

Western Cape Gambling and Racing Board



**Western Cape
Gambling and Racing Board**

**Annual
Performance Plan
2017/2018**

FOREWORD

The Western Cape Gambling and Racing Board is responsible for instilling public confidence and trust that gambling in the Province is conducted honestly and is free from corruptive elements. Furthermore, it also ensures that gambling contributes towards the economy of the Western Cape.

The attached Annual Performance Plan will assist in monitoring and evaluating the performance of the Board against set criteria, thereby enhancing corporate governance, effectiveness, efficiency and public accountability.



DR IH MEYER
Minister For Finance

OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan:

- Was developed by the members of the Board and the management of the Western Cape Gambling and Racing Board under the guidance of Minister Dr IH Meyer;
- Was prepared in line with the 2015-2020 Strategic Plan of the Western Cape Gambling and Racing Board;
- Accurately reflects the performance targets which the Western Cape Gambling and Racing Board will endeavour to achieve given the resources made available in the budget for 2017/18.

Ms Z Siwa
Chief Financial Officer

Signature: 

Mr P Abrahams
Chief Executive Officer

Signature: 

Mr T Arendse
Accounting Authority

Signature: 

Approved by:

Dr IH Meyer
Executive Authority/
Minister for Finance

Signature: 

LIST OF ABBREVIATIONS/ACRONYMS

ABBREVIATION/ACRONYM	DESCRIPTION
ADFIN	Administration and Finance
AFU	Asset Forfeiture Unit
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
BBBEE	Broad-based Black Economic Empowerment
Board	Western Cape Gambling and Racing Board
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CSI	Corporate Social Investment
DTI	Department of Trade and Industry
DRP	Disaster Recovery Plan
EE	Employment Equity
EXCO	Executive Committee
FIC	Financial Intelligence Centre
FICA	Financial Intelligence Centre Act
G2E	Global Gaming Exposition
GRAF	Gaming Regulators Africa Forum
GRAP	Generally Recognised Accounting Practice
HCC	Human Capital Committee
HOD	Head of Department
HR	Human Resources
HRBF	Horse Racing and Betting Forum
HRC	Horse Racing Committee
IAGR	International Association of Gaming Regulators
ICT	Information and Communication Technology
IT	Information Technology
ITC	Information Trust Corporation
ITIL	Information Technology Infrastructure Library
IYM	In Year Monitoring
LPM	Limited Payout Machines
MEC	Member of the Western Cape Executive Council - Minister for Finance, Economic Development and Tourism
MTEF	Medium Term Economic Framework
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NGB	National Gambling Board
NO	National Outcome
NPA	National Prosecuting Authority

ABBREVIATION/ACRONYM	DESCRIPTION
NRGP	National Responsible Gambling Programme
NTR	National Treasury Regulations
OD	Organisational Development
OHASA	Occupational Health and Safety Act
PAIA	Promotion of Access to Information Act
PAJA	Promotion of Administrative Justice Act
PERO	Western Cape Provincial Economic Review and Outlook
PFMA	Public Finance Management Act
PGWC	Provincial Government of the Western Cape
PI	Performance Indicator
POPI	Protection of Personal Information Act
PT	Provincial Treasury
PTR	Provincial Treasury Regulations
PSG	Provincial Strategic Goal
RG	Responsible Gambling
SAPS	South African Police Service
SCA	Supreme Court of Appeal
SCM	Supply Chain Management
SCOF	Standing Committee on Finance
SCOPA	Standing Committee on Public Accounts
SDP	Skills Development Plan
SOPI	Strategic Objective Performance Indicator
UPS	Uninterrupted Power Supply
WCGRB	Western Cape Gambling and Racing Board
WSP	Workplace Skills Plan

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1. Vision

To be the leading gambling and racing regulatory authority in Africa.

2. Mission

To control and regulate gambling and racing within the Province of the Western Cape, that will:

- provide a stable, just, consistent and effective regulatory environment;
- inspire public confidence and trust, in an environment free from corruption and unlawful gambling and racing activities; and
- contribute to the economy of the Western Cape in a socially responsible manner.

3. Values

In the execution of their collective functions, the Board and its Office place the highest value on:

- *Integrity*
The quality of possessing and steadfastly adhering to a moral or ethical code and high professional standards.
- *Honesty*
The quality, condition, or characteristic of being fair, truthful, and morally upright in conduct and adherence to the facts.
- *Incorruptibility*
Incapable of being morally corrupted, especially incapable of being bribed or motivated by selfish -or base interests.
- *Transparency*
The principle that the Board will conduct its business in an accessible, clear and visible manner and that its activities are open to examination by its stakeholders.
- *Responsibility*
Having the authority to make decisions and following through on the expectation to make those decisions and take necessary action.
- *Accountability*
The principle that the Board is obligated to demonstrate and take responsibility for its actions, decisions and policies and that it is answerable to the public at large.
- *Human Capital Development*
Encouraging and assisting employees to acquire new skills or to advance skills, knowledge, and viewpoints, by providing learning and training facilities and avenues where such new ideas can be applied.
- *Mutual respect*
Encouraging a culture of mutual respect by treating every person with dignity and equal worth.

4. Legislative and other mandates

4.1 Constitutional Mandates

The Board's constitutional mandate is derived from Schedule 4 of the Constitution, which prescribes that the regulation of casino's, racing, gambling and wagering, excluding lotteries and sports pools is a concurrent legislative competence of the provincial and national legislatures. The Board must observe the fundamental rights of all persons as enshrined in Chapter 2 of the Constitution in exercising its powers and the performance of its mandate.

4.2 Legislative mandates

Broad-based Black Economic Empowerment ("BBBEE") Act and Codes

The BBBEE Act directs that the Board must apply the Codes when inter alia determining qualification criteria for the issuing of licences and other authorisations for economic activity. Further, that the Board must annually report on its own BBBEE compliance in its Annual Report.

National Gambling Act 7 of 2004 and regulations

This Act sets out the competencies of the national and provincial gambling Boards with respect to the regulation and control of gambling and racing in South Africa. This Act, together with the Western Cape Gambling and Racing Act and the respective Regulations passed thereunder, constitutes the statutory mandate of the Board as regulator. This Act further provides for uniform norms and standards with respect to gambling and racing that applies uniformly throughout the Republic.

Western Cape Gambling and Racing Act 4 of 1996, as amended and regulations

This is the primary legislation governing the Board's regulatory functions and powers. It sets out inter alia the establishment and operations of the Board, the type of licenses that the Board is empowered to consider as well as the Board's sources of funding. It further provides for the imposition of statutory taxes and fees payable by licence holders, as well as penalties for non-compliance.

Promotion of Administrative Justice Act ("PAJA")

PAJA was enacted pursuant to section 33 of the Constitution. As a public body the Board is bound to give effect to the principles of procedurally fair administrative action as prescribed by this Act.

Promotion of Access to Information Act 2 of 2000 ("PAIA")

PAIA prescribes the statutory process according to which applications or requests for access to information should be processed. It is applicable to both private entities or organisations and public bodies.

Preferential Procurement Policy Framework Act No. 5 of 2000 and regulations

This Act constitutes the framework within which the Board must give effect to the Constitutional imperative of having a preferential procurement policy and system that is fair, equitable, transparent and cost-effective.

Public Finance Management Act 1 of 1999 as amended

The Board is a Schedule 3C public entity and bound by the financial and budget management prescripts of this Act. This Act's primary objective is to ensure that all revenue, expenditure, assets and liabilities of government institutions and departments are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in those governments and to provide for matters connected therewith.

Protection of Personal Information Act, 2013 (Act 4 of 2013) ("POPI")

POPI's objectives are inter alia to promote the protection of personal information processed by public and private bodies; to introduce certain conditions so as to establish minimum requirements for the processing of personal information and to provide for the establishment of an Information Regulator to exercise certain powers and to perform certain duties and functions in terms of this Act. Certain provisions of POPI took effect on 11 April 2014, however the remainder of its provisions will come into operation on a date to be proclaimed by the President in the Government Gazette.

4.3 Policy mandates

1999 Western Cape Gambling and Racing Policy Determinations

The Policy Determinations passed by the Executive Council provide policy considerations for the issuing of the different categories of licences, the application criteria to be considered and compulsory bid prescripts for casino operator licences.

4.4 Relevant court rulings

AKANI GARDEN ROUTE (PTY) LTD v PINNACLE POINT CASINO (PTY) LTD 2001 (4) SA 501 (SCA)

The Court held that the regulation of gambling, and casinos in particular, is a Schedule 4 concurrent competence in the Constitution, in that both national and provincial legislation may be passed. Furthermore, the National Gambling Act 33 of 1996 vests control over gambling in independent boards at national and provincial level. Section 2(2) of the Western Cape Gambling and Racing Act provides that the right to carry on any gambling within the province vests exclusively in the Board. The Court held that Section 37(1) (j) of the provincial Act meant that the competence to require guarantees vested in the Board and not the Provincial Executive Authority. It ruled that the policy determinations cannot override, amend or be in conflict with laws, including subordinate legislation. This is also in line with the principle of the separation of powers.

CASINO ENTERPRISES (PTY) LTD v GAUTENG GAMBLING BOARD AND OTHERS 2011 (6) SA 614 (SCA)

The court confirmed that internet gambling remains illegal in South Africa. The Court further confirmed that persons offering or making available a gambling activity within the borders of South Africa require a licence to do so, even if their operations are situated extra-territorially.

VUKANI v WCGRB AND OTHERS CASE NUMBER 21127/2008 CAPE HIGH COURT

The applicant brought an application to review the granting of a key employee licence to an individual in circumstances where such applicant had pending legal proceedings. The judgement outlined the different factors that the Board ought to consider when determining the suitability of an applicant.

NATIONAL GAMBLING BOARD V PREMIER OF KZN AND OTHERS (CCT 32/01) 2001 ZACC, 2002 (2) SA 715

In essence the dispute concerned the functional areas of concurrent legislative competence with respect to gambling contained in schedule 4 of the Constitution. The Court dismissed the application as it found that both organs of state failed to comply with Chapter 3 of the Constitution, Sections 40 and 41 in particular.

The Court re-iterated the duty on organs of state to avoid legal proceedings against one another and in particular to adhere to the principles of co-operative governance as enshrined in the Constitution.

4.5 Planned policy initiatives

The Office of the Board is currently conducting research into the cost and feasibility of having compulsory player cards for all gamblers participating in gambling in the Western Cape. Currently the LPM and bookmaking industries do not require any form of registration in order to gamble at licensed establishments. The Board will be engaging the industry at large and also consider the legal imperatives that impacts any decision in this regard.

The Board is engaging its oversight bodies and the industry in respect of the findings on the study commissioned to determine the socio-economic effects of Regulated gambling in the province of the Western Cape. One of the outcomes of the study is to look at whether it is desirable to expand and to roll out further forms of gambling.

At National Policy Council level (comprised of the National Minister, Chairpersons of Provincial Boards), certain amendments to the National Gambling Act are being considered, which would impact the Board's current area of responsibility. Once these proposed policy changes have been implemented through legislative amendments, the Board's licensing mandate and area of responsibility may need to be reviewed.

The Board in 2016 implemented inflationary adjustments to its various administrative fees. These inflationary adjustments together with a phased approach to increasing administrative fees and costs will help ensure that the adjustments are reflective of the costs of regulation. The Board will undertake an internal work study to determine its overhead costs and to assign these to its various fee and cost structures.

5. Updated situational analysis

5.1 Political environment

The DTI is still convening on the finalisation of gambling norms and standards, which results in no uniform approach to licensing the conduct of investigations and probities, compliance assessments and the exclusion of problem gamblers.

The National Parliament resolved to not allow the roll-out of new forms of gambling and particularly online gambling. To outlaw gambling activities without proper and effective enforcement mechanisms, leaves a lacuna in which illegal operators may still thrive and leaves persons participating in such activities at the mercy of perpetrators. The NGB in its report on the socio-economic impact of illegal and online gambling in South Africa, states that *"illegal gambling is considered a low priority at national level and that there is a lack of training and expertise in successfully investigating and prosecuting illegal online operators"* (NGB, September 2016).

The DTI issued a National Gambling Policy in 2015 and a draft National Gambling Amendments Bill in 2016. This will not only transform the National Gambling Board into a Regulator, reporting directly to the Minister of Trade and Industry, but also proposes legal amendments that has fiscal and licensing implications on the powers of the provincial regulators. The policy and amendments further outlines a number of policy prescripts that could impact the rights of existing licence holders.

SCOF is the oversight body for the Provincial Treasury portfolio. The Board reports both quarterly and on an ad hoc basis to SCOF and annually to SCOPA.

5.2 Economic environment

The outlook for economic growth in South Africa remains weak. The International Monetary Fund, World Bank and South African Reserve Bank have all cut their 2017 economic growth forecasts to less than 1 per cent.

The South African Reserve Bank expects growth to have averaged 0.4 per cent in 2016. Domestic factors contributing to the weak economic growth include growth in consumer spending having moderated to 0.8 per cent during the first half of 2016. A number of factors weighed on spending in this period, including weaker growth in real household disposable income amid rising inflation, and low consumer confidence. According to the South African Reserve Bank, a key constraint to consumption expenditure growth has been the weak credit extension to the private sector, which, at 4.5 per cent in November, was the lowest year-on-year growth since late 2010 (PERO 2016).

The real decline in household disposable expenditure is likely to lead to slower growth in the gaming sector.

5.3 Social environment

The social impact of gambling can range from productivity loss, bankruptcy, crime, suicide, illness, abuse, divorce and separation, in addition to the need for social services and treatment costs associated there with. The social impact of gambling is not confined to the problem gambler. It most certainly affects others such as spouses, children, extended family members or close friends.

A national survey conducted by NGB in 2013 on the incidence of illegal gambling, showed that one in every four gamblers (sample was 3 446 of which 540 were defined as gamblers) indicated that they participated in illegal gambling activities. "Illegal gambling is a major concern and is compounded by the fact that the prevalence of illegal gambling is highest amongst the poorer, less educated communities. Campaigns focussing on illegal gambling, must be highly visible in the poor communities. Industrial theatre and television campaigns might be considered because they would have a higher impact in communities with low literacy levels" (NGB: Social Impact of Gambling 2013).

The Board is, per the Act, mandated to consider the social, economic and educational factors of the surrounding community when approving applications for licences. The Board often convenes public hearings and conducts site visits to particular areas before granting a licence. These visits are to specifically look at social conditions, the geographical environment and other peculiar environmental issues. Impact studies and research commissioned by the Board are outlined below:

- 2005 - Baseline study into likely impact of rolling out LGM's on surrounding communities, with emphasis on poorer areas.
- 2009 - Socio-economic impact of the LPM industry: Two years into its implementation and roll-out in the Province.
- 2012 - Research into the desirability of capping bookmaker premises licences in the Province of the Western Cape.
- 2016 - Research into the socio-economic effect of regulated gambling.

Licence holders through the various CSI-commitments, contribute towards social and benevolent causes. The Board audits licence holders' financial contributions to these causes. The contribution to various CSI projects assists in addressing the social challenges faced by certain communities in the Western Cape.

5.4 Technological environment

With the rapid increase in technological advancement, various processes and activities of licence holders have been, or are in the process of being automated. This has resulted in employees at the Board being required to be kept abreast of the latest developments in the industry which includes training, attendance at workshops and conferences.

The Office of the Board's accommodation is a National Heritage Site, placing restrictions on structural changes and upgrades which may impact on the Board in aligning with Technological and Infrastructure requirements or advancements.

