

ONLINE GAMBLING

IN SOUTH AFRICA



2026

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Introduction

There is a plane in the sky towing an advertisement. The advertisement is for online gambling. On the road, a vehicle is driving with an advertising board on its roof. What is it advertising? Online gambling. Most of the billboards along the N1 are new. They are big and bright and immediately catch your eye. They advertise online gambling. At the airport, there are billboards against the pillars. They advertise online gambling. What is the logo on the Sharks' and the Springboks' rugby shorts? Online gambling. Who is sponsoring the stadiums now? Online gambling. You can get your name printed on the Springboks' rugby shorts. Who is sponsoring this initiative? Online gambling. Halftime is the first advertisement for online gambling. You stream your favourite programme on DSTV Stream, but first you have to watch an advertisement. It is for online gambling. In every episode of Binnelanders, advertising time is dominated by online gambling. In another programme on kykNET, people visit towns to make them beautiful. And who pays for it? Online gambling.

The list goes on. Online gambling is everywhere. It seems like they sponsor almost everything, and it has become completely normal. It is not uncommon to see someone standing in line at the grocery store gambling on their phone. This is also reflected in the latest statistics on how households spend their money. This report examines the impact of online gambling on ordinary households and offers suggestions on how our society should address it.

The rise of online gambling

Gambling appears to be about as old as human civilisation, with archaeological excavations proving that people have been gambling for at least the last 12,000 years.¹ For as long as people have been gambling, governments have tried to regulate it, or to capitalise on it. All of the world's prominent religions warn against it, or forbid it altogether. In China, gambling activity has been regulated and taxed by the state since about 300 BC.²

Locally, gambling has also been part of history for as long as people have been recording it. According to Monnye³, the first calls to regulate gambling arose as early as 1673, 11 years after Jan van Riebeeck's arrival. This was in response to a growing gambling problem at the Cape, with gambling not specifically addressed in Roman-Dutch law. The view of gambling as pure waste and a sign of moral decay, rather than a form of commercial activity, had already emerged there and would form the basis for all regulations until 1994. Between 1806 and 1994, both the British colonies and the Boer Republics banned gambling almost entirely, with the exception of betting on horse racing. In the Transvaal, the law even provided that informants would receive half of the fines imposed on offenders.

The provincial laws gave way in 1933 to national laws, which banned gambling altogether, again with the exception of betting on horse racing. The law was amended repeatedly over the years to also prohibit new gambling methods. For example, there were specific regulations against machines and later against sports betting. One major exception arose in 1971 when black homelands were able to create their own legislation. Between 1976 and the homelands' reintegration into South Africa, more than 18 licenses were granted to casinos. Sun City opened in 1979 in what was then known as Bophuthatswana. National regulations were amended in 1992 to regulate gambling and allow the then homeland casinos in the new South Africa. By 2024, there were 37 casinos in South Africa.⁴

The 1995 Wiehahn Report was instrumental in reforming the policy philosophy. Before this report, gambling was generally illegal unless expressly permitted in a specific location. After the change, gambling activities were permitted, provided they were licensed and regulated.⁵

In the year 2000, the national lottery (Lotto) was launched in South Africa.⁶ It was reported that the Lotto had changed people's spending patterns, with people buying tickets rather

¹ <https://www.scientificamerican.com/article/humans-have-been-gambling-since-the-ice-age/>

² <https://www.britannica.com/topic/keno>

³ https://ir.unisa.ac.za/bitstream/handle/10500/21154/thesis_monnye_sl.pdf?isAllowed=y&sequence=1

⁴ <https://www.ngb.org.za/industry-performance/sectors/casino/>

⁵ ir.unisa.ac.za/bitstream/handle/10500/21154/thesis_monnye_sl.pdf?isAllowed=y&sequence=1

⁶ <https://www.nlcса.org.za/our-history/>

than buying soft drinks or snacks such as chocolate.⁷ A year later, beer sales also fell for the first time in decades, and experts say the Lotto was one of the factors that contributed to this.⁸ This pattern, where lotteries compete in low-income markets with mainly soft drink sales and other cheap luxuries, was also observed in the United Kingdom in 1994 when their national lottery was launched.⁹

In 2011, the court¹⁰ ruled that online gambling services operated from outside the country but offering services to South Africans within the country still had to comply with local laws. However, the laws were flawed and local service providers could still offer their services virtually unregulated, as long as they were registered with one of the provincial gambling boards.

