



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

COMMENTS RECEIVED ON THE PUBLISHED NATIONAL GAMBLING AMENDMENT BILL, 2018

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ORGANISATION	BILL PROVISION	COMMENT	RESPONSE
Casino Association of South Africa. CEO, Mr Themba Ngobese	Section 33 – Responsibilities of the NGR	<p>The status of the national gambling amendment Act at odds with the National Gambling Policy 2016, which concluded that interactive / online gambling, should remain illegal. It is already causing confusion in the legislative drafting process, (sections 33 and 40 (3) as examples.</p> <p>The Bill requires clarity. The legislature needs to repeal provisions that contemplates interactive gambling/ online gambling in the National Gambling Amendment Act, 2008 or repeal the whole Act (2008). This section is at odds with the 2016 Policy document, which concluded that interactive gambling should</p>	Legal position to be retained. The 2008 Gambling Amendment Act will not to be repealed. It is an Act of law.

		<p>remain illegal.</p> <p>The Bill proposes to amend section 33 by insertion of paragraph (l). This is inconsistent with the fact that section 33 currently contains only paragraph (a) to (c). This confusion arises from section 33 of the 2008 Act, which contemplated the insertion of paragraphs (d) to (k) in section 33 but was never operationalised.</p>	
	<p>Sections 64 and 65 – Establishment of the National Gambling Regulator (NGR) and Appointment of the CEO</p>	<p>The establishment of the NGR with only a CEO at the helm only means the collective expertise envisaged by the original provision will be taken away.</p> <p>The NGR under CEO will lack capacity and institutional legitimacy to execute its mandate which includes lapse of corporate governance as too much power will be placed under</p>	<p>Make reference to the justification in the agency rationalisation report and to various governance models in the dti and financial service industry where the Accounting Authority comprises of one person or two individuals as CEO or Deputy CEO</p>

		<p>single individual with risks of a power abuses.</p> <p>Further the oversight role will be compromised as a single individual will be interrogation decisions of collective authorities in the provinces. Governance structure will be at risks if the CEO or Deputy is to suddenly vacate their posts as that will impact on gambling regulation.</p> <p>There is a need for a governance structure. A governance structure which vests the governance of the NGR in the hands of a few individuals, rather than in a composite board will leave the NGR vulnerable to changes in personnel. Rather appoint individuals with appropriate expertise to the NGB Board and it is adequately staffed and resourced to deal with the effective operation of the NGB.</p>	
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	<p>Section 16 (4) - Automatic forfeiture of unlawful winnings.</p>	<p>The Bill proposes to allow payment of winnings provided the winner is not a minor.</p> <p>The prohibition for payment must continue even if the minor has attained the age of majority.</p> <p>The proposed amendment to section 16(4)(a)(ii) suggests that the relevant time for determining whether the player was a minor or not is at the time of the investigation as opposed to the time of the gambling activity. Winnings should not be payable to a person who was a minor at the time of the relevant gambling activity even if that person might have attained age of majority in the intervening period. The word “was” must be changed to “is”. Section 16(4) should not be amended.</p> <p>On excluded person the provision must be rephrased to read “<i>is an</i></p>	<p>Proposal is supported.</p>
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		<i>excluded person at the time of the activity</i> ” not in past tense as phrased now.	
	Section 21A – Register of unlawful winnings	Provision is welcome but section 21A must be rephrased to apply to persons who offer restricted gambling activities without an appropriate licence. For example the provision must not apply to licensed gambling operators who contravene a provision in the Act.	We agree and the register is meant to list unlicensed illegal gambling operators.
	Section 27 – NCEMS	The primary purpose of the NCEMS is for PLAs to monitor the payment of gambling levies and taxes. It was established to monitor LPMs. Casinos in contrast have their own electronic monitoring systems as required by provincial legislation. This system is linked to the PLAs which have full access to the content of these systems. There is therefore no need for a new monitoring system for casinos as this will also involve a	The sole business of the NGR continues to be consumer and punter protection in the gambling industry. Its main objective is to ensure that there is fairness, efficiency, transparency and reduction of systemic risk in the gambling industry. It should also ensure that it maintains consumer and investor confidence in gambling industry. At all times it should maintain a balance between the socio-economic

