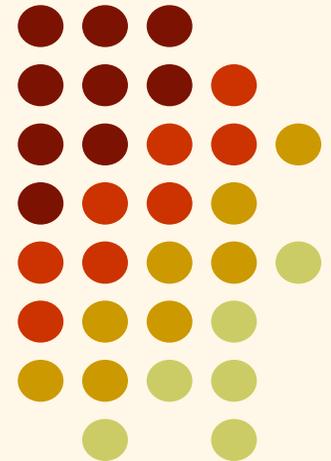


2018/NGAB/4A

GAUTENG GAMBLING BOARD



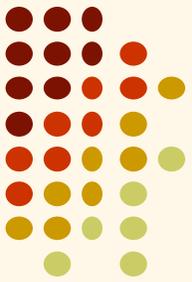
NATIONAL GAMBLING AMENDMENT BILL, 2018



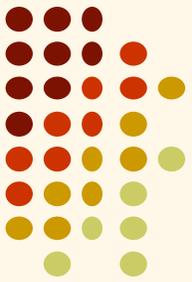
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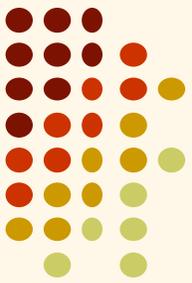


BACKGROUND



- The Minister of Trade and Industry published the National Gambling Amendment Bill 2016 (“NGA Bill 2016”) for comment in the Government Gazette No. 40320 of 2016 dated 30 September 2016.
- The Gauteng Gambling Board (“the GGB”) submitted comments on the NGA Bill during November 2016 for consideration.
- After almost two years, during July 2018, the Minister of Trade and Industry published the National Gambling Amendment Bill 2018 (“NGA Bill 2018”) in terms of National Assembly Rule No. 241 (1) (b) with the intention to introduce the same Bill into Parliament during the second term of 2018 for consideration and approval.
- The NGA Bill 2018 is an amended version of the previously advertised NGA Bill 2016 but contains some provisions which are material and will impact on the gambling industry, which were not published in the NGA Bill 2016 for comments.
- On 12 October 2018 the GGB submitted written submissions on the NGA Bill 2018 and requested an opportunity to make oral representations before the Parliament.
- On 16 October 2018 GGB received communication from the Portfolio Committee secretary advising that the Committee will focus on the specific provisions of the NGA Bill 2018 and GGB should indicate whether it would like to make oral submission on the focus area. GGB has opted to revised its presentation to refocus on the identified provision.

NATIONAL GAMBLING AMENDMENT BILL, 2018



Insertion of Section 63A

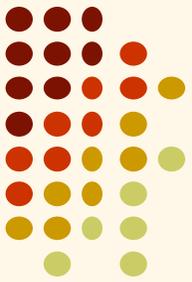
The proposed section intends to provide that, if a motion has been tabled at a meeting of the National Gambling Policy Council (NGPC) at which less than five voting members contemplated in section 61 are present, the motion may be passed at the next meeting of the NGPC if it is supported by the Minister and the majority of other voting members of the NGPC present at the meeting.

Comment

We do not support the proposal that an inquorate NGPC meeting take binding decisions given the significance of gambling policy and impact on provinces, we are concerned that a matter of this magnitude should not be taken by inquorate members of the NGPC.

We propose that the challenge brought about by inquorate NGPC meetings can be resolved by taking resolutions by way of round robin resolutions taken by at least two third of eligible voting members of the NGPC.

NATIONAL GAMBLING AMENDMENT BILL, 2018



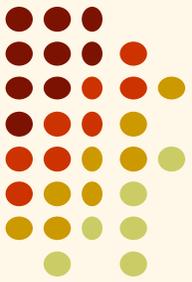
Substitution of section 64 and various related provisions

Establishment of the National Gambling Regulator

We propose that in order to optimize on government resources the National Gambling Board be merged with the National Lotteries Commission and the benefits will include the following:

- Effectively deal with the conflicts between gambling and lottery
- Efficient utilization of resources

TOTAL NEW PROVISIONS IN THE 2018 BILL



There are some provisions in the NGA Bill 2018 which were not part of the NGA Bill 2016 published for comments. Some of these material provisions are as follows:

Amendment of Section 27

The section intends to introduce the national central electronic monitoring system for casino, bingo or betting activity.

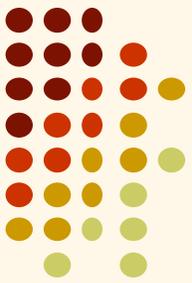
Implication of the amendments

These forms of gambling (casinos, bingos) are licensed and regulated by the provincial gambling boards.

The proposed amendments will subject these licensees to dual regulation by the NGB and provincial gambling boards. Further the proposed amendments has the effect of undermining provincial government powers to regulate gambling in terms of Schedule 4 of the Constitution of the Republic of South Africa, 1996.

The current exception to the above was a compromised risk in respect of LPM where one central monitoring system was agreed at the time as the costs of a central monitoring system were unknown and there was a fear that smaller problems might not have the necessary funding which may result in the compromise on the monitoring standards. Now that the costs are known central monitoring system should be left to the individual provinces.

TOTAL NEW PROVISIONS IN THE 2018 BILL



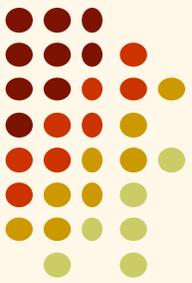
Repeal of item 5 of Schedule 1 to Act 7 of 2004

Item 5 of Schedule 1 provides for the establishment of a Committee to consider and report on national policy to regulate interactive gambling within the Republic.

Comment

- Despite the ban on interactive gambling, the activities continues and the country is losing millions of rands whilst it is settled with the costs of dealing with problems associated with gambling.
- Currently the ban is not enforced due to lack of capacity and appropriate skills. The costs of effectively enforcing a ban are equal to the cost of regulating and it is cost effective to regulate the industry and recover the costs. The legislation to regulate interactive gambling has been passed by this Parliament (National Gambling Amendment Act, 2008) and what is left to do is to pass Regulations to give effect to such legislation subject to minor amendments to the Regulations.

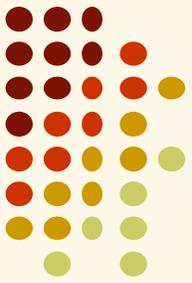
RECOMMENDATIONS



The following recommendation are made to Parliament:

- that the Bill be rejected in its entirety as it is unconstitutional in that there was no proper consultation with relevant stakeholders, particularly in relation to the new proposed amendments which are material and were not part of the NGA Bill 2016; alternatively
- that all provisions discussed above be deleted since:
 - ✓ the proposed amendments are encroaching on the regulatory powers vested on the provincial gambling boards and which are best discharged at the provincial level;
 - ✓ they introduce a regulatory mechanism which is not cost effective and which will result in duplication of efforts between provincial and national regulators; and
 - ✓ the Bill continues to advocate a ban on online gambling despite lack of proper enforcement. Accordingly the ban has failed and it might be time to consider regulation of interactive gambling.

QUESTIONS AND ANSWERS



THANK YOU