SERVICES SECTOR - ENTERTAINMENT AND
RECREATION - GENERAL

1995
Ster-Kinekor to focus on townships

Amanda Vermeulen

Ster-Kinekor, SA's largest cinema chain, will focus heavily this year on its joint venture with Thebe Investments - Ster-Moribo - with 20 to 30 new cinema screens in township areas scheduled for development.

Ster-Kinekor MD Mike Ross said at the weekend that Ster-Moribo, which was established last year, would expand significantly in 1995.

At the announcement of the deal, the joint venture partners said they would initially concentrate on Gauteng, but cinema complexes would also be rolled out in areas around the country which were currently not serviced by the industry.

Ross said Christmas season attendances had been a little disappointing because of competition from locally staged sporting and musical events.

He estimated the chain's attendances in the pre-Christmas period were up only 2%-3% on 1993 figures.

The country's second largest chain, Nu-Metro, last week said its attendance figures were down 10%.

However, Ross said comparisons with the 1993 season were misleading because "performances tended to be very product-related". The 1993 holiday period had had two major blockbusters, Mrs Doubtfire and There's a Zulu on my Stoep, both of which were among the top 10 grossing movies in SA to date.

Ross said this month should see an increase in attendances, with a number of new movies in the pipeline.

A new Leon Schuster film would be released, as well as two other local productions - the new Jock of the Bushveld and Cry, the Beloved Country.

Ster-Kinekor had opened 40 new cinema screens last year, which would pay dividends in 1995.

The chain had also launched its first Showscan facility, a "virtual reality" screen and simulator which was proving very popular, Ross said.
$20m funding for local films

SA's struggling film industry, which could lose its government subsidy this year, will get a shot in the arm from a US movie studio which is funding four films in the country this year to the tune of about $20m.

But local producers believe it will take a Crocodile Dundee to put the SA movie industry on the map.

Nu-World Services, which has made more than 40 films in SA financed by US-based studios Cannon and Nu-Image, would produce the four films.

Nu-World producer Danny Lerner said at the weekend, massive investment and co-productions with foreign studios were desperately needed in SA.

"The country is the ultimate location in the world with highly-skilled and dedicated technicians, which should make it very attractive to the big overseas studios."

However, till recently, Nu-Image was interested only in making US action films in SA. Lerner said the majority of overseas viewers were not interested in stories about Africa. But Crocodile Dundee, made in Australia, had proved it was possible to produce box-office hits.
Higher consumer spending ‘will benefit CNA Gallo’

ENTERTAINMENT group CNA. Gallo should show strong earnings growth because of increased video and compact disc sales in the short term, while the reconstruction and development programme would boost earnings in future financial years.

A recent report by London-based Baring Securities said the group, which operates in the retail, entertainment and related fields, was poised to take advantage of an increase in private consumption expenditure.

Its core retail chain, CNA, with more than 300 outlets nationwide, should improve earnings through the restructuring of “back office operations and site expansions” rather than by opening new stores.

“Sales have the potential to increase up to 25% by addressing out-of-stock situations and cash flow. Gross margins and overheads should also benefit from the current financial year onwards.”

The most lucrative addition to the chain’s product mix had been video sales, which were supplied by the entertainment division.

Future earnings from the entertainment division had potential for driving group profits, the report said. This would be assisted by video and compact disc sales increasingly tapping into the mass market.

The music division, Gallo, which is active in recording, promoting, publishing and distributing domestic and international music, had become a leader in establishing black talent, and expected excellent growth from this segment.

Gallo was also benefiting from music releases coinciding with international artists touring SA.

The video retailing business was especially profitable, and should boost further earnings growth. The cinema operation was likely to continue improving its productive locations and adding value through, for example, coffee shops, while unproductive sites would be relocated.

CNA Gallo’s interests in educational publishing companies Heinemann and Mast Holdings would reap the benefits of the RDP’s focus on education, particularly as both companies were assisting government in drafting new educational material.

Earnings a share for the financial year to March could improve 17% to 20%, while the 1996 year could see earnings leap 2% to 25% “Continued expansion into the mass market, with a possible launch of a retailing chain targeting this market, should benefit the group in the long term,” the report said.
10% levy on movies suggested

MOVIE-GOERS may soon have to cough up an extra 10% to boost the South African film industry.

This has been suggested by a Human Sciences Research Council study to ensure the survival of the industry.

The research project, undertaken on behalf of the Film and Television Federation, which represents 13 film organisations, suggests that 10% levies be imposed on the screening, television advertising and video distribution of all foreign films.

Such levies would provide a R34-million annual income to a new statutory body which would promote the local film industry.

The study found that sustained government aid was needed to ensure the survival of the local film industry, which was almost non-existent as a result of ineffective state subsidies.

The new statutory body would administer such support. "We need it desperately," said Film and SA TV producers' representative Ms Elena Spring.

She said previously, government subsidies were granted on a seeding basis where a locally produced film would qualify for a subsidy based on its box office earnings. Now the government sponsored a movie with the flat rate of R1.5m — not nearly enough to pay for even a low-budget film.

She said the industry had shown substantial profits (screening overseas films) and had an obligation to encourage the growth of the local industry.

Ster-Kinekor, managing director Mr Mike Ross, however, called the levy proposals "unrealistic" and said they risked "killing the goose that lays the golden egg". Instead the 10% levy should be deducted from the VAT on cinema tickets, as raising the price would make it even harder for entrepreneurs and fledgling cinema ventures to succeed.
Sol rings changes for Sun group

BRUCE CAMERON
Business Editor

SUN International is to undergo major changes as the hotel group adapts to a post-apartheid South Africa.

With apartheid out the door, the group is rapidly expanding its operations into the United States and elsewhere, making it a world player in the international hotel and entertainment industry.

It is using its foothold to develop tourism to South Africa.

In an interview at his Holet Bay holiday home, Sun International chairman Sol Kerzner confirmed that Sun is planning to merge its interests in operations in Mauritius, Morocco, the Comoros and France (owned by Sun International Investments Limited) with those in the Bahamas.

The Bahamas operation is owned by Sun International Hotels Limited, which is listed on the Nasdaq stock exchange in New York, and in which Sun International Investments owns 80 percent.

Mr Kerzner said the intention is to sell the assets of Sun International Investments to Sun International Hotels for further shares in Sun International Hotels.

This will result in Sun International Investments increasing its stake from 60 percent to about 75 percent in Sun International Hotels.

Sun International Hotels will then hold all assets of Sun International Investments outside South Africa.

The market capitalisation after the merger of the group, excluding South Africa, was about US$350 million (R1,3 billion).

The group's assets internationally and in South Africa have a turnover of US$1 billion (R3,6 billion) a year.

Aside from Sun International Hotels holding all the assets of Sun International outside South Africa it will also be the vehicle for all developments outside South Africa.

The listing on Nasdaq will be maintained and used as one of the sources for funding for future developments.

There are no plans at this stage to list the Sun International Hotels in other countries.

Mr Kerzner said the group philosophy was always to be conservatively financed and consequently further share issues were possible to raise capital.

He said the market was already showing approval of what Sun International had done in taking over the troubled complex in the Bahamas.

