



2023-24
SOCIO-ECONOMIC IMPACT
OF GAMBLING IN SOUTH AFRICA

NATIONAL



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I. EXECUTIVE SUMMARY



Following the Coronavirus disease 2019 (COVID-19) pandemic, significant changes have occurred in the nature of the gambling industry. Online gambling has grown significantly in popularity alongside sports betting. This shift emphasises the need for contemporary evidence to inform policy decisions.

During the COVID-19 lockdown, physical gambling venues were shut down, driving a global increase in online gambling as reported by Business Wire (2020). The pandemic's social and economic stressors, including prolonged home confinement, may have pushed people towards gambling for emotional relief, according to Hodgins & Stevens (2021). This shift towards digital betting platforms and changes in gambler demographics have become a key research topic, with findings by Kovačić Zrnka et al. (2022) suggesting more women and younger individuals are now gambling.

This study has examined the socio-economic characteristics of gamblers in South Africa and assessed the economic significance of the gambling sector. Gambling incidences increased significantly compared to the 2017 national study. Furthermore, South Africa shows a particularly high rate of problem gamblers. This deviation from national trends in previous studies represents a significant structural economic shift in South Africa.

1.1 SOCIAL IMPACT OF GAMBLING

The survey revealed that 65.7% of the respondents had engaged in gambling activities in the 12 months before the survey—a substantial increase from 30.6% in the 2017 national study. The National Lottery was the most common mode of gambling, followed by sports betting and lucky draws. The survey examined the gambling incidence by various socio-economic variables, such as age, work status, education, gender, area of residence, and household income. The highest gambling participation was observed among the 25-34 age group, the full-time employed, the tertiary educated, males, and middle-income households.

Respondents were asked about their reasons and motivations for gambling, as well as the factors influencing their urge to gamble. The main triggers were the opportunity to win a large sum of money, the need for additional income, and the influence of friends and family. The most effective motivators were quick payment of winnings, easy access to cash, and staff promptly identifying problem gamblers.

The survey also explored the link between gambling and social welfare issues such as poverty, social grants, and underage gambling. It revealed that 29% of respondents knew of underage gambling in their close social circles, 27% of the

gamblers received a social grant from South African Social Security Agency (SASSA), and 50% of the social grant recipients received the COVID-19 relief grant. There was also a positive correlation between gambling incidence and the poverty levels at the municipal level.

When asked about their views on gambling and its regulation in South Africa, 76% of respondents agreed that gambling is addictive, 67% agreed that the industry creates jobs, and 65% believed that people should have the right to gamble whenever they choose. Additionally, 68% of respondents were aware of the National Gambling Board (NGB), 66% were aware of both legal and illegal forms of gambling, and 48% believed that the gambling industry in South Africa is well regulated.

1.2 QUALITATIVE EFFECTS OF GAMBLING

There were diverse opinions on gambling among the respondents, with some viewing it as a coping mechanism or a way to supplement their income, while others were aware of the dangers and harms associated with gambling addiction.

Respondents participated in various gambling activities, both online and offline, including casino games, sports betting, lottery, bingo, and Limited Payout Machine (LPM). Some considered online gambling more hazardous than face-to-face gambling. The main benefit cited was the chance to win money, while the main drawbacks were financial loss and debt. Some respondents also reported negative emotional and psychological effects such as depression, stress, and remorse.

Some respondents recognised that gambling could have positive impacts, including job creation, tax revenue, and infrastructure development. Some also used gambling to augment their income or to cope with financial challenges.

Respondents identified several ways to verify the legality of gambling activities, such as checking registration with the gambling board, assessing the quality of facilities, verifying player identity, and evaluating the ease of claiming winnings. They also mentioned illegal forms of gambling, including dice games, card games, and unregistered online sites.

Various factors influenced the frequency and duration of gambling. The main reasons for gambling longer or more frequently than planned were the desire to win back losses or to increase winnings. Advertising, particularly customised credit offers, often enticed gamblers to play when they had not intended to, disrupting their plans, and budgets and behaviour. Unforeseen family expenses also caused gamblers to exceed their intended gambling limits.

The COVID-19 pandemic influenced the online gambling habits of many individuals. Some gamblers reported no change in their behaviour—particularly those already gambling online before the pandemic—while others were affected by the suspension of sports events, increased free time, and greater exposure to online advertising. Many people switched to online gambling during the lockdown, and some even began relying on it as a source of income after losing their jobs.

I.3 PROBLEM GAMBLERS IN SOUTH AFRICA

31% of gamblers were found to be problem gamblers based on the Problem Gambling Severity Index (PGSI). The profile of problem gamblers in South Africa can be characterised as follows: 55% were aged 25-34 years, 52% were employed full time, 50% were female, and 67% reported earning less than R9 000 per month. Of this group, 19% reported having no household income at all.

I.4 IMPACT OF GAMBLING ON HOUSEHOLD WELFARE LEVELS

The survey indicated that most gamblers would have more money to save (59%) and more to spend on household necessities (48%) if they stopped gambling. This suggests that gambling may affect the well-being of gamblers and their families, as essential goods and services are often sacrificed to fund gambling activities. South Africans spend more per person on gambling than on shoes, fruit, and vegetables. Lower-income groups are particularly vulnerable to the harmful effects of gambling, as they have less disposable income and face greater financial trade-offs.

I.5 ECONOMIC IMPACT OF GAMBLING

The percentage of household income allocated to gambling activities reflects the propensity to gamble in South Africa. It was estimated at 1.15% in 2022/23, with betting and casinos being the largest contributors. The R48 billion GGR from licensed gambling facilities in 2022/23 equates to an average annual spend of R1 112 per adult over 20 years old. This translates to an estimated R1 693 annual spend per gambler, down considerably from R2 614 in 2017. 21% of South African gamblers reported a monthly income below R3 699, and 19% were unemployed. This demonstrates that the less wealthy segments of society are significant contributors to gambling activities.

The NGB regulates four primary forms of gambling in South Africa: casinos, betting, LPMs, and bingo. The sector generated R48 billion in Gross Gambling Revenue (GGR) in 2022, which represents the total amount wagered minus payouts to gamblers. Most GGR originated from betting (49%) and casinos (36%). The industry also contributed R4 billion in taxes to the government, with casinos (43%) and betting (40%) being the main contributors. In 2022, the sector directly employed 31 183 people, with casinos (40%) and betting (40%) as the largest employers. It also added 0.83% to the Gross Domestic Product (GDP), based on a social accounting matrix (SAM) multiplier model that estimated the direct, indirect, and induced effects of gambling on the economy. The results showed that the gambling sector has a high output multiplier of 4.64 and a GDP multiplier of 1.62, indicating its strong influence on South Africa's economic activity.

I.6 CORE THEMES OF THE STUDY

I.6.1 SOUTH AFRICA'S LEGISLATIVE ENVIRONMENT AND GLOBAL BEST PRACTICE

South Africa's legislative framework is individual-centric and lacks key foundations of best practice. The critical framing analysis of the National Gambling Act (NGA) No. 7 of 2004 finds that it scores poorly on the system frame. This suggests that although there is an emphasis on responsible gambling, responsibility seems disproportionately directed at punters.

Advertising has a significant impact on the acceptance of gambling as a normal, harmless, and legitimate activity. Advertising changes the attitudes of people so that they see gambling as a fun, pleasant, and carefree part of an entertainment lifestyle. The focus group discussions indicated that the spread of online gambling and the advertising of such products has resulted in mode shifting from land-based gambling modes to online-based modes, increased the length of gambling among problem gamblers, and triggered impulses to gamble among problem gamblers. Exposure to advertising contributes to the occurrence of problem gambling.

Problem gambling is not only a health issue. It is a complicated phenomenon that needs the cooperation of different sectors, such as health, social development, education, and labour. It is not solely a health or moral issue, but rather a symptom of psychosocial and environmental factors. A reframing of the policy to focus on systematic reforms to protect punters is required to ensure a holistically protective environment.

Technology has made gambling easier by providing more convenient and accessible ways to gamble through online platforms. The rise of online gambling has contributed to the creation of online platforms where punters can exchange information about gambling games, betting tips, and betting codes. This has made it easier for people to access gambling opportunities from the comfort of their own homes, without having to physically visit a casino or betting shop. The current Act has not been able to adequately regulate this sector.

1.6.2 THE PROLIFERATION OF GAMBLING AND POOR ECONOMIC PERFORMANCE

In South Africa, economic hardship can make people gamble to cope with money problems. Gambling is tempting for economically vulnerable groups. Many people pointed out that they often spend their gambling winnings on buying essential household items and paying off debts/bills.

The qualitative research also showed that gambling to make up for income loss was mentioned explicitly. 54% of gamblers spend their winnings on buying basic household necessities, and 43% of gamblers spend their winnings on paying off debts/bills.

1.7 CONCLUSIONS AND RECOMMENDATIONS

From an economic perspective, the gambling sector generated R48 billion in GGR in 2022, which is the total amount wagered minus the payouts to gamblers. The sector also contributed R4 billion in taxes to the government and directly employed 31 183 people in 2022.

This input to the economy equates to 0.83% of the country's GDP, with a high output multiplier of 4.64 and a GDP multiplier of 1.62, meaning that it has a strong influence on the economic activity of South Africa.

The gambling sector thus represents a significant contribution to economic activity in South Africa, thus justifying its existence and consequent regulation.

Since the 2017 national study, gambling participation has increased from 30.6% to 65.7%. There have been significant changes to the nature of the gambling industry that have transpired. Online gambling has grown significantly in popularity, alongside sports betting.

The problem gambling prevalence rate is 31%, with 55% of problem gamblers aged between 25-34 years, and 67% reported having an income below R9 000.

Thus, while recognising the economic impact of gambling, further regulation is needed to counter the rise of problem gambling. This is supported by the findings of the focus group discussions regarding the advertising of online gambling.

The following may be considered:

- a. It is advised that the NGB, the Department of Trade, Industry and Competition (**the dtic**), and the National Treasury conduct a study to assess the impact of broadening the base for sin taxes by imposing a tax on sales of bets, tickets, tokens, and chips. The proposed sin taxes should be implemented alongside an extensive community education initiative (preferably on the same scale as operator advertisements) and an improvement in the monitoring of unlawful gambling activities. Ideally, these taxes would raise the cost of gambling and potentially reduce its prevalence, particularly amongst low-income earners.

This recommendation is supported by the following findings from the 2023 national gambling survey: a gambling prevalence rate of 65.7% was identified, which is a significant increase from the 31% reported in the 2017 national study. Additionally, 31% of punters were classified as problem gamblers, and 29% were classified as moderate problem gamblers, placing them at high risk of developing gambling problems.

- b. Based on the findings of the public focus groups conducted regarding the impact of the various forms of gambling advertisements, the following is recommended to be considered:
 - The NGB could consider viewing all sports events or scheduled broadcasts not rated as PG18+ as potential viewing content for children. As a result, restrictions on gambling advertisements during such programming could be considered. This recommendation is supported by the finding that children can identify brands associated with gambling and betting, and can recount details of the gambling advertisements they have encountered through various media channels, including sports sponsorships, influencer endorsements, online platforms, and social networks. There is evidence that children can access registered online betting sites.
 - The NGB could consider restrictions on directed advertising, which provides punters with the impression that they are eligible for complimentary bets, account credits, matched stakes, or any messaging aimed at attracting customers to place bets. This recommendation is supported by the finding that a common theme identified in public focus groups was the idea of targeted direct advertising offering

- punters credit on bets. Participants indicated that such marketing induced them to gamble more frequently and for longer periods of time, and to wager higher bets. This type of marketing is particularly worrying in the case of problem gamblers, where research suggests that such gamblers may have impaired risk/reward perception and cognitive control issues. Advertising, especially targeted offers of credits on accounts, tempted them to gamble when they did not plan to do so on a specific day or against their own intended behaviour and budget.
- c. The NGB and Provincial Licencing Authorities (PLAs) may consider adopting a complete or partial ban on the endorsement of gambling activities and operators by celebrities and influencers. This includes restricting endorsements or advertisements that feature individuals under the age of 35, and requiring that endorsements and advertisements be officially disclosed. To ensure uniformity, the NGB should establish guidelines for PLAs to implement. This recommendation is supported by findings that show young male identities are targeted by sports betting advertisements, which serve to normalise participation in gambling activities. Additionally, children can identify brands associated with gambling and betting, and celebrity endorsements foster brand awareness and favourable attitudes towards advertised products, particularly among children and youth. Gamblers and non-gamblers alike agree that measures like regulating advertisements and promoting treatment on national television (TV) are acceptable.
 - d. The NGB could create an extensive national online self-exclusion registry, where individuals are able to apply for self-exclusion both independently and through operators. Every operator must be granted access to this self-exclusion database, and all operators are obligated to incorporate this system to facilitate the enforcement of exclusions. Options for self-exclusion should be prominently displayed on the homepage of an operator's website, especially for first-time users. This recommendation is supported by the finding that there is currently no system to implement a nationwide exclusion. Punters indicated that operators have attempted to persuade them not to deactivate their accounts, but rather informed them about self-management tools, and most punters stated that they did not know about such tools being offered on online betting sites. However, there was a consensus on its possible usefulness.
 - e. The NGB should consider formulating a detailed guide on advertisements via social media, mobile applications, and websites.
 - f. Game design should be monitored to evaluate potential risks and gambling behaviours that a game might pose.





2. BACKGROUND: GAMBLING LEGISLATIVE AND ECONOMIC BACKGROUND

2.1 LEGALISATION OF GAMBLING IN SOUTH AFRICA

Prior to 1994, gambling was banned in South Africa and only occurred in the independent homelands, namely Transkei, Bophuthatswana, Venda, and Ciskei (Rule & Sibanyoni, 2000). The absence of a proper regulatory framework did not allow the government to account for the socio-economic impacts of an unregulated industry.

Gambling laws in South Africa arose from the Wiehahn Commission. The Wiehahn Commission was established in 1977 by the South African government to respond to the growing militancy of black workers and to restructure the country's dual labour relations system.

The commission's report, which was published in 1980, made several recommendations. While primarily focused on legitimising the black labour movement, the Wiehahn Commission set out a number of recommendations regarding gambling.

The findings of the Wiehahn Commission were implemented by the new South African government after 1994. The Wiehahn Commission's findings on gambling were developed into five key policy guidelines that were implemented to regulate gambling:

1. Protect society from the overstimulation of latent gambling through the limitation of opportunities.
2. Protect players and the integrity and fairness of the industry through strict control and supervision.
3. Encourage economic empowerment of the historically disadvantaged.
4. Promote economic growth, development, and employment.
5. Generate revenue and taxes for provincial governments and good causes.

These guidelines provide the baseline for considering the greater socio-economic impact of gambling in the South African economy. The commission provided legislative guidelines across the various modes of gambling, which were later incorporated under the NGA of 2004 (Act 7 of 2004).

2.2 STRUCTURE OF SOUTH AFRICAN GAMBLING LEGISLATION

The regulation of gambling in South Africa is divided between national and provincial authorities.

Each of the nine provinces in the country governs gambling activities within their respective jurisdictions and is responsible for the licensing and regulation of casinos, racing, gambling, and wagering. Provincial legislation and regulations determine the permitted gambling modes, licensing requirements, and operating rules.

The NGB is responsible for regulatory oversight and promoting uniformity among provincial gambling regulators.

The regulatory framework for gambling that has been adopted in South Africa is derived largely from the recommendations of the Wiehahn Commission, with some minor adjustments pursuant to a 2002 policy review and legislative change. The Wiehahn Commission recommended that gambling should be "strictly controlled, well-regulated and effectively policed". It further specified that policy and legislation relating to gambling should be well formulated, detailed, and very clear, and should cover as much as possible of the gambling spectrum.

The Wiehahn Commission report emphasised the need for legislatures on all levels of government to strive towards as much uniformity as possible in their policy and legislation with regard to gambling, to establish and develop a uniformly controlled and regulated gambling industry in South Africa.

Schedule 4 of the Constitution of the Republic of South Africa lists casinos, betting, LPMs and bingo as a functional area of national and provincial concurrent legislative competence, granting both provincial and national government the power to legislate and regulate gambling.

Within the national sphere of government, the NGB does not have a licensing authority, however, such authority has been bestowed upon the provincial sphere of government. The NGB is empowered to oversee the gambling industry from a compliance perspective by ensuring that provincial regulators and their licensees adhere to gambling norms and standards.

2.3 SOUTH AFRICAN GAMBLING LEGISLATION

The National Gambling Act of 2004 (Act 7 of 2004) is the primary piece of legislation governing gambling in South Africa. The Act establishes the NGB as the regulator of gambling at a national level. The NGB's mandate includes providing policy recommendations to the Minister of **the dtic**, and monitoring and evaluation of PLAs. PLAs perform monitoring and evaluation activities of casino, racing, gambling, and wagering activities in their respective provinces to ensure compliance with their individual provincial acts, and the national legislation, and to promote responsible gambling.

Gambling, within the South African Gambling Act, is defined as the wagering of a stake of money or anything of value, on the unknown result of a future event, at the risk of losing all or a portion thereof for the sake of a return, irrespective of whether any measure of skill is involved or not, and encompasses all forms of gaming.

The South African Gambling Act provides a comprehensive framework for the regulation of gambling in the country. The Act and its regulations are designed to protect players, promote responsible gambling, and generate revenue for the nation.

The following modes of gambling are legal in South Africa:

1. Casinos
2. Betting on sports and horse racing
3. LPMs
4. Bingo
5. National Lottery

2.4 SOCIO-ECONOMIC OVERVIEW¹

The gambling industry, like any other sector of the economy, is influenced by various economic indicators that can impact its performance and growth. Some of the key economic indicators that affect the gambling industry and are considered in this section of the study include GDP, the prime rate or interest rate, inflation rate, unemployment rate, disposable income, and consumer spending. The gambling industry is not only influenced by economic factors but also by various social indicators that shape consumer behaviour and attitudes. The key social indicators that affect the gambling industry, and analysed in this report, include population and poverty levels. This study also considers the number of grant recipients, the Gini coefficient, and the rural-urban divide. Moreover, specific focus is given to the period of the COVID-19 pandemic.

See Appendix 1: Socio-economic Indicators for a list of the time series indicators used.

2.5 ECONOMY OVERVIEW

The 2020 COVID-19-induced lockdown significantly affected South Africa's economic performance. In the years preceding the pandemic (2010 to 2019), economic growth in South Africa averaged 1.68% per annum. In 2020, pre-existing growth constraints were compounded by the pandemic, with year-on-year (y-o-y) real GDP growth dropping to -0.3% in 2019. South Africa's real GDP growth is estimated to have averaged -6.0% and 4.7% in 2020 and 2021, respectively. The South African economy returned to pre-COVID levels in Quarter 1 of 2022, brought on by headway in the manufacturing, trade, catering and accommodation industries. During the peak of the pandemic, the number of employed persons declined by 2.3 million people in Q2 2020, and a complete rebound was only achieved in Q3 2023. Although the number of jobs has increased, the labour market has deteriorated, with a significant increase in the unemployment rate from 29.3% in 2020 to 32.1% in Q4 2023 coupled with high inflation-this is indicative of increasing pressure on households.

2.6 DRIVERS OF ECONOMIC GROWTH

The South African economy is Finance, Real Estate, and Business services-based, focussing on the tertiary sector. As such, the industries with the highest share of total output in 2023 were Finance, Real Estate, and Business Services (25%) and Personal Services (18%). Thereafter, Manufacturing (13%) and Trade, Catering, and Accommodation (13%) were also dominant industries.

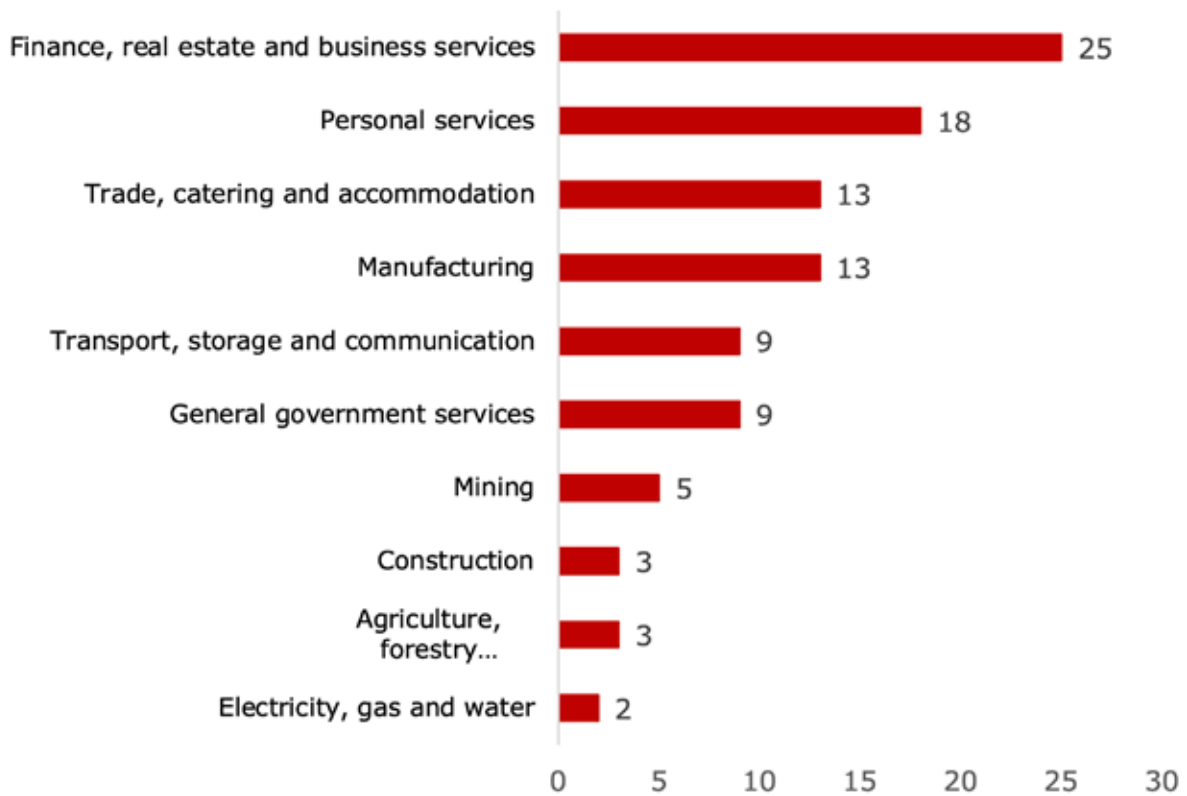
It is noted that these industries were acutely affected by the COVID-19 restrictions. This has stifled industries, which are only recently beginning to operate at full capacity.

2.7 SOCIAL OVERVIEW

The population rate has grown significantly in South Africa, with a 17% increase in the household headcount from 2011 to 2021. Based on data from Statistics South Africa (StatsSA), 34% of the population is aged 15 to 34. Forty-nine percent of the population is male. Younger people and males tend to have a higher propensity to gamble than females.

¹ Socio-economic analysis adapted from the national Socio-Economic Review and Outlook with additional data from Fitch and Quantec.

Figure 1: South Africa GDP Current Prices - Percent contribution



Source: (StatsSA, 2023)

Between 2000 and 2015, South Africa's poverty indicators improved marginally. The Upper-Bound Poverty Line (UBPL) decreased from 67.5% in 2000 to 64.0% in 2015. The Lower Bound Poverty Line (LBPL) followed a similar pattern over the same period.

Unfortunately, since 2015, structural challenges, weak economic growth and rising unemployment, have undermined the progress made in reducing poverty. As a result, the average share of people living under the UBPL from 2016 to 2020 was notably higher, at 65.7%. These figures confirm that the pandemic pushed more people into poverty in 2020 than in the past decade.

3. RESEARCH METHODOLOGY



3.1 SURVEY

3.1.1 SURVEY FRAMEWORK

A survey was the primary method of data collection in this study to determine the socio-economic impact of gambling in South Africa as well as to assess the impact of problem gambling.

The survey was constructed to cover a representative group of participants in the economy. Specific attention was paid to ensuring a representative sample of participants from townships, peri-urban areas and rural communities. The survey included respondents across different provinces.

The construction of the sample size and methodology of the survey was determined by statistical significance and appropriate sampling techniques, following a broad-to-narrow approach.

The study used a combination of online and in-person methods. The in-person survey focused on low-income communities, predominantly in rural areas, townships and informal settlements, where online participation was expected to be low.

3.1.2 HOUSEHOLD SURVEY

The scope of the South African survey was broad, with the intention of producing a statistically representative sample of the South African population. A two-stage proportionate probability random sampling method was undertaken, using a hybrid data collection approach – namely CAWI (Computer-Assisted Web Interviews) and CAPI (Computer-Assisted Personal Interviews). In the first stage, an online survey was conducted, followed by a rebalancing exercise to ensure representativeness. The results of this assessment were used to inform the face-to-face top-up sample.

According to the World Bank, South Africa has a 72% internet usage rate and a literacy rate of 95%. There are, however, factors such as email usage and access to affordable mobile data which introduce potential bias. Solely using an online survey would therefore skew the sample towards higher income urban citizens in South Africa (StatsSA, 2020).

In stage one, a sample of respondents was contacted via email from a database of 40 000 possible participants from a reputable, highly representative source. The participants were incentivised for their participation in the survey.

Phase one's sample consisted of 3 286 online respondents drawn from a panel of 40 000 individuals. The sample was then reassessed for representativeness, and an additional 1 121 face-to-face interviews were conducted to rebalance the sample and mitigate any bias introduced by conducting the survey online.

Face-to-face interviews with specific quota controls for race, gender, age, education, and household income were imposed to complete the sample and accurately reflect South Africa's demographic profile. Individuals from low-income backgrounds and those aged 18- 24 years and 60 years and older were under-represented in the online survey and therefore made up most of the top-up sample.

Based on the above, the total sample of 4 407 households was distributed as follows:

- 3 286 (75%) online surveys
- 1 121 (25%) face-to-face interviews

The survey results show that, over the last 12 months, 65.7% of the respondents had engaged in gambling. The 90% confidence interval indicates that the gambling participation rate in South Africa is between 64.6% and 66.9%.

Most of respondents lived in Gauteng (35%), followed by KwaZulu Natal (18%) and the Western Cape (12%).

Table 1: Province of residence

Province	Percent (%)
Eastern Cape	9
Western Cape	12
Limpopo	9
Gauteng	35
KwaZulu Natal	18
Mpumalanga	5
Northern Cape	2
North-West	3
Free State	7

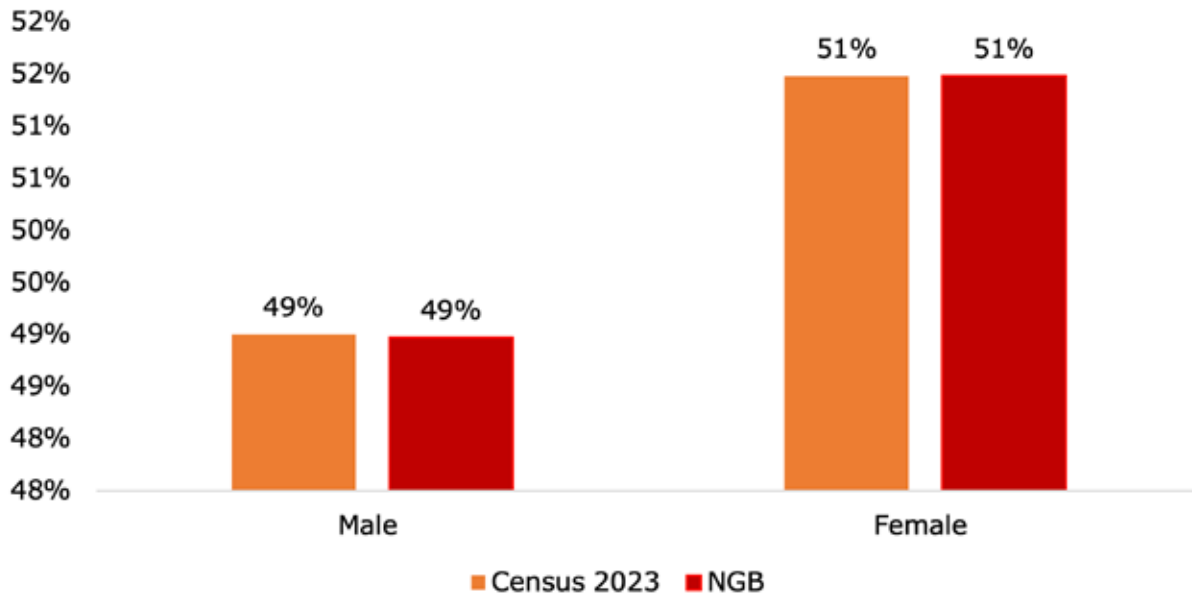
As shown in the table below, most respondents lived in urban areas.