		<p>considerable amount of time and expense.</p> <p>To the extent that it is concluded contrary to this submission, the NGB or NGR should have access to casinos electronic monitoring systems, we point that this could be achieved by the NGB or NGR simply linking up to the monitoring systems of the various PLAs.</p> <p>If NCEMS is extended to casinos (and other forms of gambling operators), section 27(5)(b) should be amended to allow casino (and other) licensees access to the prescribed data on the NCEMS that relates to each such licensees's machines or games.</p> <p>CASA opposes the introduction of NCEMS to casino gambling as that is</p>	<p>benefits versus the negative impact of gambling.</p> <p>In terms of Section 65:1(d) of the NGA, the NGB must monitor the socio-economic patterns of gambling activity within the Republic, and in particular, conduct research and identify factors relating to</p> <p style="padding-left: 40px;">(i) the socio-economic impact of gambling.</p> <p>The latest audited Gambling Sector Performance Report compiled by NGB reveals that this industry is valued at R28 billion in GGR. However the regulator only exercises oversight over gambling machines that account for only 10% of GGR. This is a concern to the regulator. Expanding the NCEMS</p>
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		<p>only meant to record information for tax purposes and provinces have access to that information from central data base operated by casinos.</p> <p>If it is resolved that the NGR will need to be granted access to the database and this can be achieved by linking the system to current monitoring systems of provincial authorities.</p> <ul style="list-style-type: none"> • The phrase in section 27(1)(c) does not make sense; <i>(the NGR must establish and establish and maintain a national central electronic monitoring system capable of – (c) collecting and retaining the monitoring fees)</i> • Insertion in section 27(2) of words, “<i>who must acquire a national licence</i>”, must rather be inserted at the end of section 27(2) to avoid confusion. The quoted phrase should rather be 	<p>to other modes of gambling will enable the NGR to oversee machines and systems which account for the remaining 90% of GGR.</p> <p>We disagree with the proposition that NCEMS be only limited to LPMs. A national central electronic monitoring system’s sole purpose is the detection and monitoring of significant events of gambling machines that are made available for play in the republic and to analyse and report data.</p> <p>Although the system has been utilised for the LPM industry, it is nonetheless scalable. It can be expanded to include numerous benefits which include but are not limited to, the following:</p> <ul style="list-style-type: none"> ▪ Accurate reporting of taxation owed
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		<p>inserted as a proviso at the end of section 27(2) and the Act should be amended to specify the process and requirements for the licensing of such an operator.</p> <ul style="list-style-type: none"> • Section 27 (4)(b) is not clear and that will be a problem as contravention of section 27(4) will constitute breach of licence condition which is subject to a fine in terms of section 27 (6). 	<p>by Licensees to Provincial and National Government;</p> <ul style="list-style-type: none"> ▪ A centralised point of fully auditable information of which the System offers live feeds; and ▪ Assistance to the NGB and PLAs to ensure competent, efficient and reliable oversight. <p>However, the benefits that accrue through the use of the System in the regulation of the LPM industry would equally apply should the System be extended nationally to include the other regulated modes. These can briefly be described as follows:</p> <p>CASINOS</p> <p>The casino industry contributes 64% of</p>
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			<p>all gross gambling revenue (“GGR”) in the Republic of South Africa. Monitoring casinos through the System would increase national monitoring of all GGR from just over 10% (LPM), which is currently monitored nationally, to over 74% (combined). This can greatly enhance accuracy of national statistics that the NGB reports on during each reporting period, including taxes and levies that are due to regulatory authorities.</p> <p>Each gambling machine in a casino environment is linked to localised controllers that are in turn linked to casino monitoring and control system (MCS). An MCS would typically perform more functions than the current System. This therefore means that</p>
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			<p>each casino already has centralised consolidated information about all significant events as well as GGR data. An Application Programming Interface (API) would enable seamless linkage between the System and each casino MCS. Thereafter, the information from the casinos will be processed and reported on the System.</p> <p>BINGO</p> <p>The bingo industry has seen a steady growth over the recent past. The growth is mainly attributed to the introduction of Electronic Bingo Terminals (EBT) as there has been a steady decline of traditional bingo terminals. The industry accounts for just over 4% of all GGR.</p>
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			<p>EBTs are somewhat similar to the LPMs in the sense that they are operating in remote areas, but without adequate monitoring by any national centralised system. There is therefore urgency in ensuring that each EBT is linked to a national centralised monitoring system for effective monitoring and oversight of the bingo industry that now relies mostly on electronic terminals. This is premised on the fact that at the end of Quarter 1 of 2018/19, the total operational licensed traditional bingo positions was 1 179, while the total number of operational EBT positions was 6 815.</p> <p>BOOKMAKERS AND TOTALISATORS</p>
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			<p>Sports betting has seen the highest growth in the recent past. The industry accounts for over 21% of all GGR in the Republic of South Africa. The industry is the least monitored in the country due to proliferation of various bookmaker systems that are not centrally monitored by any system. There is therefore a considerable threat to the accuracy and quality of reporting for national and provincial tax from the bookmaker system.</p> <p>Effective monitoring of all betting activities will greatly improve provincial reporting as well as consolidation of information throughout the country. It will then be possible to accurately report on significant events and GGR information from a national</p>
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			<p>perspective.</p> <p>It would be ideal to have a national centralised monitoring system that links all bookmakers to the System for operational and reporting purposes for monitoring of significant events and GGR. However, in the absence of such a system, the NCEMS System will need to link up with each of the bookmaker and totalisator betting systems that are in operation. The nature of the industry dictates that more developmental work will be required here than in any other regulated mode.</p> <p>In view of the foregoing, it is suggested that the proposed change to section 27 of the NGA is sustained.</p>
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			<p>This will enable the NGR to enhance its enforcement and regulatory oversight capabilities over the gambling industry at large. The newly proposed National Centralised System will encompass all the legalised modes should it be adopted, for the benefit of punter and consumer protection.</p> <p>This will contribute to a self-funding revenue stream for the NGR, to fund its new mandate through the imposition of a national monitoring fee as a consequence of the proposed amendment to section 27.</p> <p>This should be read with section 74 of the NGA, which permits NGB to raise funds from any other source.</p> <p>A national centralised monitoring</p>
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			<p>system will also create synergy for the NGR and industry stakeholders to effectively track consumer behaviour and identify consumer trends with regard to early warning signs of addictive and compulsive gambling. This will also provide the NGR with the opportunity to effectively report on financial crime such as money laundering and detect illegal gambling machines and devices in South Africa.</p> <p>It is thus proposed that a national centralised System encompassing all the legalised modes be adopted, for the benefits as stated above. It must also be noted that centralised means a System that is monitored centrally at national level, and which thus includes all provinces. The provision of a</p>
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			<p>System to extend to other modes provincially would not be advisable, as this would lead to disharmony between provinces, and would lead to challenges in the national regulator being able to access data for analysis of statistics.</p>
	Section 63(3) – NGPC	This section must be redrafted	To be considered.

	Meetings	<p>because “other board members” in this section in the principal Act refers to the members of the board of the NGB and members of the boards of the PLAs (ie the Chairpersons who are collectively supplementary members of Council).</p> <p>This phrase cannot simply be amended to refer to ‘other [NGR] members as this would not include the boards of the various PLAs.</p> <p>If Council is to continue, it should be mandatory for a quorum to be achieved on every occasion on which decisions affecting the industry are to be made (which would seem to be the case in relation to all of the Council’s decisions).</p>	<p>It must be rephrased to be made applicable to Provincial Gambling Boards members and the Deputy CEO of the NGR, who will be the alternate member for the NGR CEO.</p>
	Section 63A – Meeting Quorum	CASA is of the view that it is undesirable from a policy point of view	Disagree Policy position: Paragraph 4.5.5.2 “If

		<p>to legitimize the taking of decisions by the Council in circumstances where it fails to achieve a quorum. Without a quorum the Council cannot meaningfully act as a forum for consultation between National and Provincial government on issues. It will be a bad precedent for the NGPC to be allowed to made decisions without a fully constituted forum. The NGPC have historically not been effective owing to quorum and this has not changed. It is recommended that NGPC be disbanded. If Council is to continue, it should be mandatory for a quorum to be achieved on every occasion on which decisions affecting the industry are to be made (which would seem to be the case in relation to all of the Council's decisions).</p>	<p>for some reason Council cannot sit and the policy at national or provincial level has to be passed, then the policy should be circulated to all members of the Council for their input before such policy is passed.” Paragraph 4.5.6.2 – Documents that will be discussed at the Council must be circulated before meetings to enable members who cannot attend the meeting to make recommendations or input. That will ensure that even the resolutions adopted without proper quorum was at least considered by all members.</p>
	<p>Section 64(1) – Establishment of the NGR</p>	<p>The following provisions are critical to the establishment of the NGR and</p>	<p>Agree</p>

		<p>must be reinstated as they were included when the Bill was published on 2016:</p> <p>(c) <u>is independent and subject only to the Constitution and the law;</u></p> <p>(d) <u>must exercise its functions in accordance with this Act;</u></p> <p>(e) <u>must be impartial; and</u></p> <p>(f) <u>must perform its functions –</u></p> <p>(i) <u>in a transparent manner as is appropriate having regard to the nature of the specific function; and</u></p> <p>(ii) <u>without fear, favour or prejudice.</u></p>	
	Section 65 (4) – Objects and Functions of the NGR	Proposed amendments repeat provisions of the current section 65. It is suggested that section 65 (4) (e) to (n) be deleted as they are superfluous.	the dti to check
	Section 65(4) – Objects and Functions of the NGR	A number of provisions in the section refer to NGR advising the NGPC but	It is actually section 65(4)(g). The

		<p>that will be done after consulting Minister. It is recommended that if such advice is to be granted it must be directly to the NGPC as Minister is Chairperson of the NGPC. The consultation will only serve to delay.</p>	<p>NGR cannot directly advice the NGPC as they are not members of Council and such duty is not in their mandate. NGR's mandate include providing advice to Minister.</p>
	<p>Section 65 A – Chief Executive Officer and Deputy Chief Executive Officer</p>	<p>Section 65A (1) - the wording must be changed from “may appoint” to “must appoint the CEO” as the appointment of a CEO is non-negotiable for the proper running of the organisation.</p> <p>Section 65A (2) must just refer to eligibility to appointment as CEO without mentioning the phrase ‘or designation’.</p> <p>Section 65 A (3) (d) will be sufficient by referring to unrehabilitated insolvent as opposed to including reference to <i>‘or becomes insolvent and the insolvency results in the sequestration of his or her estate’</i>.</p> <p>Section 65 A (3) (g) must provide that</p>	<p>We agree to proposed change to 65A (1).</p> <p>We agree to proposed change to 65A (2).</p> <p>The dti to comment on section 65A(3)(d)</p> <p>We agree to proposed change to both points on 65A(3)(g).</p> <p>The dti to comment on 65(4)</p> <p>Section 65 B (3) (b)- disagree. It should be left to the CEO discretion which matters to delegate</p> <p>Section 65 C (1)-dti to clarify</p> <p>Section 65 C (2)-dti to expand on the</p>

