GAMBLING SECTOR PERFORMANCE IN SOUTH AFRICA

FY2017/18

SUMMARY

NGB
National Gambling Board
South Africa
a member of the dti group

CONTENTS

Foreword by the
Accounting Authority

Ms Caroline Kongwa

One of the key responsibilities of the National Gambling Board (NGB), as mandated by the National Gambling Act (NGA), 2004 (Act 7 of 2004), Section 65(2)(e), is to monitor market conduct and market share in the South African gambling industry. In doing so, the NGB gathers national gambling statistics and information related to market conduct and market share from all Provincial Licensing Authorities (PLAs).

This enables the NGB to publish audited statistics annually on its website to keep its stakeholders and the public informed about turnover, the generation of Gross Gambling Revenue (GGR), the collection of taxes/levies, as well as return to player.

Further to this, the collection of detailed information per gambling operator, province and mode enables the NGB to map the size and nature of the South African gambling industry, as well as to monitor trends and growth in the various gambling sectors. The NGB has successfully managed to compile comprehensive reports since FY2012 on the status and growth of the gambling industry, as well as share the latest trends with its external stakeholders and the public.

The NGB has pleasure in sharing the latest trends related to gambling sector performance and especially national gambling statistics and market conduct information as at the end of Financial Year (FY) 2017/18 (1 April 2017 to 31 March 2018). We trust that our stakeholders and the public will find the content informative, useful and beneficial.

The NGB would also like to extend its gratitude to all PLAs for submitting information and statistics as required, without which this report would not have been possible.

Ms Caroline Kongwa
Accounting Authority

ACKNOWLEDGEMENTS

The following Provincial Licensing Authorities contributed to the compilation of this report by submitting audited provincial gambling statistics and information related to market conduct and market share:

- Eastern Cape Gambling and Betting Board
- Free State Gambling and Liquor Authority
- Gauteng Gambling Board
- KwaZulu-Natal Gaming and Betting Board
- Limpopo Gambling Board
- Mpumalanga Economic Regulator
- Northern Cape Gambling Board
- North West Gambling Board
- Western Cape Gambling and Racing Board

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ACRONYMS

B-BBEE	Broad-Based Black Economic Empowerment
EBT	Electronic Bingo Terminal
FY	Financial Year
GDP	Gross Domestic Product
GGR	Gross Gambling Revenue
LPM	Limited Payout Machine
N/A	Not Applicable
NCEMS	National Central Electronic Monitoring System
NGA	National Gambling Act, 2004 (Act 7 of 2004)
NGB	National Gambling Board
PLA	Provincial Licensing Authority
Qrt	Quarter
RTP	Return to Punter
the dti	the Department of Trade and Industry
TO	Turnover
YoY	Year on Year

EXPLANATORY NOTES

TERM	EXPLANATION
Bingo	Bingo means a game played in whole or in part by electronic means that is played using cards or other devices; that are divided into spaces each of which bears a different number, picture or symbol; and which are arranged randomly such that each card or similar device contains a unique set of numbers, pictures or symbols; in which an operator calls or displays a series of numbers, pictures or symbols in random order and the players match each such number, picture or symbol on the card or device as it is called or displayed; and the player who is first to match all the spaces on the card or device, or who matches a specified set of numbers, pictures or symbols on the card or device, wins a prize.
Bookmaker	A bookmaker, bookie or turf accountant is a person or organisation that takes bets on various events or contingencies such as horse racing, football, rugby union or marriages, births, names, divorces and even in extreme cases deaths etc. at agreed upon odds (fixed odds). A bookmaker may be licensed to operate on or off-course, that is at licensed premises, other than a race course.
Casino	A casino is a facility which is licensed to house and accommodate certain types of licensed casino style slots and table gambling games.

TERM	EXPLANATION
Employment (direct)	Key (licensed) and other gaming (licensed) employees.
Gambling machine/slot machine used interchangeably	A slot machine, informally known as a fruit machine, is a casino gambling machine with three or more reels which spin when a button is pushed or a handle is pulled (older mechanical types). These slot machines are also known as one-armed bandits because of the one lever on the side of the machine (the arm) and because of their ability to leave the gamer penniless (bandit). The machine pays off based on patterns of symbols visible on the front of the machine when it stops. Slot machines are the most popular gambling method in casinos and constitute about 80% of the average casino's income.
Gross Gambling Revenue (GGR)	Gross gambling revenue is defined as the Rand value of the gross revenue of an operator in terms of turnover less winnings paid to players.
Horse racing	Horse racing is the sport in which horses and their riders take part in races, typically with substantial betting on the outcome.
Licenced (all modes and outlets)	Licensed is when a person or company is in possession of a valid licence, registration card or certificate allowing him/them to offer approved gambling activities within licensed premises to over 18 year old persons.
Limited Payout Machine (LPM)	Limited payout machine means a gambling machine outside of a casino in respect of the playing of which the stakes and prizes are limited.
Route Operator (RO)	Route operator is a juristic person which is licensed to own and operate limited payout machines, maintain and effect the collection of money and paying of taxes and levies in respect of all machines under its licence.
Site Operator (SO)	Site operator is a natural or juristic person licensed to manage limited payout machines owned by a route operator on his licensed premises (also known as a site) and to make them available to be played by members of the public.
Table game	In casinos, the term table game is used to distinguish games such as blackjack, craps, roulette and baccarat that are played on a table and operated by one or more live dealers like a croupier or poker dealer.
Taxes/levies	Gambling tax levied by and collected by provincial licensing authorities.
Totalisator/ Pari-Mutuel betting used interchangeably	Totalisator is the name for the automated pool betting system which runs pari-mutuel betting, calculating payoff odds, displaying them, and producing tickets based on incoming bets. Parimutuel betting (from the French: Pari Mutuel) is a betting system in which all bets of a particular type are placed together in a pool; taxes and the "house-take" are removed, and payoff odds are calculated by sharing the net pool among all winning bets.
Turnover (TO)	Turnover is the rand value of money wagered. This includes "recycling" which refers to amounts that are staked on more than one occasion). "TO" in the fixed odds/bookmaking environment is, however, different from other forms of gambling in that the amount of money crossing the table is NOT seen as turnover, because the amount of money staked / wagered / bet on an event is returned to the player should the player win the wager / bet, so a true description of turnover in fixed odds/bookmaking parlance is money wagered minus the stakes wagered on winnings bets = fixed odds/bookmaking turnover.

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EXECUTIVE SUMMARY

The National Gambling Board (NGB) is mandated by the National Gambling Act (NGA), 2004 (Act 7 of 2004), Section 65(2)(e) to monitor market conduct and market share relative to gambling at casinos, betting on horse racing and sport, Limited Payout Machines (LPMs) and bingo. The following key trends were reflected relevant to Financial Year (FY)2013/14 to FY2017/18 based on audited information.

A total number of 38 casinos were operational as at 31 March 2018 out of 41 casino licences granted. The number of operational gambling positions in casinos (slots and tables) decreased by 1.1% from FY2015/16 (33 618) to FY2016/17 to 33 249, but increased by 8.1% from FY2016/17 to FY2017/18 (35 929). GGR generated in the casino sector represented 64.0% of the total amount of GGR generated in FY2017/18 compared to the other legalised gambling sectors. GGR increased by 5.8% from FY2014/15 to FY2015/16, decreased by 1.8% to FY2016/17, but increased by 2.9% in FY2017/18. The amount of GGR generated in the casino sector during FY2017/18 was R 18 417 094 967 and taxes/levies collected R 1 877 683 303.

GGR generated in the betting on horse racing and sport sector represents 21.3% of the total amount of GGR generated in FY2017/18 compared to the other legalised gambling sectors. The betting on horse racing and sport industry recorded growth in GGR generated by 28.5% from FY2014/15 to FY2015/16, an increase by 14.3% from FY2015/16 to FY2016/17, and a substantial increase by 20.7% from FY2016/17 to FY2017/18. This is mainly as a result of major increases in the generation of GGR by bookmakers offering betting on sport. GGR generated by bookmakers offering betting on sport increased by 50.9% from FY2014/15 to FY2015/16, by 22.0% to FY2016/17, and by 35.4% to FY2017/18. The amount of GGR generated in the betting industry during FY2017/18 was R 6 136 832 908. The amount of taxes/levies collected from the betting sector during FY2017/18 were R 499 817 351.

The number of licensed active LPMs increased by 6.4% from FY2014/15 (10 279) to FY2015/16 (10 934), by 5.2% to 11 502 (FY2016/17), and by 3.4% to 11 896 as a result of increases in all provinces except KwaZulu-Natal and Northern Cape. The total Rand value of GGR generated in the LPM sector during FY2017/18 was R 2 960 822 948. This amount represented 10.3% of the total amount of GGR generated by all gambling modes. GGR in the LPM sector increased by 13.7% from FY2014/15 (R 2 079 338 389) to FY2015/16 (R 2 363 501 788), by 14.1% to R 2 696 846 443 in FY2016/17 and by 9.8% to R 2 960 822 948 in FY2017/18. The total Rand value of taxes/levies collected by PLAs from the LPM sector during FY2017/18 was R 392 262 823.

An increase of 12.3% was noted from FY2014/15 (5 369) to FY2015/16 (6 032), an increase of 7.7% in FY2016/17 (6 497) and an increase by 31.1% to 8 520 from FY2016/17 to FY2017/18 in terms of the number of operational bingo positions. Overall, more EBTs (6 543) were operational than traditional bingo positions or seats (1 977) as at 31 March 2018. The total Rand value of GGR generated by the bingo sector during FY2017/18 was R 1 248 509 057, representing 4.3% of the total amount of GGR generated by all licensed gambling modes. An increase by 52.5% was recorded in the generation of GGR in the bingo sector from FY2013/14 to FY2014/15 (R 1 116 673 081), but a decrease of 16.2% was recorded from FY2014/15 (R 1 116 673 081) to FY2015/16 (R 936 166 348). In contrast, an increase by 36.6% was recorded in the generation of GGR from FY2015/16 to FY2016/17 (R 1 278 664 383), but a decrease by 2.4% noted from FY2016/17 to FY2017/18 (R 1 248 509 057). The total Rand value of taxes/levies collected from the bingo sector by PLAs during FY2017/18 was R 129 221 043.

Overall and inclusive of all gambling modes, the generation of GGR increased by 8.8% to R 26,0 billion from FY2014/15 to FY2015/16, by 3.8% to R 27,0 billion in FY2016/17, and by 6.7% to R 28,8 billion in FY2017/18. In general, the collection of taxes/levies increased by 11.9% to R2,8 billion from FY2014/15 to FY2015/16, however decreased by 1,0% to R 2,7 billion in FY2016/17, and increased by 5.7% to R 2,9 billion in FY2017/18.

During the financial year FY2017/18 from the 1st Quarter to the 4th Quarter, there was robust growth in GGR (quarter-on-quarter) from all modes of gambling except the bingo sector, although this growth shrunk from 11% in FY2017/18 Qtr3 to 8% in FY2017/18 Qtr4. After recording four consecutive quarters of robust growth in 2017, Statistics South Africa reported that the South African economy wobbled in the first quarter of 2018, shrinking by 2.2%.

Based on information gathered for FY2017/18, the casino sector, Gauteng, Western Cape, KwaZulu-Natal and Eastern Cape provinces accounted for the highest numbers in terms of direct employment in the South African gambling industry out of a total number of 27,910. The average B-BBEE status or level of the South African gambling industry as at 31 March 2018 per gambling mode and operator was casinos at 1.8, totalisators at 4.0, LPMs at 2.8 and bingo at 2.9.