Table 2: Type of residence

Type of area	Percent (%)
Urban	43
Township	34
Rural	20
Peri-Urban	2

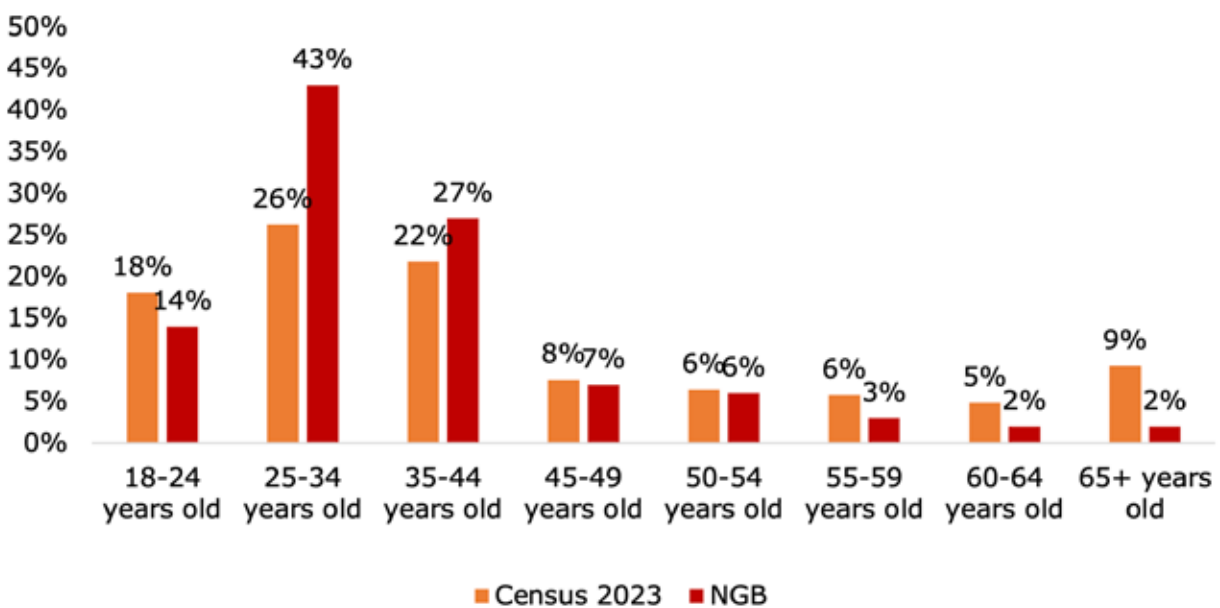
The sample fairly represented the gender demographics in South Africa, showing an approximately even split between males and females, based on Census data.

Figure 2: Gender Sample



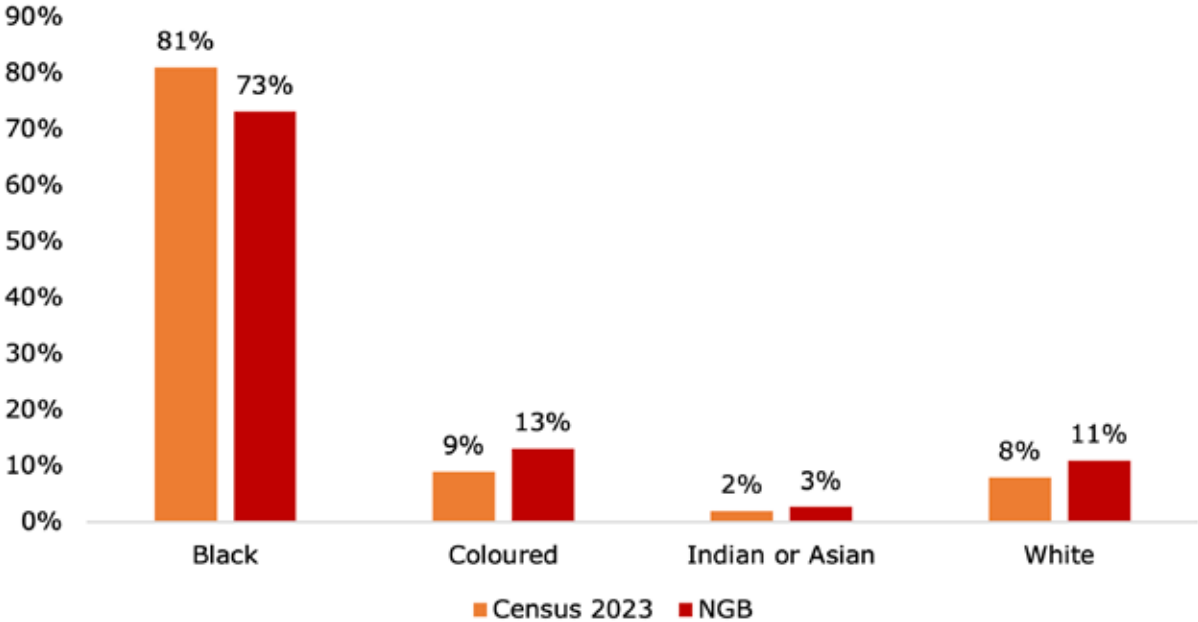
The sample fairly reflects the age demographics of South Africa; however, there is a slight bias towards individuals aged 25 to 34 years, driven by the mode of interview during the online panel stage of the survey. While significant efforts were made to ensure a balanced sample of the South African population, some discrepancies remain. Respondents aged 18-24 years and those aged 60 years and older in the face-to-face stage of the survey were under-represented. Overall, the data is considered sufficiently representative of the South African population for valid inference.

Figure 3: Age sample



The sample successfully reflects the racial demographics of South Africa.

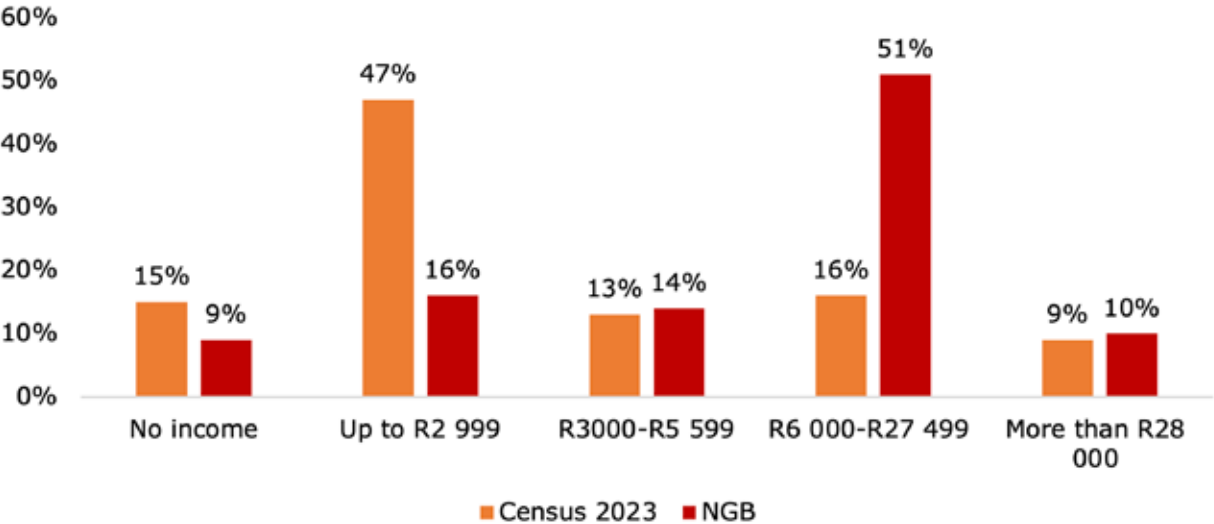
Figure 4: Race



There are several challenges in measuring personal incomes, one of which is non-disclosure. In this survey, 223 respondents chose not to answer questions relating to their incomes (these responses were retained to preserve the integrity of the dataset).

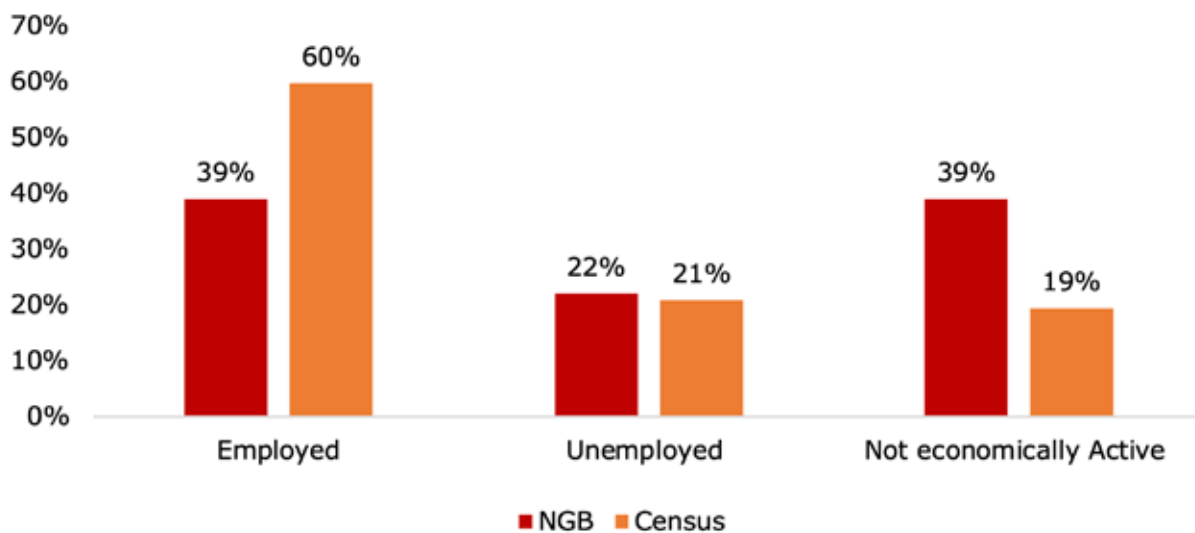
Further, the comparison relies on data compiled from official sources, predominantly Stats SA Community Surveys. Since respondents to official enquiries may perceive potential legal implications associated with their responses, government-led data collection (as is the case with the Stats SA Community Surveys) may also be subject to inaccuracies. As such, there is a potential risk of under-representation of income levels in this study when compared with official sources.

Figure 5: Income



The sample approximately reflects the employment demographics of South Africa, as indicated by official statistics. However, caution should be exercised in interpreting this data directly, as individuals operating small or subsistence businesses may report themselves as economically inactive or unemployed in official surveys, yet may feel more comfortable providing accurate information in less formal survey settings. Notwithstanding this limitation, the survey sample is considered sufficiently accurate and representative of the South African population.

Figure 6: Employment Status



3.1.3 SURVEY QUALITY AND ASSURANCE

All interviews were conducted by experienced market research professionals who undergo subject specific training on a regular basis. Prior to each project, interviewers are thoroughly briefed by the Research Lead. For this particular study, a pilot survey of 100 respondents was conducted in South Africa to identify and address any potential issues with the questionnaire.

A 20% back-check was conducted on all face-to-face interviews, and 10% of each interviewer’s output was independently verified. For online responses, the data underwent quality checks, and any interviews displaying anomalies were removed from the database.

3.2 SECONDARY DATA

A large volume of data was sourced from secondary materials to assist in calculating, inter alia, the propensity to gamble and the contribution of the gambling sector to the South African economy. The following secondary data sources were utilised:

- Household expenditure data from Fitch Solutions
- National gambling statistics compiled and published by the NGB
- South African Reserve Bank (SARB) data on Gross Value Added (GVA)
- StatsSA



4. SOCIAL IMPACT OF GAMBLING – FINDINGS OF THE 2023 SOUTH AFRICA GAMBLING SURVEY



4.1 INTRODUCTION

The primary analysis of the National Survey Analysis Report is contained in this chapter. Questions from the 2023 National Gambling Survey are analysed herein, with data presented to characterise gambling behaviour in South Africa across various socio-economic variables. Particular attention is paid to age, employment status, education, gender, area of residence, and household income. The chapter concludes with an analysis of gambling triggers and key influencing factors.

In interpreting the survey findings, it should be noted that respondents were filtered using specific screening questions. Consequently, not all respondents were asked all questions, nor did all respondents answer all sections. In Section 1- Overview of Gambling Behaviour, respondents were first asked questions to determine whether they were gamblers. Those identified as gamblers proceeded to answer the remaining questions in that section. Respondents who did not gamble were excluded from these questions and instead completed Section 3 - Abstaining from Gambling. Those who abstained from gambling continued with the remaining sections of the survey.

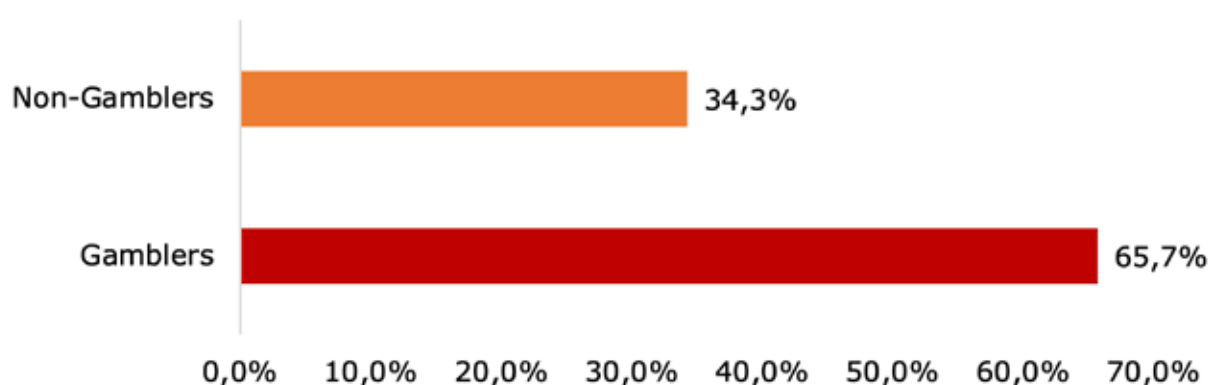
In analysing the survey results, respondents were categorised based on whether they had been identified as gamblers and, and subsequently, as problem gamblers. These constructed survey sub-populations formed the basis for calculating ratios and percentages in the filtered analyses.

4.2 PARTICIPATION IN GAMBLING

All respondents, both online and face-to-face, were presented with a list of fourteen gambling modes and asked which ones they had participated in during the 12 months preceding the survey (conducted during April 2023). This list included both regulated (licensed or legal) and unregulated (unlicensed or illegal) forms of gambling. Respondents were allowed to select multiple modes of gambling.

Figure 7 illustrates that 34.3% of respondents reported not participating in gambling activities in the 12 months preceding the survey, while the remaining 65.7% confirmed participation in gambling activities during the period under review (including the National Lottery and illegal gambling games). A gambling participation rate of 65.7% is notably higher than previous national studies, which recorded a decline in gambling participation to 30.6% in the 2017² National Study, as shown in the table below.

Figure 7: Participation of South African population in gambling



2 Comparisons are made to the NGB 2017 National Report for illustrative purposes only. As a provincial study, the results may differ considerably

Table 3: Incidence of Gambling in Comparison to Previous NGB Studies

Incident	2002 NGB national survey ³ (%)	2005 NGB national survey ⁴ (%)	2009 NGB national survey ⁴ (%)	2017 NGB national survey ³ (%)	2023 NGB national survey ³ (%)
Gamblers	56.8	49.8	34.9	30.6	65.7
Non-gamblers	43.2	50.2	65.1	69.4	34.3
Total	100	100	100	100	100

Source: (Ligthelm, 2002) (Ligthelm & Jonkheid, 2005) (Ligthelm & Jonkheid, 2009) (National Gambling Board, 2017)

4.3 INCIDENCE OF GAMBLING ACROSS DIFFERENT MODES

The table below shows the participation of respondents who indicated that they had gambled in the 12 months prior to answering the survey across the various modes of gambling in South Africa. Both licensed and unlicensed modes of gambling are included and ranked by popularity.

The National Lottery is the most prevalent mode of gambling, with 66% of gamblers confirming that they had purchased lottery tickets during the review period. Betting on sports and lucky draws follow with participation rates of 45% and 47%, respectively.

As opposed to the 2017 national study, which had a National Lottery participation rate of 81%, the latest national survey identifies a 66% participation rate. This may point to the declining popularity of the National Lottery in recent years; however, this difference may also represent differing preferences at the provincial level compared to the national level. Even so, it provides useful context for the participation rate.

Betting on sports and other contingencies (online) has increased substantially when compared to the 2017 national study, from 13% to 46% in 2023 in South Africa. Similarly, LPM gambling in South Africa stood at 7% in 2023, an increase from 2% in the 2017 national study.

Table 4: Comprehensive Incidence of Gambling Across Different Modes

Mode	Licensed/ Unlicensed	Percent (%)
Lucky draws	Licensed	47
Fafi/ iChina/ mo-China/ fhafee	Illegal	8
Scratch cards	Licensed	31
National Lottery (e.g., Lotto, Powerball) includes the purchase of National Lottery tickets either at a physical outlet or through an online facility such as an ATM or a mobile app	Licensed	66
Betting on dog racing or other animal competitions, excluding horse racing	Illegal	4
Traditional bingo at a licensed bingo venue	Licensed	4
Electronic bingo terminals at a licensed bingo venue	Licensed	5
Traditional bingo but not at a licensed bingo outlet	Unlicensed	2
Electronic bingo but not at a licensed bingo outlet	Unlicensed	2
Dice games for money at a licensed casino	Licensed	5
Dice games for money on the internet/electronic device	Illegal*	7
Dice games for money but not at a licensed casino and not on the internet/electronic device	Unlicensed	3
Roulette at a licensed casino	Licensed	8
Roulette for money on the internet/electronic devices	Illegal	12
Roulette for money but not at a licensed casino and not on the internet/electronic devices	Unlicensed	2
Card games for money at a licensed casino	Licensed	6
Card games for money on the internet/electronic devices	Illegal	8
Card games for money but not at a licensed casino and not on the internet/electronic devices	Unlicensed	4

3 Participation in the 12 months preceding the survey

4 Participation in the 3 months preceding the survey

<i>Mode</i>	<i>Licensed/ Unlicensed</i>	<i>Percent (%)</i>
Slot machines at a licensed casino	Licensed	20
Slot machines on the internet/electronic devices	Illegal*	22
Slot machines not at a licensed casino and not on the internet/electronic devices	Unlicensed	4
LPMs at a licensed LPM site such as a pub, tavern, restaurant	Licensed	7
LPMs at a site that is not a licensed LPM site such as a pub, tavern, restaurant	Unlicensed	3
Betting on sport at a licensed bookmaker or totalisator (betting) outlet in person or on the telephone	Licensed	21
Betting on sport on the internet/electronic device	Licensed	45
Betting on sport, but not at a licensed bookmakers or totalisator (betting) outlet in person or on the telephone and/or via the internet	Unlicensed	4
Betting on horse racing at a licensed racecourse, bookmaker or totalisator (betting) outlet in person or on the telephone	Licensed	9
Betting on horse racing on the internet/electronic device	Licensed	12
Betting on horse racing, but not at a racecourse licensed bookmakers or totalisator (betting) outlet in person, on the telephone and/or via the Internet	Unlicensed	2
Betting on other contingencies at a licensed bookmaker or totalisator (betting) outlet in person, on the telephone	Licensed	3
Betting on other contingencies on the internet/electronic device	Licensed	5
Gambling games for money on a website or online at an internet café	Illegal*	12
Gambling games for money on a website or online on any electronic device (such as computer, laptop, tablet, smart phone, etc) not at an internet café	Illegal*	23

*Interactive gambling (e.g. online casino games) is illegal. The NGA permits betting undertaken through online websites of licensed betting operators.

Table 5: Incidence of Gambling Across Different Modes

<i>Mode</i>	<i>Percent (%)</i>
Lucky draws	47
Scratch cards	31
National Lottery	66
Bingo (Traditional)	4
Bingo (Electronic)	5
Casino	27
LPM	7
Betting on sports and other contingencies (retail)	22
Betting on sports and other contingencies (online)	46
Betting on horse racing (retail)	9
Betting on horse racing (online)	12
Illegal/ unlicensed gambling*	57

*Illegal/unlicensed gambling incidence refers to the percentage of gamblers participating in at least one illegal/ unlicensed gambling mode.

4.4 GAMBLING DISTRIBUTION

Gambling distribution is analysed in detail from multiple perspectives to ensure that a robust and nuanced understanding of the gambling incidence is achieved. The incidence of gambling is first analysed by demographic factors, which are then further sub-divided into the different gambling modes.

The following categories are considered:

1. Gambling Incidence by Age Category;
2. Gambling Incidence by Work Status;
3. Gambling Incidence by Educational Level;
4. Gambling Incidence by Gender;
5. Gambling Incidence by Area of Living; and
6. Gambling Incidence by Household Income.

Gambling incidence reflects the involvement of gamblers in each of the modes by age, work status, education level, gender, household income, and area of living. Thereafter, the most popular modes for each demographic are considered.

Over the past decade, the demographic characteristics of legal gambling in South Africa have evolved. While men are still disproportionately more likely to gamble than women, more recent research suggests that more women are engaging in gambling than previously (Akçayır et al., 2022). Moreover, the highest prevalence of gambling in 2017 and in past studies was found among people with secondary and tertiary education, reflecting the shifting demographics of South Africa over the last 20 years.

Section 4.4, Gambling Distribution, is structured as follows:

1. First, it considers the total sample of South African citizens surveyed, and the proportion of citizens who gamble. This is divided into categories confirmed above. Thus, it sets out the proportion of gamblers in a specific category.
2. Thereafter, the group of individuals who indicated that they participate in gambling is analysed. This section shows how the gamblers in the country are distributed across the different categories.
3. Finally, the sample of individuals who gamble in the country per category is further subdivided by gambling mode. These tables confirm the proportion of individuals, for each mode of gambling, that belong to each category.

4.4.1 GAMBLING INCIDENCE BY AGE CATEGORY

A. PROPORTION OF THE TOTAL NATIONAL SAMPLE THAT ARE GAMBLERS PER AGE GROUP

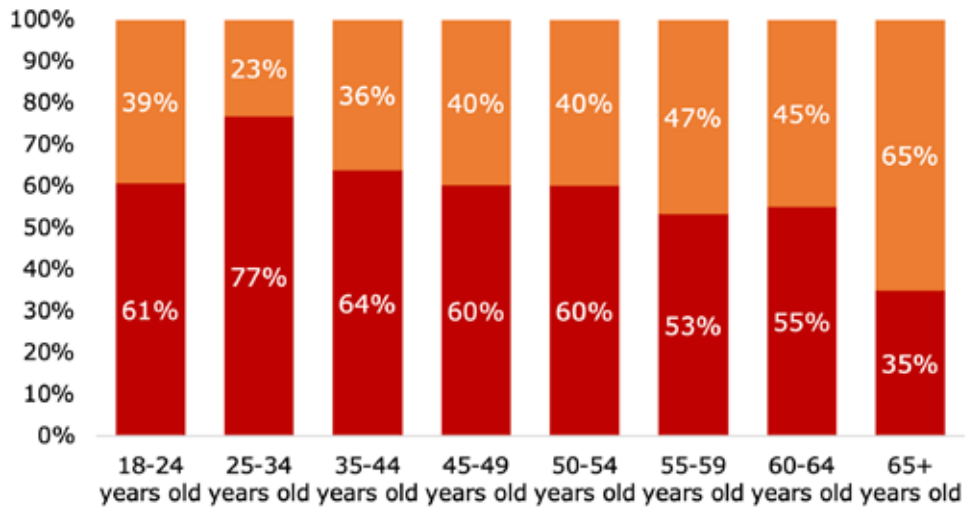
Figure 8 shows the proportion of each age group that are gamblers from the total sample of individuals surveyed in South Africa. This confirms that 77% of individuals in the 25-34 years age category are gamblers. This is followed by the 35-44 years age category at 64%. The 65 and older age category had the lowest proportion of gamblers at 35%.

Overall, Figure 8 shows that the proportion of gamblers is low among young people in the 18-24 years age group. The proportion increases to its highest level of 77% for the 25-34 years age category, thereafter declining slowly.

This phenomenon may be driven by risk appetites changing as individuals age. Younger individuals are significantly more likely to take risks than older individuals. This shift in risk aversion can be directly transposed onto the gambling industry (Albert & Duffy, 2012).

The 18-24 years age group's gambling incidence is at 61%. This is lower than the 25-34 years age group. A likely explanation for this is affordability. While the 18-24 years age group may be less risk averse than the 25-34 years age group, they do not have the disposable income that allows older individuals to gamble. This adds weight to the later analysis in this section (refer to Section 4.4.7, Gambling Incidence by Household Income), highlighting that affordability is a major limiting factor in gambling demand.

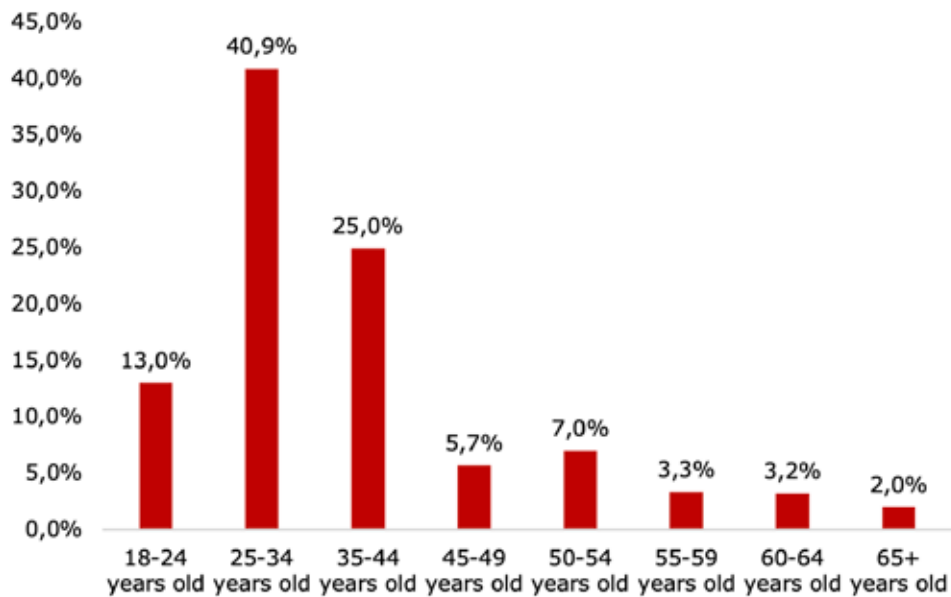
Figure 8: Proportion of the total South African sample that are gamblers per age group



B. PROPORTION OF GAMBLING POPULATION IN EACH AGE GROUP

As seen in the figure below, of the total population of gamblers in South Africa, 40.9% are in the 25-34 years age group. This is followed by those in the 35-44 years age group (25.0%). Gambling incidence tapers off as individuals age, similar to the patterns displayed in Figure 9.

Figure 9: Proportion of gambling population in each age group



C. PROPORTION OF GAMBLING POPULATION PER MODE IN EACH AGE GROUP

The table below considers the sample of gamblers in South Africa in more detail. The sample of gamblers is first divided by mode of participation (noting that some gamblers may have participated in multiple modes of gambling). Thereafter, the sample of gamblers that participated in each mode is subdivided by age.

By dividing them by mode, the percentage of each gambling mode's participation across the age groups can be observed. The highest incidence of licensed operator modes was as follows:

1. 60% of Bingo (electronic) participants were in the 25-34 age category, while Bingo (traditional) had 69%.
2. 49% of Casino participants were in the 25-34 years age category.
3. 53% of Betting on sports and other contingencies (online) participants were in the 25-34 years age category.
4. 44% of LPM participants were in the 25-34 years age category.

The main licensed operators were concentrated within the 25-34 years age category.

Table 6: Proportion of gambling population per mode in each age group

Mode	18-24 years old (%)	25-34 years old (%)	35-44 years old (%)	45-49 years old (%)	50-54 years old (%)	55-59 years old (%)	60-64 years old (%)	65+ years old (%)	Total (%)
Lucky draws	8	50	26	5	4	2	2	1	100
Scratch cards	9	51	24	6	5	2	1	1	100
National Lottery	9	41	26	7	8	4	3	3	100
Bingo (Traditional)	8	69	20	1	3	0	0	0	100
Bingo (Electronic)	6	60	22	3	7	2	0	0	100
Casino	9	49	24	5	5	3	3	2	100
LPM	10	44	29	7	4	2	3	2	100
Betting on sports and other contingencies (retail)	7	53	30	6	3	1	0	0	100
Betting on sports and other contingencies (online)	9	53	29	6	3	1	0	0	100
Betting on horse racing (retail)	8	54	22	6	4	2	2	2	100
Betting on horse racing (online)	5	55	28	6	3	1	1	1	100
Unlicensed/illegal gambling	11	50	26	5	4	2	1	1	100

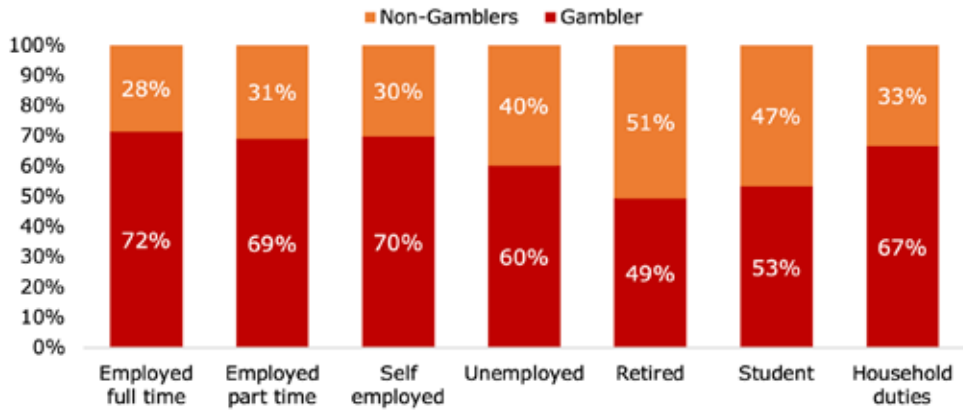
4.4.2 GAMBLING INCIDENCE BY WORK STATUS

A. PROPORTION OF THE TOTAL SOUTH AFRICAN SAMPLE THAT ARE GAMBLERS PER WORK STATUS CATEGORY

Figure 10 shows the proportion of individuals by work status that are gamblers from the total sample of individuals surveyed in South Africa. It is evident that 72% of individuals who are employed full-time are gamblers. This is followed by the self-employed work status category, then the employed part-time category at 70% and 69% gamblers, respectively.

The graph reinforces that gambling is most accessible when an individual earns some form of income. These include individuals who are employed full-time, employed part-time, and self-employed at 72%, 69%, and 70%, respectively. The unemployed, retired individuals, and students all gambled less than their income-earning counterparts, at 60%, 49%, and 53%, respectively. In contrast, 67% of individuals who selected 'household duties' participated in gambling.