		<p>a person who is convicted under the FICA is not eligible for appointment as CEO or Deputy CEO.</p> <p>Section 65 A (3) (g) must remove reference to the Corruption Act as the Act has been replaced by the Prevention of Organised Crime Act.</p> <p>Section 65(4) remuneration of the CEO must be determined by Minister in consultation with the Minister of Finance to accord with section 65C and 72(1) as well as other legislation of this nature.</p> <p>Section 65 B (3) (b) provision is supported to the extent that it will be acknowledged there are other tasks that cannot be delegated. For example the placing of illegal operators in the list, suspension or revocation of licences and recommendations to the NGPC.</p> <p>Section 65 C (1) Confers to Minister</p>	<p>role of committee</p> <p>65C (4)- disagree-read bill wrongly</p>
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		<p>power to establish Committees for the NGR, it is not clear when it will be one or more Committees. Such power should be vested within the NGR authority and not Minister to avoid the undesired two centres of power.</p> <p>Section 65 C (2) stipulates that such Committee/s will be independent of the NGR. That is undesirable as the industry and public will expect a regulator that speaks with one voice. This may be in contrast with section 65C (4) which provides that employees of the NGR can also be Committee members.</p> <p>Committee members so appointed must be subjected to the same standard of requirements applicable to the CEO appointment.</p>	
	<p>Section 66A – Inter-governmental relations in</p>	<p>It will be more appropriate for the NGR to enter into agreements with</p>	<p>Agree-however, NGB previously</p>

	relations to gambling activities	other organs of State as opposed to the dti doing that for them.	requested comments as to who exactly or what is being referred to in this provision.
	Section 68- Conflicting interest	The provision regarding conflict of interest must extend to the Deputy CEO and Committee/s. Section 68 (2) (d) and (e) – replace the word “on behalf of” with the words “within / in or on behalf of” to align with section 208 (c) and (d) of the Company’s Act 2008.	Agree
	Section 69 to 72 – Resignation, removal from office and vacancies/ Remuneration and allowance of board members	The sections must not be deleted but modified so the resignation and removal of CEO and Deputy are addressed under the provisions.	The dti to consider
	Section 76- The national inspectorate	Section 76 A (1) (e); There is no clarity on how the Inspectorate will go about to enforce compliance and that will accord with the constitution based of court precedents that the powers conferred on the functionary must	Disagree- in the NGA as it reads empowers both National and Provincial to undertake enforcement.

		<p>have guidelines on how the power will be exercised.</p> <p>The provision will contradict section 30 that empowers provinces to exclusively enforce compliance in the province/s. That will cause dual regulation which is undesirable.</p>	
	<p>Section 76 A – Powers of the national inspectorate</p>	<p>Similarly sections 76 A (1) (b) and (d) will also offend against section 30 of the Act by entering the exclusive space of provinces in issuing stop orders to illegal operators and to order landlords to cease lease with illegal operators.</p> <p>No clarity is given as to the manner in which the NGR is to go about ensuring compliance with gambling laws. NGR's powers are not sufficiently circumscribed.</p> <p>This section would have undesirable</p>	<p>Disagree- in the NGA as it reads empowers both National and Provincial to undertake enforcement.</p> <p>Disagree with comment: <i>The phrase “an operator that has been operating in contravention of this Act” at the end of section 76A(2) should rather refer to “a person conducting or making available a gambling activity that is not licensed in terms of this Act or provincial law”.</i></p>

		<p>impact of subjecting licence holders to the jurisdiction of two different compliance enforcement authorities. This is a dual regulation. The section should be deleted.</p> <p>The phrase “an operator that has been operating in contravention of this Act” at the end of section 76A(2) should rather refer to “a person conducting or making available a gambling activity that is not licensed in terms of this Act or provincial law”. This wording would make it clear that section 76A(2) applies to unlicensed operators and not to other operators that may be found from time to time to have contravened the Act in one or other respect.</p>	
Mpumalanga	Economic	Section 63 A – Meeting Quorum	<p>The section defeats the purpose of concurrence and cooperative</p> <p>Disagree because at some point a</p>

<p>Regulator: CEO- Mr Bheki Mlambo P/Bag X9908, White River, 1240 (013) 750 8000</p>		<p>governance by allowing Minister and MEC to make decisions without a quorum.</p>	<p>decision has to be made in the interest of corporate governance. Policy position: 4.5.5.2 “If for some reasons the Council cannot sit and the policy at national or provincial level has to be passed then the policy should be circulated to all members of the Council for their input before such policy is passed. Paragraph 4.5.6.2 –Documents that will be discussed at the Council must be circulated before meetings to enable members who cannot attend the meeting to make recommendations or input. That will ensure that even the resolutions adopted without proper quorum was at least considered by all members.</p>
	<p>Section 76 A – Powers of the national inspectorate</p>	<p>Section 76 A (1) National inspectors must notify CEOs in provinces before</p>	<p>Section 76 A (1): Disagree as there are certain collaborated efforts done at</p>

	<p>they conduct inspections as provinces enforce against illegals and have specific knowledge of illegal activities in the provinces.</p> <p>Section 76 A (1) (d) Landlords may not choose to evict but prefer terminating the lease agreements. There is no need to prescribe legal remedies for landlords in the Act.</p> <p>Section 76 (1) (e): It is not clear what is meant by gambling institution as the phrase is not defined. But section 77(2) already prescribes the extent to which inspectors can conduct their inspections as it is the responsibility of provinces and oversight role of the National Gambling Board is properly outlined in section 33.</p> <p>Section 76 (3) must be removed as it is the responsibility of the SARB and FSB to regulate banks not the gambling Act.</p>	<p>national level. In certain instances this will not be possible because stages in enforcement of illegal activities is done in terms external stakeholder legislation such as the Criminal Procedure Act, South African Police Services Act etc</p> <p>Section 76 A (1) (d)- the dti should perhaps consider stipulating that Landlords should not knowingly or willingly enter into or continue doing business with a tenant who is undertaking or providing illegal gambling operations</p> <p>Section 76 (3)-disagree</p>
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<p>Eastern Cape Gambling Board Acting CEO: Mr Bonga Jaxa</p>	<p>Section 16 –Forfeiture of unlawful winnings</p>	<p>The forfeiture of unlawful winnings must be paid into the Provincial Revenue Fund and not the NGR. This is because provinces have an inherent role of enforcing compliance by licencees who must promote socio-economic responsibilities that include responsible gambling.</p>	<p>Disagree- alternatively if provinces want to do this they should take on the responsibility for the confiscation, investigation and forfeiture process.</p> <p>Further then the NGA should stipulate that provinces must ensure that those responsibilities are undertaken.</p>
	<p>Section 27- NCEMS</p>	<p>Extending NCEMS to other modes of gambling will only serve to interfere with existing competence of the provinces. Provinces will lose revenue as a result but also provincial economy can grow if NCEMS is decentralised as provinces already have their approved systems.</p>	<p>Disagree – earlier response to CASA applicable.</p> <p>There will be no loss of revenue because a monitoring fee is not a tax that operators pay to PLAs and it is additional revenue that will be derived.</p> <p>Decentralisation not supported because it will defeat the purpose of section 27.</p> <p>Policy position: Paragraph 4.2.6 –A sharing formula may be developed for NGR to share the NCEMS revenue</p>

			with PLAs.
	Section 63 – NGPC/ Meeting Quorum	Eastern Cape does not support an inquorate NGPC making decisions. Round robin resolutions taken by at least two thirds of illegible voting members of the Policy Council is preferred if quorum is not achieved. Such decision shall then be ratified at the Council's next meeting. In the alternative, making allowance for video or other digital conferencing is a possible solution to address the logistical and other commitments leading to non-attendance of National Gambling Policy Council meetings.	Disagree- the position expressed in the bill is supported. Policy position above applies.
Galaxy Gaming and Entertainment (Pty) Ltd CEO - CHRIS DU TOIT	Section 27- NCEMS	Extending NCEMS to other modes of gambling will cause duplication of regulation as provinces are already managing monitoring of casino and bingo.	Galaxy Bingo is the dominant bingo operator in the country and is the only operator that offers bingo in all provinces, which have licensed bingo.