SNAP SHOT OF THE GAMBLING INDUSTRY FY2016/17 AND FY2017/18

Variable	FY2016/17 Market conduct – as at Quarter 4 Statistics – Total all Quarters	FY2017/18 Market conduct – as at Quarter 4 Statistics – Total all Quarters	FY2017/18 Quarter 1	FY2017/18 Quarter 2	FY2017/18 Quarter 3	FY2017/18 Quarter 4
Number of operational casinos	38	38	38	38	38	38
Number of operational slots (casinos)	23 697	25 195	25 347	25 149	25 197	25 195
Number of operational tables (casinos)	907	976	948	954	964	976
Number of operational gambling positions (casinos)	33 249	35 929	35 384	35 804	35 461	35 929
Number of operational totalisator outlets	456	382	406	390	392	382
Number of operational bookmakers	266	284	277	287	285	284
Number of operational bookmaker outlets	515	542	522	544	544	542
Number of operational Limited Payout Machine (LPM) site operators	2 188	2 211	2 174	2 175	2 160	2 211
Number of active LPMs	11 502	11 896	11 636	11 864	11 836	11 896
Number of operational bingo outlets	37	50	42	45	49	50
Number of operational bingo positions	6 497	8 520	7 245	7 374	7 869	8 520
Traditional Bingo	1 888	1 977	1 793	1 566	1 602	1 977
Electronic Bingo Terminals	4 609	6 543	5 452	5 808	6 439	6 543
National gambling statistics: Turnover	R 372 987 955 104	R 389 799 128 064	R 93 403 553 084	R 95 545 644 119	R101 800 396 777	R 99 049 534 084
National gambling statistics: GGR generated	R 26 958 161 784	R 28 763 259 881	R6 791 722 455	R 7 150 047 247	R 7 567 345 856	R 7 254 144 324
National gambling statistics: Taxes/levies collected	R 2 743 112 930	R2 898 984 519	R 688 045 653	R 715 095 308	R 762 530 232	R 733 313 326

CHAPTER 1

INTRODUCTION

1.1 The National Gambling Board (NGB) is mandated by the National Gambling Act (NGA), 2004 (Act 7 of 2004), Section 65(2)(e) to monitor market conduct and market share in the South African gambling industry.

1.2 NGB monitors market conduct (number of gambling positions and outlets in the South African gambling sector), and also gathers and analyses national gambling statistics in terms of turnover (TO), Gross Gambling Revenue (GGR) and the collection of taxes/levies. The NGB website is updated with a detailed Power Point presentation annually, which is based on audited information representative of that financial year.

1.3 The scope of this report covers information (market conduct and national gambling statistics) related to the following legalised gambling modes in South Africa (as regulated by the NGB) for Quarters 1, 2, 3 & 4 of FY2017/18 and trends over time:

1.3.1 Casinos (tables and slots).

1.3.2 Betting on horse racing and sport (offered by bookmakers and totalisators, on and off course).

1.3.3 Limited Payout Machines (LPMs).

1.3.4 Bingo (traditional and Electronic Bingo Terminals (EBTs)).

1.4 Quarterly statistics are sourced from Provincial Licensing Authorities (PLAs). FY2017/18 (Quarters 1, 2, 3 & 4). Information in this report is based on audited data.

1.5 The board cannot be held responsible for the correctness of information (refer to the disclaimer).

1.6 The information in this report is applicable to the period of 1 April 2017 to 31 March 2018 (referred to as FY2017/18), whereas quarters are representative of the following specific periods:

1.6.1 Quarter 1: 1 April 2017 – 30 June 2017

1.6.2 Quarter 2: 1 July 2017 – 30 September 2017

1.6.3 Quarter 3: 1 October 2017 – 31 December 2017

1.6.4 Quarter 4: 1 January 2018 – 31 March 2018

1.7 The purpose of this report is to provide a summary regarding the status and performance of the South African gambling sector (excluding the National Lottery) in terms of market conduct and national gambling statistics (1 April 2017 to 31 March 2018), as well as trends over time.

CHAPTER 2
NATIONAL GAMBLING STATISTICS

2.1 INTRODUCTION

2.1.1 The purpose of this section is to provide an overview of national gambling statistics (per gambling mode and province) based on provincial gambling statistics submitted by all PLAs during the reporting periods as indicated.

2.2 TURNOVER PER GAMBLING MODE AND PROVINCE, FY2017/18

2.2.1 A total amount of R 389 799 128 064 was wagered in FY2017/18. Casinos accounted for the highest TO at 71.0% by comparison with all other gambling modes in FY2017/18 (Figure 1). Gauteng accounted for the highest amount of TO in respect of all gambling modes, the total percentage being 44.4% as compared to other provinces. Although Gauteng represented the highest amount of turnover relative to casinos (44.4%), betting on horse racing and sport (63.7%), and bingo (47.1%), the highest amount of money in the LPM sector was wagered in Western Cape (26.7%).

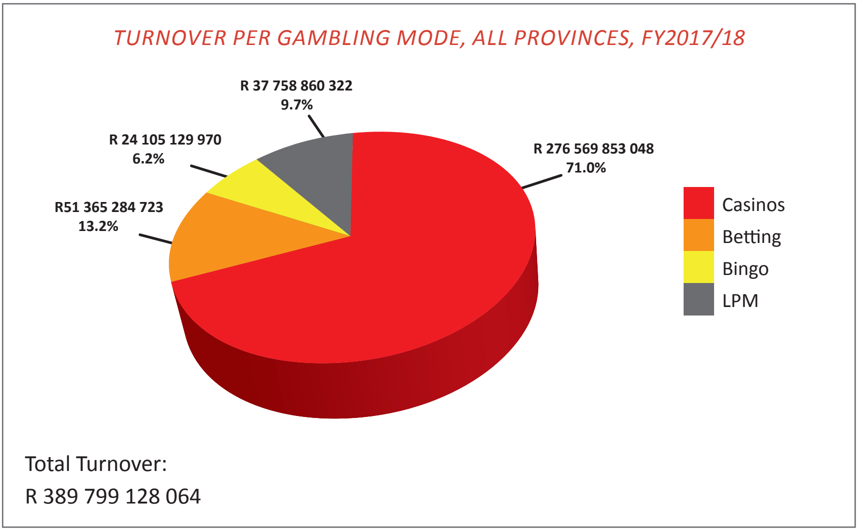


Figure 1: Turnover per gambling mode, all provinces, FY2017/18

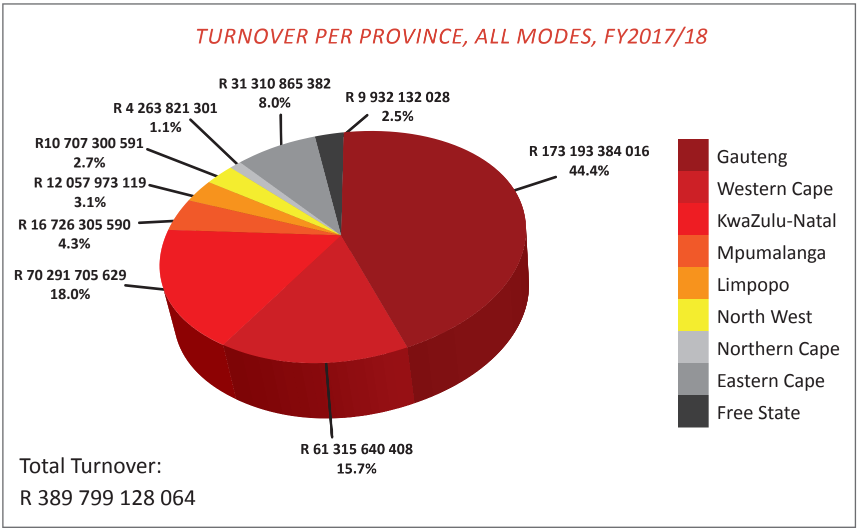


Figure 2: Turnover per province, all modes, FY2017/18

2.3 GROSS GAMBLING REVENUE PER GAMBLING MODE AND PROVINCE, FY2004/05 – FY2017/18

2.3.1 GGR increased by 8.8% from R 23,9 billion in FY2014/15 to R 26,0 billion in FY2015/16, by 3.8% to R 27,0 billion in FY2016/17, and by 6.7% to R 28,8 billion in FY2017/18. A total amount of R 28 763 259 881 was generated during FY2017/18.

2.3.2 During FY2017/18, casinos accounted for the highest GGR generated, being 64.0% as compared to other gambling modes. Compared to all other provinces, Gauteng at a 41.9% share, accounted for the highest amount of GGR generated. The GGR per gambling mode and province, as well as the trends over time are reflected in figures 3, 4 and 5.

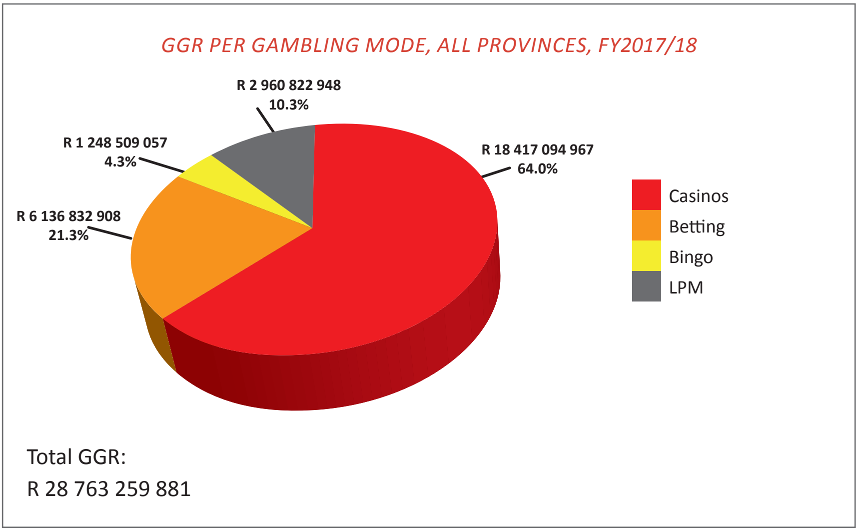


Figure 3: GGR per gambling mode, all provinces, FY2017/18

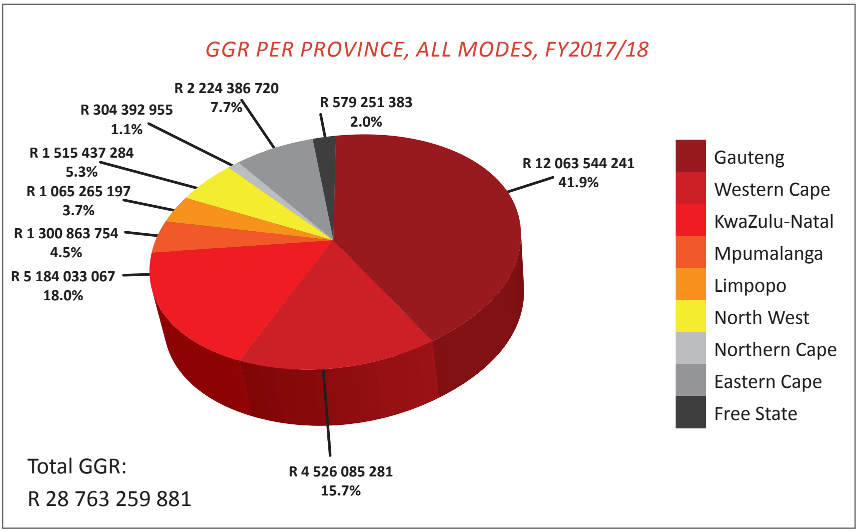


Figure 4: GGR per province, all modes, FY2017/18

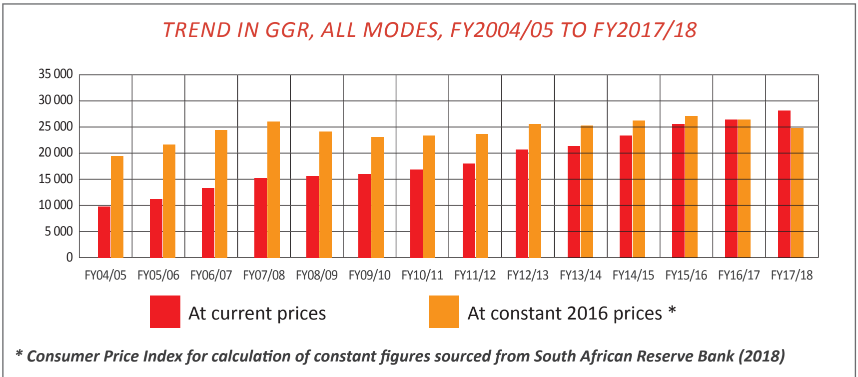


Figure 5: Trend in GGR (all modes), FY2004/05 to FY2017/18

2.3.3 Analysis of the increase in GGR and gambling positions per gambling mode during the period FY2014/15 to FY2017/18 reflected the following growth and trends as shown in figures 6 & 7:

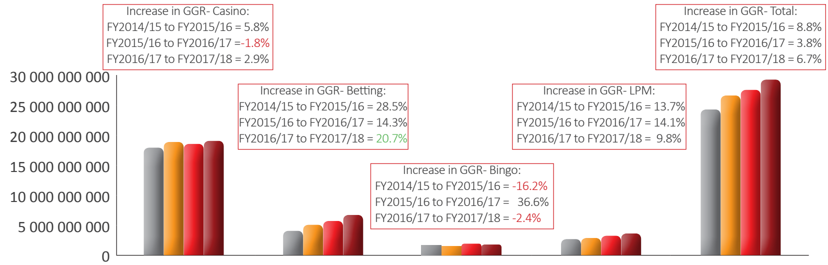
i. Casino GGR increased by 5.8% from FY2014/15 to FY2015/16, but decreased by 1.8% to FY2016/17. However, positive growth was noted from FY2016/17 to FY2017/18 (by 2.9%).

ii. Compared to FY2016/17, the growth in GGR generated in the LPM industry for FY2017/18 has dropped slightly i.e. by 14.1% from FY2015/16 to FY2016/17, and by 9.8% from FY2016/17 to FY2017/18.

iii. The betting on horse racing and sport industry recorded growth in GGR generated by 28.5% from FY2014/15 to FY2015/16, an increase by 14.3% from FY2015/16 to FY2016/17, and a substantial increase by 20.7% from FY2016/17 to FY2017/18. This is mainly as a result of major increases in the generation of GGR by bookmakers offering betting on sport.

iv. The bingo industry showed the highest growth (in percentage) in the generation of GGR from FY2015/16 to FY2016/17 (by 36.6%), however negative growth was recorded (by -2.4%) from FY2016/17 to FY2017/18.