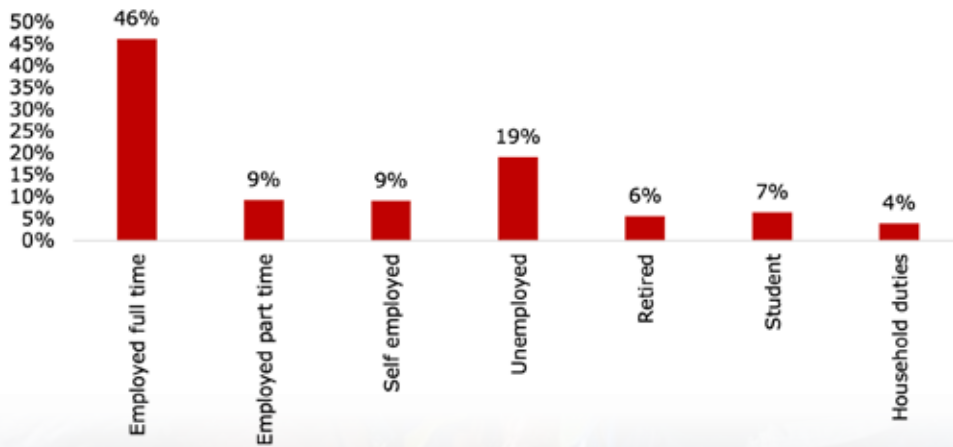
Figure 10: Proportion of the total South African sample who are gamblers, by work status



B. PROPORTION OF GAMBLING POPULATION IN EACH WORK STATUS

As seen in Figure 11: Proportion of gambling population in each work status, of the total population of gamblers in South Africa, 46% are employed full-time, as opposed to 35% employed full-time in the 2017 national study. This is followed by those in the unemployed work status category at 19%.

Figure 11: Proportion of gambling population in each work status



C. PROPORTION OF GAMBLING POPULATION PER MODE IN EACH WORK STATUS CATEGORY

Table 7 provides a more detailed analysis of the sample of gamblers in South Africa. The sample is first divided by mode of participation (noting that some gamblers may have participated in multiple modes of gambling). Thereafter, the sample of gamblers that participated in each mode is subdivided by work status.

As per the table, the proportion of the gambling population per mode by work status can be seen. The highest incidence of the modes regulated by the NGB was as follows:

1. 50% of LPM participants were employed full-time.
2. 58% of Bingo (electronic) participants were employed full-time, while Bingo (traditional) had 61%.
3. 53% of Casino participants were employed full-time.
4. 56% of Betting on sports and other contingencies (online) participants were employed full-time.

The sample participating in the main licensed operator modes above is predominantly composed of individuals employed full-time.

Table 7: Proportion of gambling population per mode in each work status category

Mode	Employed full-time (%)	Employed part-time (%)	Self-employed (%)	Unemployed (%)	Retired (%)	Student (%)	Household duties (%)	Total (%)
Lucky draws	56	11	10	16	3	3	1	100
Scratch cards	45	13	8	21	4	4	5	100
National Lottery	51	10	9	17	5	4	3	100
Bingo (Traditional)	61	11	8	17	0	3	0	100
Bingo (Electronic)	58	8	10	15	1	3	4	100
Casino	53	10	10	15	4	4	4	100
LPM	50	11	11	18	3	2	2	100
Betting on sports and other contingencies (retail)	55	13	10	18	1	3	0	100
Betting on sports and other contingencies (online)	56	11	9	17	1	5	1	100
Betting on horse racing (retail)	56	12	9	15	5	1	2	100
Betting on horse racing (online)	60	11	11	15	1	2	1	100
Unlicensed/ illegal gambling	52	10	8	19	2	6	2	100

4.4.3 GAMBLING INCIDENCE BY EDUCATIONAL LEVEL

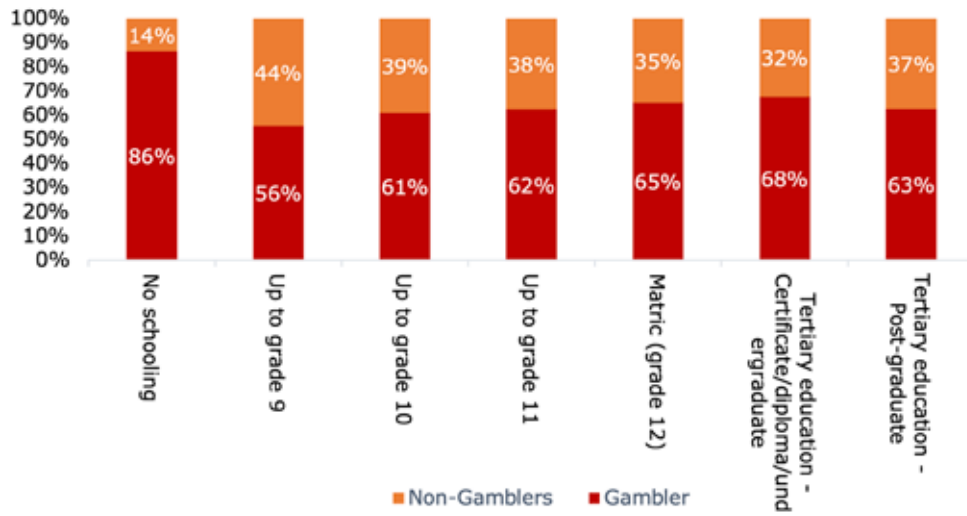
A. PROPORTION OF THE TOTAL SOUTH AFRICAN SAMPLE THAT ARE GAMBLERS PER EDUCATIONAL LEVEL

Figure 12 shows the proportion of individuals per educational level who are gamblers from the total sample of individuals surveyed in South Africa. A total of 86% of individuals in the 'No schooling' category are gamblers. This is followed by tertiary education (certificate/diploma/undergraduate) and matric (Grade 12) at 68% and 65%, respectively. The 'Up to Grade 9' category has the lowest proportion of gamblers, at 56%.

Although the no-schooling category had the highest gambling incidence, Figure 12 shows that gambling incidence generally increases with the higher levels of educational attainment. Higher levels of education generally translate into increased earning capacity. As such, gambling incidence increases as earning capacity increases — a similar conclusion to Section 4.4.1.

It is noted that the tertiary education - postgraduate category, with 63% of individuals with that level of qualification participating in gambling, is lower than the tertiary education – certificate, diploma, or undergraduate category. This may point to individuals with postgraduate education being more risk-averse than individuals with other tertiary qualifications. This may be due to age, as postgraduate qualifications take time to attain, or it could be driven by educational attainment itself (Belzil & Leonardi, 2013).

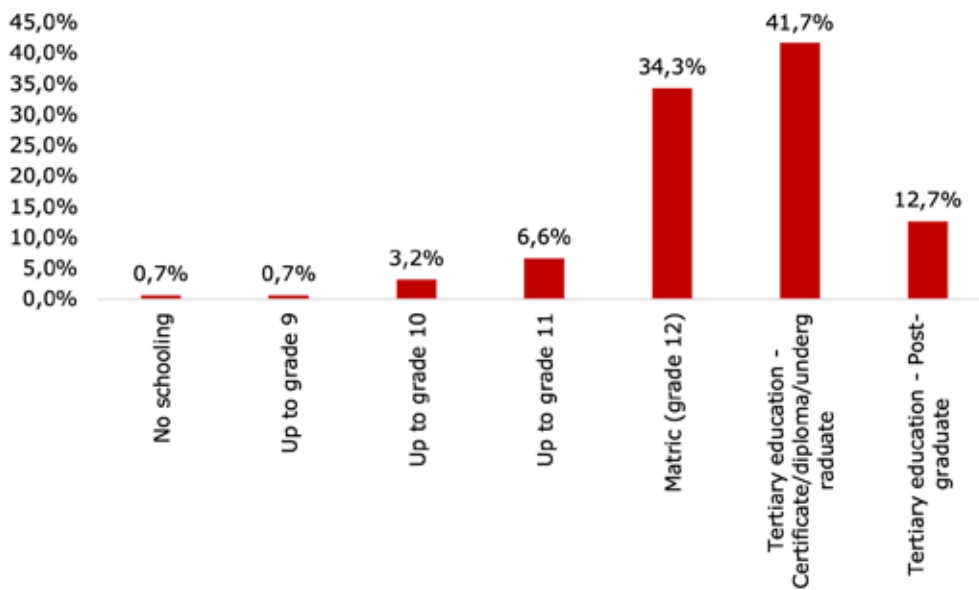
Figure 12: Proportion of the total South African sample that are gamblers per educational level



B. PROPORTION OF GAMBLING POPULATION IN EACH EDUCATIONAL LEVEL

As seen in the figure below, of the total population of gamblers in South Africa, 41.7% fall within the tertiary education (certificate, diploma, or undergraduate) category. This is followed by those in the matric (Grade 12) category (34.3%).

Figure 13: Proportion of gambling population in each education level



C. PROPORTION OF GAMBLING POPULATION PER MODE IN EACH EDUCATIONAL LEVEL

The table below analyses the sample of gamblers in South Africa in more detail. The sample of gamblers is first divided by mode of participation (noting that some gamblers may have participated in multiple modes of gambling). Thereafter, the sample of gamblers that participated in each mode is subdivided by educational level.

From this table, the percentage of each gambling mode's participation across education levels can be seen. The highest incidence of the licensed operator modes was as follows:

1. 49% of Betting on sports and other contingencies (online) participants had tertiary education (certificate/diploma/undergraduate).
2. 39% of Casino participants had tertiary education (certificate/diploma/undergraduate).
3. 38% of Bingo (electronic) participants had tertiary education (certificate/diploma/undergraduate), while Bingo (traditional) had 30%.
4. 37% of LPM participants had tertiary education (certificate/diploma/undergraduate).

The main operator mode participation came from individuals with tertiary education (certificate/diploma/undergraduate); however, those with only matric also demonstrated significant participation in licensed operator modes.

Table 8: Proportion of gambling population per mode in each educational level

Mode	No schooling	Some High School	Matric ⁵	Tertiary education ⁶	Tertiary education ⁷	Total (%)
Lucky draws	0	6	31	46	16	100
Scratch cards	1	10	30	45	15	100
National Lottery	0	11	33	43	13	100
Bingo (Traditional)	2	3	34	30	29	100
Bingo (Electronic)	1	6	32	38	22	100
Casino	1	9	34	39	16	100
LPM	1	11	34	37	15	100
Betting on sports and other contingencies (retail)	1	6	33	43	17	100
Betting on sports and other contingencies (online)	0	4	32	49	14	100
Betting on horse racing (retail)	1	7	34	37	21	100
Betting on horse racing (online)	1	3	32	46	18	100
Unlicensed/ illegal gambling	1	8	34	44	13	100

4.4.4 GAMBLING INCIDENCE BY GENDER

A. PROPORTION OF THE TOTAL SOUTH AFRICAN SAMPLE THAT ARE GAMBLERS PER GENDER GROUP

Figure 14 shows the proportion of each gender that are gamblers from the total sample of individuals surveyed in South Africa. 68% of male individuals, and 63% of female individuals, are gamblers.

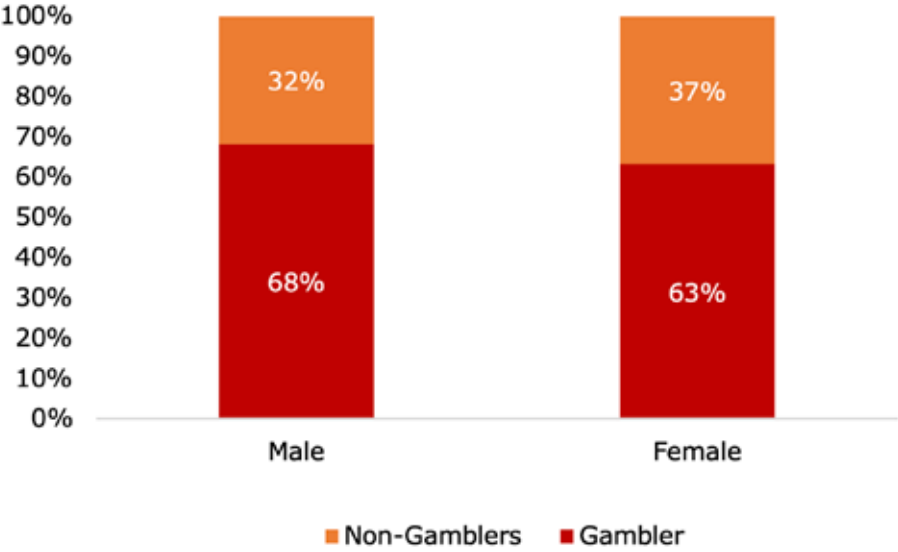
Females presenting a lower gambling participation rate is not unprecedented in the literature and is likely due to societal expectations that encourage men to be more risk-tolerant in general. (Eckel & Grossman, 2008). This translates into gambling incidence, with men having a higher participation rate.

5 Grade 12

6 Certificate / diploma / undergraduate

7 Post-graduate

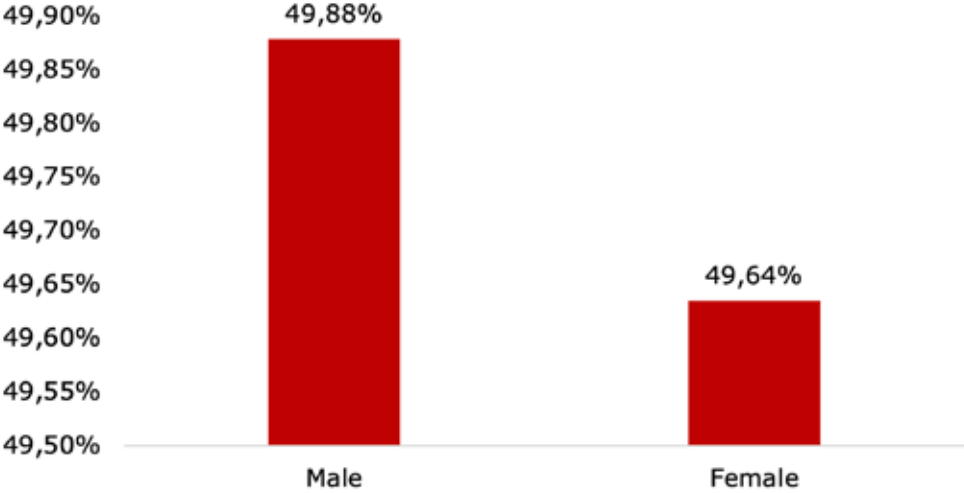
Figure 14: Proportion of the total South African sample that are gamblers per gender group



B. PROPORTION OF GAMBLING POPULATION IN EACH GENDER GROUP

As seen in Figure 15, of the total population of gamblers in South Africa, 49.88% are male, as opposed to 49.64% who are female, compared to 51.76% male and 48.24% female in the 2017 national study. Hence, this reflects a roughly equal split between male and female gamblers.

Figure 15: Proportion of gambling population in each gender group



C. PROPORTION OF GAMBLING POPULATION PER MODE IN EACH GENDER CATEGORY

Table 9 considers the sample of gamblers in South Africa in more detail. The sample of gamblers is first divided by mode of participation (noting that some gamblers may have participated in multiple modes of gambling). Thereafter, the sample of gamblers that participated in each mode is subdivided by gender.

From this table, the percentage of each gambling mode's participation across gender can be seen. The highest incidence of licensed operator modes was as follows:

1. 65% of LPM participants were male.
2. 62% of Betting on sports and other contingencies (online) participants were male.
3. 51% of Casino participants were male.
4. 53% of Bingo (Electronic) and 55% of Bingo (Traditional) participants were male.

Past studies at a national level confirm that males gamble more than females; however, females are increasingly participating in gambling activities.

Table 9: Proportion of gambling population per mode in each gender category

Mode	Male (%)	Female (%)	Total (%)
Lucky draws	54	46	100
Scratch cards	46	54	100
National Lottery	51	49	100
Bingo (Traditional)	55	45	100
Bingo (Electronic)	53	47	100
Casino	51	49	100
LPM	65	35	100
Betting on sports and other contingencies (retail)	69	31	100
Betting on sports and other contingencies (online)	62	38	100
Betting on horse racing (retail)	61	39	100
Betting on horse racing (online)	56	44	100
Unlicensed/ illegal gambling	49	51	100

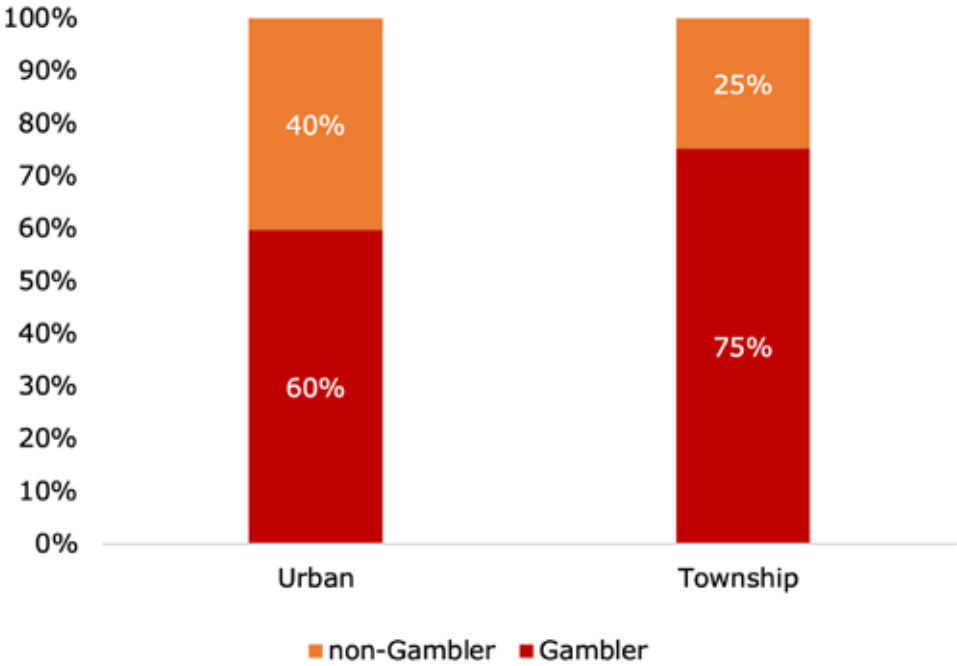
4.4.5 GAMBLING INCIDENCE BY AREA OF LIVING

A. PROPORTION OF THE TOTAL SOUTH AFRICAN SAMPLE THAT ARE GAMBLERS PER AREA OF LIVING

Figure 16 shows the proportion of gamblers from each area of living within the total sample of individuals surveyed in South Africa. 75% of individuals in townships are gamblers, compared to 60% of urban dwellers.

A hypothesis for the proclivity towards gambling outside of urban areas may be due to income restrictions. The rural and township areas of South Africa are historically poor and, in recent years, have been under significant economic pressure. One explanation for the higher gambling incidence could be that individuals are gambling to supplement their income. This insight resurfaces later in the study in Section 4.15.1 – Allocation of Winnings.

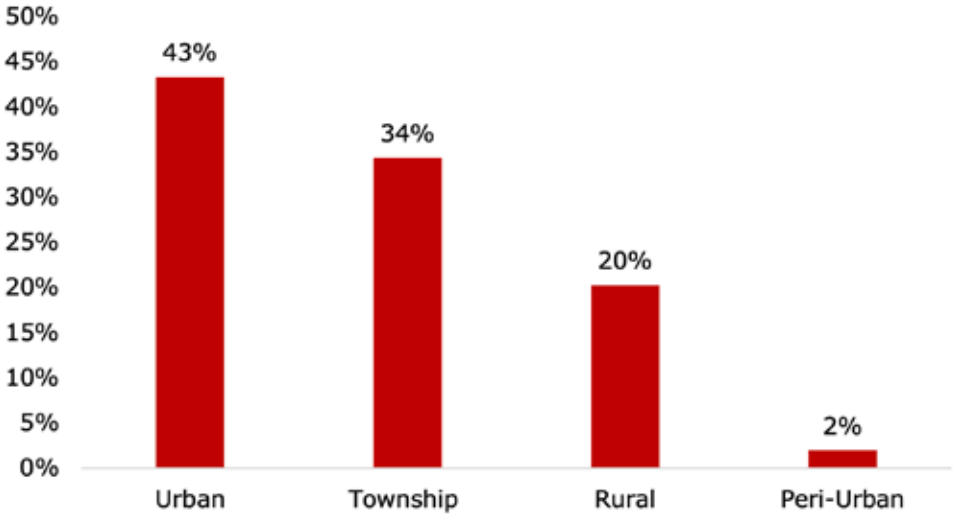
Figure 16: Proportion of the total South African sample who are gamblers, by area of residence



B. PROPORTION OF GAMBLING POPULATION IN EACH AREA OF LIVING

As seen in Figure 17, of the total population of gamblers in South Africa, 43% reside in urban areas, followed by 34% residing in township areas, compared to 79% residing in the township areas in the 2017 national study.

Figure 17: Proportion of gambling population in each area of living



C. PROPORTION OF GAMBLING POPULATION PER MODE IN EACH AREA OF LIVING

The table below considers the sample of gamblers in South Africa in more detail. The sample of gamblers is first divided by mode of participation (noting that some gamblers may have participated in multiple modes of gambling). Thereafter, the sample of gamblers who participated in each mode is subdivided by area of residence.

From this table, the percentage of each gambling mode's participation across areas of residence can be seen. The highest incidence of licensed operator modes was as follows:

1. 42% of LPM participants resided in urban areas.
2. 46% of Bingo (electronic) participants resided in urban areas, while 44% of Bingo (traditional) participants resided in township areas.
3. 44% of Casino participants resided in township areas.
4. 47% of Betting on sports and other contingencies (online) participants resided in township areas.

Gambling in the main licensed operator modes predominantly takes place in urban and township areas.

Table 10: Proportion of gambling population per mode in each area of living

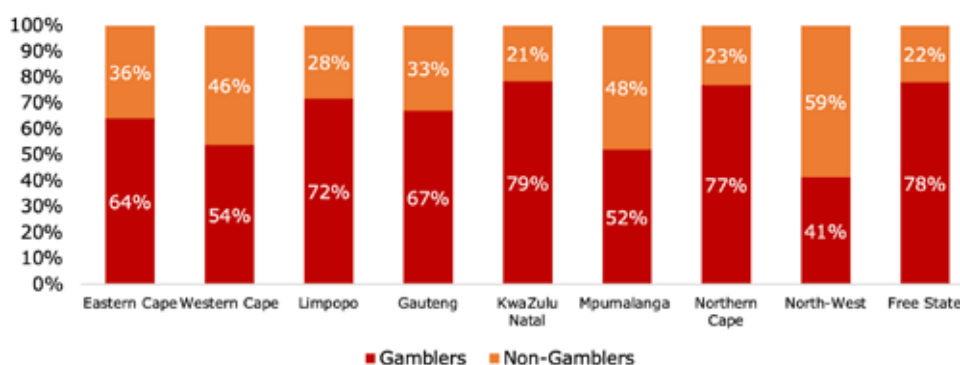
Mode	Urban (%)	Township (%)	Rural (%)	Peri-Urban (%)	Total (%)
LPM	42	42	15	2	100
Bingo (Traditional)	39	44	15	2	100
Bingo (Electronic)	46	34	18	2	100
Casino	41	44	15	1	100
Betting on horse racing (retail)	42	40	17	1	100
National Lottery	49	36	13	2	100
Betting on horse racing (online)	47	38	14	1	100
Lucky draws	37	46	15	3	100
Unlicensed/ illegal gambling	40	45	13	2	100
Scratch cards	45	36	17	2	100
Betting on sports and other contingencies (online)	41	46	12	1	100
Betting on sports and other contingencies (retail)	40	40	18	2	100

4.4.6 GAMBLING INCIDENCE BY PROVINCE

A. PROPORTION OF THE TOTAL SOUTH AFRICAN SAMPLE WHO ARE GAMBLERS PER PROVINCE

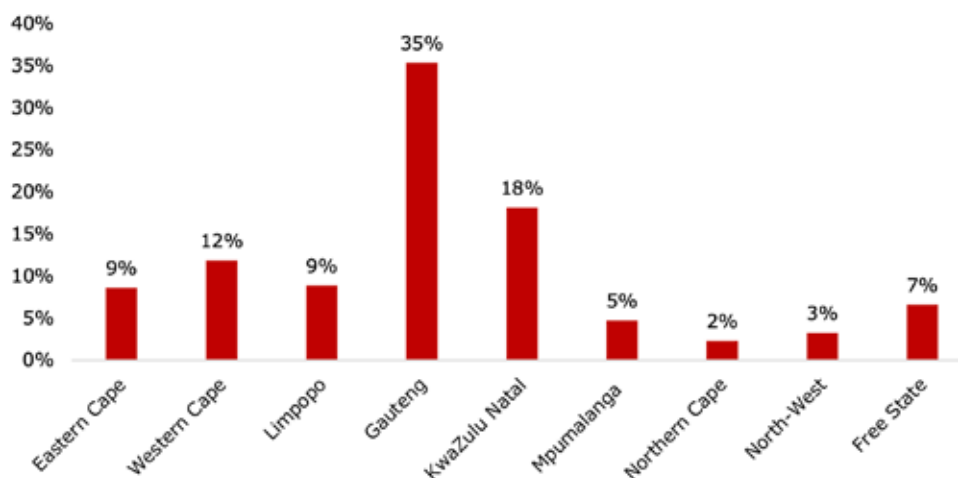
As seen in the figure below, the lowest gambling incidence is recorded in the North West at 41%. KwaZulu-Natal and Free State have the highest gambling incidence in South Africa at 79% and 78%, respectively.

Figure 18: Proportion of the total South African sample who are gamblers per province



As seen in Figure 19, of the total population of gamblers in South Africa, 35% are in Gauteng. This is followed by KwaZulu-Natal at 18% and 12% in the Western Cape.

Figure 19: Proportion of gambling population per mode in each province



C. GAMBLING INCIDENCE BY MODE PER PROVINCE

The table below shows the gambling incidence by mode for each province.

- The highest (10%) incidence of Bingo (electronic) participation was in the Eastern Cape, whilst that of Bingo (traditional) was in the Free State (8%).
- The highest (11%) incidence of LPM participation was in the Free State.
- The highest (32%) incidence of Betting on sports and other contingencies (retail) participation was in the Free State.
- The highest (38%) incidence of Casino participation was in the Free State.

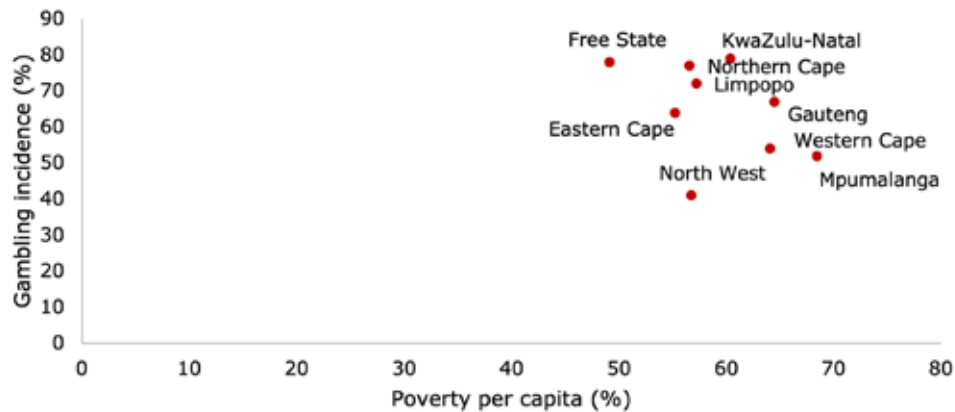
Table 11: Gambling incidence by mode per province

Mode	Western Cape (%)	Eastern Cape (%)	Northern Cape (%)	Free State (%)	KwaZulu-Natal (%)	North West (%)	Gauteng (%)	Mpumalanga (%)	Limpopo (%)
Lucky draws	48	30	28	57	33	51	56	50	53
Scratch cards	29	32	18	33	35	24	32	31	25
National Lottery	68	71	64	57	68	59	67	54	62
Bingo (Traditional)	2	6	1	8	3	1	5	6	4
Bingo (Electronic)	3	10	4	6	5	3	5	7	6
Casino	27	22	13	38	32	25	28	18	21
LPM	8	7	3	11	8	5	6	3	8
Betting on sports and other contingencies (retail)	16	11	4	32	18	29	28	23	27
Betting on sports and other contingencies (online)	32	21	39	61	42	45	57	49	47
Betting on horse racing (retail)	6	5	0	8	11	13	11	7	9
Betting on horse racing (online)	9	7	3	17	11	14	15	10	10
Unlicensed/illegal gambling	49	43	34	72	55	51	61	53	67

D. GAMBLING AND POVERTY

Figure 20 shows that KwaZulu-Natal had the highest level of gambling incidences while having a relatively high per capita poverty level in the province. When plotting the individual poverty line of specific provinces against the gambling prevalence rate or incidence rate in that province, one notices a downward slope; this suggests that provinces with higher levels of poverty had lower levels of gambling incidences. This indicates that, at least at a national level, high gambling incidences are associated with lower poverty levels.