Online gambling activities, where sophisticated systems are in operation, require the Board to be vigilant to counter illegal gambling. This can pose a substantial regulatory burden for the various provincial gambling regulatory bodies, national gambling regulatory body, the South African Police Service and judicial service due to the boundary-less operation of technology and would require National Government, Provincial Government and Private Sector's co-operation to adequately govern this aspect.

5.5 Legal environment

The Protection of Personal Information Act, 2013 (Act No. 4 of 2013) ("POPI") regulates, in harmony with

international standards, the processing of personal information by public and private bodies in a manner that gives effect to the right to privacy subject to justifiable limitations aimed at protecting other rights and important interests. Certain provisions of POPI has become operational and once the remainder of the provisions of POPI comes into effect, it will necessitate amendments to the Board's operations, including the storing and collection of personal information and the categories of staff authorised to access same. At this stage, the Board is assessing the impact and crafting the requisite policies in this regard.

The gambling industry is a highly litigious environment and the Board and its Office are managing the issues of conflict through consultation with affected stakeholders. Where no consensus can be reached, the parties will approach a Court of law to adjudicate a dispute.

We recommend amended Western Cape Gambling and Racing regulations to address current gaps in the law.

5.6 Performance environment

As at 1 February 2017 the gambling and racing industry in the Western Cape comprised of:

- 5 licensed casinos;
- 2 licensed LPM operators;
- 41 licensed bookmakers;
- 1 licensed totalisator;
- 668 licensed premises;
- 21 licensed manufacturers;
- 5 750 licensed gambling devices; and
- 7 435 employee licences (number reflects licences held, not necessarily employment opportunities, individuals could hold multiple licences)

and spans the full geographical area of the Western Cape Province.

The Board, being mindful that economic potential needs to be stimulated in all regions, ensures that gambling is not confined to only certain locations in the Province. The Board has various measures in place to restrict applicants in terms of where they wish to operate. With reference to the Map overleaf, the number of licensed operations in each region is reflected in the table overleaf:

Geographical Spread of Licensed Gambling Operations



Premises	1 Metropole	2 Eden	3 Cape Winelands	4 Overberg	5 West Coast	6 Central Karoo
Casinos - 5	1	1	1	1	1	0
LPM Sites - 396	291	37	12	18	35	3
Bookmakers - 206	160	13	27	2	4	0
Totalisator - 66	53	2	8	1	2	0

The gambling and betting industry within the Western Cape is well regulated and all issues of non-compliance is dealt with accordingly by the Board. Scheduled as well as ad-hoc audits and inspections are carried out at the premises of licensed establishments. Patron disputes are thoroughly investigated and upon conclusion, the findings and conclusion is distributed to both the patron and the licence holder. With the rapid development of the gambling industry globally, the Board will be considering expanding gambling opportunities within the Western Cape in a socially responsible manner which offers benefits to the Province as a whole as well as protecting the public at large. The Office of the Board will continue to review current legislation provisions and regulatory requirements to ensure that the measures are effective and meets the overall mandate of the Board.

As the industry develops, it is important that the Board's employees are adequately trained and equipped to deal with all new forms of gambling as well as technological advancements in the current form of gambling.

With the possible introduction of any new forms of gambling, the Board will remain focused on the social ills that could arise and every effort will be made to minimise the negative impact it may have.

The Board will enhance its strategy to combat illegal gambling through on-going workshops, attendance at community meetings and overall awareness within communities in which illegal gambling activities are likely to occur. Within the Province, the Board has been able to forge good relations with not only the various SAPS officials, but also other units such as the Asset Forfeiture Unit, National Prosecuting Authority and Commercial Crime Authority.

It should be noted from the onset that the mandate and operational activities of the Board aligns itself with the following Provincial Strategic Goals and National Development Plan Outcomes:

- PSG 1 - Create opportunities for growth and jobs.
- PSG 2 - Improving education outcomes and opportunities for youth development.
- PSG 3 - Increase wellness, safety and tackle social ills.
- PSG 4 - Enable a resilient, sustainable, quality and inclusive living environment.
- PSG 5 - Embed good governance and integrated service delivery through partnerships and spatial alignment.
- National Outcome 6 (MTSF 2014-2019 and NDP 2030) - An efficient, competitive and responsive economic infrastructure network.
- National Outcome 12 (MTSF 2014-2019 and NDP 2030) - An efficient, effective and development orientated public service.

5.7 Organisational environment

A change management process has been embarked upon to manage the reorganisation within the Licensing and Regulatory Compliance departments.

The Department of the Premier has provided an organisational change facilitator to guide the change management process. This is being conducted at no cost to the Board. The Board is engaged in filling its vacant positions, however, the accommodation constraints limit the adequate provision of work space for its staff complement. The Board is working with Provincial Treasury and the Department of Transport and Public Works to source alternative accommodation.

The lack of suitable accommodation has a negative impact on staff morale, this has been highlighted during the facilitators engagement with staff as part of this change management process. Due to accommodation constraints, the Board is currently unable to increase its resources, operations or implement growth strategies. This limits its ability to assist the Provincial Government in the achievement of PSG 1 (create opportunities for growth and jobs) and PSG 3 (increase wellness, safety and tackle social ills).

Organisational Structure as at 1 February 2017

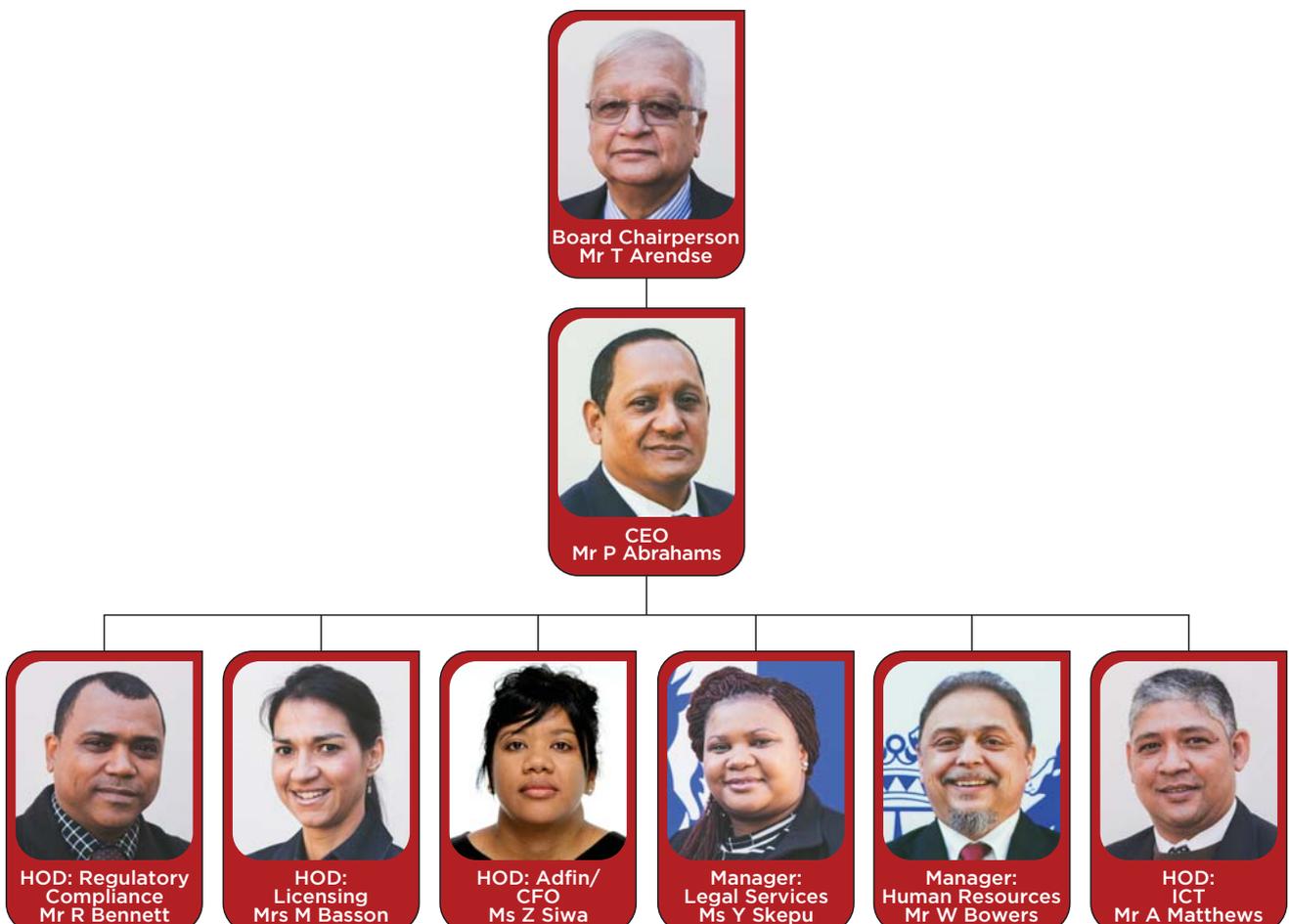


Table 1 – Employment and vacancies by programme, 01 February 2017

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Board	7	6	14%	-
Executive	10	10	-	-
Administration and Finance	10	10	-	-
Compliance	26	25	4%	-
Licensing	23	23	-	-
IT	5	5	-	-
Total	81	79	2%	-

Table 2 – Employment and vacancies by occupational bands, 01 February 2017

Occupational Bands	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Top Management (CEO)	1	1	-	-
Senior Management (HOD & Managers)	6	6	-	-
Professionally qualified and experienced specialists and mid-management (Chiefs & Seniors)	13	13	-	-
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (Auditors, Investigators & IT)	36	35	3%	-
Semi-skilled and discretionary decision making (Support Services)	18	18	-	-
Unskilled and defined decision making	-	-	-	-
Total	74	73	1%	-

5.8 Description of the strategic planning process

A Five-Year Strategic Plan, 2015 – 2020, was approved by Dr. IH Meyer the Minister for Finance and tabled in the Provincial Legislature during 2015. This Five-Year Strategic Plan is reviewed on an annual basis as the APP's are developed.

The goals of the Board for 2015-2020 were determined as part of the 2015-2020 Strategic Plan and the associated risks were identified. The strategic objectives of each programme as well as strategies to mitigate the risks were formulated in a workshop by the Board and its management structure with inputs from Board employees.

The process of reviewing the plans will continue over the remaining period of the 2015-2020 Strategic Plan and amendments made where necessary to give effect to further refinement. Measurement of progress towards achieving performance indicator targets will be effected and reviewed by internal audit on a quarterly basis and audited on an annual basis.

- The 2017/18 APP was developed by:
 - Revisiting the Strategic Goals set in the Strategic Plan
 - Analysing the Board's external environment - Performance environment
 - Analysing the Board's internal strengths and weaknesses in terms of its resources and capabilities - Organisational environment
 - Analysing the Board's strategic options by matching its resources and capabilities with the performance environment
 - Developing annual objectives and short term strategies to achieve the goals
 - Identifying the 2017/18 activities required to achieve the objectives
 - Identifying and evaluating the risks which could prevent the implementation of the activities and consequently the achievement of its objectives and goals
 - Allocating financial resources to mitigate the risks and for the performance of the activities by developing a budget
 - Presenting the developed APP to the Board for review and approval

The Board has developed and follows its policy to monitor and evaluate the achievement of its predetermined objectives and targets.

The APP was compiled by the Office of the Board and presented to the Board for review and approval.

The APP was approved by the Board for submission to Provincial Treasury, the Department of the Premier and the Minister for Finance.

Date	Item
08 August 2016	First Draft APP prepared based on Strategic Plan.
14 August 2016	Draft APP included in August Board pack for comment to Board Members and Management Team.
26 August 2016	First Draft APP submitted to Department of the Premier.
30 August 2016	Revise Draft APP in line with Board and Management Team inputs.
21 October 2016	Conformance Assessment of first draft APP.
25 October 2016	2017 - 2018 Strategic Planning Session.
13 November 2016	Collation of second draft APP.
25 November 2016	Submission of second draft APP to the Department of the Premier and Provincial Treasury.
13 February 2017	Third draft APP review with MEC and PT.
17 February 2017	Submission of third and Final draft APP to the Department of the Premier and Provincial Treasury.
01 March 2017	Provide Provincial Parliament, Provincial Treasury and Department of the Premier electronic and hard copies of the APP.

6. Strategic outcome orientated goal of the WCGRB

Strategic Outcome Oriented Goal	To ensure that the Board, in pursuit of its mandate, in respect of gambling industry regulation, designs and utilises its structure, resources and processes for effective, efficient and optimal performance of its duties.
Goal statement	The Board regulates gambling in the Province to ensure that the industry is free from criminal element, that the maximum benefit of the licensed activities is achieved, that such activities are fair to patrons and that vulnerable persons are provided the relevant protection. In reaching these goals the Board will maintain and enhance a credible and well regulated industry that is highly respected both nationally and internationally.

7. Overview of 2017/18 budget and MTEF estimates

Table: Western Cape Gambling and Racing Board

Programme	Audited Outcomes			Appropriation	Medium-term Expenditure Estimate		
	R'000	2013/14	2014/15		2015/16	2016/17	2017/18
Expenditure Estimates							
Board & Administration	14 670	17 717	16 756	18 633	20 172	23 013	24 426
Licensing	9 233	10 582	11 107	12 185	12 709	13 639	14 403
Regulatory Compliance	10 211	11 159	13 131	14 689	16 144	16 442	17 363
Information and Communication Technology	3 616	3 150	4 490	5 274	9 079	8 390	8 695
Total	37 730	42 608	45 484	50 781	58 104	61 485	64 887
Economic Classification							
Current Payments	37 026	41 756	43 130	49 814	53 838	57 471	61 282
Compensation of employees	27 899	31 284	35 049	39 265	41 548	43 952	46 411
Goods and services of which:	9 127	10 472	8 081	10 549	12 290	13 519	14 871
Administration	4 498	4 213	4 169	6 026	8 229	8 456	9 525
Consultants, contractors and special services	2 836	4 090	2 066	2 309	1 284	2 585	2 729
Travel and subsistence	1 793	2 169	1 846	2 214	2 777	2 478	2 617
Transfers and subsidies	0	0	0	0	0	0	0
Payments for capital assets	704	852	2 354	967	4 266	4 013	3 605
Buildings and other structures	0	0	0	0	0	615	649
Machinery and equipment	704	852	2 354	967	1 046	300	318
Transport Equipment	0	0	0	0	420	445	0
Software and Intangible Assets	0	0	0	0	2 800	2 654	2 638
Total	37 730	42 608	45 484	50 781	58 104	61 485	64 887

PART B: STRATEGIC OBJECTIVES

Programme	Sub-Programme
1. Board and Administration	1.1 Board 1.2 Executive 1.2.1 Legal Services 1.2.2 Human Resources 1.3 Administration and Finance
2. Licensing	
3. Regulatory Compliance	
4. Information and Communication Technology	

8.1 Programme: Board and Administration

Programme Purpose

To control and regulate gambling within the Province of the Western Cape.

Programme Description

To set the strategic direction and provide quality support services to the Board and the stakeholders.

Programme Structure

The programme consists of seven Board Members, the Chief Executive Officer, the Manager: Legal Services, the Professional Assistant: Legal Services, the Manager: Human Resources, the Admin Assistant: HR, the Chief Financial Officer, the Senior Financial Officer, the Senior Administration Officer, the Board Secretary and 10 approved support staff.

The programme is structured into the following sub-programmes:

Sub-programme 1.1: Board

Purpose: To assist the Minister and to give effect to the legislative mandate placed on the Western Cape Gambling and Racing Board.

Sub-programme 1.2: Executive

Purpose: To provide assistance to the Board in fulfilling its legislative mandate.

