



SELECT COMMITTEE ON TRADE AND INTERNATIONAL RELATIONS

NATIONAL LOTTERIES BOARD

Strategic Plan Annual Performance Plan

03 June 2015

A decorative graphic at the bottom of the slide consists of several overlapping, wavy bands of color. The colors include yellow, red, green, and blue, creating a vibrant, abstract design.

INTRODUCTION OF DELEGATION

1. Thabang Mampane
Chief Executive Officer
 2. Jeffrey du Preez
Senior Executive Grant Funding
 3. Phillemon Letwaba
Chief Financial Officer
 4. Anashnee Maharaj-Domun
Corporate Performance Manager
- 

TCC Mampane CEO



BRIEF HISTORY

- Established through an Act of Parliament in 1997
- Celebrated 16 years of existence in March 2015
- Has distributed more than **R18 billion** to good causes since inception
- On 14 April 2015, the Lotteries Amendment Act came into effect with main changes focused on:

NLB → NLC

Full time DA's

Education and
Awareness

Proactive
Funding

NLB'S DUAL MANDATE



Regulation

National Lottery: Operated by Ithuba
Other lotteries



National Lottery Distribution Trust Fund (NLDTF) Distribution

Process applications for good causes and make payments

Charities
47%

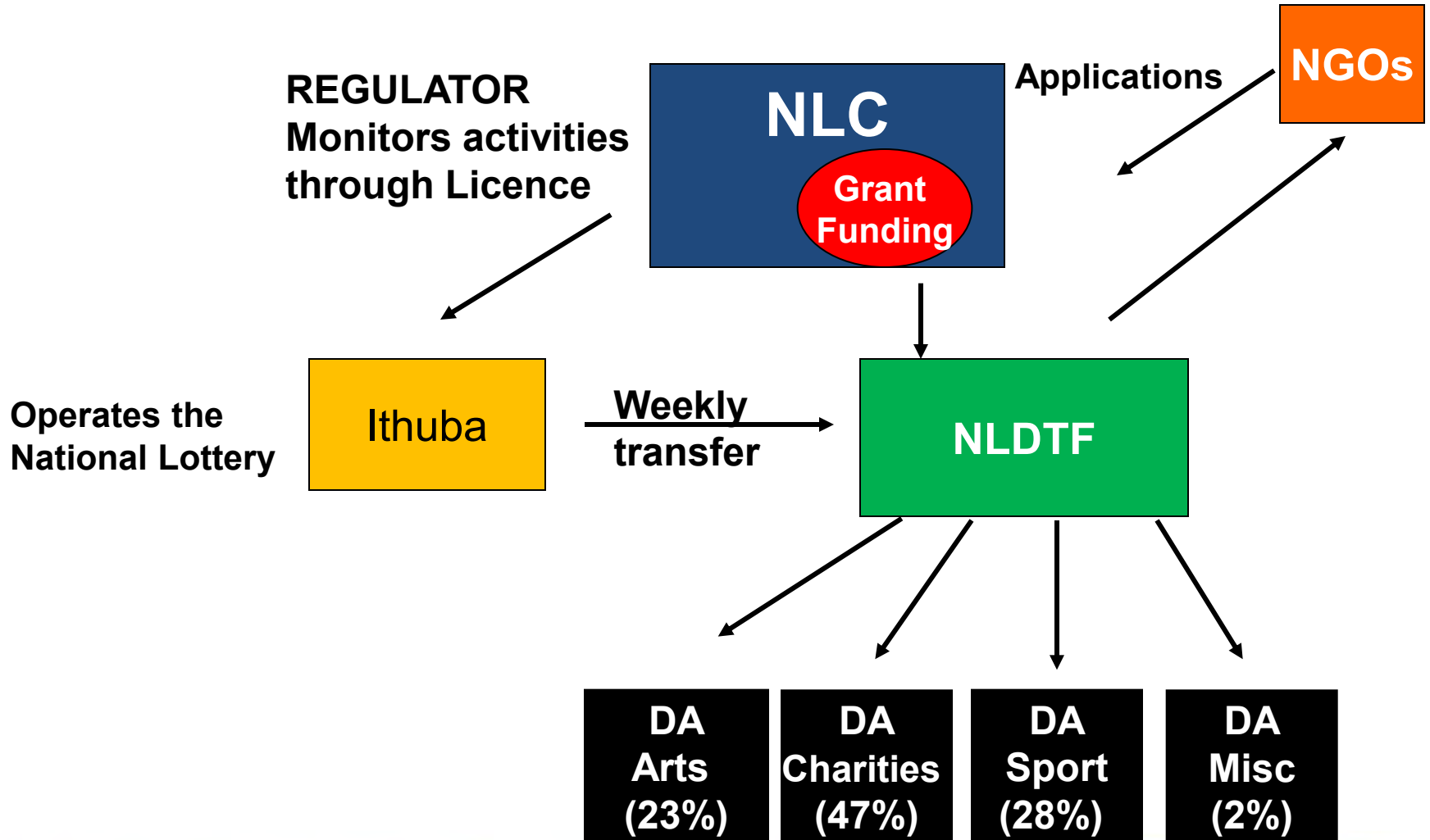
Arts
23%

Sports
28%

Miscellaneous
2%

Distributing Agencies (DA's) adjudicate applications and make grants in line with criteria