Figure 20: Relationship between gambling and poverty



Source: Quantec

4.4.7 GAMBLING INCIDENCE BY HOUSEHOLD INCOME

A. PROPORTION OF THE TOTAL SOUTH AFRICAN SAMPLE WHO ARE GAMBLERS BY HOUSEHOLD INCOME

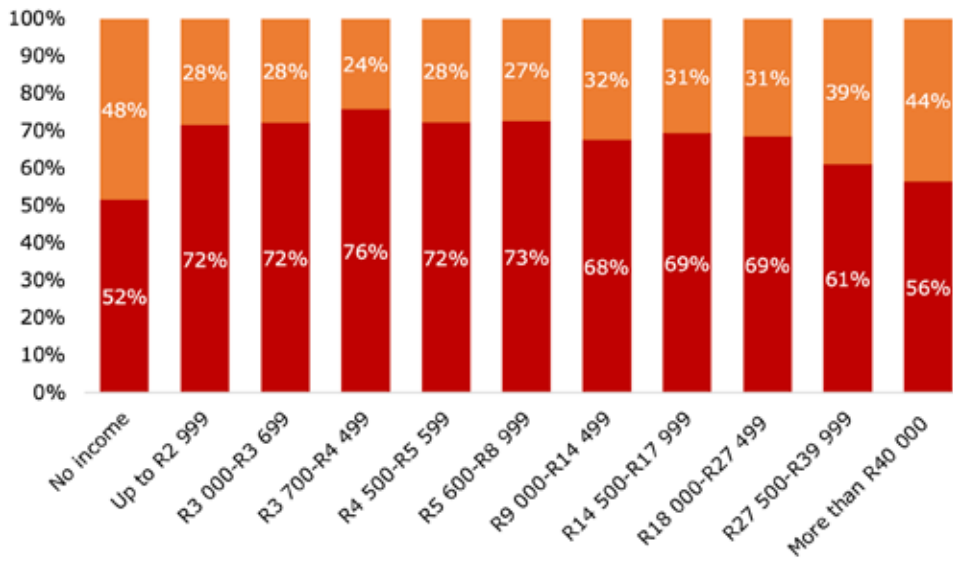
Figure 21 below shows the proportion of each household income category that are gamblers from the total sample of individuals surveyed in South Africa. It can be seen that 76% of individuals in the R3 700 – R4 499 household income category are gamblers. This is followed by the R5 600 – R8 999 household income category at 73%.

Figure 21 shows that households with no income category have the lowest incidence, at 52%. Thereafter the gambling incidence increases to 76% of individuals in the R3 700 – R4 499 household income category. Finally, gambling incidence declines to 56% for households with more than R40 000 household income. A potential reason for this may be a change in risk aversion as income increases, although the literature available has not conclusively shown that risk aversion is positively correlated with income (Franken, 2023).

Households with no income gamble the least, emphasising that access to disposable income is vital for individuals to engage in gambling. Indeed, gambling can be the most damaging when there is no or very limited household income.

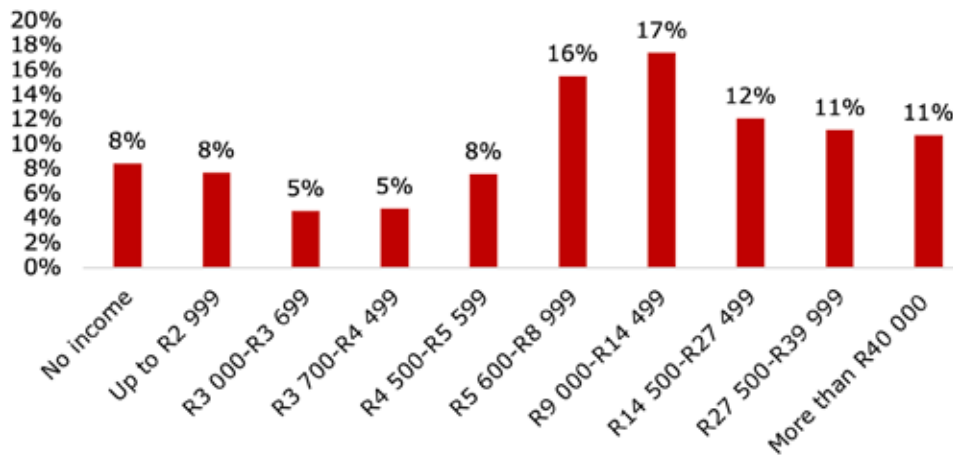
Moreover, research has shown that gambling, in general has a positive income elasticity of demand (in other words, it is a luxury good). That is, as an individual's income increases, they spend more money on gambling.

Figure 21: Proportion of the total South African sample who are gamblers by household income



As seen in Figure 22, of the total population of gamblers in South Africa, 17% are in the “R9 000-R14 499” category. This is followed by those in the “R5 600-R8 999” category (16%).

Figure 22: Proportion of gambling population in each household income category



C. PROPORTION OF GAMBLING POPULATION PER MODE IN EACH HOUSEHOLD INCOME CATEGORY

The table below analyses the sample of gamblers in South Africa in more detail. The sample of gamblers is first divided by mode of participation (noting that some gamblers may have participated in multiple modes of gambling). Thereafter, the sample of gamblers that participated in each mode is subdivided by household income.

From this table, the percentage of each gambling mode’s participation across household income categories can be seen. The highest incidence of licensed operator modes was as follows:

1. 26% of LPM participants have a household income of between R18 000 and R39 999.
2. 26% of Casino participants have a household income between R18 000 and R39 999.
3. 25% of Betting on sports and other contingencies (online) participants have a household income of R18 000 to R39 999.
4. 23% of Bingo (electronic) and 22% of traditional Bingo participants have a household income of R9 000- R17 999.

Table 12: Proportion of gambling population per mode in each household income category

Mode	No income (%)	Up to R3 699 (%)	R3 700 - R8 999 (%)	R9 000 - R17 999 (%)	R18 000 - R39 999 (%)	More than R40 000 (%)	Total (%)
Lucky draws	10	13	23	27	12	14	100
Scratch cards	9	15	23	27	13	13	100
National Lottery	7	12	26	28	13	14	100
Bingo (Traditional)	9	13	20	22	17	19	100
Bingo (Electronic)	9	10	18	23	23	17	100
Casino	5	11	21	21	26	14	100
LPM	8	11	16	25	26	14	100
Betting on sports and other contingencies (retail)	10	12	21	25	23	10	100
Betting on sports and other contingencies (online)	9	11	20	24	25	11	100
Betting on horse racing (retail)	7	9	19	21	31	11	100
Betting on horse racing (online)	9	8	22	21	28	12	100
Unlicensed/ illegal gambling	8	12	23	24	23	10	100



4.5 FREQUENCY OF PARTICIPATION IN GAMBLING ACTIVITIES

Participants who confirmed their participation in gambling were asked to indicate the frequency of their participation in their preferred gambling mode. The following options were provided: Daily, Weekly, Monthly, Yearly, and Never.

The table below suggests that participation in the following modes was the most prominent on a daily basis:

1. Betting on sports and other contingencies (retail) (34%)
2. Betting on sports and other contingencies (online) (33%)
3. Bingo (electronic/traditional) (25%)

Participation on a weekly basis is most prominent in the following modes:

1. National Lottery (62%)
2. Betting on horse racing (online) (50%)
3. Scratch cards (48%)

Table 13: Frequency of participation in gambling activities

Mode	Daily (%)	Weekly (%)	Monthly (%)	Yearly (%)	Never (%)	Total (%)
Lucky draws	20	47	27	4	1	100
Scratch cards	15	48	30	5	1	100
National Lottery	13	62	22	2	0	100
Bingo (Traditional)	25	45	20	9	0	100
Bingo (Electronic)	25	44	27	3	1	100
Casino	20	36	37	7	1	100
LPM	12	41	38	7	3	100
Betting on sports and other contingencies (retail)	34	45	17	2	2	100
Betting on sports and other contingencies (online)	33	44	21	2	0	100
Betting on horse racing (retail)	29	41	20	8	2	100
Betting on horse racing (online)	22	50	22	5	1	100
Unlicensed/ illegal gambling	28	44	22	4	2	100

4.6 CEASING PARTICIPATION IN GAMBLING MODES

Of the gamblers surveyed, 46% stopped participating in at least one mode of gambling in the 12 months prior to answering the survey. It is noted that 12% of gamblers ceased participation in Lucky Draws, followed by the National Lottery (11%). Finally, 8% of gamblers surveyed claimed to have stopped participating in Betting on sports and other contingencies (online) in the 12 months prior to answering the survey.

Table 14: Ceasing participation in gambling modes

Mode	Percent (%)
Lucky draws	12
Scratch cards	8
National Lottery	11
Bingo (Traditional)	2
Bingo (Electronic)	1
Casino	2
LPM	3
Betting on sports and other contingencies (retail)	6
Betting on sports and other contingencies (online)	8
Betting on horse racing (retail)	5
Betting on horse racing (online)	7
Unlicensed/ illegal gambling	7

4.7 AVAILABILITY OF GAMBLING OUTLETS

When asked about the adequacy of gambling facilities, 58% of respondents indicated that they believed there were sufficient gambling outlets, an increase from 33% in the 2017 national study.

For the 30% of respondents who believed there were not enough gambling opportunities, there was a demand for more casinos (65%), followed by LPMs in local bars and restaurants (58%), and Scratch cards (37%). To contextualise, there is a total of 38 casinos in South Africa.

Figure 23: Do you think gambling outlets/ opportunities in your area are sufficient?

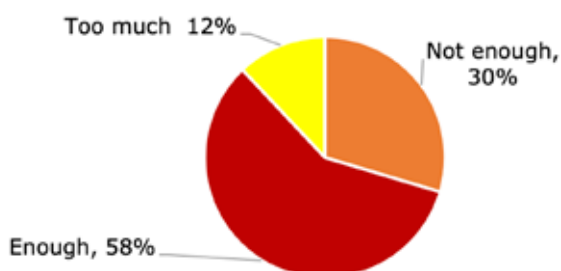


Table 15: Indication of the type of gambling locations the respondents require

If not enough outlets/opportunities, which licensed gambling activity would you like more in your area?	Percent (%)
Casinos	65
Scratch cards	37
Limited Pay-out Machines/slot machines in local bars/ restaurants	58
Bingo	21
Tabs/bookmakers	19

Table 16: Licensed facilities in South Africa

Licensed facility	South Africa
Casinos	38
Casino Slots	21 978
Casino Tables	911
Licensed totalisator outlets	361
Licensed bookmakers	373
Licensed bookmaker outlets	681
Licensed operational bookmaker outlets	531
Number of installed LPM's	15 858
LPM Licensed Route Operators	36
Number of licensed bingo outlets	70
No of licensed operational bingo seats (traditional)	0
No of licensed bingo seats (traditional)	0
No of licensed electronic bingo terminals (EBTs)	8 917

4.8 REASONS FOR GAMBLING

Gamblers were requested to indicate key triggers for gambling in the 12 months prior to answering the survey. The chance to win a large sum of money motivated most gamblers to participate in gambling (68%), increasing from 56% in 2017, followed by “needing more money”, motivating 56% of gamblers. This is a significant increase compared to 24% in 2017 at a national level. Most importantly, 14% of gamblers indicated that losing their jobs and needing money was their primary motivation to gamble. This represents an increase from 1.1% in the 2017 national study. It is worth noting that in the 2017 national study, respondents were provided with the opportunity to select only one response, whereas the latest South African study allowed multiple responses.

Table 17: Reasons for gambling

Statement	Percent (%)
My family gambles (parents, spouse, siblings)	14
My friends gamble	24
Chance to win large sums of money	68
Advertising/marketing campaigns/ special offers or loyalty programmes	16
Sponsorships in sports	8
Curiosity/wanting to know more about gambling	16
Easy access to gambling outlets and forms of gambling	16
I needed the money	56
I enjoy playing games/betting or risking money	20
It is a form of relaxation/leisure	20
I wanted to share in the excitement	12
I wanted the social contact with other people	7
I was interested in the glamour of going to a gambling outlet	6
Lost my job, so I needed another way to make money	14

Gamblers were asked to indicate the effectiveness of privileges provided to gamblers, the gambling environment, types of services offered and winning pay-outs.

The most effective triggers were identified were as follows:

- Fast pay-out of winnings (42%)
- Easily accessible cash (33%)
- Staff promptly identifying problem gamblers (21%)

Table 18: Effectiveness of factors influencing gamblers' desire to gamble

Mode	Very Ineffective (%)	Ineffective (%)	Neither effective or ineffective (%)	Effective (%)	Very effective (%)
Loyalty programmes	14	13	24	29	20
Very Important Person (VIP) areas	16	17	26	26	15
Easily accessible cash	8	7	12	39	33
Fast payment of winnings	7	5	9	36	42
Moderate to dim lighting	12	16	33	27	12
Service of food and alcohol	11	13	23	34	19
Visibility of clocks	13	16	25	30	17
Advertising which promotes gambling venues or opportunities to gamble	11	14	24	33	18
Staff quickly identifying problem gamblers	11	14	24	30	21

The normalisation of gambling through direct online advertising and within mobile apps and games may be viewed as a significant trigger for high levels of gambling in South Africa. Respondents were further asked which advertising medium most strongly influenced their urge to gamble – 47% of respondents indicated that online (through a cell phone app or browser) was the most effective medium for encouraging gambling participation.

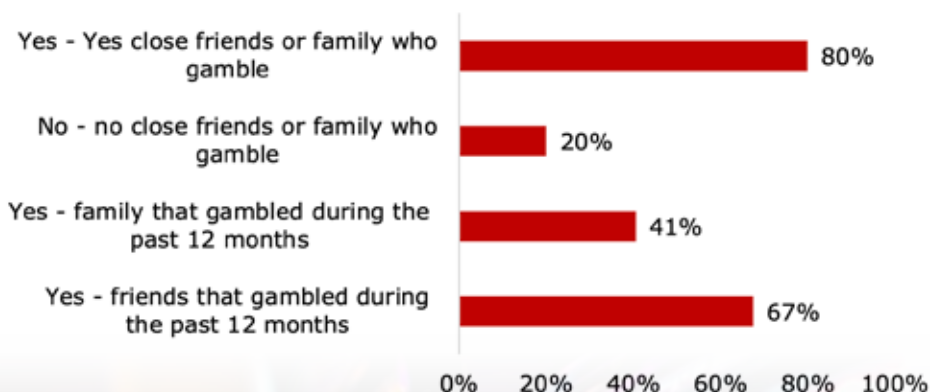
Table 19: Which types of advertising types that most strongly triggers your urge to gamble?

Advertising variety	Percent (%)
Print (Newspapers, magazines, etc)	15
Radio	16
Television	38
Pamphlet	8
Billboards	15
Online (from a computer)	27
Online (through a cell phone app or browser)	47
Advertising does not affect my urge to gamble	18

4.9 PARTICIPATION OF FRIENDS AND FAMILY IN GAMBLING

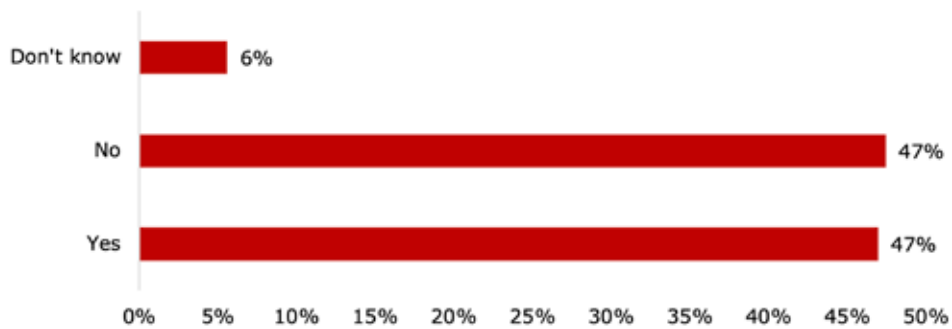
Most of the sample — 80% of gamblers — indicated that they had friends or family who gambled, with 67% indicating that they had friends who had gambled during the 12 months prior to answering the survey.

Figure 24: Do you have any close friends or family that gamble?



Respondents who had friends and family who gambled were asked to indicate whether these behaviours influenced them to gamble as well. From this cohort, 47% of respondents responded “Yes”, their friends and family who gambled do form part of their motivation to gamble.

Figure 25: Influence of friends and family on gambling behaviours.



4.10 REASONS TO ABSTAIN FROM GAMBLING

Almost a third of respondents indicated that they had not participated in gambling activities in the 12 months prior to completing the survey. When asked why they had abstained from gambling in the same period, 24% of all non-gambling respondents indicated that they had no interest in gambling. A further 50% indicated that they had abstained from gambling due to moral or religious reasons. Finally, 17% indicated that they did not have sufficient funds to gamble. It is notable that this figure is significantly larger than the 10.6% reported in the 2017 national study.

Table 20: Reasons to abstain from gambling

Why have you not gambled or abstained from gambling in the last 12 months?	Percent (%)
I have never been interested in gambling	24
I have never gambled due to moral or religious reasons	50
Insufficient funds to participate in gambling	17
It costs too much to get to a gambling outlet (e.g., casino or lotto outlet)	5
I do not have easy access to casinos or other gambling outlets (e.g., casino or lotto outlet)	3
Pressure from family and/or friends	2

4.11 PERCEPTIONS OF GAMBLING

4.11.1 OVERALL PERCEPTIONS OF GAMBLING

All respondents were asked about their perception of gambling. A 4-point scale was employed, ranging from “Agree” to “Disagree” and including “I don’t know”.

There was overwhelming agreement with the following three statements as seen in the table:

1. Gambling is addictive (76%)
2. The gambling industry creates jobs (67%)
3. People should have the right to gamble whenever they want (65%)

The majority of respondents believe that gambling is addictive (76%) and that it displaces much needed household income. However, South Africans are pragmatic and recognise the economic stimulation it provides. As such, there should be an element of community development alongside gambling institutions as a form of mitigation. Thus, gambling is seen as acceptable to almost two thirds of individuals interviewed (58%), with many viewing it as an important leisure activity for South Africans. Interestingly, the individuals surveyed largely believe that people should have the right to gamble whenever they want.

An explicit positive aspect of gambling is that the industry creates jobs, which is recognised by most South Africans (67%). With the rise of online gambling, which is not as labour-intensive, this benefit to gambling in South Africa may be reduced in the coming years. Moreover, online gambling does not have as extensive a value chain as physical casinos or bookmakers. That is, online gambling demands far fewer goods and services from other South African industries; thus, overall, it has a smaller impact on the country's GDP.

Table 21: Perceptions of gambling

Statement	Agree (%)	Neither agree / disagree (%)	Disagree (%)	Don't know (%)	Total (%)
Gambling is acceptable to me	58	27	14	1	100
Gambling is an important leisure activity for South Africans	37	35	24	4	100
People should have the right to gamble whenever they want	65	24	10	2	100
Gambling should be discouraged	24	40	33	3	100
Most people who gamble do so sensibly	32	36	26	6	100
The gambling industry creates jobs	67	22	7	4	100
There are not enough opportunities to gamble	19	33	41	7	100
Gambling by members of my household has a negative impact on the interpersonal relationships in my household	25	32	38	6	100
There is enough information available to inform the general public about the perceived risks of gambling	48	26	21	5	100
Gambling does not usually lead to domestic violence	22	39	29	10	100
Gambling usually leads to a situation in which the affected household lacks basic necessities such as food	52	33	10	5	100
Gambling is addictive	76	18	5	2	100
Gambling by family members has a negative impact on my welfare	31	32	32	5	100

4.11.2 PERCEPTIONS OF THE GAMBLING REGULATORY ENVIRONMENT

Nine questions were posed to all respondents of the survey (both gamblers and non-gamblers) regarding their perceptions of the gambling regulatory environment. Respondents were provided with a 3-point scale ranging from "Agree" to "Disagree" and including "I don't know".

There was overwhelming agreement with the following three statements:

1. I am aware of information about the nature and risks of gambling (71%).
2. I am aware of the National Gambling Board (68%).
3. I am aware of the existence of legal and illegal gambling modes (66%).

Respondents generally did not believe the following factors have an impact on gambling prevalence and the gambling industry:

1. After losing many times in a row, you are more likely to win (37%).
2. Living close to a gambling venue (within 30 km) can stimulate problem gambling (24%).

Table 22: Perceptions of the gambling regulatory environment

Statement	Agree (%)	Neither agree / disagree (%)	Disagree (%)	Don't know (%)	Total (%)
I am aware of information about the nature and risks of gambling	71	19	8	2	100
I am aware of programme(s) to assist compulsive or problem gamblers to address their problems	60	21	14	5	100
I perceive the measures to address problem gambling as effective	48	33	12	7	100
Living close to a gambling venue (within 30 km) can stimulate problem gambling	38	33	24	5	100
I am aware of the National Gambling Board	68	17	11	4	100
I am aware of the existence of legal and illegal gambling modes	66	20	9	6	100
I perceive that the gambling industry in South Africa is well regulated	48	32	12	8	100
After losing many times in a row, you are more likely to win	21	34	37	7	100

4.12 GAMBLING LOCATION: WHERE DO GAMBLERS MOST OFTEN GO?

Gamblers were asked to reflect on gambling activities within the last month and to indicate the gambling outlet/location where gambling took place. Almost half of the gamblers indicated that they prefer to gamble at venues close to home.

Table 23: Where do gamblers most often go?

In the last month, did you go to the gambling venue or outlet nearest your house?	Percent (%)
Yes	50
No - gambled at a venue further away	30
Did not gamble in the last month	13
Don't know	6

Gamblers who visited facilities far from home were asked to indicate if the reason for travel was primarily for the purposes of gambling. Approximately a third of respondents (39%) indicated that they often travel primarily for better gambling facilities. Visiting the venue for other recreational reasons apart from gambling (such as restaurants, movie theatres, children's entertainment, and other attractions) motivated 52% of respondents.

Table 24: Reasons for visiting venues further away from home

What was the reason for visiting a venue further away from home?	Percent (%)
Visiting the venue for other recreational reasons besides gambling (restaurants, movie theatres, children's entertainment, and other attractions)	52
Better gambling facilities compared to the venue closest to my home	39
Holiday	16
Business trip	6
Advertising	4

Gamblers were also requested to indicate whether, during their last visit to a gambling venue, they visited or spent money on other items such as restaurants and theatres. Most gamblers (31%) indicated that they had spent money at restaurants/food stalls in the same complex as the gambling venue. Moreover, 23% had spent money at shops in the same complex as the gambling venue.

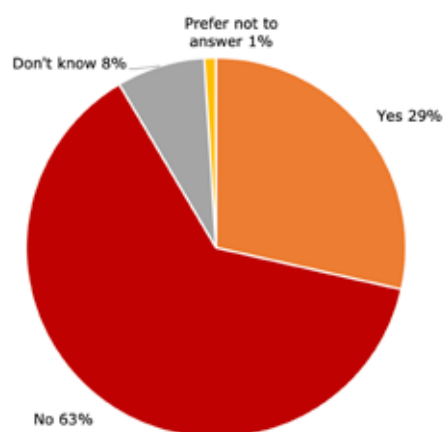
Table 25: Other reasons respondents visited those venues that excluded gambling

During your last visit to a gambling venue, did you also do any of the following? (Select all options that may apply)	Percent (%)
Restaurants/ food in the same complex as the gambling venue	31
Movie theatres	9
Hotel/ accommodation in the same complex as the gambling venue	8
Shops in the same complex as the gambling venue	23
Participate in any other entertainment activity other than gambling	15
Nothing else, just gambled	15

4.13 UNDER-AGE GAMBLING

The involvement of persons under the age of 18 in gambling activities is of particular concern to gambling regulators. However, there are practical challenges in identifying the full extent of underage gambling. Due to the illegality of underage gambling, this age group did not form part of the scope of this survey. Even so, adult respondents to the survey indicated that 29% were aware of underage gambling within their close social circles, as shown in Figure 26.

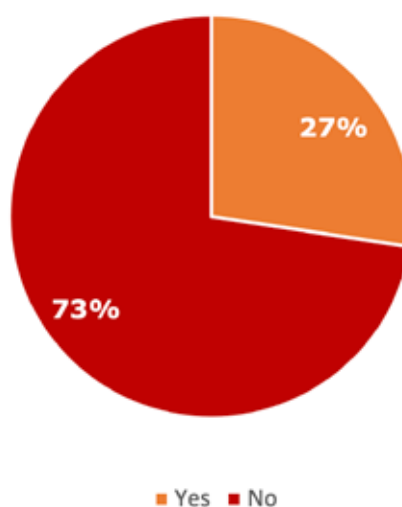
Figure 26: Awareness of underage gambling



4.14 GAMBLING AND SOCIAL WELFARE GRANTS

Gamblers were asked to indicate if they received a social grant from the SASSA. It was found that 27% of gamblers reported receiving a SASSA grant. This represents a decline from 30% recorded in the 2017 national study.

Figure 27: Were you a recipient of any social grants from South African Social Security Agency (SASSA) in the past 12 months?



Gamblers were asked to indicate the type of grant which they received. Most social grant recipients (50%) received the R350 COVID-19 Social Relief of Distress grant. This represents 19% of the total gambling population. Child support grant recipients who gambled represented 39% of gamblers who received grants, a decrease from 59% in the 2017 national study.

Table 26: Specific SASSA grants

<i>What social grants have you received in the past 12 months?</i>	<i>Percent (%)</i>
COVID-19 Social Relief of Distress grant	50
Child support grant	39
Other grants	6
Old age pension	8

Gamblers who received a SASSA grant were asked to indicate what percentage of their total monthly income their welfare grant represented. 17% of respondents received 100% of their monthly income from grants. 43% of respondents indicated that a quarter of their monthly household income was grant income. Of the respondents, 15% indicated having received 50% of their monthly household income from SASSA grants.

Table 27: Social grant as proportion of monthly income of gamblers

<i>What proportion of your monthly income comes from social grants?</i>	<i>Percent (%)</i>
0 percent	17
25 percent	43
50 percent	15
75 percent	8
100 percent	17

Gamblers who received a social grant were asked to indicate their participation in gambling by mode over the 12 months prior to answering the survey. The most prominent modes of gambling amongst gamblers who received a social grant from SASSA were the National Lottery (65%), Lucky Draws (47%), Betting on sports and other contingencies (online) (41%) and illegal modes (59%).

Table 28: Gambling modes by social grant recipients

<i>Mode</i>	<i>Percent (%)</i>
Lucky draws	47
Scratch cards	37
National Lottery	65
Bingo (Traditional)	6
Bingo (Electronic)	6
Casino	27
LPM	6
Betting on sports and other contingencies (retail)	23
Betting on sports and other contingencies (online)	41
Betting on horse racing (retail)	11
Betting on horse racing (online)	13
Unlicensed/ illegal gambling	59

While gamblers may receive SASSA grants, this does not preclude them from participating in gambling.

4.15 GAMBLING EXPENDITURE AND BUDGETARY BEHAVIOURS

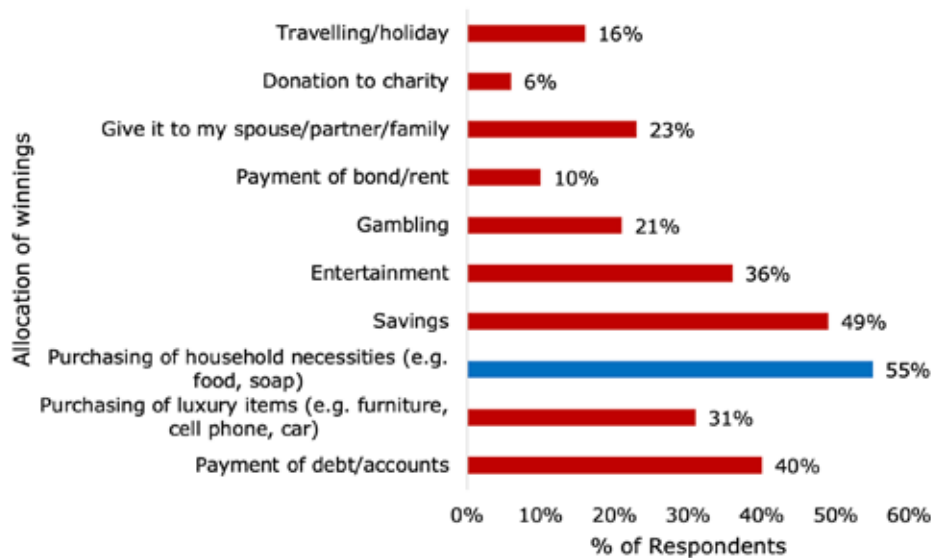
Gamblers were asked to indicate how they believe they allocate their winnings within the context of their household budget. The questions were formulated to provide insights into the impact of gambling on household income and, hence, overall welfare.

4.15.1 ALLOCATION OF WINNINGS

Respondents were asked how they would spend money when they won. The purchase of household necessities (e.g., food, soap) was the most common use to which winnings were allocated by gamblers, at 55%, increasing from 33.9% in 2017. Savings followed at 49%, and the repayment of debt/accounts at 40% (up from 21.8% in 2017). There has been a sharp increase in gambling to service financial obligations compared to the 2017 national study. It must be noted that in 2023, the economic conditions of South Africa were significantly different from those in 2017, when the last national study took place.

A sharp increase in the financial motivation to gamble and the use of proceeds from gambling to supplement basic household necessities suggests increasing financial pressure on households. This could be attributed to the disruptions caused by the COVID-19 pandemic and South Africa's economic distress. Furthermore, the link between gambling to supplement one's income during an economic downturn is well established (Conesa & Kehoe, 2017). Should South Africa's economic pressures persist, one could expect an increase in the incidence of gambling.

Figure 28: Allocation of winnings

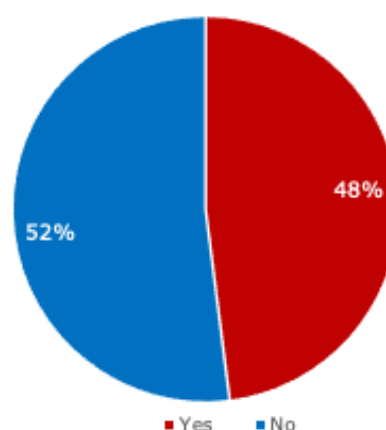


4.15.2 EXPENDITURE ON GAMBLING

A. GAMBLING BUDGETARY BEHAVIOUR

Gamblers were asked a series of questions regarding their budgetary behaviours as they relate to gambling. Half of gamblers indicated that they had budgeted for gambling. Furthermore, of those who budgeted for gambling, 48% indicated that they did not stop gambling once they had exceeded their budget. When considered alongside other variables, this has the potential to indicate addictive behaviour patterns.

Figure 29: Do you budget a specific amount of money for gambling each month?