Sub-programme 1.2.1: Legal Services

Purpose: To provide legal advisory and research services to the Board and its Office.

Sub-programme: 1.2.2: Human Resources

Purpose: To provide Human Resource support services to the Board and its Office.

Sub-programme 1.3: Administration and Finance

Purpose: To provide administrative and financial support services to the Board and its Office.

8.1.1 Sub-programme 1.1: Board

Strategic Objective 1	To provide leadership and oversight on all functions of the office of the Board to ensure an effective and efficient administration for the period 2015 to 2020.
Objective statement	To provide strategic leadership and oversight in terms of the Western Cape Gambling and Racing Act and the PFMA to ensure an enabling environment for the office to perform its duties in an efficient and effective manner to the benefit of all stakeholders during the period 2015 to 2020.
Baseline	The Board's past achievements of excellence and clean audits as well as the rapidly changing climate in the gambling industry requires the Board to remain on the forefront of regulating the industry.
Justification	To ensure a well regulated gambling industry
Links	PSG 1 - Create opportunities for growth and jobs PSG 2 - Improving education outcomes and opportunities for youth development PSG 3 - Increase wellness, safety and tackle social ills PSG 4 - Enable a resilient, sustainable, quality and inclusive living environment PSG 5 - Embed good governance and integrated service delivery through partnerships and spatial alignment. National Outcome ¹² (MTSF 2014-2019 and NDP 2030) - An efficient, effective and development orientated public service.

Strategic Objective and Annual Targets for 2017/18

Strategic Objective Performance Indicator	Strategic PSG Alignment	Audited/Actual performance			Estimated performance	Medium-term targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
1 Number of meetings at which Committee resolutions and licence applications are considered.	PSG 1-5	New PI	11	11	11	11	11	11

Risk Management:

Risks inherent to the Board that could hinder the realisation of the strategic objective inter alia include:

No.	Risk	Mitigating Controls
1	Board rendered ineffective due to lack of quorum.	<ul style="list-style-type: none"> Board advises the Minister in a timely manner of pending vacancies on the Board. Board meetings scheduled well ahead of time to ensure that Board Members are timely and well-advised of the meeting dates. Reminders of meetings are sent to Board members. Propose legislative amendments.
2	Incorrect decisions brought about by inadequate and/or inaccurate information.	<ul style="list-style-type: none"> Four tiers for preparation and reviewing of information and submissions before presentation to the Board. Circulate any new publications on gambling to all Board Members and advise them of any new matter affecting the industry. Committee structures in place to advise the Board.
3	Loss of public trust due to undue influence into the decision making process of the Board.	<ul style="list-style-type: none"> Maintaining a professional and arms-length approach when dealing with all stakeholders. Declaration of interest completed by Board members. Code of conduct for all Board members.

Performance Indicators and Annual Targets for 2017/18

Programme Performance Indicator	Strategic PSG Alignment	Audited/Actual performance			Estimated performance	Medium-term targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
1.1 Number of meetings to give effect to statutory mandate.	PSG 1-5	39	40	45	40	41	41	41

Quarterly Targets for 2017/18

Performance Indicator	Reporting Period	Actual Target 2017/18	Quarterly Targets			
			1st	2nd	3rd	4th
1.1 Number of meetings to give effect to statutory mandate.	Quarterly	41	11	10	10	10

8.1.2 Sub-programme 1.2: Executive

Strategic Objective 2	To provide effective and efficient management of all functions of the office of the Board.
Objective statement	To provide effective and efficient management of all functions of the office of the Board in terms of the Act and to perform such other functions as may be delegated by the Board for the period 2015-2020.
Baseline	The executive programme has consistently achieved a clean audit outcome.
Justification	To ensure that the directives of the Board and legislative prescripts are enforced by the Office of the Board.
Links	PSG 1 - Create opportunities for growth and jobs PSG 2 - Improving education outcomes and opportunities for youth development PSG 3 - Increase wellness, safety and tackle social ills PSG 4 - Enable a resilient, sustainable, quality and inclusive living environment PSG 5 - Embed good governance and integrated service delivery through partnerships and spatial alignment. National Outcome 12 (MTSF 2014-2019 and NDP 2030) - An efficient, effective and development orientated public service.

Strategic Objective and Annual Targets for 2017/18

Strategic Objective Performance Indicator	Strategic PSG Alignment	Audited/Actual performance			Estimated performance	Medium-term targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
2.1 Number of interventions to positively promote awareness of the Board.	PSG 1-5	New PI	2	4	4	4	4	4

Risk Management:

Risks inherent to the Executive Department that could hinder the realisation of the strategic objective include:

No.	Risk	Mitigating Controls
1	Unavailability of strategic staff due to vacancies or incapacity.	<ul style="list-style-type: none"> Commence SCM process to advertise positions within 14 days after resignations are accepted. HR policy makes provision for staff acting in strategic positions.
2	Incorrect decisions / approvals due to reliance on incorrect information provided.	<ul style="list-style-type: none"> Three tier review of information process prior to decision / approval.
3	Action plans resulting from resolutions delayed due to delay in processes.	<ul style="list-style-type: none"> Timeframes for resolution approvals are set and secretariat follows up to ensure timely distribution of resolutions.
4	Lack of resources to give effect to mandate.	<ul style="list-style-type: none"> Weekly EXCO meetings to discuss and resolve on action plans for resource allocation to ensure resolutions are effected.

Performance Indicators and Annual Targets for 2017/18

Programme Performance Indicator	Strategic PSG Alignment	Audited/Actual performance			Estimated performance	Medium-term targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
2.1 Number of awareness programmes participated in.	PSG 1-5	New PI	3	3	2	4	4	4
2.2 Percentage of Board resolutions given effect by CEO within 1 month.	PSG 1-5	New PI	New PI	New PI	95%	95%	95%	95%
2.3 Internal research for the financial self-sustainability of the Board.	PSG 1-5	New PI	New PI	New PI	New PI	1	0	0
2.4 Number of operators monitored for compliance with CSI commitments.	PSG 1-5	New PI	New PI	New PI	New PI	4	4	4

Quarterly Targets for 2017/18

Performance Indicator		Reporting Period	Actual Target 2017/18	Quarterly Targets			
				1st	2nd	3rd	4th
2.1	Number of awareness programmes participated in.	Quarterly	4	1	1	1	1
2.2	Percentage of Board resolutions given effect by CEO within 1 month.	Quarterly	95%	95%	95%	95%	95%
2.3	Internal research for the financial self-sustainability of the Board.	Annually	1	1	0	0	0
2.4	Number of operators monitored for compliance with CSI commitments.	Quarterly	4	1	1	1	1

8.1.3 Sub-programme 1.2.1: Legal Services

The purpose of this sub-programme is to provide legal advisory and research services to the Board and its Office. The services rendered and functions performed include oral and written legal advice, research, drafting submissions, management of all litigation instituted by or against the Board, attending to all non-litigious legal matters, drafting proposed amendments to the Act, Regulations and keeping abreast of advancements through membership and attendance of relevant national and international fora.

Strategic Objective 3	To provide legal advisory support and research services to the Board and its Office.
Objective statement	To render legal advisory services, including legal opinions, provide support services to legal service providers representing the Board and keep the Board and Office abreast of legal developments impacting the Board's operations for the period 2015-2020.
Baseline	Legal services rendered 65 legal opinions and managed six litigious matters.
Justification	To render the necessary advice and legal support to ensure the resolutions of the Board and the decisions of the Office of the Board are legally sound. The number of legal opinions is reducing as the legal research for matters already considered will not necessarily be repeated or duplicated when the same issues arise in practice.
Links	PSG 1 - Create opportunities for growth and jobs PSG 2 - Improving education outcomes and opportunities for youth development PSG 3 - Increase wellness, safety and tackle social ills PSG 4 - Enable a resilient, sustainable, quality and inclusive living environment PSG 5 - Embed good governance and integrated service delivery through partnerships and spatial alignment. National Outcome 12 (MTSF 2014-2019 and NDP)

Strategic Objective and Annual Targets for 2017/18

Strategic Objective Performance Indicator	Strategic PSG Alignment	Audited/Actual performance			Estimated performance	Medium-term targets			
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19	2019/20
3	Number of legal opinions drafted.	PSG 1-5	70	56	65	48	48	48	48

Risk Management:

Risks inherent to the Legal Services Department that could hinder the realisation of the strategic objective include:

No.	Risk	Mitigating Controls
1	Failure to keep abreast of legal developments and advancement in the industry due to not attending forums, conferences or budgetary constraints which could result in providing the Board with incorrect opinions.	<ul style="list-style-type: none"> Participation in national and international fora. Budgetary provision for the attendance of relevant workshops and conferences. Online library for research purposes. Management is updated during EXCO on developments in the industry. Ongoing Professional Development to keep abreast of legal developments.
2	The validity of the Board's decisions could be challenged due to the incorrect/legally flawed advice provided, thereby resulting in litigation against the Board.	<ul style="list-style-type: none"> Legal Manager attends all Board and Committee meetings to give legal advice as and when required. Legal Services Department prepares brief /instructions to Attorneys. Where legal services are required to research a specialist industry-related matter, the relevant department gives technical guidance as and when required. All litigation is discussed in Board meeting and EXCO to review the cause / origin of the matter and the Board's legal position to determine whether to oppose the application or simply abide by the Court's decision. Legal opinions are prepared or obtained externally on contentious legal matters. Ongoing Professional Development to keep abreast of legal developments.
3	The Board receiving a qualified audit for not meeting its pre-determined objectives due to the department not meeting the programme's objectives and targets.	<ul style="list-style-type: none"> Annual and quarterly reporting on the work done towards achievement of the annual and quarterly targets, which is also reviewed by the Board and Audit Committee. Annual Performance Plan set out critical activities / targets that must be achieved in the financial year. Board and / or CEO can allocate additional resources where necessary.

Performance Indicators and Annual Targets for 2017/18

Programme Performance Indicator	Strategic PSG Alignment	Audited/Actual performance				Estimated performance	Medium-term targets		
		2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
3.1 Research into the legal aspects of introducing a compulsory player card system in the Western Cape.	PSG 1-5	New PI	New PI	New PI	New PI	1	Refinement of research report	Distribution of research report and collaboration with other fora	

Quarterly Targets for 2017/18

Performance Indicator		Reporting Period	Actual Target 2017/18	Quarterly Targets			
				1st	2nd	3rd	4th
3.1	Research into the legal aspects of introducing a compulsory player card system in the Western Cape.	Annually	1	0	0	0	1

8.1.4 Sub-programme 1.2.2: Human Resources (HR)

The Human Resources is a service sub-programme designed to provide the Board with Human Resource services.

Strategic Objective 4	To assist the Board in ensuring that it complies with HR best practices and maintaining an appropriately skilled workforce.
Objective statement	The sub-programme's purpose is to ensure that the WCGRB adheres to the applicable Labour Legislation and to ensure statutory compliance therewith. To ensure WCGRB has adequately qualified personnel for the period 2015 - 2020.
Baseline	The Board has complied with the requirements of the Acts that govern employer/employee relations.
Justification	In order to achieve its targets and objectives, the Office of the Board requires adherence to all applicable labour legislation to ensure statutory compliance.
Links	PSG 1 - Create opportunities for growth and jobs PSG 2 - Improving education outcomes and opportunities for youth development PSG 3 - Increase wellness, safety and tackle social ills PSG 4 - Enable a resilient, sustainable, quality and inclusive living environment PSG 5 - Embed good governance and integrated service delivery through partnerships and spatial alignment. National Outcome 12 (MTSF 2014-2019 and NDP)

Strategic Objective and Annual Targets for 2017/18

Strategic Objective Performance Indicator	Strategic PSG Alignment	Audited/Actual performance			Estimated performance	Medium-term targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
4 Number of material HR audit findings.	PSG 1-5	New SOPI	New SOPI	New SOPI	New SOPI	0	0	0

Risk Management:

Risks inherent to HR that could hinder the realisation of the strategic objective inter alia include:

No.	Risk	Mitigating Controls
1	Failure to provide strategic human resource direction for the Board as a result of not being up to date with current trends and practices.	<ul style="list-style-type: none"> Performing on-going reviews of the HR policies and processes as well as keeping abreast of HR best practices. Attend relevant industry fora (Conferences, Seminars, etc.) Ongoing Professional Development and training.
2	No clear guidelines in terms of HR policies and processes due to a failure to ensure alignment with Provincial Government HR policies.	<ul style="list-style-type: none"> Ensuring regular interaction with Provincial Treasury as well as Provincial Government HR units. Submissions to Human Capital Committee to recommend policy alignment with PGWC.
3	Inabilities to ensure staff are trained to adequately perform functions due to a lack of resources.	<ul style="list-style-type: none"> Ensuring that each employee has an adequately funded personalised skills development plan. Ensure sufficient provision is made for training in the budget. Training plans reported on and monitored by Employment Equity Committee.
4	Poor performance not addressed timely due to a lack of processes and resources to identify staff who do not perform their functions.	<ul style="list-style-type: none"> Equip supervisory staff to be able to manage poor performers where necessary. The three tier management structure to identify poor performers. Annual performance reviews on all staff.
5	Loss of key staff members due to staff being head hunted by regulatory competitors and the gaming industry which can result in core functions not being performed.	<ul style="list-style-type: none"> Adequately qualified and trained immediate sub-ordinates. Identify key staff members for training initiatives to develop them. Personal Development Plans for staff to ensure employees are equipped to perform functions in other areas of the Board. Job rotations to ensure staff are able to perform core functions in various departments.
6	Inability to fill all vacancies and poor employee morale at the Board as a result of a lack of space (accommodation) which may hinder the Board fulfilling its core mandate.	<ul style="list-style-type: none"> Ongoing engagement with Provincial Treasury and the Department of Public Works to look into alternative accommodation. Regular staff engagements (meetings and socials) to build morale.

Performance Indicators and Annual Targets for 2017/18

Programme Performance Indicator	Strategic PSG Alignment	Audited/Actual performance			Estimated performance	Medium-term targets			
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19	2019/20
4.1	Number of Regulatory reports timeously submitted to Department of Labour.	PSG 1-5	1	1	1	1	1	1	1
4.2	Number of reports on the implementation of the HR Plan.	PSG 1-5	New PI	New PI	New PI	New PI	4	4	4
4.3	Percentage of performance reviews completed timeously*.	PSG 1-5	New PI	New PI	New PI	New PI	95% (71)	95% (71)	95% (71)

*5% error margin for leave (maternity, annual, sick etc.)

Quarterly Targets for 2017/18

Performance Indicator		Reporting Period	Actual Target 2017/18	Quarterly Targets			
				1st	2nd	3rd	4th
4.1	Number of Regulatory reports timeously submitted to Department of Labour.	Annually	1	0	1	0	0
4.2	Number of reports on the implementation of the HR Plan.	Quarterly	4	1	1	1	1
4.3	Percentage of performance reviews completed timeously*.	Quarterly	95% (71)	0	95% (71)	0	95% (71)

*5% error margin for leave (maternity, annual, sick etc.)

8.1.5 Sub-programme 1.3: Administration and Finance

The sub-programme: Administration and Finance is a service department with the purpose of providing an efficient and effective administrative, procurement and financial support service, by recording its transactions and actions and providing reports for timely decision-making by the Board.

