GAMBLING SECTOR PERFORMANCE IN SOUTH AFRICA | FY2023/24

Summary

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Ms Caroline Kongwa

Accounting Authority for the NGB

FOREWORD BY THE ACCOUNTING AUTHORITY

The National Gambling Board (NGB) is pleased to share the latest gambling sector statistics for the financial year (FY) 2023/24 (1 April 2023 to 31 March 2024). During FY2023/24, the gambling industry continued along its upward growth path; however, this growth was unbalanced. The betting sector made the greatest leaps in the industry, while the other modes stalled. Online betting is now firmly established as the dominant mode of gambling in the country.

The NGB gathers information from provincial licensing authorities which enables us to assess trends in the South African gambling landscape and inform stakeholders about the size and growth of the industry each year. This follows from the National Gambling Act (NGA), 2004 (Act 7 of 2004), Section 65(2)(e) which provides the mandate to monitor market share and market conduct.

The publication of the summary Gambling Sector Performance report is hoped to be beneficial to stakeholders and the public at large. We are grateful to the all PLAs for providing information and statistics that make this publication possible.

Ms Caroline Kongwa

Accounting Authority of the National Gambling Board

25 November 2024

ACKNOWLEDGEMENTS

All provincial licensing authorities (PLAs) are acknowledged for submitting audited information related to market conduct, market share and provincial gambling statistics per gambling mode, operator and province.

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CONTRIBUTORS

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

- Eastern Cape Gambling 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

ACRONYMS

B-BBEE	Broad-Based Black Economic Empowerment
EBT	Electronic Bingo Terminal
EC	Eastern Cape
FS	Free State
FY	Financial Year
GDP	Gross Domestic Product
GGR	Gross Gambling Revenue
GP	Gauteng
KZN	KwaZulu-Natal
L	Limpopo
LPM	Limited Payout Machines
MP	Mpumalanga
N/A	Not Applicable
NC	Northern Cape
NCEMS	National Central Electronic Monitoring System
NGA	National Gambling Act, 2004 (Act 7 of 2004)
NGB	National Gambling Board
NW	North West
PLAs	Provincial Licensing Authorities
Qrt	Quarter
RTP	Return to Punter
the dtic	The Department of Trade, Industry and Competition
TO	Turnover
WC	Western Cape
YoY	Year-on-Year

EXPLANATORY NOTES

Term	Explanation
Broad-based black economic empowerment (B-BBEE)	Broad-based black economic empowerment is the sustainable economic empowerment of all black people – in particular women, workers, youth, people with disabilities and people living in rural areas – through diverse but integrated strategies including, but not limited to: (a) increasing the number of black people who manage, own and control enterprises and productive assets (b) facilitating ownership and management of enterprises and productive assets by communities, workers, co-operatives and other collective enterprises (c) human resource and skills development, (d) achieving equitable representation in all occupational categories and levels in the workforce (e) preferential procurement including the promotion of local content procurement and (f) investment in enterprises that are owned or managed by black people.
Bingo	Bingo means a game played in whole or in part by electronic means using cards or other devices that are divided into spaces, each of which bear a different number, picture or symbol and are arranged randomly such that each card or similar device contains a unique set of numbers, pictures or symbols. 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. 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 in extreme cases, deaths, 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 racecourse.
Casino	A casino is a facility that is licensed to house and accommodate certain types of licensed casino style slot machines and table gambling games.

Term	Explanation
Key employees (licensed)	Senior management of the licensee. If the licensee is a corporate body, every director or officer or equivalent of such corporate body; any individual who has the authority to hire or terminate supervisory casino personnel; any individual who has the authority to supervise or direct a shift of gaming or security activity; individuals who have the authority or responsibility to manage one of more departments or functions of the operations (accounting, credit and collections, cage, personnel, internal audit, security and surveillance); any individual who specifically represents the board as being important or necessary to the operation of the entity; all persons who individually or as part of a group formulate management policy; any job positions or individual who upon notification by the gambling board is to be considered a key employee; anyone who the board considers whose functions and responsibilities place that employee in key employee status.
Other gaming employees (licensed)	Table inspector, dealer/croupier, cashier, counter, change attendant, host, floor attendant, security attendant, gaming machine attendant, gaming machine technician, surveillance personnel (lower ranking), gaming debt collection personnel, internal audit, accounting personnel, data processing, any other occupation upon notification by the board is concerned to be a gambling occupation for the purposes of the regulations.
Permanent employees (key and other)	Key (licensed) and other gaming (licensed) employees.
Temporary employees	Where the application for registration has been made to the board and the operation of the licensees' business will be prejudiced or disadvantaged by the delay. Such temporary licenses may be issued pending the outcome of the applicant's application for registration (in other words a temporary licence issued in anticipation of a permanent employee licence being issued).
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.
Licensed (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, the playing of which offers limited stakes and prizes.
Return to player (RTP)	Return to player is an average amount of money returned to players achieved over a significant number of game plays and not each time the gambling machine is played (total amount returned to players/total amount wagered by players).
Route operator (RO)	Route operator is a juristic person 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 their 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. Pari-mutuel betting is a betting system in which all bets of a particular type are placed together in a pool; taxes and the 'house stake' 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 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. This is 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.

EXECUTIVE SUMMARY

At the end of FY2022/23, R815.1 billion was wagered in the South African gambling industry, which is 45.6% higher than the turnover generated during the previous financial year. Gross gambling revenue (GGR) amounted to R47.2 billion, a 36.9% increase from the previous year.

Analysis of GGR by gambling mode revealed betting to have generated half of industry GGR at 50.3% or R23.7 billion. Casinos also generated a sizable proportion of GGR at R17.3 billion (36.8%). The LPM industry is the third largest sector (9.0%), generating R4.2 billion during FY2022/23. The bingo sector generated 3.9% of revenues at R1.8 billion.

GGR growth between the modes of gambling showed betting to have experienced the highest growth at 53.5%, relative to the previous financial year. Over the same period, growth in the casino, LPM and bingo sectors was 26.1%, 14.4% and 22.3% respectively. While the other gambling modes have grown to surpass pre-Covid GGR, casino GGR has not reached its pre-pandemic level of R18.4 billion.

At a national level, the betting sector is the largest gambling mode, however provincial analysis showed that for Gauteng, KwaZulu-Natal (KZN), the Eastern Cape, North West, Northern Cape and Free State, casinos are the largest sectors at a provincial level. In Gauteng for example, casinos generated 61.7% of GGR during FY2022/23. The betting sector dominated the Western Cape (70.4%), Mpumalanga (88.6%) and Limpopo (69.4%) markets.

Bookmakers' sports betting has experienced tremendous positive growth over the years. Bookmakers' sports betting growth was 61.3% between FY2021/22 and FY2022/23. Betting on horse racing with bookmakers posted growth of 25.5% during the same period. Totalisators, on the other hand, have seen declining revenues. Totalisators horse racing and sports betting fell by 6.4% and 10.1% respectively when compared to the previous financial year.

For the casino sector, the Gauteng province generated the largest proportion of GGR at 45.4%. The Western Cape (36.2%) and Mpumalanga (32.5%) accounted for the highest amount of GGR generated in the betting industry. The LPM sector's largest provinces are the Western Cape (23.8%) and KZN (22.2%). For bingo, it is Gauteng (29.7%) and the Eastern Cape (28.2%) that generated the largest revenues.

Taxes/levies amounted to R4.0 billion during FY2022/23, which is 28.2% higher than the value in the previous year. Casinos generated the largest proportion of taxes/levies at 43.0%, followed by betting (40.6%), LPMs (12.4%) and bingo (3.9%).

SNAPSHOT OF THE GAMBLING INDUSTRY FY2022/23 & FY2023/24

Variable	FY2022/23 Market conduct – as at Quarter 4 Statistics – Total all Quarters	FY2023/24 Market conduct – as at Quarter 4 Statistics – Total all Quarters	FY2023/24 Quarter 1	FY2023/24 Quarter 2	FY2023/24 Quarter 3	FY2023/24 Quarter 4
Number of operational casinos	38	37	38	38	37	37
Number of operational slots (casinos)	21 978	22 070	21 966	22 104	22 079	22 070
Number of operational tables (casinos)	911	955	946	942	949	955
Number of operational gambling positions (casinos)	26 695	35 748	35 483	35 387	35 261	35 748
Number of operational totalisator outlets	299	366	315	308	368	366
Number of operational bookmakers	326	349	301	302	353	349
Number of operational bookmaker outlets	531	594	532	543	607	594
Number of operational Limited Payout Machine (LPM) site operators	2 624	2 599	2 604	2 586	2 599	2 599
Number of active LPMs	15 642	15 805	15 809	15 597	15 805	15 805
Number of operational bingo outlets	70	70	70	71	70	70
Number of operational bingo positions	8 917	12 290	9 094	9 434	12 204	12 290
– Traditional	0	0	0	0	0	0
– Electronic Bingo Terminals	8 917	12 290	9 094	9 434	12 204	12 290
National gambling statistics: Turnover	R815 110 216 812	R1 142 683 922 400	R246 676 951 844	R274 928 711 892	R324 652 444 132	R296 425 814 533
National gambling statistics: GGR	R47 168 024 499	R59 306 767 610	R13 798 176 185	R14 357 353 096	R15 733 717 008	R15 417 521 321
National gambling statistics: Taxes/ levies collected	R4 058 691 173	R4 840 977 357	R1 134 639 396	R1 185 873 121	R1 281 982 088	R1 238 482 752

MAXIMUM LICENSES PER GAMBLING MODE PER PROVINCE AS AT 31 MARCH 2024

MAXIMUM NUMBER OF LICENCES	Eastern Cape	Free State	Gauteng	KZN	Limpopo	Mpumalanga	North West*	Northern Cape	Western Cape
Maximum number of casino licenses	5	4	7	5	3	4	4 active 1 pending	3	5
Maximum number of route operator licences	2	2	5	4	No set maximum number	Unlimited	No set maximum number	2	2
Maximum number of bookmaker licenses	Unlimited	No set maximum number	131	48	No set maximum number	Unlimited, subject to sufficient market demand and operational viability	No set maximum number	17	Unlimited
Maximum number of totalisator licenses	Unlimited	No set maximum number	1	2	No set maximum number	Unlimited, subject to sufficient market demand and operational viability	No set maximum number	2	Unlimited
Maximum number of bingo licenses	15	No roll out currently	11	22	No set maximum number	Unlimited, subject to sufficient market demand and operational viability	9	No roll out currently	No roll out currently Unlimited

Of all gambling strategies, knowing when to quit may be the best

CHAPTER 1: NATIONAL GAMBLING STATISTICS

1. Introduction

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. Turnover per gambling mode and province

2.1 A total amount of R1.14 trillion was wagered in FY2023/24. This is a 40.2% increase from the previous year's turnover of R814.0 billion. The betting sector generated more than two-thirds of industry turnover at 66.6%. Mpumalanga and the Western Cape were the dominant provinces, generating roughly equal shares of turnover at 31.4% and 30.9% respectively. The TO per gambling mode and province is reflected in figures 1 and 2.

