



GAUTENG GAMBLING BOARD

ANNUAL REPORT

20
21



***The GGB, as a
leading regulator
in the gambling
industry, is dedicated
to preventing
problem gambling
and promoting
responsible gambling
practices.***

The GGB is fully committed to equip
people with the knowledge to gamble
responsibly.



PART A

GENERAL INFORMATION

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A6. STRATEGIC OVERVIEW



A6.1 Strategic goals and strategic outcome-oriented goals

The GGB's mandate is linked to Programme 4: Business Regulation and Governance of the Department of Economic Development (DED). The purpose of Programme 4 is as follows:

"Create a seamless business regulation and good governance environment that promotes ethical conduct, transforms industry, realises sustainable revenue generation and contributes towards the achievement of transformation, modernisation and re-industrialisation goals."

The GGB's main functions linked to Programme 4 are as follows:

- Regulate the gambling industry
- Generate revenue from the industry and the regulation of services offered for the socio-economic development of Gauteng

Taking the objectives of the DED into cognisance, the main strategic goal of the GGB is:

"Promote an efficient, equitable and socially responsible business environment."

The following strategic outcome-oriented goals were formulated to drive and support the GGB's strategic goal:

- Increase monitoring of broad-based black economic empowerment (B-BBEE) compliance
- Ensure compliance with the legislative framework
- Ensure the efficient and effective regulation of gambling
- Promote responsible gambling
- Enhance organisational performance by providing an enabling environment
- Practise financial accountability and ensure compliance to prescribed financial regulations and guidelines
- Contribute to the eradication of poverty.



A6.2 Vision

The GGB's vision is:
To be a leading and innovative regulator in the gambling industry



A6.3 Mission

Our mission is:
To regulate and transform the industry in a transparent, ethical, equitable, competent and efficient manner for the benefit of all stakeholders.



A6.4 Values

In driving the vision, employees will have to subscribe to the following principal values:

Integrity and consistency: We behave in a trustworthy manner, where honesty, fairness, mutual respect, equity and transparency are the cornerstones of our daily engagement with people, at all levels, internal and external, to our direct work environment.

Service excellence: Our service excellence is driven by a high level of consultative engagement, and commitment towards our internal and external stakeholders. We embrace teamwork and synergy and create a strong sense of organisational citizenship among all levels of employment. We foster an engaged, collaborative work environment by the relentless pursuit of performance excellence.

Empowerment: We enable and encourage people to make well-informed and responsible decisions, through optimal utilisation of resources and information. We accept accountability for our actions and decisions. We make a conscious effort to embrace opportunities of transformation and diversity in every aspect of our business.

Employee-centricity: The GGB is the employer of choice due to the consideration of its employees as its most valuable resource, and it is committed to unfolding each employee's full potential through value-based performance results and comprehensive employee wellness programmes.

A3. FOREWORD BY THE CHAIRPERSON



MXOLISI ZWANE

CHAIRPERSON OF THE BOARD

It is with great pleasure that I present to you the annual report for the Gauteng Gambling Board for the year ended 31 March 2020.

The World Health Organisation (WHO), on 11 March 2020, declared COVID-19 a pandemic, pointing to the over 118 000 cases of the coronavirus disease in over 110 countries and territories around the world and the sustained risk of further global spread. On 23 March 2020, President Cyril Ramaphosa declared a national lockdown of the country in order to halt the spread of the coronavirus pandemic. This lockdown commenced on 26 March 2020 and allowed the continuation of essential services only in order to flatten the curve of the COVID-19 infection rate.

The unfortunate impact of COVID-19 is a crude realisation that the gambling industry in South Africa is losing out on opportunities related to the Fourth Industrial Revolution (4IR). As the biggest beneficiary of South Africa's gambling revenue, Gauteng – as a province – is also the biggest loser. In response, the Gauteng Gambling Board (GGB) made an urgent application to the Provincial Command Council for the Premier of Gauteng to motivate, at a national level, the licensing and

regulation of interactive gambling by existing licensees. This proposal would mean a reformed gambling industry and its regulation, chiefly to embrace the opportunities of the 4IR.

The crisis has strengthened the relations between the provincial gambling regulators, with a common thread to legalise online gambling. Discussions are at an advanced stage with all the other gambling boards, including the National Gambling Board (NGB). All parties are in agreement that the proposal has to be canvassed, through the provincial governments, with the Minister of Trade and Industry.

