

RESPONSE TO INQUIRY REGARDING THE LOTTERIES AMENDMENT ACT, 2013 AND THE POSSIBILITY OF A STATE-RUN NATIONAL LOTTERY

DATE: 28 MAY 2025

SUBJECT: RESPONSE TO MEDIA INQUIRY REGARDING THE LOTTERIES AMENDMENT ACT, 2013 AND THE POTENTIAL FOR A STATE-RUN NATIONAL LOTTERY

We refer to your inquiry regarding the provisions of the Lotteries Amendment Act, 2013, particularly those empowering the state to run the national lottery under specific circumstances.

1. Unpacking Work Done to Explore the Possibility of a State-Run National Lottery

The Lotteries Amendment Act, 2013 (Act No. 32 of 2013) introduced a provision under Section 13A (4) of the Lotteries Act, enabling the state to operate the national lottery in the event that the Minister is unable to issue a licence to a private operator. The provision reads as follows:

Section 13A (4):

"In the event that the Minister is unable to issue a licence as contemplated in subsection (1), the Minister may, after consultation with the Board and by notice in the Gazette, determine that the national lottery or any component thereof be conducted by the State in the prescribed manner."

This provision was designed as a safeguard to ensure the continued operation of the national lottery and to avoid interruptions in service.

Since the enactment of the Amendment Act, several policy and legal review processes have been conducted to explore the practical implementation of this provision. These have included:

- Feasibility assessments on the legal, operational, and financial implications of a state-run lottery model;
- Benchmarking exercises against jurisdictions where the state directly operates lottery systems;

- Engagements with National Treasury and other state entities to determine institutional capacity and financial sustainability considerations;
- Internal scenario planning to assess contingency measures should a licence not be issued or a private operator cease to function.

To date, no decision has been taken to operationalise a state-run lottery model, as the preferred approach remains the licensing of a suitable private operator, under strict regulatory oversight by the National Lotteries Commission.

2. Rationale Behind the 2013 Amendment

We can confirm that the inclusion of the provision for a state-run national lottery in the 2013 Amendment was in part a response to the disruption experienced in 2007, when the country found itself without an active lottery operator for several months due to delays in the licensing process. This legislative provision was intended to ensure continuity of the lottery and protect public interest and revenue streams designated for good causes, should similar challenges arise in the future.

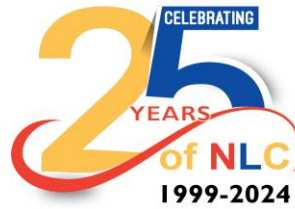
3. State Capacity to Operate the National Lottery

While the provision has been in force for more than a decade, the state has not yet implemented a state-operated model of the national lottery. As such, while foundational work has been done in terms of policy research and legal readiness, there is currently no dedicated state-run infrastructure or operational structure in place to manage the lottery directly.

Any decision to activate this provision would require:

- Significant institutional planning and operational readiness;
- Budget allocation and Treasury approval;
- Establishment of technological systems and governance mechanisms;
- Assurance of transparency, integrity, and efficiency standards.

That said, the Department of Trade, Industry and Competition (dtic), in collaboration with the NLC, remains committed to ensuring that the state is positioned to act swiftly and responsibly, should the conditions under the Act ever necessitate direct operation of the lottery.



We trust that this clarifies the position. Please do not hesitate to contact us for any further information or clarification.

Issued by:

Office of the Commissioner
National Lotteries Commission