OPERATIONAL MODEL



HIGH LEVEL OVERVIEW

Vision:

“The catalyst for social upliftment”

Mission:

- *To regulate all lotteries and sport pools with integrity and ensure the protection of all participants;*
- *To maximise revenue for good causes in a responsible manner;*
- *To distribute funds equitably and expeditiously.*

Values:

- *Integrity*
- *Performance Excellence*
- *Service Excellence*
- *Social Consciousness*

Strategic Objectives

SO1
Enhanced Administration

SO2
Financial Sustainability

SO3
Compliance to the Act

SO4
Fair & Equitable Grant Allocations

Organisational
Mandate

ALIGNMENT to the dti

NLB Objectives		Department Priorities	
SO:2	To ensure financial sustainability, control and discipline in line with applicable legislation and policy prescripts	1	To facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation
SO:3	To Implement Relevant Initiatives Geared towards Ensuring Compliance with the Lotteries Act	3	To create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner
SO:2	To ensure financial sustainability, control and discipline in line with applicable legislation and policy prescripts	4	To facilitate broad-based economic participation through targeted interventions to achieve more inclusive growth



NLB PERFORMANCE INDICATORS & TARGETS

STRATEGIC OBJECTIVE 1

To Enhance Administration and Ensure Compliance with Applicable Legislation & Policy Prescripts

Outcome	Output	Performance Indicator	Baseline 2014/15	2015/16 Annual Target	2016/17 Annual Target	2017/18 Annual Target
<i>Effective and efficient management of the NLB operations</i>	Re-branding strategy	1.1 Percentage implementation of the approved re-branding strategy	Approved re-branding strategy	Implement 100% of the approved re-branding strategy	Implement 100% the approved re-branding strategy	Review the approved re-branding strategy
	Organisational Structure	1.2 Re-design and population of the organisational structure	Aligned Organisational Structure	Re-design and populate the Organisational structure	Populate re-designed organisational structure	Review organisational structure
	E-system (Integrated Enterprise Wide Architecture Platform)	1.3 Develop the E-system /Integrated Enterprise Wide Architecture Platform	Conduct work-study for business processes and workflows	Develop the E-system /Integrated Enterprise Wide Architecture Platform	Implement the E-system / Integrated Enterprise Wide Architecture Platform	Review and Upgrade the E-system / Integrated Enterprise Wide Architecture Platform

NLB PERFORMANCE INDICATORS & TARGETS

STRATEGIC OBJECTIVE 2

To Ensure Financial Sustainability, Control and Discipline in line with Applicable Legislation & Policy Prescripts

Outcome	Output	Performance Indicator	Baseline 2014/15	2015/16 Annual Target	2016/17 Annual Target	2017/18 Annual Target
Creating a Sustainable and financially efficient NLB	NLDTF Disbursements	2.1 Percentage disbursement of grants as per GNR644, 6(c)(iv)	38%	At least 50% of grants be paid in line with the regulated 60 day timeframe	At least 65% of grants be paid in line with the regulated 60 day timeframe	At least 80% of grants be paid in line with the regulated 60 day timeframe
	NLDTF Investments	2.2 Percentage Return on Investments (ROI) of NLDTF funds	6.00%	An annual minimum of 8% ROI on NLDTF funds	An annual minimum of 9% ROI on NLDTF funds	An annual minimum of 9.5% ROI on NLDTF funds

NLB PERFORMANCE INDICATORS & TARGETS

STRATEGIC OBJECTIVE 3

To Implement Relevant Initiatives Geared towards ensuring Compliance with the Lotteries Act

Outcome	Output	Performance Indicator	Baseline 2014/15	2015/16 Annual Target	2016/17 Annual Target	2017/18 Annual Target
<i>Compliant and Regulated Lottery Industry receptive to the NLB mandate</i>	Illegal Lotteries	3.1 Percentage investigations on reported and identified illegal lotteries	40%	Conduct investigations on 70% of all identified and reported illegal lotteries	Conduct investigations on 75% all identified and reported illegal lotteries	Conduct investigations on 80% of all identified and reported illegal lotteries
	3rd Lottery Licence	3.2 Develop and implement 3rd National Lottery Licence Monitoring Matrix/ Scorecard	3rd Lottery Operator recommended for appointment	Develop & Implement the 3rd National Lottery Licence Monitoring matrix/ scorecard	Monitor Compliance with the licence conditions	Monitor Compliance with the licence conditions

