



The Portfolio Committee on Sport & Recreation

**Briefing by the NLC on status of distributing activities
11 August 2015**



INTRODUCTION OF DELEGATION (tbc)

1. Prof. A. Nevhutanda – Chairperson: NLC Board
2. Mr M. Ncula- Chairperson: Sports DA
3. Mrs TCC Mampane – Chief Executive Officer
4. Ms M Letoaba – Programme Manager: Grant Funding

PRESENTATION OUTLINE

- Background
- Key Legislative Changes
- 2014/15 Allocations
- 2015/16 Allocations
- Discussion

BACKGROUND

- 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

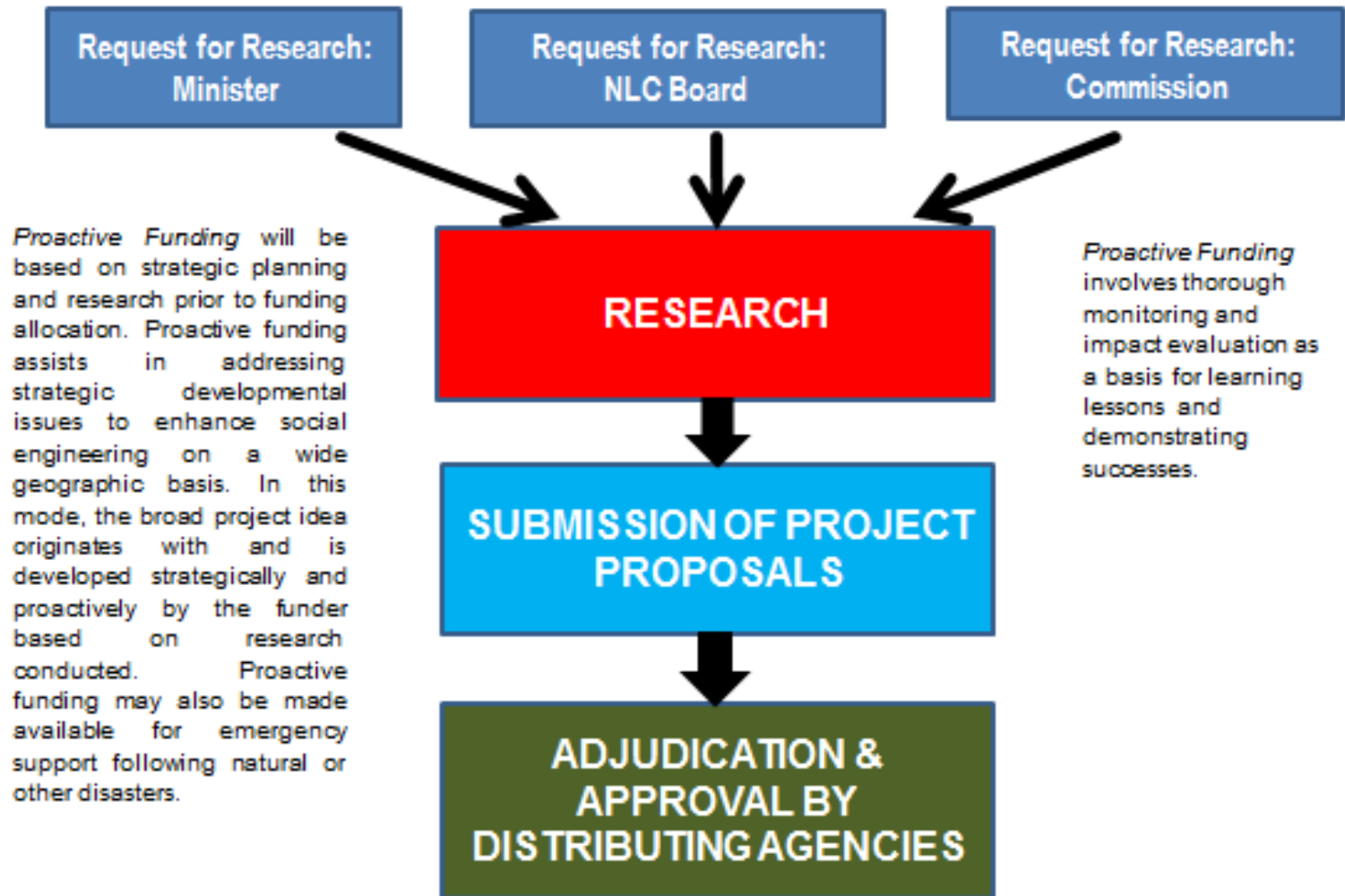
Full time
DA's

Education and
Awareness

Proactive
Funding

Differentiated
Grants

PROACTIVE FUNDING PROCESS MAP



Reference: Amended Lotteries Act Section 2A(3)