Strategic Objective 5	To review all of ADFIN's policies and procedures for relevance and effectiveness and allocate the available resources to the purpose of the policies and processes during the period.
Objective statement	In order for ADFIN to provide an efficient and effective service at the most cost effective budget, it will have to review all policies and processes to identify any unnecessary or inefficient practices. Thereafter review the policies and amend it to ensure that the policies and practices are efficient and cost effective and then to allocate the required resources to the purpose of the process with continued monitoring thereof over the next four years ending 31 March 2020.
Baseline	The Board's past achievements of clean audits and the ever increasing stringent processes instructed by National and Provincial Treasury as well as the continuously changing generally recognised accounting practices which must be adhered to.
Justification	Ensure an effective and efficient administration and financial function in order to enhance the Board's processes.
Links	PSG 1 - Create opportunities for growth and jobs PSG 2 - Improving education outcomes and opportunities for youth development PSG 3 - Increase wellness, safety and tackle social ills PSG 4 - Enable a resilient, sustainable, quality and inclusive living environment PSG 5 - Embed good governance and integrated service delivery through partnerships and spatial alignment. National Outcome 12 (MTSF 2014-2019 and NDP 2030) - An efficient, effective and development orientated public service.

Strategic Objective and Annual Targets for 2017/18

Strategic Objective Performance Indicator	Strategic PSG Alignment	Audited/Actual performance			Estimated performance	Medium-term targets		
		2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
5 Audit opinion obtained from AGSA for previous financial year.	PSG 1-5	1	1	1	Un-qualified audit report without material findings			

Risk Management:

Risks inherent to the Administration and Finance Department that could hinder the realisation of the strategic objective inter alia include:

No.	Risk	Mitigating Controls
1	Processing of transactions which are inadequate or non-compliant with treasury instructions and GRAP due to insufficient knowledge base.	<ul style="list-style-type: none"> Review of staff performance and skills development programme for each employee. Review of GRAP changes and treasury instructions to amend procedures and prescripts. Multi-tier processing and authorisation to ensure proper processes followed Continued Professional Development for staff members. Attend training and information sessions presented by Provincial Treasury and service providers on GRAP.
2	Delay in procurement of strategic requirements through inadequate planning and budgeting.	<ul style="list-style-type: none"> Budget process where acquisitions are planned and budgeted for with monthly reviews by EXCO to ensure compliance with set budget and objectives.
3	Insufficient resources to ensure business continuity.	<ul style="list-style-type: none"> Staff budget set at beginning of year and EXCO meetings held to review resources required and shortfall that exists in order to prioritise "danger" areas. Staff cross trained to assist when a shortfall exists. Financial resource requirements budgeted and approved by the Minister.
4	Inability to produce accurate and timely reports as a result of system breakdowns.	<ul style="list-style-type: none"> IT reviews system usage and up-time and regularly monitors its systems for breakdowns. Use of manual systems when electronic systems breaks down. Backups performed regularly.
5	Processes delayed or not performed due to load shedding or unavailability of electric power.	<ul style="list-style-type: none"> Uninterruptable Power Supply in place to provide power during load shedding and power outages. Manual process refined to ensure continuous operations when required.

Performance Indicators and Annual Targets for 2017/18

Programme Performance Indicator	Strategic PSG Alignment	Audited/Actual performance			Estimated performance	Medium-term targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
5.1 Number of financial reports to stakeholders.	PSG 1-5	11	16	New PI	33	33	33	33
5.2 Percentage of undisputed invoices received paid within 30 days from receipt of a statement.	PSG 1-5	New PI	New PI	New PI	New PI	100%	100%	100%

Quarterly Targets for 2017/18

Performance Indicator		Reporting Period	Actual Target 2017/18	Quarterly Targets			
				1st	2nd	3rd	4th
5.1	Number of financial reports to stakeholders.	Quarterly	33	9	8	8	8
5.2	Percentage of undisputed invoices received paid within 30 days from receipt of a statement.	Quarterly	100%	100%	100%	100%	100%

Reconciling performance targets with the Budget and MTEF

Table: Board and Administration

Sub-Programme	Expenditure Outcomes			Adjusted Appropriation	Medium-term Expenditure Estimate		
	R'000	2013/14	2014/15		2015/16	2016/17	2017/18
Expenditure Estimates							
Board	1 304	2 529	1 620	2 086	2 045	2 335	2 466
Executive - CEO*	5 239	6 283	6 486	2 333	3 786	2 611	2 758
Legal*	0	0	0	3 225	2 988	3 610	3 812
Human Resources*	0	0	0	1 109	1 388	1 241	1 311
Administration and Finance	8 127	8 905	8 650	9 880	9 965	13 216	14 079
Total	14 670	17 717	16 756	18 633	20 172	23 013	24 426
<i>* Actuals for CEO, Legal and HR are combined</i>							
Economic Classification							
Current Payments	14 581	17 059	16 456	17 960	19 724	21 815	23 630
Compensation of employees	8 479	9 092	11 164	11 605	11 919	12 990	13 718
Goods and services of which:	6 102	7 967	5 292	6 355	7 805	8 825	9 912
Administration	2 697	2 834	2 830	3 087	4 988	5 167	6 049
Consultants, contractors and special services	2 487	3 829	1 849	2 254	1 219	2 523	2 664
Travel and subsistence	918	1 304	613	1 014	1 598	1 135	1 199
Transfers and subsidies	0	0	0	0	0	0	0
Payments for capital assets	89	658	300	673	448	1 198	796
Buildings and other fixed structures	0	0	0	549	0	615	649
Machinery and equipment	89	658	300	124	28	139	147
Transport Equipment	0	0	0	0	420	445	0
Total	14 670	17 717	16 756	18 633	20 172	23 013	24 426

Performance and expenditure trends – (For Board, Executive (CEO, Legal, HR) and ADFIN)

- The Board needs its full complement of staff and quorum Board to achieve its mandate.
- Provision has been made in the budget to ensure the employment of a full complement of Board Members and staff.
- At the request of the MEC all posts at the Board has been evaluated and graded by the Organisational Development Directorate (OD) in the Department of the Premier.
- The need for a skilled workforce has been highlighted and provision has been made in the budget for training and developing staff.
- The budget has been set to fund the activities required to achieve the Board’s mandate and successfully perform the activities as set out in the Board’s APP.

8.2 Programme: Licensing

The Licensing Department is responsible for co-ordinating the licensing process. It receives licence applications and conducts probity investigations linked to applications received. Based on the resultant findings the department then makes recommendations for approval or denial to the CEO and/or Board.

Strategic Objective 6	To ensure the efficient and timely investigation of applications received, resulting in the licensing of fit and proper persons permitted to engage in gambling operations.
Objective statement	To promptly investigate new applications and to process annual renewal applications of existing licenses in a timely and efficient manner. To conduct probity investigations in order to determine whether applicants qualify for a licence and are considered fit and proper to engage in gambling operations (in terms of sections 28 read with sections 29 and/or 30 of the Western Cape Gambling and Racing Act, 1996 (Act 4 of 1996). To facilitate the licensing process, the introduction of automated processes for applications and reporting purposes will increase efficiencies for the period 2015 to 2020.
Baseline	7500 licences of varying kinds processed annually.
Justification	Ensuring service delivery in respect of licensing suitable persons to the industry, thereby approving the entry into economic and employment activities in the gambling industry.
Links	PSG 1 – Create opportunities for growth and jobs PSG 2 – Improving education outcomes and opportunities for youth development PSG 3 – Increase wellness, safety and tackle social ills PSG 4 – Enable a resilient, sustainable, quality and inclusive living environment PSG 5 – Embed good governance and integrated service delivery through partnerships and spatial alignment. National Outcome 12 (MTSF 2014-2019 and NDP 2030) – An efficient, effective and development orientated public service. Economic Access Transition (Working Cape: Any person who wants to be economically active is able to secure work (OneCape 2040).

Strategic Objective and Annual Targets for 2017/18

Strategic Objective Performance Indicator	Strategic PSG Alignment	Audited/Actual performance			Estimated performance	Medium-term targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
6 Number of licence applications with recommendations submitted to the CEO and/or the Board for consideration.	PSG 1-5	5 547	6 990	8 314	7 600	7 650	7 700	8 000

Risk Management:

Risks inherent to the Licensing Department that could hinder the realisation of the strategic objective inter alia include:

No.	Risk	Mitigating Controls
1	Core functions not performed as a direct result of legitimate (leave, resignation) unavailability of staff which could lead to delays in processing applications thus impacting negatively on the industry.	<ul style="list-style-type: none"> All licensing investigators being able to conduct the same activities. Obtain assistance by hiring a temporary person. In an instance of resignation, assistance can be drawn from other licensing teams. A recorded set of procedures give guidance to officials assisting temporarily.
2	The investigation process could be delayed due to the non-adherence by licence holders to legislative requirements (e.g. submission of renewal applications 3 months prior to expiry) which could result in incorrect recommendations or licences expiring prior to the completion of the investigation process.	<ul style="list-style-type: none"> Bulletins, guidelines, correspondence addressed to operators to guide procedural compliance. Liaison meetings are held with operators to discuss instances of procedural non-compliance. Renewal Charts and Renewal notification letters are sent out to operators. Penalties are imposed for late submissions.
3	The provision of sound recommendations to the Board and CEO could be negatively affected due to the reliance placed on applicants to provide authentic information which could result in the incorrect granting of licences.	<ul style="list-style-type: none"> The authenticity / legitimacy of documentation verified and only originals or certified copies accepted. Relations have been built with authorities to verify documentation received from them (e.g. Municipalities).
4	Inability to process licence applications as a result of system malfunctions.	<ul style="list-style-type: none"> IT disaster recovery plan (DRP) in place Backup manual process.
5	Loss of applications or supporting information in the Licensing system resulting in delays or licenses not issued timely.	<ul style="list-style-type: none"> Applications being scrutinized on receipt thereof and incomplete applications returned. An application register records receipt of applications and the application is then captured onto the licensing database before distribution to chiefs and investigators.

Performance Indicators and Annual Targets for 2017/18

Programme Performance Indicator	Strategic PSG Alignment	Audited/Actual performance			Estimated performance	Medium-term targets		
		2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
6.1 Percentage of new applications in respect of employee licences (key and gambling) received processed within 30 days of receipt.	PSG 1-5	New PI	New PI	81% (2 261)	80%	85%	87%	89%
6.2 Percentage of renewal applications received processed within the 3 month renewal period.	PSG 1-5	New PI	New PI	98% (5 420)	95%	96%	97%	98%

Quarterly Targets for 2017/18

Performance Indicator		Reporting Period	Actual Target 2017/18	Quarterly Targets			
				1st	2nd	3rd	4th
6.1	Percentage of new applications in respect of employee licences (key and gambling) received processed within 30 days of receipt.	Quarterly	85%	85%	85%	85%	85%
6.2	Percentage of renewal applications received processed within the 3 month renewal period.	Quarterly	96%	96%	96%	96%	96%

Reconciling performance targets with the Budget and MTEF

Table: Licensing

Programme	Expenditure Outcomes			Adjusted Appropriation	Medium-term Expenditure Estimate		
	R'000	2013/14	2014/15		2015/16	2016/17	2017/18
Expenditure Estimates							
Licensing	9 233	10 582	11 107	12 185	12 709	13 639	14 403
Total	9 233	10 582	11 107	12 185	12 709	13 639	14 403
Economic Classification							
Current Payments	9 194	10 552	10 825	12 185	12 709	13 639	14 403
Compensation of employees	8 829	10 260	10 518	11 873	12 386	13 290	14 035
Goods and services of which:	365	292	307	312	323	349	368
Administration	325	245	159	156	141	174	184
Consultants, contractors and special services	2	2	0	0	10	0	0
Travel and subsistence	38	45	148	156	172	175	184
Transfers and subsidies	0	0	0	0	0	0	0
Payments for capital assets	39	30	282	0	0	0	0
Machinery and equipment	39	30	282	0	0	0	0
Total	9 233	10 582	11 107	12 185	12 709	13 639	14 403

Performance and expenditure trends

- In ensuring that employment opportunities created in the gambling industry are not delayed, the Licensing Department focuses on addressing investigations into applications for employment licences with priority. No person may engage in gambling related activities or perform gambling related functions until such time that they are appropriately licensed. The licensing process involves an investigation into the applicant's background to determine the suitability of the person to hold a specific licence linked to their employment.

- The processing of employee licence applications makes for the bulk of the activities of the department.
- Renewals of all current licences are also a major focus area of the department seeing as all licences are subject to an expiry date. Renewals are in respect of all operators and all their respective staff, as well as certificates of suitability relating to persons who have a financial interest in a gambling operation. In terms of the previous performance trend these are completed timely, irrespective of new or ad-hoc applications also received.
 - All posts in the Licensing Department are filled. The sourcing of suitable training in order to keep staff abreast in their specific areas of responsibility remains a challenge which the Board is determined to address. Gambling industry related training is hard to come by in South Africa and the hope is that all regulatory bodies in the industry will carve a way forward to address this challenge.
 - The automation of the licensing process is being investigated, and remains a focus area of the IT department. The proposed future processing of applications would include electronic completion of application forms as well as moving away from the paper based reports for recommendations on applications. Automation will bring about added efficiencies for the department, more so in respect of responding to the demands of industry.

8.3 Programme: Regulatory Compliance

Ensuring that regulated gambling and betting activities are conducted in a manner that complies with legislative provisions and regulatory requirements is core to the programme. Furthermore, addressing all allegations of illegal gambling to maintain confidence and trust within the industry in the Western Cape. The programme will focus on strategies which will enhance revenue for the Board as well as the Province, while at the same time being responsible about the roll-out of additional gambling opportunities in the Province. In the 2016 financial year the set target for the level of compliance was set at 95%, however this was in respect of the casino and LPM industry which has a number of controls in place. In the 2017 financial year, the level of compliance included the betting industry and as this was a new performance indicator coupled with the fact that the number of controls within the industry needed to be relooked and revised, it was prudent to set the target at a lower level, and increasing it in subsequent years.

Strategic Objective 7	To ensure that gambling and betting activities conducted in the Province conform to the legislative provisions and regulatory requirements.
Objective statement	To carry out scheduled and ad hoc on-site assessments at the premises of licence holders as well as the continuous review of their internal processes and other operational requests. Responding to public requests timeously including investigation of allegations of illegal gambling. All efforts are aimed at maintaining and enhancing public confidence and trust in the industry.
Baseline	1 113 on site assessments conducted.
Justification	All gambling and betting activities need to operate within the confined parameters.
Links	PSG 1- Create opportunities for growth and jobs PSG 2 - Improving education outcomes and opportunities for youth development PSG 3 - Increase wellness, safety and tackle social ills PSG 4 - Enable a resilient, sustainable, quality and inclusive living environment PSG 5 - Embed good governance and integrated service delivery through partnerships and spatial alignment. National Outcome 12 (MTSF 2014-2019 and NDP 2030) - An efficient, effective and development orientated public service.

Strategic Objective and Annual Targets for 2017/18

Strategic Objective Performance Indicator	Strategic PSG Alignment	Audited/Actual performance			Estimated performance	Medium-term targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
7 The level of compliance determined resulting from the on-site assessments conducted at licensed establishments.	PSG 1-5	New SOPI	New SOPI	95%	80%	85%	90%	90%

Risk Management:

Risks inherent to the Regulatory Compliance Department that could hinder the realisation of the strategic objectives inter alia include:

No.	Risk	Mitigating Controls
1	The programme not being able to perform core functions adequately due to the lack of resources and human capital not trained and developed which could result in non-achievement of strategic objectives.	<ul style="list-style-type: none"> Department training. Regular review of work and scheduled meetings to address any issues.
2	The licence holders do not inform or advise the Board timely in terms of their activities which has an impact on the operations of the programme.	<ul style="list-style-type: none"> Regular meetings with the duly authorised representative of each licensed entity. Annual year planner completed prior to the commencement of proposed activities. Licence holder are advised of the unavailability of the Board's officials where applicable.
3	Licence holder requests for new operations cannot be adequately considered as a result of the lack of understanding and failing to keep abreast with industry development.	<ul style="list-style-type: none"> Provision made in the budget for attendance at all relevant local and annual international fora. Attendance at quarterly national fora. Attendance at monthly industry specific meetings. Attendance at industry related workshops.
4	Lack of co-operation from state agencies as a result of illegal gambling not being considered as a priority crime, this results in a backlog of cases and increased storage costs.	<ul style="list-style-type: none"> Regular meetings with the role players. Conduct workshops and other initiatives to educate and create awareness. Initiatives that will establish and maintain relations with key personnel of the relevant agencies.
5	Unable to enforce compliance on licence holders with respect to excluded persons due to a lack of clear legislation this results in problem gamblers still accessing the casinos.	<ul style="list-style-type: none"> Regular interaction with the industry in setting guidelines or standard operating procedures. Regular industry meetings where stakeholders voice their concerns. Initiatives in conjunction with the NRGF to create awareness, where applicable.