Turnover per gambling mode, all provinces, FY2023/24

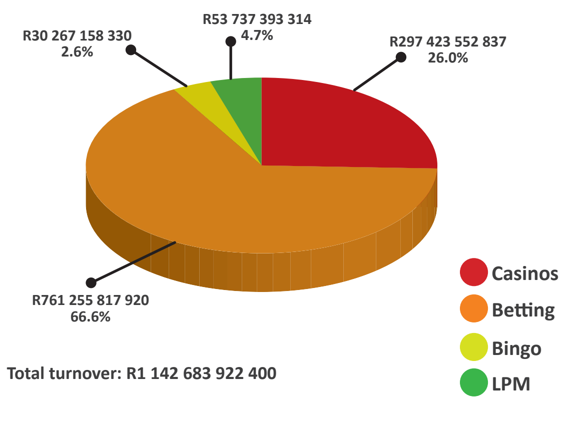


FIGURE 1: Turnover per gambling mode, all provinces, FY2023/24

Turnover per province, all modes, FY2023/24

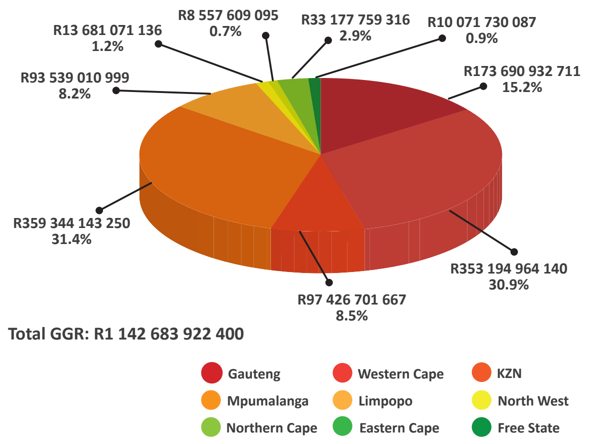


FIGURE 2: Turnover per province, all modes, FY2023/24

3. Gross gambling revenue per gambling mode and province

3.1 GGR generated in the gambling industry during FY2023/24 amounted to R59.3 billion. This represents a 25.7% increase from the previous year's GGR of R47.1 billion. The largest share of GGR was generated by the betting industry, amounting to over half (60.5%) of industry GGR, with casinos now standing at 29.3% market share. Gauteng has been overtaken by the Western Cape as the largest gambling market, with the Western Cape sitting at 31.7% market share at the end of FY2023/24. Gauteng (22.1%) and Mpumalanga (21.9%) hold roughly equal market shares. These three provinces thus hold 75.7% of the total gambling market in the country. The GGR per gambling mode and province is reflected in figures 3 and 4.

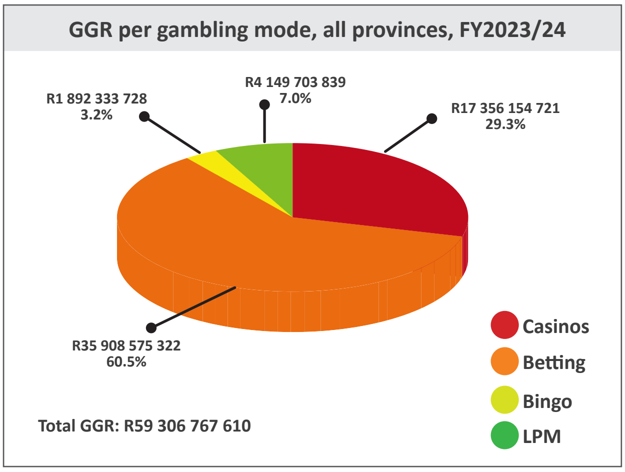


FIGURE 3: GGR per gambling mode, all provinces, FY2023/24

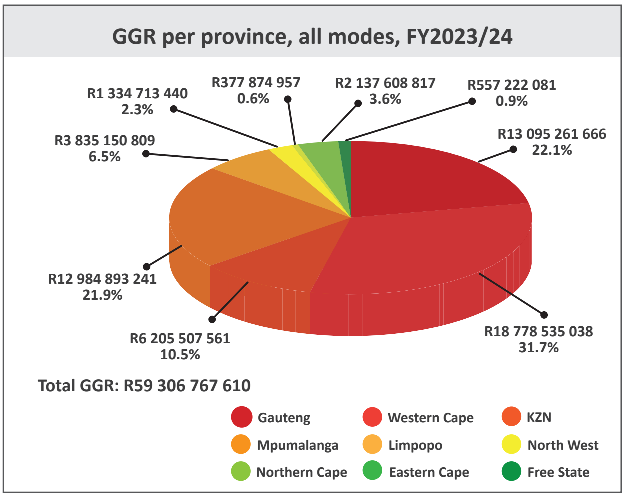


FIGURE 4: GGR per province, all modes, FY2023/24

3.2 The figure below provides an estimation of online gambling in relation to the land-based modes. Disaggregated data between online and retail betting was obtained from the Western Cape, Mpumalanga, Limpopo, North West and Northern Cape. Since the remaining provinces did not provide disaggregated statistics, their betting submissions are all contained in the retail betting figure. Based on this estimate and noting the data limitations, 49% of all gambling in South Africa took place online during FY2023/24.

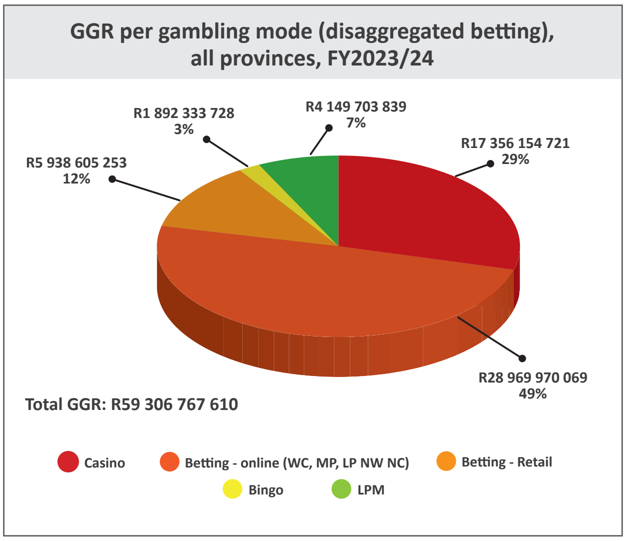


FIGURE 5: GGR, Gambling on betting online platforms vs land-based gambling, all modes, FY2023/24

3.3 The trend in aggregate GGR is illustrated in figure 6 at constant 2021 prices that account for inflation. Based on constant prices, GGR followed an increasing upward trend since FY2002/03 before dropping in FY2008/09 and FY2009/10. This is the same time as the Global Financial Crisis of FY2007/08 that slowed down economic growth and resulted in a fall in incomes and consequently discretionary income for gambling. In real terms, growth was relatively higher between FY2003/04 and FY2006/07 at 12% to 21%. Real GGR growth lowered towards FY2017/18 remaining around 2%, until the pandemic hit when GGR fell by 31%, rebounded by 42% the following year and grew by 19% in FY2023/24.

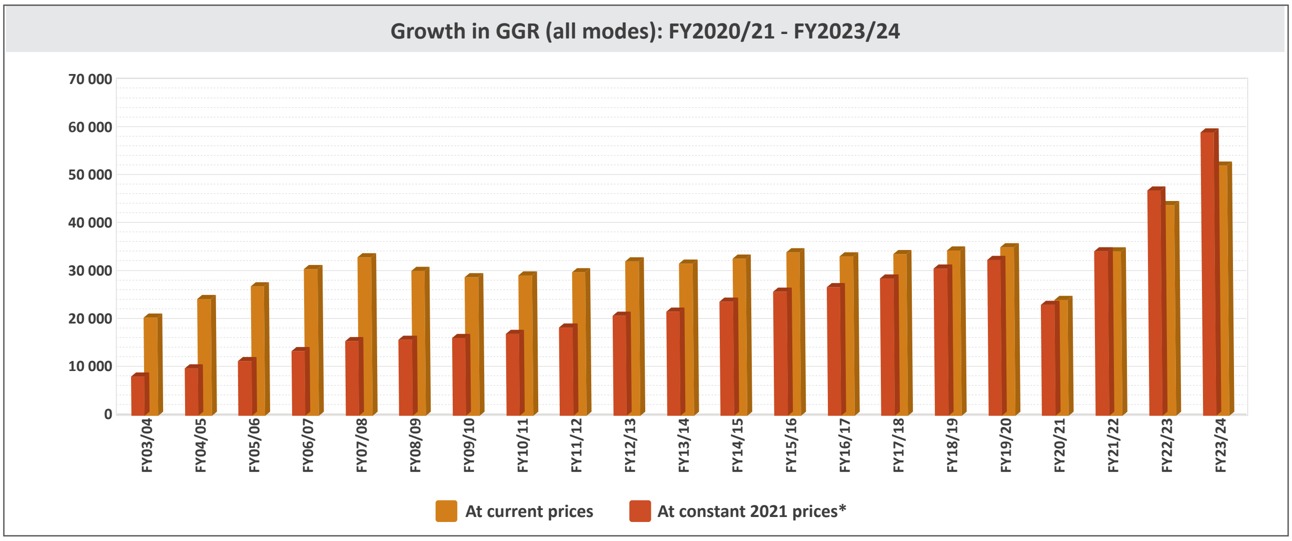


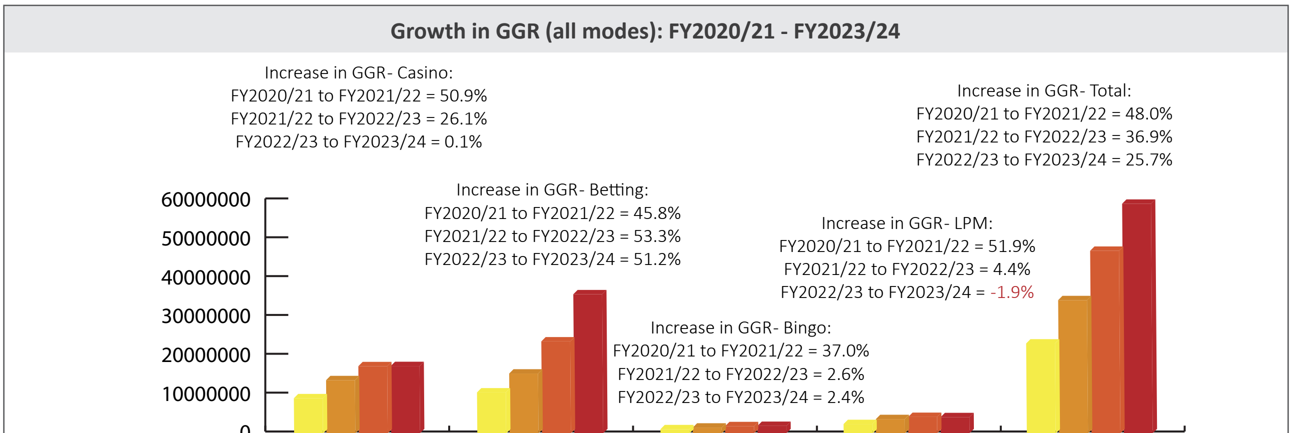
FIGURE 6: Trend in GGR, all modes, FY – from FY2003/04 to FY2023/24

3.4 Analysis of GGR and gambling positions per gambling mode during the period FY2019/20 to FY2023/24 reflected the following growth and trends as shown in figures 7, 8 and 9:

a) Overall, GGR expanded by 25.7% during FY2023/24 relative to the previous year. This growth was driven by the betting sector which increased by 51.2% to R36.5 billion. The casino industry saw miniscule growth (0.1%), while LPM GGR declined by -1.9%. The bingo industry experienced low growth of 2.4%.

b) At the end of FY2023/24, GGR growth was high for the Western Cape and Mpumalanga at 53.6% and 49.3% respectively. Limpopo and the Northern Cape also experienced high growth at 42.1% and 29.3% respectively. The remaining provinces saw low or declining growth figures Gauteng and Free State's GGR grew by 2.5% and 4.0% respectively. KZN, North West and Eastern Cape saw declining revenues at -0.8%, -2.5% and -7.7% each. Refer to figure 8.

