

Foreword by the Minister

The National Lotteries Commission is ready to venture into the next level of its mandate in regulating lotteries and distributing funds to good causes.

The amended legislation provides a platform for a better structured organisation, which should respond to the funding needs of society in a credible and expeditious manner. The benefits that will come from its implementation will see the organisation maintain its position as a pioneer in the grant funding sector as access to funding increases, and is tailored to suit the needs and resources of the people.

The past few years have been a time of reflection and review. The necessary improvements have been made, and the time to implement is here.

With an aim at continuous improvement and adapting to the changing needs of society, the NLC's strategic goals and plans are closely aligned to address the nation's critical needs as identified in the National Development Plan's Vision 2030.

Dr Rob Davies, MP
Minister of Trade and Industry

Official Signoff


The National Lotteries Commission (NLC) has in response to the amended Lotteries Act revised its Strategic Plan (2016-2021). In the process, the organisation took the opportunity to re-examine its Strategic objectives to address pertinent issues articulated in the amended legislation.

It is hereby certified that this strategic plan was revised by the Management of the National Lotteries Commission and accurately reflects the strategic outcome orientated goals which the NLC will endeavor to achieve given the resources indicated in the budget.

P. Letwaba
Chief Financial Officer


Signed: _____

A. Maharaj-Domun
Official Responsible for Planning


Signed: _____

TCC Mampane
Commissioner


Signed: _____

Approved by:

Prof NA Nevhutanda
Chairman
29 January 2016


Signed: _____

FOREWORD BY THE MINISTER	ERROR! BOOKMARK NOT DEFINED.
OFFICIAL SIGNOFF	3
LIST OF FIGURES	5
LIST OF TABLES	5
INTRODUCTION	8
PART A	11
PART A: STRATEGIC OVERVIEW	11
1. VISION	11
2. MISSION	11
3. CORE VALUES	12
4. LEGISLATIVE AND OTHER MANDATES	12
4.1. CONSTITUTIONAL MANDATE	12
4.2. LEGISLATIVE MANDATE	13
5. SITUATIONAL ANALYSIS	14
5.1 STRATEGIC CONTEXT	14
5.2 ORGANISATIONAL ENVIRONMENT	18
5.3 STAKEHOLDER ANALYSIS	23
5.4 SWOT ANALYSIS	26
6. STRATEGIC OUTCOMES ORIENTATED GOALS OF THE NLC	28
PART B	29
PART B: STRATEGIC OBJECTIVES	29
7.1 PROGRAMME 1: ADMINISTRATION AND SUPPORT SERVICES	29
7.2 PROGRAMME 2: COMPLIANCE AND REGULATION	31
7.3 PROGRAMME 3: GRANT FUNDING AND SERVICE DELIVERY	32
PART C	34
PART C: LINKS TO OTHER PLANS	34

List of Figures

Figure 1: NLC High Level Organizational Structure.....	22
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List of Tables

Table 1: Acronyms and Definitions.....	6
Table 2: NLC Core Values	12
Table 3: Stakeholder Analysis Matrix	23
Table 4: List of Strength and Weaknesses.....	27
Table 5: List of Opportunities and Threats	27
Table 6: Strategic Outcome Goals	28
Table 7: Administration and Support Services Strategy Matrix.....	29
Table 8: Compliance and Regulation Strategy Matrix.....	31
Table 9: Grant Funding and Administration Strategy Matrix	32

Table 1: Acronyms and Definitions

Acronym/Term	Description/Definition
Act	Means the Lotteries Act No.57 of 1997 as amended.
Applicant	Means the juristic person making an application for funding.
Board	Means the National Lotteries Board, established in terms of Section 2 of the Act.
Chairperson	Means the Chairperson of the Board appointed in terms of Section 3(1) (a) of the Act.
Grant Funding	Means the division of the NLC responsible for performing all administrative and associated functions in respect of the Distribution of Funds.
CM	Means the Commissioner of the NLC appointed in terms of Section 7(1) (a) of the Act.
Distributing Agency (DA)	Means the agency appointed in terms of Section 27, 28, 29 or 30 of the Act.
GMS	Means the Grant Management System used by the Board to record and track all applications received.
King Report	Means the current version of Report on Corporate Governance published by the King Committee on Corporate Governance.
Key Performance Indicators	Means qualitative/quantitative statements measures/observed parameters that can be used to describe performance and measure change or trends over a time period.
Minister	Means the Minister of Trade and Industry.
NLDTF	Means the National Lottery Distribution Trust Fund.
PFMA	Means the Public Finance Management Act.
Procedure Manual	Means the Grant Procedure Manual as used in Grant Funding.

Acronym/Term	Description/Definition
<i>Programmes</i>	Means a collection of projects that together achieve a beneficial change for an organization.
<i>Projects</i>	Means temporary structure designed to achieve specific objectives within allocated budget and timeframes.
<i>Policy Directive</i>	Means the directions issued by the Minister to the Distributing Agencies in terms of Section 32 (3) of the Act.
<i>PISE</i>	Means Post Indaba Stakeholder Engagement
<i>Strategic Initiatives</i>	Means broad actions that an organization undertakes to achieve its objectives.
<i>Strategic Objectives</i>	Means organizational intentions geared towards responding to organizational mandate, aspirations and challenges.
<i>Strategic Outcomes</i>	Means organizational results generated through the implementation of programmes, and should correspond to strategic objectives.