		<p>The requirement for monitoring fee will cause additional costs that were never planned when licences are issued. The provision is irrational.</p>	<p>It holds 35.3% market share of the bingo industry and was recently acquired by Tsogo Sun which is the dominant operator in the casino industry, operating 14 casinos with a market share of 36.8%.</p> <p>According to a trend analysis of bingo sector as at December 2017, out of a total number of 37 licences awarded in the bingo industry, 17 were operational with 6431 being EBTs and 1602 traditional bingo positions.</p> <p>Eastern Cape accounted for the most operational bingo outlets (15, 31.3%) followed by Gauteng (11, 22.9%) out of the total number.</p>
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			<p>The trend analysis is indicative of the fact that there is a huge potential for proliferation. This is based on the potential for huge roll out of the number of EBTs versus traditional bingo.</p> <p>There is no prescribed national limit in as far as issuance of bingo licences and more specifically the number of EBTs that can be made available for play in the Republic as compared to LPMs. The rate at which LPMs are rolled out is not on par with the rate at which EBTs are also rolled out yet there is a prescribed limit to the rollout of LPMs for example the number of active LPMs in Gauteng as at 31 December 2017 was 1 918 whilst EBTs were 2 531. Active LPMs in the Eastern Cape amounted to 1 927</p>
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			<p>whilst EBTs were 2 190. The concern is that;</p> <p>Whilst it has taken both provinces 16 years to roll out the current number of LPMs, it has only taken 3 years for almost the same number of EBTs to be rolled out.</p> <p>There is no limit imposed on the winnings from EBTs whereas a limit of R500 per game is imposed on LPMs.</p> <p>There are jackpots permitted on EBTs whilst there are none on LPMs.</p> <p>Advertising of bingo (EBTs) is permitted whilst that of LPMs is restricted.</p> <p>Whereas there is a clear legislative requirement to have national central monitoring systems for the LPM industry, no such system is legislated for EBTs. This increases regulatory</p>
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			<p>risks of failure to adequately account for all operational EBTs and revenue generated thereof.</p> <p>The NGB therefore recommends that the EBTs be linked directly to the existing NCEMS for consolidation of revenues and reporting of significant events. The links to the NCEMS would also be extended systematically to casino as well as horseracing and sports betting industries in order to consolidate all gambling revenues.</p>
	Section 63- NGPC/ Quorum	The decision of NGPC without quorum is unsustainable and must be deleted.	Disagree- the position expressed in the bill is supported.
Gauteng Gambling Board CEO Steven Ngubeni	Section 16 (5) – Forfeiture of unlawful winnings	Sections 16(3), (4) and (5) are contradictory as one talks of investigation pending processing of money while another talks of automatic forfeiture to the NGR.	There is no contradiction in this version of the bill. There is no automatic forfeiture.

	Section 27- NCEMS	<p>There are some provisions in the NGA Bill 2018 which were not part of the NGA Bill 2016 published for comments.</p> <p>NCEMS must be operated by provinces because provinces license and regulate all forms of gambling. The proposed amendments will subject these licensees to dual regulation by the NGB and the PLAs. This proposal further has the effect to undermine provincial government powers to regulate gambling in terms of Schedule 4 of the Constitution.</p> <p>The costs of the NCEMS were unknown. Now that the costs are known central monitoring system should be left to the individual provinces.</p>	<p>This is B-Bill and the portfolio committee is at liberty to effect the amendments as and when it wishes.</p> <p>NCEMS is a national competence that resides well at nation level. It is a tool being utilised to exercise oversight.</p> <p>This must be read with Section 65(1)(C) on NGBs authority to establish and maintain national registers.</p> <p>Knowing the cost of NCEMS does not justify a national competency being implemented at provincial level and will in no way undermine Schedule 4.</p>
	Section 33 – Responsibilities of	The powers of the NGB to approve	The Maxime case was concluded and

	the NGR	extra LPMs must not be provided for pending the conclusion of the Maxime case against the NGB.	<p>decided in favour of the NGB. The process of including these provisions in the primary legislation is to alleviate the persistent challenge that NGB had no legal authority to review LPM application even though this is consistent with Section 26 (1) of the NGA.</p> <p>In regards to the exercise of this power NGB considers socioeconomic factors, matters of transformation, compliance with BBBEE legislation amongst others and proliferation.</p>
	Section 63A – Meeting Quorum	Co-ordination of meetings seems to be a problem from the Minister’s office side. The proposal is not supported that an inquorate Council meeting take binding decisions given the	Disagree- it is disingenuous to put blame of the Minister for member’s lack of attendance. Meetings are arranged two months prior to the proposed dates with co-ordination

		<p>significance of gambling policy and the impact on provinces. There is no need to maintain attendance through statutory changes, rather can be resolved by taking resolutions by way of round robin method taken by two third of eligible voting members of the NGPC.</p>	<p>between the CCRD secretariat, office of the Minister and different offices of the MECs.</p>
	<p>Section 64 – Establishment of the NGR</p>	<p>Propose that in order to optimize on governance resources, the NGB be merged with the Lotteries Commission and the benefits include effectively dealing with the conflicts between gambling and lottery and efficient utilization of resources.</p> <p>There is no need to get rid of the board and place all decisions on a single person. There is a need for more ideas and skills because gambling is a growing industry.</p>	<p>Disagree- there is no conflict between the mandate of NGR and that of the National Lotteries Commission and neither is lottery regulated at provincial level.</p> <p>Gambling is national and provincial competence whilst lotteries is not provincial competence</p> <p>The dissolution of the board is a change in governance model in order</p>

			for the NGR to effectively and efficiently deliver on its mandate.
	Section 65 (5) (g) – Objects and Functions of the NGR	Capacitation of staff does not require legislative provision as it is administrative.	We don't find Section 65 (5) (g)
	Section 76(4)	The name must only be added on the register once a court found the operator guilty of illegal gambling not when there is suspicion.	We don't find Section 76(4) The dti to check the provision relating unlawful operators register These comments relate to process
	Section 76A (1)(c) – Powers of the national inspectorate	National inspectors must only do compliance inspections through facilitation of PLAs.	Disagree-will render the regulator ineffective
	Section 76A (2)	Banks must only be prohibited from processing payments after a court of law has found the operator guilty of illegal gambling.	Disagree- we cannot prevent banks from implementing their enabling legislation
	Item 5 of Schedule 1	This section provides for the establishment of a Committee to consider and report on national policy	Interactive gambling is an act of law. It is the prerogative of the portfolio committee to consider whether online