The GGB's strategy promotes the alignment to the outcome-based approach of Gauteng's Medium-term Strategic Framework (MTSF) with the commitment of the Gauteng Provincial Government (GPG) to the priorities: firstly for "a capable, ethical and developmental state", and secondly for "economic transformation and job creation". In the financial year under review, the GGB's Board provided strategic direction and oversight that ensured that the gambling industry operates in a sustainable manner with clear commitment to the socio-economic imperatives of the GPG. Socio-economic development targets were met as the GGB continues to contribute positively to the province.

The priority of economic transformation and job creation can be achieved through the intervention that aims to reduce illicit economic activities. The GGB's Strategic Programme 5: Eradication of Illegal Gambling ensures that gambling activities are conducted in terms of the gambling legislation.

This programme not only closes the gap of loss of revenue to the fiscus, caused by illegal gambling activities, but also seeks to protect the public against illegal and unethical gambling practices and operations.

The second priority for government articulated in the MTSF is "economic transformation and job creation". This imperative is addressed through the revenue enhancement strategy undertaken by the GGB, which is

supported by the business automation project. This strategy is measured under the GGB's Strategic Programme 3: Revenue Collection. The purpose of programme is to ensure complete and accurate gambling tax revenue collection. The indicator under this programme sees a projected positive growth in the outer years' revenue collection year on year, despite the predictions of slowed economic growth.

The year under review has shown commendable output and revenue generation. While the pandemic will result in diminished revenue collection in the coming year, we anticipate that the industry will also begin its road to recovery.

We continue to talk to the "new normal", and the GGB looks forward to implementing its business automation project in the near future.

With the Board resolution to review its founding legislation to align it with industry's best practice and trends, the period ahead looks to be a busy one. As our compliance and work spheres continue to evolve, we need to evolve with it.

I would like to express my gratitude to my fellow members of the Board, Board advisors and Board committees for their dedication and commitment in executing the oversight role of the GGB's activities during the financial year. Let me take this opportunity to thank the Chief Executive Officer, Mr Steven Ngubeni, and the staff of the GGB, all stakeholders and the GPG for their support.

Finally, I would like to thank the MEC of the Gauteng Department of Economic Development, Environment, Agriculture and Rural Development, Ms Morakane Mosupye, for her support and leadership.

Mr M Zwane
Chairperson of the Board
Date: 31 July 2020

PART B: PERFORMANCE INFORMATION

The GGB reports against an approved Strategic Plan and Annual Performance Plan (APP), as approved by the Executive Authority. The GGB had identified the need to prioritise revenue collection, illegal gambling and transformation in the industry. In doing so, indicators that existed within other programmes were upgraded to be programmes in their own right. In the financial year under review the Board had seven programmes and 20 performance indicators.

The GGB, in accordance with its mandate, offers a number of regulatory services to various stakeholders. These services are summarised in the table below:

| Services provided by GGB | | |
|--------------------------|---|---|
| Services | | Description |
| 1. | Monitoring and control | <ul style="list-style-type: none"> • Law enforcement • Investigation • Compliance audit • Gaming control • FICA compliance |
| 2. | Standards setting (advice, input and documentation) | <ul style="list-style-type: none"> • Gambling Act • Regulations and rules • Technical standards |
| 3. | Licencing | <ul style="list-style-type: none"> • Gambling facilities • Employee registrations • Equipment registration • Manufacturers, supplier and maintenance providers • Amusement facilities • Third-party suitability |
| 4. | Information, advice and dispute resolution | <ul style="list-style-type: none"> • Information and advice on: <ul style="list-style-type: none"> - Licensing and registration requirements - Gambling facilities - Gambling dispute resolution - Legislation • Disciplinary action: <ul style="list-style-type: none"> - Disciplinary hearings - Execution of hearing results • Revenue collection: <ul style="list-style-type: none"> - Gambling taxes - Licence fees - Employee registration fees - Other revenue |

B1 Description of services provided

The paragraphs below outline the details of the services provided by the GGB.