The shares, however, were thinly held and were not liquid and this affected the price.

A share issue would be considered to increase tradability as well as to raise funds.

He said Sun International would be operating from three bases.

These are London, which had been established a number of years ago as a centrally-located administrative headquarters; Johannesburg, to run the South African operations; and Miami, from where the United States and Bahamas operations would be controlled.

The company hopes to finalise all agreements on its new theme entertainment, casino and hotel complexes by the end of February.

One is in Connecticut in the United States and the other on the coast near Athens, Greece.
Casino deal sours as black partners pull out

DEEP divisions appear to be emerging in the black-led Gaming Consortium joint venture with Southern Sun after it was disclosed yesterday that some of the participants had walked away from the deal.

The consortium confirmed yesterday that Investec and Real Africa Investments (RAI) had withdrawn, but it is understood their withdrawal was a result of their failure to secure a large enough stake in the venture.

Corporate Africa withdrew at an early stage to pursue lottery interests.

But sources close to the original members of the consortium said they had withdrawn over "unhappiness about the lack of transparency, and the large stake allocated to a few individuals in the deal.

The Gaming Consortium, which was formed in November 1998 to pursue casino licences, was established to offer the black investment community the opportunity to participate in the gaming industry.

Under the current structure of the consortium, black business organisations Fabco and Nafoce would each hold 20% of the equity, a community trust would own 10%, the National Council of Trade Unions (Nactu) 10%, and black business corporations a total of 10%. The appointment of the welfare organisation to run the community trust had not been finalised.

"A number of business corporations were in talks with the consortium to acquire the remaining equity, but 2% of the equity would be allocated to 10% of the consortium, as would the duties of the individual businessmen and professionals," called "promoters," who formed the consortium.

A spokesman for the consortium said the promoters' equity stake was in line with what their overseas counterparts received, but it is understood that this 2% was central to the dispute that led to the withdrawal of some of the original members.

The move by Investec and RAI had been welcomed in certain quarters. Their withdrawal was seen as allowing more players into an industry many of concern were concerned would be dominated by the same black groups that participated in almost every major empowerment deal.
Call for local film foundation

10% levy on cinema tickets suggested

IAIN MACDONALD
Weekend Argus Reporter

THE government should establish a statutory body for the film industry, funded by a levy on cinema ticket sales, video distribution and television advertising, according to the Human Sciences Research Council (HSRC).

The HSRC said the body, which it suggests be called the SA Film Foundation, would promote and help establish an indigenous, national film industry.

It suggested financing such a venture by a 10 percent levy on cinema ticket sales, a 10 percent levy on all TV advertising for foreign films and a 10 percent levy on all video distribution.

"Such levies should provide it with an annual income of approximately R34 million," a statement from the HSRC said.

This follows research by the HSRC "as the result of various initiatives over the past 15 years to transform the structures of the SA film industry".

The HSRC pointed out that "at present the South African film industry is deeply fragmented, and a national industry virtually does not exist".

"According to the report, this can be blamed on the apartheid policy and ineffective state-subsidised film structures," it said.

The French Centre National de la Cinematographie was cited as a good example of such a body, as was the body in the African state of Burkino Faso.

A diversity of film types would make the local film industry healthier, which means that films should not be funded simply because of commercial viability.

"All types of films — entertainment, cultural, educational, art and international co-productions — should be able to benefit," the HSRC said, indicating that the proposed body should act as a financial mediator between state and private sector, help rejuvenate the industry, support film training, adopt affirmative action policies, support wider distribution and fund ongoing research.

It also recommended that the state fund certain activities of the statutory body; firms and institutions investing in the body should receive tax relief; a loan fund should be set up to assist producers; research should determine the industry's training needs and the Newtown Film and Television School should be funded by R3 million in 1995.

In Cape Town this week, the Cape Film and Video Foundation launched itself, with the intention of establishing the first Film Commissioner's Office in Africa.

Interest in these developments is running high in the local film industry, which has, over recent years, seen Cape Town develop into a major location for the shooting of international and local commercials in South Africa, as well as a growing "mini-Hollywood" for the shooting of feature and documentary films.
Protest marchers target DJs

By Victor Metsomere

RADIO SHOW hosts came under fire from furious protesters during the Concerned Musicians' march on the SABC in Auckland Park yesterday.


Cloth banners were as biting: "The rejection of our music is the rejection of our culture", "Who said white viewers were better than black viewers?", "Viva African culture for the people — Viva".

Among the 200-odd mbqanga, mbube, maskandi, reggae and township disco musicians were Stumla's Ray Shirt and wife Shobu, Sydney's "Mama's Baby" Mogopodi, Rebecca Malope, Sister Phumla, William Mbethwa, Johnny Mokhali, Kenyan Simba Moriri, Nothemba Mkwembe, Ebony, System Enemy, Thabo Mabola and Shaka Bundu.

As usual, protest poet Mzwakhe Mbuli was at the helm and spitting fire.

"It is time the SABC acted regarding DJs who disregard South African music and promote overseas music at the expense of indigenous music and our culture," said Mbuli.

"We want the Government of National Unity to know that we did not vote in vain because we have rights too."

Soweto has learnt that three radio DJs have got a debut album which they promote heavily on their radio station.
Funds boost for cultural organisations

By BARRY STREEK
Political Staff

A LIFELINE of R27 000 has been thrown to struggling community cultural groups by the Council of Cultural Ministers.

The emergency funding is available to those community organisations which are under severe financial pressure, the ministers said at the weekend after a meeting in Bloemfontein.

The council consists of the Minister of Arts, Culture, Science and Technology, Dr Ben Ngubane, his deputy Mrs Winnie Mandela and the ministers responsible for arts and culture in the nine provinces.

They said lists of the organisations in need of money would have to be submitted to Dr Ngubane before February 6.

The money would only be available in the current financial year.

Provinces would have to budget for this sort of funding in future, the ministers said.

Dr Ngubane did, however, indicate that he would explore the possibility of funding from foreign sources.
Zinzi Mandela's venture 'launched at public expense'

Winnie embroiled in a showbiz row

By Bronwyn Little

Winnie Mandela's daughter faces the familiar allegations about the use of public funds to promote her own company. Winnie Mandela, the former wife of anti-apartheid icon Nelson Mandela, has been embroiled in a showbiz row as her company, Zintle Arts, is alleged to have used public funds to promote her own interests.

The story begins with a meeting in Pretoria between Winnie Mandela's company and the government. According to reports, Winnie Mandela's company was awarded a contract to provide entertainment services for a government event. However, it appears that the company was unable to deliver the services as promised, leading to a dispute over the use of public funds.

The allegations have sparked controversy, with many calling for a probe into the matter. Some have questioned whether Winnie Mandela's company should be allowed to receive public funds, given her background and the potential for conflicts of interest.

The government has yet to respond officially, but the issue has raised concerns about the use of public funds and the transparency of government contracts.

Winnie Mandela's company has denied any wrongdoing, stating that they were simply unable to deliver on the contracted services.

The controversy has also raised questions about Winnie Mandela's role in the entertainment industry and her potential influence in government contracts. Some have accused her of using her position to advantage her own business interests.