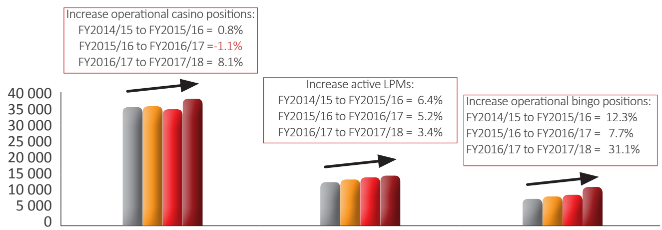
INCREASE IN GGR (ALL MODES): FY2014/15 - FY2017/18



	GGR Casino	GGR Betting	GGR Bingo	GGR LPM	TOTAL
GGR, FY2014/15	17 234 928 081	3 462 994 717	1 116 673 081	2 079 338 389	23 893 934 269
GGR, FY2015/16	18 236 685 695	4 448 765 756	936 166 348	2 363 501 788	25 985 119 588
GGR, FY2016/17	17 900 747 071	5 085 630 664	1 278 664 383	2 696 846 443	26 961 888 560
GGR, FY2017/18	18 417 094 967	6 136 832 908	1 248 509 057	2 960 822 948	28 763 259 881

Figure 6: Increase in GGR, all modes (FY2014/15 – FY2017/18)

INCREASE IN THE NUMBER OF OPERATIONAL GAMBLING POSITIONS IN THE CASINO, LPM & BINGO SECTORS: FY2014/15 - FY2017/18



	Casino	Limited payout machines	Bingo
Operational positions, FY2014/15	33 360	10 279	5 369
Operational positions, FY2015/16	33 618	10 934	6 032
Operational positions, FY2016/17	33 249	11 502	6 497
Operational positions, FY2017/18	35 929	11 896	8 520

Figure 7: Increase in the number of gambling positions in the casino, LPM & bingo sectors (FY2014/15 – FY2017/18)

2.3.4 Figure 8 illustrates the real growth in GGR per gambling mode over the past financial years. Overall, real growth in GGR fell across all modes except for betting in FY2017/18. Betting GGR grew by 6.2% between FY2016/17 and FY2017/18 whilst it fell by 14.1% for bingo, 9.5% for casino and 3.4% for LPMs. Growth in gambling revenues has generally followed slow trends due to decrease in incidence of gambling over the years and increase in illegal gambling participation which has an impact on the legal fraternity.

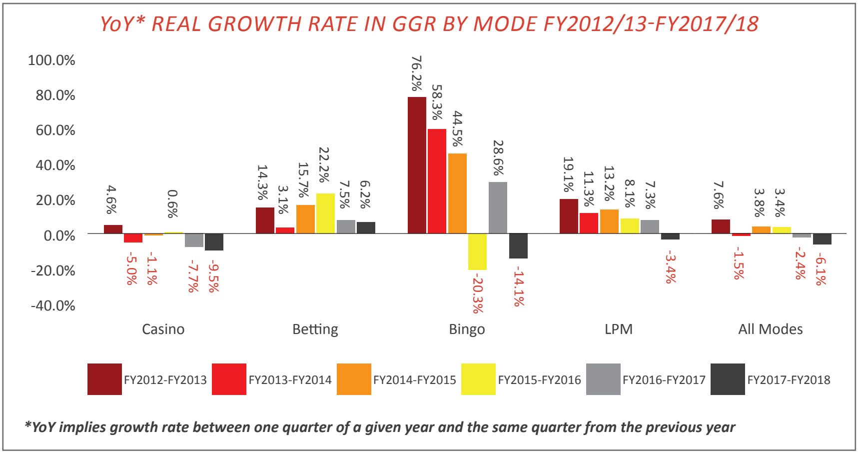


Figure 8: Real growth in GGR all modes (FY2012/13-FY2017/18)

2.3.5 The NGB also monitors the movement of the real GGR from all modes of gambling against the real GDP (which takes into account inflation) as reflected in figure 9. During the financial year FY2017/18 there was robust growth in GGR although this growth shrunk from 11% in FY2017/18 (Quarter 3) to 8% in FY2017/18 (Quarter 4). After recording four consecutive quarters of robust growth in 2017, Statistics South Africa reported that the South African economy wobbled in the first quarter of 2018, shrinking by 2.2%.

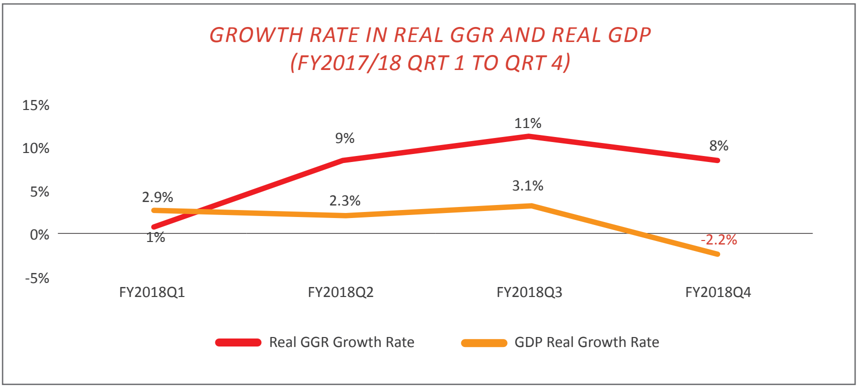


Figure 9: GGR growth rate and GDP growth rate (FY2017/18 Qrt1 to Qrt 4)

2.3.6 Figure 10 illustrates that there is a decline in the share in total GGR of casinos from FY2009/10 to FY2017/18 compared to a steady increase relative to the betting, LPM and bingo sectors.

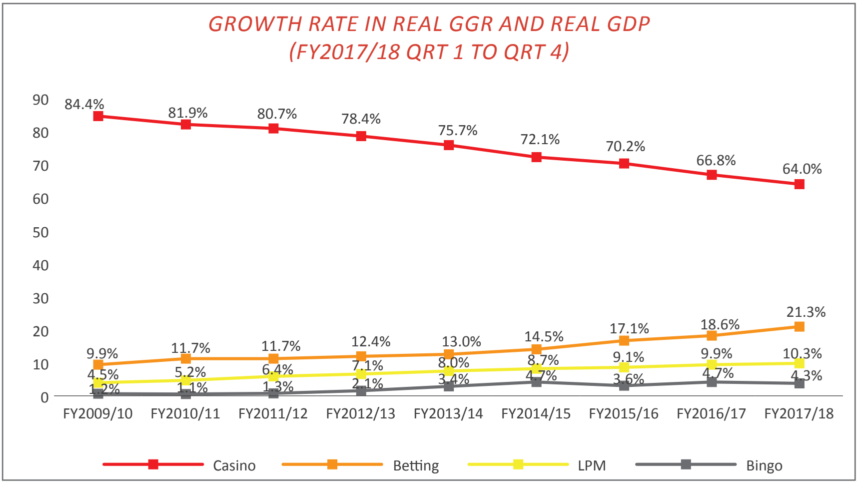


Figure 10: Trend in share of total GGR, comparison all modes (FY2009/10 – FY2017/18)

2.4 TAXES/LEVIES CONTRIBUTION PER GAMBLING MODE AND PROVINCE, FY2001/02 – FY2017/18

2.4.1 Taxes/levies increased by 11.9% from R 2,5 billion in FY2014/15 to R 2,8 billion in FY2015/16, however, decreased by 1.0% to R 2,7 billion in FY2016/17, but increased by 5.7% to R 2,9 billion in FY2017/18. A total amount of R 2 898 984 519 in taxes/levies was collected during FY2017/18. During FY2017/18, at 64.8%, casinos contributed the highest amount of taxes/levies paid by comparison with other gambling modes. At 37.2% Gauteng accounted for the highest amount of taxes/levies paid compared to all other provinces. Taxes/levies collected per gambling mode and province are reflected in figures 11 and 12.