B1.1 Gambling regulation

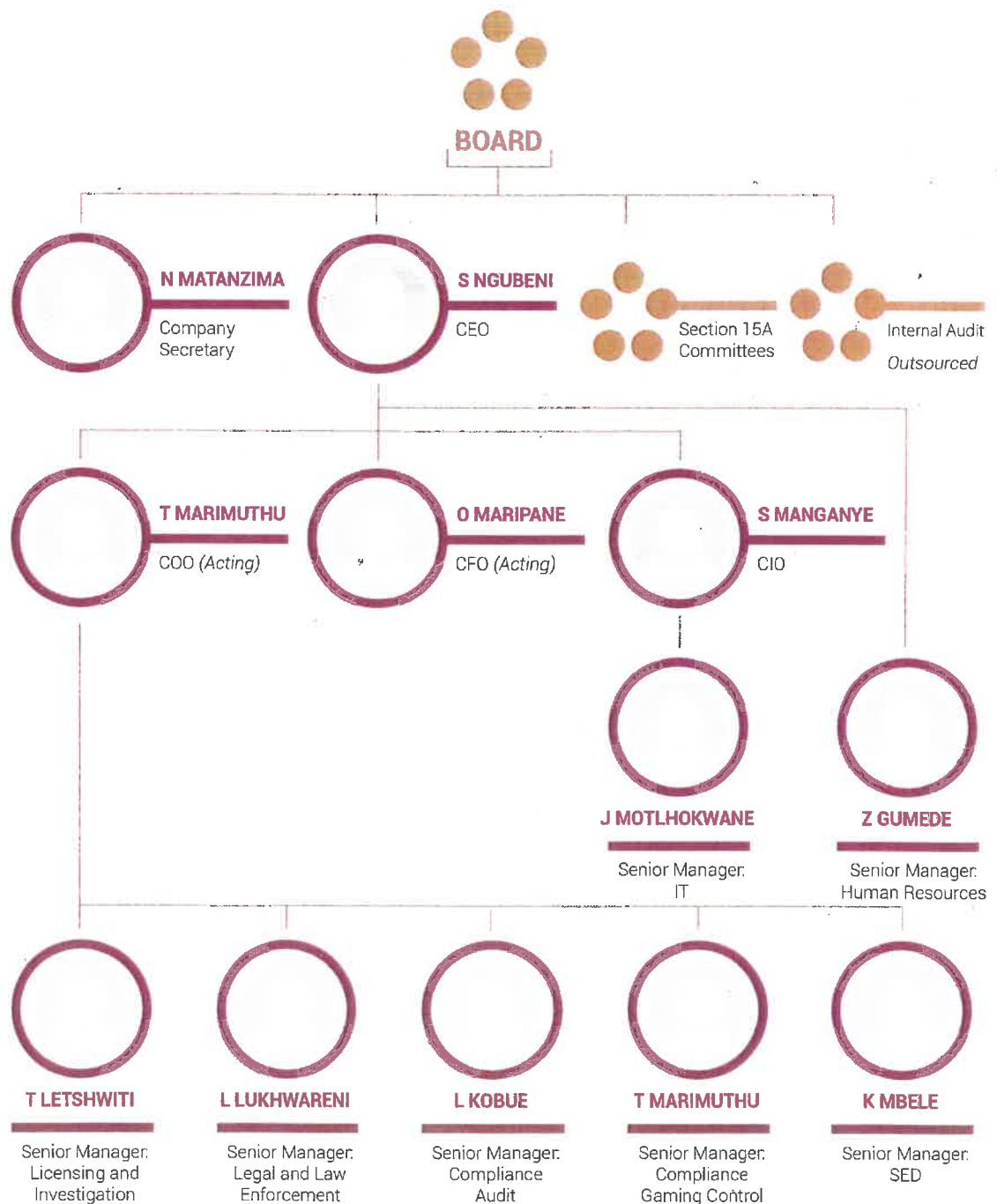
The Board's primary objectives in respect of the regulation of the industry, as contained in its Strategic Plan for the year under review, are to ensure that all gambling operations in the province are conducted in terms of the law, in particular the Gauteng Gambling Act No. 4 of 1995, as amended, and the National Gambling Act No. 7 of 2004, as amended.

