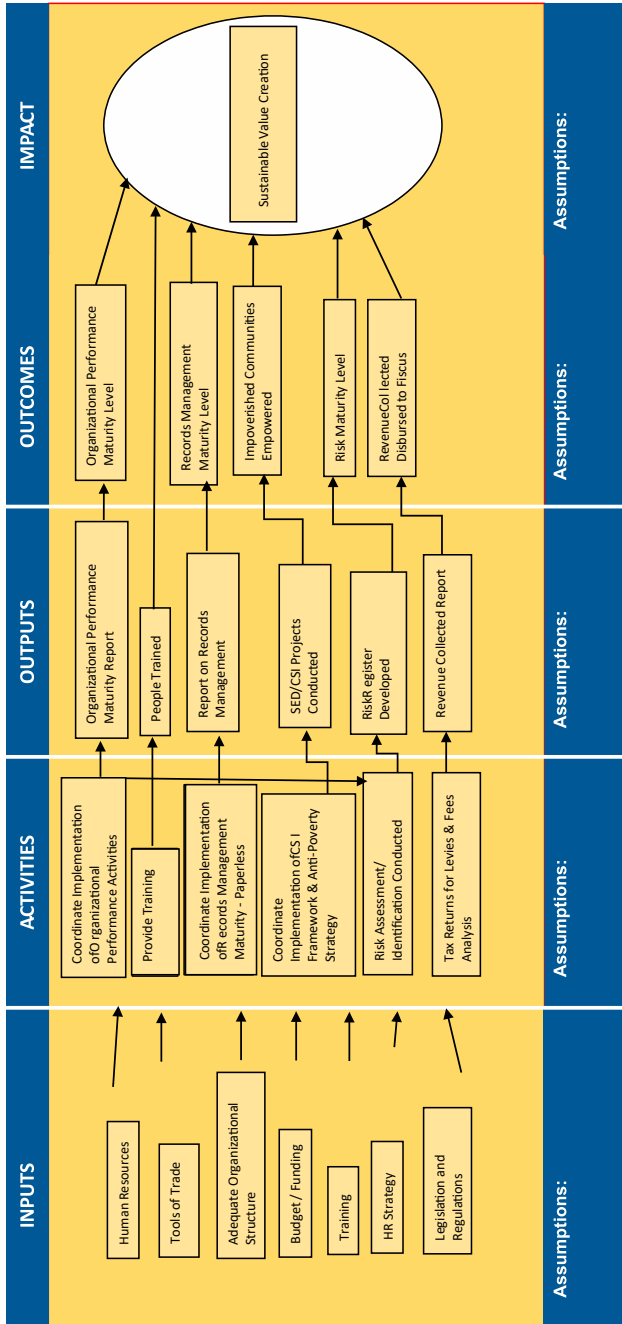
ANNEXURE: B

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 licenses and the collection of revenue for the provincial fiscus, the ECGB has corporate responsibility of identifying and supporting socio-economic development initiatives to empower communities who are in areas compounded with poverty. In addition, 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 license conditions, licensees are expected to contribute a certain percentage of their gross gaming revenue (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 informs appropriate strategies to be utilized to strengthen performance, governance functionality and the effectiveness in the organization.

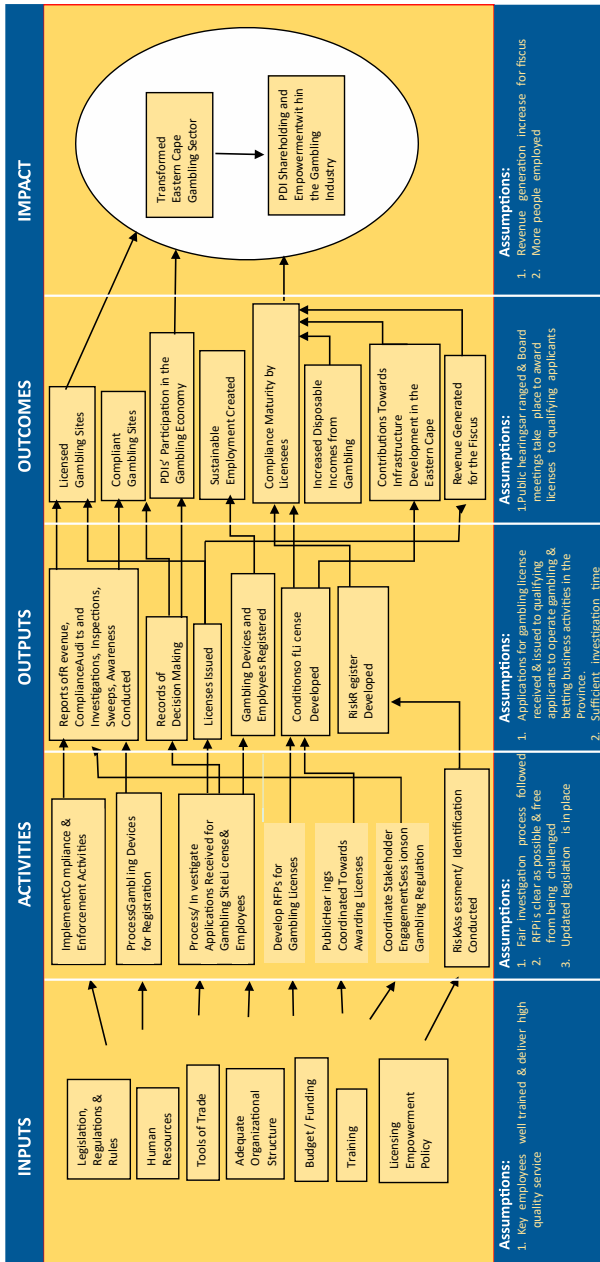
For the theory of change to achieve the desired results the following services are therefore implemented:

- 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 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 License 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 licenses in terms of the Eastern Cape Gambling Act. A Request for Proposal is published inviting individual business organizations or entrepreneurs to apply for available types of licenses.

Following the allocation of temporary and permanent licenses to qualified operators, the signing of conditions of license 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:

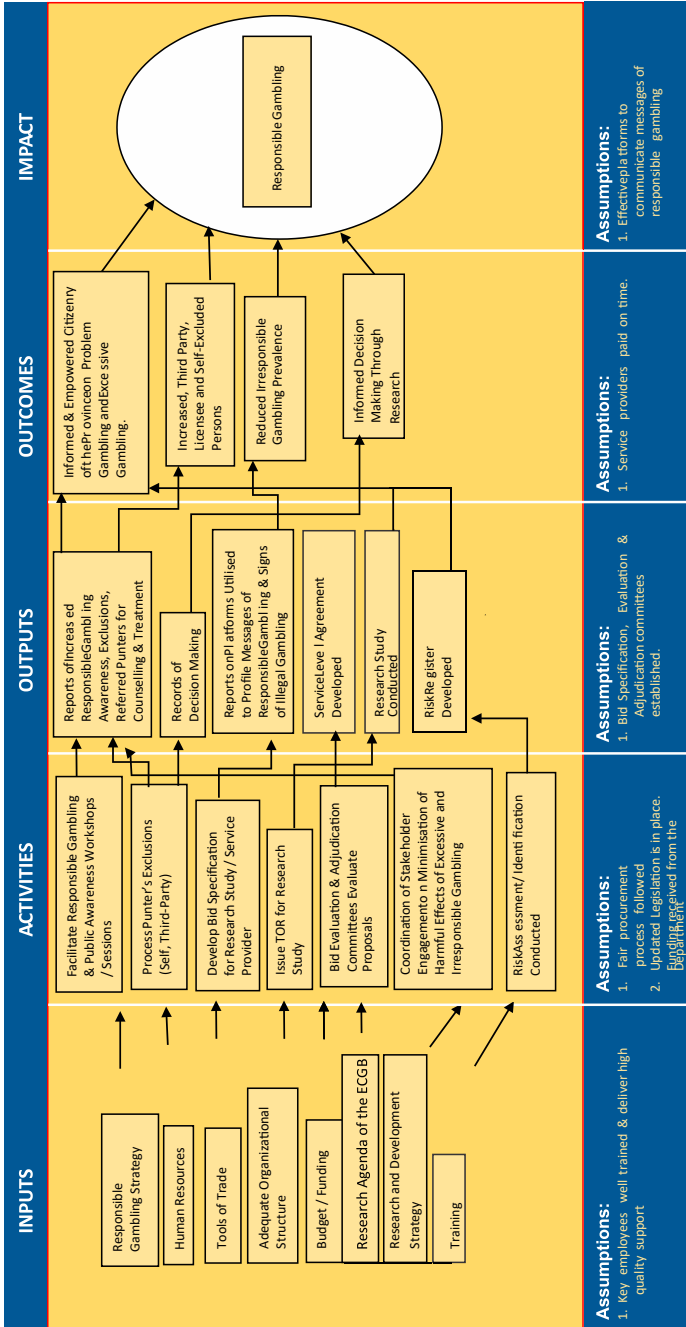
- Gathering of information with respect to the applicant's business activities, and those of related parties in order to ensure that gambling is conducted in a manner which promotes the integrity of the gaming industry and does not cause harm to the public interest;
- Reviewing the applicant's supporting documentation (and assertions made therein) included in their application for such licenses 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 with the objective of making recommendations to the Board in respect of the suitability of the applicant with reference to criteria spelled out in the applicable gambling legislation and/or RFP;
- Facilitating the registration of all applicants and awarding of licenses 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 License, 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 maturity and appropriate level of compliance;
- Conducting annual review of license period financial guarantees;
- Conducting compliance inspections and verifications of gambling-related activities in all licensed gaming establishments and operations in the province in order to ensure compliance with gambling laws, rules, regulations, license conditions and internal control systems.
- Monitoring and ensuring the integrity of all systems and procedures pertaining to 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 which 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 which requires the utmost care and awareness of the harms of problem gambling. Gambling sites and modes have become more accessible, not just 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 pertaining to 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 in a joint and collaborative manner.
- 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"> Economic transformation and job creation, which are seven priorities derived from the electoral mandate and State of the Nation Address. Eastern Cape Provincial Priorities. Implementation of license conditions and bid commitments. 	Investigation & Licensing	Annual
2.	Transformed and Sustainable Gambling Industry in the Province	Rand Value of Local Procurement in the Province by the Gaming Industry	<ul style="list-style-type: none"> Economic transformation and job creation, which are part of the seven priorities derived from the electoral mandate and State of the Nation Address. Eastern Cape Provincial Priorities. Implementation of license conditions and bid commitments. 	Audit and Compliance Services	Six Months - Bi-Annual
3.		Rand Value Contribution of the Gambling Industry CSI	<ul style="list-style-type: none"> Implementation of the ECGB CSI Framework and license conditions. Maximisation of socio-economic development benefits for communities in the province located in impoverished areas. Implementation and contribution towards the achievability of the Eastern Cape Anti-Poverty Strategy Eastern Cape Provincial Priorities. 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. 	Audit and Compliance Services	Six Months - Bi-Annual