NATIONAL LOTTERIES COMMISSION

a member of the dti group

CHANGING LIVES

FULL TIME DA'S

- Permanent DA's to be appointed by the Minister of Trade & Industry for a period of 5 years (renewable once);
- Number of DA's to be appointed determined by Minister after consultation with Board in line with the size of the fundsprovided that such number shall not exceed nine in each category
- Implementation process championed by dti

EDUCATION & AWARENESS

- The NLC must implement programmes to educate and raise awareness of the grant making process; and
- Provide financial management training to applicants for grants, if the NLC is of the view that applicants do not possess such skills and that the said skills are necessary for the successful execution of projects which are funded by the NLC

DIFFERENTIATED GRANTS

- Small Grants: Not exceeding R500,000
- Medium Grants: R500 001-R5 million
- Large Grants: In excess of R5 million

TRANSITION

- Key objectives of the Transition Plan included:
 - ✓ To ensure integration of new legislation into the operations of the organisation. These include:
 - Permanent Distributing Agencies
 - Education & Awareness/Capacity Building for Beneficiaries
 - Proactive Funding
 - Categories of Grants (small/medium/large)
 - ✓ To improve efficiency by mending our business processes and workflows
 - ✓ Improve service delivery to our stakeholders
 - ✓ Explore opportunity to grow the NLDTF funds

SPORT & RECREATION - ALLOCATION PER PROVINCE:2014/5

- Gauteng remained the main beneficiary of NLB funding amounting to R115 mil followed by Eastern Cape R53 mil & Limpopo R50 mil.
- Gauteng - The main drivers for the high allocation remain the investment made to National bodies like SASCOG, based in Gauteng.

Province	Confirmed funding	Conditional funding	Total	Total
EC	52 532 960		52 532 960	15.58
FS	5 414 264	159 500	5 573 764	1.65
GP	108 732 797	10 400 000	119 132 797	35.34
KZN	19 927 181	11 040 100	30 967 281	9.19
LP	50 380 349	96 000	50 476 349	14.97
MP	12 377 831		12 377 831	3.67
NC	23 353 642		23 353 642	6.93
NW	16 611 132		16 611 132	4.93
WC	26 112 407		26 112 407	7.75

315 442 564	21 695 600	337 138 164	100
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INVESTMENT IN SPORT INFRASTRUCTURE 2014/5

- R94 mil or 30% of the total allocations awarded have been invested in sport infrastructure during the 2015 financial year.
- The major portion of the investment took place in EC , KZN and NC .
- The majority of transactions in infrastructure remains in the following areas:
 - Multi purpose courts
 - Upgrading /construction of existing sports fields
 - Maintenance of facilities
- The above funding was primarily targeted at rural , under-privileged areas.

Sports Infrastructure investment

Province	Allocation to date	Infrastructure spend	% infrastructure spend per province
EC	52 532 960	42 682 333	81.25
FS	5 414 264	3 705 001	68.43
GP	108 732 797	1 620 000	1.49
KZN	19 927 181	10 780 000	54.10
LP	50 380 349.42	3 332 998	6.62
MP	12 377 831.36	8 215 543	66.37
NC	23 353 642.00	12 930 000	55.37
NW	16 611 131.66	6 991 463	42.09
WC	26 112 407	3 766 167	14.42