		<p>to regulate interactive gambling within the Republic.</p> <p>Despite the ban on interactive gambling, the activities continue and the country is losing millions of rands whilst it is settled with the costs of dealing with problems associated with gambling.</p> <p>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 costs 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 (NGA Act 2008) and what is left to do is to pass Regulations and give effect to such legislation subject to minor amendments to the Regulations.</p>	<p>gambling should come into operation.</p>
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		<p>The Bill must be rejected in its entirety as it is unconstitutional in that there was no proper consultation with relevant stakeholders particularly with the new proposed amendments which were not part of the NGA Bill, 2016.</p> <p>All provisions dealt with be deleted because they encroach on the regulatory powers vested on PLAs, they introduce regulatory mechanism which is not cost effective and which will result in duplication of efforts between national and provincial regulators. 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.</p>	
Gold Circle (Pty) Ltd	Section 27- NCEMS	Section 27 (1) amendment provides	NGB proposes the following definition:

<p>Horseracing and Betting M J L Nairac - CEO</p>		<p>for “<i>detecting and monitoring significant events associated with any</i>”. The words significant events are not defined.</p> <p>Provinces are already monitoring the records and therefore references to “betting activity” in subsections (1)(a) and (3)(d) must be deleted.</p>	<p>Significant Event is a set of operational conditions to be recorded either electronically by the NCEMS during data interchange between NCEMS and another electronic device or manually by NCEMS operator or during operational committee meeting. Where a significant event relates to gambling machine, it will be such condition that initiates automatic and sustained disablement of the gambling machine pending PLA audit procedures.</p> <p>Disagree that references to “betting activity” must be deleted. Reference should be made to the justification of monitoring the betting industry.</p>
<p>GoldRush Gambling Group – Director - Mr Allan Scott</p>	<p>Section 27 - NCEMS</p>	<p>The NCEMS on LPMs was meant to address the sporadic rollout of LPMs,</p>	<p>Disagree- refer to response on Galaxy comments</p>

		<p>which would have encountered a huge cost to establish own CEMS as casinos and other modes did. The bingo industry has incurred huge expenses to incorporate the monitoring systems. It will be unjust to require dual monitoring by NGR while provinces receive taxes.</p> <p>The draft National Gambling Policy 2015 circulated for comment does not contain a proposal to extend the existing CEMS. There was no consultation made on other modes of gambling with industry.</p> <p>The draft 2016 Bill did not include the extension of the NCEMS to other modes of gambling. Rather the Bill (2016) provided for consultation between the Minister, Council and the industry, and only after such</p>	<p>The draft National Gambling Policy 2015 circulated makes mention of the extension of the CEMS to other modes of gambling, this after consulting Council and the industry under clause 4.2.7.</p> <p>The draft 2016 Bill includes the extension of the NCEMS.</p> <p>Amendment to section 27 is necessary for NGB to legally analyse, access and retain data that is derived from all modes of gambling.</p>
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		<p>consultation will determine the operation of the NCEMS.</p> <p>The NCEMS will burden the industry with costs of operation and yet the industry was not consulted as required by the 2016 Bill.</p> <p>The struggle to obtain information is not a rationale for the dramatic extension of the CEMS or costs it will incur for the gambling industry. Goldrush has no experience of the struggle to collect information referred to in the policy.</p> <p>Goldrush has no difficulty with PLAs accessing data for bingo because licensees are obliged to provide information to the PLAs in order to declare and confirm provincial gaming taxes. Failure to provide these</p>	
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		<p>information will result in the licence being revoked.</p> <p>PLAs include in their rules a requirement that they must be given a dial-in access to these internal monitoring systems for purposes of monitoring significant events and verifying and collecting information provided by licensees. The NGR can also access the information and it is therefore not necessary to establish an NCEMS for all gambling modes.</p> <p>It is difficult to justify the expense of constructing and maintaining an industry-wide NCEMS reporting to the NGR rather than to PLAs. The costs of establishing the NCEMS is not dealt with in the Policy or the Bill.</p> <p>Goldrush requests that the Committee not proceed with the proposed</p>	
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		<p>extension of the NCEMS. Consultation between all licensees, PLAs and the NGR needs to take place. Access to information does not require a full-blown extension of the NCEMS. Information from in-house systems can be made accessible to the NGR. Other methods of funding the NGR ought not be considered rather than imposing on the gambling industry the burden of paying for and accommodating an unnecessary extension of the NCEMS.</p>	
	<p>Section 63 - NGPC</p>	<p>Goldrush proposes that the NGPC decisions be made by way of round robin in cases of no quorum. The quorum problem should be tackled in ways that do not undermine the Constitutional principles. Rather opt for a round robin or a proxy vote can be considered. Members of the</p>	<p>Disagree- the position expressed in the bill is supported. Policy position above is applicable</p>

		Council could be permitted to appoint an alternate to deal with problem that they are not always able to attend meetings.	
Hollywood Sportsbook Holdings Group CEO - Mr Suren Rampersadh	Section 64 and 65- Establishment of the NGR / Objects and Functions of the NGR	<p>Not clear how NGR revamps the NGB. That the National Gambling Board must be revamped to be a strategic trading entity of the dti for regulating gambling.</p> <p>Replacing the board with a CEO will not achieve the proposals/ aims of the 2016 Policy document. There is no reason why the NGR is housed as a unit in the dti. There is no real basis for changing the NGB into NGR. NGR seems to be the same as the NGR, except that it has changed the name and has a CEO without a board. The Bill as it stands gives limited consultation between the Minister and the CEO.</p>	<p>The NGR will remain a Schedule 3A Public Entity in terms of the PFMA. The bill makes no mention of this.</p> <p>Kindly make reference to the justification in the agency rationalisation report and to various governance models in the dti and financial service industry where the AA comprises of one person or two individuals as CEO or Deputy CEO.</p> <p>Functions of the NGR-it is agreed that transitional arrangements are necessary to manage the transitional process</p>

		<p>The NGR has no governing body. It only has a CEO. It is undesirable that such power be vested in 1 person without the benefits of accountability that arise from decisions taken by a lawfully appointed committee or council.</p> <p>Functions of the NGR – there is duplication of sections, in particular section 65(2). There is no transitional provision to cater for the situation if no CEO is appointed. There should be a transitional provision that the Chairperson of the dissolved NGB shall be the CEO of the NGR until further appointment by the Minister.</p> <p>Section 65 (3) (c)(i) bars a person from being appointed CEO of the NGR if she or he has or acquires a</p>	<p>Section 65(3)(c)(i)- agree. The paragraph should end making with the addition of <i>‘and any other provincial legislation in terms of which licenses are issued’</i>.</p> <p>DTI to address: <i>Textual repetitions in section 65. Section 65(4) has a prefix such as may or must whereas the proposed new sub sections (d)-(n) do not.</i></p>
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		<p>direct or indirect financial interest in license issued in terms of this Act. The exclusion should operate if the person has or acquires an interest issued under the National Gambling Act and any other legislation in terms of which licenses are issued.</p> <p>Textual repetitions in section 65. Section 65(4) has a prefix such as may or must whereas the proposed new sub sections (d)-(n) do not.</p>	
	Section 63A – Meeting Quorum	<p>Section does not address the difficulties experienced by Council. There are governance and policy concerns in quorum issues as the importance thereof is recognised by Canadian Courts. The power of the Council is significant.</p>	Same comments as above
	Section 21 A – Register of unlawful gambling operators	<p>The unlawful gambling operator needs to be defined to ensure that the provision is not interpreted to mean</p>	Agreed

		even licensed operator who fail to comply with the law. That would be undesirable consequences.	
	Section 27 - NCEMS	<p>There is no justification why the NGR must conduct the NCEMS and that has the effect of breaching the constitutional mandate to provinces in this regard.</p> <p>The provision also require collection of data regarding any betting activity which is too wide. Different betting platforms operate through their own unique and customised software. It will be herculean and expensive technological effort to design one central system to monitor all such systems and transactions.</p>	<p>This is an exclusive competence of National governance</p> <p>The assumption is premature because the envisaged NCEMS has not been designed. When NCEMS is designed for all modes of gambling the concerns will be taken into consideration.</p>
	Section 33 – Responsibilities of the NGR	The revised section 33 will confer power on the NGR to regulate interactive gambling.	Disagree- based on the fact that section 33 deals with NGR oversight