The matter is expected to be closely monitored, with many anticipating a full investigation into the allegations.
Winnie’s showbiz debut gets bad reviews

The Argus Correspondent

JOHANNESBURG. — Winnie Mandela is in the spotlight again, this time in an entertainment industry row involving her daughter, local entertainers and American promoters from the Whitney Houston Foundation.

Entertainment industry representatives claim Mrs Mandela used the banner and resources of the government of national unity to present a private promotions company partly owned by her daughter, Zinzi, to the industry.

Normally publicity-hungry entertainment business people were shy to have their names linked to the dispute, but said they were outraged at the behaviour of the Deputy Minister of Arts, Culture, Science and Technology.

They claim she abused her position to favour her daughter, while Mrs Mandela said she was just giving her daughter’s private promotional company the same treatment anybody else would get.

Mrs Mandela, in her capacity as deputy minister, called a meeting of South African entertainment industry representatives in Pretoria on Friday, ostensibly to brainstorm issues with American concert promoters, according to a letter about the meeting.

People present said the meeting turned out as the presentation of a private company, Simuaye, a joint venture between Zinzi Mandela-Hlongwane, her husband, Zweli Hlongwane, and Sheldon Platt and Toni Chambers of the Whitney Houston Foundation.

“I cannot believe the cheek of it. Mrs Mandela used taxpayers’ money — my money — to present and launch a private company, and then on top of it asked for my intellectual input,” said one furious industry representative.

Asked for comment, Mrs Mandela’s office said: “There is no relevance whatsoever in the fact that Ms Mandela-Hlongwane is the daughter of President and Mrs Mandela.”
Promoters, media racist, says Winnie

Johannesburg. — Deputy Arts, Science, Culture, and Technology Minister Winnie Mandela has accused South African media and white entertainment promoters of racism.

She also said her ministry took a dim view of the Rolling Stones using only a white promoter for their forthcoming visit to South Africa.

Mrs Mandela denied she had used "taxpayers' money to launch her daughter Zindzi Hlongwane's entertainment company, blaming one white promoter for starting the rumour.

There was an outcry now that the world was changing and opportunities were opening up for black musicians and technicians, she said.

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Film industry 'should fall under education'

AMANDA VERMEULEN

The development of a viable SA film industry should be the responsibility of the Education Department and not the Arts, Culture, Science and Technology Ministry under which it currently falls, industry sources said this week.

Veteran film-maker Lionel Ngakane said film had an important role to play in the education and development of SA, and therefore should fall under the auspices of the Education Department.

Ngakane said there were moves to shift responsibility for the film industry away from the Arts, Culture, Science and Technology Ministry. Another factor supporting this was that film was competing with a number of the other arts — music, theatre and dance — which would result in the industry not receiving the government support it needed.

The establishment of film schools should be funded by government, the private sector, and the SA broadcasting industry, Ngakane said. Overseas funders such as Unesco and the International Organisation of Film Schools could be approached for financial support to provide opportunities, particularly for black film-makers, to make films about SA for distribution in international markets.

Ngakane, who returned from Britain five months ago after a 44-year absence from SA, said it was also important to develop cinema outlets in black areas to stimulate the demand for locally made films. He was working on a project to take cinema into the townships on a franchise basis using black entrepreneurship.

"Once a distribution network and a cinema-going audience in the townships has been established, investors will be more encouraged to back production."

It was important for the business sector, particularly the financial institutions, to invest in cinema development in the townships.
Giant Cultural Reveamp

on the way for W Cape

Library, Stage, Dining included

acc il/s/1g

IAN MACDONALD

THE ARGUS, Thursday, February 16, 1995

Editorial: The need to "look at South Africa" is clear in Jo...
Red tape chases camera crews from Cape Town

□ ‘Treat them right’ — or boom won’t last

JENNY VIALL
Staff Reporter

OVERSEAS photographic crews are heading for Cape Town in ever-increasing numbers to use its superb locations and models — but instead of being welcomed, they’re being tied up in bureaucratic red tape.

People from production houses, who do not want to be named, say the work permit system introduced in 1993 will drive away foreign crews.

Foreigners wanting to work in South Africa must apply for work permits to Home Affairs and the Consultative Committee. This committee has been appointed by the Minister of Home Affairs to advise on the suitability of applications for temporary work permits in the entertainment industry.

Very few applications are turned down, but, says the production industry, there’s a lot of paperwork — and a fee — before applications are granted. The system is also not that efficient.

The Consultative Committee charges each applicant a processing fee, which varies between R120 and R420 for each person. Group applications cost R60 per member plus a basic processing fee.

“They must pay this fee in addition to using a South African production company, which can cost between R1 000 and R1 200 a day,” said a spokesman.

R60. Each applicant must submit a copy of his or her application to Home Affairs, as well as a comprehensive curriculum vitae and a clear explanation or motivation detailing reasons why it is necessary to import foreign talent and expertise.

In addition, the total number of non-South African residents to be employed must accompany the application, and offers of permanent employment in the form of proof that the position was advertised in the national press and/or that local agents were approached to supply local candidates for consideration.

The forms are all sent to the Consultative Committee and the discipline concerned, which has its own requirements.

These are set “to assist in the advancement of local people in the entertainment industry”.

The Consultative Committee has been set up to protect local industry from “allowing people from overseas to overrun this country”, said Consultative Committee chairman Howard Belling.

But, say production companies, we need to encourage people to come here, and the red tape is chasing them away.

“We’re not happy about the situation,” said a spokesman.

People come to work here, to use our locations and models, they’re bringing money into the country, using local people where possible, staying in our hotels, yet we’re not treating them well. There is no logic in putting a tax on people and covering them in red tape.

“Miami used to be a favourite location, now it’s Cape Town... but it won’t last unless we treat them right.”

Mr Belling said there was “perhaps room” for looking at the system. Our activities have increased a hundredfold over the past 16 months to a year. Everything is in flux. If there are problems in specific disciplines, they must talk to us.”

Production houses said it was fine to monitor the people coming into the country for statistical reasons, but wanted the forms simplified.

“Well, we’re not having much luck with that,” they asked.

Mr Belling said some of the processing fee was spent on administration, running its office and paying four permanent staff members.

The rest went to training people in various disciplines.

“We have to contribute to the RDP so that the entertainment industry can become self-sufficient,” said Mr Belling.

Production houses say the rules were imposed on them and that they had no say.

“We want to find a bridge, we want a situation that’s good for all parties. We’re willing to talk to the Consultative Committee.”

But, explained one modelling agent, it’s not that easy to get people to come together to present their grievances. The industry is not that organised.

□ The Consultative Committee is made up of 17 organisations in the performing arts and media fields.
Film industry ‘should be left to private sector’

GOVERNMENT should not get involved in the film industry. The task of developing it should be left to the private sector, CTV executive chairman Peter Gallo said last week.

Gallo is a film distributor and producer, and has been involved in the making of a number of wildlife features and documentaries with conservationist and filmmaker John Varty.

Over the past few years Varty’s films, made by his company Londolozi Productions, have notched up substantial revenue in international sales. The latest production, Running Wild, stars Brooke Shields and Martin Sheen, along with Varty, and will be released in SA this week.