Introduction

The National Lotteries Commission (NLC) was established in terms of the Lotteries Act (No 57 of 1997) to regulate the National Lottery as well as other lotteries, including Society Lotteries to raise funds and promotional competitions. The NLC also advises the Minister of Trade and Industry on policy matters relating to the National Lottery and other lotteries.

On 14 April 2015, the Lotteries Amendment Act was promulgated. The legislation seeks to amend the Lotteries Act of 1997 in order to provide the following:-

- *the establishment of a National Lotteries Commission;*
- *to provide for the extension of the powers of the Board;*
- *to provide for the licensing of an organ of state to conduct the National Lottery;*
- *to provide for a clear accountability process for the distributing agency;*
- *to provide for the professionalism of the distributing agency;*
- *to eliminate overlapping of functions between the Minister and the Board;*
- *to provide for the removal of the reconstruction and development programme as a category; entitled to be allocated money of the fund;*
- *to provide for matters connected therewith.*

The salient provisions of the Act (which is a strategic guide in the implementation of the mandate of regulation and distribution) as envisaged in the amendments further includes these provisions:

- The Amended Lotteries Act stipulates that the National Lottery Commission shall be established;
- The Commission shall be a juristic person;
- The Commission is governed by a Board appointed in accordance with the Lotteries Act;
- The Commission shall, applying the principles of openness and

transparency, exercise the functions assigned to it in terms of the Act by the Minister;

- The Commission may, upon request by the Minister, board or on its own initiative in consultation with the Board, conduct research on worthy good causes that may be funded without lodging an application in terms of the Act;
- The Commission may upon request by the Minister, board or on its own initiative in consultation with the Board, solicit applications for grants from good causes.

Furthermore the Commission must ensure that:

- The National Lottery and sports pools are conducted with all due propriety and strictly in accordance with the Constitution, the Lotteries Act and all other applicable law and the licence for the National Lottery. (Licence agreements)
- The interests of every participant in the National Lottery are adequately protected.
- The Commission shall promote public knowledge and awareness by:-
 - Development and implementation of measures to educate and inform the public about the lotteries and provisions of this Act.
 - Educate the public on the process, requirements and qualifications relating to the application for grants in terms of the Act.
- Manage the staff, financial, administrative and clerical functions or any duties of the distributing agency as directed by the Minister or the Board, except the function to adjudicate upon applications to the distributing agency for grants in terms of the Act.
- Exercise any other function as delegated or directed by the Minister or the Board.

This document is based on a review of the strategic intent of the NLC. The review took cognizance of the following:

- (a) the needs of the NLC Stakeholders,
- (b) NLC's dual mandate,
- (c) the role that the organization can play in meeting South African national outcomes and key priorities, and
- (d) alignment to the amended legislation

As such, this plan provides a broad overview of the strategic intent the NLC has adopted and it includes the strategic goals, outcomes and objectives, as well as multi-year projections of programmes and strategic initiatives.

In conclusion, the review process takes cognizance of the strategic context within which the NLC operates.

PART A

PART A: Strategic Overview

1. Vision

A vision statement paints a picture of an organisation's destination and provides a rationale for going there. The vision statement is the inspiration of the organization. It provides the framework for which the development of all strategies and plans that the organization intends to achieve. Most importantly, it should be the point of departure in developing the strategic intent for the NLC. The Vision of the NLC is crafted as follows:

“The catalyst for social upliftment”.

The NLC is the forerunner in regulating the national lottery, all societal lotteries and promotional competitions, thereby advancing social upliftment of people of South Africa. The NLC further endeavors to ensure that raised funds are distributed equitably and expeditiously.

The entity further advocates and advances the socio-economic well-being of communities in need.

2. Mission

The mission statement of the NLC is a brief description of the organization's fundamental purpose and it advocates and articulates the reason for its existence.

The Mission of the NLC is:

- ***To regulate all lotteries and sport pools with integrity and ensure the protection of all participants.***
- ***To maximize revenue for good causes in a responsible manner.***

- *To distribute funds equitably and expeditiously.*

3. Core Values

The NLC is committed to achieve sustainable growth through the practice of good corporate governance, provision of excellent service and sound regulatory practice. In fulfilling the mission statement the NLC lives the following core values as tabulated below:

Table 2: NLC Core Values

Value	Description
Integrity	To be honest, open, accessible and fair in all our dealings, decisions and actions.
Performance Excellence	To take ownership of our responsibilities, to work effectively, efficiently, with professionalism and ensuring a positive sustainable impact on the communities we serve.
Service Excellence	To provide a level of service which is of a high quality, target based and meets the expectations of all stakeholders.
Social Consciousness	To be sensitive to the needs of the community in order to initiate social upliftment.