Performance Indicators and Annual Targets for 2017/18

Programme Performance Indicator	Strategic PSG Alignment	Audited/Actual performance			Estimated performance	Medium-term targets		
		2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
7.1 Number of compliance assessments conducted at licenced gambling premises.	PSG 1-5	965	1 113	1 161	1 200	1 250	1 300	1 350
7.2 Percentage of investigations conducted timeously for all allegations of illegal gambling received by the Board.	PSG 1-5	New PI	New PI	New PI	90%	95%	95%	100%

Quarterly Targets for 2017/18

Performance Indicator		Reporting Period	Actual Target 2017/18	Quarterly Targets			
				1st	2nd	3rd	4th
7.1	Number of compliance assessments conducted at licenced gambling premises.	Quarterly	1 250	300	350	250	350
7.2	Percentage of investigations conducted timeously for all allegations of illegal gambling received by the Board.	Quarterly	95%	95%	95%	95%	95%

Reconciling performance targets with the Budget and MTEF

Table: Regulatory Compliance

Programme	Expenditure Outcomes			Adjusted Appropriation	Medium-term Expenditure Estimate		
	R'000	2013/14	2014/15		2015/16	2016/17	2017/18
Expenditure Estimates							
Regulatory Compliance	10 211	11 159	13 131	14 689	16 144	16 442	17 363
Total	10 211	11 159	13 131	14 689	16 144	16 442	17 363
Economic Classification							
Current Payments	10 183	11 137	12 839	14 620	16 075	16 365	17 281
Compensation of employees	8 780	9 933	11 461	12 985	14 439	14 535	15 347
Goods and services of which:	1 403	1 204	1 378	1 635	1 636	1 830	1 934
Administration	460	355	209	636	674	712	753
Consultants, contractors and special services	174	134	134	45	45	50	53
Travel and subsistence	769	715	1 035	954	917	1 068	1 128
Transfers and subsidies	0	0	0	0	0	0	0
Payments for capital assets	28	22	292	69	69	77	82
Machinery and equipment	28	22	292	69	69	77	82
Total	10 211	11 159	13 131	14 689	16 144	16 442	17 363

Performance and expenditure trends

- Due to the alignment of core functions, the programme has access to a larger pool of auditors.
- It is critical that the staff fully understand the operations of licence holders as well as the manner in which gambling devices operate so that we may identify the areas of greater risk.
- The programme staff has to identify risk assessment and determine the likelihood and the impact thereof so to ensure when the Operational Rules are presented for amendments, a well-informed discussion will assist with our decision making process.

- On-going training and development which comprises both formal sessions as well as attendance at conferences, workshops and national forums, to equip the staff with the relevant competencies as well as being able to respond to licence holders with requests to either implement new games or different procedures.
- To stay conversant with the Gambling and Betting Industry the Programme has to attend regular conferences, seminars and workshops.
- It is critical that the staff fully understand the operations of licence holders as well as the manner in which gambling devices operate so that we may identify the areas of greater risk.
- Patron disputes and complaints are independently investigated from the gaming auditors that carry out the scheduled compliance audits.
- The programme will focus more on responsible gambling matters with the emphasis on early detection and the enforcement of the legislative amendments once operational.
- With the illegal gambling operations taking on different forms, efforts will be made to stay abreast of such new developments and at the same time forging a closer working relationship with the local law enforcement agencies.
- Research into new forms of gambling and the impact that it could have for the Province.

8.4 Programme: Information and Communication Technology

This programme provides and maintains ICT products and services for the office of the Board. The programme has established a cohesive, enterprise-wide IT architecture to support WCGRB's strategic objectives. The ICT environment has now matured, and the department has an additional role of providing strategic and innovative solutions to various programmes of the Board. The Information Technology programme has a staff compliment of five.

Strategic Objective 8	To provide innovative and practical ICT solutions to the WCGRB both on a strategic and functional level.
Objective statement	The programme will keep abreast with latest developments in both the ICT and gaming/gambling technologies. A well-resourced programme will then provide an enabling business performance environment for all programmes.
Baseline	95.9% uptime of ICT systems.
Justification	To ensure that the systems of the Board is effective and efficient to carry out its mandate.
Links	<p>PSG 1 - Create opportunities for growth and jobs</p> <p>PSG 2 - Improving education outcomes and opportunities for youth development</p> <p>PSG 3 - Increase wellness, safety and tackle social ills</p> <p>PSG 4 - Enable a resilient, sustainable, quality and inclusive living environment</p> <p>PSG 5 - Embed good governance and integrated service delivery through partnerships and spatial alignment.</p> <p>National Outcome 6 (MTSF 2014-2019 and NDP 2030) - An efficient, competitive and responsive economic infrastructure network.</p> <p>National Outcome 12 (MTSF 2014-2019 and NDP 2030) - An efficient, effective and development orientated public service.</p>

Strategic Objective and Annual Targets for 2017/18

Strategic Objective Performance Indicator	Strategic PSG Alignment	Audited/Actual performance			Estimated performance	Medium-term targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
8 Minimum Information systems uptime over 350 days.	PSG 1-5	94.71%	91%	99.52%	90%	95.9%	95.9%	95.9%

Risk Management:

Risks inherent to the Information and Communication Technology Department that could hinder the realisation of the strategic objective inter alia include:

No.	Risk	Mitigating Controls
1	ICT Security and Governance not conformed to effectively manage the ICT environment of WCGRB and lack of ongoing improvement resulting in data breaches.	<ul style="list-style-type: none"> Implemented best practice guidelines as per Corporate Governance framework and Charter. (COBIT 5) Implemented Security and Governance Policies. Effectively mitigate potential security and governance vulnerabilities through ongoing Monitoring, Managing and administration of the ICT environment.
2	Business performance disruptions due to unplanned downtime.	<ul style="list-style-type: none"> Ensure a DRP is in place and test regularly. After each test, modifications should be applied accordingly to the document. Spare equipment available on request. UPS in place to provide power during load shedding and power outages. Acquisition of a generator not feasible, improved UPS Battery capability to extend power supply.
3	Failure to timeously keep abreast with latest developments in the IT industry.	<ul style="list-style-type: none"> Select relevant training for the IT programme staff members to ensure constant re-skilling. Re-skilling will also be achieved through conferences, seminars, meetings, forums and computer based training. On the job coaching and mentoring and realigning operational processes and procedures.
4	Loss of multi-skilled ICT human resources.	<ul style="list-style-type: none"> Recruitment for new staff members with the required skill criteria to be employed. Rotation of responsibilities within department to mitigate lack of performance.

Performance Indicators and Annual Targets for 2017/18

Programme Performance Indicator	Strategic PSG Alignment	Audited/Actual performance			Estimated performance	Medium-term targets			
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19	2019/20
8.1	Number of instances to maintain current information technology systems, hardware, software and network infrastructure.	PSG 1-5	1 223	1 431	3 764	4 000	4 000	4 000	4 000
8.2	Number of scheduled preventative and knowledge empowerment activities conducted.	PSG 1-5	New PI	58	71	58	60	60	60

Quarterly Targets for 2017/18

Performance Indicator		Reporting Period	Actual Target 2017/18	Quarterly Targets			
				1st	2nd	3rd	4th
8.1	Number of instances to maintain current information technology systems, hardware, software and network infrastructure.	Quarterly	4 000	1 000	1 000	1 000	1 000
8.2	Number of scheduled preventative and knowledge empowerment activities conducted.	Quarterly	60	15	15	15	15

Reconciling performance targets with the Budget and MTEF

Table: Information and Communication Technology

Programme	Expenditure Outcomes			Adjusted Appropriation	Medium-term Expenditure Estimate		
	R'000	2013/14	2014/15		2015/16	2016/17	2017/18
Expenditure Estimates							
Information and Communication Technology	3 616	3 150	4 490	5 274	9 079	8 390	8 695
Total	3 616	3 150	4 490	5 274	9 079	8 390	8 695
Economic Classification							
Current Payments	3 068	3 008	3 010	5 049	5 330	5 652	5 968
Compensation of employees	1 811	1 999	1 906	2 802	2 804	3 136	3 311
Goods and services of which:	1 257	1 009	1 104	2 247	2 526	2 516	2 657
Administration	1 016	779	971	2 147	2 426	2 404	2 539
Consultants, contractors and special services	173	125	83	10	10	11	12
Travel and subsistence	68	105	50	90	90	101	106
Transfers and subsidies	0	0	0	0	0	0	0
Payments for capital assets	548	142	1 480	225	3 749	2 738	2 727
Machinery and equipment	548	142	1 480	75	949	84	89
Software and Intangible Assets	0	0	0	150	2 800	2 654	2 638
Total	3 616	3 150	4 490	5 274	9 079	8 390	8 695

Performance and expenditure trends

- The IT environment is dynamic and innovative, which require a constant update of processes, hardware, software, skills, and security. Business effectiveness, efficiency and continuity rely heavily on information technology.
- The increase in the training budget, annual software licensing, and cyclical hardware replacement is in-line with the growth of the staff complement and ensuring continued support from software and hardware vendors.
- Automation of the licensing process and the necessary provision made in the budget for this development, would set the foundation to establish also e-commerce possibilities. This remains a focus area of the ICT department and the proposed future processing of licence applications would include electronic accomplishments of application forms and move away from the current paper base process. This will also set the stage for the enablement of online payment.
- Automation will bring about added efficiencies for the Board as online processing of licences would be possible via any medium such as wireless (Broadband) and wired infrastructure, with the main difference that all information will be electronically uploaded to the central system via a web base application.
- The necessary provision is made in the Board's budget to cover also the cost of systems enhancement, maintenance and associated communication and hosting costs.

9. Links to the long-term infrastructure and other capital plans

This section is not applicable to the Western Cape Gambling and Racing Board as its functional responsibilities do not relate to capital investment.

10. Conditional grants

The Western Cape Gambling and Racing Board does not receive any conditional grants.

11. Public entities

The Provincial Cabinet has resolved to undertake a Comprehensive Public Entity Review in 2016.

12. Public private partnerships

The Board has no private public partnerships.

13. Technical Indicators

The Technical indicators are published on the Board's website - www.wcgrb.co.za.

13. Amendments to Performance Indicators 2017/18

Sub-programme 1.2: Executive

Strategic Objective Performance Indicator 2: Number of interventions to positively promote awareness of the Board (Rephrased for clarity).

Programme Performance Indicator 2.3: Internal research for the financial self-sustainability of the Board (New Performance Indicator).

Programme Performance Indicator 2.4: Number of operators monitored for compliance with CSI commitments (New Performance Indicator).

Sub-programme 1.2.1: Legal Services

Programme Performance Indicator 3: Research into the legal aspects of introducing a compulsory player card system in the Western Cape (New Performance Indicator).

Sub-programme 1.2.2: Human Resources

Strategic Objective Performance Indicator 4: Number of material HR audit findings (New Strategic Objective Performance Indicator).

Programme Performance Indicator 4.1: Number of Regulatory reports timeously submitted to Department of Labour (Rephrased for clarity).

Programme Performance Indicator 4.2: Number of reports on the implementation of the HR Plan (New Performance Indicator).

Programme Performance Indicator 4.3: Percentage of performance reviews completed timeously (New Performance Indicator).

Sub-programme 1.2.2: Administration and Finance

Programme Performance Indicator 5.2: Percentage of undisputed invoices received paid within 30 days from receipt of a statement (New Performance Indicator).