NLB PERFORMANCE INDICATORS & TARGETS

STRATEGIC OBJECTIVE 4 To Ensure Fair and Equitable Grant Allocations

Outcome	Output	Performance Indicator	Baseline 2014/15	2015/16 Annual Target	2016/17 Annual Target	2017/18 Annual Target
<i>Fair & Equitable Allocation of Grant Funding</i>	Funding Model	4.1 Percentage implementation of the grant funding model	Develop grant funding model	Implement 50% of the grant funding model	Implement 100% of the grant funding model	Review the Grant Funding Model
	Education & Awareness	4.2 Number of workshops conducted per province	3 workshops per province for each call	4 workshops per province	6 workshops per province	8 workshops per province
	Lotteries Act-5% per province (GNR182)	4.3 Percentage allocation of grant funding to provinces	EC- 7.57% FS – 2.63% GP- 38.51% KZN- 11.9% LP-15.41% MP- 1.45% NW- 3.74% NC- 3.33% WC- 15.43%	A minimum of 5% grant funding allocated to each Province	A minimum of 5% grant funding allocated to each Province	A minimum of 5% grant funding allocated to each Province
	Monitoring and Evaluation of NLDTF Funding	4.4 Number of site visits conducted	Developed monitoring and evaluation framework and piloted the framework	Conduct 1000 monitoring and evaluation site visits	Conduct 1500 monitoring and evaluation site visits	Conduct 2000 monitoring and evaluation site visits

P Letwaba
CFO



**NATIONAL LOTTERIES BOARD
REVENUE AND EXPENDITURE
BUDGET 2015/16**

R 000	2015	2016	2017	2018
	1 894 578	1 811 703	1 961 065	2 178 717
NLDTF - 34%	1 606 718	1 517 224	1 654 807	1 860 209
Interest Received	260 000	267 971	278 690	289 837
License Signing Fees	2 800	1 440	1 498	1 558
Societies & Other Lotteries	60	68	71	74
Bid fees	-	-	-	-
Sundry Income	25 000	25 000	26 000	27 040
Grant Funding Allocations	1 633 371	1 606 718	1 517 224	1 654 807
Allocations	1 633 371	1 606 718	1 517 224	1 654 807
Revocations	-	-	-	-
HR Compensation	168 809	202 201	218 377	235 847
Agency Emoluments	17 938	31 111	33 600	36 288
Audit Committee Emoluments	750	554	598	646
HR Committee Emoluments	600	283	306	330
Board Members Emoluments	5 952	2 442	2 637	2 848
Salaries & Wages	141 302	164 678	177 852	192 080
Workmens Compensation	360	396	428	462
Risk Benefit & Mngmnt Fees	1 907	2 737	2 956	3 193
Goods & Services	192 504	179 485	206 407	237 368
Advertising & Publicity	13 520	25 500	29 325	33 724
Advertising & Publicity - Education & Awareness	9 565	14 575	16 761	19 275
Audit Fees	3 100	2 900	3 335	3 835
Bank Charges	181	185	213	245
Computer Expenses	1 398	3 730	4 290	4 933
Conferences	22 476	2 618	3 011	3 463
Consulting Fees	25 153	25 961	29 855	34 333
Courier & Postages	682	1 211	1 393	1 602
Depreciation	5 609	5 955	6 848	7 875
Electricity, water, rates & taxes	1 705	2 112	2 429	2 793
Facilities & Refreshments	2 763	1 170	1 345	1 547
Gen Expenses	532	966	1 110	1 277
Insurance	400	1 920	2 208	2 539
Legal Fees	13 400	8 716	10 023	11 527
Loss on disposal of fixed assets	-	-	-	-
Motor Vehicle Expenses	186	2 846	3 273	3 764
Outsourcing	3 877	3 144	3 615	4 157
Print & Stationery	3 785	4 436	5 102	5 867
Rental - Office Equipment	1 434	6 895	7 929	9 119
Rent Paid - Property	16 718	20 453	23 521	27 049
Repairs & Maintenance	2 087	6 196	7 125	8 194
Removals	180	480	552	635
Staff Recruitment	800	850	978	1 124
Staff Training	5 979	2 930	3 370	3 875
Staff Welfare	1 201	2 512	2 889	3 322
Subscriptions	749	3 738	4 299	4 944
Security	3 050	3 360	3 864	4 444
Systems costs	450	-	-	-
Telephone & Fax	2 329	3 816	4 388	5 047
Temporary Staff	4 531	6 696	7 700	8 855
Third Lottery Licence	30 300	800	920	1 058
Travel & Accommodation	14 364	12 813	14 735	16 945
Net Surplus/(Deficit)	-100 105	-176 701	19 057	50 695
CAPEX BUDGET				
Vehicles	-	7 200	-	-
Computer Equipment	17 652	11 126	6 676	6 342
Software and Licenses	7 060	797	-	-
Land and Building	-	90 000	80 000	40 000
Leasehold improvements	5 000	3 200	1 280	1 280
Office Furniture & Equipment	6 825	19 930	7 972	7 573
Project Dibanisa	44 550	38 000	7 590	-
	81 087	170 253	103 518	55 195