4. Legislative and Other Mandates

4.1. Constitutional Mandate

The NLC does not have any direct constitutional mandate. However, it carries its work having due regard to the rights as contained in the Constitution of the Republic of South Africa, which guarantees every citizen certain rights to ensure a democratic and open society in which every citizen's rights are recognized and protected.

4.2. Legislative Mandate

The organization has been established through the Lotteries Act (Act 57, 1997). The Board consists of a Chairperson, one member designated by the Minister and five other members.

The Functions of the Board are set out in the Lotteries Act as follows:

- Advise the minister on the issuing of the licence to conduct the National Lottery.
- Ensure that the National Lottery and Sports Pools are conducted with all due propriety.
- Ensure that the interests of every participant in the National Lottery are adequately protected.
- Ensure that the net proceeds of the National Lottery are as large as possible.
- Administer the National Lottery Development Trust Fund (NLDTF) and hold it in trust.
- Monitor, regulate and police lotteries incidental to exempt entertainment, private lotteries, society lotteries and any competition contemplated in Section 54.
- Advise the Minister on percentages of money to be allocated in terms of Section 26(3).
- Advise the Minister on the efficacy of legislation pertaining to lotteries and ancillary matters.
- Advise the Minister on establishing and implementing a social responsibility program in respect of lotteries.
- Administer and invest the money paid to the Commission in accordance with the Lotteries Act.
- Perform such additional duties in respect of lotteries as the Minister may assign to the board.
- Make such arrangements as may be specified in the licence for the protection of prize monies and sums for distribution.

- Advise the Minister on any matter relating to the National Lottery and other lotteries or any other matter on which the Minister requires the advice of the board.

The amended legislation further provides for the following:

- the establishment of a National Lotteries Commission;
- to provide for the extension of the powers of the Board;
- to provide for the licensing of an organ of state to conduct the National Lottery;
- to provide for a clear accountability process for the distributing agency;
- to provide for the professionalism of the distributing agency;
- to eliminate overlapping of functions between the Minister and the Board;
- to provide for the removal of the reconstruction and development programme as a category; entitled to be allocated money of the fund;
- to provide for matters connected therewith.

5. Situational Analysis

5.1 Strategic Context

The Lotteries Amendment Act (32 of 2013) was promulgated on 14 April 2015. The amended Act was designed to address some shortcomings in the original 1997 legislation and to improve the functioning of the NLC through inter alia clarifying and extending the powers and functions of the Board; as well as providing clear accountability for the Distributing Agencies. The NLC has already considered and implemented internal strategic and operational changes in line with the emerging thinking and final provisions of the Legislation.

NLC is the largest organisation with a gaming regulatory and funding mandate in Africa. In 2014 the government introduced its strategic agenda for five years until 2019. Thirteen government priorities were identified for that period.

These priorities are also outlined in the National Development Plan (NDP) was adopted by cabinet in 2012 to address the issues of socio-economic challenges and growth. In line with its mandate, vision and mission, NLC's formulation of programme activities and targets is aligned to the political, social and economic realities of South Africa.

In particular, the NLC's role and functions as outlined in the amended Lotteries Act, place an obligation on the organisation to support (directly and indirectly) the electoral mandate of Government. From a strategic perspective, the sight of government priorities provides a major opportunity for the NLC within the disciplinary context of social development and social upliftment. These include addressing unemployment and alleviating poverty in alignment with the NDP. The NLC is therefore driven by government policies on economic and social development.

South Africa's economy contracted by 1,3% (seasonally adjusted and annualised) in the second quarter of 2015. South Africa's weak economic growth along with increased debt levels in a low-growth environment would only add to debt-service costs. This outlook will have a negative impact on the revenue generated by the National Lottery operator.

Government's role as a source of counter-cyclical demand is visible in its relative large contributions to overall growth. The NLC through its mandate has also played a role to bring about this growth by ensuring that funds are distributed to qualifying beneficiaries. Sectors funded by the NLC contribute to job creation, rural development, infrastructure development, promoting wellness and social cohesion. This aligns to the objectives of the NDP to eliminate poverty and reduce inequality by 2030 and also bring about economic growth.

There are approximately 100 000 NPO's currently registered with the Department of Social Development that could theoretically access funding. Additional to those are several non-profit companies, public benefit trusts, schools and sport clubs. The NLC, through the NLDTF, is the biggest funder of NPO's in the country across various sectors including the Charities, Sport & Recreation as well as Arts, Culture, Heritage and Environment sectors. Over R20 billion has been distributed to good causes since its inception. However, the reliance on a single source of funds does not make it possible to address the needs of the entire NGO/NPO sector in South Africa.

NLC finds itself in an opportune position to use technology to enhance service delivery. A modern and secure IT infrastructure will provide the organisation with the ability to provide efficient access to funding as well as to expedite funding processes.