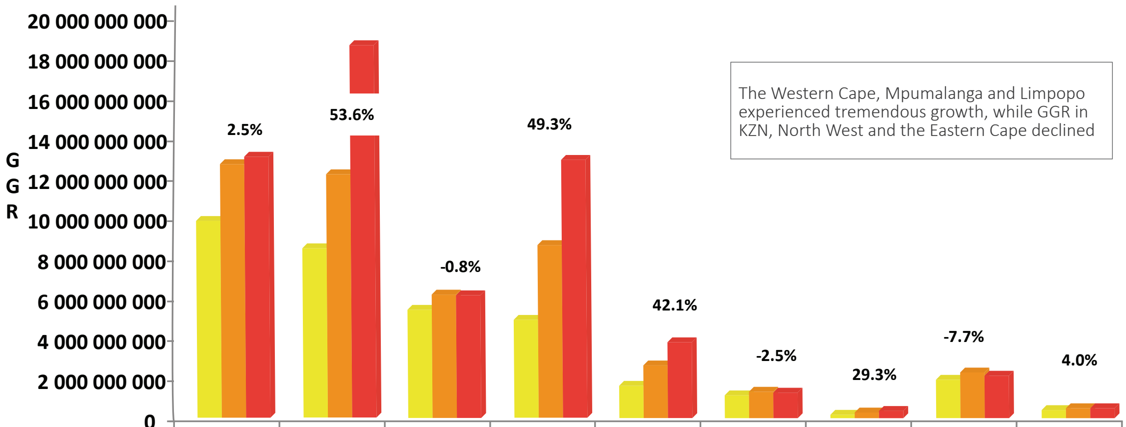
c) As shown in figure 9, the number of operational casino positions and active LPMs in the country remained largely unchanged relative to the previous year. The number of operational casino positions increased by 1.3% to 27 040 while LPMs increased by 1.0% to 15 805. The bingo industry, on the other hand, saw a massive expansion, increasing the number of electronic bingo terminals (EBTs) by 39.8% to 12 463 EBTs.



	GGR Casino	GGR Betting	GGR Bingo	GGR LPM	TOTAL
GGR, FY2020/21	9 107 191 030	10 609 620 944	1 103 215 830	2 434 393 885	23 254 421 689
GGR, FY2021/22	13 753 507 077	15 468 352 646	1 510 403 511	3 698 726 491	34 430 989 725
GGR, FY2022/23	17 342 258 570	23 748 237 393	1 847 180 224	4 230 348 312	47 168 024 499
GGR, FY2023/24	17 356 154 721	35 908 575 322	1 892 333 728	4 149 703 839	59 306 767 610

FIGURE 7: Growth in GGR, all modes (FY2020/21 – FY2023/24)

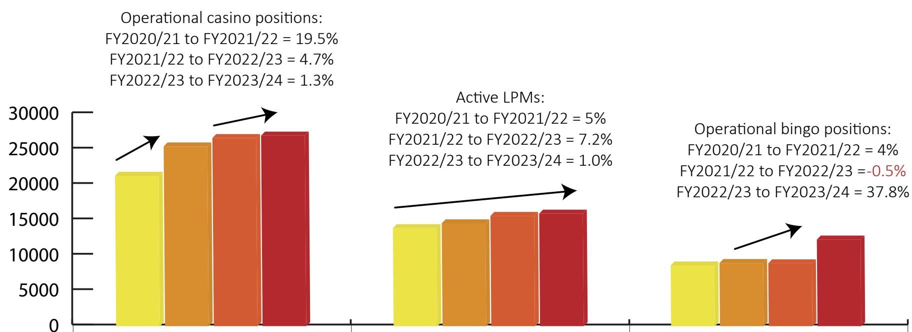
Growth rate of GGR per province (FY2021/22 - FY2023/24)
Increase in GGR with specific reference to growth between FY2022/23 and FY2023/24



	Gauteng	Western Cape	KwaZulu-Natal	Mpumalanga	Limpopo	North West	Northern Cape	Eastern Cape	Free State
GGR, FY2021/22	9 922 515 409	8 559 389 433	5 465 114 334	4 953 759 202	1 667 943 324	1 198 675 864	236 898 523	1 953 756 225	472 937 409
GGR, FY2022/23	12 776 979 379	12 227 229 868	6 254 011 883	8 699 607 570	2 698 232 833	1 368 470 119	292 235 531	2 315 638 582	535 618 735
GGR, FY2023/24	13 095 261 666	18 778 535 038	6 205 507 561	12 984 893 241	3 835 150 809	1 334 713 440	377 874 957	2 137 608 817	557 222 081

FIGURE 8: Growth rate of GGR per province (FY2021/22 – FY2023/24)

Number of operational gambling positions in the casino, LPM & bingo sectors: FY2020/21 - FY2023/24



	Casino	Limited payout machines	Bingo
Operational positions, FY2020/21	21 349	13 914	8 625
Operational positions, FY2021/22	25 507	14 591	8 960
Operational positions, FY2022/23	26 695	15 642	8 917
Operational positions, FY2023/24	27 040	15 805	12 290

FIGURE 9: Number of gambling positions in the casino, LPM & bingo sectos: FY2020/21 – FY2023/24

3.5 Figure 10 shows the trend in GGR market shares between the modes of gambling over time. In FY2009/10, casinos made up almost 85% of GGR. This declined over the years, while the other modes of gambling increased in market share. Around FY2015/16, betting started picking up, growing in market share at an elevated rate. The pandemic starting in FY2019/20 shifted the landscape entirely, where betting jumped up to 45.6%, while casinos dropped to 39.8%. The two modes traded places, with betting taking the lead from that point onwards. The betting and casino divergence left the market shares at 60.5% and 29.3% respectively. LPM and bingo market shares declined to 7% and 3.2% respectively.

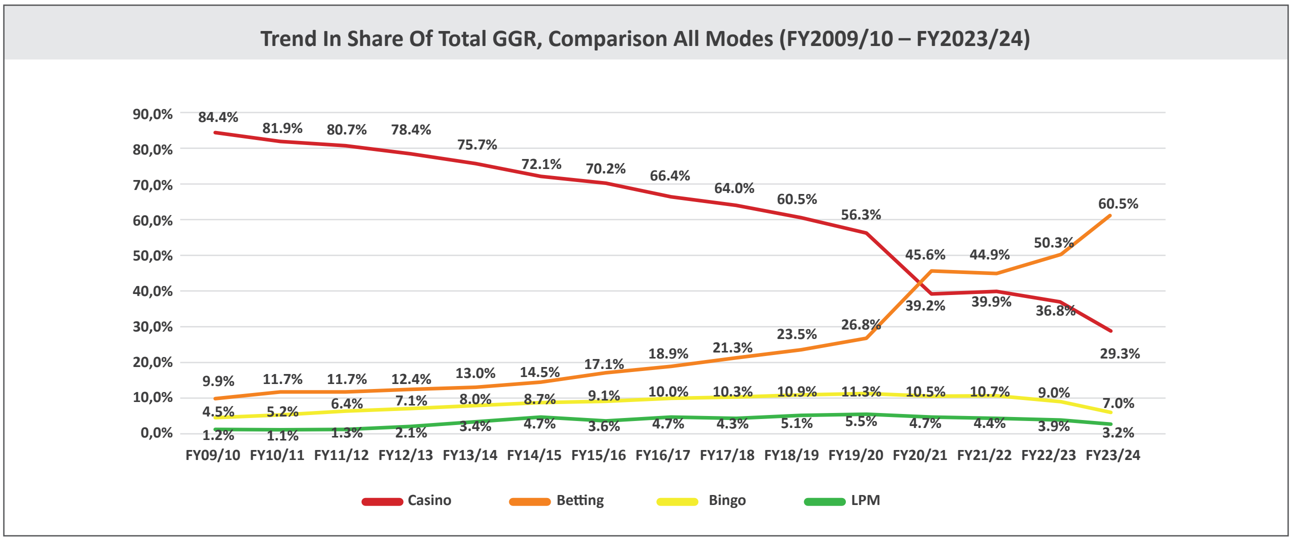


FIGURE 10: Trend in share of total GGR, comparison all modes (FY2009/10 – FY2023/24)

4. Taxes/levies contribution per gambling mode and province

4.1 A total amount of R4.8 billion was collected during FY2023/24, which is 19.2% higher than the taxes/levies in the previous financial year. At 50.3%, betting contributed the highest amount of taxes/levies relative to other gambling modes. The Western Cape (30.7%) accounts for the largest share of taxes/levies generated across provinces as depicted in figures 11 and 12.

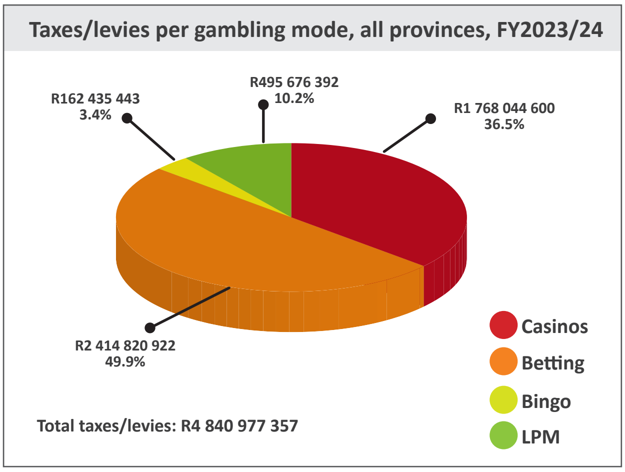


FIGURE 11: Taxes/levies per gambling mode, all provinces, FY2023/24

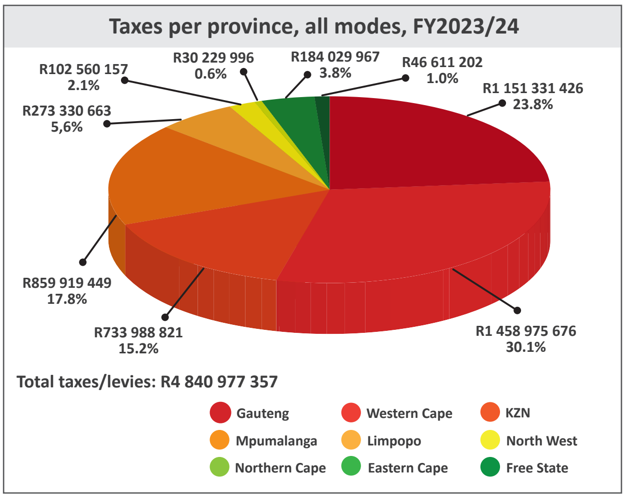


FIGURE 12: Taxes/levies per province, all modes, FY2023/24

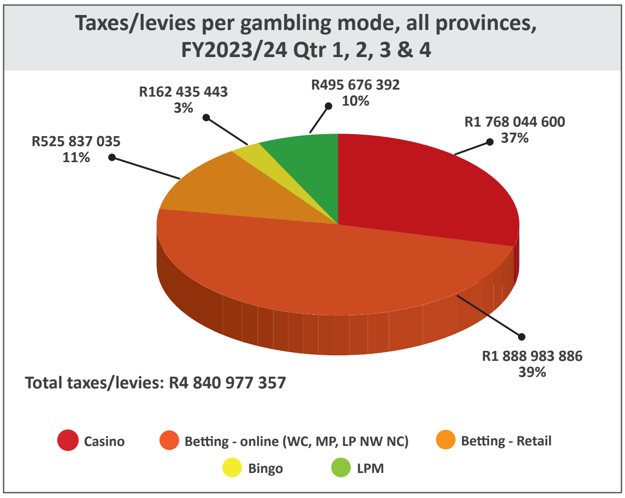


FIGURE 13: Taxes/levies, Gambling on betting online platforms vs land-based gambling, FY2023/24

CHAPTER 2: CASINO SECTOR

1. Market conduct

1.1 As at 31 March 2024 a total number of 37 casinos (out of a maximum of 41 licenses) were operational in South Africa. The controlling shareholders for operational casinos are Sun International (11 casinos), Tsogo Sun Holdings/Hosken Consolidated Investments (15 casinos), Peermont Resorts (8 casinos), Northern Cape Casino Consultants (1 casino) and Billion Group (1 casino).

