

PRESENTATION TO THE SELECT COMMITTEE ON TRADE AND INTERNATIONAL RELATIONS ON THE NATIONAL GAMBLING POLICY, 2016

Mr MacDonald Netshitenzhe
Acting Deputy Director-General (CCRD)

Mr Nkoatse Mashamaite
Director: Gambling Policy and Law

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Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA



PURPOSE

To brief the Select Committee on Trade and International Relations on the National Gambling Policy as approved by Cabinet on 17 February 2016.



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BACKGROUND



POLICY POSITION

Policy Problem	Policy Solution
National Gambling Policy Council	
Effectiveness of the National Gambling Policy Council (NGPC) is hindered by the constant lack of quorum.	If there is no quorum in two ordinary consecutive meetings, the Minister and the MECs in attendance are empowered to make binding resolutions regardless of the quorum on the third meeting.
Policy alignment at national and provincial government is not achieved while provinces continue to implement policies contrary to resolutions.	Both provincial and national departments must consult in the National Gambling Policy Council to prevent misalignment and contradiction of national and provincial policies and legislation.



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POLICY POSITION

Policy Problem	Policy Solution
National Gambling Board	
Status of the board needs review as the National Gambling Board (NGB) was marred with inefficiencies.	The NGB will accordingly be repositioned and changed into the National Gambling Regulator (NGR) headed by a Chief Executive Officer (CEO).
Money collected as unlawful winnings is eventually declared forfeited to the State through court processes at huge costs.	Money forfeited as <i>unlawful winnings</i> should be automatically forfeited without court order and paid over into the National Responsible Gambling Programme (NRGP) to fund activities relating to problem gambling.



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POLICY POSITION

Policy Problem

National Gambling Board

National Gambling Board (NGB) has not been successful in implementing the legislative mandate, especially regarding oversight role.

Policy Solution

The *strategic direction and mandate* of the NGB must be reviewed to additionally focus on the following aspects:

- **Implementing education and awareness.**
- **Implement measures to combat illegal gambling.**
- **Offer treatment to problem gamblers by appointing service providers with such expertise. Funding of the treatment programme will be through the normal budgetary processes.**
- **Manage the operation of central monitoring system without outsourcing to private.**



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POLICY POSITION

Policy Problem	Policy Solution
<p data-bbox="112 479 282 519">Casinos</p> <p data-bbox="112 551 923 691">Developments around Casinos begin to impact on the destination policy approach on their location.</p> <p data-bbox="112 716 923 808">This include the considerations to relocate Casinos from one area to another.</p>	<p data-bbox="956 551 1767 793">In instances where developments have occurred around the <i>existing casino</i> location, it is proposed that entrances and exits for casinos remain separate from other developments around it.</p> <p data-bbox="956 888 1767 1179">In instances of <i>relocation</i> of a casino from existing location, it is proposed that policy implications be a consideration by the province in making a decision to relocate a casino e.g. Morula Sun to Menlyn.</p>



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POLICY POSITION

Policy Problem

Bingo

The emergence of Electronic Bingo Terminals (EBTs) exposed the lack of forward looking in the current policy in that it was never considered that there may in future be this type of electronic bingo.

The proposal is that a *framework* be introduced for regulating electronic bingo terminals in a coherent and consistent manner.

Policy Solution

The policy recommends that electronic form of bingo *be allowed* with the following conditions:

The *number of licences* for bingo, including EBTs, and bingo seats must be limited in the country – The Minister must be empowered to review the numbers in future.

The two bingo activities must *be allocated together per licence* and venues by the provinces.



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POLICY POSITION

Policy Problem

Horseracing and Betting

Horseracing is regulated through self-regulation and the National Gambling Act only regulate betting (tote betting or bookmakers betting).

Value chain of horseracing entirely depends on financing from betting and betting results depends on the results of horseracing which makes a case for government to intervene.

Policy Solution

Policy proposes the recognition of self-regulation in the industry, including:

Self-regulation body be placed under the oversight of the National Gambling Regulator through the standards approved by the NGPC.

This will ensure the credibility of racing results and fair treatment of all participants in the horseracing industry.

Recognition of activities like Bush racing, trotting and horse racing.



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POLICY POSITION

Policy Problem	Policy Solution
Bookmakers	
<p>Horseracing Operators complain that bookmakers take bets on totalisator results without contributing towards the horseracing development and the intellectual property rights attached to the totalisator.</p> <p>Bookmakers pay 6% tax retained from winnings to Provincial Licensing Authorities (PLAs) and 3% or half is paid to horseracing operators.</p>	<p>PLAs must help determine a payable rate when bookmakers use products belonging to horseracing operators.</p> <p>Industry must respect intellectual property right of others.</p> <p>PLAs must ensure that the 3% paid to horseracing operators is used for intended purpose.</p>



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POLICY POSITION

Policy Problem

Bookmakers

Bookmakers and horseracing operators take bets on lotteries results including sports pools through totalisator sports betting. This is in contravention of the Lotteries Act.

Policy Solution

The Act will be amended to exclude powers to license lottery activities. Lottery exclusive competence of National Government.

Licence to permit betting on lottery, lottery results and conduct sports pools must be obtained from the National Lotteries Board (NLB) money going to NLDTF.

Operators collecting bets on lotteries and sports pools must pay a reasonable contribution to the National Lotteries Distribution Trust Fund as Minister shall determine.



POLICY POSITION

Policy Problem	Policy Solution
<p data-bbox="112 511 484 558">Greyhound racing</p> <p data-bbox="112 582 956 725">There have been proposals to introduce greyhound or dog racing as a form of racing and gambling.</p> <p data-bbox="112 749 956 943">The activity is said to be taking place in the country despite the standing ban imposed by the Transvaal, Free State, Natal and the Cape Ordinances.</p> <p data-bbox="112 968 956 1058">There are concerns regarding enforcement of animal welfare standards.</p>	<p data-bbox="987 582 1837 776">Welfare issues, problem gambling and weaknesses in enforcement should supersede the arguments in favour of legalising and regulating the industry.</p> <p data-bbox="987 868 1837 958">Policy is against these and emphasises strict enforcement.</p>



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POLICY PROPOSALS, Cont...

Policy Problem

Online Gambling

Online gambling continues to be a challenge for South Africa given the capacity to regulate, the extent of problem gambling and other social issues arising from gambling.

Regulators do not have capacity to enforce against illegal operations of online gambling.

Policy Solution

Online gambling *remain illegal.*

Enforcement measures must be improved to include banks closing accounts, local Internet Service Providers (ISP) not hosting illegal sites and all measures to ensure the illegal activities do not thrive.

The NGR will be required to notify banks and ISPs to close down accounts associated with illegal operators.

Failure to oblige but lead to prosecution.



CONCLUSION

Policy will enhance the regulation of gambling in the country.

Measures to implement problem gambling will be improved and more people will be able to access the assistance if offered by the NGR.

The NGPC and the NGR will be more empowered to perform their mandates and that there will be progress in all efforts to harmonise gambling policy in the country.

Technical amendments clarifying certain provisions in the Act will be developed during the processing of the Bill.



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THANK YOU!



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