Although new legislation specifically addressing online gambling was passed by parliament in 2008, it was never enacted. In 2024, the Democratic Alliance (DA) introduced a private member's bill, the Remote Gambling Bill, to parliament. Neither this nor any other laws directly addressing online gambling have been passed to date. In the meantime, it has been proposed to levy a 20% tax on online gambling activities. There are also attempts to block foreign service providers.¹¹ Sports betting and other similar games are still allowed online, while online casino games are illegal, although they continue unabated and are even blatantly advertised.

Meanwhile, online gambling is a growing and already enormous industry. In the 1990s and early 2000s already, the Gauteng Gambling Board noted that providers under their jurisdiction were facing increasing competition from foreign internet gambling houses.¹² The first license for an online gambling agency in South Africa was granted by the Western Cape Board to SportsBet.co.za in 2001.¹³

Since then, many service providers have adapted their services, especially for smartphone users. The major turning point, when online gambling increased drastically, was during the COVID-19 pandemic, when casinos had to temporarily close, but online gambling services were still available.¹⁴

⁷ <https://iol.co.za/news/south-africa/2000-10-05-lotto-loot-changes-sas-spending-patterns/>

⁸ <https://mg.co.za/news/south-africa/2001-03-30-south-africans-are-drinking-less-beer/>

⁹ <https://www.independent.co.uk/news/business/lottery-slows-pace-of-growth-1537098.html>

¹⁰ <https://www.saflii.org/za/cases/ZASCA/2011/155.html>

¹¹ <https://www.ngb.org.za/wp-content/uploads/2026/06/Expression-of-Interest-to-block-illegal-online-gambling-websites.pdf>

¹² <https://www.ggb.org.za/wp-content/uploads/2019/03/Annual-Report-2001.pdf>

¹³ <https://www.igamingnews.com/article/south-africas-first-online-sportsbook-debuts-182717/>

¹⁴ https://provincialgovernment.co.za/entity_annual/700/2021-gauteng-gauteng-gambling-board-annual-report.pdf