1.2 Of the total casino market, the majority of the casinos are situated in Gauteng (7, 18.5%). The Western Cape, KwaZulu-Natal and Eastern Cape each host 5 casinos (13.5% respectively) as reflected in figure 14.

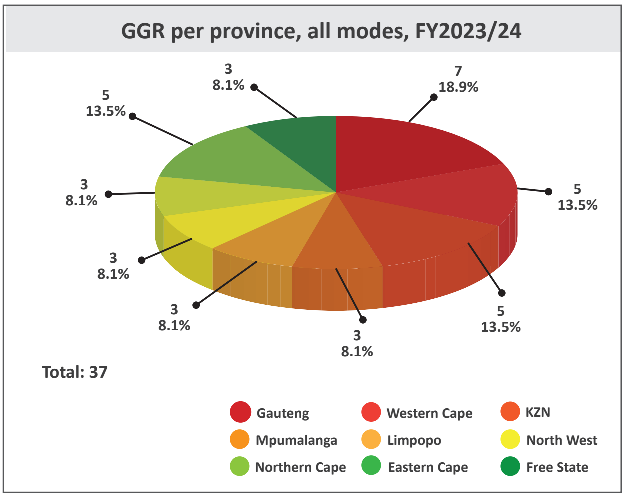


FIGURE 14: Number of operational casinos per province, FY2023/24, as at 31 March 2024

1.3 The NGB monitors the number of licensed and operational gambling machines/slots, tables and positions in casinos. Gambling positions are calculated as the sum total of operational slots, plus tables multiplied by the average number of positions that each table represents in a province or casino.

1.4 There are a total of 22 070 slot machines throughout the country. Gauteng accounts for the highest number of slots in casinos, with 8 370 slot machines or 37.9% relative to other provinces. KZN and the Western Cape house 17.5% and 16.1% of the country's slots machines respectively. Refer to figure 15.

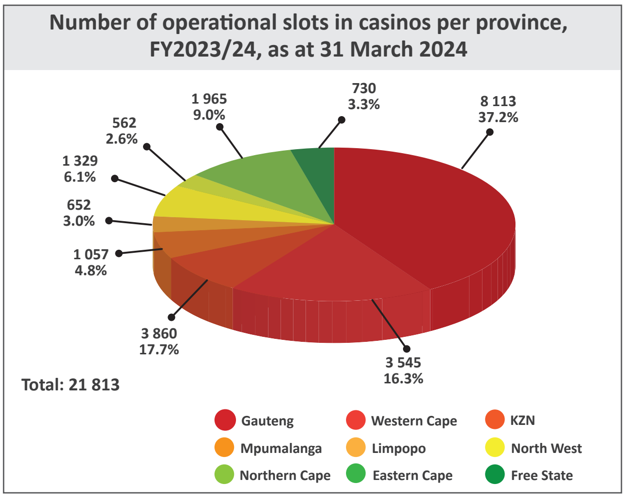


FIGURE 15: Number of operational slots in casinos per province, FY2023/24, as at 31 March 2024

1.5 There are 955 operational casino tables throughout the country. The majority of tables are in Gauteng at 380 tables or 39.8%. The Eastern Cape (15.0%) and KZN (16.5%) also house a sizable number of casino tables.

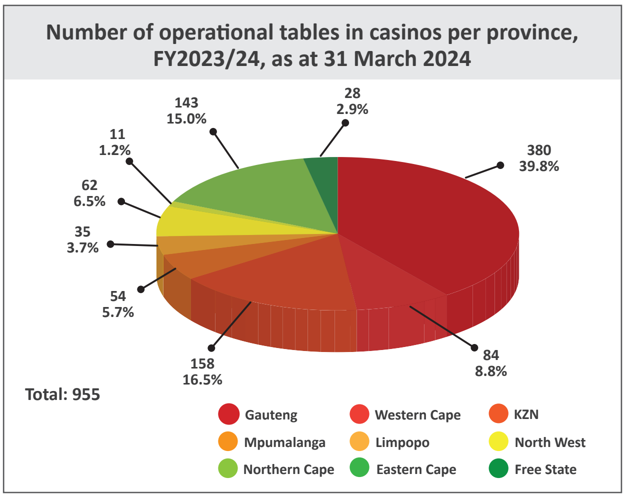
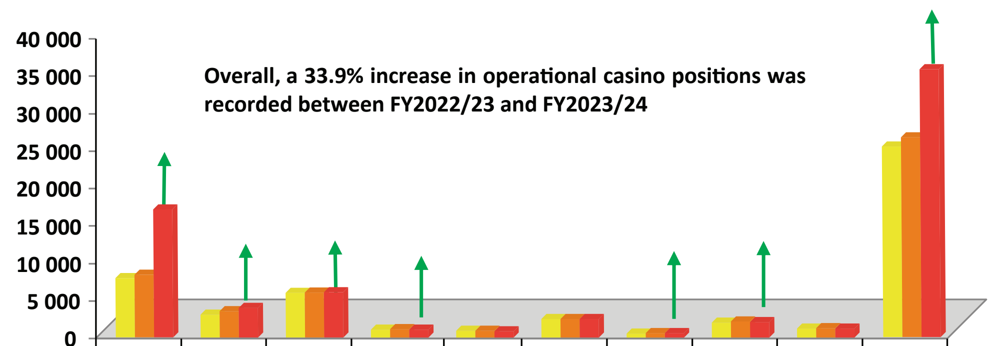


FIGURE 16: Number of operational tables in casinos per province, FY2023/24, as at 31 March 2024

1.6 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 37 operational casinos) as at 31 March 2024 and also accounted for the highest number of operational gambling positions in casinos (17 156) out of a total of 35 748, followed by KwaZulu-Natal (6 072) and the Western Cape (3 563).

1.7 The number of operational gambling positions in casinos (slots and tables) increased from 26 695 at the end of FY2022/23 to 35 748 in FY2023/24 (33.9% increase).

Number of operational positions in casinos per province, FY2021/22 - FY2023/24 (as at 31 March 2024)



	Gauteng	Western Cape	KwaZulu-Natal	Mpumalanga	Limpopo	North West	Northern Cape	Eastern Cape	Free State	All provinces
Operational positions, FY2021/22, Qrt 4	7 983	3 130	6 028	1 079	932	2 501	549	2 044	1 261	25 507
Operational positions, FY2022/23, Qrt 4	8 448	3 563	6 052	1 150	932	2 501	602	2 186	1 261	26 695
Operational positions, FY2023/24, Qrt 4	17 156	4 049	6 072	1 111	862	2 501	628	2 108	1 261	35 748

Increased Decreased No change between FY2022/23 and FY2023/24

FIGURE 17: Number of operational positions in casinos per province, FY2021/22 – FY2023/24 (as at 31 March 2024)

2. Turnover per province in casinos

2.1 The total value of money wagered in casinos in FY2023/24 was R297.4 billion. This amount represents 26% of the total turnover across all gambling modes. Casino turnover fell by -0.6% relative to the previous year.

2.2 Gauteng (44.9%) generates the largest share of turnover relative to other provinces. This is followed by money wagered in casinos in KwaZulu-Natal (22.7%) and Western Cape (15.4%) as reflected in figure 18.

3. Gross Gambling Revenue (GGR) per province

3.1 The total value of GGR generated by casinos in FY2023/24 was R17.4 billion. This amount represents 29% of GGR across all gambling modes. Casino GGR saw miniscule growth of 0.1% relative to the previous year.

3.2 Gauteng (45.5%) generates the largest share of GGR relative to other provinces. This is followed by GGR in casinos in KwaZulu-Natal (21.1%) and the Western Cape (15.3%) as reflected in figure 17.