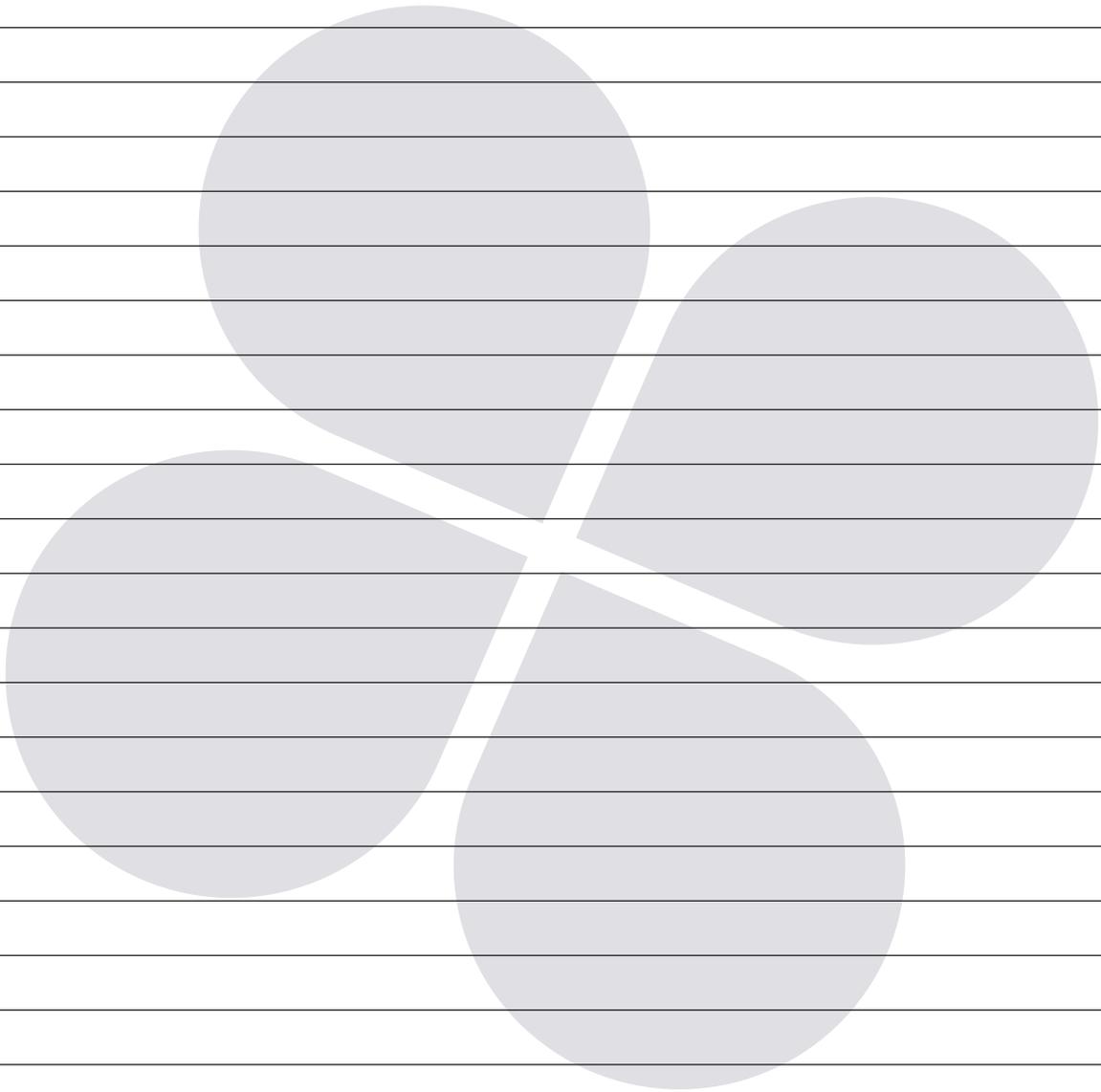
Programme 3: Regulatory Compliance

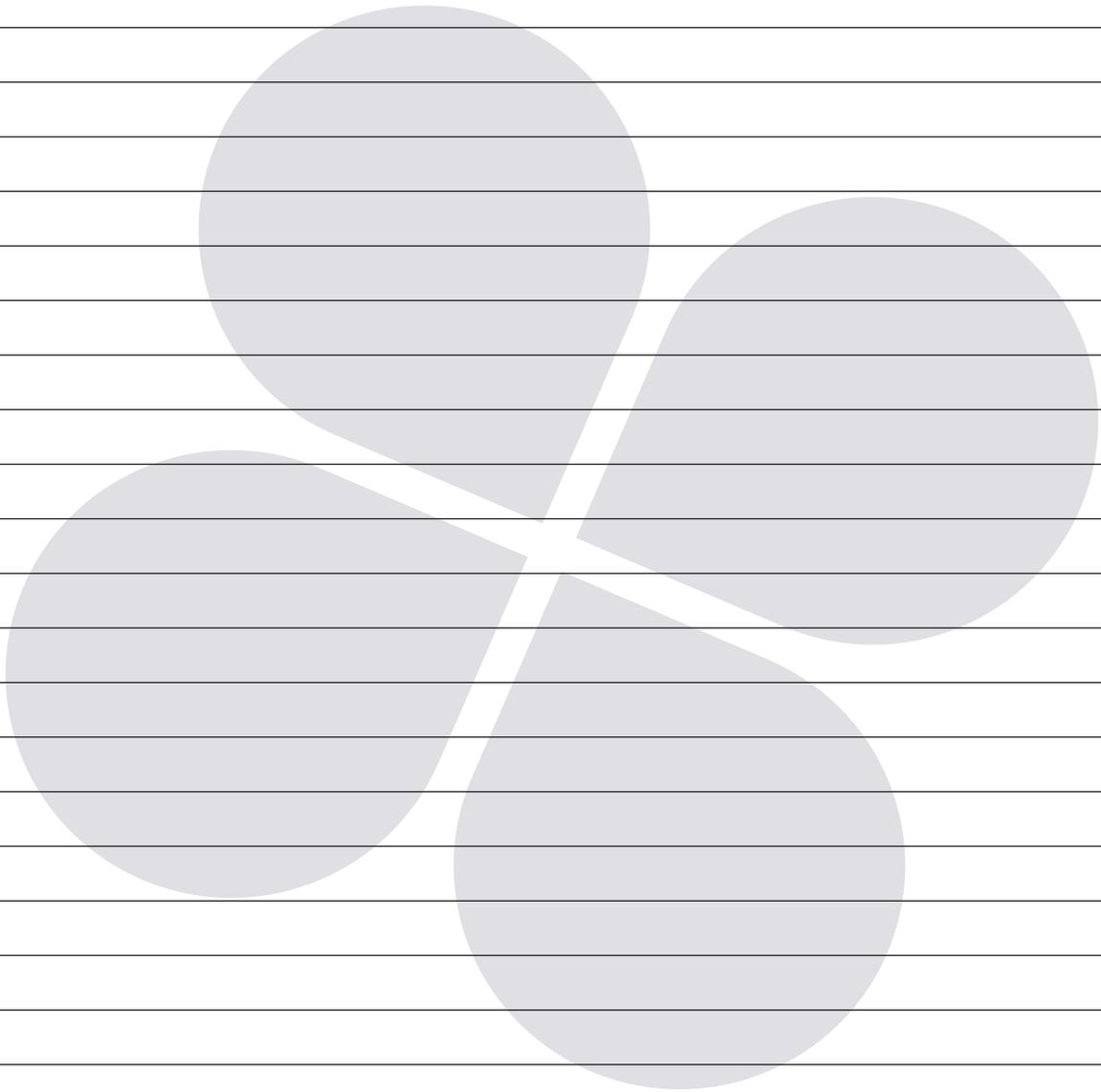
Programme Performance Indicator 7.1: Number of compliance assessments conducted at licenced gambling premises (Rephrased for clarity).

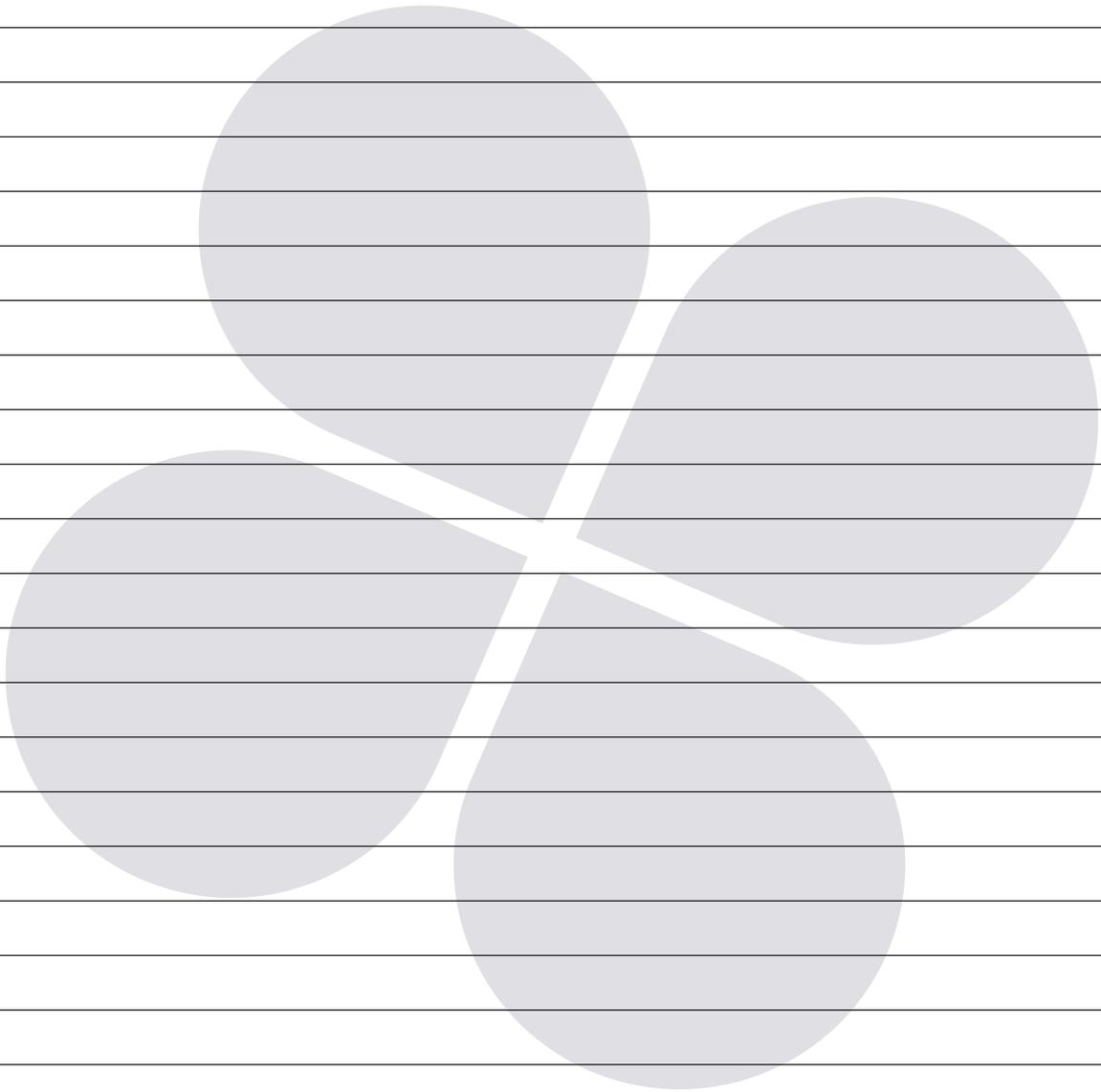
Programme Performance Indicator 7.2: Percentage of investigations conducted timeously for all allegations of illegal gambling received by the Board (Rephrased for clarity).

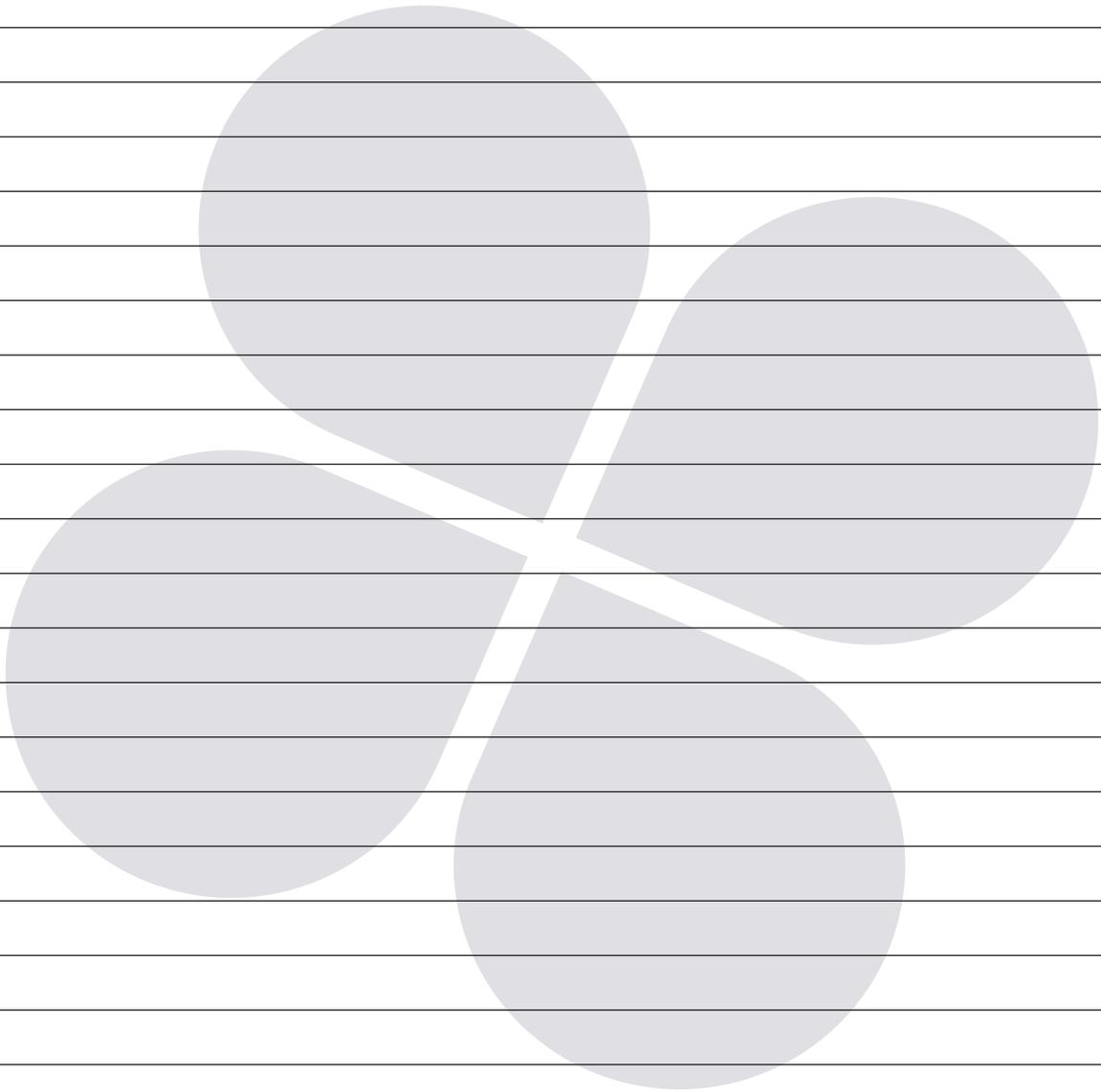
Programme 4: Information and Communication Technology

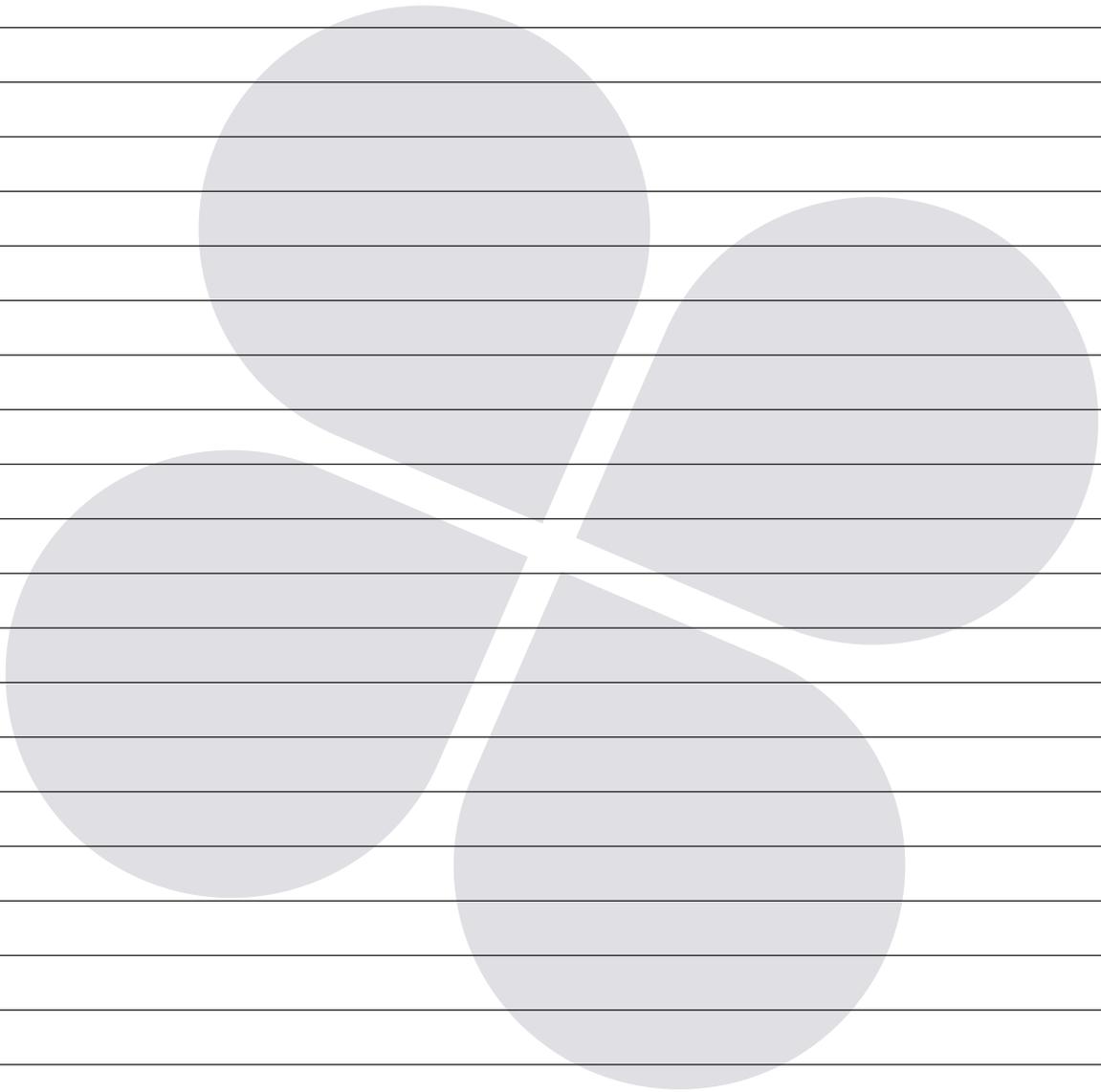
Note: Strategic Objective 8 was incorrectly numbered as 9 in the 2015-2020 Strategic Plan.