Investments in technology and more especially in broadband services have a vital role to play in moving the NLC business objectives forward. However, such investments must not be focused only on infrastructure development. They must also provide for advanced online services, and address inequity and delivery of information to all citizens of this country – especially for those in under-serviced areas. To this end, it will be vital for the organisation to work towards establishing networked information and communication technologies (ICTs) in partnership with establishment and licensed electronic communication network which will play an ever-increasing role to its stakeholders. NLC has set aside necessary investments to enable staff and external stakeholders to participate in and benefit services from a secured infrastructure and enterprise architecture. Innovation remains a tool towards success, especially within an era of increasingly advancing business, social, and economical environments. As such the organisation will continue to create an innovation framework based on legislative requirements and most importantly the stakeholders. We plan to introduce innovative methods of interaction, for example through use of mobile devices to allow stakeholders take on new roles as enabled and empowered participants. In order to capitalise on these opportunities, the NLC shall ensure that the developed technology roadmap encapsulates principles of a

flexible, scalable, cost-effective and risk tolerant infrastructure and enterprise environment. It must however be noted that introducing new services in a network often presents challenges, among them security. In this organisation, this is addressed through the enacted ICT Governance framework.

The organisation is conscious about issues affecting its physical environment. Environmental projects are funded within the Arts, Culture and National Heritage sector in order to preserve South Africa's natural heritage and protect precious resources. Further to that, the NLC considers the environmental impact of its daily business. In an effort to reduce the carbon footprint of operations, the organisation is transitioning to a paperless environment where day-to-day tasks will be facilitated through electronic means. The responsible disposal of waste and electronic equipment is facilitated through the '*reduce, reuse, recycle*' principle. On a larger scale, the Board has approved plans to secure long-term accommodation and premises for the NLC. To this end, issues around energy efficiency and environmental impact will build the basis for construction alongside operational requirements.

Whilst the Lotteries Act, as amended, has emphasized the role of the NLC as a regulator in the national lottery sphere, it would still appear that lack of enforcement powers in relation to illegal lotteries remains a challenge. There is also space and the opportunity to continually and consistently liaise with different provincial Gambling Boards on issues of concurrent interest in the lottery sphere to ensure proper governance and alignment with the aim to protect and maximize revenue generated by the National Lottery for good causes.

Corporate Governance is crucial to business sustainability and growth of the organization. The development and implementation of a proper corporate governance framework is endorsed by the Board. The Board accepts responsibility

for the application and compliance with the principles of ensuring that effective corporate governance is practised consistently throughout the organisation.

The Board discharges this role through its charters based on a Corporate Governance Framework which includes amongst others the principles of the Lotteries Act, PFMA, Treasury Regulations and good governance principles. These are further aligned to the organisations top strategic risks and reviewed annually.

The framework addresses the following principles:

- Regulatory Compliance Framework
- Information and Communication Technology governance
- Business Continuity and Sustainability Framework
- Anti-Fraud and Risk Management Framework

5.2 Organisational Environment

In order to achieve its dual mandate of regulator as well as distribution of funds to good causes, the NLC provides the following key services:

Regulation

The 3rd National Lottery Operator, Ithuba Holdings, commenced operations on 01 June 2015. It is envisaged that the introduction of new games will positively stimulate and resuscitate the industry within South Africa.

However, the proliferation of other Lotteries in the marketplace continues to be a challenge. The Board has been successful in halting some of the more prominent competitions but the sheer number of competitions and the bravado with which they are conducted is a growing concern.

Whilst certain strategic initiatives have been put in place to attempt to halt these illegal lotteries, the lack of enforcement powers remains a debilitating factor for the NLC.

NLDTF Distribution

In an effort to make funding more accessible to all, the NLC has in alignment with the amended legislation:

- (a) embarked on ongoing education and awareness programmes
- (b) improved its accessibility through the opening of provincial offices
- (c) introduced aligned funding model

Full implementation of the amended legislation, with specific reference to service delivery turnaround times, is largely dependent on having the full time DA structure operational. In terms of the amended legislation, the DA's are appointed by the Minister of the dti but are accountable to the Board.

(a) Education and Awareness

As part of the changes to the recently approved amendments to the legislation the organisation must conduct education and awareness initiatives to ensure organisations and communities are well informed about the requirements for accessing funding from the NLDTF.

This concept is primarily focussed on conducting capacity building workshops to improve efficiency and accessibility not only during the calls for applications but on a continuous basis.

(b) Provincial Offices

The NLC has expanded accessibility nationally, through the establishment of provincial offices. It is envisaged that these offices will offer a full spectrum of services including the following:

- Receipt of applications
- Assessment of applications
- Face-to-face enquiries
- Assistance with applications

- Follow-up on the progress of applications
- General Support with Grant Agreements
- Workshops for education and awareness
- Stakeholder engagements
- Monitoring and advise on projects that require oversight

(c) Funding Model

One of the strategies introduced to address the shortcomings in priority areas in general is the introduction of the funding model, by responding to social problems and opportunities through a strategic and evidence-based mixed funding model.