FINANCIAL PLAN – EXPENDITURE ESTIMATES FOR PROGRAMME 1

Strategic Objective [1]: To enhance administration and ensure compliance with applicable legislation and policy prescripts

Strategic Objective [2]: To Ensure Financial Sustainability, Control and Discipline in line with Applicable Legislation and Policy Prescripts

Economic Classification	Expenditure Outcome			Adjusted Appropriation	Medium Term Expenditure Estimate		
	2011/12 R'000	2012/13 R'000	2013/14 R'000		2014/15 R'000	2015/16 R'000	2016/17 R'000
Current payment Compensation of employees, goods and services	99 611	123 451	139 092	177 633	248 979	279 040	314 098
Payment of capital assets Building & other fixed structure Machinery & equipment	5 952	9 156	11 296	81 087	169 578	103 518	55 195

FINANCIAL PLAN – EXPENDITURE ESTIMATES FOR PROGRAMME 2

Strategic Objective [3]: To implement relevant initiatives geared towards ensuring compliance with the Lotteries Act

Economic Classification	Expenditure Outcome			Adjusted Appropriation	Medium Term Expenditure Estimate		
	2011/12 R'000	2012/13 R'000	2013/14 R'000	2014/15 R'000	2015/16 R'000	2016/17 R'000	2017/18 R'000
Current payment Compensation of employees, goods and services	8 931	10 717	11 001	25 195	27 113	29 282	30 555
Payment of capital assets Building & other fixed structure Machinery & Equipment	-	-	-	-	-	-	-
Other classifications	-	-	-	-	-	-	-

FINANCIAL PLAN – EXPENDITURE ESTIMATES FOR PROGRAMME 3

Strategic Objective [4]: To ensure fair and equitable grant allocations

Economic Classification	Expenditure Outcome			Adjusted Appropriation	Medium Term Expenditure Estimate		
	2011/12 R'000	2012/13 R'000	2013/14 R'000	2014/15 R'000	2015/16 R'000	2016/17 R'000	2017/18 R'000
Current payment Compensation of employees, goods and services	1 583 220	2 344 459	1 889 926	1 633 371	1 712 311	1 633 686	1 783 370
Payment of capital assets Building & other fixed structure Machinery & equipment	-	-	-	-	-	-	-
Other classifications	-	-	-	-	-	-	-

ADDITIONAL BUDGET INFORMATION

Capital expenditure projects (Capex)

The most prominent capex item is the redesign of the grant management system (e-system) together with the full integration of all other systems. Included here is not only the system design but also the acquisition of the necessary hardware.

Infrastructure plans

NLB plans to embark on acquiring long term accommodation. It is projected that the project will take approximately 3 years for completion (2015-2018).



GOOD STORIES: SPORT & RECREATION

The Sport Trust promotes the advancement of sportsmen and sportswomen and to encourage participation in an understanding for the aims, objects and ideas of the Olympic movement.



Mpumalanga Province

Swimming organises, promotes, encourages and develops swimming at all levels in the province.

GOOD STORIES: CHARITIES

Heart to Heart Care Centre pursues separate but interrelated streams as follows:



- 200 Orphans, HIV+ and Vulnerable Children (psychosocial support, including integrated family care at home)
- Three Primary School Clubs aiding 100 children
- Three After School Care Centres
- Food Security and Vegetable Gardens for 70 families

Badisa provides an organisational framework for 167 programmes that complies with all statutory requirement and gives managerial & professional support.



GOOD STORIES: ARTS, CULTURE & HERITAGE

South End Museum Trust portrays a society, a movement and a recovery that symbolic of the struggle and victory of South Africa as a whole. For this reason, it is both relevant and influential to the further development of South Africa.



Opera Africa was founded in 1994 with the primary objective to communicate with new audiences. This has been achieved by staging traditional operas within a South African context, and commissioning the writing, composition and production of indigenous South African operas by local composers and text writers.

Thank You