		There is no definition of interactive gambling although there is a definition in the National Gambling Amendment Act 2008 but that has not come into force. There is also a definition in the National Act. The proposed section 33 removes the constitutionally recognised powers of the provinces in relation to interactive gambling. i.e Section 33 is in conflict with Schedule 4 of the Constitution on concurrent jurisdiction.	powers over the PLAs compliance with National Gambling legislation. PLAs oversee the licensee's compliance with Provincial Legislation and National Gambling legislation. Therefore there is no conflict.
Keith Harvey	Section 27 - NCEMS	Casinos spent fortunes to create monitoring systems and now they are required to be linked to the central system and they must pay for that. It seems the approach is only meant to raise revenue for the regulator.	Disagree- refer to response to CASA.
	Section 27 – NCEMS	The proposed section 27(4)(b) is vague. The words “ <i>determine the extent of operation</i> ” section needs to be clearer. The writer is opposed to the	No comment.

		establishment of the NGR.	
	Section 62 (1) (g) – Functions of the NGR	The provision will impact on the constitution by subjecting provincial legislative work under supervision of the NGPC.	Disagree- the position expressed in the bill is supported
	Section 65 (4) (g) – Objects and Functions of the NGR	Minister’s powers to determine numbers of casino licences in the country cannot be delegated to the NGR or the NGPC or that NGPC decide on Regulations.	The powers are not delegated but this is done in consultation with the NGPC. NGPC do not decide on the Regulations but the Minister consults NGPC on Regulations also. Policy, legislation, norms and standards and Regulations as per Section 62 of the principal Act must be brought to NGPC.
	Section 65 (4) (h)	The NGPC has no powers to make norms and standards that will override legislation.	Norms and Standards are subordinate to primary legislation for as long as they are not in conflict with primary legislation they remain applicable. It is not everything that can be

			regulated in primary legislation and subordinate legislation and norms and standards are required to further expatiate on the implementation of primary legislation
	Section 65 (4) (i)	Does the proposal mean the NGR will recommend issues of uniformity and the NGPC will then make such uniform norms that will override provincial laws.	No
	Section 65 C – Committee of the NGR	It is not clear what the role of the Committee will be as a Committee is normally a Committee of a board. The NGR without a board is an autocracy.	Disagree- Make reference to BBBEE Act on the establishment of committees
	Section 66 A – Inter-Governmental relations with relation to gambling activities	The section must be phrased similar to section 22 of the Special Economic Zones Act, which lists respective Departments that will be engaged for purposed of intergovernmental relations.	Noted. The dti to consider the intention as set out in Section 22 of the SEZA
	Section 76 A – Powers of the	The proposed section 76A states that	No.

	national inspectorate	an inspector “ <i>may with or without an inspector appointed in terms of a provincial law and together with other enforcement agencies</i> ”. Does that mean they cannot go without other law enforcement agencies?	The NGR inspectors will need to be accompanied by law enforcement agencies who act in terms of their applicable legislation.
	Section 76 A (1) €	It appears the provision will create dual regulation that may amount to over-regulation.	Disagree- in the NGA as it reads empowers both National and Provincial to undertake enforcement.
	Section 76 A (3) and 8(3)	Is the proposed section 76A(3) not a duplicate of the proposed section 8(3) introduced by clause 2?	Section 8(3) and clause do not exist in this version of the bill.
North West Gambling Board Acting CEO – Seipone Motlhamme	Section 16 – Forfeiture of Unlawful Winnings	Unlawful winnings must be paid to the PLA affected in order to directly contribute towards combatting the ills like that in the province. The winnings must not go to the NGR.	Disagree- alternatively if provinces want to do this they should take on the responsibility for the confiscation, investigation and forfeiture process.
	Section 27 (5) (a) – NCEMS	the words “shall have” are missing in the provision.	Section 27 (5) A does not exist in this version of the bill
	Section 33 – Responsibilities of the NGR	The NGR is no longer qualified to consider LPMs in excess of 5	This concern is taken care of by Section 65 C of the bill.

		machines as that will subject decisions of board structures to one individual decision in the form of a CEO.	
Ralph McKelvin	Section 64 – Establishment of the NGR	The existing board has proved to be woefully incompetent, so creating a new body in the hope that they will do better is delusional.	Disagree
	Regulation of gambling industry	The regulation of bingo, casinos, LPMs and betting is unjustified. Corruption and bribery will rule the day as a result	Disagree
	Section 16 – Forfeiture of unlawful winnings	Forfeiture of unlawful winnings is the most outrageous draconian totalitarian proposal! This is just disgusting state violence and can never be condoned. The mere term “unlawful winnings” is offensive in the extreme.	Disagree
The South African Bookmakers' Association (SABA)	Section 21 A – Register of unlawful gambling operators	The register of unlawful gambling operator will serve no legitimate purpose and listing must happen after conviction. The provision may conflict	the dti to consider legal position.

		with the Protection of Personal Information Act, 2013.	
	Section 27- NCEMS	<p>No justification why the NCEMS must be extended to other modes of gambling. All other operators have systems that records data which is accessible by all provinces.</p> <p>Each gambling sector operates within significantly different parameters.</p> <p>A single NCEMS would therefore be required to make provision for a broad range of completely distinct categories of “significant events”, depending on the nature and manner of operation of the industry sector in question.</p> <p>The development of such a system would be extremely cumbersome, time-consuming and cost intensive, while delivering no identifiable benefit</p>	<p>There will be different NCEMS operators.</p> <p>Same response as above.</p> <p>It’s presumptuous that new technical standards will have to be developed</p>

		<p>to any end users.</p> <p>To the extent that the proposed amendments to section 27 contemplates that the NCEMS will be maintained by the NGR, which will collect and retain monitoring fees and generate reports in respect thereof, the provision in question will have the impractical effect of duplicating roles and responsibilities as between PLAs and the NGR.</p> <p>There is no need to develop a further single NCEMS, which would effectively replace all the prevailing technical standards, at great cost to all sectors of the industry. The proposed provision is not required and should therefore be deleted.</p>	
	Section 63 A – Meeting Quorum	The NGPC has failed to achieve its	Disagree- the position expressed in the