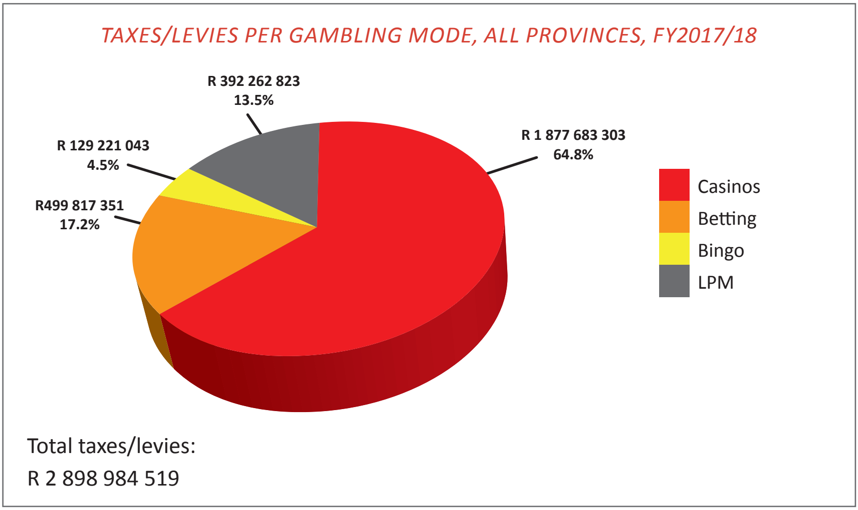


Figure 11: Taxes/levies per gambling mode, all provinces, FY2017/18

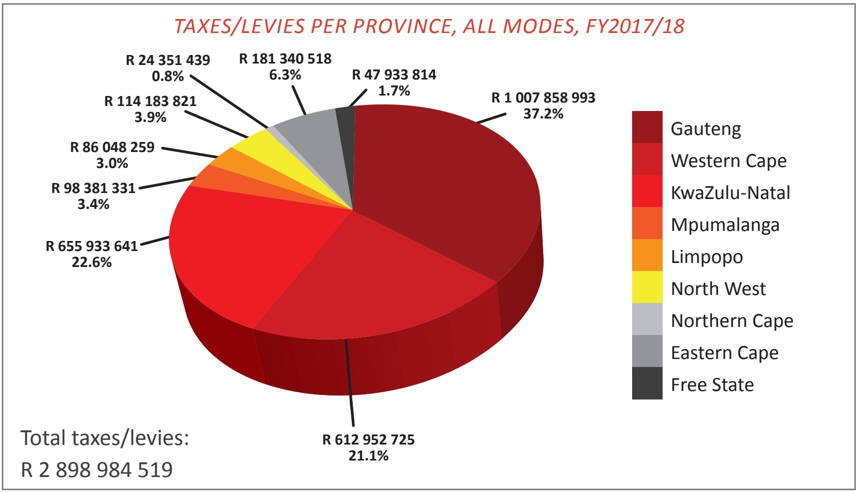


Figure 12: Taxes/levies per province, all modes, FY2017/18

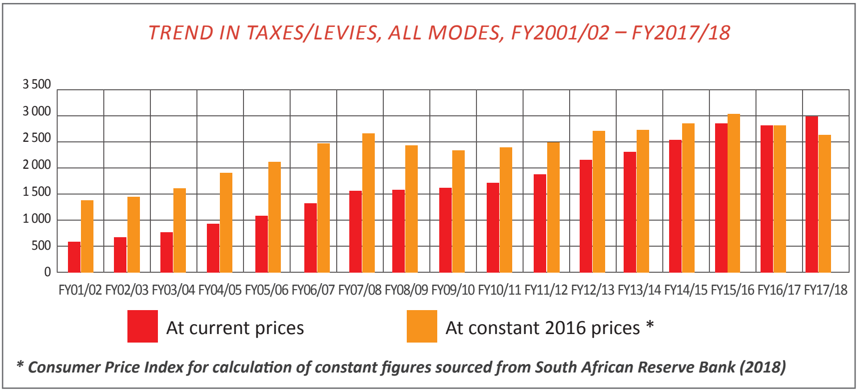
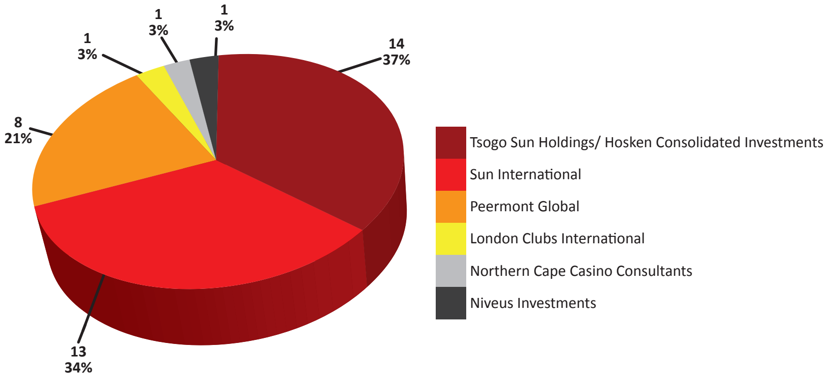


Figure 13: Trend in taxes/levies per province (all modes), FY2001/02 – FY207/18

2.5 MARKET SHARE

2.5.1 As at 31 March 2018 a total number of 38 casinos (out of a maximum of 41 licenses) were operational in South Africa. The controlling shareholders for operational casinos are Sun International (13 casinos), Tsogo Sun Holdings/Hosken Consolidated Investments (14 casinos), Peermont Resorts (8 casinos), London Clubs International (1 casino), Northern Cape Casino Consultants (1 casino) and Niveus Investments (1 casino).

MARKET SHARE OF OWNERSHIP OF CASINOS AS AT FY2017/18



Total: 38

***** According to Who Owns Whom (2018) Tsogo Sun Holdings has recently made a 100% acquisition stake in Niveus Investment Ltd, for R 95.00m. This means that in terms of ownership, Tsogo Sun is now the controlling shareholder of 15 operational casinos as it now includes the casino previously owned by Niveus Investments.***

Figure 14: Market share of ownership of casinos as at FY2017/18

2.5.2 The share of relevant LPM operators which are operational across the country are illustrated in figure 15 as at 31 March 2018. Vukani Gaming operates LPMs in all 9 provinces, followed by Goldrush Gaming which operates LPMs in 6 provinces and Grand Gaming which operates in 3 provinces. The rest of the route operators are licensed to operate LPMs in one province each. This has implications for competition.

OWNERSHIP OF LPM (ROUTE/ INDEPENDENT OPERATORS) BY NUMBER OF PROVINCES OCCUPIED AS AT 31 MARCH 2018

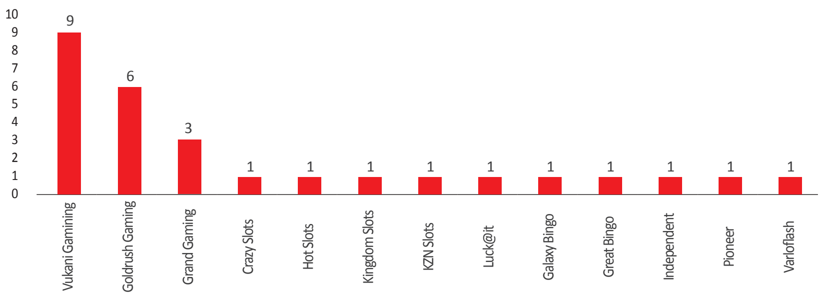


Figure 15: Ownership of LPM (route/independent operators) by number of provinces occupied as at 31 March 2018

2.5.3 Gold Circle is the totalisator operator in KwaZulu-Natal, and Phumelela in Gauteng, Mpumalanga, Limpopo, North West, Northern Cape, Eastern Cape and the Free State. Phumelela is a vertically integrated horse racing administrator and betting operator. Kenilworth Racing (totalisator) is operating in Western Cape, however, Phumelela currently manages the Western Cape racing operations on behalf of the Kenilworth Racing Trust. In essence, Phumelela has expanded its operations to include the Western Cape and has presence in eight provinces with the exception of KwaZulu-Natal. Trotco (Pty) Ltd t/a Ithotho is also licensed in KwaZulu-Natal as a totalisator and a racecourse operator. Telebet call centres are located in Gauteng and Eastern Cape. PowerBet Gaming is a totalisator operating in Mpumalanga. Supabets also offers betting via a call centre and on the internet.

2.5.4 The bingo operators are Galaxy Bingo operating in 6 provinces (Gauteng, KwaZulu-Natal, Mpumalanga, Limpopo, North West and Eastern Cape); Viva Bingo operating in Mpumalanga; Goldrush operating in Gauteng, KwaZulu-Natal, Limpopo, North West and Eastern Cape; Boss Gaming operating in Eastern Cape, Great Bingo operating in KwaZulu-Natal and Mpumalanga; and Vegas Bingo operating in Limpopo and North West, as illustrated in table 1 below.

LICENSED OPERATIONAL BINGO OPERATORS PER PROVINCE (FY2017/18)									
	Gauteng	Western Cape	KwaZulu-Natal	Mpumalanga	Limpopo	North West	Northern Cape	Eastern Cape	Free State
Bingo operators per province	Galaxy Bingo Goldrush	N/A	Galaxy Bingo Goldrush Great Bingo	Galaxy Bingo Viva Bingo Great Bingo	Galaxy Bingo Goldrush Vegas Bingo	Galaxy Bingo Goldrush Vegas Bingo	N/A	Galaxy Bingo Goldrush Boss Gaming	N/A

Table 1: Licensed operational bingo operators per province, FY2017/18, as at 31 March 2018

CHAPTER 3

CASINO SECTOR

3.1 MARKET CONDUCT

3.1.1 Of the total casino market, the majority of the casinos are situated in Gauteng (7, 18.4%), compared to Western Cape and KwaZulu-Natal each hosting 5 casinos (13.2% respectively) as reflected in figure 16.

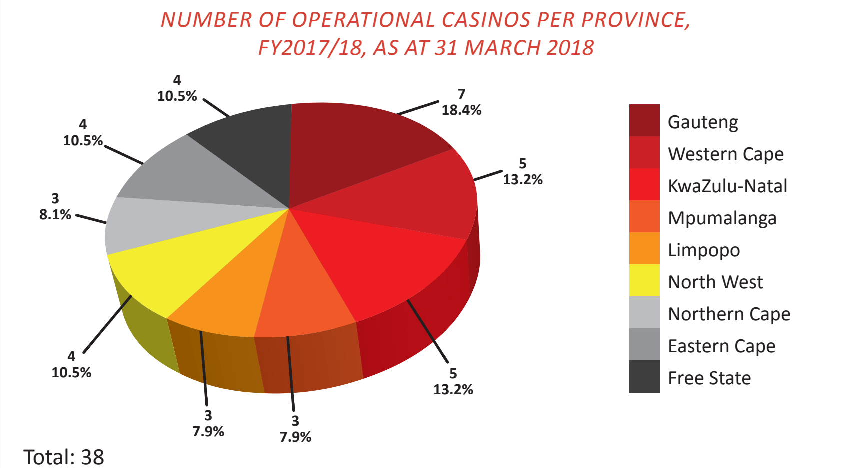


Figure 16: Number of operational casinos per province, FY2017/18, as at 31 March 2018

3.1.2 As at 31 March 2018, Gauteng accounted for the highest number of licensed operational slots in casinos (10 142, 40.3%), compared to KwaZulu-Natal (3 860, 15.3%) and Western Cape (3 770, 15.0%) out of the total number of 25 194. Refer to figure 17.

3.1.3 Overall a decrease of 1.5% from FY2015/16 (24 070) to FY2016/17 (23 697) was noted in the number of operational slots, but an increase by 6.3% was recorded from FY2016/17 (23 697) to FY2017/18 (25 195) mainly as a result of the opening of Time Square casino in Pretoria on 1 April 2017, and increases in the number of operational slots in Gauteng, KwaZulu-Natal, North West, Eastern Cape and Free State.

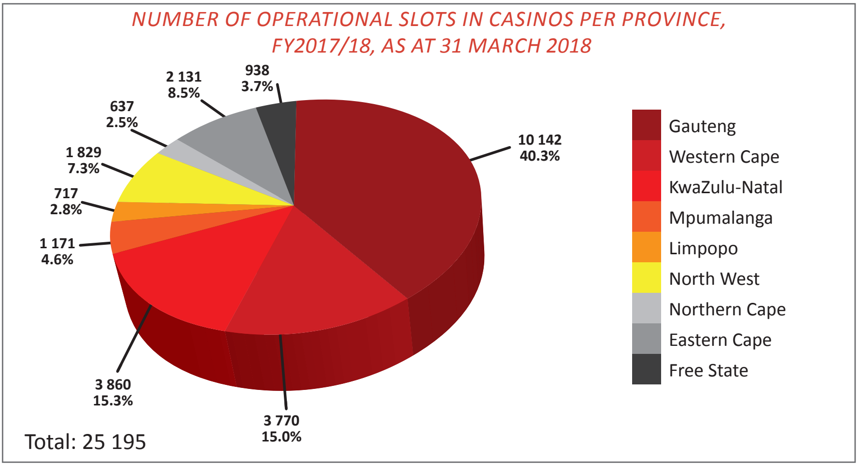


Figure 17: Number of operational slots in casinos per province, FY2017/18, as at 31 March 2018

3.1.4 Gauteng accounted for the highest number of operational tables (372, 38.1%) out of a total of 976, compared to KwaZulu-Natal (152, 15.6%) and Western Cape (118, 12.1%) as at 31 March 2018, as reflected in figure 18. Overall, the number of operational tables increased by 2.0% from 889 in FY2015/16 to 907 in FY2016/17, and by 7.6% from FY2016/17 (907) to 976 (FY2017/18, Qrt 4) as a result of the opening of the new Time Square casino in Pretoria, and increases in the number of operational tables in Gauteng, Western Cape, Mpumalanga, Limpopo and Eastern Cape.