The amended legislation makes provision for proactive funding (research based funding) which can emanate from three sources, the Minister, the Board or the Commission. To this end, the NLC has made provision for the establishment of a research panel through SCM processes.

Subsequent to the promulgation of the amended act, the NLC realized that it required a differentiated identity from that of other National Lottery stakeholder bodies, including the operator. A robust re-branding strategy was implemented with the main objectives seeking to:

- demystify prevalent brand confusion between the institutional brands under the Act
- create a clear brand architecture
- simplify the brand name transition from NLB to NLC
- highlight the rebranding as a turning point that follows rigorous internal restructuring and brand positioning
- use the rebranding exercise as an opportunity to reposition the brand and clarify its role as well as its relationship to the rest of national lottery institutional brands
- change the negative perceptions of inadequacy and corruption
- promote positive brand attributes and success stories that have not been adequately or successfully promoted

- empower the new brand to improve on efficiency and service delivery to fulfil its mandate
- inspire the staff about the internal change and mobilise them to be agents of change in their individual and team capacities

Furthermore, the organization has undertaken entering into several partnerships with key stakeholders in order to establish working relationships in pursuit of positive and productive community outcomes and the achievement of common goals.

Aligned to the legislative amendments, it was evident that the technology within the organization required refreshing in order to adapt to the necessary changes and improvements. Related to this, the Business Process Review (BPR) that focused mainly on Grant Funding, formed the basis for the proposed amendments to the Grant Management System. Project Dibanisa refers to the creation of an integrated platform that seeks to provide an enhanced system that is able to deliver reliable results and statistics in significantly shorter turnaround times with processes aligned to the new dispensation.

Furthermore, the ICT strategy is in the process of undergoing a full review and re-alignment to the Department of Public Service and Administration (DPSA) and COBIT 5 requirements.

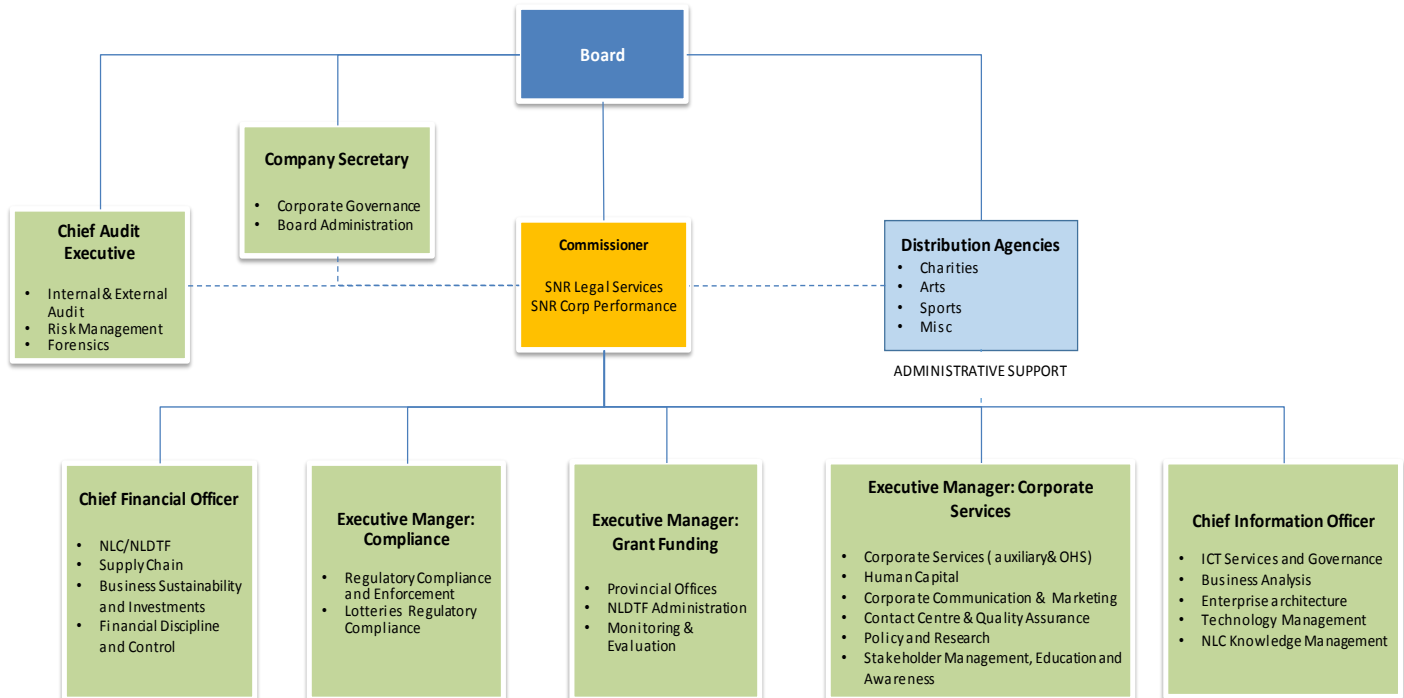
Sustaining Organizational Capacity

The amendment of the National Lotteries Act required that a transition and migration strategy be developed and implemented. This necessitated a new organisational structure be developed in line with the Act. Compliance with the act also required that staff members be migrated to the new NLC entity. This culminates into the deployment of staff from the national head office to various provinces. This deployment is aimed at capacitating provinces to be fully effective and functional in line with the act.