		<p>mandate and should be abandoned.</p> <p>The proposed section 63A is expected to entrench rather than to alleviate non-compliance with quorum related requirements.</p> <p>Corporate governance should be in place and enforced in relation to Council. Decisions affecting the industry may ultimately be made by only a handful of Council members.</p> <p>It is preferable to disband the Council.</p>	<p>bill is supported.</p>
	<p>Section 64 (2) – Establishment of the NGR</p>	<p>Centralised power vested on a single individual and no governing board. Trading entity of the dti under a leadership of a CEO. This will sacrifice a collective of decision-making powers based on established expertise in various critical functional areas</p>	<p>Kindly make reference to the justification in the agency rationalization report and to various governance models in the dti and financial service industry where the AA comprises of one person or two</p>

		relating to its overall mandate. This will result in a compromised capacity to deliver on statutory mandate and corporate governance. Risks in relation to procedurally fair administrative action.	individuals as CEO or Deputy CEO. The NGR will remain a Schedule 3A Public Entity in terms of the PFMA.
	Section 65 – Objects and Functions of the NGR	The mandate of the NGR is significantly wider and more ambitious. Issues of responsible gambling should be dealt with by the NGRP. Expansion of the NRGF would be preferable, funded by the mandatory contributions by the holder of the National Lottery licence.	Issues of NRGF have been deleted
	Section 65 (4)	Powers of the NGR are too wide considering the structure it will operate under. These powers include dealing with responsible gambling issues while there is a well-established body that is successful in dealing with responsible gambling issues. Instead of changing the NGB structure focus	Same response as above applicable

		must be placed on what were the root cause of the problems.	
	Section 65 C – Committee of the NGR	<p>It does not appear that it will be easy to constitute such a Committee. But it appears there may be a number of Committees who may come at a huge cost. But the Committee may not be in the interest of consistent and predictable decision making.</p> <p><i>Ad hoc</i> committees composed of unsuitably qualified professional persons. This is an apparent compensation for shortcomings of having a single executive decision maker. This has potential of logistical challenges and costs. Untested probity of Committee members. Scope of legal challenges. It is preferable to retain a governing board as with the NGB as this will result in predictability, consistency and continuity in decision-</p>	Disagree- Make reference to BBBEE Act on the establishment of committees.

		making.	
	Section 76A (1) (e) – Powers of the national inspectorate	It will not be proper for operators to be monitored for compliance by two Inspectorates.	Not true-compliance will still be conducted by provinces and if enforcement of unlicensed and /or illegal gambling activities will require not only provincial inspectorate but also national inspectorate. For example, when perpetrators are syndicate across the country, a national approach is required for national inspectorate to attend to
	Section 76 A (3) – Powers of the national inspectorate	Provision is superfluous as it repeats provisions in the Financial Intelligence Centre Act, No. 38 of 2001.	No Comment
SG Gaming Africa Pty Ltd Mr Ishmail Masoka: Director Compliance	Section 27 - NCEMS	Opposed to extension of NCEMS on other modes of gambling as the casinos, betting, bingo already have their own systems in place to collect and share data with regulators. Provision was meant to assist LPMs which are small business category	Same response as above

		with a centralized system.	
<p>Sun Slots</p> <p>Mr ALEX ABERCROMBIE</p> <p>CHAIRMAN OF THE BOARD</p>	Section 27 - NCEMS	<p>It is not proper to have a central system as that will take away competition in the industry. Route operators too are capable of managing their own monitoring system. The current provision on NCEMS must be removed on that ground.</p> <p>It is proposed that the same approach as applies to casinos and bingo operators be applied to route operators with regard to the monitoring of their machines and, as such, route operators should be permitted to use any commercially available monitoring system that has been certified as complying with the requirements of the National Gambling Act, No 7 of 2004 ("National Act") contemplated in Chapter 2, Part</p>	NCEMS will not lessen competition because it's a national competence and national regulatory function

		<p>D, Registration and certification of machines and devices.</p> <p>LPM Route Operators are able to have their own electronic monitoring systems which will not only enhance their business but provide real-time access to all of their machines nationwide. The suppliers of monitoring systems will also be encouraged to deploy the most technologically advanced systems. The PLA's can have access to all the information reasonably required by them.</p> <ul style="list-style-type: none">• The current system which is extremely costly to Route Operators and sometimes unreliable should be scrapped and the proposal above should be implemented.	
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		<ul style="list-style-type: none"> • LPM Route Operators to be able to have their own electronic monitoring systems • PLA's can have access to all information reasonably required by them • Accordingly, the submission that the current system which is costly to Route Operators and causes unreliability issues should be scrapped <p>As such Route Operators should be permitted to use any commercially available monitoring system that has certification and compliance with requirements of National Gambling Act, No 7 of 2004, Chapter 2, Part D, Registration and certification of machines and services</p>	
	Section 76 A (1) (e) – Powers of the national inspectorate	It is not clear how the national inspectorate will go about conducting	Not true; compliance will still be

		<p>compliance inspection as the provision is not sufficiently expanded. That is undesirable also because it will subject operators to dual inspections by two compliance authorities.</p> <p>No clarity is given as to the manner in which the NGR is to go about enforcing compliance with gambling laws. This is contrary to the principle of the rule of law as the NGR's powers are not sufficiently circumscribed. As the Constitutional Court held in Janse van Rensburg, 5 in striking down as unconstitutional the power of the Minister to prescribe an unfair business practice: "where a wide discretion is conferred upon a functionary, guidance should be provided as to the manner in which those powers are to be exercised"</p>	<p>conducted by provinces and if enforcement of unlicensed and /or illegal gambling activities will require not only provincial inspectorate but also national inspectorate.</p>
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		<p>Section 76A(1)€ would conflict with section 30(1) of the Act. It would also have the undesirable impact of subjecting licence holders to the jurisdiction of two different compliance enforcement authorities.</p> <p>This would not only expose licence holders to more than one disciplinary procedure in respect of the same conduct (as well as potentially different outcomes of the same enquiries based on differing interpretations and approaches by the respective authorities) but would also entail undue duplication of regulatory effort and cost.</p> <p>We therefore submit that this dual regulation would be inimical to the objective of streamlining the manner</p>	
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		in which gambling-related activities are regulated as well as the objective of promoting regulatory uniformity.	
	Section 87 - Regulations	<ul style="list-style-type: none"> • NGR to ensure new regulation cover all forms of gambling (Bingo, LPMs etc) • Special consideration be given in increasing the number of machines at sites and • Increase in stake and prize 	
Western Cape Gambling and Racing Board Mr Primo Abrahams	Section 76A(3) – Powers of the national inspectorate	Prohibition of financial institutions from processing payments of illegal operators is supported but the contravention should have been made illegal by amending section 82 and or 83.	Supported
	Section 62(1)(g) – Functions of the NGR	Albeit the rationale for the inclusion of the proposed Section 62(1)(g) is to ensure uniformity, it may offend the hierarchy of legislation and	The intention of this provision is within the spirit of cooperative governance when the legislator changes at both

		<p>concurrency of National and Provincial legislation on gambling in terms of the Constitution. We accordingly cannot support a legislative provision compelling Provincial legislatures to accord and amend their Provincial Acts to align with a National Policy or Notices issued by the Minister. As you know, Policy and Notices cannot trump legislation.</p>	<p>national and provincial levels relating to gambling.</p> <p>Both provincial and national government will consult each other</p>
	<p>Section 16 (4) – Forfeiture of Unlawful winnings</p>	<p>We recommend that unlawful winnings should be forfeited to the respective Provinces and not to the NGR. This is underscored by the fact that the NGR will no longer be financing rehabilitation and counselling programmes to curb and treat gambling addiction.</p>	<p>Disagree- alternatively if provinces want to do this they should take on the responsibility for the confiscation, investigation and forfeiture process.</p>

	Section 27 - NCEMS	The Bill is not mentioning the revenue sharing on the fees collected through the management of NCEMS as provinces are responsible for the management of the data and reconciliation of financial information on the CEMS system.	<p>The monitoring fee is for monitoring the machines, devices and systems.</p> <p>Therefore it is not rational that PLAs share revenues based on their use of the system.</p> <p>Policy position: Paragraph 4.2.6 A sharing formula may be developed for NGR to share the NCEMS revenue with PLAs.</p>
	Section 34 - Functions of the NGR	The proposed Section 34(5) and (6) has reference. The proposed substitution in subsection (5) as set out in Clause 24 (f) of the 2018 Bill, refers to the words” subparagraph (i)”. There is however no subparagraph (i)” in Section 34(5) of the Principal Act, nor any amendment in the 2008 National Gambling Act (inoperative) that refers to such a subparagraph. This must be rectified.	The dti to check drafting