Gallo said there had recently been a lot of interest by investors in financing local films with wildlife themes. Productions were underway with the BBC and one of the top seven US film networks.

A script was in development with a major US group for a wildlife feature, but Gallo said the proposed film was still in its infancy, and details about the film network were confidential.

The advantage of making wildlife films was that they had a broad appeal across all groups locally and internationally, and the stories did not “date”. Wildlife movies also helped promote SA tourism.

Gallo said SA’s wildlife made it a natural choice as a venue for feature films. Many of Africa’s most successful films had used a strong wildlife theme, and included movies such as Born Free, Gorillas in the Mist and The Gods Must Be Crazy.

These types of films offered the local film industry many opportunities, as overseas viewers were still fascinated by Africa and animal stories. A recent example was the enormous success of the animated feature The Lion King, which was released internationally last year.

The growing emphasis on environmental issues gave stories about the relationships between humans and animal enormous appeal, Gallo said.

He emphasised that government should not interfere in the film industry other than to extend to local filmmakers the same export incentives that other industries received.

One benefit of using wildlife themes was that these movies offered much potential for implementing affirmative action in the industry. Running Wild, he said, had used a number of black actors and crew.
Anger, disbelief over axing of Capab actors

BY FIONA CHISHOLM

HURT and angry Capab Drama actors face a bleak future after the end of March, having been given one month's notice before losing their salaries, medical aid, housing subsidies and pension schemes.

The 12 actors affected by Capab Board chairman Mr. Meecyn Smith's announcement yesterday that their contracts would not be renewed in anticipation of budget cuts have been given no severance packages.

Two of the actors affected, Neels Coetzee and Diane Wilson, have been with Capab for 20 years and 15 years respectively.

Raiize Koch said it was "incredible" that actors could be dismissed "without so much as a lucky packet".

"Yes; we are on annual contracts, but we were given subsidies and benefits and that implied a certain commitment both ways.

"I have sympathy for the budget restrictions facing Capab, but it is incredible that scaling down of productions does not involve an overall scaling down of management."

"In the business world, people don't retain their overheads while getting rid of their productive personnel. No one in management has been axed."

Fellow actor Diane Wilson said: "We are going to fight this decision with everything we've got. They are acting within the law, but morally there is some obligation to treat us better. We'd have to treat our domestic servants better."

"There is no dead wood within the company. We all work very hard, are committed and dedicated. We are expected to work as directors, compilers, devisers, to do schools programmes, to do anything that is required of us. We work overtime for most of the year and make no demands."

"If the plan is to bring in freelancers they won't find a pool of actors in Cape Town. They will have to bring them down from Johannesburg and pay a great deal more on air fares and allowances."

Koch called for greater public accountability in the running of Capab and "a transparency which explains the reason behind the chopping of an entire drama company, even before the expected reduced budget for 1995-96 has been announced."

A small core of people including Ralph Lawson, Marthinus Baisson and Ivan Abraham has been left to manage both the artistic and administrative functioning of the drama department.
Capab ‘should not spend R35-m’

Political Correspondent

CAPAB should “not be allowed” to spend R35 million on cultural events for between one and five percent of the population of the province, said ANC legislator Lynn Brown.

- Freedom Front legislator Eleanore Lombard called for measures to control the influx of jobless and homeless people into the Western Cape.

She said the influx of “outsiders” was placing a “huge burden” on the province’s infrastructure.

- Pointing to the glaring contrast between newspaper reports on the Western Cape government’s financial crisis and the R330 000-a-month bill to run the new Cape Metropolitan Council, lone African Christian Democratic Party legislator Michael Louis said: “We have to set an example and cut the size of government structures.”

- Democratic Party leader Hennie Bester said the “resources squeeze” in the Western Cape provided an opportunity to increase the scope of partnership between government and private citizens and the private sector.

ANC legislator Russell McGregor said it was a “myth” that the white-run large-scale commercial farming sector was efficient and effective, but argued that insufficient consultation was taking place in the establishment of small farm schemes for newcomers to agriculture.
Competition Board slams Ster-Kinekor

By CIARAN RYAN

Ster-Kinekor's opening of the Musgrave Cinema Complex in Durban in direct competition with Avalon Cinemas has been declared a restrictive practice by the Competition Board.

The board recommends a negotiated solution in which Ster-Kinekor agrees to end the restrictive practice, failing which the practice would be outlawed and Ster-Kinekor compelled to sell the complex to Avalon at a market price or to buy Avalon at a price a willing buyer would have paid had Musgrave not been opened.

Ster-Kinekor is also prevented from exhibiting day and date releases (premiers) selected by Avalon's Berea Civic Centre until the board's recommendations have been implemented.

Ster-Kinekor's refusal to supply films to cinemas competing with its own was also declared a restrictive practice. No recommendations were made to terminate Ster-Kinekor's vertical control of the cinema industry from distribution through to exhibition, although this may be reassessed.

Durban businessman Moon Moosa, the owner of Avalon, claimed he was forced to shut down most of his cinemas because apartheid laws prevented him from competing fairly.

Ster-Kinekor had "snubbed its legitimate expectation" to be awarded a lease in a cinema complex developed by Sanlam's Coreprop in Chatsworth in 1988.

The board stopped short of setting a precedent for racially-motivated claims in cases of commercial redress. It found it could not "create economic opportunities for previously disadvantaged communities by apportioning a share of the relevant market to such persons or restoring them to any position previously held in a given market."

The board received complaints that Ster-Kinekor, through its links with Sanlam and Sankor, received right of first refusal in new complexes. Sanlam companies control 14 of the 38 complexes operated by Ster-Kinekor.

"Allocating the Chatsworth site to Ster-Kinekor evinced a lack of vision, wisdom and sensitivity," says the board.

Ster-Kinekor could not be reached for comment.
Ster-Kinekor

more efficient and satisfactory by some of the major overseas film producers for whom it distributed.

But the Competition Board said Ster-Kinekor’s practices opposed competition and the reconstruction and development programme’s support of small and medium-sized enterprises.

Ster-Kinekor parent company Interleisure’s deputy chairman Buddy Hawton said the group was “surprised and very disappointed” with the board’s report. It was considering its position.

The report said Ster-Kinekor and Interleisure, which were owned by Saffren, Old Mutual and Sankorp, were typical examples of “the conglomerate interlock found in SA”.

Saffren, Old Mutual and Sankorp had not seriously tried to resolve the dispute.

Ster-Kinekor’s contention that it did not dominate the exhibition market was a distortion of the facts. The report pointed to Interleisure’s 1993 annual report which referred to its “dominance of exhibition”.

The board said Ster-Kinekor’s refusal to supply film prints to independent exhibitors “technically falls within the definition of a restrictive practice”.

The board would try to negotiate a solution to the issue. It recommended that Trade and Industry Minister Trevor Manuel direct Ster-Kinekor either to sell the Musgrave complex to Moosa at a market related price, or purchase Avalon’s competing cinema at a price a competitor would have paid had Musgrave not opened.

In the interim, Manuel should order Ster-Kinekor not to exhibit films selected by Avalon for its competing Berea cinema.