Organizational Re-alignment

All Executive members and management appointments were made in line with the structure. Organisational Skills and capacity audit was completed. Learnership and Internship programmes have been implemented in line with the national priorities on job creation and skills development. Learners and interns were placed both internally and externally through the NLC funded beneficiaries in line with NDP priorities.

Figure 1: NLC High Level Organizational Structure



5.3 Stakeholder Analysis

The NLC has a variety of stakeholders which assumes substantial influence over the operation of the organization. These stakeholders have respective expectations that must be fulfilled as tabulated below:

Table 3: Stakeholder Analysis Matrix

Stakeholder	Influence	Expectation
The Board	<ul style="list-style-type: none"> Strategic direction 	
Licensed Operator	<ul style="list-style-type: none"> Revenue Sustainability Influence Public Perception Image and Integrity of the Board 	<ul style="list-style-type: none"> Regulatory Fairness Interaction Predictability Promptness Approvals Continuity
Department of Trade and Industry (The DTI)	<ul style="list-style-type: none"> Approvals and Timing of: <ul style="list-style-type: none"> Approvals Assistance Appointment of Board/ Distributing Agencies Legislation 	<ul style="list-style-type: none"> Conformance Governance Continuity Reporting
Parliament Portfolio Committee's	<ul style="list-style-type: none"> Sanction Legislation 	<ul style="list-style-type: none"> Accountability Governance Integrity Ethics Contribution to National Priorities
Applicants	<ul style="list-style-type: none"> Quality of Grants Public Perception Turnaround Risk Profile of the Board Geographic Spread of Funding 	<ul style="list-style-type: none"> Clarity of Criteria Transparency Responsiveness Turnaround Mentorship/guidance Interaction Accessibility Fairness Consistency Feedback
Beneficiaries	<ul style="list-style-type: none"> Quality of Grants Social Impact Risk Public acknowledgement and declaration of grants received Public Perception 	<ul style="list-style-type: none"> Transparency Responsiveness Turnaround Mentorship/guidance Interaction Accessibility Fairness and consistency

Stakeholder	Influence	Expectation
	<ul style="list-style-type: none"> • Turnaround 	<ul style="list-style-type: none"> • Visibility • Sustainability Feedback
Distributing Agencies (DA)	<ul style="list-style-type: none"> • Quality of Grants • Fund Management • Public Perception • Risk Profile of NLC/NLDTF • Equitable Distribution • Turnaround • Compliance 	<ul style="list-style-type: none"> • Support • Consistency • Quality • Interaction with Board • Communication/Reporting Turnaround
Lottery Players	<ul style="list-style-type: none"> • Revenue • Sustainability • Public Perception 	<ul style="list-style-type: none"> • Transparency • Integrity • Assistance and Counseling • Visibility • Communication • Fair chance of realizing their aspirations of winning
Staff	<ul style="list-style-type: none"> • Productivity • Morale • Public Perception • Performance Effectiveness 	<ul style="list-style-type: none"> • Fairness • Respect of Worker Rights • Equity • Involvement • Best Practice HRM policies/practices • Conducive work environment • Adequate resourcing • Transparency • Ethical Behaviour
Interest Groups	<ul style="list-style-type: none"> • Public perception • Policy • Structure 	<ul style="list-style-type: none"> • Transparency and Fairness • Control of excessive Participation • Communication Involvement Enforcement
Auditor-General (AGSA)	<ul style="list-style-type: none"> • Governance • Compliance • Public Perception 	<ul style="list-style-type: none"> • Conformance to Legislation/Standards • Integrity • Comprehensiveness and Accuracy of Information • Reporting

Stakeholder	Influence	Expectation
Media	<ul style="list-style-type: none"> Public Perception 	<ul style="list-style-type: none"> Regular Communication Transparency Access to Information
Relevant Ministries	<ul style="list-style-type: none"> Policy Implementation National Priorities alignment 	<ul style="list-style-type: none"> Involvement Transparency in allocation of grants Consultation Align policy & pay out Information sharing
Grant Makers	<ul style="list-style-type: none"> Best Practice Fairness 	<ul style="list-style-type: none"> Uniformity Capacity Building Share Information Collaboration/ Partnerships
Organized Labour	<ul style="list-style-type: none"> Policies Productivity 	<ul style="list-style-type: none"> Framework for engagement Willingness to work Transparency Communication Fairness Structures Enabling environment for association
The Public	<ul style="list-style-type: none"> Operations Strategy Culture 	<ul style="list-style-type: none"> Transparency Fairness Consistent Delivery Integrity Values orientation Information Sharing
National Treasury (NT)	<ul style="list-style-type: none"> Regulatory environment Remuneration 	<ul style="list-style-type: none"> Reporting Governance
Other Lotteries	<ul style="list-style-type: none"> Revenue 	<ul style="list-style-type: none"> Regulatory Fairness
Operators	<ul style="list-style-type: none"> Enforcement 	<ul style="list-style-type: none"> Interaction Predictability Promptness Approvals Continuity