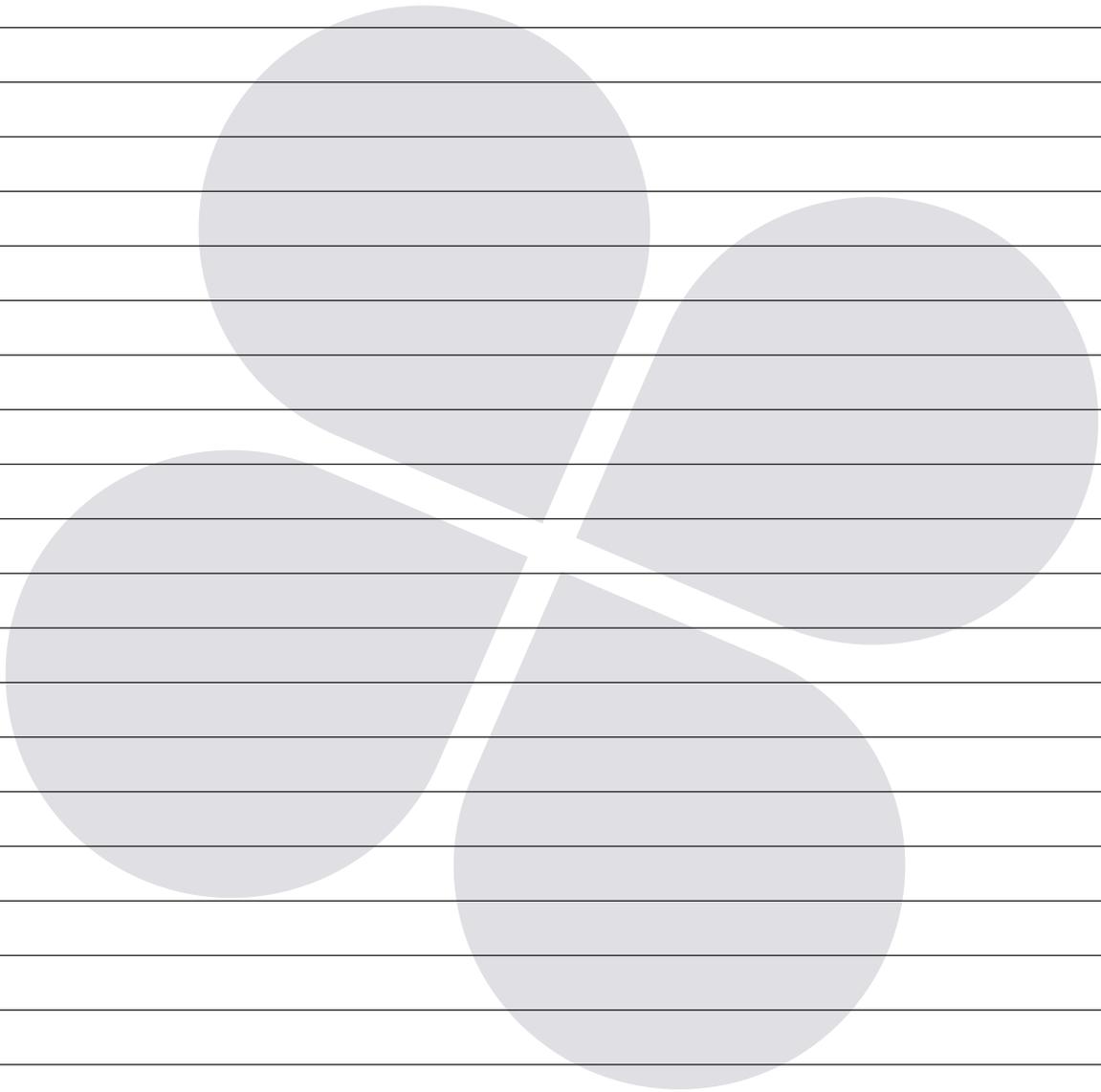


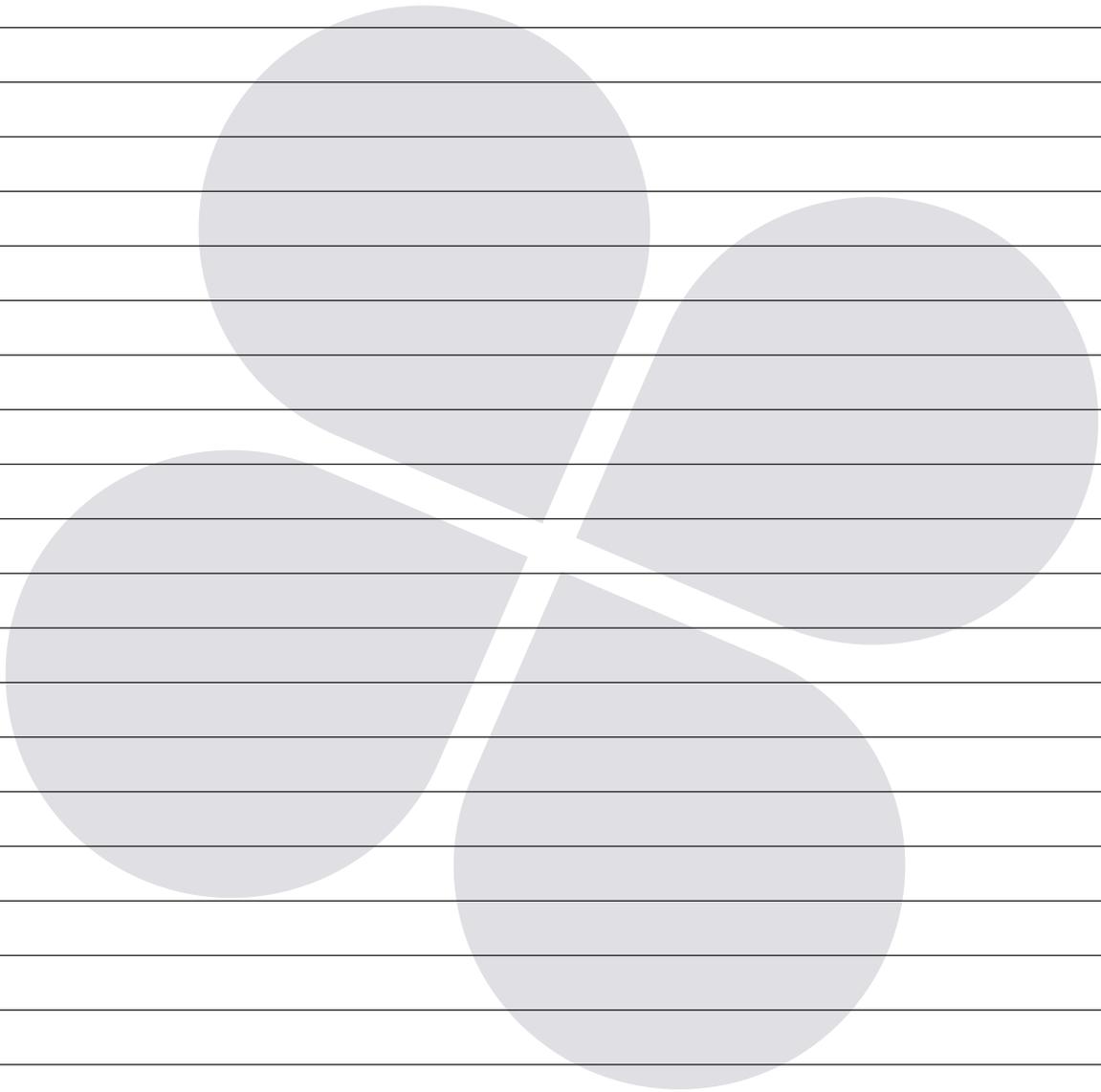


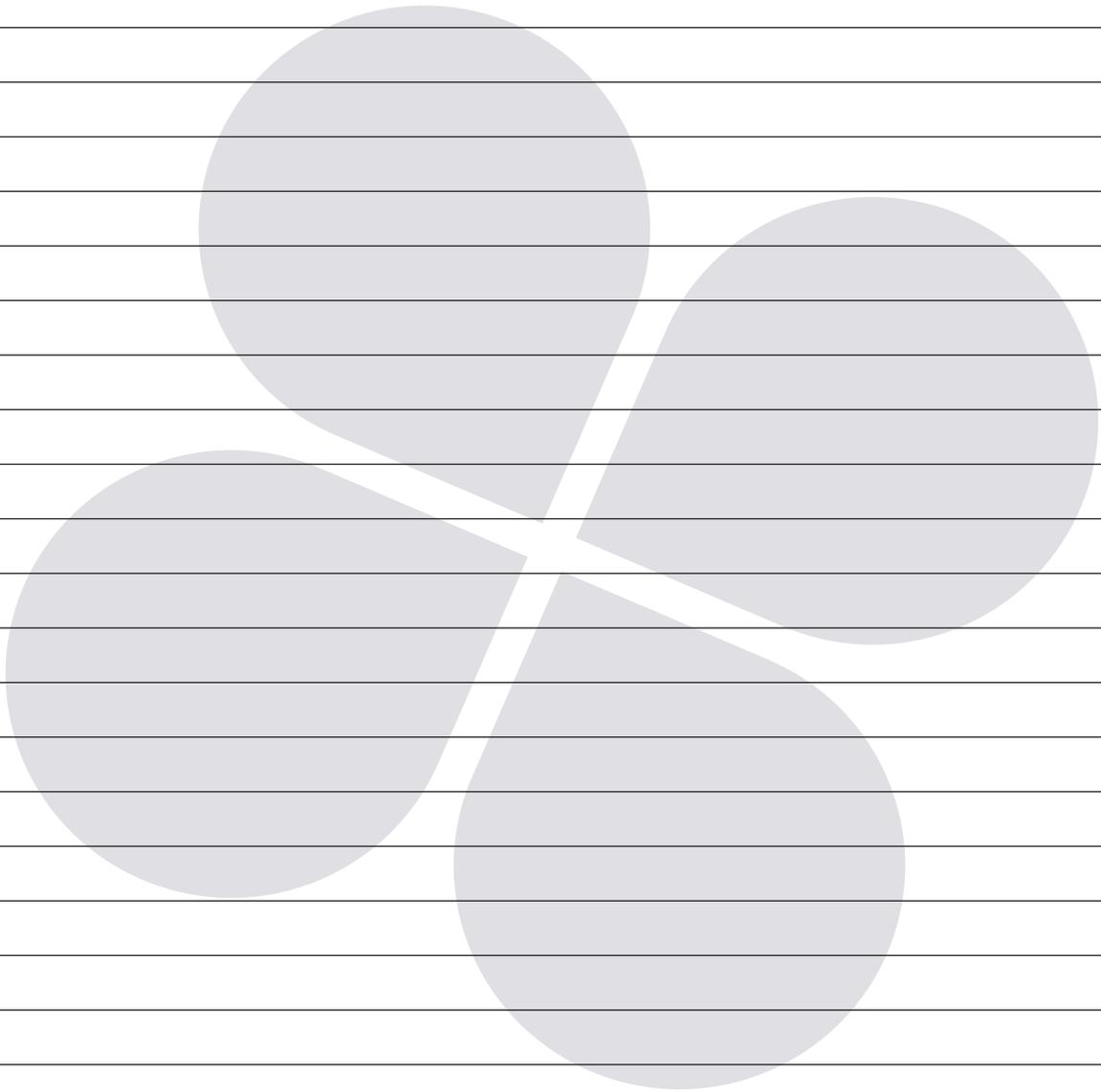


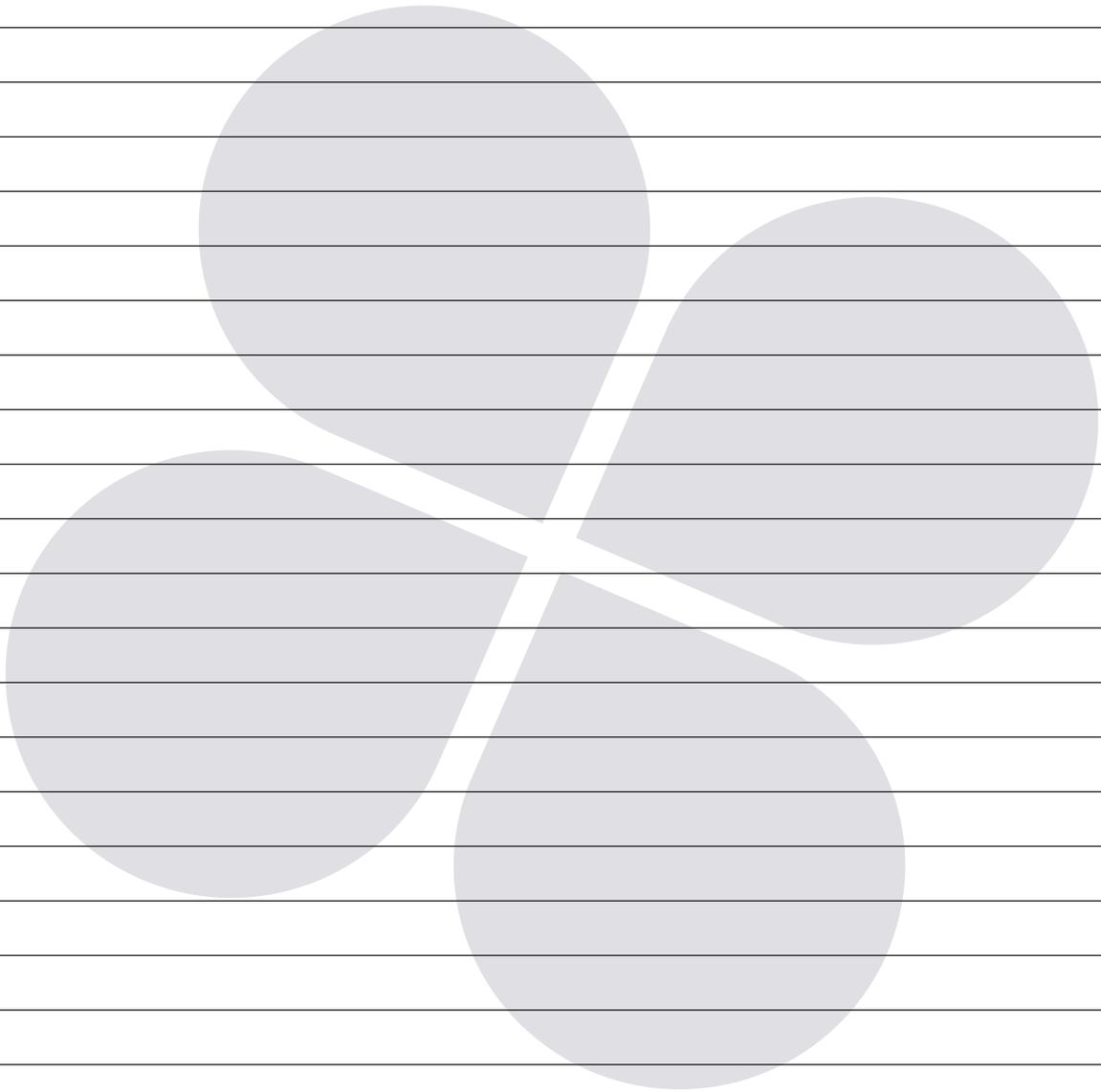


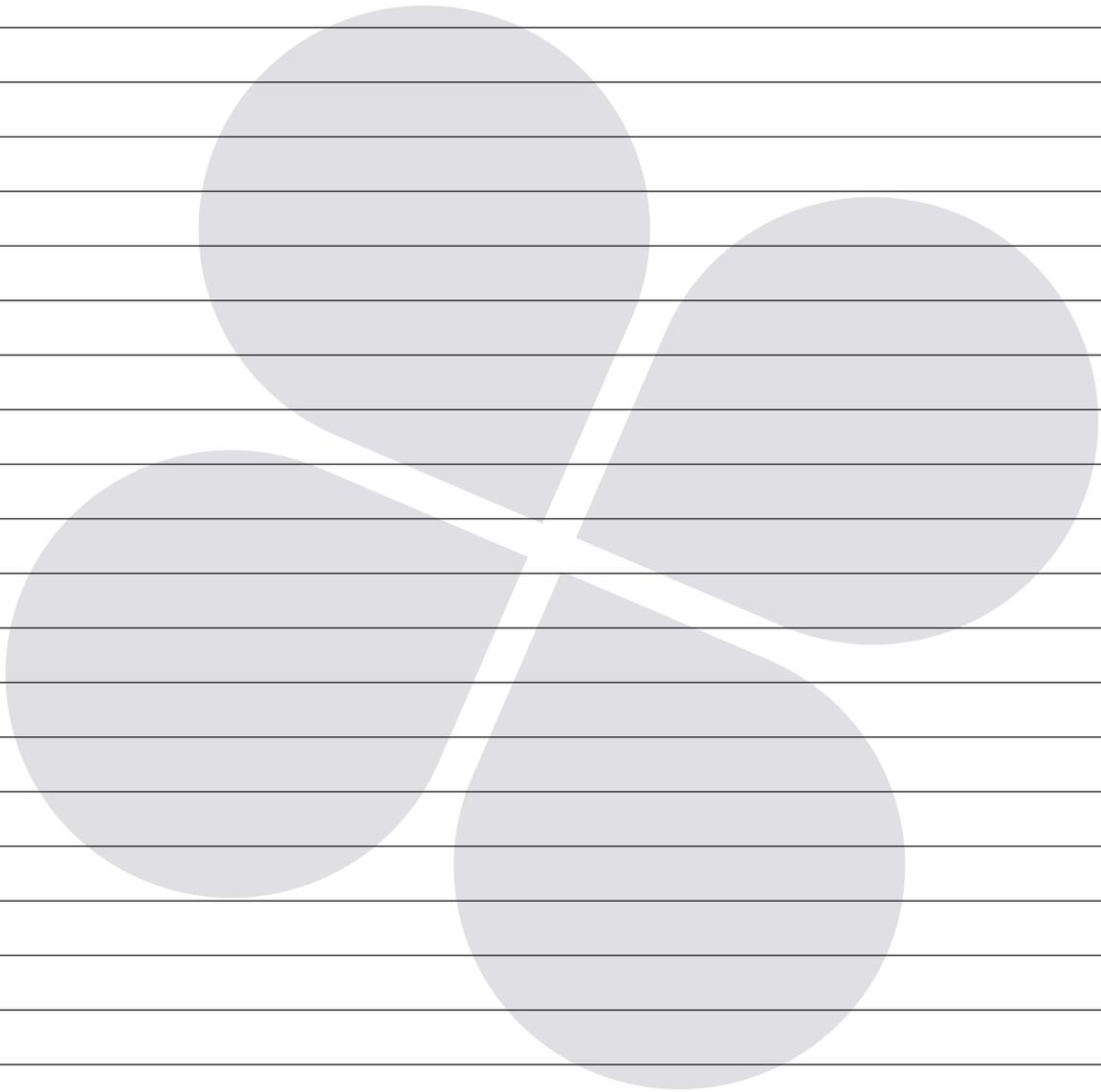