A8. ORGANISATIONAL STRUCTURE

Board composition

1. Mr Mxolisi Zwane, Chairperson of the Board
2. Ms Shaila Hari, Deputy Chairperson
3. Mr Leon G Marincowitz, Board member
4. Mr Thulani Sithole, Board member
5. Ms Matsi Bonolo Modise, Board member
6. Mr Pholoso Andrew Matjele, Board member
7. Ms Shoba Chiboo, Board member
8. Ms Thabiso Kutumela, Board member
9. Ms Yondie Metu, Board member
10. Ms Zandile Mpungose, Board member

* See page 37 to 41 for full profiles of Board members.



PART B: PERFORMANCE INFORMATION

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B8 Performance information by key performance area

The diagram below represents the cascading of the hierarchy of planning concepts, with their application to the GGB's APP for 2019/20.



Representation of the GGB's APP planning concepts

Summary of the GGB's strategic goals and objectives

| GGB's strategic objectives linked to the strategic outcomes | | |
|---|--|--|
| Strategic objective | Strategic programme | Strategic outcome |
| A properly regulated gambling and betting industry that generates revenue towards the socio-economic development of the province. | 1. Administration | Provide effective financial support in line with financial regulation |
| | 2. Gambling Regulation | Gambling processes concluded |
| | 3. Revenue Collection | Complete and accurate revenue distribution |
| | 4. Transformation of the Gambling Industry | Transformed gambling industry |
| | 5. Eradication of Illegal Gambling | Persons conducting and participating in gambling activities are authorised to do so in terms of the gambling legislation |
| | 6. Responsible Gambling | Existence of responsible gambling programmes and messaging |
| | 7. Corporate Social Investment | The reduction of the hardships of society from the socio-economic challenges |



BOARD MEMBER
Mr Thulani Sithole

Qualifications

BCom – University of North Dakota; Higher Diploma in Taxation (RAU); BCom Honours – University of Pretoria; Leadership Development Programme (GIBS); MCom – North West University: coursework done, dissertation in progress

Board Committee membership

Chairperson of the Social, Ethics and Responsible Gambling Committee.
Member of the Audit and Risk Committee and Board Exco.

Appointment date

1 October 2015
Reappointed: 1 October 2018

Experience and expertise

Mr Sithole has served as a Board Member in various organisations, such as the Gauteng Enterprise Propeller and TRG International. He is a member of the National Working Group of the National Audit Committee Forum and is an invitee to King IV™ as a participant.

His aptitude areas include risk management, audit and tax competencies, Treasury Regulations, PFMA, King IV™, GAAP, tax

law and International Financial Reporting Standards, advisory, strategy development and implementation, organisational reengineering and transformation, efficient stakeholder alignment, strategic investment and financing expertise.

Mr Sithole is a social activist and social entrepreneur, and founder of SFFG, which promotes entrepreneurship among youths.



BOARD MEMBER
Ms Matsi Bonolo Modise

Qualifications

BCom (Marketing and Advance Management) – University of the Witwatersrand

Board Committee membership

Member of the Social, Ethics and Responsible Gambling Committee and the Audit and Risk Committee

Appointment date

1 October 2018
Reappointed: 1 October 2018

Experience and expertise

Ms Modise is the founder and CEO of Furaha Afrika Holdings (Pty) Ltd, with subsidiaries including Furaha Solutions (a joint venture partnership with Work Force, a listed AltX-JSE company), Furaha Investments and Advisory. Her experience ranges from investment banking, enterprise development and building entrepreneurship ecosystems on

the African continent. She is an Advisory Board member of Barclays Africa Shared Growth and Agri-Vie Private Equity Fund, a non-executive Board member of The Innovation Hub, a Sub-committee member of the South African Venture Capital/Private Equity Association and a trustee of the MMI Masikhululise Trust.



BOARD MEMBER
Mr Pholoso Andrew Matjele

Qualifications

Master's in Business Administration (MBA) – Regenesys School of Business; BCom (Marketing and Business Management) – Damelin; Postgraduate Diploma in Advanced Business Management – University of Johannesburg; Certificate in Investment and Finance – University of the Witwatersrand; Communications and Business Environment Certificate – University of Natal; Media Certificate – Media and Training Centre. He is currently enrolled for a PhD in Organisational Development and Leadership at Unisa.

Board Committee membership

Member of the Corporate Committee and the Social, Ethics and Responsible Gambling Committee

Appointment date

1 October 2018



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PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA



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