315 442 564	94 023 505	100%
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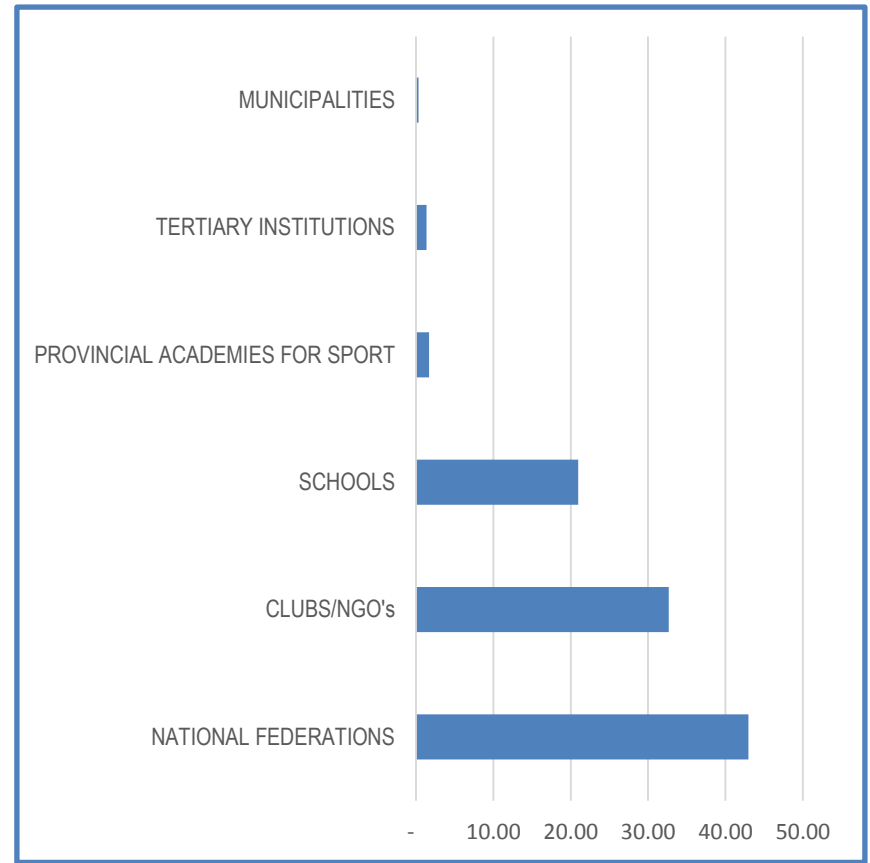
Percentage infrastructure spend

29.81%

ALLOCATIONS PER SUBSECTOR

Sport Investment per sub sector

Province	Allocation to date	% spend
NATIONAL FEDERATIONS	135 558 662	42.99
CLUBS/NGO's	103 092 812	32.69
SCHOOLS	66 082 891	20.96
PROVINCIAL ACADEMIES FOR SPORT	5 319 177	1.69
TERTIARY INSTITUTIONS	4 289 022	1.36
MUNICIPALITIES	1 000 000	0.32
	315 342 564	100.00



2015-2016 SPORT & RECREATION BUDGET ALLOCATION SUMMARY

- The Sport & Recreation sector currently receives an annual budget allocation of 28% (2016) per annum, previously 22%, this amount is aligned to the Lotteries Act no. 57 of 1997, as amended.
- On average R378 mil per annum is invested nationally, translating into 906 applications being processed per annum over the last 4 financial years
- The last Sport & Recreation Call was as follows:
 - **Schools & Clubs 21/10/2014**
 - **Sport Federations 26/2/2015**

Details	2015	2016 (Jun 2015)
	R'mil	R'mil
Total annual budget - All sectors	2 225	2 035
Budget allocated - Sport & Recreation	489	614
% of total allocation	22	30
Confirm funding	315	177
% spend per annum	64.42	28.78
Confirm funding application assessed	422	256

ALLOCATIONS FOR 2015/16

Budget will be utilised towards allocations:

- Targeted Call for Schools & Clubs (Oct 2014)
- National Federations (Feb 2015)
- New Call for 2015 (still to be published)

SPORT CLUBS

- Basic facilities (new and upgrade)
- Sport equipment and apparel
- Participation in local leagues & provincial competitions
- Capacity building, e.g. coaching & technical officiating

SCHOOLS

- Basic facilities (new and upgrade)
- Sport equipment and apparel
- Participation in school leagues & competitions

NATIONAL FEDERATIONS

- International Participation
- Domestic Participation
- Capacity Building
- Sports Equipment & Apparel
- Transformation & Development Programs
- Administration Costs

THANK YOU!