		<p>The proposed subsection (6) as set out on clause 24 (g) of the 2018 Bill, refers to the words preceding” subparagraph(a)”. There is however no subparagraph (a)” in Section 34(6) of the Principal Act, nor any amendment in the 2008 National Gambling Act (inoperative) that refers to such a subparagraph. This must be rectified.</p>	
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<p>Western Cape Government Ministry of Finance</p>	<p>Section 16 – Forfeiture of unlawful winnings</p>	<p>The Explanatory Memorandum states that the forfeited winnings are used for the treatment of problem gamblers. It is therefore recommended that the Bill be amended to state that the winnings are to be used for the treatment of problem gamblers. This should not</p>	<p>This requires amendment because the provisions related to the rehabilitation programme have been deleted</p>
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		only be stated in the Explanatory Memorandum.	
	Section 16(4)(b)	<p>The NGR should be required to apply to the High Court for an order declaring the winnings forfeited. Courts are experts in adjudicating matters and assessing evidence.</p> <p>In case of unlawful winnings, it is arguable that the proposed subsection (4)(b) would be inconsistent with the provisions of the Prevention of Organised Crimes Act 1998 (POCA)., which requires the state to apply to the High Court for an order which authorises the forfeiture of property (this term includes money and thus winnings).</p> <p>It is noted that “any offence under any legislation dealing with</p>	<p>An alternative would be to establish a quasi-judicial forum and reference may be made to North West gambling Act wherein the MEC in the North West province is able to establish adhoc gambling tribunal in order to provide for alternative dispute resolution which is less costly than applying to the high court at first instance.</p>

		<p>gambling, gaming or lotteries” falls within the ambit of POCA. (Item 10 of Schedule 1 to POCA)</p> <p>In terms of provincial legislation, any proceeds of illegal gambling and other unlicensed activities are forfeited to the Province. Section 77 of the WC Gambling Act is an example.</p> <p>It is thus recommended that the forfeited winnings be forfeited to the Province and not the NGR. The reason being that the PLAs impose and enforce conditions on licensees to fund and treat gambling addiction.</p>	
	<p>Section 21A – Register of unlawful gambling operators</p>	<p>On what grounds will the operators be placed on the register? Will the operators be informed of the NGR’s</p>	<p>Operators will be placed on the register after conviction in court.</p> <p>It may be worthwhile to make reference to</p>

		<p>intention to place them on the register and afford them an opportunity to motivate why their names should not be placed on the register?</p> <p>Revise clause to provide clarity on this.</p>	<p>the conviction in the bill.</p>
	<p>Section 26 and 26(2)(e)</p>	<p>There should be consultations with Provincial Ministers as well.</p> <p>Further, the National Minister should only consult with the NGR to determine the circumstances in which a site may be licensed and, for that purpose, may establish different categories of sites, and different requirements with respect to each such category.</p>	<p>Disagree-this is an operational and licensing matter that doesn't require ministerial approval</p>
		<p>The National Gambling Policy,</p>	<p>No comment- The provision in the National</p>

	<p>Section 27 (section 27(1)(c) - NCEMS</p>	<p>published in 2016 referred to a fee-sharing arrangement between the National Gambling Board and the provincial fiscus.</p> <p>Paragraph 4.2.6 of the National Gambling Policy refers to revenue-sharing between the NGR and PLAs to share the CEMS revenue. However the Bill is silent on this issue.</p> <p>The National Gambling Policy recognises that the majority of comments received during the process of comment on said policy, recommended that the CEMS responsibility be left to provinces or that operators be left to develop their own CEMS similar to casinos.</p> <p>The position in the Western Cape is</p>	<p>Gambling Policy is not peremptory. On this basis non-incorporation of the revenue sharing provision in the bill is of no consequence.</p>
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		<p>to emphasise the importance of concluding proper contractual arrangements around the NGR's acquisition of intellectual property from any service provider appointed during the "knowledge acquisition" phase and to impress on the revenue-sharing with provinces, as provinces are responsible for the management of the data and reconciliation of financial information on the NCEMS system.</p>	
	<p>Section 33 – section 33(l) – Responsibilities of the NGR</p>	<p>The proposed section 33(l) confers the power on the NGR to consider "applications and motivations from the provincial licensing authorities for acquisition of additional limited payout machines, for purposes of compliance with the approved criteria".</p> <p>What is the ambit of the powers</p>	<p>NGR will continue considering Type B and Type C applications.</p> <p>It will approve the provincial applications based on the first criteria for LPMs in excess of 5.</p>

	<p>conferred on the NGR in relation to Type B and c of the LPMs? Will the NGR test or evaluate criteria or must it approve applications for LPMs in excess of five, as currently provided for in regulation 3(2) of the Regulations on the LPM 2000?</p> <p>The NGP includes a number of additional regulatory functions to be performed by the NGR. During the Department's deliberations with Gambling Regulators on 23 September 2015, it was agreed that norms and standards would be set to outline the considerations that PLAs must take into account in considering Type B and C LPM site applications. This will address concerns highlighted in the NGP around harm minimisation and ensure national harmony.</p>	
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<p>ITHUBA Mrs. Charmaine Mabuza (Ithuba CEO)</p>	<p>Section 36 - Conflicting Exercises of concurrent jurisdiction</p>	<p>We submit that this section should be enhanced to allow the Council to also facilitate between the NLC and one or more provincial licensing authorities as well.</p>	<p>Policy issue to be considered.</p>
	<p>Section 62 - Functions of the National Gambling Policy Council</p>	<p>Similarly we believe that this section should be enhanced to include disputes between the NGR and or provincial licensing authorities and the NLC and/or the National Lottery Operator.</p>	<p>Policy issue to be considered.</p>
	<p>SECTION 66A - Intergovernmental Relations in relation to gambling activities</p>	<p>We submit that this section should include the NLC, even though it could be suggested that this is implied, we believe it should be made more explicit.</p>	<p>Policy issue to be considered</p>
<p>GAUTENG OFF-COURSE AND WESTERN CAPE BOOKMAKERS' ASSOCIATION</p>	<p>Section 65A - Chief Executive Officer and Deputy Chief Executive Officer</p>	<ul style="list-style-type: none"> • Centralised power vested in a single individual (s 65B(2)) • No governing board 	

MS GIBSON		<ul style="list-style-type: none"> • Sacrifice of collective decision-making powers, based on established expertise in various critical functional areas relating to its overall mandate • Resultant compromised capacity to deliver on statutory mandate • Risks in relation to procedurally fair administrative action 	
	SECTION 27 - NCEMS	<ul style="list-style-type: none"> • The development of a single CEMS in respect of all gambling modes will therefore serve no regulatory purpose and provide no additional benefits, as all the information required by the regulator in respect of each 	Same as above on NCEMS.

		<p>industry sector is currently available.</p> <ul style="list-style-type: none"> • Each gaming sector operates within significantly different parameters. • A single CEMS would therefore be required to make provision for a broad range of completely distinct categories of “significant events”, depending on the nature and manner of operation of the industry sector in question. <p>The development of such a system would be extremely cumbersome, time-consuming and cost-intensive, while delivering no identifiable benefit to any of its users</p>	