B. EXPENDITURE BY MODES OF GAMBLING

The most frequent high expenditure (defined as spending more than R2 000 per month) modes of gambling include, as expanded upon in the table below:

1. Bingo (Traditional) (15%)
2. Bingo (Electronic) (10%)
3. Casino (10%)

Conversely, gamblers in the following modes spent less than R50:

1. Scratch cards (43%)
2. National Lottery (34%)
3. Lucky draws (32%)

Table 29: Money spent on various gambling modes per month

Mode	Less than R50 (%)	R51–R150 (%)	R151–R300 (%)	R301–R500 (%)	R501 – R999 (%)	R1 000 – R1 499 (%)	R1 500 – R1 999 (%)	More than R2 000 (%)	Total (%)
Lucky draws	32	30	17	8	5	2	1	4	100
Scratch cards	43	31	11	6	3	2	1	3	100
National Lottery	34	35	15	9	4	2	1	2	100
Bingo (Traditional)	13	26	21	8	8	8	3	15	100
Bingo (Electronic)	21	26	19	10	9	4	2	10	100
Casino	11	25	19	16	10	6	2	10	100
LPM	14	28	22	16	5	4	3	8	100
Betting on sports and other contingencies (retail)	23	29	20	10	6	3	1	8	100
Betting on sports and other contingencies (online)	24	32	18	11	7	2	1	5	100
Betting on horse racing (retail)	22	35	16	9	8	2	2	6	100
Betting on horse racing (online)	28	33	16	8	6	2	1	5	100
Unlicensed/ illegal gambling	24	25	18	10	6	3	2	12	100

4.16 RECENT DEVELOPMENTS IN THE SOUTH AFRICAN GAMBLING INDUSTRY

Following the COVID-19 pandemic, significant changes in the nature of the gambling industry have transpired. Online gambling has grown significantly in popularity alongside sports betting. This shift emphasises a need for contemporary evidence to inform policy decisions.

The COVID-19 pandemic resulted in all in-person gambling venues, including casinos and horseracing tracks, being closed during lockdown Level 5 and 4 (3 March 2020 – 31 May 2020 and 28 June 2021 – 25 July 2021). However, while in-person gambling venues were forced to close, online gambling sites continued to operate and reported a significant surge in activity worldwide over this period (BusinessWire, 2020). In addition to the impact on gambling availability, the social and economic effects of the pandemic may have influenced the public's desire to gamble. The stress and social isolation associated with many people being forced to remain in their homes for extended periods may have led people to gambling as they searched for an emotional escape (Hodgins & Stevens, 2021). As such, the COVID-19 pandemic and the rapid popularisation of online gambling has been the focus of socio-economic studies in the area. Initial insights have indicated a demographic change where women and young people are now more likely to gamble (Kovačić Zrnka et al., 2022).

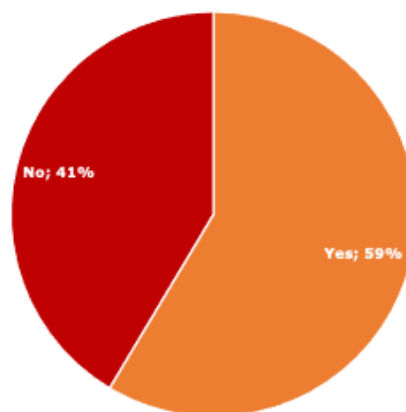
Similar studies, globally, have indicated significant behavioural changes because of the COVID-19 pandemic. In the United Kingdom, studies showed that younger people were more likely to change their gambling behaviours during the lockdown by either starting to gamble or by trying new gambling modes. Moreover, it was found that 4% of people who did not gamble prior to the pandemic began gambling during the lockdown (Public Health England, 2021).

Additional studies indicated that 39% of regular online gamblers were gambling more often as a result of isolation and additional stress (Public Health England, 2021). Interestingly, preliminary insights from a Chinese survey of 6 000 respondents suggests that coping behaviours during the COVID-19 pandemic increased the risk of addictive behaviours (The Lancet Public Health, 2021).

4.16.1 ATTITUDES TO RISKY BEHAVIOUR

In addition to gamblers (indeed most individuals) growing more risk averse as they age, the COVID-19 pandemic further impacted individuals' perception of risk. Gamblers were asked a series of questions regarding their gambling behaviours during the COVID-19 pandemic. As seen in Figure 30, 59% of gamblers indicated that their attitudes to taking risks had shifted over the course of the COVID-19 pandemic. The repeated use of safety measures during the COVID-19 pandemic had led to a desensitisation of these measures among the public. This desensitisation, coupled with the uncertainty surrounding the end of the pandemic, motivated people to take on more risk and has the potential to aggravate negative economic conditions. Furthermore, individuals may also be less risk averse (Mackolil & Mackolil, 2021).

Figure 30: Has the COVID-19 pandemic and the associated lockdowns changed your behaviour when taking risks



4.16.2 FREQUENCY OF PARTICIPATION DURING THE COVID-19 PANDEMIC

Participants who confirmed their participation in gambling were asked to indicate the frequency of their participation in their preferred gambling mode during the period 2020 to 2021. The following options were provided: Daily, Weekly, Monthly, Yearly, and Never. The frequency of participation by mode during the COVID-19 pandemic is compared to that of the 12 months preceding the survey.

The largest increase in daily participation by mode after the COVID-19 pandemic (2020-2021) was the following:

1. Bingo (traditional) up 35 percentage points from 3% in 2020-2021 to 38% in 2023.
2. Betting on sports and other contingencies (retail) up 34 percentage points from 5% in 2020-2021 to 39% in 2023.
3. Bingo (electronic) up 34 percentage points from 4% in 2020-2021 to 38% in 2023.

Table 30: Frequency of participation

Mode	Daily 2023 (%)	Daily 2020 to 2021 (%)	Weekly 2023 (%)	Weekly 2020 to 2021 (%)	Monthly 2023 (%)	Monthly 2020 to 2021 (%)	Yearly 2023 (%)	Yearly 2020 to 2021 (%)	Never 2023 (%)	Never 2020 to 2021 (%)
Lucky draws	26	11	48	21	23	21	2	6	1	41
Scratch cards	20	7	46	15	30	17	3	7	1	54
National Lottery	18	11	61	41	19	25	1	5	0	18
Bingo (Traditional)	38	3	50	6	6	7	6	3	0	80
Bingo (Electronic)	38	4	28	7	28	7	4	3	2	79
Casino	22	4	35	8	36	10	5	5	1	73
LPM	17	4	40	7	35	7	5	3	3	79
Betting on sports and other contingencies (retail)	39	5	43	11	14	9	3	4	2	70
Betting on sports and other contingencies (online)	36	9	42	17	21	13	0	4	1	56
Betting on horse racing (retail)	36	4	36	9	20	8	8	4	1	74
Betting on horse racing (online)	25	5	49	11	20	10	4	5	2	69
Unlicensed/ illegal gambling	34	5	39	10	21	9	4	3	3	73

Participants who confirmed their participation in gambling were asked to compare the frequency of their participation in their preferred gambling mode during the period 2020 to 2021. Respondents were asked whether their participation was “More”, “Stayed the same”, or “Less”.

The largest reported declines in participation were as follows:

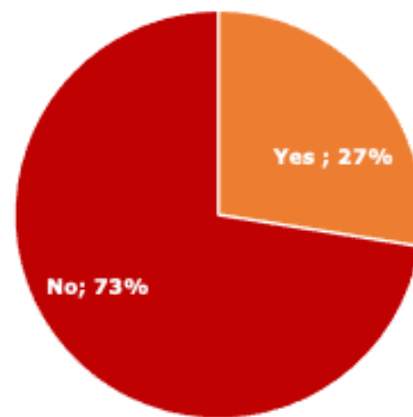
- National Lottery (34%)
- Bingo (traditional) (34%)
- Bingo (electronic) (32%)
- Casino (33%)
- Scratch cards (32%)

Table 31: Change in gambling participation over the COVID-19 pandemic

Mode	More (%)	Stayed the same (%)	Less (%)
Lucky draws	23	49	28
Scratch cards	20	49	32
National Lottery	20	46	34
Bingo (Traditional)	19	47	34
Bingo (Electronic)	21	47	32
Casino	21	46	33
LPM	23	48	28
Betting on sports and other contingencies (retail)	23	47	30
Betting on sports and other contingencies (online)	28	48	24
Betting on horse racing (retail)	23	48	29
Betting on horse racing (online)	25	47	29
Unlicensed/ illegal gambling	25	48	28

Respondents were also asked if their spending habits remained unchanged during the COVID-19 pandemic (2020-2021), with 27% indicating that they had increased their gambling expenditure.

Figure 31: During the COVID-19 pandemic lockdown, did you find yourself spending more money on gambling activities?



4.17 MEDIUMS USED TO GAMBLE

Gamblers were asked regarding their preferred medium for engaging in online forms of gambling, with 92% of gamblers indicating that they had participated in online gambling on a cell phone. This reflects the increased proliferation of online gambling in South Africa.

Table 32: What devices have you used to access online gambling (gambling through the internet or a cell phone app) in the past year?

Device	Percent (%)
Cell phone	92
Laptop	39
Computer	19
Tablet	14
Smart TV	6
Internet cafes	4

A particularly notable statistic regarding where gamblers preferred to engage in gambling activities is that 28% of gamblers preferred to gamble at work – this is indicative of problematic forms of gambling. It is likely gambling while at work occurs through cell phones.

Table 33: Where have you gambled online (gambling through the internet or a cell phone app) in the past year?

Location	Percent (%)
At home	94
While commuting/traveling	25
At work	28
At a sports venue or horse racetrack	13
At a bar or club	17

4.18 SUMMARY

The main findings of the South African gambling survey can be summarised as follows:

- A gambling prevalence rate of 65.7% was identified in the 2023 gambling survey representing a significant increase from the 31% reported in the 2017 national study.
 - This increase contrasts with the sustained decline in gambling participation over the last two decades, indicating a structural shift in behaviour.
- Of the main licensed modes regulated by the NGB, online betting on sports and other contingencies had the highest participation at 46%, followed by retail sports betting at 22% and casino gambling at 27%.
- The lowest participation among licensed modes was traditional Bingo at 4%, electronic Bingo at 5%, and LPM at 7%.
- The National Lottery remains the most popular mode of gambling, with 66% participation, followed by unlicensed gambling at 57%, representing a substantial increase from 27% in the 2017 national study.
- 46% of gamblers ceased participation in at least one mode of gambling in the 12 months prior to the survey.
- Financial gain remains the most cited motivation for gambling, with 68% of respondents indicating that the chance of winning a large sum of money motivated them, up from 56% in 2017.
- Friends and family who gamble were highlighted as a major motivating factor to gamble for 67% of gamblers.
- Among non-gamblers, 24% indicated that they had never been interested in gambling. However, the primary reason for abstaining was religious and moral beliefs (50%).
- 76% of all survey respondents perceived gambling as addictive.
- Most gamblers (71%) reported awareness of information regarding the nature and risks of gambling, while 48% believed the gambling industry was well regulated.
- Within the gambling cohort, 30% indicated that there were not enough gambling opportunities in their areas, with 65% citing a lack of casinos in their communities.
- When queried about underage gambling, 29% of gamblers indicated awareness of persons under the age of 18 who gambled.
- 27% of South African gamblers surveyed reported receiving SASSA grants, with the majority having received the R350 COVID-19 SRD grant (50%).
- Notably, 48% of gamblers claimed to have defined a budget for gambling.
- Most gamblers (55%) indicated that winnings would be allocated to purchasing household necessities (e.g., food, soap), highlighting the financial strain on households.

5. SOCIO-ECONOMIC IMPACT OF GAMBLING – QUALITATIVE PERSPECTIVE



5.1 INTRODUCTION

This chapter provides a comprehensive explanation of the qualitative aspect of this study on gambling in South Africa. The qualitative method employed in this study was the use of focus group discussions.

To ensure that all the information and contributions from the participants were fully recorded, all the group discussion sessions were taped and transcribed to allow for verbatim quotes. More importantly, it should also be stated that verbatim quotations are shown exactly as they were transcribed from the recordings, without any editorial changes. It should be acknowledged that the aim of qualitative research is not to reflect the views of all South Africans.

5.2 ORGANISATION OF THE FOCUS GROUP DISCUSSIONS

The focus groups component for the national report on gambling in South Africa aimed to explore the gambling behaviour and attitudes of different segments of the population. The focus groups comprised a total of 60 gamblers and non-gamblers, representing the population demographics of South Africa by age, race, income, and employment status. The focus groups were categorised into eight modes and areas of research interest: casino, bingo, LPM, sports betting, online sports betting, rural/small-town gamblers, problem gamblers, and non-gamblers. Each category had one focus group, except for the problem gambler focus groups, which had two. Each focus group consisted of six to nine participants.

5.3 GENERAL PERCEPTION TOWARDS GAMBLING

Respondents were asked how they perceived gambling in general. Respondents indicated that they are usually cautious about the harms that persistent gambling could cause. However, it depends on how one controls and moderates their gambling habits under such circumstances to avoid being adversely affected. Some respondents' verbatim responses were expressed as follows:

- "My general perception is that gambling is good [for punters] as long as you know how to control yourself when it comes to gambling."
- "It is a wagering of money, or something of value, with an uncertain outcome and the hope of winning. It has positive and negative outcomes."

Some responses also cited the negative impacts of South Africa's weak economic growth, which have led to high levels of economic hardship in some parts of the country, as reasons for gambling. Hence this shapes their views of gambling as a favourable way of escaping economic hardship.

- "I think gambling is all about making money and in a way kind of surviving because of the economy that we [as a society] face."
- "Gambling is one of those things that could give you financial freedom quickly but also destroy you financially very quickly as well."

Hence, respondents recognised the risk that gambling involves but choose to deal with the various obstacles to gain or win rewards. However, other respondents chose to gamble to benefit their circumstances regardless of the risk involved.

- "I think it's OK because everyone has the choice to choose whether you can play or not. So, for me it's a good idea because you have a chance to win something bigger in life."
- "So, it could give you that financial freedom, but while it gives you financial freedom, once it starts taking, it takes way more than what it gave you initially."

As such, the respondents have different views on gambling — whether they see it as a result of unfavourable economic factors or as a means to earn more money while being aware of the risk.

5.4 THE LIKES AND DISLIKES OF GAMBLING

The survey asked participants about the advantages and disadvantages of participating in gambling activities. Gamblers said that they liked gambling because it gave them a thrill, motivation, and the potential for financial gain. They also said that gambling was part of their sporting experience, especially for soccer fans. Some participants' exact words were as follows:

- "In most cases when you are [winning], you can make good money."
- "With me, I think it gives me motivation."
- "I grew up watching sports and playing sports. So, with the introduction of gambling recently, I feel like I have to have at least something that will motivate me to watch the game — with the benefit that if I win, I will gain from it, not just watch it for fun."
- "I think for me personally, it's a thrill."

- “What I like about it is that you can make money [as punters].”
- “The pros will always be when you are winning.”

The drawbacks, however, appear to be the opposite, particularly when respondents experienced losses. Some participants’ exact words were as follows:

- “The cons of it are the fact that when you start losing, you get yourself into a lot of debt.”
- “What I dislike about gambling is that [when I end up losing,] I lose a lot of money.”
- “My dislikes are that when it comes to gambling, you cannot be too sure, and nothing is guaranteed; it’s never 100%.”

Alternatively, respondents indicated that the feeling of losing can amplify their emotions in a negative manner, as well as negatively impact their mental wellbeing.

- “You are just constantly thinking about it, and also another thing is that you can get depressed from it [gambling], because when you start losing, you spend a lot of your time thinking about ways to win back your money.”
- “What I dislike about gambling is that sometimes, especially when you lose consecutively, [punters] just have a mental breakdown.”

5.5 SOCIO-ECONOMIC BENEFITS OF GAMBLING

In terms of the socio-economic benefits of gambling, respondents indicated that they have used gambling to supplement their income regardless of the risk involved. Some respondents’ verbatim responses were expressed as follows:

- “I’m able to make money that can sustain me until I get paid ...I am able to get such money.”
- “Yeah, basically it’s the financial gratification that comes along with it...”
- “So, at that time, with whenever little money I had, I would just go and make a bet and see if I could get something...”

Respondents were also asked if they had recognised or known anyone else who uses gambling to supplement their income.

- “Yeah, I know that there were those people [other punters] who used to make a living out of gambling.”
- “You can supplement your income — some of the guys don’t even work, and they only rely on gambling.”

Gamblers and non-gamblers acknowledged that gambling could have several socio-economic benefits, such as job creation. Gambling venues, such as hotels and casinos, provide employment opportunities for many people. They indicated that gambling is a significant source of income for the government. Gambling facilities such as casinos can encourage the enhancement of public facilities, such as roads, transportation, and other public services in surrounding areas. Some respondents’ verbatim responses were expressed as follows:

- “If we think of it that way, I guess that is a positive on the socio-economic side because I’m sure there are thousands, or hundreds of thousands, of people who are employed by casinos, etcetera.”
- “I never actually thought about that because when you think of gambling, you only think about the people that go there forever [suggests compulsive behaviours among problem gamblers], but definitely job creation.”
- “Yeah, it can be a boost to the economy if it’s healthy [the positive aspects of gambling in the economy].”

Therefore, some of the respondents’ statements indicate that gambling has a positive effect on job creation and economic opportunities in South Africa.

5.6 FREQUENCY OF PARTICIPATION IN GAMBLING ACTIVITIES

Respondents indicated that they engage in various gambling activities other than the modes in which they are most frequently comfortable participating. Some respondents’ verbatim responses were expressed as follows:

- “Yes, sports betting from [operator names], those online casinos, as well as slots within those sports betting sites [operator games].”
- “Yeah, it’s normally [operator name] and then there was some other [various operator names and games].”

However, some respondents stated that they hardly explore other gambling games or activities and hence stick to the games that they feel the most comfortable playing. A participant’s exact words were:

- “My top three games in gambling outside the first one [the games that I usually play] [are minimal] and I also engage in many games like in [operator name] — like the first card and another one.”

Conversely, participants also highlighted the differences between participating in various in-person gambling modes and online gambling.

- “So online and you don’t always see the risk involved because it seems simple at first, but then it just goes on to escalate.”
- “I can see that you concentrate a lot, but it’s fun when you go to the casino because with the casino the environment is always nice and interesting.”
- “So, when you’re playing online, you [lose track of] time as well.”

Consequently, this indicates that respondents’ preferences differ across the various modes of gambling.

5.7 AWARENESS OF LEGAL AND ILLEGAL MODES OF GAMBLING

Respondents were asked how much they knew about legal and illegal types of gambling. Respondents mentioned that being registered with an official gambling authority was a sign of an operator or game being legal. Others used anecdotal sources, such as checking the quality of places where gambling is available or verifying identity at the point of payment, to influence their opinions on the legality of a gambling activity. Some gamblers relied on online visibility of operators to shape their views of legality. Some respondents’ direct responses were quoted as follows:

- “I think if something [a gambling activity] is legal, it’s registered with the [national] gambling board.”
- “Obviously, if you go to a casino, it would be an establishment that would be [well known], and you would [have knowledge] about it.”
- “If there’s a new site that is not registered [or lacks credible information] anywhere, in my eyes, that’s illegal...”
- “They have a gambling license, and they also request your FICA documents in order to verify your account and your sources of income.”

Participants explained how they verified whether a website for online gambling was legitimate. Some responses said that they looked for a licence number and the provincial licensing authority that an operator had, while others relied on informal signs such as being well-known or advertising frequently to assess whether certain activities were lawful. Some responses indicated that difficulty in withdrawing winnings influenced their judgments. Some respondents’ direct responses were as follows:

- “So, that is the first thing I basically look at — whether they’ve got the gambling license in the country or if it’s a site that’s locally based.”
- “Do they have a gambling license in the province where they’re situated or in the provinces where they have participants?”
- “To be honest, I don’t even check on that thing... sometimes it’s difficult for me to find out what is real or unreal.”
- “I’m on social media platforms, and when I see a lot of people commenting and saying positive things, then I go and double check just to be 100% sure of that platform.”
- “We’ve seen their advertisements...their advertisements come on national television, national radio stations, which means for sure they are legal.”

The respondents were of the view that illegal gambling usually happens in informal settings, especially when it comes to land-based modes. Their responses also revealed that they believe illegal gambling is linked to higher risks of losing money. Some of the exact words of the respondents were:

- “You just get a gut feeling that this is something illegal, and the possibility is that you could lose all your money.”
- “The illegal kasi [township] ones, which are like dice on the street corners or cards at someone’s house — I know all those are illegal.”
- “The ones that are going on in the streets here...”
- “No terms and conditions... that can also be dangerous.”

5.8 FACTORS THAT CONTRIBUTE TO GAMBLING LONGER OR MORE THAN PLANNED

Several gamblers admitted that they often overstayed or played for longer periods than they planned, particularly on online betting sites. The primary reason was the hope of winning more money or recovering previous losses. In some instances, sports betting gamblers indicated that the desire to win additional funds diverted their attention from the sporting activities themselves. The respondents’ verbatim responses were expressed as follows:

- “it’s a little bit of greed.”
- “OK, so you’re not always constantly focused on the game itself, but sometimes you might move between games trying to see where you can sort of increase your winnings”.
- “She [a friend] was chasing to win it [bets lost] back, to win it back to a point where she couldn’t even pay her rent”.

Participants explained the reasons why they gambled beyond their planned time periods and days. Advertising, particularly targeted promotions and bonus offers, often tempted them to

gamble when they had not planned to do so, or against their own intended behaviour and weekly budgets. The participants' answers were stated as follows:

- "When they email you [operators],... they randomly give you 100% of your deposit, or 25 free spins, or something like that...then you're like, let me try."
- "Yoh, they drive me crazy. You know, if I get an email or SMS now, I go crazy."
- "There's a game on [TV network channel] that is called [name of show] Uh, that game motivates me to gamble more because I see a lot of people winning."
- "[Operator's name] advert on social media where there's a sign-up bonus, you get a bonus and then you get free spins."

Participants also reported that unexpected family expenses led them to gamble for longer than planned, in an effort to secure quick cash. One respondent stated the following:

- "In my family, I'm the eldest, so we are seven kids. We need money ...for clothing and stuff..., what is my quickest way to make cash?"

5.9 THE IMPACT OF SOCIAL MEDIA

The expansion of online gambling has contributed to the creation of WhatsApp, Facebook, and Twitter groups where punters exchange information about gambling games, betting tips, and betting codes. Some of the respondents' verbatim responses were as follows:

- "They share betting tips...They share betting codes, those who play sports... then they also post times where like this is the time that I normally play this game. This game might be hot this time, and if you are playing and the game is hot, you can just take it to the group."
- "We share betting tips and if you win, you post your winnings, and strategies of how we won."

Respondents were asked to elaborate on how posts about large winnings affected their behaviours. They indicated that such posts increased their desire to gamble and, in some instances, led to irresponsible gambling practices. A respondent expressed the following:

- "I just left one WhatsApp group because it puts you under a lot of pressure...Let's say you don't have money to buy the voucher and you can see people are busy posting "I'm winning"... but at that time you don't have anything [to bet] ...You only have R100 for the week. What are you going to do with that R100? "

Gambling community groups also influenced punters to take greater risks, as they had less time to reflect and think before acting, due to the belief that certain games had higher pay-outs

at particular times when the game was "hot". Some punters said that they were certain of winning on specific games. Examples of their responses include:

- "So, it does put a lot of pressure on people to go immediately and try [gamble] because you've been told someone just won [R2 000] right now on this game that's hot, we call it hot."

Respondents further indicated that posts on social media tend to focus predominantly on positive outcomes, reinforcing the perception of guaranteed wins, which is particularly concerning for individuals vulnerable to irresponsible gambling behaviour.

5.10 UNDER-AGE GAMBLING

Both gamblers and non-gamblers were aware of under-age gambling among their relatives, friends, and other community members. They also demonstrated an understanding of the types of gambling activities in which under-age individuals participated.

Some participants mentioned that they knew of under-age family members in their households who had previously used the identification documents and banking details of other relatives to gamble online. This suggests that under-age gambling occurred even in legal forms of gambling that required formal identity verification, such as online betting websites. The respondents' exact words were as follows:

- "He [the relative] uses his father's ID and created some betting account...he uses it to gamble."
- "I know someone who uses this ID and the bank account".

Participants who reported knowledge of minors who gambled said that these minors participated in illegal forms of gambling, especially dice games and informal slot machine games. Such activities often occurred on school premises or spaza shops. In some cases, illegal gambling by minors led to theft to fund gambling. The respondents' precise responses were as follows:

- "So, the child today will win maybe R20, and tomorrow lose 10 Rand..."
- "I know there's an incident where parents from one street went to break that machine [cherry-slot machine at a spaza shop] because they said kids were stealing money in their houses to go play that machine."
- "Kids are always playing those slots."
- "I do know a certain group of kids...there's a school around my area...So during the break time, they gather at the corner and then they play".
- "They just play dice in our area."

One adult participant reported that exposure to gambling during childhood influenced their decisions to gamble as an

adult, as they perceived it to be a simple way to earn money. The respondents' exact words were stated as follows:

- “Personally, I was introduced to gambling by my dad, although he wasn't doing it directly, but it was how he was able to maintain his family through it. For me, I only saw the positive side of it, not knowing the underlying things... So after he was gone [passed on] ... it was already plugged in my mind that if you're looking for a way to make money, gambling can be that way.”

5.11 HARMS ASSOCIATED WITH GAMBLING

5.11.1 FINANCIAL PROBLEMS CAUSED BY GAMBLING

Most gambling-related harm is associated with irresponsible spending, such as displaced spending and over-indebtedness. Gamblers admitted to using money intended for household necessities, such as clothing and food. This displaced expenditure often resulted in a sense of regret and uneasiness among gamblers. They indicated that gambling-related irresponsible spending caused friction within the household and, in some instances in neglect of household responsibilities. Some participants' verbatim responses were expressed as follows:

- “The financial problems — you can get into debt, sometimes deeply, because you want money to buy vouchers so that you can make more money with the hope of winning.”
- “They [gamblers] lose the whole of R10 000.”
- “They [gamblers] go and borrow from relatives, citing a certain challenge they [gambler] are facing that they need to resolve... it's because of the urge to continue gambling, and at the end of the day, they are not able to pay back that money ...now they start not talking to each other.”
- “My wife is the main breadwinner...So I don't bring in most of the money, which creates a little bit of tension and unnecessary pressure on her.”

High-risk betting habits, especially with salaries or wages is very problematic. Some gamblers use large portions of their salaries to place bets. It was noted that this kind of irresponsible behaviour often occurs on paydays, when punters do not go home after receiving their salaries but instead go to gambling facilities. Some participants' verbatim responses were expressed as follows:

- “One guy collapsed at work, and we found out that he spent all his money on [game name] trying to win big..., and it was his salary.”
- “I do have someone... [She] didn't even go home after receiving her salary. She went straight to gambling [and lost] ...the whole of her salary.”

Some gamblers indicated that they budget a certain percentage of their wages for gambling activities as a means of encouraging responsible gambling practices, but admitted that, in some instances, their targeted gambling-related expenditure was exceeded. The participants' verbatim responses were expressed as follows:

- “Usually, when I get paid, I track 20% of my salary and deposit it into my account [designated for gambling activities] so that it can last me for the whole month”.
- “We've been close to 50%, trying to bet with a bigger amount to get more profits.”

5.11.2 HEALTH PROBLEMS CAUSED BY GAMBLING

Many health issues related to gambling are mainly linked to stress and depression. Most gamblers reported frequently experiencing stress due to gambling losses. In some cases, the stress levels could be so overwhelming that they result in death by suicide. Some participants' exact words were as follows:

- “Some people even become suicidal... because of their problems, they run to gambling, then they lose and become suicidal, fall into depression...start stealing to gamble... start lending money that they don't have to gamble and that type of stuff.”
- “I think it's a bad habit, and if it gets out of control, it leaves you in a lot of stress and unnecessary debt.”
- “It can lead to an addiction that can cause mental issues, like depression.”

5.11.3 STUDENTS

Gambling can negatively affect students' academic achievement and mental well-being. Participants reported that gambling disrupted their studies in various ways. One participant mentioned using university-provided resources for online learning to gamble online, while others said that gambling outcomes affected their attention, overall mood, and led to missed deadlines and poor planning for academic activities. Students indicated that these effects were more severe during the COVID-19 lockdowns, as they had more free time and sometimes more income from their study allowances. Some participants' exact words were as follows:

- “We used to get data allowance since we were studying from home. Instead of using it to study and attend my online classes, I used it to play a lot of live games.”
- “[Gambling] literally destroyed my mood and my desire to write my assignment and study on that day.”
- “Watching a sport, watching a sports game instead of studying [because I had placed a bet].”
- “I guess gambling is one way of trying to, like, expand whatever it is that I get on a monthly basis, which is already not enough.”
- “The plan is to use it on those things [buying essentials], but most of the time it always ends up back in the betting company.”
- “Even if I withdraw it, I put it back hoping that I’ll get more. So, yeah, sometimes if it’s a big win, I will withdraw it and it helps me with my expenses, but if it’s low, I put it back hoping for more.”

5.11.4 THE WORKPLACE

For some participants, gambling had an impact on their work lives, such as attendance and professional image. Workplace groups can influence gambling patterns and behaviours. Gambling-related debt can also interfere with work relationships. Some participants’ direct quotes were as follows:

- “I am coming from work with a colleague, and suddenly the colleague shows you how much money they’ve made.”
- “You end up not being able to pay for the things you were supposed to pay for [presumably debt to coworkers], and you are also not able to interact with your colleagues as you should.”
- “I do have someone...[She] didn’t even go home after she got her salary. She went straight to gambling [and lost]... the whole of her salary.”

5.12 SOURCES OF MONEY USED TO PARTICIPATE IN GAMBLING

The gamblers came from different backgrounds and socio-economic levels, and they mentioned various ways in which they obtained money to gamble. These included salaries and wages for those who were employed, as well as other sources such as pocket money and social support grants for those who were not economically active.

5.13 THE USE OF WINNINGS FROM GAMBLING

The use of winnings from gambling appeared to be one of the most interesting themes discussed with gamblers, as it evoked positive responses among participants. The usage of winnings from gambling among participants from poor backgrounds indicated that they normally spent their winnings on basic household necessities such as groceries, clothes, and children’s needs, including savings. Some participants indicated that they had lost their winnings through further gambling. Some participants’ verbatim responses were as follows:

- “For me, it’s [gambling] a temporary solution just to cover my expenses for bread at home or milk or something at home. If it’s more than that, I can pay a bill at least.”