Turnover casinos per province, FY2023/24

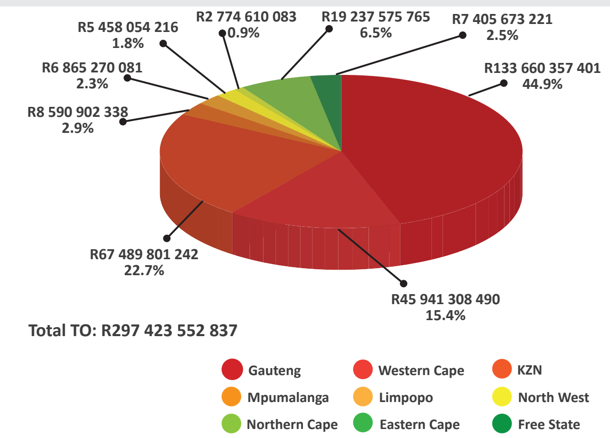


FIGURE 18: Turnover casinos per province, FY2023/24

GGR casinos per province, FY2023/24

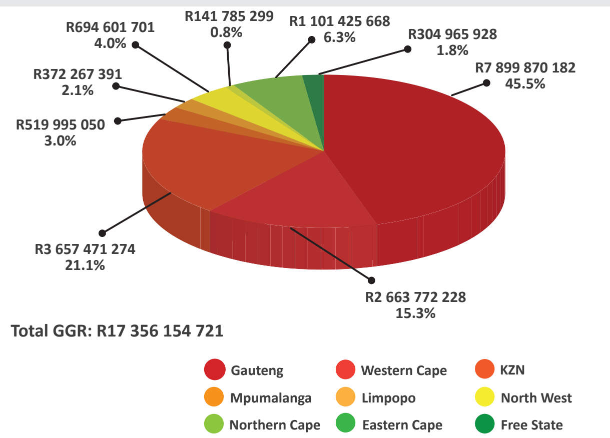


FIGURE 19: GGR casinos per province, FY2023/24

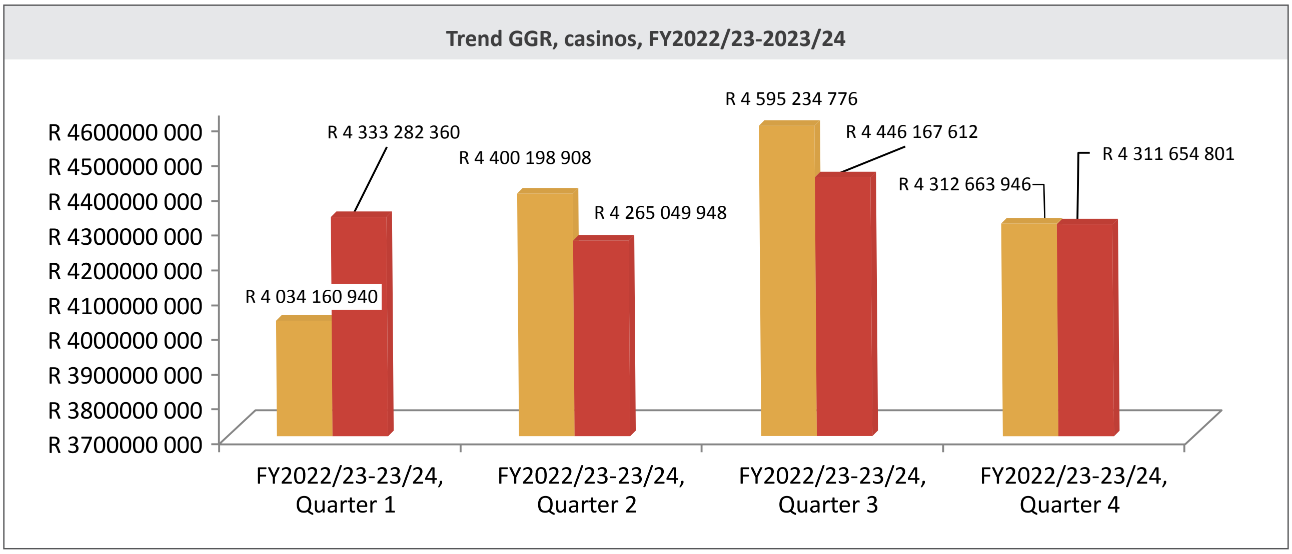


FIGURE 20: Trend in GGR, casinos, FY2022/23 - 2023/24

4. Taxes/levies collected by PLAs from the casino sector per province

4.1 The total value of casino taxes/levies generated during FY2023/24 was R1.8 billion. This amount represents 37% of taxes/levies across all gambling modes. Casino taxes/levies grew by 1.8% relative to the previous year.

4.2 Gauteng (40.22%) generates the largest share of taxes/levies relative to other provinces. This is followed by taxes/levies in casinos in KwaZulu-Natal (24.2%) and the Western Cape (21.8%) as reflected in figure 21.

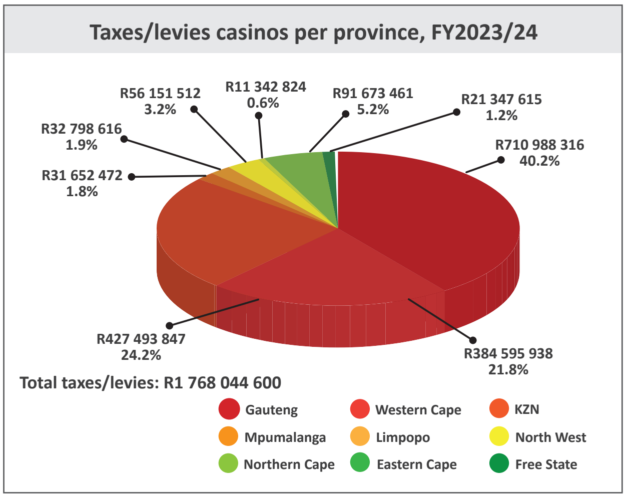


FIGURE 21: Taxes/levies casinos per province, FY2023/24

Winners know when to stop!

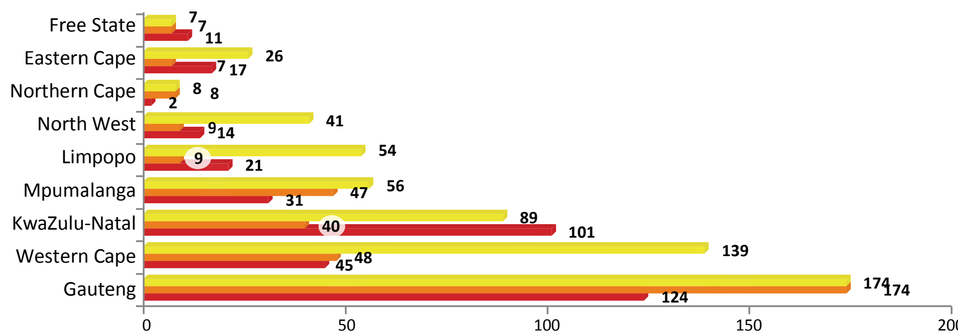
CHAPTER 3: BETTING ON HORSE RACING AND SPORT SECTOR

1. Market conduct

1.1 Gold Circle is the totalisator operator in KwaZulu-Natal. 4Racing took over the business operations of Phumelela in Gauteng, Mpumalanga, Limpopo, North West, Northern Cape, Eastern Cape and the Free State. Trotco (Pty) Ltd t/a Ithotho is also licensed in KwaZulu-Natal as a totalisator and a race course operator. Licensed bookmakers are located in all the provinces throughout the Republic. Bets can be placed on horse racing and sport (in retail outlets and online), as well as on any other legal contingency.

1.2 The number of licenced operational bookmakers increased from 326 to 349 over the past financial year, representing an increase of 7.1%. Operational bookmaker outlets increased by 11.9% from 531 to 594. Operational totalisator outlets increased from 299 to 366. As at 31 March 2024, Gauteng accounted for the highest number of licensed operational bookmakers (174) and totalisator outlets (124).

Number of operational bookmakers, totalisator and bookmaker outlets per province, FY2023/24, as at 31 March 2024



	Gauteng	Western Cape	KwaZulu-Natal	Mpumalanga	Limpopo	North West	Northern Cape	Eastern Cape	Free State
Operational bookmaker outlets	174	139	89	56	54	41	8	26	7
Operational bookmakers	174	48	40	47	9	9	8	7	7
Operational totalisator outlets	124	45	101	31	21	14	2	17	11

FIGURE 22: Number of licensed operational bookmakers, totalisator and bookmaker outlets, FY2023/24, as at 31 March 2024

2. Turnover in the betting sector per province

2.1 The total value of money wagered in the betting on horse racing and sport sector during FY2023/24 was R761.5 billion. This amount represents 67% of turnover across all gambling modes. This is a 76.6% increase from the same period last year

2.2 Mpumalanga (45.2%) accounted for the highest amount of money wagered in the betting on horse racing and sport industry, followed by the Western Cape (38.8%) and Limpopo (10.4%), as reflected in figure 23.

Turnover betting (totalisators and bookmakers), per province, FY2023/24

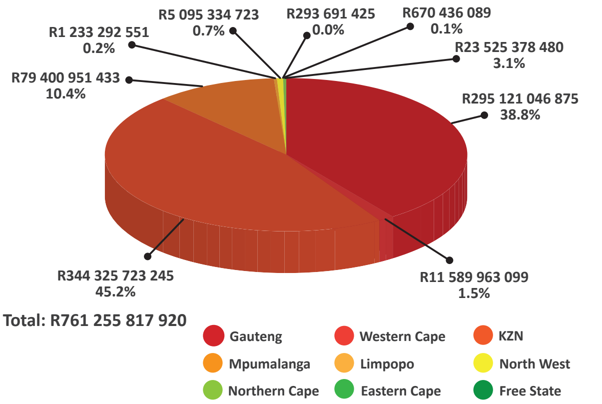


FIGURE 23: Turnover betting (totalisators and bookmakers), per province, FY2023/24

3. Gross gambling revenue generated in the betting sector per province

3.1 The total value of GGR in the betting on horse racing and sport sector during FY2023/24 was R35.9 billion. This amount represents 61% of GGR across all gambling modes. This is a 53.7% increase from the same period last year.

3.2 As at 31 March 2024, the Western Cape (43.1%) accounted for the highest GGR generated in FY2023/24 followed by Mpumalanga (32.9%) and Gauteng (10.5%) as reflected in figure 24.

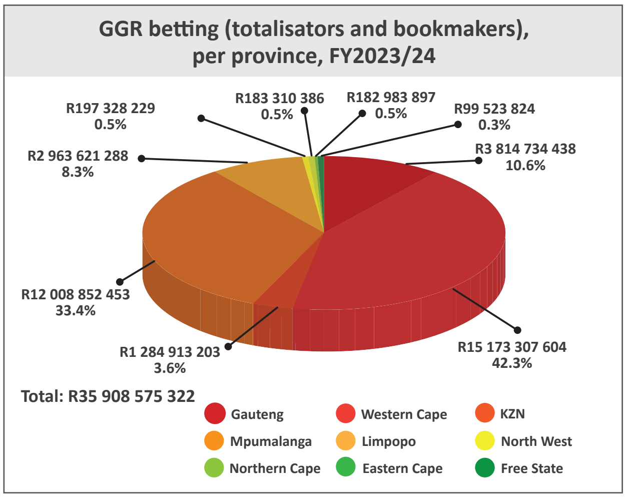


FIGURE 24: GGR betting (totalisators and bookmakers), per province, FY2023/24

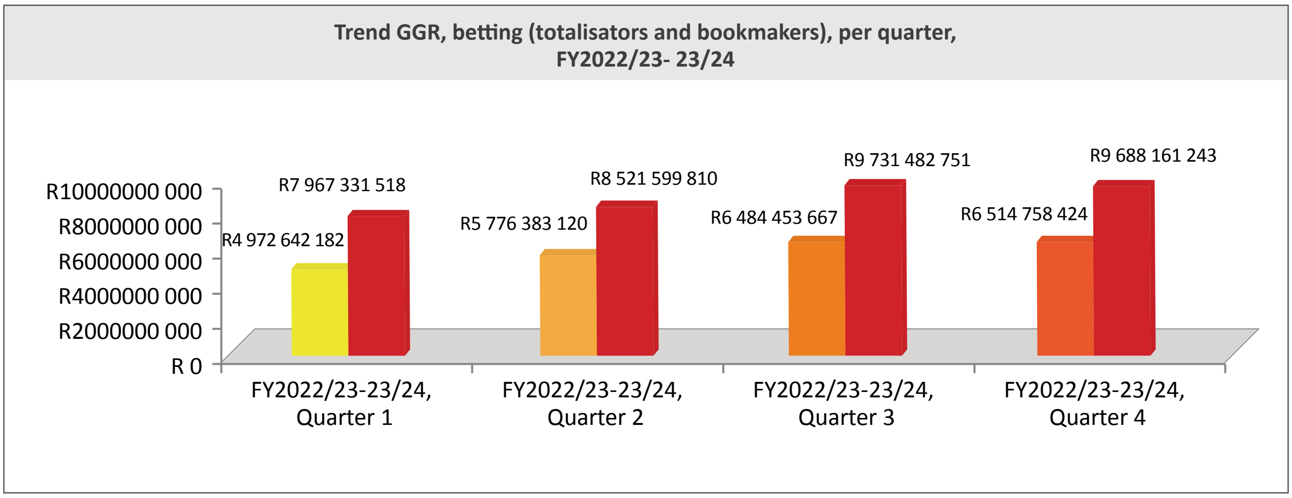


FIGURE 25: Trend in GGR, betting (totalisators and bookmakers), per quarter, FY2022/23-23/24

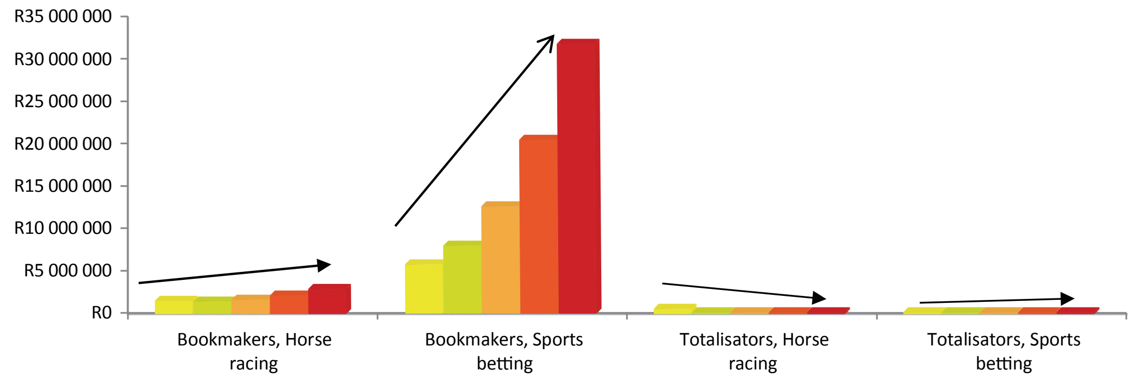
3.3 Figure 26 shows trends in betting GGR by category. Bookmaker’s horse racing GGR has generally been on an upward trend over the years rising by 29% in FY2018/19 and 2% in FY2019/20 as shown in figure 14. It fell marginally by 2% in FY2020/21, in the first year of the pandemic but recovered by 11% the following year. In FY2022/23, GGR increased by 26% followed by a 32.5% rise during FY2023/24.