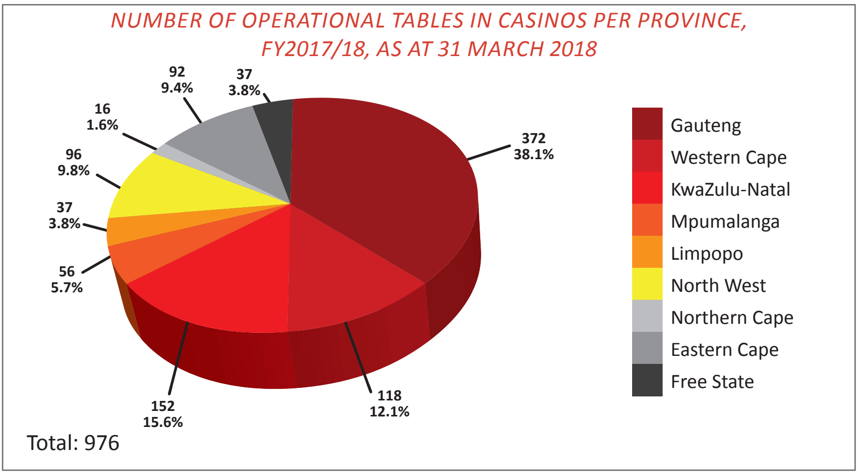


Figure 18: Number of operational tables in casinos per province, FY2017/18, as at 31 March 2018

3.1.5 The number of operational gambling positions is calculated as the number of slots, plus the average number of positions that each table represents at a casino. The number of positions per table differs depending on the nature of the table game, as well as the licensing conditions in a province. Gauteng has the highest number of casinos in South Africa (7 out of 38 operational casinos) as at 31 March 2018 and also accounted for the highest number of operational gambling positions in casinos (15 248, 42.4%) out of a total of 35 929, followed by KwaZulu-Natal (5 988, 16.7%) and Western Cape (4 478, 12.5%) as reflected in figure 19.

3.1.6 The number of operational gambling positions in casinos (slots and tables) decreased by 1.1% from FY2015/16 (33 618) to FY2016/17 to 33 249, but increased by 8.1% from FY2016/17 to FY2017/18 (35 929) mainly as a result of the opening of the new Time Square casino in Pretoria (Gauteng), and an increase in the number of operational positions (slots and tables) in Gauteng, Western Cape, Mpumalanga, Limpopo, North West, Eastern Cape and Free State.

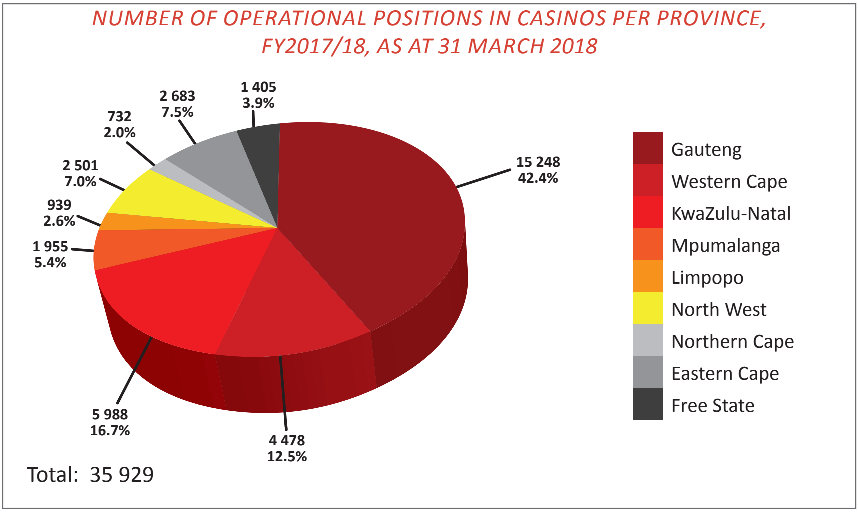


Figure 19: Number of operational positions in casinos per province, FY2017/18, as at 31 March 2018

3.2 CASINO SECTOR GAMBLING STATISTICS

3.2.1 Turnover (money wagered), Gross Gambling Revenue generated and taxes/ levies collected per province in casinos in FY2017/18

i. The total Rand value of money wagered in casinos in FY2017/18 was R 276 569 853 045. This amount represents 71.0% of the total turnover (money wagered) in all gambling modes, compared to money wagered on betting on horse racing and sport, LPM and bingo.

ii. As at 31 March 2018, Gauteng has the highest number of casinos compared to other provinces resulting in the highest amount of money wagered during FY2017/18 at these gambling venues (44.4%). This is followed by money wagered in casinos in KwaZulu-Natal (20.0%) and Western Cape (16.1%) as reflected in figure 20.

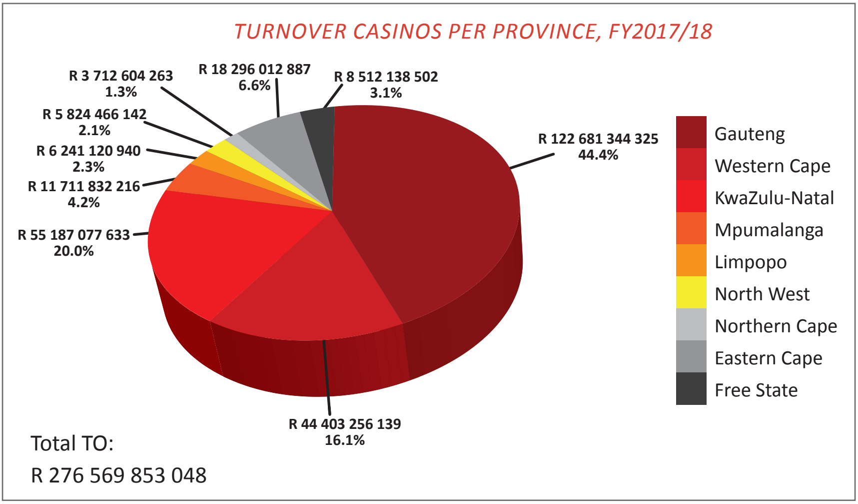


Figure 20: Turnover casinos per province, FY2017/18

3.2.2 Gross Gambling Revenue (GGR) generated in the casino sector per province, FY2017/18

i. The total Rand value of GGR generated in casinos during FY2017/18 was R 18 417 094 967. This amount represents 64.0% of the total amount of GGR generated by all gambling modes compared to GGR generated in the betting on horse racing and sport, LPM and bingo sectors during FY2017/18. A 5.8% increase in GGR generated by the casino sector has been recorded for the period between FY2014/15 (R 17 234 928 081) to FY2015/16 (R18 236 685 695), but GGR generated decreased by 1.8% to FY2016/17 (R 17 900 747 071) and increased by 2.9% to R 18 417 094 967 in FY2017/18. The increase in the generation of GGR from FY2016/17 to FY2017/18 can, amongst others, be attributed to the increase of operational positions in Gauteng, Western Cape, Mpumalanga, Limpopo, North West, Eastern Cape and Free State.

ii. Gauteng has the highest number of casinos compared to other province resulting in the highest amount of GGR generated during FY2017/18 in these gambling venues (43.1%), followed by KwaZulu-Natal (19.0%) and Western Cape (15.8%) as reflected in figure 21.

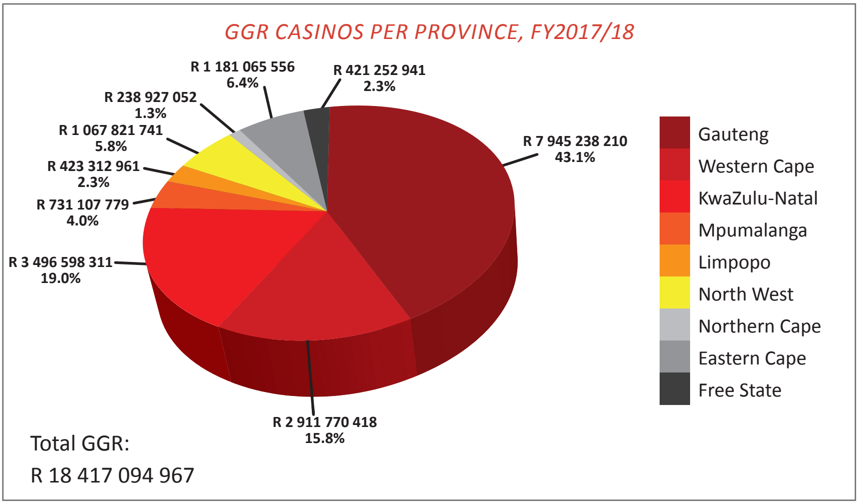


Figure 21: GGR casinos per province, FY2017/18

3.2.3 Taxes/levies collected by PLAs from the casino sector per province in FY2017/18

i. The total Rand value of taxes/levies collected by PLAs from the casino sector in FY2017/18 was R 1 877 683 303. This amount represents 64.8% of the total amount of taxes/levies collected from all gambling modes (inclusive of betting on horse racing and sport, LPMs and bingo). An increase of 10.0% in taxes/levies collected for the period from FY2014/15 (R 1 791 214 932) to FY2015/16 (R 1 969 759 247) was noted, but a decrease by 7.3% to FY2016/17 (R 1 826 714 702) and an increase by 2.8% was reflected from FY2016/17 to FY2017/18 (R 1 877 683 303).

ii. As at 31 March 2018, Gauteng accounted for the highest number of casinos by comparison with the other provinces resulting in the highest amount of taxes/levies collected from these gambling venues (39.0%), followed by KwaZulu-Natal (22.7%) and Western Cape (20.8%) as reflected in figure 22.

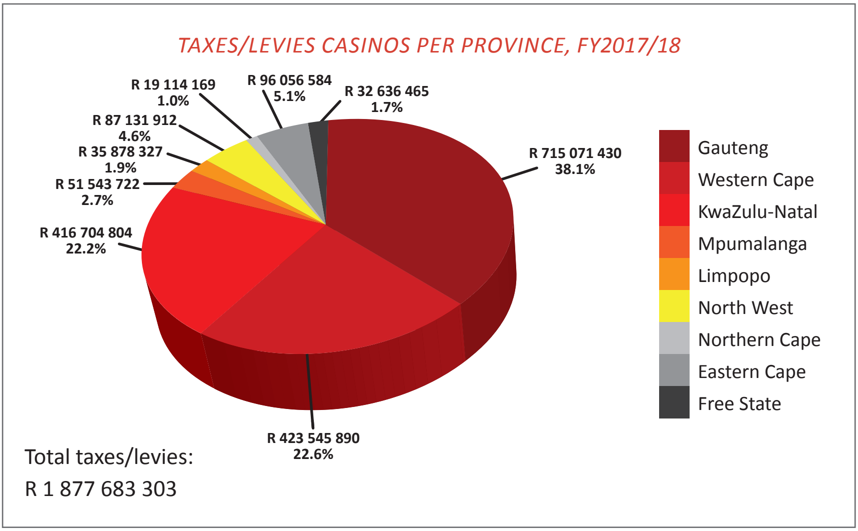


Figure 22: Taxes / levies casinos per province, FY2017/18

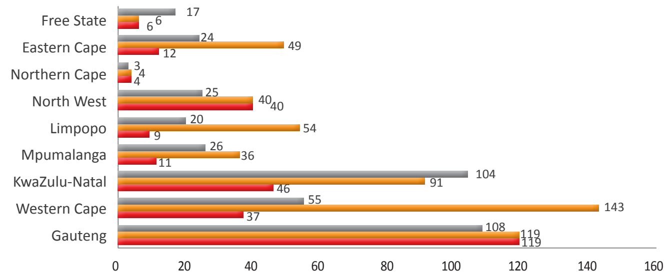
CHAPTER 4

BETTING ON HORSE RACING AND SPORT SECTOR

4.1 MARKET CONDUCT

4.1.1 As at 31 March 2018, Gauteng accounted for the highest number of licensed operational bookmakers (119, 41.9%), followed by KwaZulu-Natal (46, 16.2%) and Western Cape (37, 13.0%). The highest number of licensed operational bookmaker outlets were situated in the Western Cape (143, 26.4%), followed by Gauteng (119, 22.0%) and KwaZulu-Natal (91, 16.8%). Gauteng accounted for the highest number of licensed operational totalisator outlets (108, 38.3%), followed by KwaZulu-Natal (104, 27.2%) and Western Cape (55, 14.4%).

NUMBER OF OPERATIONAL BOOKMAKERS, TOTALISATOR AND BOOKMAKER OUTLETS PER PROVINCE, FY2017/18, AS AT 31 MARCH 2018



	Gauteng	Western Cape	KwaZulu-Natal	Mpumalanga	Limpopo	North West	Northern Cape	Eastern Cape	Free State
Operational totalisator outlets	108	55	104	26	20	25	3	24	17
Operational bookmaker outlets	119	143	91	36	54	40	4	49	6
Operational bookmakers	119	37	46	11	9	40	4	12	6

Figure 23: Number of licensed operational bookmakers, totalisator and bookmaker outlets as at 31 March 2018

4.2 BETTING ON HORSE RACING AND SPORT SECTOR GAMBLING STATISTICS

i. It is important to note that as far as Eastern Cape statistics are concerned, figures for betting on horse racing are inclusive of betting on sport. Unfortunately no splits are available, and therefore, these values and percentages should be read with due caution.