Stakeholder	Influence	Expectation
Suppliers	<ul style="list-style-type: none"> • Risk • Effectiveness • Turnaround 	<ul style="list-style-type: none"> • Transparency • Fairness • Consistency Ethical Behaviour

5.4 SWOT Analysis

A SWOT analysis is a simple but powerful tool for sizing up an organisation's resource capabilities and deficiencies. It examines and assesses the impacts of internal strengths and weaknesses, and external opportunities and threats, on the success of the "subject" of analysis. An important part of a SWOT analysis involves listing and evaluating the organization's strengths, weaknesses, opportunities, and threats. The Section below provides a summarized description of SWOT analysis elements, as follows:

Strengths:

These are the factors that give an organization the competitive edge within the environment within which it operates. Strengths are those factors that give the organization a distinctive advantage which boosts its competitiveness. However, strengths are, in effect, resources, capabilities and core competencies at the organization's disposal. The organization can use such factors to accomplish its strategic objectives.

Weaknesses:

These are a limitation, fault, or defect within the organization that refrain it from achieving its objectives; it is what an organization does poorly or where it has inferior capabilities or limited resources as compared to other organizations within which it operates.

Opportunities:

These include any favorable current or prospective situation within the organization's environment, such as trends, change or factors overlooked which could be facilitated to allow the organization to enhance its competitive edge.

Threats:

These entail any unfavorable situation, trend or impending change in an organization's external surrounding environment which is currently or which has potential of damaging or threatening its ability to compete successfully within the environment that it operates in. Threats may be a barrier, constraint, or anything which may inflict challenges, damages, harm or injury to the organization.

Table 4: List of Strength and Weaknesses

Strength	Weaknesses
<ul style="list-style-type: none"> • Leadership • Financial independence • Organizational competence • The largest funder • Sole regulator in the industry • National footprint • Largest social benefactor • Sole regulator in the industry • Strong brand • Industry knowledge 	<ul style="list-style-type: none"> • Lack of enforcement powers for regulating illegal lotteries • Limitations in the proper monitoring and evaluation of grants • Single revenue source • Managing conflict of interest

Table 5: List of Opportunities and Threats

Opportunities	Threats
<ul style="list-style-type: none"> • Increased social impact • Enhanced operational efficiency • Technology advancement • Increased monitoring of project efficiency 	<ul style="list-style-type: none"> • Fraud and Corruption / collusion / fraud • Illegal lotteries • Revocation of license • Misrepresentation • Sustainability (One source of revenue)

Opportunities	Threats
<ul style="list-style-type: none"> • Proactive Funding • Repositioning of the organization • Regulatory improvement • Partnerships with other funders • Rationalization of entities 	

6. Strategic Outcomes Orientated Goals of the NLC

Table 6: Strategic Outcome Goals

Strategic Outcome Orientated Goal 1:	Enhance management of the NLC business
Goal Statement	Provide leadership and administrative capacity and capability to ensure effective service delivery, whilst enhancing financial sustainability of the NLC
Programme	Administration and Support Services
Strategic Outcome Orientated Goal 2:	Compliant and Regulated Lottery Industry receptive to the NLC mandate
Goal Statement	<ul style="list-style-type: none"> • Improve regulatory practice through the regulation of society and other lotteries • Improve regulatory practice through the enforcement of illegal lotteries • Improve regulatory practice through the monitoring of the 3rd National Lottery Licence
Programme	Compliance and Regulation
Strategic Outcome Orientated Goal 3:	Fair and Equitable distribution of Grant Funding
Goal Statement	<ul style="list-style-type: none"> • Ensure equitable distribution through the prescripts of the amended legislation • Provide administrative support to the Distributing Agencies to ensure equitable distribution of funds
Programme	Grant Funding and Service Delivery

PART B

PART B: Strategic Objectives

The Strategic goals will be achieved through the implementation of the following programmes:

7.1 Programme 1: Administration and Support Services

The purpose of the programme is to provide leadership and support to the entire organization particularly the core business for effective service delivery. It focuses on general administration and provision of support services to ensure compliance and governance.

Compliance and governance requirements of the NLC are outlined in the Act, PFMA and National Treasury Regulations. The Minister of Trade and Industry is the Executive Authority and the Board of Directors is the Accounting Authority.