Although Ster-Kinekor had entered into a joint venture with a black-controlled company as part of a black empowerment scheme, the board said such ventures “will not justify the creation or strengthening of anti-competitive structures”.

From Page 1
Cape Town set to hit the jackpot

By ANTHONY JOHNSON  
Political Correspondent

CAPE TOWN is set for a gambling bonanza when the Lotteries and Gambling Board unveils its long-awaited new regulations governing the granting of licences for South Africa's multi-billion rand gaming industry this week.

The Western Cape, long the Cinderella province in the casino stakes, has seen a surge of interest by both South African and international consortia vying for a share in the lucrative industry under a completely revamped gambling dispensation.

Over a dozen sites around Cape Town have been earmarked for new hotel and entertainment complexes by groups like the Hilton, Sheraton and Sun International.

And a number of existing hotels, including the Mount Nelson, are reportedly trying to get on the casino bandwagon once the new rules of the game are announced in a report and draft legislation is presented to the government on Thursday.

Plans for a number of casino-linked resorts are on the drawing boards for the rest of the province, including a 120-hectare entertainment complex by Rand Merchant Bank's Global Resorts in Hermanus.

The viability of many of these proposed multi-million ventures should become clearer when Professor Nic Weihan and his 18 board members place their report before parliament.

The document, based in part on submissions from a number of hopeful participants in the industry, will be presented to Deputy Justice Minister Mr Chris Framer.

The report is expected to end the stranglehold on the existing legal casino industry held by Mr Sol Kerrner's Sun International, which currently has 17 legal casino licences.

One source said at the weekend that the board was not expected to allow any single group to control more than one third of all licences.

The new regulations are expected to promote greater competition and foreign investment in the industry.

The draft legislation is expected to provide clarity on the number of licensed casinos allowed to operate in each province, where the proceeds will go, and the status of over 2 000 unlicensed gambling outlets across the country.

The nine provinces, all of which were represented on the Lotteries and Gambling Board, are expected to have a decisive say on who is granted gambling licences.

The report will also give the green light to a national lottery and sports pools in South Africa.
Film industry faces crunch as subsidy comes to an end

The SA film industry was under threat unless government extended its subsidy. Toron Films production director Carl Fischer said at the weekend.

The subsidy, which is to be withdrawn at the end of this month, allows SA film makers to claim up to R1,5m to help them finance films.

Fischer said unless the subsidy was continued, it was unlikely that any local films would be made this year. The only movies made in SA would be those financed by overseas production studios.

Even box office hits such as the popular Leon Schuster films could not be made without the subsidy, he said.

Key people in the industry had made representations to the Arts, Culture, Science and Technology Ministry. A study being conducted by the Arts and Culture Task Group was examining various issues relating to funding of the arts. The task group would publish its report on June 15.

The film industry currently falls under the Home Affairs Department, but it is making efforts to have it moved to Arts and Culture. Fischer said strong lobbying had taken place, but to date the industry had been given no indication of what would happen to the subsidy.

Government needed to provide incentives to the industry and rewards for commercial success, he said. In addition, it should be awarded the same status as other developing industries.

The current debate with the Independent Broadcasting Authority on local content would have a positive effect on the industry if content mandates were enforced, as research had shown the world over that local content was more popular than imported programming.

Toron releases its latest film, Soweto Green, in two weeks, and Fischer said its performance could have a significant effect on the future of the industry.

The film, first produced by "a new generation of movie makers", could generate more investor interest in film production if it proved to be successful.
Shocked for Notes

Illegal Operators Face Ban

10-Year Casino

Backstory: The Bangkok Post reports that the government is considering banning illegal gambling operators. These operators have been a major source of revenue for the country, but their activities are illegal and often involve organized crime.

The government is looking at ways to increase tax revenue and reduce the influence of organized crime in the gambling industry. The proposed ban would cover all forms of illegal gambling, including live casino games, slot machines, and sports betting.

The move is expected to be controversial, as many people rely on illegal gambling as a source of income. However, the government is determined to crack down on this activity and make the country safer.

The government is also considering introducing a tax on gaming revenues, which would help generate additional revenue. This move is expected to be popular, as it would help reduce the influence of organized crime in the gambling industry.
Cinema chain reacts to report

AMANDA VERMEULEN

STER-Kinekor parent company Interleisure is to meet Trade and Industry Minister Trevor Manuel regarding the Competition Board's finding that it was anti-competitive, with company sources saying it might refer the matter to the Supreme Court as a last resort.

The board last week released its report of an investigation into claims that Ster-Kinekor acted in a restrictive and anti-competitive way towards independent cinemas.

The report sided with the complainants, including Avalon MD Moosa Moosa, several other independent exhibitors and Na Metro, SA's second largest cinema chain. It recommended that Manuel order Ster-Kinecor to sell its Musgrave cinema complex to Moosa, or buy Moosa's competing Berea cinema at a market-related price.

Ster-Kinekor sources said this recommendation implied that no company could open a competing business close to another.

Interleisure deputy chairman Buddy Hawco declined to comment on possible court action.

The board's Pierre Brooks said the board would welcome the opportunity to test this case in court.
Consortiums hope it’s their lucky day

Games Africa, which runs Illovo and Viva lotteries, formed a consortium at the end of January which included Thebe subsidiary Moribo Investments, Stocks & Stocks, Vela International, Viva Trust, and the Totalisator Board. The new consortium was planning to apply for the national lottery.

Corporate Africa, according to chairman Nhato Motlana, has also been in discussions with a major lottery company overseas regarding a lottery licence.

Recently-listed Kilimanjaro Holdings, headed up by Richard Maponya, was also said to be interested in a stake, particularly in Sun International’s operation in the former Bophuthatswana.

Former Sun International marketing director Ernie Joubert, who formed Global Resorts last year with Rand Merchant Bank and an unnamed anchor investor, said he would bring new black partners into the consortium. One group with which he had held talks was Thebe investments.

Sun International said the group was not prepared to disclose at this stage details of discussions it was having with other parties.

On the sports gambling side, the Argus group, Nafoco, and African Renaissance had formed an alliance with UK football pools operator Littlewoods to participate in an SA venture similar to ones in the UK.

Omar Sharif’s gaming operation has indicated it would welcome the opportunity to get involved in casino operations with a black partner, possibly the ANC Women’s League.

Real Africa chairman Don Nuobe said recently in presentations to the investment community that although the group had no formal plans to become involved in the gaming industry, it wished to pursue tourism interests, and this could indirectly result in a stake in casinos.

Today’s announcement is expected to disclose that about 25 new licences could be made available, of which about four could be on the scale of the Sun City/Lost City development.
Surgery and First Aid Report

Operators dead in the water, while Christmas service and Heaven change

Casino license be issued, consultant could lose small

The Lotteties and Gambling Board's recommendation that only 23 more
Board boosts gambling

The final report of the Lotteries and Gambling Board, presented yesterday, provides for the legalisation of most forms of gambling in South Africa — but under strict controls. Barry Street reports.

A national lottery, 40 casinos, slot machines and bingo will hit South Africa soon if the Cabinet and Parliament approve the recommendations of the Lotteries and Gambling Board.