4.2.1 Turnover (Rand value of money wagered, minus monies staked on winning bets which were subsequently struck and returned = TO in the fixed odds/ bookmaking environment) per province, FY2017/18

i. The total Rand value of money wagered in the betting on horse racing and sport sector during FY2017/18 was R 51 365 284 723. This amount represents 13.2% of all turnover (money wagered) relevant to all gambling modes, by comparison to money wagered in the licensed casino LPM and bingo sectors.

ii. As at 31 March 2018, Gauteng accounted for the highest amounts of money wagered in the betting on horse racing and sport industry (63.7%) compared to other provinces. Monies wagered in the horse racing and sport sector in the Western Cape (13.3%) and KwaZulu-Natal (10.1%) were considerably less than in Gauteng (63.7%), as reflected in figure 24.

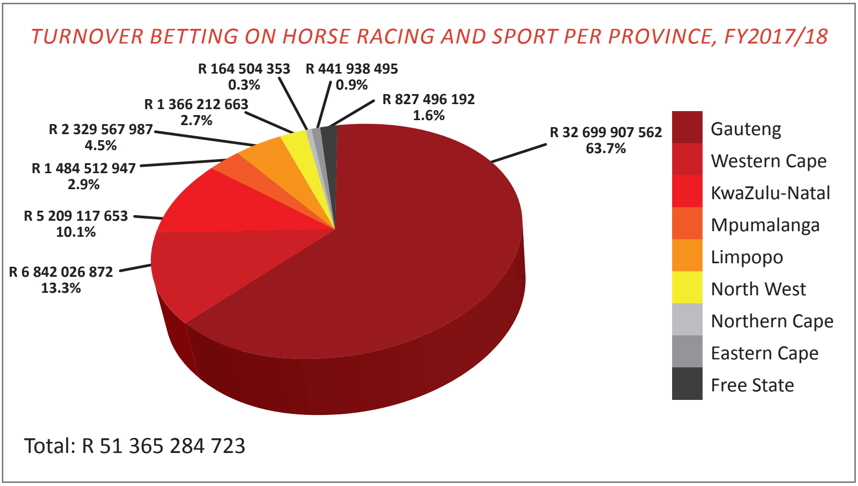


Figure 24: Turnover betting on horse racing and sport per province, FY2017/18

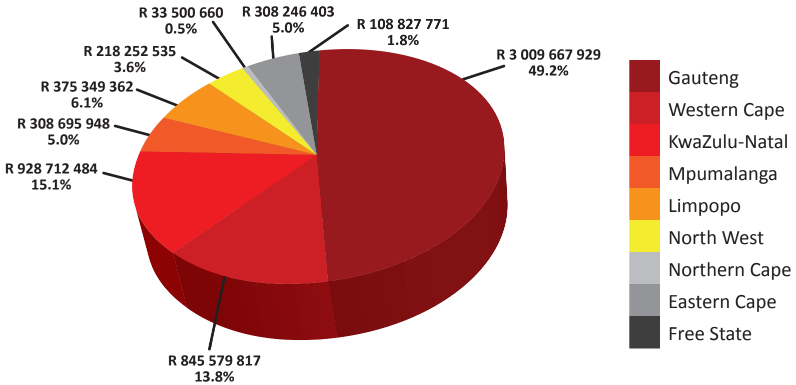
4.2.2 Gross gambling revenue generated in the betting on horse racing and sport sector per province in FY2017/18

i. The total Rand value of GGR generated in the betting on horse racing and sport sector during FY2017/18 was R 6 136 832 908. This amount represents 21.3% of the total amount of GGR compared to the other legalised gambling sectors (casino, LPMs and bingo sectors).

ii. As at 31 March 2018, Gauteng accounted for the highest number of licensed operational totalisator outlets and bookmakers compared to other provinces therefore resulting in the highest amount of GGR being generated in the betting industry (49.0%). However, Western Cape accounted for the highest number of operational bookmaker outlets (143, 26.4%). GGR generated in the KwaZulu-Natal betting on horse racing and sport sector accounted for 15.1% and Western Cape for 13.8% out of the total, as reflected in figure 25.

iii. GGR generated in the betting industry increased by 28.5% from R 3 462 994 717 in FY2014/15 to R 4 448 765 756 in FY2015/16, by 14.3% to R 5 085 630 664 in FY2016/17 and by 20.7% to R 6 136 832 908 in FY2017/18.

GGR BETTING ON HORSE RACING AND SPORT PER PROVINCE, FY2017/18

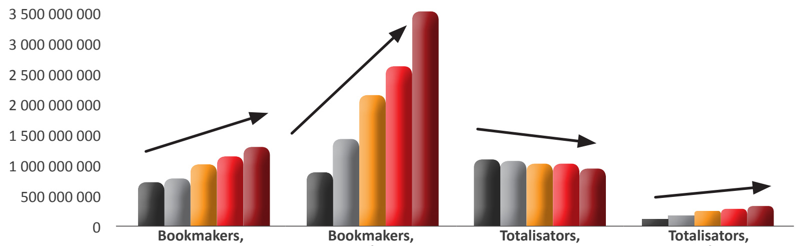


Total: R 6 136 832 908

Figure 25: GGR betting on horse racing and sport per province, FY2017/18

iv. From FY2013/14 to FY2016/17, a consistently progressive increase in GGR was generated by bookmakers and totalisators offering sports betting, as well as bookmakers offering betting on horse racing. GGR generated by bookmakers offering betting on sport increased by 50.9% from FY2014/15 to FY2015/16, by 22.0% to FY2016/17 and by 35.4% to FY2017/18. GGR generated by totalisators offering betting on sports reflected an increase of 61.1% from FY2014/15 to FY2015/16, an increase by 15.1% to FY2016/17 and an increase by 19.2% to FY2017/18. GGR relative to betting on horse racing offered by bookmakers increased by 28.9% from FY2014/15 to FY2015/16, by 11.9% to FY2016/17 and by 12.6% to FY2017/18. GGR relative to betting on horse racing offered by totalisators decreased by 5.9% from FY2014/15 to FY2015/16, increased by 0.3% to FY2016/17 and decreased by 7.7% to FY2017/18. In monetary value, bookmakers offering betting on sport also generated the highest amounts of GGR in the betting industry from FY2013/14 to FY2017/18 as reflected in figure 26.

TREND IN GGR, BETTING ON HORSE RACING AND SPORT, FY2013/14 - FY2017/18



	Bookmakers, Horse racing	Bookmakers, Sports betting	Totalisators, Horse racing	Totalisators, Sports betting
FY2014	718 915 378	894 571 335	1 111 365 062	109 251 620
FY2015	793 930 124	1 430 026 112	1 087 285 775	151 752 708
FY2016	1 023 035 305	2 157 995 813	1 023 264 197	244 470 444
FY2017	1 145 152 334	2 632 669 149	1 026 450 253	281 358 927
FY2018	1 289 865 606	3 563 907 799	947 674 300	335 385 203

Figure 26: Trend in GGR, betting on horse racing and sport, FY2013/14 – FY2017/18

4.2.3 Taxes / levies collected by PLAs from the betting on horse racing and sport sector per province in FY2017/18

i. The total Rand value of taxes/levies collected by PLAs from the betting on horse racing and sport sector during FY2017/18 was R 499 817 351. This amount represents 17.2% of the total amount of taxes/levies collected from all gambling modes (inclusive of casinos, LPMs and bingo). The collection of taxes/levies increased by 15.7% from R 342 928 734 in FY2014/15 to R 396 775 739 in FY2015/16, by 8.5% to R 430 497 110 in FY2016/17 and by 16.1% to R 499 817 351 in FY2017/18.

ii. As at 31 March 2018, Gauteng accounted for the highest number of licensed operational totalisator outlets and bookmakers compared to other provinces therefore resulting in the highest amount of betting taxes collected in the betting industry (43.0%), followed by KwaZulu-Natal (25.2%) and Western Cape (15.1%).

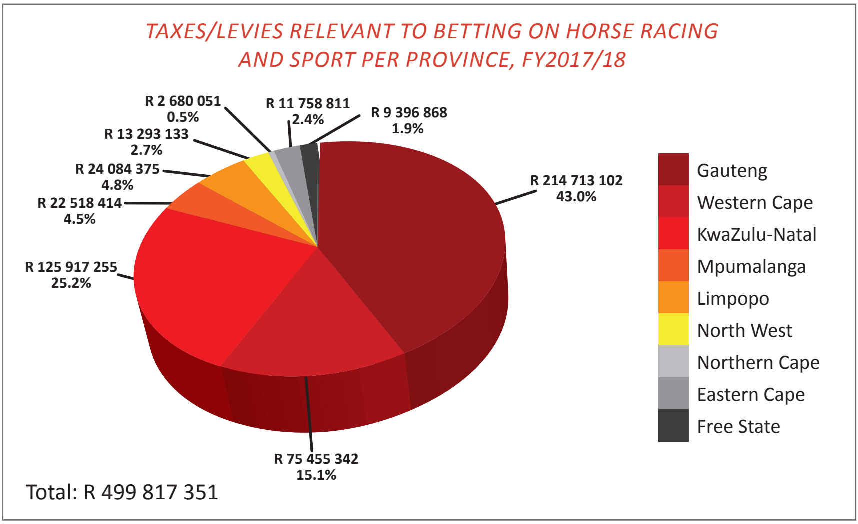
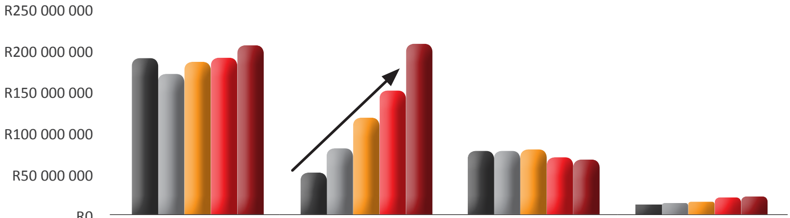


Figure 27: Taxes/levies relevant to betting on horse racing and sport per province, FY2017/18

iii. The collection of taxes/levies collected from bookmakers offering sports betting increased by 45.4% from FY2014/15 to FY2015/16, by 27.7% to FY2016/17 and by 37.7% to FY2017/18. An increase of 12.7% was also noted from FY2014/15 to FY2015/16, by 36.5% to FY2016/17 and by 1.4% to FY2017/18 by totalisators offering sports betting. In comparison, the collection of taxes/levies from betting on horse racing offered by bookmakers increased by 8.3% from FY2014/15 to FY2015/16, increased by 3.0% to FY2016/17 and increased by 8.1% to FY2017/18. Taxes/levies collected from betting on horse racing offered by totalisators increased by only 1.7% from FY2014/15 to FY2015/16, however, decreased by 12.4% to FY2016/17 and decreased by 4.3% to FY2017/18. During FY2014/15 to FY2017/18, bookmakers offering sports betting generated the highest GGR, however in monetary value, the highest amounts of taxes/levies were collected from bookmakers offering betting on horse racing over time. Refer to figure 26.