More frequent gamblers indicated that they used gambling as a means of supplementing their incomes. Gamblers stated that they relied on gambling to supplement their incomes during periods when they had encountered financial constraints or limited earning opportunities, such as COVID-19 lockdowns and periods of unemployment. Some participants’ verbatim responses were as follows:

- “It helped me to supplement my income because I wasn’t working full time...So, it helped me to supplement my income.”
- “I was earning less during the [COVID-19 lockdown]...so that caused me to look for more gambling sites in order to supplement the money.”
- “Yeah, I know that there were those people who used to make a living out of gambling.”

Some participants reported that winnings could be spent on extravagant items. Participants said that when they had big wins, they would splurge on things that were usually beyond their budget, such as a new car, home improvements or treats for themselves in the middle of the month. Some responses also included giving back to their communities. Some of the participants’ exact words were:

- “I buy shoes...I know the things that I love... Usually I don’t spend it on food.”
- “I bought a car after saving [funds from gambling] for like five months.”
- “At my house ...I’m busy building rooms [for rental income], so the money that I win, I save it and then I do something big with it.”
- “I bought a laptop. Sometimes I buy shoes and clothes”.
- “If I win small money, I usually take it out and go treat myself, go out, party, or go to a restaurant.”

Some participants indicated that they would use funds won through gambling related activities to fund further gambling. They noted that such activities had, in the past, led to compulsive patterns of gambling. Some participants’ verbatim responses were as follows:

- “I would sometimes, for example, if I have like R200 in the account...I’ll be like, OK, I’m only going to play until the R200 is finished...you play and you win some, and then you don’t stop because you want to win more, and then you end up losing the R200 and also the other extras that you had won...that happened to me like once or twice.”

5.14 SUPPLEMENTING OF INCOME AND CHOICE OF GAMBLING MODES

Participants were asked to report what types of gambling they would engage in for fun. Participants said that they would prefer more social activities, such as a bingo night at a bar or restaurant, or a visit to a casino or slot venue. This implies that land-based gambling modes that involve some level of social interaction may be more enjoyable than online-based modes. Some participants’ verbatim responses were as follows:

- “Bowling at clubs, they also have that, and they will have, like, a fun bingo night.”
- “I have fun with the with the slots, because I mean there, you don’t literally play that much.”
- “So, your family might go to the restaurant, or they might go to activities around there.”
- “When you go to the casino — ‘cause with the casino, the environment, it’s always nice and interesting.”

Participants who said that they did not play any games for fun were usually people who played online games without social interaction with others outside of social media groups. Some participants’ verbatim responses were as follows:

- “There’s no fun.”
- “I am here to make money.”

Participants were asked to report on the games that they thought gave them the best chances of making money. These games were mostly online games that seemed to involve little or no skill to play. Participants also said that they liked playing these games and that they expected to always win something from them. However, participants believed that certain strategies, such as tips from social media groups and playing the game at specific times of the day or night, increased their odds of winning. These games typically required punters to pay a low amount for a bet or a spin and were accessible on legal websites registered in South Africa. Some of the participants’ responses were as follows:

- “I know, like, I’m on my last buck [Rands] and I maybe could get something...”
- “I used to love [the game]...I used to withdraw, like, every day like, multiple times...”

- “You can never be broke with these two games.”
- “There’s two that I know that if I play, the other one is not coming through for me, [so] I can rely on the other one.”
- “I’ve had good luck with both of the games. There’s never a time when I try to play and I don’t win something, even if it’s R200.”
- “Usually, it would give me a win, and then if it gives me a win, then I know that around 1-2 ish- [am] I go to the other one, and then I get a much bigger win from that.”

5.15 THE IMPACT OF HIGH UNEMPLOYMENT LEVELS ON GAMBLING

Gamblers appeared to regard unemployment as one of the major drivers of gambling. Participants indicated that, in some instances, gambling had become the main source of income for urban unemployed individuals. Some participants’ verbatim responses were as follows:

- “When I lost my job...whatever little money that I had, I would just go and make a bet and see if I could get something.”
- “In the township, a lot of people, a lot of young guys, their only job is to wake up and go to [operators’ facilities].... They stay there the whole day, come back, and do it again tomorrow, and another day, and another day... that is their job.”
- “I used to be a casual gambler, but after it I lost my job...I began gambling each and every weekend...”

However, gamblers indicated that being unemployed or losing their jobs had varying effects, depending on the impact of job loss and socio-demographic factors such as the risk profile of the gamblers. In some cases, gamblers who indicated that they had been adversely affected by unemployment reported that gambling became their main source of income, whilst others who were less adversely affected and had higher risk awareness reduced their expenditure on gambling. Some participants’ verbatim responses were as follows:

- “I used gambling as my second income...that was before COVID-19. [After I became unemployed], and I was generating income from betting...I never asked my parents or my brothers to help me with rent money or money for food.”
- “So, for me, I slowed down because I didn’t have a stable income, and so I just felt like I didn’t have extra funds to waste, and I had to decide if I wanted to eat or if I wanted to hopefully win more...and I decided, no, I want to eat.”

5.16 ADEQUACY OF THE CURRENT NUMBER OF GAMBLING FACILITIES

In terms of the number of gambling facilities that are accessible in South Africa, respondents indicated that there are sufficient gambling facilities across various areas of the country. Some respondents mentioned that there are even gambling facilities located near their places of residence. Some participants' verbatim responses were as follows:

- "Definitely enough [gambling facilities], I'm close to a [gambling facility] and that's the closest one..."
- "I think there are more than enough gambling facilities, and what one perhaps will need to do to determine whether there is still room for additional gambling facilities is to do a proper study into the economic multiplier effect of the current or existing gambling facilities."
- "Actually, we go to the casino because it's not far away."

However, respondents also mentioned that even though they may not live close to facilities primarily used for gambling, there are still venues such as restaurants, bars, or malls that offer various gambling activities.

- "I think a few restaurants have these little online slot machines [and other gambling activities]..."
- "There's a [gambling operator], and there's also a mall with the casino that has different kinds of games..."

5.17 PROBLEM GAMBLING AND PERCEPTIONS

5.17.1 STIGMATISATION

One of the main themes that emerged from the focus group discussions was stigma and non-disclosure among gamblers. Some participants felt ashamed or embarrassed by their gambling behaviour and did not want to share it with their family, friends, or healthcare workers, as they feared being judged. However, others reported feeling comfortable talking to their siblings or close relatives who were supportive or also engaged in gambling. This suggests that, in some households, gambling has been somewhat normalised.

- "Uh, most of the time I don't tell anyone actually, like in from here."
- "I'm open with everyone, even my cousins, my distant relatives, because I think in my family most of us like to bet on soccer."
- "I'm closer to my sister, so I know that if I say something to her, like something I can get off my chest to feel stress relief about it, she can comfort me... I feel much better that way than speaking to my parents, because if they found out, they'd think I quit gambling when I was like 18."

5.17.2 ILLEGAL GAMBLING

In discussion within legal operators, it was indicated that many problem gamblers engage with illegal establishments. In focus groups with problem gamblers, however, most participants indicated that they had never participated in illegal gambling. One participant mentioned engaging in illegal gambling by playing cards, dice games, and online games not registered in South Africa, explaining that this behaviour was mainly driven by environmental factors such as his location. Participants' direct responses were as follows:

- "[I played] a dice game and then I think I did it about four times and then I had to change location...then I stopped."
- "I found one [online gambling site]...the thing is, it was easy for me to join. Number two, they gave me a bonus for joining, and it was a lot of money."
- "It was easy to win. And then that's when I started to realise this may not be legit."

One participant indicated that they engaged in illegal gambling while in high school but did not continue at a later stage in life. This suggests that, at the very least, illegal gambling can act as a catalyst for starting gambling behaviour but may not necessarily be the sole cause of problem gambling.

5.17.3 FACTORS CONTRIBUTING TO PROBLEM GAMBLING

A variety of factors were identified as contributing to the development of problem gambling.

A. EARLY EXPOSURE TO GAMBLING

Being exposed to gambling at a young age was identified as a significant factor contributing to continued gambling in adulthood. One participant indicated that they started gambling while in high school and later identified as a problem gambler. This suggests that early exposure to gambling negatively affects risk perception among young people.

B. GAMBLING AS A COPING MECHANISM

Some participants indicated that traumatic experiences, such as the loss of a loved one, created a psychological dependency on gambling. Such dependency can distort individuals' perceptions of risk and reward, leading to financial loss and further psychological harm.

5.18 SELF-EXCLUSIONS AND RESPONSIBLE GAMBLING

Participants were asked to share their thoughts on the use of self-exclusion programmes and responsible gambling tools available to assist with problem gambling. Such tools typically allow punters to set limits on deposits and playing time. When a customer exceeds these limits, they are temporarily blocked from gambling on the online platform. Most participants stated that they were not aware of self-exclusion features being offered on online betting sites or found them not easily noticeable. Some participants' direct responses were as follows:

- "I didn't even know there was anything available like that."
- "No, it's my first time hearing of this ...it should be visible."
- "No, not on any site that I've used since I started gambling."

Some punters showed some basic understanding of self-exclusion programmes. Participants' verbatim responses were as follows:

- "Yeah, I'm just aware of one of the things that you made... that one [that informs you] that you won't be able to play."

One gambler reported learning about responsible gambling tools only after requesting to self-exclude due to excessive gambling. The gambler said that when they asked to close their account, the operator persuaded them not to, instead suggesting self-management tools. The gambler's exact words were:

- "I've had an experience with them [tools used to limit deposits and time] only after I requested that my account gets closed due to excessive gambling..."
- "They brought their suggestion, telling me you can set limits so that when you reach this limit, it tells you to take your break or whatever. But those things, before, I was never aware of."

Methods of promoting responsible gambling on websites are not mandatory. Punters stated that tools allowing them to set personal limits on time and money spent would be beneficial. A participants' exact words were as follows:

- "It should give us the opportunity to choose because then at least we can't say we gambled all our money away ..."

One participant reported having used tools that enabled them to set limits on time and money spent:

- "Yeah, it's the sort of things where, when you've played for more hours, it will tell you to take a break."

5.19 PREFERRED MODES/TYPES OF GAMBLING

Respondents indicated various types and modes of gambling that they preferred over others. However, it is evident that the most common forms related to online gambling websites and platforms. Some participants' verbatim responses were expressed as follows:

- "I engage in many games like the first card and another one. I also play the horses. I bet on the horses and other games."
- "It's casino games, but I also mostly play [online betting games]."

Hence, in terms of the various gambling platforms, the main modes that respondents reported engaging in most frequently, were sports betting and online betting.

- "OK, my top three would be sports betting. You know, it's very tricky, but it's the thing and live games. And lottery."
- "Yeah, it's normally the [online gambling platform] and then there was some other online thing that, that we use on [online gambling website]."
- "Yes, sports betting from sites like [online gambling platform], but there's also the online casinos like [online gambling platform], as well as slots within those sports betting sites like your [various online gambling games]."

Respondents indicated that the convenience of online gambling outweighed their willingness to travel to physical gambling facilities.

- "Yes, I think online was one that I done a lot. And then sometimes lottery, but I don't really take the time to go out to casino."

Therefore, the preference for online gambling over traditional, in-person gambling facilities stems primarily from the convenience it offers. Furthermore, online platforms often provide attractive bonuses, promotions, and loyalty programmes, which further incentivise players to choose the online option over traditional operators.

5.20 EASE OF ACCESS TO CASH FOR ONLINE GAMBLING

The respondents indicated that it is very easy to access cash for online gambling activities, as they use their banking applications to deposit and withdraw money instantly. Some participants' verbatim responses were expressed as follows:

- “Outside the same because I can just use my bank app to recharge actually because I’m also using online to bet, so it’s very easy like I can do it anytime when I have money on my bank.”
- “As for me, I’m also betting online so it’s very convenient if I want to deposit money to place a bet I can do it from my bank, from my bank account and the money will be deposited almost immediately.”

Respondents also mentioned the numerous ATMs that are accessible near the various gambling facilities that they frequent.

- “So, I’ve noticed that there are ATMs conveniently located near the place where, where, where they place their bids.”
- “Yeah, I also believe that ATMs are easily accessible [near the gambling facilities].”

Hence, respondents stated that the accessibility of cash makes gambling more convenient and tempting, as they do not have to worry about lacking immediate access to funds.

5.21 AWARENESS OF PROBLEM GAMBLING IN SOUTH AFRICA

Respondents agreed that there is insufficient awareness and support for individuals struggling with gambling addiction. They indicated that gambling activities are more heavily promoted than rehabilitation efforts, and that there are few or no advertisements or centres offering support for problem gamblers.

5.21.1 COUNSELLING AND EDUCATION ACCESSIBLE TO PROBLEM GAMBLERS

Participants did not mention any counselling or educational services that they had accessed to address their gambling issues. Some participants’ verbatim responses were expressed as follows:

- “I’ve never seen an advert about gambling [counselling/ rehab centres].”
- “But when it comes to advertising gambling, there’s more [advertising of gambling sites rather than help for problem gambling]. There’s no help.”

Hence, respondents indicated that there is a lack of awareness and accessibility of support services for problem gamblers. They further expressed that they do not know where to seek assistance or whom to approach for help, and they do not trust gambling companies to provide honest or useful information.

5.21.2 FACTORS THAT COULD HELP PREVENT OR REDUCE PROBLEM GAMBLING

The respondents implied that counselling and educational interventions could be beneficial for individuals struggling with gambling addiction. Some participants’ verbatim responses were expressed as follows:

- “For people that have problem gambling, so even in adverts [rehab centres/help] can be advertised, like on the radio for example...”
- “I feel like there should be more awareness [in terms of rehab centres etc.] raised on people struggling with gambling.”

However, respondents noted that most online gambling platforms include helplines for problem gamblers, although these are often not prominently displayed. The respondent’s exact words were:

- “Although it’s at the bottom, like of the of the site, when you scroll down, there’s always a number which you can contact.”
- “Even with the adverts, it’s always at the end and it’s more of like an addition, yes, but it’s not really much highlighted.”

Therefore, the respondents suggested that they would like to learn more about the risks and consequences of gambling, as well as strategies to manage their finances and emotions effectively. They also expressed a desire for increased visibility of adverts, billboards and campaigns that promote awareness and offer assistance for problem gambling.

5.22 PREVALENCE OF PROBLEM GAMBLING

Experts consulted reported a significant increase in the number of problem gamblers requiring inpatient treatment—from approximately one person per quarter before COVID-19 to eight people in the most recent quarter. The experts’ exact words were:

- “We’ve seen a great increase [in problem gambling] compared to before the time of COVID; we’ve really seen a great increase in terms of sending clients to psychiatrists...”
- “Just to expand, we’ve seen a significant increase [in problem gambling] during COVID-19 [however] the admission rate was very low. So, which means that there are more and more people that are exhibiting symptoms of severe problematic gambling.”

Hence, this indicates that the prevalence and severity of problem gambling have worsened following the impact of COVID-19, suggesting that many individuals may be suffering in silence.

5.23 THE EFFECTS OF COVID-19

The interviewees highlighted how the COVID-19 pandemic affected their gambling behaviour, including shifts to online platforms, reduced visits to physical gambling venues, and changes in spending habits. They also discussed how the pandemic influenced their motivations and emotions related to gambling. The COVID-19 pandemic had a notable impact on the online gambling habits of many individuals. Some gamblers reported that their behaviour remained unchanged, particularly those who had already been gambling online before the pandemic. Others were affected by the suspension of sporting events and the increase in free time and online access. Many people switched to online gambling during lockdowns, with some even using it as a source of income after job losses.

Some participants' verbatim responses were expressed as follows:

- "I've always been involved in online gambling, like even before COVID-19, so I'm not aware how it could have changed it."
- "I can say that it did affect me."
- "Umm, first of all, when during COVID-19, everything stopped—sports, basketball, tennis, rugby, everything stopped... and with that, when everything stopped..."
- "So, most people were gambling online [during lockdown], even those who were going to [operator name] offices... most of them moved online. I can just make an example with my friends; ... I was the one who was teaching them how to bet online."
- "Yeah, I think because COVID-19 created most of the free time and by having free time, you're getting exposed to the internet, you're getting exposed to television where the advertisements just increased from these different betting companies".
- "I would say that with people losing their jobs during the COVID-19 period, they were not able to earn an income and so they were not able to finance their gambling habits. But those who were able to would end up losing money and not being able to pay for things".
- "I used to gamble as my second income, but that was before COVID-19...[I became] unemployed and I was generating income from betting. I never asked my parents or my brothers to help me with rent money or money for food."

Non-gamblers indicated that COVID-19 had not altered their attitudes or desire to engage in gambling:

- "I think for me, I did not even think about it because I am, umm, very much scared of gambling. Umm it would be easy for me to get addicted or to get into gambling that much... I love money too much [suggesting they did not want to lose money gambling]."
- "Pre-COVID and post-COVID, my behaviour hasn't changed at all in this regard."

Interestingly, one focus group was primarily composed of non-gamblers. However, one participant who claimed to be a non-gambler confessed to buying lottery tickets. The participant explained that gambling with small amounts of money occasionally did not constitute gambling in their view. The participants' exact words were as follows:

- "I think as far as gambling is concerned, my exposure to it and my experience of it has always been limited to purchasing the odd lottery ticket every now and then, but I'm not somebody who hangs around in casinos".

The interviewees did not explicitly discuss how COVID-19 affected their risk perceptions or gambling-related decision-making. However, they implied that the pandemic heightened their uncertainty and stress levels, which may have influenced their gambling behaviour.

5.24 PUBLIC INTERVENTIONS FOR GAMBLING

Participants were asked to what extent they would support public measures aimed at addressing problem gambling. The gamblers were presented with various options, such as restrictions on when and how gambling advertisements could be shown and were also invited to share their views on other potential interventions, including conducting affordability checks before betting and raising awareness of support services for problem gamblers, such as helplines and treatment centers, on national TV.

Participants expressed concern that measures assessing individuals' financial situations prior to gambling could be discriminatory, particularly for those who depend on gambling as a source of income to meet their basic needs, especially during times of financial hardship. They further argued that affordability-based regulation might unintentionally encourage illegal gambling activities. The participants' exact words were as follows:

- "I need to gamble so that I can get more money...[With] more regulations, people will always find a way to gamble because the money is just not enough."
- "I'm not sure if that's doable, but I think it can also help in a way, but people find a way to bypass all of these things."
- "I think it gives people hope to say that I can get out of this situation[poverity] through gambling."

Overall, participants were largely supportive of measures such as regulating gambling advertisements and promoting information about treatment and support services on national TV.

6. THE SCOPE OF PROBLEM GAMBLING IN SOUTH AFRICA



6.1 INTRODUCTION

Globally, the treatment of problem gambling has evolved from an approach focused primarily on individual responsibility to one framed within a broader public health systems perspective. Accordingly, comprehensive and evidence-based mapping of problem gambling is essential to quantify the issue and inform effective policy responses.

This chapter presents the findings of the national South African gambling study, concerning the prevalence and characteristics of problem gambling. It aims to identify the nature and extent of problem gambling, assess its impact on affected groups, and highlight the associated harms.

In South Africa, research into problem gambling has been ongoing since 2001, with limited earlier studies preceding that period. Problem gambling extends beyond individual behaviour and often impacts family and community wellbeing. Consequently, treatment approaches must address both the individual and their broader social context. Furthermore, previous studies have revealed a shortage of gambling rehabilitation facilities, particularly outside of major metropolitan areas.

6.2 BENCHMARKS AND INTERNATIONAL COMPARISONS

The 2023 Gambling Study was primarily conducted using contemporary ethnographic methods, including Computer Assisted Web Interviews (CAWI), supplemented by face-to-face interviews to enhance both participation rates and demographic representation. This modernised the methodology of the 2017 NGB study, which relied mainly on face-to-face and telephonic interviews. The use of online surveys helps mitigate response biases—especially social desirability bias—where respondents tend to give answers that portray them more favourably in the presence of interviewers.

Since gambling is a personal and sometimes sensitive topic, respondents may underreport their gambling habits, particularly problematic behaviour. In the South African context, this bias is evident in the differing prevalence rates observed between survey modes: 35% of gamblers surveyed online were classified as problem gamblers, compared with 23% of gamblers surveyed through face-to-face interviews.

Table 34: Effect of social desirability bias

	On-line (%)	In-person (%)
Problem gamblers	35	23

International markets such as Australia reported that almost half (46%) of Australians aged 18 and over who gamble were classified as being at-risk of, or already experiencing, gambling harm— including low, moderate, and high-risk Problem Gambling Severity Index (PGSI) (Australian Institute of Health and Welfare, 2023).

Although the overall gambling participation rate in South Africa aligns broadly with international trends, there has been a notable increase in the prevalence of problem gambling compared to the 2017 study. In that earlier study, only 5.8% of the sample were classified problem gamblers.

The growth in problem gambling prevalence is not without precedent in international research. For example, a 2023 study conducted by the Irish, Economic & Social Research Institute (ESRI) found that problem gambling had increased ten-fold since previous face-to-face study in 2019. The 2023 ESRI study, conducted anonymously online using indirect questioning techniques to reduce social desirability bias, revealed that although men and individuals with lower incomes tended to have higher levels of problem gambling, the gap between demographic groups had narrowed compared to previous studies.

6.3 INCIDENCE OF PROBLEM GAMBLING

Gambling is defined as the act of staking something of value in the hope of winning a prize when the outcome is uncertain. It may be undertaken for vice, entertainment or recreation. Recreational gambling is typically identified based on the perceived importance and enjoyment derived from the activity by the gambler, providing one or more of the following forms of gratification:

- Playing games.
- Fantasising about winning large sums of money.
- Experiencing a sense of risk or excitement.
- Participating in a stimulating environment.

Gambling becomes problematic when individuals:

- Gamble excessively, thereby causing significant harm to themselves and others.
- Are unable to control their gambling behaviour independently or without external assistance.

6.3.1 MEASURING PROBLEM GAMBLING

The PGSI is the standardised measure used to assess at-risk and problem gambling behaviour and has been consistently applied by the NGB in previous studies. The tool was developed based on research identifying the common signs and consequences of problematic gambling (Ferris & Wynne, 2001). The PGSI has become the industry standard, replacing the South Oaks Gambling Screen (SOGS), which was used in the earliest South African studies on problem gambling in 2001 (Collin & Barr, 2001).

The PGSI was developed from the Canadian Problem Gambling Inventory (CPGI) by the same team of researchers. While the CPGI was one of the first widely adopted instruments for assessing problem gambling in large-scale studies across Canada and other countries, it was later criticised for its length and complexity. The PGSI was designed in response to these limitations, offering a shorter more focused, and population-appropriate tool that is also sensitive to behavioural changes over time.

Research has confirmed the PGSI's reliability and validity as a measure of problem gambling. It effectively distinguishes between problem and non-problem gamblers and detects changes in gambling behaviour over time (Loo et al., 2012).

The PGSI categorises gamblers according to risk levels based on self-reported behaviours, as follows:

1. At no risk (non- problem gambler).
2. At low risk (some potential for problems).
3. At moderate risk (significant likelihood of gambling-related harm).
4. At high risk (problem gambler).

The nine PGSI statements used to calculate the index are as follows:

1. You bet more than you can really afford to lose.
2. In the past 12 months, you needed to gamble with larger amounts of money to achieve the same level of excitement.
3. When you lost money gambling, you went back another day to try a win back the money you lost.
4. You borrowed money or sold something to get money to gamble.
5. You felt that you might have a gambling problem.
6. Gambling caused health problems, including stress or anxiety.
7. People criticised your betting habits or told you that you had a gambling problem, regardless of whether you agreed.

8. You felt guilty about the way you gamble or what happens when you gamble.
9. You lied to family members or others to hide your gambling.

Each statement has four possible responses: "never," "sometimes," "most of the time," and "always," scored as 0, 1, 2 or 3 respectively. Each respondent's score is computed to produce an aggregate score ranging from 0 to 27. The aggregate scores are interpreted according to the following categories:

Table 35: PGSI score interpretation

PGSI Categories	PGSI Score	Statement
Non-problem gambler	0	No indication of problem gambling
Low level of problem	1-2	Low level of problems with few or no identified negative consequences
Moderate level of problems	3-7	Moderate level of problems with some negative consequences
Problem gambler	8+	Problem gambling with significant negative consequences and possible loss of control

6.3.2 INCIDENCE OF PROBLEM GAMBLING IN SOUTH AFRICA

The total number of gamblers who scored greater than eight on the PGSI was 891 out of a total sample of 2 893 respondents, resulting in a problem gambling prevalence rate of 31% among the gambling population, as presented in the table below. This represents a substantial increase compared to the 2017 national study, which recorded a prevalence of only 5.8%:

- 20% of gamblers were classified as non-problem gamblers.
- 20% exhibited a low level of problem gambling.
- 31% were classified as problem gamblers, while 29% were moderate-risk gamblers, scoring between 3-7, which places them at high risk of developing problem gambling behaviours.

Table 36: Incidence of problem gambling

PGSI Categories	PGSI Score	Gambler	
		Number	Percent (%)
Non-problem gambler	0	576	20
Low level of problem gambling	1-2	579	20
Moderate level of problem gambling	3-7	847	29
Problem gambler	8+	891	31
Total		2 893	100

The problem gambling incidence can also be considered in relation to the population (i.e. gamblers and non-gamblers). When measured in relation to the entire survey sample, the problem gambling incidence sits at 20% as shown in table 37.

Table 37: Problem gambling incidence in relation to survey sample

PGSI Categories	PGSI Score	Percent (%)
Non-problem gamblers	0	13
Low level of problem gambling	1-2	13
Moderate level of problem gambling	3-7	19
Problem gambler	8+	20



6.3.3 THE PROFILE OF PROBLEM GAMBLERS

Problem gamblers in South Africa can be characterised as follows:

- 55% were aged between 25-34 years.
- 52% were employed full time.
- 50% were female.
- 67% reported earnings below R9 000 per month, while 19% of problem gamblers reported having no household income at all.

Table 38: Profile of problem gamblers

Younger than 18 years	18-24 years	25-34 years	35-44 years	45-49 years	50-54 years	55-59 years	60-64 years	65+ years			Total
0%	13%	55%	22%	3%	4%	1%	1%	0			100
Employed full-time	Employed part-time	Self-employed	Unemployed	Retired	Student	Housewife/ husband					Total
52%	11%	9%	21%	2%	5%	0%					100
No income	Up to R2 999	R3 000- R3 699	R3 700- R4 499	R4 500- R5 599	R5 600- R8 999	R9 000- R14 499	R14 500- R17 999	R18 000- R27 499	R27 500- R39 999	More than R40 000	Total
19%	12%	6%	7%	9%	14	17	10	0	5	0	100
Male	Female										Total
50	50										100
Urban	Township	Rural	Peri-Urban								Total
37	42	19	2								100
Eastern Cape	Western Cape	Limpopo	Gauteng	KwaZulu Natal	Mpumalanga	Northern Cape	North-West	Free State			Total
4	7	9	41	19	5	2	4	9			100
No schooling	Up to Grade 9	Up to Grade 10	Up to Grade 11	Matric (grade 12)	Tertiary education - certificate/ diploma/ undergraduate	Tertiary education - post-graduate					Total
1	1	2	6	34	40	16					100

The 891 problem gamblers identified participated in a cumulative 2 522 modes of gambling. On average, this is three modes of gambling per problem gambler. Lucky draws (56%), National Lottery (55%), and betting on sports and other contingencies (online) (50%) were the most popular gambling modes for problem gamblers, as seen in the table below. As evident, problem gamblers tend towards Lucky draws, National Lottery and betting on sports and other contingencies (online). These are the most accessible gambling modes casually available and often serve as a gateway into modes that extract higher revenue from clients (Gainsbury et al., 2015).

Table 39: Preferred modes of gambling among problem gamblers

Mode	Percent (%)
Lucky draws	56
Scratch cards	39
National Lottery	55
Bingo (Traditional)	9
Bingo (Electronic)	10
Casino	37
LPM	10
Betting on sports and other contingencies (retail)	32
Betting on sports and other contingencies (online)	50
Betting on horse racing (retail)	14
Betting on horse racing (online)	18
Unlicensed/ illegal gambling	70

6.3.4 RESPONSES TO PGSI STATEMENTS

Table 40 shows the responses of problem gamblers to the nine questions posed to them in the PGSI.

Table 40: Responses to nine statements, PGSI

PGSI statement	Never (%)	Sometimes (%)	Most of the time (%)	Always (%)
Still thinking about the last 12 months, have you needed to gamble with larger amounts of money to get the same feeling of excitement?	42	40	12	4
When you gambled, did you go back another day to try to win back the money you lost?	49	30	13	6
Have you borrowed money or sold anything to obtain money to gamble?	35	36	17	11
Have you felt that you might have a problem with gambling?	70	18	8	3
Has gambling caused you any health problems, including stress or anxiety?	60	25	10	4
Have people criticised your betting or told you that you had a gambling problem, regardless of whether or not you thought it was true?	66	20	8	4
Has your gambling caused any financial problems for you or your household?	67	18	8	5
Have you felt guilty about the way you gamble or about what happens when you gamble?	66	21	8	4
Have you lied to family members or others to conceal the extent of your gambling?	52	30	10	6

The following questions received the highest number of “Always” responses:

1. Have you borrowed money or sold anything to get money to gamble? (11%).
2. Have you lied to family members or others to conceal the extent of your gambling? (6%).
3. When you gambled, did you go back another day to try to win back the money you lost? (6%).

The following question received the lowest number of “Always” responses:

1. Have you felt that you might have a problem with gambling? (3%).

In the 2017 national study, the statement regarding health, stress, and anxiety amongst problem gamblers received the highest number of “Always” responses, representing a significant divergence from the 2023 survey.

6.4 REHABILITATION PROGRAMMES FOR PROBLEM GAMBLERS

Of problem gamblers, 67% reported being aware of programmes to assist individuals with gambling problems, including rehabilitation programmes, toll-free helplines, and self-exclusion options, etc. This represents a substantial improvement from 46.4% recorded in 2017.