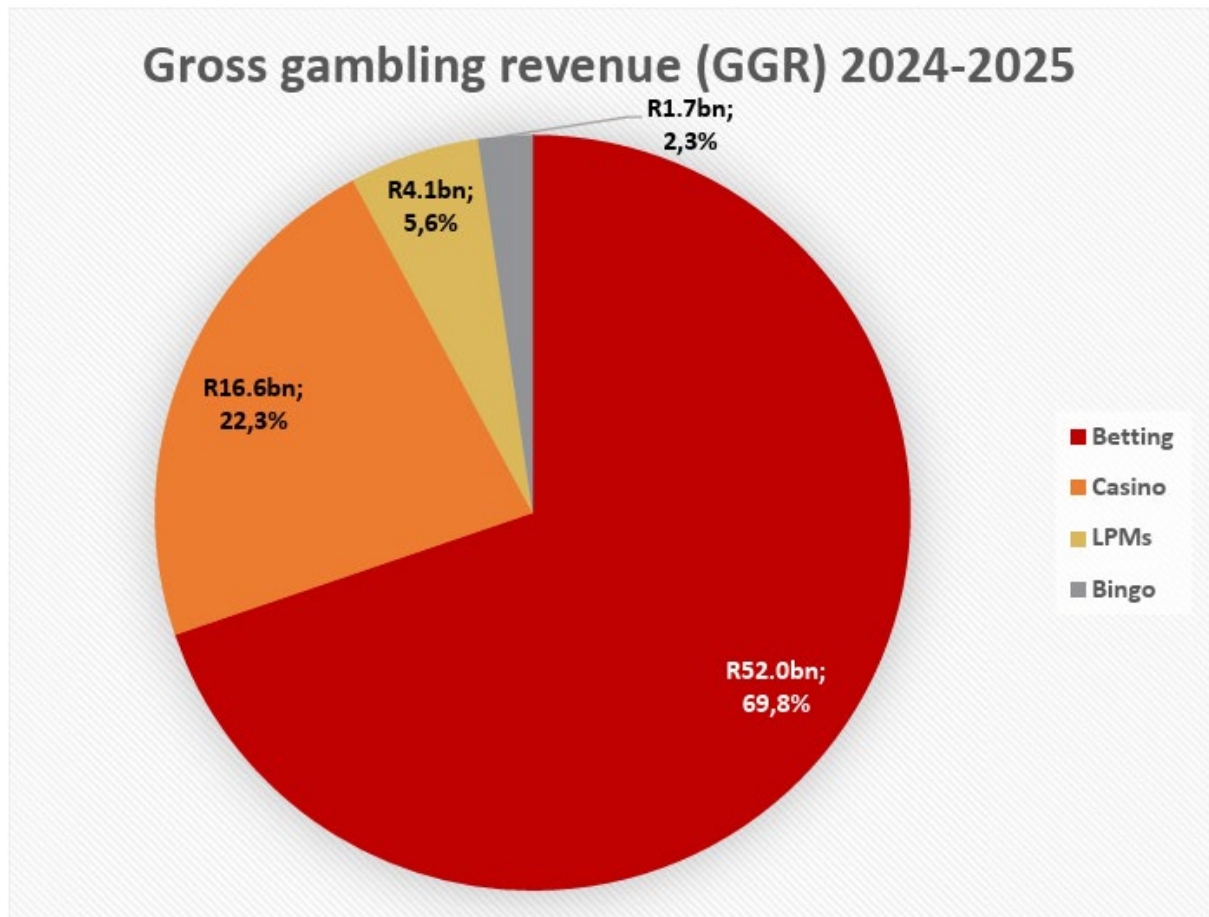
The current state of online gambling

Although online casino-style gaming is still illegal, there doesn't seem to be any effort to stop it. It is freely advertised. Currently, only fixed-odds betting, such as sports betting, is legal online.

However, the industry has grown enormously, as the National Treasury's proposal for a tax on online gambling games indicates.¹⁵ Gambling is now available everywhere, as most people have a device with an internet connection. In the 2024/25 financial year, R1.5 trillion was wagered in the overall industry. Almost three-quarters of that was online.

If this amount is compared with GDP at current market prices over the same period, it means that gambling accounts for roughly a quarter of South Africa's gross domestic product (GDP). However, this figure needs to be viewed in slightly more context. It refers to the total amount wagered during the year, yet also includes money that was wagered repeatedly. For example, if someone wagers R100, wins R120 and wagers it again, they will have contributed R220 to this figure, even though only R100 was actually taken out of their pocket. On the one hand, this somewhat mitigates the problem, but on the other hand, it also indicates that most people never actually withdraw physical money from their gambling accounts but instead wager it repeatedly. Total gambling turnover, i.e. money wagered minus money paid out by gambling operators, was R74.5 billion.