TREND IN TAXES/LEVIES RELEVANT TO BETTING ON HORSE RACING AND SPORT, FY2013/14-FY2017/18



	Bookmakers, Horse racing	Bookmakers, Sports betting	Totalisators, Horse racing	Totalisators, Sports betting
FY2013/14	R191 426 209	R50 436 312	R77 014 901	R11 153 955
FY2014/15	R171 539 696	R80 477 317	R77 654 988	R13 256 731
FY2015/16	R185 853 671	R116 983 455	R78 996 242	R14 942 372
FY2016/17	R191 457 705	R149 433 682	R69 202 264	R20 403 459
FY2017/18	R207 019 752	R205 840 847	R66 260 932	R20 695 820

Figure 28: Trend in taxes/levies relevant to betting on horse racing and sport, FY2013/14 – FY2017/18

CHAPTER 5

LIMITED PAYOUT MACHINE SECTOR

5.1 MARKET CONDUCT

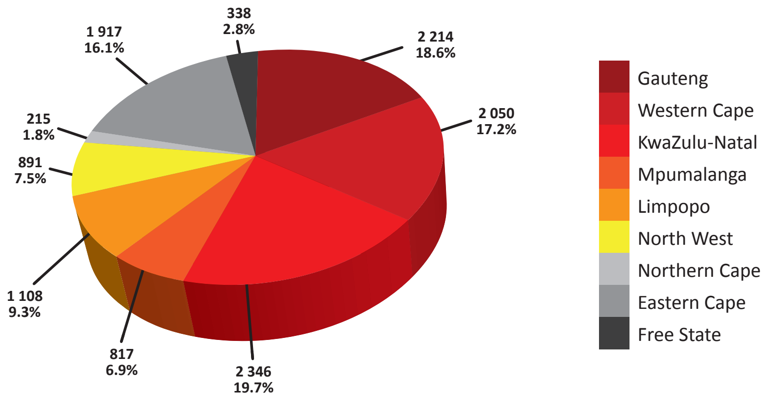
5.1.1 The main role players in the LPM sector can be defined in three specific categories, namely route and independent operators, site operators and the National Central Electronic Monitoring System (NCEMS). Route/independent operators are companies that are licensed to own, manage and operate LPMs throughout the country. Site operators are privately-owned hotels, pubs or eating establishments, totalisator or bookmaker outlets which may be situated throughout the country. NCEMS is a centralised LPM monitoring and evaluation system operating on a long-term contract basis by Route Monitoring.

5.1.2 The highest number of operational site operators in FY2017/18 as at 31 March 2018 were situated in KwaZulu-Natal being a total of 516 (23.3%), followed by 459 (20.8%) in Gauteng and 413 (18.7%) in Western Cape.

5.1.3 KwaZulu-Natal has the highest number of licensed active LPMs in FY2017/18 as at 31 March 2018, being 2 346 (19.7%), followed by Gauteng that accounted for 2 214 (18.6%) and Western Cape 2 050 (17.2%) as reflected in figure 29.

5.1.4 The number of licensed active LPMs increased by 6.4% from FY2014/15 (10 279) to FY2015/16 (10 934), by 5.2% to 11 502 (FY2016/17), and by 3.4% in FY2017/18 (11 896) as a result of increases in all provinces except KwaZulu-Natal and Northern Cape.

NUMBER OF ACTIVE LPMS PER PROVINCE, FY2017/18, AS AT 31 MARCH 2018



Total: 11 896

Figure 29: Number of active LPMs per province, FY2017/18, as at 31 March 2018

5.2 LPM GAMBLING STATISTICS

5.2.1 Turnover (Rand value of money wagered) in the LPM sector per province in FY2017/18

i. The total Rand value of money wagered in the LPM sector during FY2017/18 was R 37 758 860 322. This amount represents 9.7% of all turnover (money wagered) represented by all gambling modes, in comparison to money wagered at licensed casinos, racing & betting and bingo outlets.

ii. KwaZulu-Natal accounted for the highest number of licensed active LPMs (2 346, 19.7%) and operational site operators (516, 23.3%) in FY2017/18 (as at 31 March 2018), however, the highest amounts of money in the LPM sector (at 26.7% out of the total) was wagered in Western Cape. This is followed by money wagered at LPM outlets during FY2017/18 in KwaZulu-Natal being 26.2% and Gauteng being 17.1% out of the total amount of money wagered as reflected in figure 30.

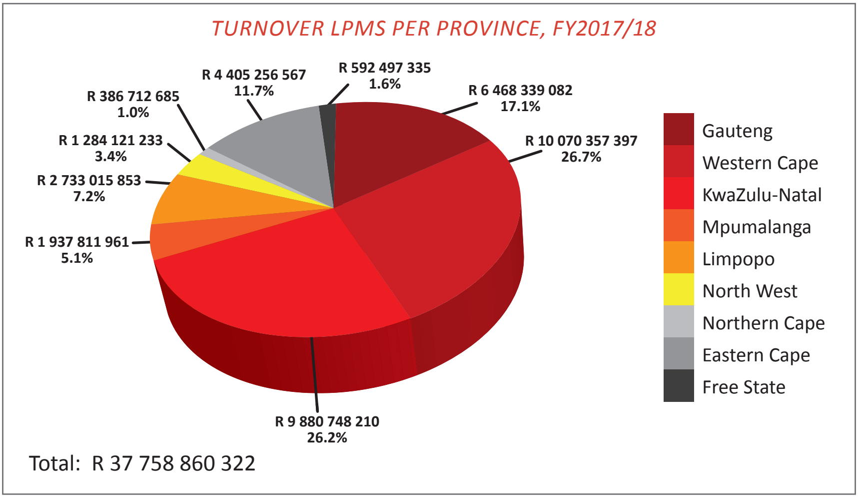


Figure 30: Turnover LPMs per province, FY2017/18

5.2.2 Gross gambling revenue generated in the LPM sector per province in FY2017/18

i. The total Rand value of GGR generated in the LPM sector during FY2017/18 was R 2 960 822 948. This amount represents 10.3% of the total amount of GGR generated by all gambling modes and in comparison to GGR generated by the casino, racing & betting and bingo sectors. GGR in the LPM sector increased by 13.7% from FY2014/15 (R 2 079 338 389) to FY2015/16 (R 2 363 501 788), by 14.1% to R 2 696 846 443 in FY2016/17 and by 9.8% to R 2 960 822 948 in FY2017/18. This increase in GGR (from FY2015/16 to FY2016/17) can be attributed to the increase of active LPMs in all provinces except KwaZulu-Natal and Northern Cape.

ii. KwaZulu-Natal has the highest number of licensed active LPMs (2 346, 19.7% out of the total) compared to the other provinces, however, Western Cape accounted for the highest amount of GGR generated in the LPM sector being 26.0% of the total as in FY2017/18. This was followed by GGR generated by LPMs in KwaZulu-Natal accounting for 25.5% and 16.9% in Gauteng during FY2017/18 as reflected in figure 31.

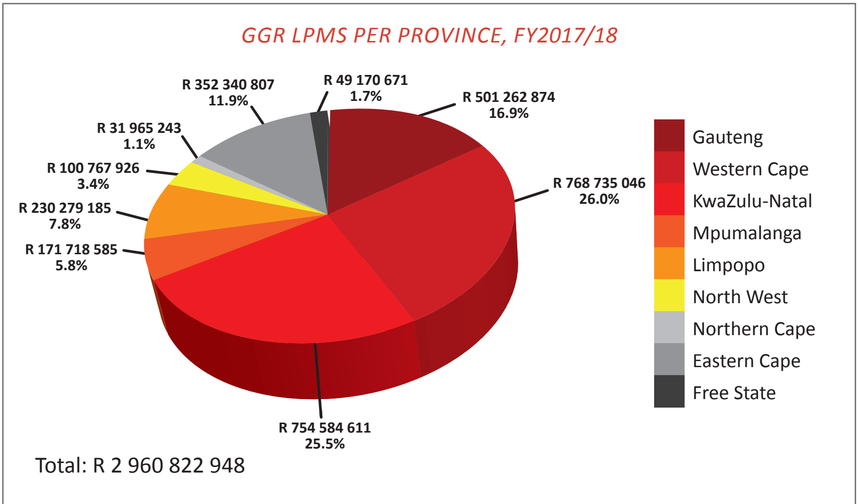


Figure 31: GGR LPMs per province, FY2017/18

5.2.3 Taxes/levies collected by PLAs from the LPM sector per province in FY2017/18

i. The total Rand value of taxes/levies collected by PLAs from the LPM sector during FY2017/18 was R 392 262 823. This amount represents 13.5% of the total amount of taxes/levies collected by PLAs from all gambling industries inclusive of the casino, racing & betting and bingo sectors. The collection of taxes/levies increased by 15.6% from R 261 678 252 in FY2014/15 to R 302 620 457 in FY2015/16, by 14.8% to R 347 357 694 in FY2016/17, and by 12.9% to R 392 262 823 in FY2017/18.

ii. KwaZulu-Natal has the highest number of licensed active LPMs (2 346, 19.7%) by comparison with other provinces, but Western Cape accounted for the highest amount of taxes/levies collected by all PLAs from the LPM sector at 29.0% during FY2017/18. This was followed by taxes/levies collected from the LPM sector in Gauteng (19.2%) during the same period as reflected in figure 32.

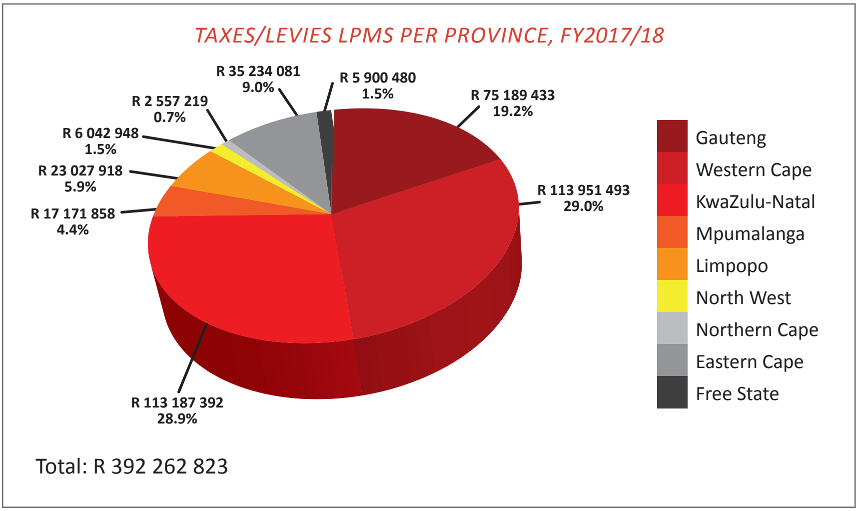


Figure 32: Taxes/levies LPMs per province, FY2017/18

CHAPTER 6

BINGO SECTOR

6.1 MARKET CONDUCT

i. Of the nine provinces in South Africa, bingo has been rolled out in six provinces namely Gauteng, Mpumalanga, Limpopo, North West, Eastern Cape and KwaZulu-Natal in FY2017/18. A total number of 50 (out of 54 licensed) bingo halls were operational as at 31 March 2018 of which 11 were operational in Gauteng, 15 in Eastern Cape, 7 in KwaZulu-Natal, 6 in North West, 6 in Mpumalanga and 5 in Limpopo, as reflected in figure 33.

ii. Gauteng accounted for the highest number of licensed operational bingo positions or seats totaling 3 074 (36.1%) out of a national figure of 8 520 licensed operational positions in FY2017/18 as at 31 March 2018, compared to Eastern Cape (2 190, 25.7%), KwaZulu-Natal (1 163, 3.7%), Mpumalanga (669, 7.9%), North West (834, 9.8%) and Limpopo (590, 6.9%).

iii. Overall, more EBTs (6 543) were operational than traditional bingo positions or seats (1 977) as at 31 March 2018. An increase of 12.3% from FY2014/15 (5 369) to FY2015/16 (6 032), by 7.7% to FY2016/17 (6 497) and by 31.1% to 8 520 in FY2017/18 was noted in the number of operational bingo positions. Increases in the number of operational bingo positions from FY2016/17 to FY2017/18 were noted in all provinces offering bingo.

iv. It is important to note that as at 31 March 2018, more EBTs (6 543) than traditional bingo seats (1 977) were operational in Gauteng, Mpumalanga, North West and Limpopo. By contrast, more traditional bingo positions were operational in KwaZulu-Natal as at 31 March 2018 compared to the number of EBTs.