3.4 GGR generated by bookmakers on sports bettings has been on a sharp upward trend since FY2017/18 as shown in figure 26. GGR growth was 29% in FY2018/19, increasing again by 39% and 37% in FY2019/20 and FY2020/21. In FY2021/22, sports betting experienced tremendous growth at 57%, followed by 61% growth in FY2022/23. Over FY2023/24, GGR grew by 55.3%.

3.5 Totalisator’s horse racing GGR has been on a downward trend since FY2018/19. In FY2018/19, GGR fell by-1%. In FY2019/20, GGR fell by-15% and saw a drastic decline in FY2020/21 during the first year of the pandemic, falling by 47%. In FY2021/22, GGR continued on its downward path, falling by-2%, and falling a further-7% in FY2022/23. The decline continued in FY2023/24 by-3.3%.

3.6 Totalisator’s sports betting GGR was on a downward path until FY2020/21 when its course reversed. In FY2018/19 and FY2019/20 GGR fell by-6% and -14%. In FY2020/21 and FY2021/22 GGR increased by 20% and 7% respectively; however it fell by-10% in FY2022/23. FY2023/24 saw further declines by 17.7% overall.

Trend in GGR, betting (totalisators and bookmakers), FY2019/20 - FY2023/24



	Bookmakers, Horse racing	Bookmakers, Sports betting	Totalisators, Horse racing	Totalisators, Sports betting
FY2019/20	R1 709 594 514	R5 981 461 167	R803 813 609	R269 158 347
FY2020/21	R1 683 065 295	R8 178 285 690	R426 477 279	R321 792 680
FY2021/22	R1 872 054 678	R12 832 845 899	R419 575 899	R343 876 171
FY2022/23	R2 364 529 632	R20 655 640 981	R390 157 132	R309 302 377
FY2023/24	R3 132 420 216	R32 073 577 088	R377 183 168	R254 563 491

FIGURE 26: Trend in GGR, betting (totalisators and bookmakers), FY2019/20- FY2023/24

3.7 The figure below shows the amount of GGR emanating from online compared to retail betting. Disaggregated data between online and retail betting was supplied by the Western Cape, Mpumalanga, Limpopo, North West and the Northern Cape. The remaining provinces' betting figures are thus captured in the retail betting figure. Based on this data, online betting constitutes 81% of betting revenue.

Online and retail betting GGR, all provinces, FY2023/24

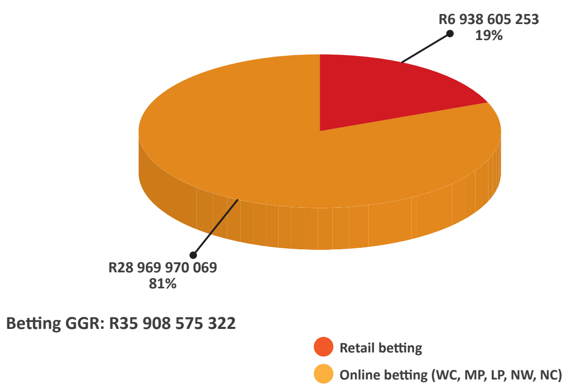


FIGURE 27: Online versus retail betting GGR, all provinces, FY2023/24

4. Taxes/levies collected by PLAs from the betting sector (totalisators and bookmakers) per province

4.1 The total value of taxes/levies in the betting on horse racing and sport sector during FY2023/24 was R2.4 billion. This amount represents 50% of taxes/levies across all gambling modes. This is a 47.1% increase from the same period last year.

4.2 The Western Cape accounted for the highest amount of taxes collected in the betting industry (40.6%), followed by Mpumalanga (32.5%) and Gauteng (10.5%).

Taxes/levies collected relevant to betting (totalisators and bookmakers), per province, FY2023/24

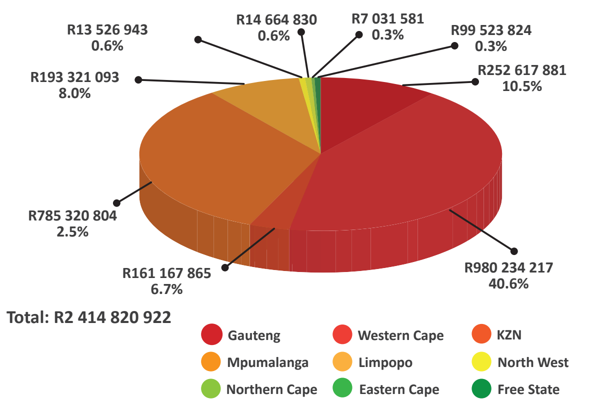


FIGURE 28: Taxes/levies collected relevant to betting (totalisators and bookmakers), per province, FY2023/24

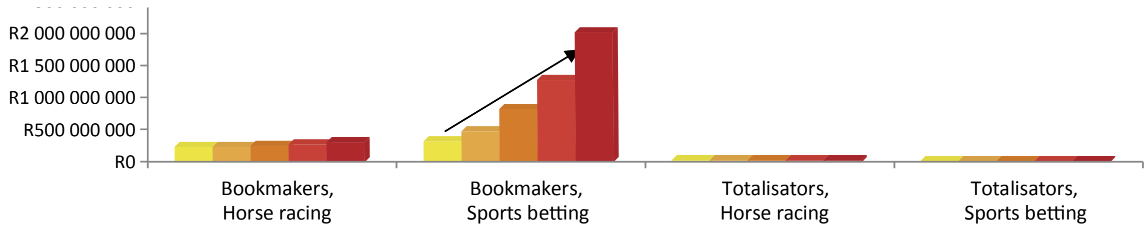
4.3 The collection of taxes/levies from bookmakers offering horse racing increased over the period FY2018/19 to FY2022/23. Growth was 3% in FY2021/22 and 2% in FY2022/23. GGR grew by a further 12% in FY2023/24. Refer to figure 17.

4.4 Taxes/levies from ***sports betting bookmakers*** experienced sharp growth since FY2018/19 as shown in figure 17. Growth was 72% in FY2021/22, followed by 54% in FY2022/23. During FY2023/24, gross revenues expanded by 60%.

4.5 Totalisators horse racing taxes/levies has been on a downward trend since FY2018/19, falling a further -6% in FY2022/23. The decline continued on to FY2023/24 by -7%.

4.6 Taxes/levies collected from totalisator's sports betting has also generally been on a downward trend, with the exception of 38% growth in FY2020/21. Following this, taxes/levies fell by 5% in FY2021/22 and again by 9% in FY2022/23. Taxes fell by a further -10% during FY2023/24.

Trend in taxes/levies collected relevant to betting (totalisators and bookmakers), FY2019/20-FY2023/24



	Bookmakers, Horse racing	Bookmakers, Sports betting	Totalisators, Horse racing	Totalisators, Sports betting
FY2019/20	R255 643 674	R342 735 894	R54 125 488	R17 218 199
FY2020/21	R254 481 045	R492 317 133	R28 315 504	R23 708 890
FY2021/22	R271 481 798	R846 678 613	R29 315 067	R22 596 620
FY2022/23	R291 719 022	R1 302 474 861	R27 527 538	R20 576 437
FY2023/24	R327 820 571	R2 043 734 273	R25 711 268	R18 590 288

FIGURE 29: Trend in taxes/levies collected relevant to betting (totalisators and bookmakers), FY2019/20 – FY2023/24

4.7 The figure below shows betting taxes disaggregated between online and retail transactions. 78% of taxes are generated from online betting while 22% were from retail.

Online v retail betting taxes/levies, all provinces, FY2023/24

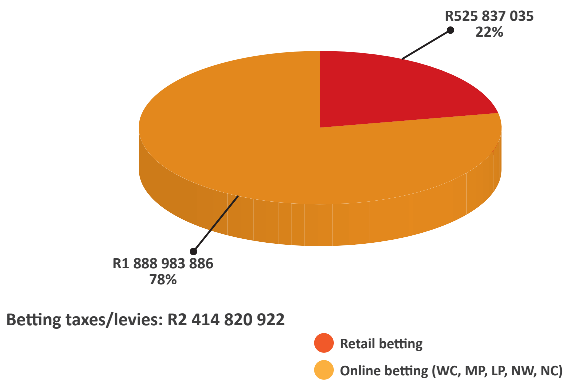


FIGURE 30: Online versus retail betting taxes/levies, all provinces, FY2023/24

CHAPTER 4: LIMITED PAYOUT MACHINE SECTOR

1. Market Conduct

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.

1.2 The licensed route/independent operators are reflected per province in table 6. This includes route operators operating in more than one province. During FY2023/24, Vukani Gaming operated in all nine (9) provinces; Goldrush Gaming operated in four (4) provinces; Grand Gaming in four (4) provinces; Crazy slots in three (3); Galaxy Gaming in 2 (two); and Pioneer Slots in 1 (one) province. Independent operators were operational in 4 provinces.

1.3 A total of 15 805 LPMs were active throughout the country at the end of FY2023/24. The majority of LPMs were in KZN (21.4%) and Gauteng (18.8%). Several provinces reduced the number of active LPMs relative to the previous year; namely, Limpopo, North West, Northern Cape and Free State. Refer to figure 31 and figure 32.