But it will take months before the proposed changes to the country's gambling laws are implemented, and there will be strict controls over all forms of gambling.

The board's 208-page report was presented to Deputy President Thabo Mbeki and the Deputy Minister of Justice, Mr Chris Broome, yesterday.

Mbeki said the cabinet would consider the board's report as soon as possible after it had been considered by the cabinet's social and economic committee, so that legislation could be finalised this year.

The report was described as a "great achievement" by the minister.

Professor Wits University's chairperson, Dr Nico Witschahn, said the report was "a clear and well-documented document".

In its report, the board recommended strict control, effective regulation and competent policing of the gambling industry.

Gambling legislation should have the primary objective of protecting the public and its more important objective should be the protection of the public.

Politicians should not be involved in decision-making or control of bodies relating to gambling.

It also said legislation should exclude central and provincial governments and parastatal bodies from having a share of the industry's profits, excluding the national lottery.

The board proposed:
- National lottery, South Africa owned and controlled by the South African government and operated by a non-state organisation.
- The legalisation of provincial lotteries in provinces with a (lottery) m"m of R 200,000.
- Slot machines and bingo.
- The board should be the only gambling authority in the country.
- The board should grant licences.
- There should be a code of conduct for both operators and for all gambling activities.
- South Africans should have preference for licences.
- The number of licences should be limited to 50.

R20bn a year bonanza

The gambling industry could have a turnover of R20 billion a year by 1997 and create jobs for 100,000 people, the chairperson of the Lotteries and Gambling Board, Professor Nico Witschahn, said yesterday.

It could also be one of the most important sources of income for the state in years to come, he said at a press conference.

In its report on gambling, which was handed to the government yesterday, the board said the industry should be focused on operations of gambling activities. This should be based on open licensing of premises.

However, income from gambling must not be taxed and all forms of gambling should have VAT-exempt status.

The board also said that the income from gambling should be legal and be enforceable in a court of law. Gambling money should be subject to strict control.

The board proposed that 50% of the gross income of the national lottery should be allocated to prizes.

The remainder of the lottery's income, after prizes and expenses had been deducted, should be proportioned, with 50% going to the RDF, 20% for sports development, 20% for charities, 5% for arts, culture and heritage, and 5% for miscellaneous causes to be identified.
Board urges
New Gambline licences modelled
Horseracing industry gears up for competition

BY ROBERT GARNER
RACING EDITOR

Betting turnovers on horse racing are certain to be adversely affected when other forms of gambling are legalised.

Horse racing in many overseas countries has had to compete against other forms of gambling for years and several investigations have been carried out in the UK on the impact that lotteries, casinos and the like have on racing.

It has been found that a lottery reduces betting turnover on racing by between 11% and 13%.

Racing's best chance of survival in this country might be for the industry to be allowed to take part in other forms of gambling. Colin Dunn, chairman of the Highveld Racing Authority, said yesterday that racing would compete for licences for other forms of gambling.

"We are looking at getting involved in a bid to run a national lottery and, if there is a prospect of a licence for a small casino, we would try to get one for Gauteng racing," he said.

"Other forms of gambling will hit us. They've hit racing everywhere and it won't be different here," Dunn said, adding: "What is important is that racing should be taxed the same as other forms of gambling."

"It was also interesting to see that it was recommended that Vat not be applied to gambling. We will push for the same deal for racing."

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Call for probe into alleged corruption at task unit

Durban — The controlling board of the Investigation Task Unit, a body probing KwaZulu-Natal hit squads, said yesterday it had approached the national police commissioner to investigate allegations of corruption in the unit.

Coerced

ITU spokesman Howard Varney said in a statement that the ANC's deputy secretary in KwaZulu-Natal, Sifiso Nkabinde, had alleged that ITU members paid witnesses to make false statements which implicated him.

Nkabinde had alleged that members of the ITU coerced witnesses to make false statements by offering monetary and other rewards for their participation in concocting versions implicating him.

Varney said Nkabinde had claimed that members of the ITU were instigators and/or part of a conspiracy which aimed to falsely implicate him in several murder charges.

Varney added that Nkabinde's lawyers had indicated they may bring a Supreme Court action against the ITU, but he did not elaborate.

"The allegations made by Mr Nkabinde are rejected.

"Notwithstanding, the controlling board of the ITU has called on the national commissioner of the South African Police Service to launch an independent investigation into the allegations," Varney said. — Reuters.
GAMBLING PROPOSALS SEEM TO FAVOUR SUN INTERNATIONAL

Casino domination feared

FEARS are growing that Sun International will dominate South Africa's new casino industry, particularly after the Lotteries and Gambling Board watered down its proposals to limit monopolies. BARRY STREEK of our Political Staff reports.

In the second draft of its report, the board proposed that no operator should be allowed to hold more than 30% of casino licences. This was taken out of its final report.

It also proposed that 50 licences be granted. This was cut down in the final report to 40.

The decision to limit the number of casinos will mean well-financed operators have a decided advantage when it comes to the granting of licences.

Sun International, with its 17 legal casinos in the former homelands, is in a privileged position. If the cabinet and Parliament agree to restrict the number of casinos to 40, Sun International will already have about 42.5% of the licences.

Even before the publication of the report, a local agent wrote on behalf of an overseas group to the Western Cape Premier asking for an assurance that Sun International would not be favoured.

With the secretive purchase of the Goodwood Showgrounds by a Sun International subsidiary, the group is clearly preparing for a major casino investment in the Cape Town area.

Board chairman Professor Nic Wiehahn said it would be up to the provincial licensing authorities to decide whether Sun International would have to reapply for licences for its existing casinos.

He said at a press conference that Sun International felt "apprehensive" about the new situation.

"But I don't think they need to be afraid. Protection of investments made is one of the principles we recommended."

Asked about fears that the company would dominate the metropolitan market, Prof Wiehahn replied: "Equity of treatment is what we have recommended."
Board to decide on how many casinos each province will get

BY HELEN GRANGE

The Lotteries and Gambling Board is still busy formulating recommendations on how many of the proposed 40 casino licences should be allocated to each province.

Gauteng and the Western Cape are likely to get the lion’s share.

Lotteries and Gambling Board chairman Professor Nic Wishahn said there was likely to be an unequal distribution of the licences due to the bigger concentration of people in the larger urban hubs.

The board, in its report to the Government last week, recommended that 40 casino licences be awarded countrywide.

This included the 17 already held by Sol Kerzner’s Sun International.

Wishahn said the implications of the proposed new gambling structure, which includes a national lottery owned and controlled by the State, was that about 100 000 jobs would be created within two years and economic growth would be substantially stimulated.

The South African gaming industry could also join the international gambling organisations — although gambling in South Africa was likely to differ in character.

Strong emotion

"I predict that, because we are outdoor people, wagering in the line of sports pools will become a big attraction."

Wishahn added, however, that no recommendation had yet emerged on dog racing, which seemed to incite strong emotion in punters and spectators. The board had been divided on the issue and further research was being conducted.

On the recommendation that illegal casinos, which operated after October 21 last year be disqualified from getting licences for 10 years, Wishahn said this had been necessary to implement control and "level the playing field."