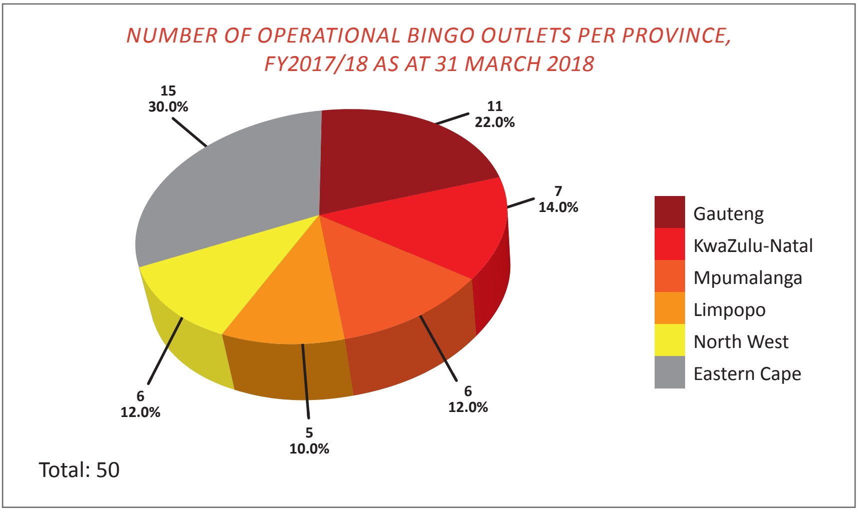


Figure 33: Number of operational bingo outlets per province, FY2017/18 as at 31 March 2018

6.2 BINGO GAMBLING STATISTICS

6.2.1 Turnover (Rand value of money wagered) in the bingo sector per province in FY2017/18

i. The total Rand value of money wagered in the bingo sector during FY2017/18 was R 24 105 129 970. This amount represents 6.2% of all turnover (money wagered) representative of all gambling modes, as compared to money wagered at licensed casinos, racing & betting and LPM outlets.

ii. Bingo is offered for play in six provinces namely Gauteng, KwaZulu-Natal, Mpumalanga, Limpopo, North West and Eastern Cape. The highest amount of money wagered in FY2017/18 was recorded in Gauteng being 47.1%, compared to Eastern Cape at 33.9%, North West at 9.3%, Mpumalanga at 6.6%, Limpopo at 3.1% and KwaZulu-Natal at 0.1% as reflected in figure 34.

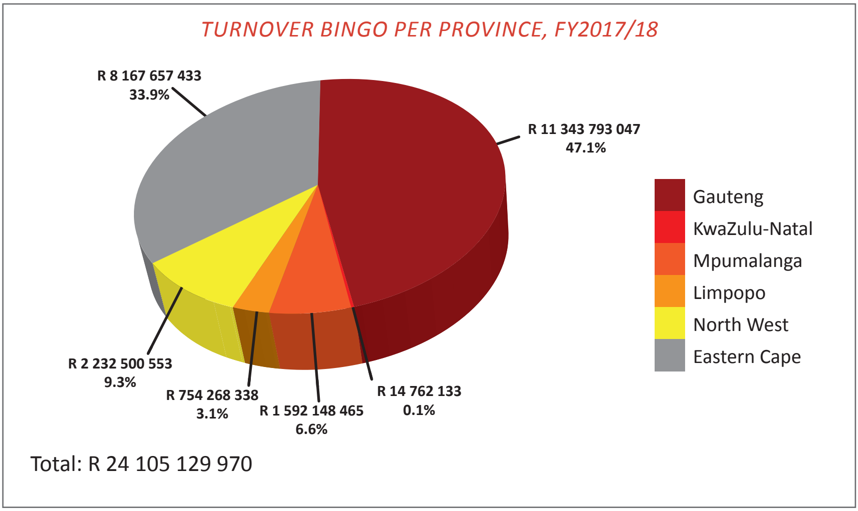


Figure 34: Turnover bingo per province FY2017/18

6.2.2 Gross gambling revenue generated in the bingo sector per province in FY2017/18

i. The total Rand value of GGR generated by the bingo sector during FY2017/18 was R 1 248 509 057. This amount represents 4.3% of the total amount of GGR generated by all licensed gambling modes. Although a decrease of 16.2% in GGR generated in the bingo industry was recorded from FY2014/15 (R 1 116 673 081) to FY2015/16 (R 936 166 348), an increase by 36.6% was recorded in the generation of GGR from FY2015/16 to FY2016/17 (R 1 278 664 383). In contract, a decrease of 2.4% in GGR generated from FY2016/17 to FY2017/18 (R 1 248 509 057) was noted mainly as a result of less GGR generated in Gauteng during FY2017/18 compared to FY2016/17.

ii. Gauteng accounted for the highest number of licensed operational bingo positions (3 074, 36.1%), resulting in the highest amount of GGR generated in FY2017/18 at 48.6%, compared to Mpumalanga at 7.2%, North West at 10.3%, Eastern Cape at 30.7%, Limpopo at 2.9% and KwaZulu-Natal at 0.3%, as reflected in figure 35 below.

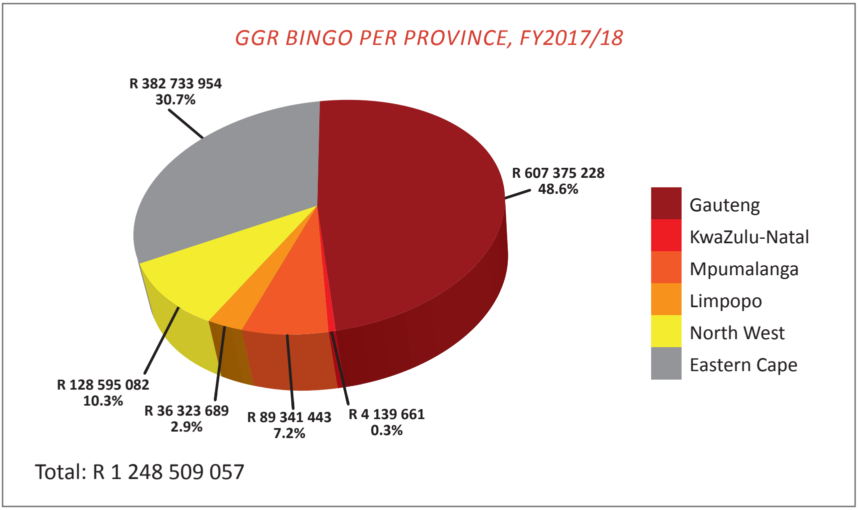


Figure 35: GGR bingo per province, FY2017/18

6.2.3 Taxes/levies collected by PLAs from the bingo sector per province in FY2017/18

i. The total Rand value of taxes/levies collected from the bingo sector by PLAs during FY2017/18 was R 129 221 043. This amount represents 4.5% of all taxes/levies collected from all gambling modes. The collection of taxes/levies increased by 25.6% from FY2014/15 (R 80 861 720) to FY2015/16 (R 101 588 469), by 37.6% to R 139 826 159 in FY2016/17, however decreased by 7.6% to R 129 221 043 in FY2017/18.

ii. Gauteng accounted for the highest number of licensed operational bingo outlets and positions, resulting in the highest amount of taxes/levies collected in FY2017/18 at 56.4% compared to Mpumalanga at 5.5%, North West at 6.0%, Eastern Cape at 29.6%, Limpopo at 2.4% and KwaZulu-Natal at 0.1% as reflected in figure 36 below.

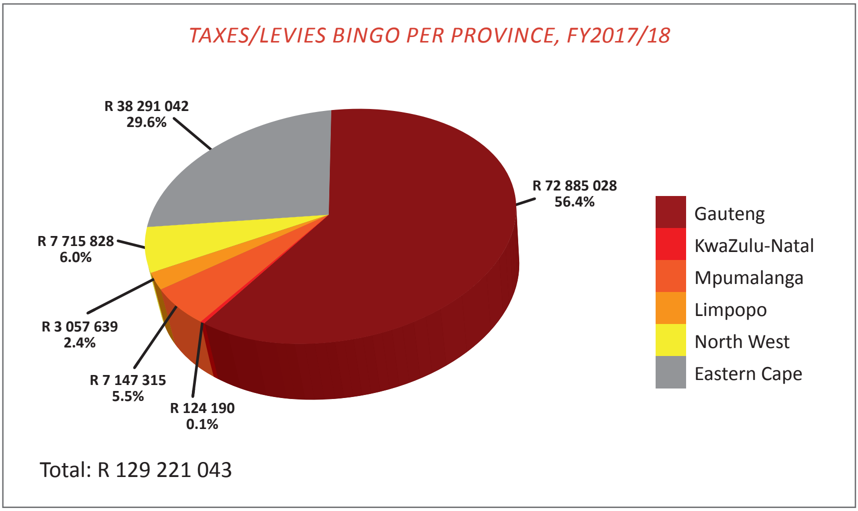


Figure 36: Taxes/ levies bingo per province, FY2017/18

CHAPTER 7

DIRECT EMPLOYMENT AND BROAD-BASED BLACK ECONOMIC EMPOWERMENT CONTRIBUTOR LEVELS (B-BBEE)

7.1 EMPLOYMENT (DIRECT)

7.1.1 NGB monitors direct employment numbers in the gambling sector (industry and regulators). A total number of 27 910 people (direct employment) were employed in the gambling industry (including at regulators) as at 31 March 2018. In general, the casino sector, and Gauteng province, followed by Western Cape and KwaZulu-Natal accounted for the highest numbers in terms of direct employment in the gambling industry as reflected in table 2.

DIRECT EMPLOYMENT PER PROVINCE AND MODE, FY2017/18										
Gambling mode	PROVINCE									TOTAL
	Gauteng	Western Cape	KwaZulu-Natal	Mpumalanga	Limpopo	North West	Northern Cape	Eastern Cape	Free State	
Casinos	5 491	2 307	2 497	729	254	763	248	863	713	13 865
Totalisators	205	15	1 456	79	22	123	13	75	80	2 068
Bookmakers	528	159	2 747	955	457	809	5	29	118	5 807
LPMs	138	2 966	98	150	510	53	23	218	29	4 185
Bingo	468	N/A	294	125	254	213	N/A	108	N/A	1 462
Regulators										
NGB	26									26
PLAs		70	70	77	54	83	19	48	76	497
TOTAL	6 856	5 517	7 162	2 115	1 551	2 044	308	1 341	1 016	27 910

Table 2: Direct employment per province and mode, FY2017/18

7.2 TRANSFORMATION [BROAD-BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE) LEVELS]

7.2.1 Based on the information submitted by PLAs, the average B-BBEE status or contributor level of the South African gambling industry as at 31 March 2018 per gambling mode and operator, was as follows:

- Average B-BBEE level for casino operators: Level 1.8
- Average B-BBEE level for totalisators: Level 4
- Average B-BBEE level for LPM operators: Level 2.8
- Average B-BBEE level for bingo operators: Level 2.9 (currently only operational in Gauteng, Mpumalanga, North West, Eastern Cape, KwaZulu-Natal and Limpopo).

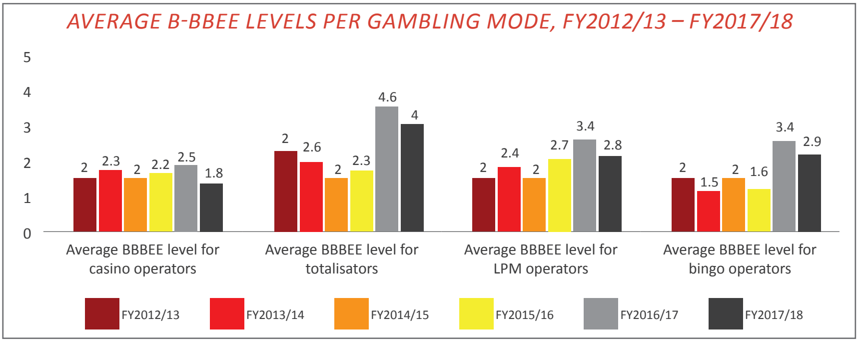


Figure 37: Average B-BBEE levels per gambling mode, FY2012/13 – FY2017/18

CONTRIBUTORS

The following PLAs contributed to the compilation of this report by submitting audited provincial gambling statistics and information about market conduct and market share:

- Eastern Cape Gambling and Betting Board
- Free State Gambling and Liquor Authority
- Gauteng Gambling Board
- KwaZulu-Natal Gaming and Betting Board
- Limpopo Gambling Board
- Mpumalanga Economic Regulator
- Northern Cape Gambling Board
- North West Gambling Board
- Western Cape Gambling and Racing Board

REFERENCE

National Gambling Act, 2004 (Act 7 of 2004)

NOTES

PROBLEM GAMBLING IS TREATABLE
GAMBLE RESPONSIBLY

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