1.4 There were 2 599 operational site operators throughout the country with most site operators in KZN and Gauteng.

Number of active LPMs per province, FY2023/24, as at 31 March 2024

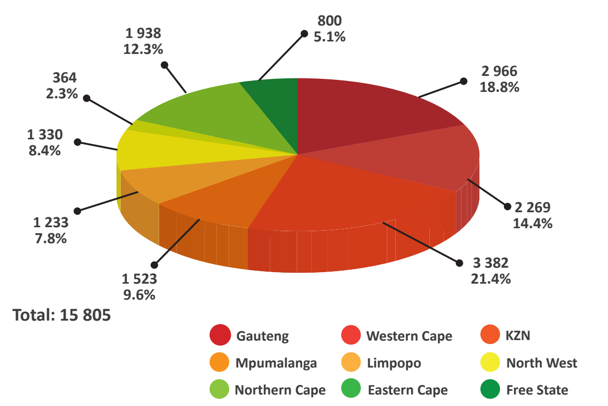
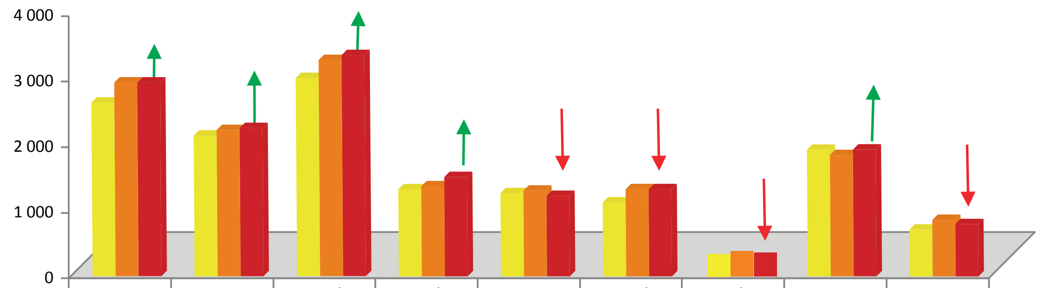


FIGURE 31: Number of active LPMs per province, FY2023/24, as at 31 March 2024

Number of active LPMs per province, FY2021/22 to FY2023/24



	Gauteng	Western Cape	KwaZulu-Natal	Mpumalanga	Limpopo	North West	Northern Cape	Eastern Cape	Free State
Active LPMs, FY2021/22, Qrt 4	2 664	2 153	3 035	1 334	1 276	1 130	345	1 936	718
Active LPMs, FY2022/23, Qrt 4	2 957	2 239	3 310	1 382	1 316	1 332	387	1 855	864
Active LPMs, FY2023/24, Qrt 4	2 966	2 269	3 382	1 523	1 233	1 330	364	1 938	800

Increased Decreased No change between FY2022/23 and FY2023/24

FIGURE 32: Number of licensed active LPMs per province, FY2021/22 to FY2023/24

2. Turnover in the LPM sector per province

2.1 The total value of money wagered in the LPM sector during FY2023/24 was R53.7 billion. This is a -1.3% decline relative to the previous year. The amount represents 5.0% of turnover across the gambling modes.

2.2 The highest amounts of money wagered in the LPM sector were in the Western Cape (22.6%) followed by KwaZulu-Natal (21.4%) and Gauteng (19.4%) as reflected in figure 33.

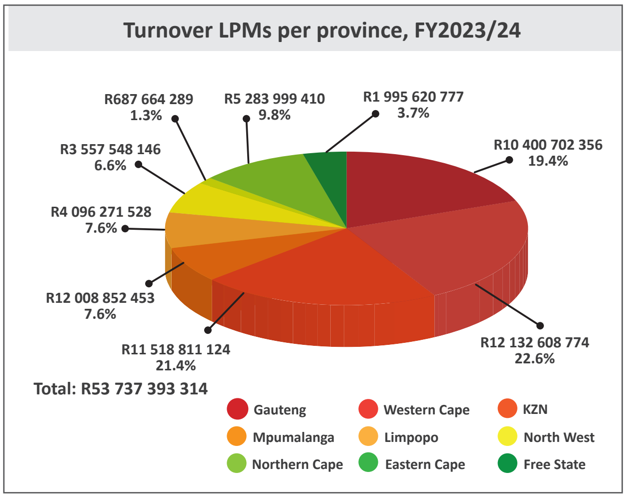


FIGURE 33: Turnover LPMs per province, FY2023/24

3. Gross gambling revenue generated in the LPM sector per province

3.1 The total value of GGR generated in the LPM sector during FY2023/24 was R4.1 billion. This is a -1.9% decline compared to the previous year. This amount represents 7.0% of the total amount of GGR generated by all gambling modes.

3.2 The Western Cape accounted for the highest amount of GGR generated in the LPM sector at 22.7% followed by KwaZulu-Natal (21.6%) and Gauteng (19.4%) as reflected in figure 34.

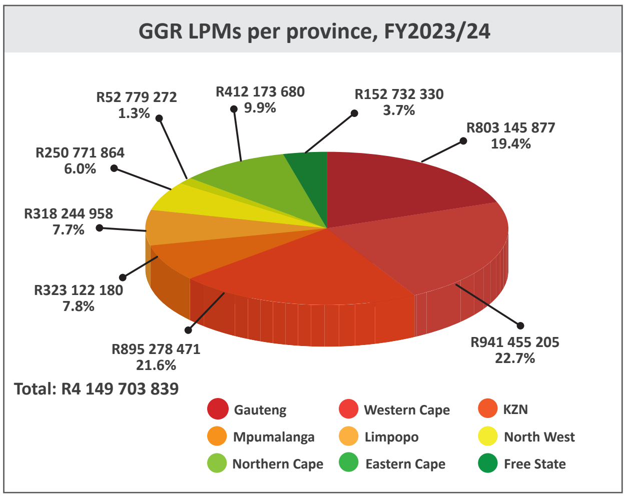


FIGURE 34: GGR LPMs per province, FY2023/24

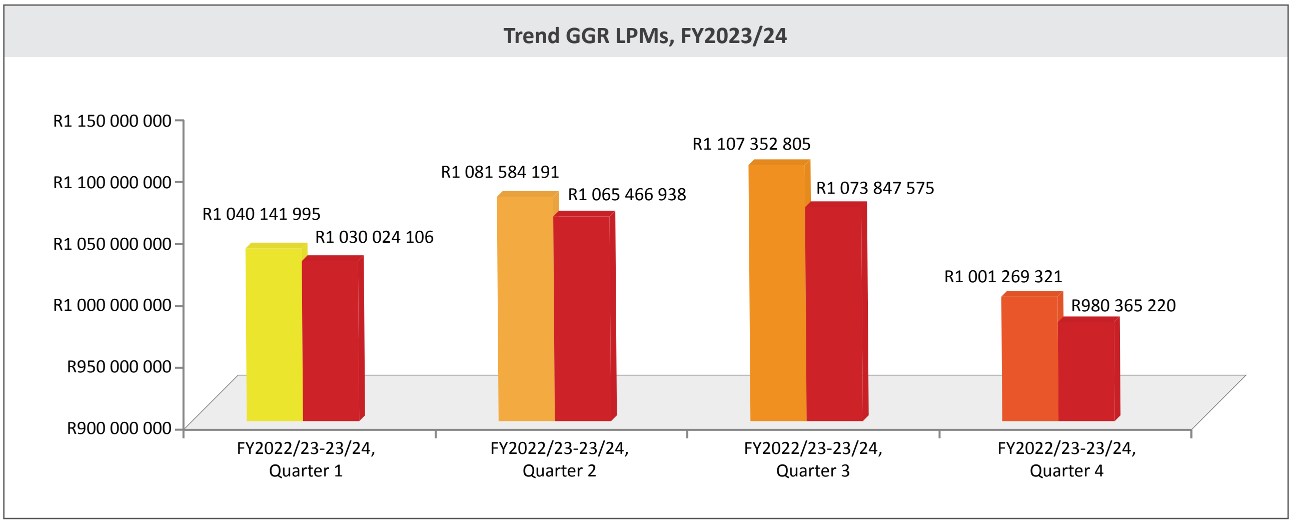


FIGURE 35: Trend in GGR LPMs, FY2023/24

4. Taxes/levies collected by PLAs from the LPM sector per province

4.1 The total value of taxes/levies collected by PLAs from the LPM sector during FY2023/24 was R495.7 million. This amount represents 10% of taxes/levies from all gambling modes. LPM taxes/levies decreased by -1.2% relative to the previous year.

4.2 KwaZulu-Natal has the highest number of licensed active LPMs in comparison to other provinces and accounted for 27.1% of the taxes collected during FY2023/24 as reflected in figure 36.

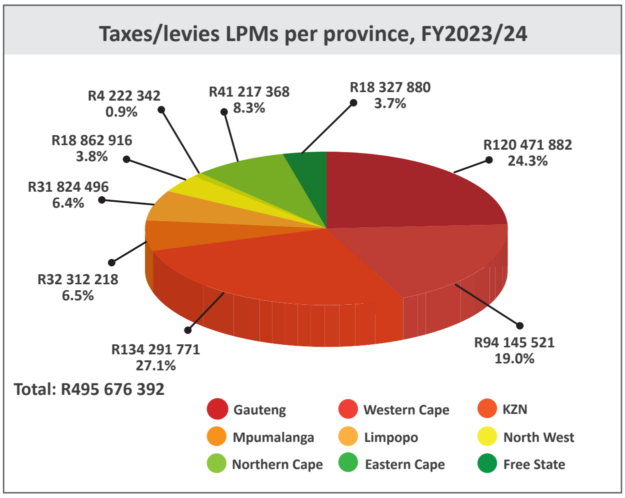


FIGURE 36: Taxes/levies LPMs per province, FY2023/24

CHAPTER 5: BINGO SECTOR

1. Market conduct

1.1 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. A total number of 70 bingo halls were operational as at 31 March 2024 of which 12 were operational in Gauteng, 15 in the Eastern Cape, 22 in KwaZulu-Natal, 7 in North West, 7 in Mpumalanga and 7 in Limpopo, as reflected in figure 37.

1.2 Gauteng accounted for the highest number of licensed operational bingo positions or seats totaling 5 369 (43%) out of a national figure of 12463 positions as at 31 March 2024, compared to Eastern Cape (24%), KwaZulu-Natal (17%), Mpumalanga (8%), North West (7%) and Limpopo (7%).

1.3 All of the bingo seats were electronic bingo terminals (EBTs), with all provinces reporting to have no operational traditional bingo halls/seats.

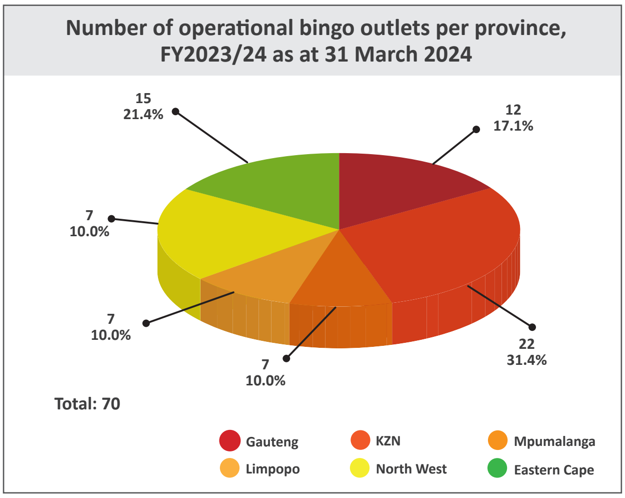


FIGURE 37: Number of operational bingo outlets per province, FY2023/24 as at 31 March 2024

2. Turnover in the bingo sector per province

2.1 The total value of money wagered in the bingo sector during FY2023/24 was R30.3 billion, a -0.7% decline relative to the same period last year. This amount represents 3% of turnover across all gambling modes.

2.2 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 FY2023/24 was recorded in the Eastern Cape (27.6%), followed by KZN (22.6%) and Gauteng (20.2%) as reflected in figure 38.