Table 41: Rehabilitation programmes for problem gamblers

Statement	Yes (%)	No (%)	Don't know (%)
Are you aware of measures to assist problem gamblers, such as rehabilitation programmes, toll-free helplines, self-exclusions options, etc.	67	26	7
Do you think that problem gamblers are at risk of becoming involved in other risky behaviours such as substance abuse?	70	20	9
Are you drawing money at an ATM close to a gambling venue while gambling at that venue to fund your gambling?	27	71	2

Only 14% of problem gamblers reported attending a rehabilitation programme. Promisingly, 95% of these respondents found the programme to be successful.

Table 42: Summary of gamblers that have found the rehabilitation successful/ not successful

Statement	Yes (%)	No (%)	Don't know (%)
I view the programme as very successful.	95	10	4
The programme helped me overcome my gambling problems.	91	17	3
I experienced barriers/ difficulties/ challenges during my participation in rehabilitation programmes.	75	29	7
The programme could be improved	83	20	6

6.5 PROBLEM GAMBLING INCIDENCE BY PROVINCE

The table below shows the problem gambling incidence by province for each PGSI category. The North West was found to have the highest incidence of problem gambling at 38% of all gamblers. The Eastern Cape had the lowest incidence at 19% of gamblers.

Table 43: Problem gambling incidence by province

PGSI Categories	PGSI Score	Gauteng	KZN	Limpopo	Mpumalanga	Western Cape	Eastern Cape	Free State	North West	Northern Cape
		Percent (%)								
Non-problem gamblers	0	16	30	20	26	26	33	18	20	24
Low level of problem gambling	1-2	21	19	26	14	20	14	19	15	21
Moderate level of problem gambling	3-7	30	22	25	30	28	34	26	27	28
Problem gambler	8+	33	29	29	30	26	19	37	38	27

The table below shows the problem gambling incidence in relation to the population (i.e. gamblers and non-gamblers) for each province. Taking the entire sample into account, the Western Cape (10%) had the lowest incidence while the Free State (27%) exhibited the highest problem gambling incidence.

Table 44: Provincial problem gambling incidence in relation to survey sample

PGSI Category	Gauteng	KZN	Limpopo	Mpumalanga	Western Cape	Eastern Cape	Free State	North West	Northern Cape
	Percent (%)								
Problem gambler	23	23	21	16	10	12	27	16	21

6.6 SUMMARY

The measurement of problem gambling was based on a self-assessment test consisting of nine questions based on the PGSI. The main findings of the problem gambling analysis are summarised below.

31% of gamblers were classified as problem gamblers, while 29% were moderate-risk gamblers, which places them at high risk of developing problem gambling behaviours.

The primary demographic characteristics of problem gamblers were as follows:

- 55% of problem gamblers were between the ages of 25 and 34 years of age.
- 52% of problem gamblers were employed on a full-time basis.
- 50% of problem gamblers were female.
- 42% of problem gamblers lived in townships.
- 41% of problem gamblers lived in Gauteng.
- The most preferred modes of gambling among problem gamblers were:
 - Lucky draws (56%)
 - National Lottery (55%)
 - Sports betting (50%)
- Only 14% of problem gamblers surveyed reported having attended a rehabilitation programme, with 95% of respondents indicating that the process was a success.



7. PROBLEM GAMBLING AS A PUBLIC HEALTH ISSUE



This chapter examines the issue of problem gambling in the context of Critical Frame Analysis (CFA), developed by Ukhova et al. (2024). CFA is a robust tool for evaluating policy documents and analysing how they shape the diagnosis, attribution of causality, prognosis, and proposed actions in public health. Additionally, the International Classification of Functioning, Disability, and Health (ICF) is employed to explore how problem gambling, as a manifestation of psychosocial and environmental factors, should not be viewed solely as a health or moral issue. Finally, the chapter considers the normalisation of gambling, the impacts of advertising, self-exclusion mechanisms, and online gambling, and evaluates policy responses based on interviews with experts from civil society, health professionals, and government.

7.1 CRITICAL FRAME ANALYSIS

CFA is a policy analysis method that uncovers how particular meanings of reality are constructed in policy documents and how they shape proposed actions. CFA focuses on establishing the diagnosis of a problem, the attribution of causality, the prognosis, and the call for action (Ukhova et al., 2024).

The first element of CFA requires a clear diagnosis of gambling-related harms. Chapter 5 demonstrated that gambling can cause various harms, including financial problems, health issues, and negative effects on academic achievement and mental well-being. Financial harms include irresponsible spending, diverted expenditure, excessive debt and the use of money intended for household necessities such as clothing and food. Health problems reported by punters were primarily stress and depression. Chapter 4 indicates that gambling participation has risen to a rate of 65.7%, which is significantly higher than previous national studies, which reported 30.6% in 2017, while problem gambling increased to 31% from 5.8% in 2017. This suggests that both gambling participation and the prevalence of problem gambling are growing.

The second stage of CFA is assigning causes. Chapter 5 showed that gambling has different causes, some of which are economic. In South Africa, economic hardship in some areas resulting from low economic growth was cited as a key contributor to higher levels of gambling, as punters resorted to gambling to cope with money problems. Gambling is particularly tempting for economically vulnerable groups.

Additionally, advertising has been found to have a significant impact on the acceptance of gambling as a normal, harmless, and legitimate activity. Advertising also changes people's attitudes such that they see gambling as a fun, pleasant, and carefree part of an entertainment lifestyle.

The focus group discussions indicated that the spread of online gambling and advertising of such products has led to mode substitution from land-based gambling modes to online-based modes. Further, it has increased the length of gambling events and triggered impulses to gamble among problem gamblers. Aid organisations interviewed called for an extension of responsible betting and responsible gambling messages in the main brand communications of operators, similar to what the alcohol industry has done. Aid organisations state that the current messaging regarding responsible gambling is not designed to be as eye-catching as the main advert and often does not include enough information about the services for gambling rehabilitation. Some stakeholders argued that public awareness campaigns should include stronger messages that warn the public of the dangers of problem gambling through large-scale advertising on the same mediums used by operators.

The prognosis stage seeks to identify what should be done to resolve the problem. Ukhova et al. (2024) propose an evaluation of gambling policy in its ability to address the harms of gambling and to provide adequate protections under a range of global best practice criteria. Ukhova et al. (2024) argue that in a panel of 33 jurisdictions, the legal frameworks tend to focus on individual controls, with very few countries enacting or outlining an extensive set of responsibilities for operators (Ukhova et al., 2024). South Africa's NGA was evaluated under the same framework in Table 45: NGA 7 of 2004- Critical Frame Analysis.

Table 45: National Gambling Act 7 of 2004 - Critical Frame Analysis

Prognosis measures	Type of change in legal gambling provision	Compliant
Individual frame	Self-exclusion	✓
	Informed choice	✓
	Information on treatment	✓
	Staff training	✓
	Voluntary limits	✗
	Proactive interventions with at-risk players	✗
	Funding for treatment	✓
	Treatment programmes and education for medical staff	✗
System Frame	Ban on underage gambling	✓
	Restricting advertisement and other forms of marketing	✓
	Mandatory player identification	✗
	No credit or bonuses	✓
	Restricting location of venues (and gambling outside of venue)	✓
	Restricting product design	✗
	Funding for prevention	✓
	Restricting the number of venues	✓
	Restrictions on ATMs	✓
	Data sharing for research	✓
	Restricting the number of EGMs	✓
	Mandatory limits	✗
	Product risk analysis	✗
	Restricting smoking and alcohol	✗
	Restricting gambling venue hours	✗
	Ban on turnover-based pay for staff	✗
	Restricting venue access to higher socioeconomic classes only	✗
Non-resident gambling only	✗	
Ambivalent	Reporting on harm prevention	✓
	Funding research	✓

Note: Funding for treatment based on voluntary contributions by operators

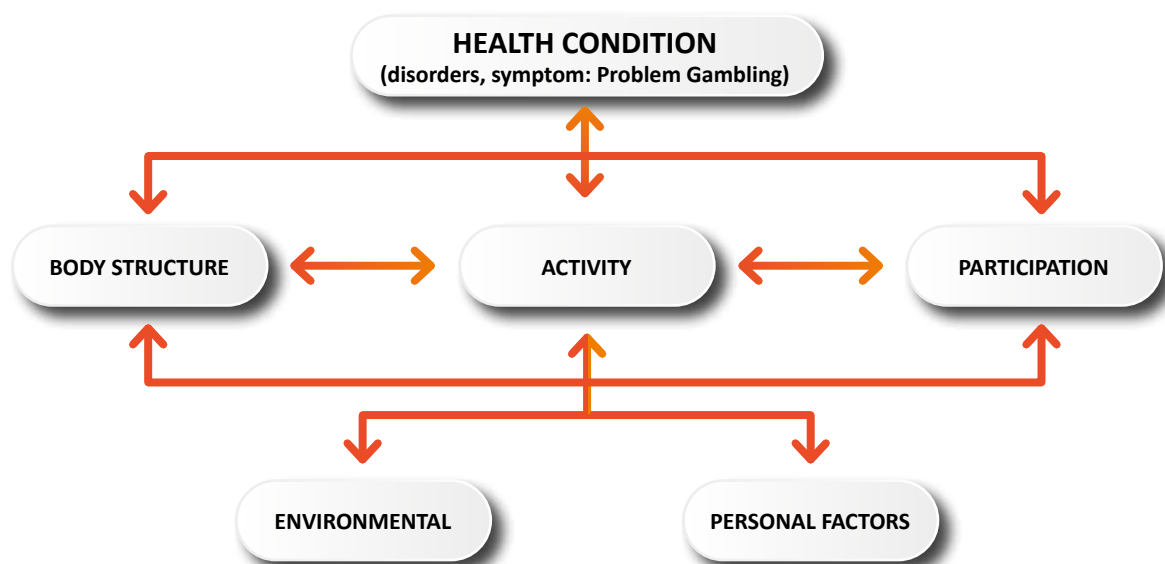
The results indicate that South Africa’s legislative framework is individual-centric (scoring 5/8 under the individual frame) and lacks key foundations of best practice from a system-based approach (scoring 9/18 for the systemic frame) to the issues causing problem gambling. Systemic approaches acknowledge that problem gambling is not a failure of personal responsibility but rather that there are several environmental and personal factors which lead to it.

Ukhova et al. (2024) argue that gambling needs a public health approach, as current policies are failing to address the problem. The authors argue that most gambling research and policies have been narrow and focused on individual interventions instead of broader, structural, and system-wide actions. Legislation that concentrates on individual measures limits the public health potential to reduce gambling-related harms. The authors note that when gambling is legal, providers and gamblers, as well as legislators and regulators who allow and oversee gambling, share the responsibility for preventing harm. In the next section, an assessment of a public health framework of problem gambling under the ICF is performed.

7.2 INTERNATIONAL CLASSIFICATION OF FUNCTIONING, DISABILITY, AND HEALTH (ICF)

Problem gambling has a widespread and enduring effect on the lives of individuals and their social networks, affecting many aspects of their well-being. Therefore, this assessment uses the main components of the ICF to explore problem gambling from a health-related perspective. The ICF framework adopts a biopsychosocial approach that considers both the medical and the social aspects of a person's functioning. It covers four components: body functions, body structures, activities and participation, and contextual factors.

Figure 32: ICF, adapted from (Garro et al., 2021)



The ICF is a framework developed by the World Health Organization (WHO) to describe the effects of health conditions on individuals in a holistic way. Although it is not designed for addictions, it is used here to demonstrate how problem gambling affects multiple components of life, both in terms of health and functioning. This assessment evaluates mental functioning, activities, and participation, where the health condition is the predisposing factor leading to problem gambling.

7.2.1 BODY FUNCTIONS AND STRUCTURE

Mental functioning (under Body Functions and Structure) assesses the functions of the brain: both global mental functions, such as awareness, motivation and vitality, and specific mental functions, such as memory, language, and arithmetic mental functions. However, in terms of problem gambling, quality-adjusted life year (QALY) impairment may be less severe compared to other more persistent conditions

(e.g. physical disability or illness) but seems primarily related to periods when problem gamblers are gambling or are triggered to gamble.

A. NEUROBIOLOGICAL DYSFUNCTION

Research suggests that problem gamblers may exhibit compulsive behaviour resulting from the impairment of reward and control systems in the brain. They may experience difficulty learning from mistakes and problems with impulse control. These effects may be persistent and could stem from comorbidities and socio-economic factors that lead to problem gambling.

Problem gamblers show reduced activity in the ventral region and elevated activity in the dorsal region of the brain⁸. The ventral region is responsible for processing rewards and pleasure, while the dorsal region is involved in sensory processing, spatial awareness, and attention. These activity differences suggest that problem gamblers have impaired risk/reward perception and cognitive control. Some authors argue that there is

8 Sinclair et al (2016) shows that when the reward and control systems of individuals is impaired, compulsive behaviours form, regardless of bio-psycho-social consequences and adverse effects; this rationality has informed the classification chemical addictions as a brain disease. There are some clear similarities between substance addiction and behavioural addictions, primarily regarding learning from mistakes and impulse control issues. Although the literature is inconclusive on this, it provides a basis to suggest that reward and control systems are impaired in both groups (Luijten et al., 2013), (Leeman & Potenza, 2014) finds that in the case of behavioural and substance addictions patients exhibit signs of neurobiological dysfunction.

cause for classifying problem gambling as a neurobiological disease⁹. However, debate persists as to whether its inclusion in International Classification of Diseases (ICD) classification is warranted, given its less persistent neurobiological effects, or whether problem gambling is a symptom of another mental health condition rather than the primary diagnosis.

Experts also state that although there are benefits in expanding the category of substance abuse to include problem gambling—such as patients benefiting from improved health outcomes—there are potential unintended negative consequences. More attention may be placed on individuals and less on the socio-economic and psychosocial conditions that give rise to problem gambling (Sinclair et al., 2016).

B. MENTAL HEALTH

The focus group discussions in Chapter 5 show that gambling can cause stress and depression, which may lead to suicidal ideation. 39% of problem gamblers indicated health problems, including stress or anxiety.

7.2.2 ACTIVITIES AND PARTICIPATION

A. INTERPERSONAL RELATIONSHIPS

Under the ICF, interpersonal relationships assess the ability to carry out the actions and tasks required for basic and complex interactions with others (strangers, friends, relatives, family members and partners) in a contextually and socially appropriate manner.

Focus groups (Chapter 5) indicate that problem gambling can negatively affect interpersonal relationships. It can cause financial problems such as debt, displaced spending, and over-indebtedness, as well as health problems such as stress, depression, and suicide. These issues can strain relationships with family, friends, and colleagues. Gamblers also report that gambling can negatively affect their studies, work, and family life.

In the 2023 National Survey, 31% of problem gamblers indicated that gambling caused financial problems for their households, with a further 46% admitting to having lied to family members about their gambling behaviours.

B. WORK AND EMPLOYMENT

According to the ICF framework, the employment pillar refers to an individual's capacity to seek, obtain and maintain employment. Focus group participants indicated that gambling sometimes led to negative workplace experiences, including poor attendance, a lack of professional image, and difficulty developing workplace relationships. In the 2023 National Survey, 28% of gamblers reported having gambled in the workplace. Gambling addiction appears to have a significant effect on the economic lives of gamblers, with 65% indicating that they had borrowed money or sold property to get money to gamble.

7.3 A PLAN OF ACTION

According to expert discussions, problem gambling is influenced by the ease and availability of gambling, the economic and cultural context, and the personal characteristics of the gamblers. It can harm the functioning and well-being of both gamblers and their families. Problem gambling is not a simple health or moral problem but a complex phenomenon requiring cooperation between sectors such as health, social development, education, and labour. Interventions should aim to prevent, identify, and manage problem gambling at multiple levels.

Experts in this study propose interventions aligned with WHO recommendations for reducing alcohol consumption, such as targeting price, accessibility, and advertising.

Price is one of the three prevention areas identified by WHO for reducing excessive alcohol use. Nel and Viviers (2015) suggests levying an excise tax on gambling tickets and chips sold. They argue that such taxes would not only apply to winnings but to all gamblers, discouraging excessive gambling and promoting fair treatment.

Experts also contend that the more accessible gambling is, the greater the prevalence of gambling will be. In the context of digitalisation, this includes restricting online access. Experts note that advertising encourages gambling and increases accessibility. Therefore, prohibiting advertising could reduce the promotion and normalisation of gambling, helping to address addiction.

⁹ According to experts, there is strong scientific evidence to consider problem gambling as a brain disease. (Sinclair et al., 2016) contend that in order to classify and understand addictions as a neurobiological disease, there must be a clear connection in the changes between the control and reward systems of individuals. Control mechanisms prevent harmful and risky behaviours and rewards can be seen as experiences "which improve things" (Hyman et al., 2006),

7.4 THE NORMALISATION OF GAMBLING AND ITS EFFECTS ON THE PREVALENCE OF PROBLEM GAMBLING

Moore and Ohtsuka (1999) maintain that high exposure to gambling advertising has made gambling appear normal, harmless, and reputable. Derevensky et al., (2007) claim that advertising portrays gambling as fun, stress-free entertainment, particularly influencing children. Similar findings show that young men perceive sports betting advertisements as targeting their lifestyles and identities, thereby normalising gambling participation (Deans et al., 2017).

The remainder of this chapter evaluates the current gambling environment and reinforces ideas presented in the CFA and ICF analyses

7.4.1 CHALLENGES AND EFFECTS OF ADVERTISING AND BRAND ASSOCIATION IN SOUTH AFRICA

Monaghan et al. (2008) suggest that advertising effectively promotes positive perceptions of a product or message. In a study of children aged 11 to 12, those exposed to alcohol advertising were 50% more likely to consume alcohol and 36% more likely to consider drinking than those less exposed.

They also argue that corporate sponsorships help operators to establish goodwill with the public associating potentially harmful behaviours with a positive images. In the case of children, this may weaken the effectiveness of health and awareness programmes.

Advertising regulators have received complaints about gambling advertising practices. In the case of [Operator] v [Complainant] lodged with the Advertising Regulatory Board (ARB), the advertiser engaged three prominent celebrities to post on X (formerly Twitter), promoting the operator:

- “The campaign features, inter alia, explanatory videos by three South African artists explaining how each R5 spent on buying a [mode] contributes towards winning payouts, covers the commission to retailers who sell the tickets, funds the [operator’s] operational costs, and supports various causes and organisations in South Africa.”

(Advertising Regulatory Board, unpublished).

However, the posts did not include a disclaimer indicating that they were sponsored. The ARB found that, although the celebrities merely retweeted the content, the public could confuse it with organic posts. Monaghan et al. (2008) add that celebrity endorsements create brand recognition and positive feelings towards advertised products. Among children and youth

who model their behaviour on role-models, such endorsements may normalise gambling and influence minors’ behaviours.

7.4.2 GAMBLING ADVERTISING IN SOUTH AFRICA

Legislation governing gambling advertising is set out in the NGA, which regulates the promotion of gambling activities and the granting of discounts by operators. Provincial gambling authorities are responsible for ensuring advertisements comply with both national and provincial legislation. Section 15 of the NGA states:

- (1) A person must not advertise or promote-
 - (a) any gambling activity-
 - i. in a false or misleading manner; or
 - ii. that is unlawful in terms of this Act or applicable provincial law; or a gambling activity, other than an amusement game, in a manner intended to target or attract minors.

Gambling authorities acknowledge that more must be done to reduce exposure to gambling related advertising, particularly among vulnerable individuals. Proposals have been made to limit advertising specific times, a common global practice. South Africa has similar laws regarding advertisements aimed at vulnerable audiences, though these primarily apply to television:

- “3(A). No person may advertise or cause to be advertised any gambling-related activity in the Republic, whether licensed or unlicensed, unless such activities are advertised between 20h00 and 06h00. Furthermore, such advertisements should not be broadcast between programmes where the expected audience is below the age of 18 years. (Refer to amendment of regulations regarding gambling advertising and exclusions register, 2012)”

However, the existing Act has not kept pace with the various digital media channels capable of promoting gambling products. The Act and its enforcement are limited regarding indirect advertising, digital print, online platforms and broadcasts of international sporting events displaying prominent gambling advertisements. Some provincial regulators note that, although they have powers to enact additional controls, doing so could disadvantage local operators competing nationally:

- “The disadvantage is that other bookmakers or operators throughout the country do not face such restrictions. Therefore, advertising and problem gambling must be addressed at a national level.”

7.4.3 MESSAGING OF GAMBLING ADVERTISING IN SOUTH AFRICA

SECTION 15 OF THE NATIONAL GAMBLING ACT STATES:

2) Any advertisement of a gambling machine or device, a gambling activity, or licensed premises at which gambling activities are available-

- a) must include a statement, in the prescribed manner and form, warning against the dangers of addictive and compulsive gambling; and
- b) must not include any element that directly or indirectly promotes or encourages the removal of a person from the register of excluded persons.

Aid organisations interviewed urged for a broader approach, calling for the main brand messages of the gambling industry to incorporate and promote responsible betting and responsible gambling—similar to the alcohol industry:

- “Not shying away from the extreme part of gambling and of betting but incorporating that into messaging because it may reduce problem gambling. It won’t take away the problem completely, but at least it will make punters aware of the risks associated with gambling.”

Aid organisations add that operators should include responsible gambling messaging in the core themes of advertisements. They claim that the current messaging is not designed to be as attention-grabbing as the main advert and often lacks sufficient information about available gambling rehabilitation services:

- “What we are trying to advocate for is taking it [responsible gambling messaging] a little step further. How many people actually read those terms and conditions at the bottom of advertisements? Usually, on radio advertisements,, they are read very quickly towards the end, so do South Africans really understand what that number—the National Responsible Gambling Foundation’s number—is for, and that if you overindulge, gambling can become addictive?”

Some stakeholders interviewed argued that public awareness campaigns should include stronger messaging that alerts the public to the risks of problem gambling, using large scale advertising through the same media platforms as gambling operators:

“Let’s start seeing ads that ask, ‘what do you know about the dangers of problem gambling?’ These ads should be as strong as those enticing people gamble. Maybe then, people will realise that gambling can be addictive—you can lose your family, home, and quite a lot of things.”

Some experts interviewed argued that advertising should be completely banned, as it encourages widespread gambling. They further argue that changing messages to encourage responsible

gambling may have unintended consequences. Responsible gambling messaging may give the impression that gambling is risk-free in moderation and can be done safely, disregarding the predisposition of some individuals to develop problem gambling. Experts argue that responsible gambling messaging still promotes gambling, albeit under the guise of responsibility.

7.4.4 GAMBLING AND ADVERTISING-RELATED TRIGGERS

A common theme identified in public focus groups was the issue of targeted direct advertising offering punters credit or bonuses on bets. Participants indicated that such marketing induced them to gamble more frequently, for longer periods, and to place higher bets. This type of marketing is particularly concerning in the case of problem gamblers, as research suggests they may have impaired risk/reward perception and cognitive control. Examples of such advertising include SMSs and emails:

“HAPPY BIRTHDAY! From [Operator]. Your account has been credited with R50. Deposit R100 or more before [expiry date]. Call in to claim your once-off voucher [contact details of operator].”

Section 15 of the NGA –“Restrictions on advertising and promotion of gambling activities and granting of discounts” —outlines the laws relating to advertising. This type of marketing requires further research to determine the effect of credit or “free bets” on gambler behaviour, and to assess the appropriateness of the current legislation.

7.5 AID ORGANISATIONS

7.5.1 SIGNIFICANT TRENDS IDENTIFIED BY ORGANISATIONS PROVIDING AID

According to the National Responsible Gambling Programme (NRGP), before COVID-19, most callers to the NRGP treatment line were middle-aged individuals aged 35 to 55. Their main gambling choices were casinos, followed by LPMs and bingo, which were the top three modes before COVID-19.

In the post-COVID environment, the NRGP treatment line has seen a growing number of people in their 20s (Generation Z) seeking help. These individuals prefer to gamble online, particularly on sports. Conversely, calls for treatment from casino, bingo, and LPM gamblers have generally decreased. These trends reflect the changes in GGR contributions by mode.

- “There has definitely been a shift, and our numbers also agree with the industry growth figures that the NGB is reporting.”

Aid organisations point out that changes in operators' messaging and advertising have led to more youth-oriented game development and communication:

- “You can also see that online operators are operating in a very youthful space and using youthful media platforms, because that's their target market— the youth. So, we are seeing a younger face among gamblers and, indirectly, among those who become problem gamblers.”

7.5.2 SOCIETAL GAMBLING RELATED HARMS

A. CHILDREN AND YOUTH

Aid organisations cite neglect—particularly financial neglect—as a common impact of gambling on children's lives. Parents with problematic gambling habits often fail to meet financial obligations, including the educational needs of their children:

- “We see a lot of neglect, and when we talk of neglect, it's financial neglect—failing to pay school fees or buy stationary. Some parents struggle to cover these costs and end up taking bank loans or even visiting loan sharks, which then contributes to the stress level within the household”.

Gambling addiction also affects the overall stability of the family environment and various aspects of children's well-being, such as mental health, social development, and academic performance.

According to aid organisations' research, school-going youth are aware of gambling and often encounter it. They cite peer pressure, poverty, access to illegal gambling, exposure to gambling advertisements, and social normalisation of such behaviours as key factors influencing underage gambling. Children can recognise gambling and betting brands and describe gambling advertisements they have seen on platforms such as sports sponsorships, influencer marketing, the internet, and social media.

- “These learners are fully aware of online gambling games, and they know some of them by name. [Online game name] is quite a popular one that learners mention.”

Children engage in illegal forms of gambling such as cherry slots, Fafi, dice, cards, and ludo, which are prevalent in communities and schools. In some cases, children are sent by their parents to place bets on illegal gambling activities.

The South African Responsible Gambling Foundation (SARGF) launched the National Schools Programme in 2008 as part of the National Responsible Gambling Programme (NRGP), following the NGA of 2004. The Act requires that minors and other vulnerable people be protected from the harmful effects of gambling and that the public be educated about its risks and

socio-economic impacts. The “Taking Risks Wisely” courses for Grades 7-9 and Grades 10-12 are integrated into the Life Orientation curriculum in schools. Additional resources for teachers and learners are available on the SARGF website.

B. THE FAMILY UNIT

One of the main impacts of problem gambling is financial neglect within households, as families become dissatisfied with how money is allocated by gamblers. Gambling behaviour may also lead to domestic conflict and in some cases, domestic violence. Aid organisations frequently report cases of theft within families to fund gambling habits. This erodes trust, increases stress and mental health problems, and undermines the family stability.

Households can apply to the courts for a third-party exclusion, - a legal process allowing dependents to request that a problem gambler be banned from all gambling activities.

C. OBSERVATIONS OF COMORBIDITIES OF GAMBLING DISORDER

Skaal et al. (2015) cite psychological distress as a common comorbidity associated with a high risk of problem gambling. The authors note a seven-fold increase in the likelihood of becoming a problem gambler among individuals engaging in hazardous or harmful alcohol use.

Aid organisations interviewed cited various comorbidities exhibited by problem gamblers, including mental health disorders such as depression, schizophrenia, obsessive compulsive disorder, acute stress disorder and suicide ideation. These predisposing factors are often treated using antidepressants, mood stabilisers and narcotic antagonists and other therapeutics prescribed by medical professionals.

7.6 PROBLEM GAMBLING TREATMENT METHODOLOGY

This section outlines the treatment methodology of the NRGP.

The NRGP is a comprehensive resource that combines research and monitoring, treatment and counselling, public education and awareness, as well as industry training. The NRGP's national network of 75 Treatment professionals provides free and confidential outpatient treatment and counselling services. The NRGP aims to ensure access to a treatment professional within 100km of a gambling mode. Where this is not possible, services are provided via telephonic consultations. Depending on the circumstances, treatment generally lasts over an 8-10 session period (although under certain circumstances this period is extended).

Patients who have self-excluded or seek treatment from the NRGPs undergo a preliminary diagnosis process. The first two sessions focus on establishing patterns around the gambling behaviour of problem gamblers. Common diagnostic tools are used to categorise gambling patterns.

Problem gamblers often show common symptoms of comorbidities, as such, the Sheehan Disability Scale is applied where issues of suicidal ideation and other risks that might pose immediate harm to the problem gambler or those in their lives are assessed. In cases where there is an attempted suicide, problem gamblers are admitted to a state facility for a 72-hour observation period. Subsequently, such patients are admitted to a private psychiatrist's inpatient facility for 14 to 21 days of treatment. Instances where patients require admission have increased significantly compared to periods before COVID-19:

- “We’ve seen a significant increase; before COVID-19 our admission rate was very low.”

The NRGPs have also noted an eightfold increase in the number of problem gamblers needing hospitalisation.

- “We’d admit one person per quarter [before COVID], but as you can see now, it’s eight people already [in the last few quarters].”

This suggests that the number of problem gamblers is on the rise:

- “So, which means that there [are] more and more people that are exhibiting symptoms of severe problematic gambling.”

In instances where gambling addiction does not pose immediate harm to anyone, telephonic or in-person treatment is preferred.

Treatment of gambling addiction as a standalone issue is approached by treatment professionals who provide care for underlying predisposing factors. Danstein et al. (2016) reinforce the argument that problem gambling treatment should include a focus on comorbid psychiatric illnesses such as suicidal ideation among problem gamblers, as well as sociodemographic factors (e.g., gender, employment status, and marital status) and clinical factors such as comorbid psychiatric disorders:

- “Gambling [like] any form of addiction, whether it’s alcohol, or gambling addiction, is never separate from other issues —childhood traumas, abuse, [et cetera].”

7.7 GOVERNMENT

7.7.1 INTERNATIONAL TRENDS

International consensus is that problem gambling should be tackled through a public health approach due to the coinciding mental and physical health issues. Previously, the responsible

gambling approach was the status quo; however, the focus on individual behaviour (as opposed to societal systems focus, as in the public health approach) has rendered it less effective in moderating problem gambling (Livingstone & Rintoul, 2020).