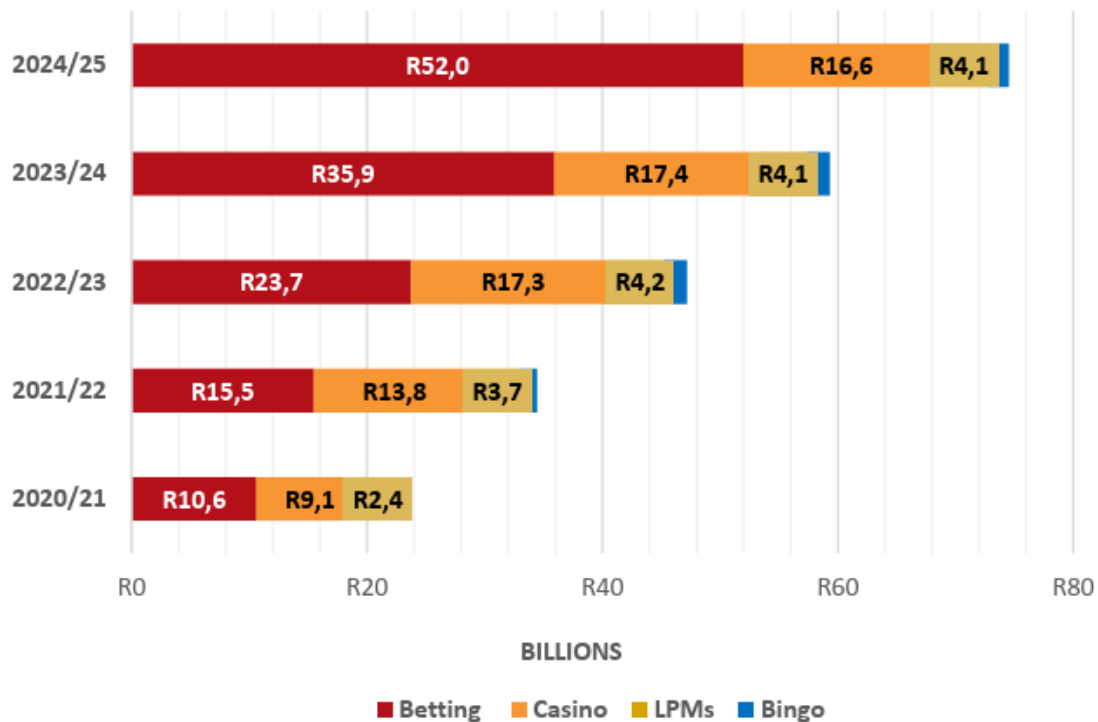
¹⁵ https://www.treasury.gov.za/comm_media/press/2025/Discussion%20Paper%20-%20National%20Gambling%20Tax.pdf



Source: National Treasury

Online gambling increased by 390% between 2021 and 2025, while other forms of gambling showed only modest increases or, as in the case of Bingo, grew from such a low base that its 70% growth is not particularly significant.

GGR per gambling mode (2020-2025)