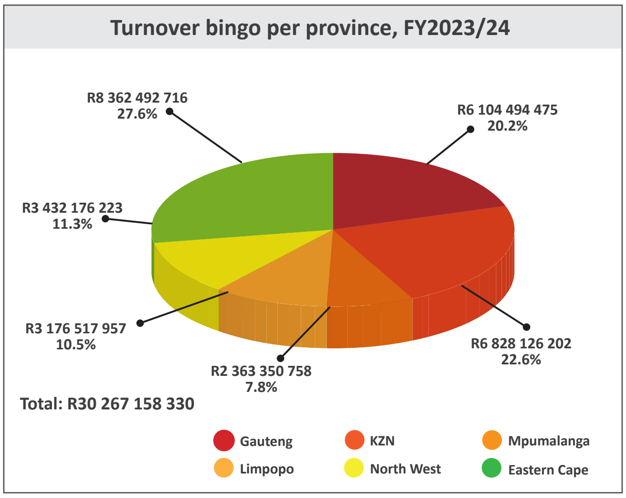


FIGURE 38: Turnover bingo per province FY2023/24

3. Gross gambling revenue generated in the bingo sector per province

3.1 The total value of GGR generated in the bingo sector during FY2023/24 was R1.9 billion, a 2.4% increase from the previous year. This amount represents 3% of GGR across all gambling modes.

3.2 Gauteng had the highest amount of GGR generated in FY2023/24, followed by the Eastern Cape and KwaZulu-Natal as reflected in figure 39.

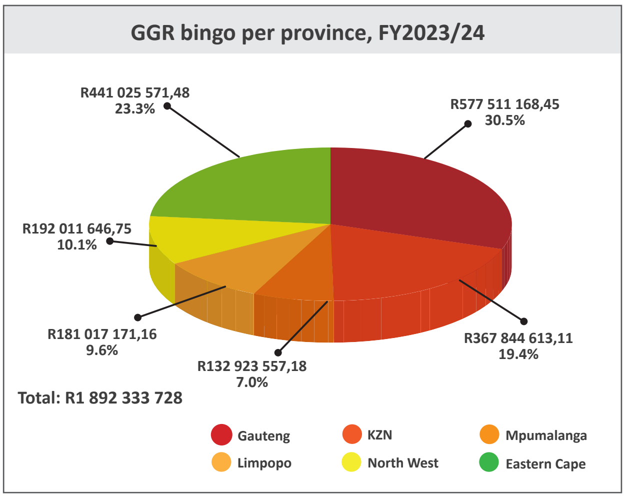


FIGURE 39: GGR bingo per province, FY2023/24

The Responsible Gambler uses gambling for fun and entertainment

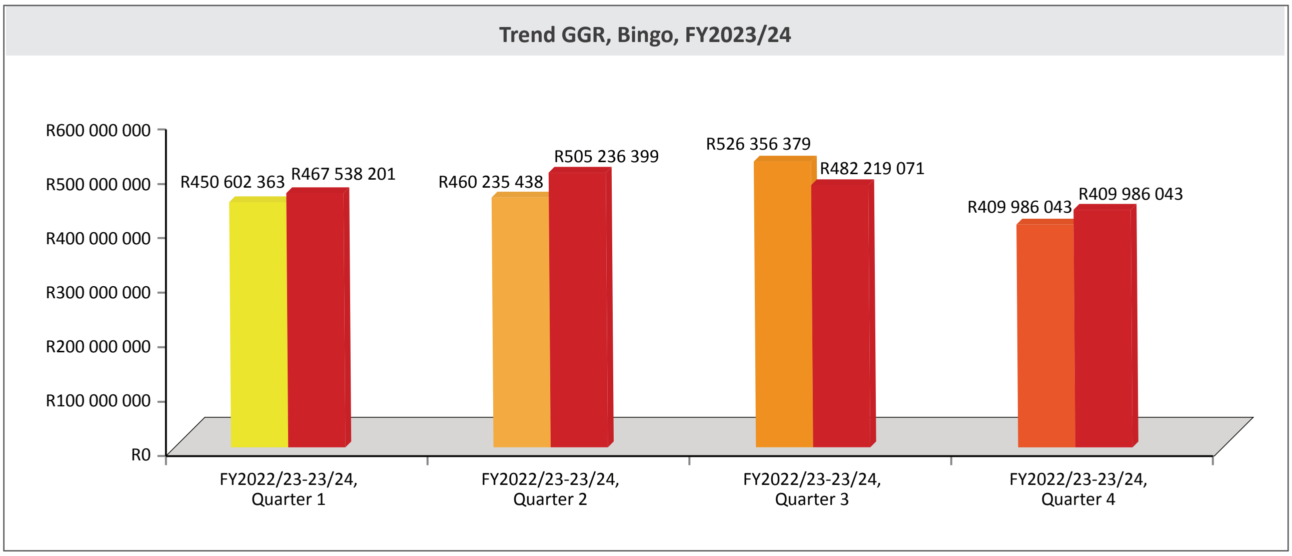


FIGURE 40: Trend in GGR, Bingo, FY2023/24

4. Taxes/levies collected by PLAs from the bingo sector per province

4.1 The total value of taxes/levies from the bingo sector during FY2023/24 was R161.8 million, a 1.7% increase from the previous year.This amount represents 3.0% of taxes/levies across all gambling modes.

4.2 Gauteng accounted for the highest amount of taxes/levies collected in FY2023/24 at 41.6%, followed by the Eastern Cape (27.3%) as reflected in figure 30.

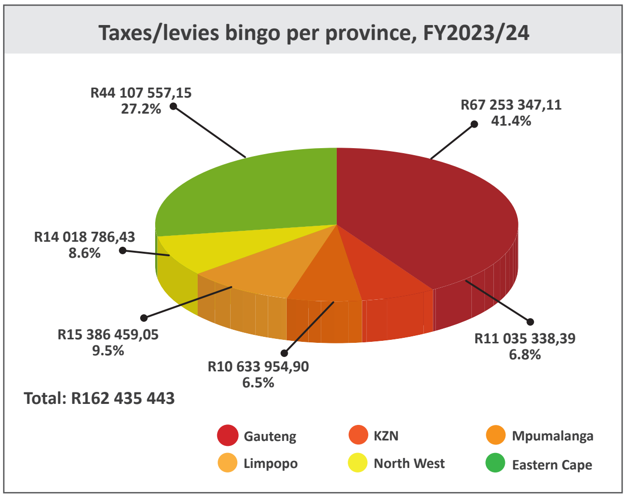


FIGURE 41: Taxes/levies bingo per province, FY2023/24

CHAPTER 6: EMPLOYMENT

4.1 NGB monitors direct employment numbers in the gambling sector (industry and regulators). A total number of 34 316 people (direct employment) were employed in the gambling industry (including at regulators) as at 31 March 2024, increasing by 5% from the FY2022/23 level of 32 677. In general, the casino sector, and KwaZulu-Natal province, accounted for the highest numbers in terms of direct employment in the gambling industry as reflected in table 1 below.

TABLE 1: Direct employment per province and mode, FY2023/24

DIRECT EMPLOYMENT PER PROVINCE AND MODE, FY2023/24										
	PROVINCE									
Gambling mode	Gauteng	Western Cape	KwaZulu-Natal	Mpumalanga	Limpopo	North West	Northern Cape	Eastern Cape	Free State	TOTAL
Casinos	3 450	2 614	5 450	314	333	419	246	542	392	13 760
Totalisators	185	139	896	25	66	12	4	13	45	1 385
Bookmakers	5 539	1 586	3132	705	1 068	743	228	246	208	13 455
LPM	644	46	95	436	675	101	23	724	350	3 094
Bingo	271	0	762	182	196	167	0	407	0	1 985
Regulators										
PLAs	108	69	63	74	64	72	18	55	114	637
TOTAL	10 197	4 454	10 398	1 736	2 402	1 514	519	1 987	1 109	34 316

CHAPTER 7: TRANSFORMATION [B-BBEE LEVELS]

4.1 Broad-based black economic empowerment (B-BBEE) is an economic and political imperative in South Africa. Empowerment in the South African gambling industry is measured in terms of the Codes of Good practice published by the Department of Trade & Industry. The gambling industry, to date, does not have its own transformation charter. Thus gambling enterprises are measured in terms of the generic score card and more specifically, the following: Ownership, Management Control, Employment Equity, Skills Development, Preferential Procurement, Enterprise Development and Socio-Economic Development. However, on 11 October 2013, the Department of Trade and Industry released the revised B-BBEE Codes of Good Practice. The old and the new codes have been merged to monitor contributor levels applicable to FY2017/18, and as follows: Ownership, management control, employment equity, skills development, preferential procurement, enterprise (supplier) development and socio-economic development.

4.2 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 2024 per gambling mode and operator, was as follows:

- Average B-BBEE level for casino operators: Level 1.7
- Average B-BBEE level for totalisators: Level 4.5
- Average B-BBEE level for LPM operators: Level 2.5
- Average B-BBEE level for bingo operators: Level 3.1 (currently only operational in Gauteng, Mpumalanga, North West, Eastern Cape, KwaZulu-Natal and Limpopo).

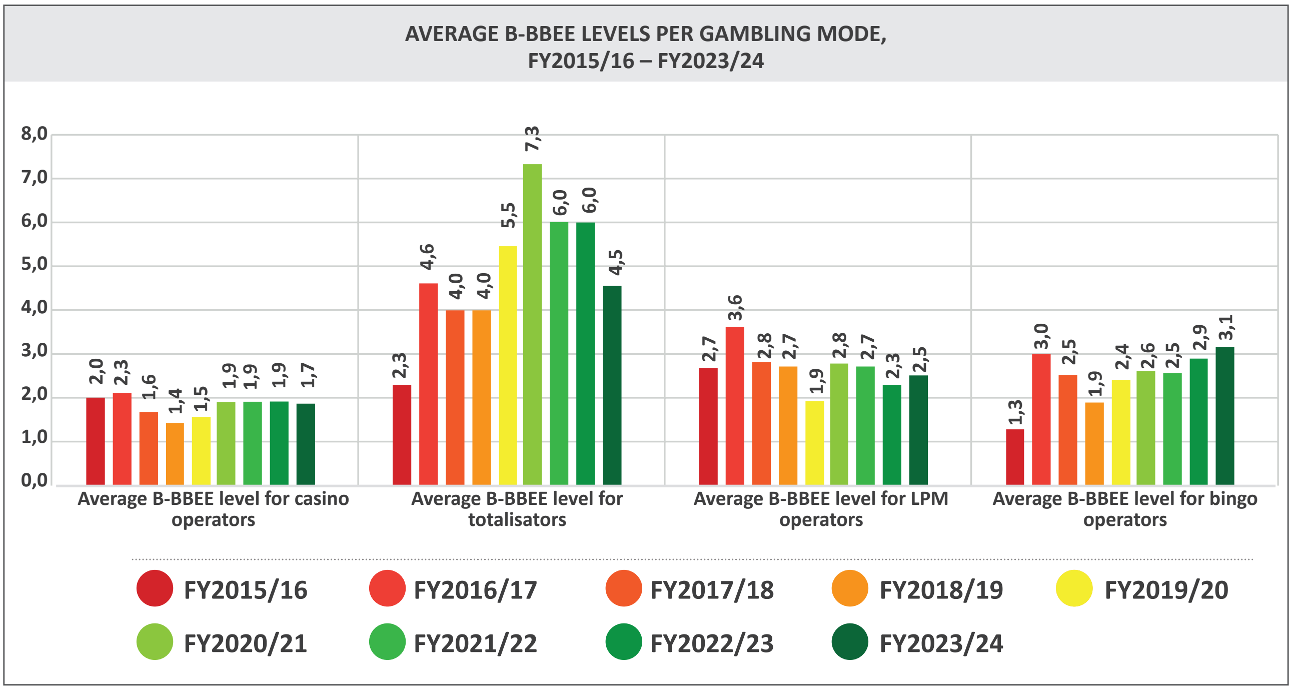


FIGURE 42: Average B-BBEE levels per gambling mode, FY2015/16 – FY2023/24

NOTES

PROBLEM GAMBLING IS TREATABLE

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