"In finding the formula we proposed, we looked at gambling formulas internationally."

"The average formula is one casino to 80 000 people. On that basis, we would have 58 casinos, which is too many."

"Our formula is one per 1-million people."

"The established licence-holders will now face competition from other casinos, big and small, — although the board has recommended strict control on advertising for casinos," he said.
Massive boost for arts and culture in budget

BARRY STREEX
POLITICAL STAFF

THE promotion of arts and culture appeared to have been given a huge boost in yesterday's budget — a 286% increase to R226.4 million.

The budget allocation to the Ministry of Arts, Culture, Science and Technology rose to R511.562m, but much of the increase of R177.5m went to the promotion of arts and culture.

This included R121.7m for the performing arts councils.

A Department of State Expenditure official explained yesterday this is a temporary measure as the nine provinces were unable to agree on how this money should be allocated.

The R521.7m had been provided under the national department's vote until agreement between the provinces is reached.

In the past, there were four performing arts councils, but the money must now be divided between nine provinces, a move which will have severe implications for the existing Capab, Pacofs, Pact and Napac.

The ministerial vote includes R47.5m for the promotion of arts and culture, as opposed to R2.3m last year.

Science and technology received R229.5m. The Human Sciences Research Council will get R229.5m, the Foundation for Research Development R87.2m and the National Accelerator Centre R37.9m.
French film company seals local deal

AMANDA VERMEULEN

FILM company Philo Pieterse Productions has signed a $2m joint venture deal with French film company Son Lumière to produce a miniseries in SA next year.

Pieterse said the deal was the second with Son Lumière, which is currently filming a R10m, two-part miniseries in SA in conjunction with Pieterse Productions.

The new miniseries, to be filmed in English in up to 36 parts, would be sold at the international film and television market at Cannes in June. It would cost about $1m an episode and would be jointly financed. Filming would begin in May next year.

He said his company had co-produced eight film and television projects with several European producers over the past 16 months.
STER-KINEKOR will negotiate with the Competition Board soon to find a solution to the board's ruling that it had acted in a restrictive and anti-competitive manner towards independent cinema operators.

The ruling came after complaints were lodged with the board by independent operator Avalon MD Moosa Moosa and other independents last year.

A three-month investigation culminated in the board's findings in favour of the complainants.

Ster-Kinekor parent Intertelcelure MD Mike Egan said at the weekend that the company had been invited by Trade and Industry Minister Trevor Manuel to make a written submission on the board's report, following which Manuel recommended that Ster-Kinekor and the Competition Board meet to find a solution.

In the report, the board said it was willing to explore opportunities "for concluding an arrangement with Ster-Kinekor that will allay the board's principal concerns about Avalon's position". If no solution was found the board would recommend that Manuel direct Ster-Kinekor to buy out Avalon at a market-related price or sell its competing cinema in the Musgrave complex in Durban to Avalon.

Egan said he was pleased Ster-Kinekor had been offered the possibility of a negotiated settlement. "We are encouraged by the spirit of negotiation and will enter into discussions in good faith with every confidence of finding a solution."

BEATRIX PAYNE reports that Competition Board chairman Pierre Brooks said that, after Manuel told him of the situation, he had invited Ster-Kinekor to schedule a meeting, but as yet no date had been set.

"Moosa said: "I believe the ideal solution would be for us to buy the Musgrave Centre cinema complex, as it was something we wanted from the outset."

He said a fair price would have to be worked out.
New Deputy Arts Minister

MRS BRIGHTTE Mabandla has been appointed Deputy Minister of Arts, Culture, Science and Technology to replace Mrs Winnie Mandela.

Mrs Mabandla has served on the ANC’s legal and constitutional committee since 1990 and is part of the Constitutional Assembly’s management committee.

She obtained an LLB at the University of Zambia in 1979 after being excluded from the University of the North because of her political activities.

She joined the ANC’s legal and constitutional affairs department in 1986 after teaching Law in Botswana. — Sap
New face
at arts
and culture

BY ESTHER WAUGH
POLITICAL CORRESPONDENT

Cape Town — After a long career in law and human rights, Brigette Mabandla yesterday made an unexpected switch to the fields of arts, culture, science and technology.

In an interview, the new deputy minister said: "It is a new field in which I intend applying myself."

Mabandla said she was "overwhelmed" at her appointment and "honoured to be invited to join the Government.

Mabandla (46) worked in the ANC's legal department in Lusaka while in exile.

After her return to South Africa, she became a member of the ANC's constitutional and legal commission and worked at the Cape's Community Law Centre with Water Affairs and Forestry Minister Professor Kader Asmal and Constitutional Court Judge Albie Sachs.

Mabandla said her appointment was "unexpected" and the first indication of her move came yesterday morning when the president's office asked for her curriculum vitae.
New cinema plans for Western Cape

Business Staff

NEW cinemas are on the cards for the Western Cape, according to Ster-Kinekor managing director Mike Ross.

Mr Ross said Ster-Moribo, a joint venture between his company and Thebe Investments, planned to open several cinema complexes on the Cape Flats.

He also had plans for a complex in Table View and work was under way on a six-screen development in Stellenbosch.

See page 20
WINNIE Mandela's replacement as deputy arts and culture minister, Brigitte Mabandla, has been sworn in at Tuynhuys.

The brief ceremony was attended by President Mandela, his deputies, Thabo Mbeki and F W de Klerk, and several cabinet ministers and MPs.

Congratulating Ms Mabandla after she signed the oath of office, Mr Mandela said he knew she would tackle the new job with the same professionalism and efficiency with which she had discharged her duties as legal adviser to the ANC and a drafter of the interim constitution.

As she left the room, Ms Mabandla was hugged by Health Minister Nkosazana Zuma and congratulated by other well-wishers, including Finance Minister Chris Liebenberg and Agriculture Minister Kraai van Niekerk. — Sepa.
S-K for Cape expansion

COLIN DOUGLAS  (292) ARC 29/3/75
Business Staff

CINEMA chain Ster-Kinekor is on the expansion trail in the Western Cape.

Managing director Mike Ross, in Cape Town yesterday, said the company was keen to open a cinema complex in Table View and was considering several sites as options.

Ster-Moribo, a joint venture between Ster-Kinekor and ANC-controlled Thebe Investments, also had plans for a number of complexes on the Cape Flats, he said.

Work was under way on a new six-screen Stellenbosch complex, while negotiations were “at a sensitive stage” to secure a site at another key location in the Peninsula.

Mr Ross was upbeat about the company’s prospects, even in the face of a recent ruling against it by the Competition Board to the effect that the opening of its Musgrave complex in Durban was a restrictive practice.

Following a complaint against Ster-Kinekor by Moosa Moosa, owner of a rival Durban cinema, the board recommended that the antagonists reach a negotiated settlement, failing which Ster-Kinekor would be compelled to sell the Musgrave complex to Mr Moosa at a market price, or buy Mr Moosa’s Avalon complex.

- Competition Board chairman Pierre Brooks has been reported as suggesting that Trade and Industry Minister Trevor Manuel would block any further expansion by Ster-Kinekor until the Musgrave dispute was resolved.

Mr Ross said he was confident the government would arrive at a competition policy that would be able to root out harmful practices without stifling successful businesses.