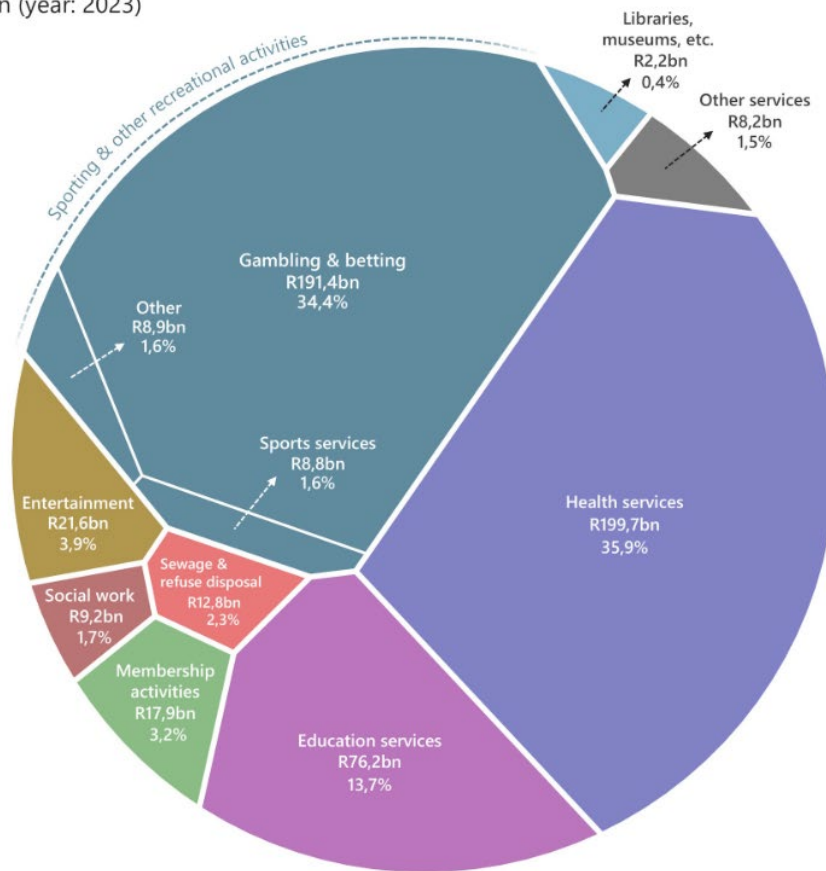


Source: National Treasury

In 2025, Statistics South Africa published an article analysing the personal services sector. According to the article, two of the top 10 industries with the largest increases in revenue were related to gambling. Gambling on machines, such as those found in casinos and some pubs, increased by 26.5%, while betting and online gambling services increased by 72%. Adjusted for inflation, this means that machine gambling was more or less in line with inflation over this period, that online gambling increased its revenue by approximately 48%, and that all other services in the economy, apart from education and theatre productions, contracted. Although the latter two did not contract, their growth in real terms was almost negligible.

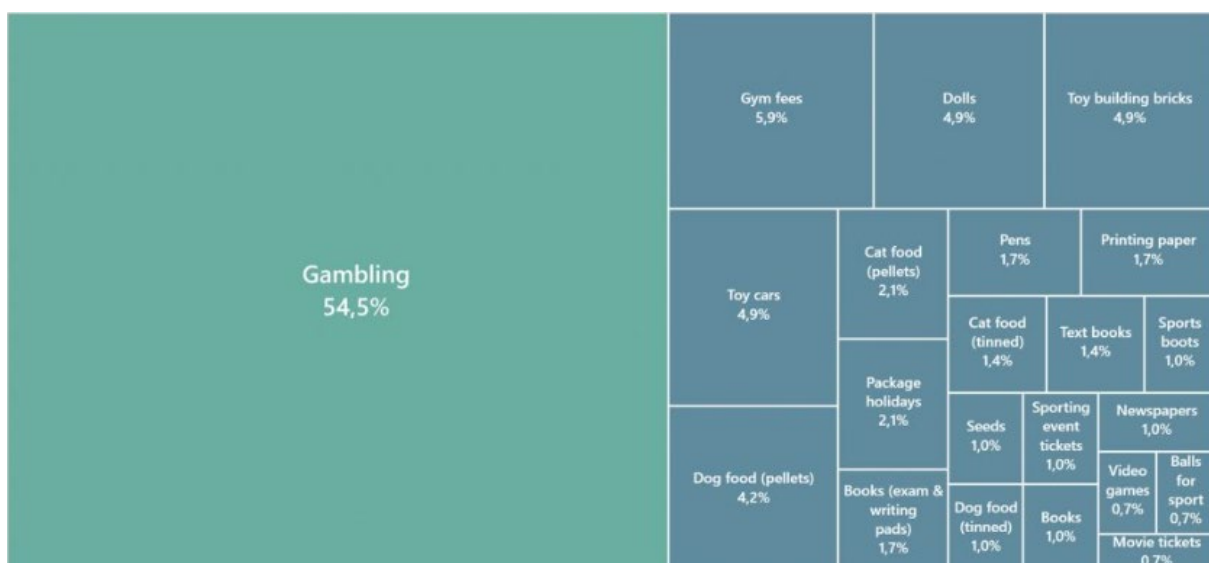
The graph below, which analyses the services economy in 2023, also shows that households spend 34.4% of their services budgets on gambling activities. This amount of R191.4 billion is surpassed only by the R199.7 billion spent on healthcare services. If healthcare is excluded, South Africans therefore spend more money on gambling than on all other services combined. Three times as much as on education and ten times as much as on other forms of entertainment.

Figure 3: **Gambling & betting** accounted for just over a third of income generated from services rendered in the personal services industry
Total: R557 billion (year: 2023)



Source: Stats SA

From a household perspective, spending on expenses such as recreation, sport and culture can be illustrated as follows:



Source: Stats SA

The impact of online gambling

In its document,¹⁶ the National Treasury states that people who gamble occasionally for recreational purposes have no negative impact on society; however, problem and pathological gamblers have a materially negative impact on, and impose costs on, society. It therefore believes that gambling should be regulated and taxed. Some of the negative impacts are similar to those associated with other addictions, such as reduced productivity, a decline in family wellbeing and criminal activity. It also has serious health implications, as it increases stress, damages relationships, contributes to domestic violence, and can lead to mental health problems and even suicide.