In the same vein as tobacco and alcohol legislation, modern gambling products cannot be considered ordinary commodities. The gambling industry will likely be reluctant to adopt measures that might restrict profits, as policy based on neoclassical self-regulating markets might assume. Hence, there is a need for consumer self-restriction tools, player tracking mechanisms, and accessible treatment facilities (van Schalkwyk et al., 2021).

The contemporary public health model for managing problem gambling was pioneered by researchers in New Zealand, Australia, and Canada. Currently, New Zealand is the only country with a public health approach embedded in gambling legislation (Price et al., 2021). The New Zealand Gambling Act 2003 stipulates the development of an integrated problem gambling strategy focused on public health. It must include measures to promote public health by preventing and minimising harm from gambling; provide services to treat and assist problem gamblers and their families, and support independent scientific research related to gambling evaluation. Responsibility has been placed within the Addiction Stream in the Mental Health and Addictions group (New Zealand Ministry of Health, 2022). Their strategy covers a range of features, including data collection, early intervention systems, and mental health services.

The understanding that problem gambling is driven by the same addictive behaviour patterns that cause substance misuse is well established in literature. Similarly, psychological health issues have been directly associated with gambling (Griffiths, 2017). This idea has been expanded upon by academics across the African continent (Ssewanyana & Bitanihirwe, 2018), (Kaggwa, 2022) as well as in South Africa in the NGB’s 2017 report (NGB, 2017). Furthermore, mounting evidence has shown that responsible gambling programmes, which serve as the main tool to mitigate problem gambling in South Africa are less effective than initially understood (Fiedler et al., 2021). Moreover, the efficacy of responsible gambling programmes diminishes during periods of rapid market expansion (van der Maas & Nower, 2020), potentially similar to the recent rise of online gambling. Hence, there is a need to consider more contemporary avenues, such as a public health approach, when assessing the future of problem gambling.

This section focuses on the outcomes of interviews conducted with provincial departments of health to provide insights into the social impact and health implications of problem gambling and the government’s response. Additionally, government stakeholders were asked about the feasibility of a strategic, systematic public health intervention.

7.7.2 CONSIDERATION OF GAMBLING AS A PUBLIC HEALTH ISSUE AND ITS IMPLICATIONS

The consensus amongst all health stakeholders engaged was that gambling is a health problem, not a sign of personal weakness. Currently, the Department of Social Development handles the registration and funding of programmes for addictive disorders. However, gambling addiction requires a cross-sectoral response because it has both medical and social causes. Problem gambling may be ignored if it is treated only as a moral problem rather than a health—a shift that governments worldwide are beginning to acknowledge.

- “We [the health fraternity] understand addiction as a genetic illness—a strongly genetic illness with biological and environmental determinants and multi etiological causes.”

Health experts consulted agreed that problem gambling and chemical addictions share similar neurobiological features from a psychiatric perspective, and therefore there is sufficient reason to classify behavioural addictions as addictive disorders in the psychiatric system. However, there is some divergence regarding the extent of this inclusion:

- “If you think about [the effects of gambling on] the brain, [they are] the same as [those of] gaming—it does hijack the brain similar to chemical addictions and, in vulnerable people, can cause brain changes, compulsive behaviours, cravings, and a loss of control similar to chemical addictions.”

7.7.3 OBSERVABLE EFFECTS OF PROBLEM GAMBLING ON THE PUBLIC HEALTH AND SOCIAL DEVELOPMENT SECTORS

Experts consulted at a provincial health level indicated that there are currently no prevention or treatment campaigns being run. In instances where patients present with problematic gambling, they are referred to the Responsible Gambling Programme website or hotlines.

Specialised psychiatric facilities in South Africa at a provincial level often focus on acute psychiatric services. Financial constraints and austerity measures have redirected resources away from therapeutic services to acute containment. In response to capacity constraints, several programmes designed to treat addictive conditions have been discontinued:

“So, we’ve had two [rehabilitation centres] in the Western Cape, two Department of Health addiction wards or units—one is an alcohol rehabilitation unit and the other deals primarily with opioid and complex medical detoxifications for patients [with drug abuse]. But our alcohol rehab unit has been closed due to austerity measures, so the nursing staff have been redeployed to our acute service, which is really strained.”

7.7.4 PRIMARY RESPONSIBILITY FOR THE TREATMENT OF PROBLEM GAMBLING

Experts interviewed indicated that problem gambling requires a multidisciplinary approach, best situated within the health service through private-public sector partnerships.

Primary prevention would rely on buy-in from stakeholders in the education sector, gambling operators, and regulators – through incorporating content on the risks of gambling and equipping children and youth with tools to make informed decisions. Secondary prevention should focus on detecting problem gambling in its early stages, before negative brain changes become entrenched—this requires collaboration between operators and regulators. Finally, gamblers who have developed gambling disorders should receive treatment, where it is feasible for the public health sector to intervene.

It is currently not feasible for primary and secondary prevention to exist within the primary health sector, given its limited capacity. Thus, the public health sector can intervene at a tertiary level, potentially by outsourcing treatment to the Non-Governmental Organisations.

Although treatment from a public health perspective would occur from a tertiary health lens, facilities will require substantial capacitation, including the allocation of funding, appointment of health professionals, service-level agreements, and infrastructure upgrades.

7.8 INDUSTRY LEADERS

This section describes how conversations with industry leaders informed the analysis and interpretations of results and helped anticipate future trends.

7.8.1 UNDERSTANDING

Industry leaders and operators understand problem gambling as a matter of affordability, rather than as a psychological or social issue:

- “It’s very difficult to know whether or not somebody can actually afford to take that bet that he’s taken, because possibly he’s using rent money or he’s using other essential funds”.

7.8.2 INITIATIVES TO ADDRESS PROBLEM GAMBLING

Gambling operators voluntarily contribute 0.1% of their GGR to the NRGF. As such, operators rely on the NRGF to promote responsible gambling through research and monitoring, treatment and counselling, public education and awareness, as well as industry training.

Operators indicated an openness to participating in awareness programmes hosted at their facilities, as well as the dissemination of pamphlets and posters, which are displayed prominently.

Staff at these facilities are not trained to diagnose punters, but rather to be alert to signs of problematic gambling behaviour. The NRGF offers a series of Responsible Gambling courses (101 to 103). Responsible Gambling 101 and 102 are basic to intermediate-level classes, while Responsible Gambling 103 is designed for supervisors and branch managers. This final level aims to equip management to identify warning signs of problem gambling and to provide punters with information on accessing treatment and counselling.

Problem gamblers can only have their names removed from the self-exclusion register once they are able to present a letter from the NRGF, confirming that they have undergone treatment and providing recommendations for future steps.

7.8.3 IMPLEMENTATION OF SELF-EXCLUSIONS PROGRAMMES

Punters who wish to be excluded from gambling can approach their provincial gambling board or an operator to request self-exclusion from gambling facilities. A third party may petition the courts to exclude a punter in cases where they are financially dependent on a problem gambler.

In cases of voluntary exclusion, tiers of exclusion exist: punters may request exclusion from a specific operator's location or at a provincial level.

The self-exclusion programme has had mixed results. Punters opting to self-exclude from a specific operator's facilities have seen relative success, largely due to the requirement that punters register an account to participate—these accounts are often deactivated nationwide. However, a Financial Intelligence Centre report on the gambling sector found that punter anonymity was possible, and that identification verification was inconsistent across gambling operators (Financial Intelligence Center, 2022). This suggests that self-exclusion at an operator's facility is less effective if identity verification is not strictly enforced.

A province-wide exclusion involves punters asking their provincial licensing boards to exclude them from all facilities licensed in that province, including online operators licensed locally. An obvious drawback, however, is that punters can gamble online with operators licensed elsewhere in South Africa or simply travel to another province.

A nation-wide exclusion would allow problem gamblers to self-exclude from all gambling facilities in the country. Currently, there is no operational national system to implement such exclusions, as indicated by numerous stakeholders:

- “For years we’ve been asking the Department of Trade, [Industry and Competition] to make sure that the laws surrounding the Self-Exclusion database are passed.”

Certain provincial regulators have attempted to create parallel national registries of excluded gamblers:

- “There is no National Register and, as a result, provinces are left to implement exclusions independently.”
- “Notwithstanding the fact that the national provision is not in operation, we are proceeding with exclusions as if it were”.
- “[After an exclusion has been processed in the province,] we notify all our licence holders. We then make notification to nine other boards—that is the eight other provincial gambling boards and the NGB to—inform them that Mr X has requested to be excluded.”

Issues of enforcement beyond the jurisdiction of PLAs remain unclear. Provincial authorities have indicated that the success of self-exclusion programme requires effective enforcement through coordinated efforts among provinces, as well as sanctions against non-compliant operators.

Online operators have indicated some innovations to make self-exclusion from their site somewhat easier, although it is unknown whether such options are displayed in a prominent and visible space on the website etc:

- “You [the punter] agree to certain terms and conditions, and those terms and conditions include options to apply self-management tools or to exclude yourself. You can, at any time, for instance by pressing of button—exclude yourself from the operation, and we then enforce that accurately.”

7.9 CONCLUSION

Problem gambling has a widespread and enduring effect on the lives of individuals and their social networks, influencing many aspects of their well-being. It can harm both the functioning and stability of gamblers and their families.

Problem gambling is not a simple health or moral problem, but rather a complex phenomenon that requires the cooperation of multiple sectors—including health, social development, education, and labour. Interventions should aim to prevent, identify, and manage problem gambling at different levels.

8. ECONOMIC ROLE OF GAMBLING ON HOUSEHOLD WELFARE LEVELS



8.1 INTRODUCTION

This chapter presents the household welfare findings of the 2023 South African National Gambling Survey. It includes an evaluation of the propensity to gamble in South Africa, the displacement effects of gambling on income, and the effect of gambling on lower income groups.

8.2 PROPENSITY TO GAMBLE

8.2.1 METHODOLOGY OF WELFARE LEVEL CALCULATION

The propensity to spend on gambling has been calculated based on the methodology of past gambling studies. Sources for the data are available through various statistical agencies, such as the NGB Statistical Bulletin, Fitch Solutions, and Stats SA.

Propensity to spend on gambling is defined as the percentage of household cash income spent on gambling activities. The amount of household budgets allocated to gambling is calculated as follows:

Total amount wagered by patrons/participants

- (minus) amount returned to players as winnings by licensed operators

= (equals) GGR of gambling institutions

The GGR amount divided by total household cash income equals propensity to gamble.

8.2.2 CALCULATIONS

To determine the propensity to gamble at a national level, a similar approach to the 2017 national study was applied. The calculation was completed using South Africa's GGR of R48.036 billion (the amount retained by gambling institutions, and therefore the amount forfeited by households for gambling, including National Lottery). As such, revenues from unlicensed modes are inherently excluded from this calculation.

Of all gambling expenditure, 49% was allocated to horse and sports betting, 36% to casinos, which was down from 62.6% at a national level in 2017¹⁰. A further 4% was allocated to bingo and 9% to LPMs.

Table 46: Gambling expenditure allocated to the different modes

Mode	Rands per million	Percent (%)
Betting	23 713	49
Casinos	17 341	36
LPM	4 230	9
Bingo	1 836	4
National Lottery	915	2

The calculated R48 billion GGR from licensed gambling institutions in South Africa in 2022/23 had the following implications:

- It represents an average annual expenditure of R1 112 per person aged over 20 years in 2022 (population 20+ years was 43 193 105 in 2022, according to (Fitch Solutions, 2023).
- This represents an average monthly expenditure of R93.
- Given a 65.7% participation in gambling as indicated in the survey in Section 3, this results in an estimated R1,693 annual spend per gambler in 2022/23, down substantially from R2,614 in 2017¹¹.
- In 2022/23, the average monthly spend was R141 per gambler.

The amount of R48 billion expended by South African households on licensed gambling activities gives rise to the propensity to gamble. R48 billion GGR expended on licensed gambling modes, divided by R4 188 billion expenditure by households in South Africa, results in a 1.15% propensity to gamble, representing the percentage of household income allocated to licensed gambling activities.

Table 47: Propensity to gamble by mode

Mode	Propensity to Gamble (%)
Casinos	0.41
Betting	0.56
Bingo	0.04
LPM	0.1
National Lottery	0.02
Total	1.15

Note: percentages do not add up to 1.15 due to rounding

¹⁰ Comparisons are made to the NGB 2017 National Report for illustrative purposes only.

¹¹ Comparisons are made to the NGB 2017 National Report for illustrative purposes only.

Table 48: Propensity to gamble time series comparison

Mode	South Africa					
	2002 (NGB Study)	2005 (NGB Study)	2009 (NGB Study)	2012 (NGB Study)	2017 (NGB Study)	2023 (NGB Study)
Casinos	0.91	1.21	1.02	0.69	0.61	0.41
Horse/sports betting	0.2	0.11	0.12	0.1	0.15	0.56
LPMs	-	3	0.05	0.06	0.09	0.10
Bingo	2	3	0.01	0.01	0.04	0.04
Lottery games	0.19	0.38	0.14	0.12	0.08	0.02
Total	1.3	1.7	1.34	0.97	0.97	1.15

Note: 2023 percentages do not add up to 1.15 due to rounding

8.3 EXPENDITURE DISPLACEMENT EFFECTS

By evaluating the structural effects of gambling on household expenditure, the sectors of society that are most acutely affected by gambling become apparent. This section evaluates whether households substitute consumption away from the following items to finance gambling activities:

Table 49: Money spent on other goods and services, excluding gambling

If you did not spend money on gambling, which of the following would you spend that money on?	Percent (%)
Payment of debt/ accounts	37
Purchasing of luxury items (e.g., furniture, cell phone, car)	21
Purchasing of household necessities (e.g., food, soap)	48
Savings	59
Entertainment	37
Payment of bond/ rent	10
Give it to my spouse/ partner/ family	18
Donation to charity	7
Travelling/ holiday	16

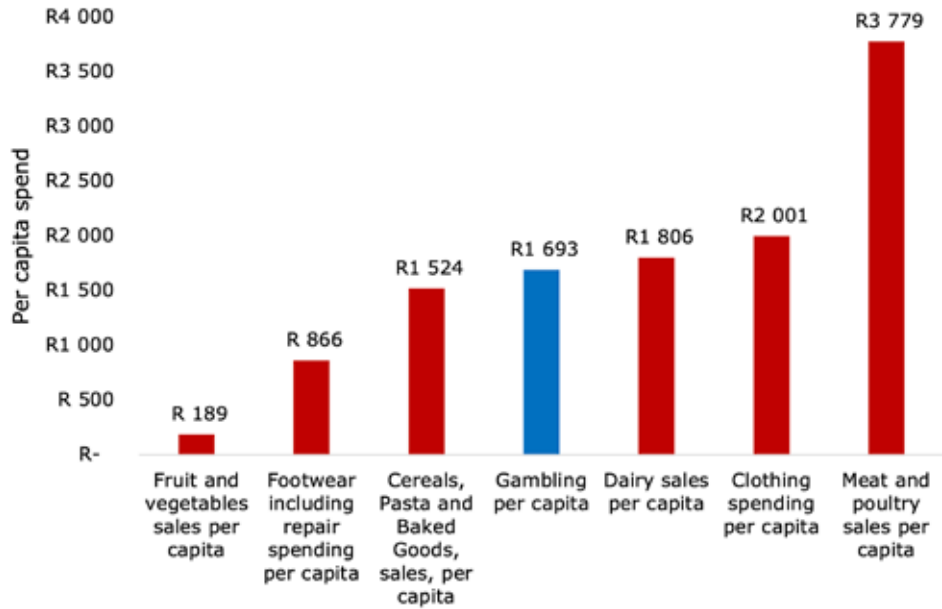
The results of the study indicate that gamblers' households faced displacement spending in the following categories:

- Savings (59%)
- Purchasing of household necessities (e.g., food, soap) (48%)

8.4 CONTEXTUALISATION OF GAMBLING SPEND

As shown in Figure 32, South Africans are spending more on gambling per person than on footwear (including repair spending per capita) and fruit and vegetables sales per capita. They spend approximately nine times as much on gambling as is spent on fruit and vegetables sales per capita.

Figure 33: Expenditure on gambling compared to other household necessities



8.5 THE LESS AFFLUENT AND GAMBLING

The survey found that the less affluent population of South Africa form a significant portion of gambling participants. For the purposes of this analysis, the following two proxies are used to define the less affluent:

- Unemployed people aged 18 years and older
- Individuals with a monthly income of less than R3 699 per month

This section evaluates trends regarding less affluent gamblers.

Table 50: Gross monthly household income of gamblers

<i>What is your gross monthly household income i.e., your income before any deductions or tax?</i>	<i>Percent (%)</i>
No income	8
Up to R2 999	8
R3 000-R3 699	5
R3 700-R4 499	5
R4 500-R5 599	8
R5 600-R8 999	16
R9 000-R14 499	17
R14 500-R27 499	12
R27 500-R39 999	11
More than R40 000	11

Table 51: Modes of gambling preferred by low-income individuals

<i>Mode</i>	<i>Percent (%)</i>
Lucky draws	33
Scratch cards	24
National Lottery	52
Bingo (Traditional)	3
Bingo (Electronic)	4
Casino	20
LPMs	20
Betting on sports and other contingencies (retail)	18
Betting on sports and other contingencies (online)	36
Betting on horse racing (retail)	7
Betting on horse racing (online)	8
Unlicensed/ illegal gambling	52

The table above indicates that less affluent gamblers constituted 21% of South African gamblers; which is a decrease from 29.8% in the 2017¹² national study, whilst unemployed gamblers constituted 19% of all gamblers.

¹² Comparisons are made to the NGB 2017 National Report for illustrative purposes only. As a provincial study, the results may differ considerably.

Unemployed gamblers participated in the following modes:

Table 52: Unemployed gamblers participating in other modes

Mode	Unemployed (%)
Lucky draws	37
Scratch cards	25
National Lottery	55
Bingo (Traditional)	4
Bingo (Electronic)	4
Casino	21
LPMs	36
Betting on sports and other contingencies (retail)	21
Betting on sports and other contingencies (online)	41
Betting on horse racing (retail)	7
Betting on horse racing (online)	9
Unlicensed/ illegal gambling	57

Previous studies on the redistributive effects of gambling show that the burden of cost falls primarily on poor households. While wealth and the associated disposable income are key constraints to gambling activity, the poor are significant participants in gambling activities.

8.6 SUMMARY

The main findings of the South African gambling survey can be summarised as follows:

- GGR on licensed modes amounted to R48 billion in 2022/2023 financial year in South Africa, including the National Lottery.
 - The majority of this (49%) was spent on horse and sports betting, followed closely by casinos (36%), LPMs (9%), and bingo (4%).
- The propensity to gamble in 2022 was 1.15% of expenditure by households in South Africa, with the majority of the propensity being driven by betting, with a propensity of 0.56 in 2022.
- 21% of all gamblers indicated having less than R3 699 in monthly household income.
- The most popular modes of gambling amongst low-income individuals were:
 - Unlicensed illegal gambling (52%)
 - National Lottery (52%)
 - Betting on sports and other contingencies (online) (36%)
- 19% of gamblers indicated that they were unemployed,
 - with unlicensed/illegal gambling (57%) and the National Lottery (55%) being the most common modes of participation among unemployed individuals.

9. ECONOMIC ROLE OF THE GAMBLING SECTOR IN SOUTH AFRICA



9.1 INTRODUCTION

This chapter presents results on the contribution of the gambling sector, regulated by the NGB, to the South African economy in terms of GGR, taxes, employment, and its multiplier effect.

9.2 MEASUREMENT OF THE GAMBLING SECTOR

To assess the impact of the gambling sector, there is a need to understand the interconnectedness of South Africa's economic sectors and hence the multiplier effect of gambling as it is transmitted through the economy.

This has been conducted using an economy-wide model, specifically through a SAM multiplier model, which allows for the estimation of the multiplier effect of economic activities as they are transmitted through deeply integrated sectors of the economy. The following economic variables can be measured with this methodology, among others:

- Contribution or market share of the gambling sector to the economy of South Africa
- Contribution to total employment in South Africa
- Contribution to government taxes
- Contribution to capital formation in South Africa

The SAM multiplier model is an extension of the Leontief Input Output model, which divides the economy into sectors where each sector produces goods and services for itself, but also for other sectors in a closed system (Sekhon & Bloom, 2021).

The SAM multiplier model extends the original matrix by considering inter-industry linkages, and also includes consumption linkages by endogenising households, government, and other institutions (Breisinger et al., 2010).

The multiplier effect can be defined as additional economic production, employment, and government taxes emanating from the initial economic action. Moreover, this additional demand results in expanded production in other industries, with the concomitant expansion of employment, and government taxes.

9.3 GROSS GAMBLING REVENUE, TAXES, AND EMPLOYMENT

9.3.1 GROSS GAMBLING REVENUE

The table below depicts the GGR of gambling institutions under the jurisdiction of the NGB and the National Lotteries Commission. The calculated R48 billion GGR was derived from licensed gambling institutions in South Africa in 2022.

Table 53: The calculated R48 billion GGR from licensed gambling in South Africa in 2022

Mode	Rands per million	Percent (%)
Betting	23 713	49
Casinos	17 341	36
LPMs	4 230	9
Bingo	1 836	4
National Lottery	915	2

9.3.2 TAXES PAID BY THE GAMBLING INDUSTRY

Gambling tax levied by the gambling licensing authorities in South Africa amounted to R4 061 million in 2022; this figure excludes the National Lottery. The contribution of casinos, amounting to R1 752 million, represented 43% of the total gambling tax levied by gambling licensing authorities in South Africa.

Table 54: Taxes paid by the gambling industry

Mode	Rands per million	Percent (%)
Casinos	1 752	43
Betting	1 640	40
Bingo	161	4
LPM	506	12

9.3.3 EMPLOYMENT

The gambling sector directly employed 31 183 persons in 2022; this figure excludes the National Lottery.

Table 55: Direct employment in the gambling industry

Mode	Percent (%)
Casinos	40
Betting	40
Bingo	7
LPM	13

9.4 MULTIPLIER EFFECTS OF THE GAMBLING SECTOR

The SAM model requires an exogenous demand for commodities to be specified. Accounts that can be specified as exogenous include households (consumption), investment, government, or exports. The account chosen is, in essence, responsible for the increased demand in commodities. Given the nature of gambling, the increased demand for commodities was attributed to additional consumption spending, and hence households.

The model relies on the assumption that the increased demand for commodities will be met with an increase in output to clear the demand shock. As a result, when there is additional demand for a commodity, the first-round impacts will be in relation to the sectors that produce that commodity, such that the increase in output of those sectors is sufficient to produce the commodity in a quantity which perfectly meets the additional demand.

When commodity producers increase their output to meet the additional demand, an indirect effect is introduced, as these producers will demand additional goods and services to

be able to increase their output. Industries producing these goods and services increase their output to meet the added demand introduced. The indirect impact is determined by the interlinkages within the economy.

It is important to note that the output of the model is independent of the account chosen to be exogenous. The model only relies on the distribution of the additional demand for commodities, i.e., the 'shock'. This means that selecting to apply the shock through the consumption spending mechanism does not influence the results of the model. However, as a result, household spending increases.

The induced model accounts for additional indirect effects, which arise when households are included within the model. As gambling is largely driven by household consumption, the induced model was therefore chosen to calculate the output and GDP multipliers, as it includes households in its analysis. However, for comparison, the multipliers using a non-induced model have also been calculated.

Furthermore, in the calculation of the multipliers, a shock has been applied to the model. In this hypothetical scenario, an additional R100 million in demand for the 'Other services' commodity was applied, as casinos, as well as lottery tickets, both fall under this commodity. This commodity has been used to perform the shock, as it is the commodity that best represents the gambling industry commodities. Therefore, it is expected that the multiplier results of the gambling industry will be best reflected through the shock to the 'Other services' commodity. However, it should be noted that the SAM model used was developed in 2016, and the economic linkages of the gambling sector have changed since the development of the model – with the rise of sports betting and other forms of online gambling. The results are highlighted in the table below:

Table 56: Induced and non-induced scenario analysis

Mode	Shock (R mil)	Total output increase (R mil)	First round output increase (R mil)	Indirect output increase (R mil)	Total GDP at factor costs increase (R mil)	First round GDP at factor costs increase (R mil)	Indirect GDP at factor costs increase (R mil)
Induced	100	464	81	383	162	43	119
Non-induced	100	427	81	346	148	43	105

It can be seen from the table above that under the induced model, an increase in demand of R100 million for casinos and other gambling-related activities results in an economy-wide:

- Direct increase in output of R81 million and a total output increase of R464 million.
- Direct increase in GDP at factor costs of R43 million and a total increase of R162 million.

The multiplier can be calculated as the increase in output or GDP divided by the increase in demand for the commodity. The following table illustrates the corresponding direct, indirect, and total output multipliers, as well as GDP at factor cost multipliers:

Table 57: Multiplier model output

Mode	Total output increase (%)	First round output increase (%)	Indirect output increase (%)	Total GDP at factor costs increase (%)	First round GDP at factor costs increase (%)	Indirect GDP at factor costs increase (%)
Induced	4.64	0.81	3.83	1.62	0.43	1.19
Non-induced	4.27	0.81	3.46	1.48	0.43	1.05

For comparison purposes, the resulting total output multipliers were calculated using the induced model by applying a shock for all commodities under the same conditions as those applied to the 'Other services' commodity.

Table 58: Multiplier model output - additional demand

Model	Statistic
Other services commodity multiplier	4.64
Average multiplier across all commodities	1.38
Median multiplier across all commodities	0.91
Other services commodity multiplier percentile	97%

It can be seen that an additional demand for the 'Other services' commodity, which includes casinos and lotteries, has a greater impact on economic output than the majority of other commodities in the South African economy.

9.5 MULTIPLIER CALCULATIONS

The results of the SAM will be outlined in terms of:

- GDP Contribution
- Employment Contribution

Table 59: Multiplier calculations

GGR of the gambling sector (gambling modes regulated by the NGB)	R48.00 billion
GVA of gambling sector (based on a GVA to output ratio of 70 to 100 of the hotel and restaurant subsector of SA)	R33.60 billion
GDP multiplier	1.62
Total GVA of gambling sector (direct, indirect and induced)	R54.41 billion
GVA at basic prices of South Africa (2021)	R6 573 billion
Contribution of the gambling sector (gambling modes regulated by the NGB) to the South African economy	0.83%
Number of jobs in the gambling sector	31 183
Output multiplier	4.64
Total direct, indirect and induced jobs of gambling sector	144619
Total employment in South Africa	15.8 million
Contribution of the gambling sector (gambling modes regulated by the NGB) to South African employment	0.91 %

The above estimates show that the NGB-regulated gambling sector contributed approximately 0.83% to the South African economy in 2022.

9.6 SUMMARY

The main findings of the South African gambling survey can be summarised as follows:

The following reflects the contribution of the gambling sector, excluding the National Lottery, to the South African economy in 2022:

- The initial GDP generated by the South African gambling sector amounted to an estimated R33.60 billion in 2022.
- Indirect and induced effects resulted in a total GDP contribution of R54.41 billion.
- This represents an initial GDP contribution of 0.62%, with a further 0.21% contributed through indirect and induced effects.
- Therefore, the total GDP contribution was 0.83%. The GDP multiplier was 1.62, meaning that for every R100 output or value added created by the gambling sector itself, another R62 was generated in other sectors of the economy.

In addition, the gambling sector in South Africa provided direct employment for 31 183 people. Employment is mainly expected to depend on output. Thus, an employment multiplier of 4.64 can be applied, which includes both indirect and induced effects. This implies that a further 113 436 jobs depend on the South African gambling sector, and that approximately 0.91% of all jobs in South Africa are linked to the gambling industry.



APPENDICES

APPENDIX I SOCIOECONOMIC INDICATORS

Year	Population	GDP (y on y change)	Prime rate	Inflation rate	Unemployment rate	Disposable income (y on y change)	Consumer spending (y on y change)	UBPL (of populations)	LBPL (of population)
2000	44950116	6.2	14.5	5.3	14.0	15.2	15.8	67.5	52.2
2001	45595806	2.7	13.6	5.7	17.9	9.8	10.4	67.9	52.4
2002	46218683	5.2	16.3	9.5	21.2	13.2	12.9	68.4	53.1
2003	46676470	3.5	14.4	5.7	26.6	8.1	8.5	68.8	53.4
2004	47185946	5.0	11.3	-0.7	24.2	15.0	15.3	67.6	52.0
2005	47728910	5.2	10.6	2.1	23.1	11.8	12.0	66.9	51.4
2006	48289476	6.4	11.4	3.2	22.2	9.6	11.4	66.2	50.5
2007	48892081	6.2	13.4	6.2	20.7	14.3	14.9	65.3	49.1
2008	49541880	3.9	15.1	10.1	18.9	13.8	12.2	64.7	48.0
2009	50242082	-1.7	11.3	7.2	20.5	5.0	4.8	65.4	49.4
2010	50988925	3.0	9.6	4.1	22.0	9.2	10.0	64.7	48.8
2011	51770562	3.5	9.0	5.0	21.9	10.0	10.4	64.4	48.2
2012	52570611	2.8	8.8	5.7	22.2	9.0	9.6	64.2	48.3
2013	53385224	2.8	8.5	5.8	22.4	8.3	8.5	64.2	48.1
2014	54220370	1.8	9.1	6.1	23.0	7.9	7.4	64.3	48.1
2015	55049226	1.3	9.4	4.5	23.9	7.4	6.6	64.0	48.0
2016	55864074	1.3	10.5	6.6	25.3	7.1	7.0	64.1	48.5
2017	56708593	1.0	10.4	5.2	26.1	7.5	6.9	64.2	48.6
2018	57571409	1.9	10.1	4.5	26.0	7.4	7.9	64.1	49.4
2019	58436716	0.6	10.1	4.1	27.9	5.0	5.3	64.2	48.6
2020	59246560	-5.7	7.5	3.2	29.3	-2.7	-3.8	65.7	50.7
2021	59852195	4.6	7.1	4.6	34.5	11.0	10.3	64.8	49.8

Source: Quantec, Fitch





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