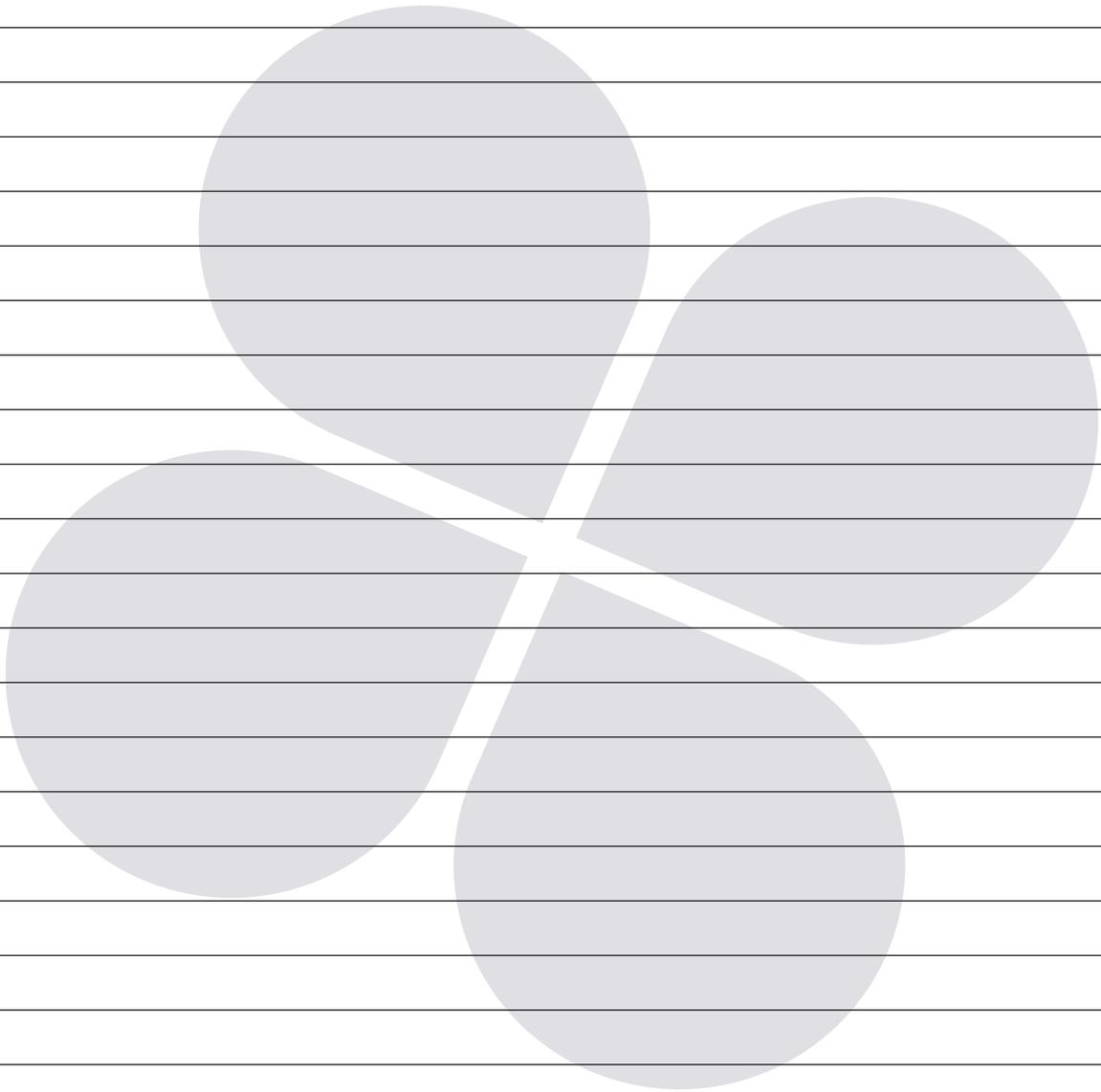


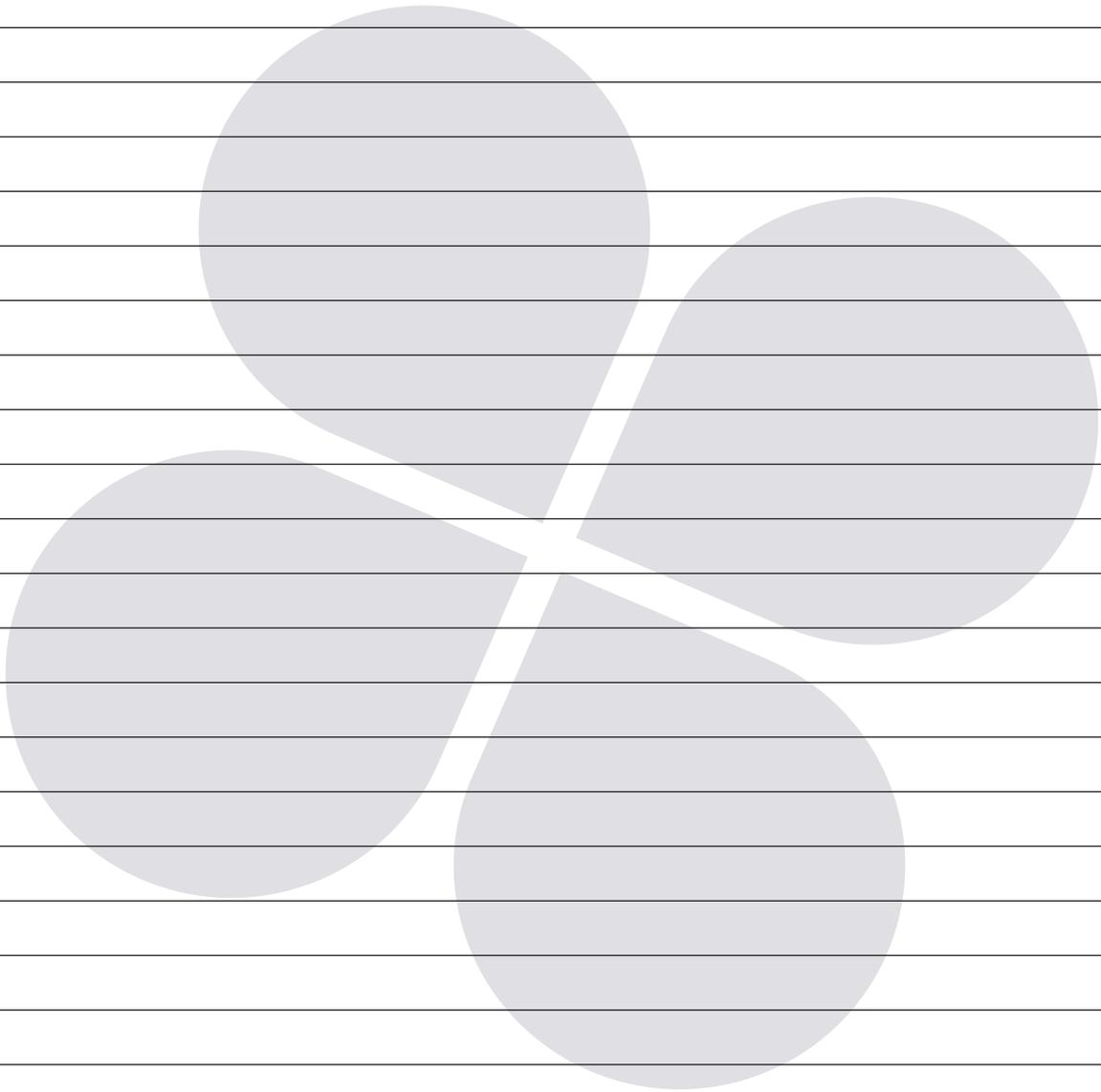


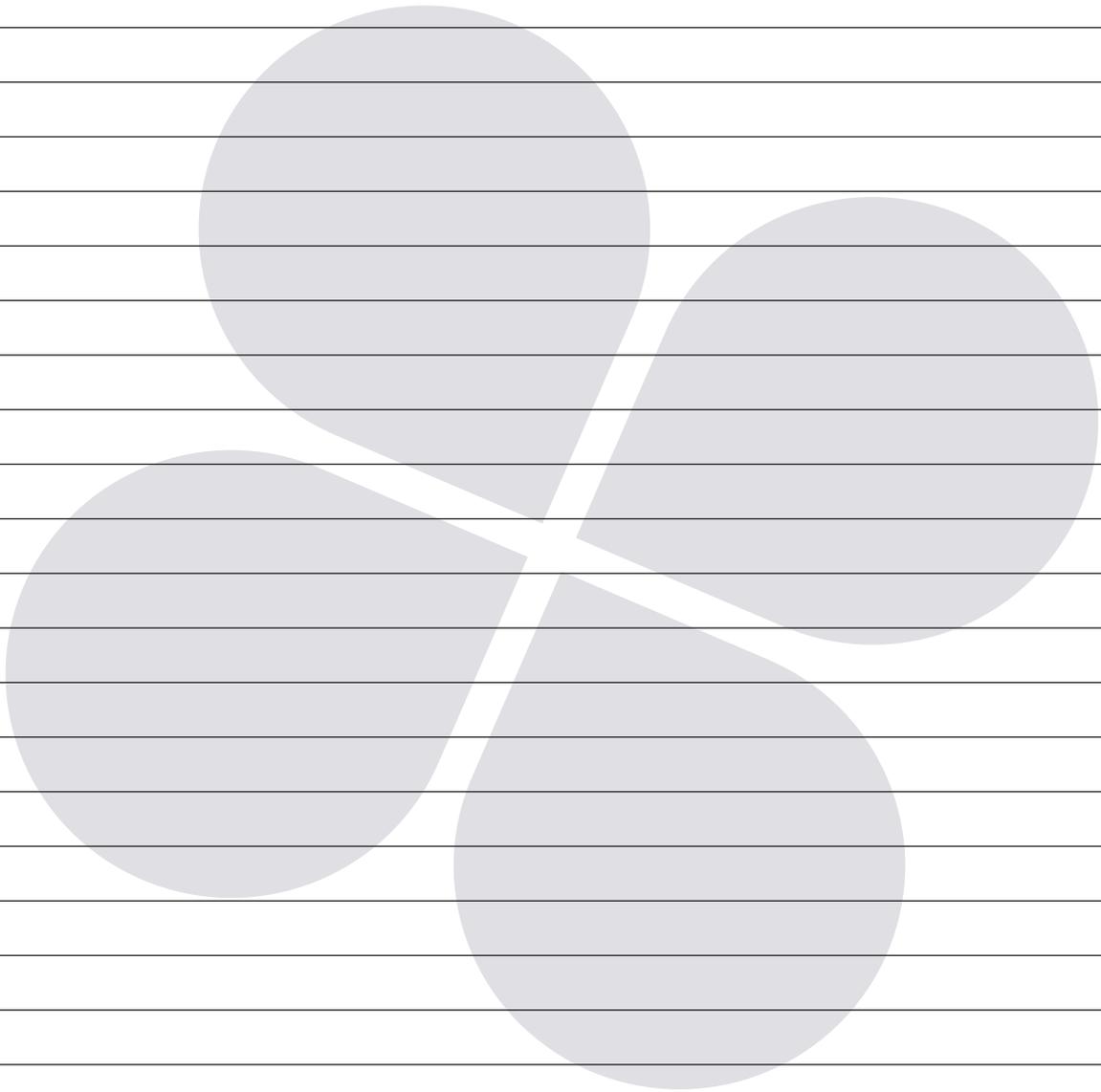












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