The National Gambling Board is currently working on a report on the impact of online gambling and says that its preliminary research already indicates that people are increasingly taking out reckless loans and using their social grants to gamble.¹⁷ It is therefore currently working with Google and Meta to block illegal platforms and try to control advertising.

In its strategic plan¹⁸ the National Gambling Board states that the prevalence of problem gambling increased from 6% in 2017 to 31% in 2023. It also states that 46% of the population participates in online gambling in some form, and that this is driving the increase in problem gambling behaviour. Yet the strategic plan's focus is largely on further growing the industry.

They state that a major challenge to better regulation is the fact that gambling companies are now among the most prominent sponsors of sport and other activities. Although these sponsorships are welcomed, they are concerned about the normalisation of high-risk behaviour that this causes.

Although gambling is often described as a way of earning an additional income, or as a means for poorer people to supplement their income,¹⁹ it is by no means a safe option. In the United Kingdom, only 21% of gambling profiles are profitable²⁰. In Canada, the figure is 10.6%²¹, while in Finland, 80% of gamblers lose all their money within 90 days²². Only 13% of DraftKings customers are profitable²³. When individuals, rather than profiles, are studied,

¹⁶ www.treasury.gov.za/comm_media/press/2025/Discussion%20Paper%20-%20National%20Gambling%20Tax.pdf

¹⁷ <https://www.businessday.co.za/news/2026-06-24-tighter-online-gambling-rules-mps-told-of-challenges/>

¹⁸ www.thedtic.gov.za/wp-content/uploads/NGB-Strategic-plan-2025.pdf

¹⁹ <https://iol.co.za/ios/news/2025-10-30-gambling-for-quick-cash-in-sa-the-hidden-risks-and-safer-income-solutions/>

²⁰ <https://natcen.ac.uk/publications/patterns-play?>

²¹ <https://pmc.ncbi.nlm.nih.gov/articles/PMC12116851>

²² <https://pmc.ncbi.nlm.nih.gov/articles/PMC6455077>

²³ <https://lp.draftkings.com/average-results>

Australian research shows that the proportion of profitable gamblers falls to 1.8%²⁴. It is therefore highly unlikely that gambling is a good strategy for generating an income.

The appeal of online gambling therefore often stems from households grasping at straws to make ends meet. In at least 80% of cases, this will not work. What makes the appeal of online gambling even more concerning is that studies consistently show that online gambling is two to four times more likely to lead to problem gambling than other forms of gambling²⁵. In Canada, another study found that online gamblers were much more likely to gamble more frequently, engage in more forms of gambling and lose considerably more money. The online gamblers in the study were predominantly younger and male.²⁶

Several studies have also found that mobile phone addiction, which affects approximately one-third of adults in some form,²⁷ contributes to people becoming addicted to online gambling more quickly²⁸. Younger people generally suffer more from mobile phone addiction, while young men in particular are affected by online gambling, specifically sports betting.

This means that, like many other addictions, it is often linked to other forms of addiction. What makes it particularly dangerous is the high prevalence of mobile phone addiction. Given the almost ubiquitous presence of online gambling advertisements, many people may begin to see gambling as simply a normal use of a mobile phone, because society has already normalised it to such an extent.