Table 7: Administration and Support Services Strategy Matrix

Programme	Administration and Support Services
Strategic Objective [1]	To enhance administration of the NLC and ensure compliance with applicable legislation and policy prescripts
Strategic Outcome	Enhanced management of the NLC business
Baseline	<ul style="list-style-type: none"> • Approved re-branding strategy • Education and Awareness workshops conducted provincially • Business Sustainability Strategy • Work study for Grant Funding business processes and workflows
Resource Considerations	<ul style="list-style-type: none"> • Dedicated resources for Public Affairs, Stakeholder Management, Human Capital Management and ICT • ICT Capital expenditure budget

Programme	Administration and Support Services
Risk Description	<ul style="list-style-type: none"> • Reputation of the NLC • Inadequate alignment of the organizational structure • Brand awareness • Reliable ICT infrastructure
Risk Mitigation	<ul style="list-style-type: none"> • Implement re-branding strategy • Re-design organizational structure in accordance with amended legislation
Strategic Initiatives	<ul style="list-style-type: none"> • To develop and implement the PR Campaign to reposition the NLC as funder and regulator • Education and Awareness through stakeholder management • Organisational Sustainability Study • To develop and implement the E-system/Integrated Enterprise Wide Architecture Platform
Strategic Objective [2]	To ensure financial sustainability, control and discipline in line with applicable legislation and policy prescripts
Strategic Outcome	Creating a sustainable and financially efficient NLC
Baseline	<ul style="list-style-type: none"> • Percentage of grants paid in accordance with GNR644, 6(c)(iv) • Interest income received on investments
Resource Considerations	<ul style="list-style-type: none"> • Dedicated resources for finance • Approved Investment Strategy • Appropriate ICT system for monitoring payment process
Risk Description	<ul style="list-style-type: none"> • Non-performing markets • Inadequate performance of the National Lottery Operator
Risk Mitigation	<ul style="list-style-type: none"> • Capital Preservation guarantee • Enhanced monitoring of Operator performance
Strategic Initiatives	<ul style="list-style-type: none"> • To ensure a higher percentage disbursement of grants within the 60 day regulated timeframe

Programme	Administration and Support Services
	<ul style="list-style-type: none"> To ensure growth of surplus funds through implementation of strategies to improve return on investments

7.2 Programme 2: Compliance and Regulation

The purpose of this programme is to ensure compliance and to regulate the entire Lottery Industry in line with the NLC mandate. It ensures that mechanisms are instituted to ensure compliance with applicable laws and regulations as they relate to the lotteries environment. The programme also plays a role in ensuring adequate monitoring, regulation and policing of lotteries.

Table 8: Compliance and Regulation Strategy Matrix

Programme	Compliance and Regulation
Strategic Objective [3]	To implement relevant initiatives geared towards ensuring compliance with the Act
Strategic Outcome	Compliant and regulated Lottery Industry receptive to the NLC mandate
Baseline	<ul style="list-style-type: none"> Lotteries Act and existing legislation and regulations Regulatory Compliance Strategy and Policy 3rd National Lottery Operator recommended for appointment
Resource Considerations	<ul style="list-style-type: none"> Dedicated resources for Compliance Enforcement Improved capacity and capability
Risk Description	<ul style="list-style-type: none"> Lack of enforcement powers in combatting illegal lotteries
Risk Mitigation	<ul style="list-style-type: none"> Develop partnerships with stakeholders
Strategic Initiatives	<ul style="list-style-type: none"> Investigate reported and identified illegal lottery

Programme	Compliance and Regulation
	schemes <ul style="list-style-type: none"> To develop and implement the 3rd National Lottery Licence Monitoring Matrix/Scorecard

7.3 Programme 3: Grant Funding and Service Delivery

The purpose of this programme is to provide administrative support to the Distributing Agencies and to ensure that the grant funding is distributed according to the legislated mandate. It is responsible for the management of grant funding processes and ensures evaluation of distribution impact of grants.

Table 9: Grant Funding and Administration Strategy Matrix

Programme	Grant Funding and Service Delivery
Strategic Objective [4]	To ensure fair and equitable grant allocations
Strategic Outcome	Fair and Equitable distribution of Grant Funding
Baseline	<ul style="list-style-type: none"> Developed grant funding model, aligned to Amended Lotteries Act Developed monitoring and evaluation plan/framework Percentage allocations to provinces as per GNR182
Resource Considerations	<ul style="list-style-type: none"> Full-time Distribution Agencies Human and financial resources ICT Systems Compliant applications
Risk Description	<ul style="list-style-type: none"> Lack of compliant applications Non-compliance to monitoring and evaluation requirements

Programme	Grant Funding and Service Delivery
Risk Mitigation	<ul style="list-style-type: none">• Enhanced education and awareness campaigns in underperforming provinces• Enhanced monitoring and evaluation to assess impact of NLDTF
Strategic Initiatives	<ul style="list-style-type: none">• Implementation of the grant funding model (proactive funding)• Implement 150 days turnaround times• Allocate at least 5% of funding to all provinces• Conduct monitoring and evaluation site visits to assess the impact of NLDTF funds

PART C

PART C: Links to other plans

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

8.1 Capital expenditure projects (Capex)

The most prominent capex item is the redesign of the grant management system (e-system) together with the full integration of all other systems. Included here is not only the system design but also the acquisition of the necessary hardware.

8.2 Infrastructure plans

NLC plans to embark on acquiring long term accommodation. It is estimated that the project will take approximately 3 years for completion (2016-2019).