4.			<ul style="list-style-type: none"> Economic transformation and job creation which 	Audit and Compliance	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
		<p>Number of Functional Enterprise Development Projects by the Gaming Industry</p>	<p>are part of the seven priorities derived from the Electoral Mandate and State of the Nation Address.</p> <ul style="list-style-type: none"> Implementation of license conditions and bid commitments. Desired impact of socio-economic (CSI) projects delivered by licenses and directly by the Board. 	<p>Services</p>	
5.		<p>Employment Equity Status Statistics by the Industry</p>	<ul style="list-style-type: none"> Economic transformation and job creation which are seven priorities derived from the electoral mandate and State of the Nation Address. Eastern Cape Provincial Priorities. Implementation of license conditions and bid commitments. 	<p>Audit and Compliance Services</p>	<p>Six Months - Bi-Annual or Quarterly</p>
6.		<p>Established Trusts as a Result of Gambling License Provision</p>	<ul style="list-style-type: none"> Special purpose vehicles that have been established as a result of a provision of a gambling license to disburse funds in terms of license conditions, or trust deeds. All have a relationship with the ECGB, and such relationship should be maintained and ensure good corporate governance is adhered to in those trusts and foundations. License conditions should be amended to reflect this requirement, including responsibilities of reporting and accounting to the ECGB in terms of their planned work and impact that they are making because of gaming proceeds. A comprehensive monitoring and evaluation framework will have to be developed to guide what trusts and / or foundations have to report to the ECGB. 	<p>Audit and Compliance Services</p>	<p>Six Months - Bi-Annual</p>

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"> Adherence to and implementation of license conditions, bid commitments, different pieces of legislation and approved frameworks and or regulations. 	Law Enforcement & Gaming Control	Six Months - Bi-Annual
8.		Number of Cases Involving Illegal Gambling Operators	<ul style="list-style-type: none"> Eastern Cape gaming industry is conducted honestly & competitively with maximum contribution to society. 		Six Months - Bi-Annual
9.		Number of Illegal Gambling Sites Closed Down	<ul style="list-style-type: none"> Protected gambling operators from unlicensed gambling operators and illegal competition of incidents of illegal gambling Adherence to the 4th Industrial Revolution requirements in protecting & supporting the gambling industry in the province. 	Law Enforcement & Gaming Control	Six Months - Bi-Annual
10.	Educated, Informed and Responsible Punters and General Public	Number of Self, Third-Party & Licensee-Excluded Persons	<ul style="list-style-type: none"> Management of emerging data or information regarding self- and third-party exclusion for decision-making and supporting punters. 	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"> Litigation risk is the possibility that legal action will be taken because of ECGB's action, inaction, regulatory services, or licensing. 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. 	Legal Services	Six Months - Bi-Annual

ACKNOWLEDGEMENT INDEX

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Demonstration by learners during ECGB official handover of CSI/SED project on maths, science and technology kits.



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