²⁴ https://www.gamblingandracings.act.gov.au/__data/assets/pdf_file/0009/982773/Gambling-Expenditure-in-the-ACT-2014-Summary-of-Findings.pdf

²⁵ <https://www.sciencedirect.com/science/article/abs/pii/S0747563222000917>

²⁶

[https://www.greo.ca/Modules/EvidenceCentre/files/Shaw%20and%20Williams%20\(2024\)_Online%20from%20land-based%20gamblers_final.pdf](https://www.greo.ca/Modules/EvidenceCentre/files/Shaw%20and%20Williams%20(2024)_Online%20from%20land-based%20gamblers_final.pdf)

²⁷ <https://journals.sagepub.com/doi/10.1089/cyber.2023.0548>

²⁸ <https://onlinelibrary.wiley.com/doi/10.1002/cb.70079?af=R> ;
<https://www.frontiersin.org/journals/psychology/articles/10.3389/fpsyg.2018.00655/full> ;
<https://link.springer.com/article/10.1007/s11469-022-00933-8>

Regulating online gambling in other countries

Different countries regulate online gambling and its advertising in different ways. Most also draw a clear distinction between betting and casino games. In many countries, including South Africa, online betting is entirely legal, subject only to licensing requirements, while casino games are either illegal or subject to stricter regulation.

Several countries, including Germany, the Netherlands and Great Britain, also have strict regulations governing gambling advertising²⁹. Under these regulations, advertisements may not be placed in stadiums, and advertising may not target children in any way. Prominent sports stars, for example, may not appear in gambling advertisements because they serve as role models for children. In the Netherlands, gambling companies may advertise online, but they must subsequently be able to demonstrate that at least 95% of the people who saw their advertisements were aged 24 or older. Germany is particularly strict about the times of day when gambling operators may advertise, to avoid reaching young people.

In South Africa,³⁰ the law is very clear that it is illegal to offer casino games online, and that advertisements for gambling activities may not advertise illegal activities. Unfortunately, these provisions are not enforced, and such activities are freely offered and advertised. Sports betting, however, may be advertised freely and often features prominent sports stars in its advertisements.

Urgent reform is needed to regulate the gambling industry in South Africa. A good starting point would be to enforce the existing legislation more strictly by prohibiting casino games and taking action against those who advertise them. Further reforms, such as limiting the amount of advertising permitted for betting, are also needed. The government could also consider banning the use of sports stars in gambling advertisements.

Although a tax on gambling activities is currently being considered, it may not necessarily be as effective as the Treasury suggests. It can only be effective if steps are also taken to prevent foreign operators from operating in the country. If this is done, sufficient notice would also need to be given so that people who currently use these platforms have enough time to withdraw their money before they are shut down.

The aim of regulation should not necessarily be to prohibit all forms of gambling, but rather to counter its normalisation in society.

²⁹ <https://www.gamblingcommission.gov.uk/licensees-and-businesses/guide/advertising-marketing-rules-and-regulations> ; <https://kansspelautoriteit.nl/wet-koa-veranderingen-1-oktober-2021> ; <https://www.gluecksspiel-behoerde.de/de/fuer-spielende/informationen-fuer-spielende-faqs?id=41&view=category>

³⁰ https://www.gov.za/sites/default/files/gcis_document/201409/a7-04.pdf

Conclusion

Advertisements for online gambling are almost impossible to avoid. It would be difficult for anyone not to have taken notice of them by now. Numerous studies show that it continues to grow and that it is already having a significant impact on South African society, with addiction and problem gambling on the rise.

The economic impact of online gambling is also already evident in the statistics. The industry's turnover now accounts for almost a quarter of the country's economy. Households spend more than half of their entertainment budgets on gambling, while spending on almost all other forms of entertainment and services is declining overall. Gambling is the only service showing significant growth in revenue. This shift in people's spending patterns is driven not only by the amount of money people spend on gambling activities, but also by the enormous number of South Africans who gamble regularly.

Legislation and other forms of regulation in South Africa have never kept pace with new trends. As a result, illegal activities, such as online casinos, are able to operate and advertise freely. Furthermore, no framework has ever been established to regulate advertising for legal activities such as online betting. On the one hand, existing laws must be enforced to uphold the prohibition on casino games, while on the other, their normalisation through advertising and sponsorships must be stopped. A tax could be considered, but it would only be effective if implemented alongside stronger regulatory oversight.

Above all, the public needs to be better educated about their actual chances of making money from gambling. The appeal of gambling has always been the willingness to take risks in exchange for a potential return. It is a game, and in games, you do not always win. By presenting gambling in many communities as a way to make money quickly, high-risk behaviour that can have devastating consequences is being normalised.

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