Commenting on the firm’s troubled Movie Club promotion, which experienced technological problems after being overwhelmed by 85 000 customers, he said senior and outlet management had learnt valuable lessons from the setback and had intervened personally to assist disgruntled customers.

Turning to the question of local-content requirements for cinema, Mr Ross defended Ster-Kinekor’s mainly-American fare, saying this was what consumers wanted.
Major cinema chain plans expansion in Western Cape

(292) ARG 29/3/95

COLIN DOUGLAS
Business Staff

A MAJOR cinema chain is expanding in the Western Cape.

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R3-m grant for Market

Arts and Culture Minister Ben Ngubane last night announced the first state funding for the Market Theatre, which now moves closer to becoming the country's national theatre company.

He said he has decided to grant R3-million directly from his budget and pledged to match "rand for rand" the R2-million he appealed for from public donations, particularly corporations.

The minister received a standing ovation when he made the announcement after the packed opening night of Shakespeare's Titus Andronicus performed by South African actors and members of Britain's Royal National Theatre, with South African-born Antony Sher in the title role.

John Kani, executive director of the financially strapped theatre complex, was delighted.

"We have been operating as a small private company. Now we are going to have to restructure our board of to be more representative of our immediate community. The Market is going to be fully accountable."

The minister's announcement is an indication that funding for arts and culture will shift from the old system, which favoured the performing arts councils.
Capital investment totalling hundreds of millions of rand could be pumped into casino resort developments in the Western Cape if the provincial government agrees to keep gambling out of the Cape Town metropolitan area, according to the Fortes King Hospitality group. It operates five hotels in the city, and plans to meet head-on any move by Sun International to extend its casino empire to the region.

A report compiled by subsidiary Fortes King Consulting (FKC) says a major casino development in the metropolitan area could lead to significant downsizing of resort developments in rural areas, resulting in the loss of nearly 6,000 new permanent jobs and a reduction from R1.2bn to R700m in the estimated revenue that would accrue to public authorities through tax, property rates, service charges, levies and permits.

The Western Cape is the only province without easy access to a Sun International casino resort. The nearest is more than 700 km away in the Northern Cape. The province is expected to be allocated five of the 23 new casino licences recommended in the report of the Lotteries and Gambling Board released earlier this month. The provincial government will award the licences. There has been strong speculation that Sun International intends to apply for a licence to develop a casino on the Cape showgrounds in Goodwood which the company bought last year for a reputed R35m.

Fortes King marketing and development manager Kevin King says his group is poised to lead a R900m casino resort development on the site of the Overberger Hotel at Caledon, about 130 km south-east of Cape Town.

But if a licence is granted for a major casino development in the city, the investment in the Overberger project will probably be cut to about R300m.

King says the success of resort developments less than two hours' drive from the city will depend mainly on day trippers. Of the 4.2m residents in the province, 3.4m live in the Cape Town metropolitan area. Their custom at the resort will effectively be lost if a casino and entertainment complex is built in the city.

He says planning of the Overberger development is advanced. Construction could start within three months of a licence being granted and would take about 18 months to complete.

King says the consortium backing the Overberger scheme includes foreign investors and local black business interests.

The FKC study argues that areas close to Cape Town — one near Beaufort West and another between George and Knysna — are best suited to casino resort developments. The total potential investment based on suitability studies and the views of foreign investors could be R1.94bn. King says that in at least three of the areas, there is already firm interest from foreign developers and casino operators.

♀ Sun International executives could not be reached for comment on their plans for the showgrounds site. However, during the group's battle to close down small city-based casinos over the past two years, executives repeatedly stressed that casinos needed to be linked to substantial tourism-related infrastructural investment.
Movies of old for township kids

BY WINNIE GRAHAM

Entertainment-starved township children will soon be able to watch movies regularly if a plan by Moseco Magalefa, executive director of the Reintegration and Development Trust, takes off.

At present, the vast majority of township boys and girls have little experience of cinema. Not only are theatres too far from the townships but tickets are simply too expensive.

Magalefa has just completed a survey with the assistance of Ster-Kinekor and Nu Metro and found a "limitless" supply of 16mm films which, if screened, would provide entertainment for youngsters.

The films are old but "of good quality, morally sound and of real entertainment value", in Magalefa's view they make better viewing than most modern films which often concentrate on sex, violence or science fiction.

"I believe that by taking movies to the people we will be stimulating the imaginative and creative potential of our children," he said. "And we will be creating jobs for the unemployed."

There is just one problem stopping the screening of films: Magalefa has no projectors and he needs at least 20 to get started. He believes there may be a number of projectors around that are no longer in use.

He has approached headmasters who have given the project enthusiastic support. He estimates that at least 250 pupils (of a usual school enrolment of 800) will regularly attend screenings, bringing in enough money to pay the projectionist, add to school funds and make money available for RDP projects.

Once the programme is off the ground, Magalefa says, "it will bring in some R150 000 and create as many jobs as there are projectors. In addition, he plans to approach the Government for educational films dealing with subjects such as drugs and AIDS for screening before the main movie."

"It is a way of mobilising our resources," he said. "But the key to success are the projectors."

Anyone able to help should telephone Magalefa at (011) 639-3062.
State grant boosts Market’s standing

BY ANDILE XABA

Arts and Culture Minister Ben Ngubane has announced the first State funding for the Market Theatre, which now moves closer to becoming the country’s national theatre company. He said he had decided to grant R3-million directly from his budget and pledged to match “rand for rand” the R2-million he appealed for from public donations.

The minister received a standing ovation when he made the announcement on Wednesday after the opening of Shakespeare’s Titus Andronicus performed by South African actors and members of Britain’s Royal National Theatre, with South African-born Antony Sher in the title role.

John Kani, executive director of the financially strapped theatre complex, was delighted. “We have been operating as a small private company. Now we are going to have to restructure our board to be more representative of our immediate community... The Market is going to be fully accountable,” he said.

Chairman of the Market Theatre Foundation Graham Lindop echoed Kani’s views: “In the past the Market refused grants from the government,” he said.

He emphasised that the announced grant was made with “no conditions at all.”

The grant has invited positive reaction. Tsheko Tsehlana of the Gauteng Arts and Cultural Alliance said that the organisation “is in full support of the grant, given the fact that The Market is supposed to service African theatrical groups.”

The Market Theatre Laboratory, which is the developmental arm of the Market, is one of the projects likely to benefit.

Midrand town council chief suspended

BY CHARMEELA BHAGOWAT
CITY REPORTER

Henry Lubbe, acting chief executive officer (town clerk) of the Midrand Metropolitan Substructure, has been suspended pending an investigation into alleged irregularities.

In a statement, the MSS said Lubbe had been suspended because a commission of R394 987 was allegedly paid to an intermediary on a council investment of about R14.8 million. Local government regulations prohibit the payment of commission to officials or intermediaries in respect of council investments.

It is also alleged that guarantees were issued to financial institutions for employees’ housing loans without the correct procedures being followed and without adequately covering the council’s risk.

The MSS said it was also investigating “an irregular event with regard to the proceeds of the town clerk’s scrapped motor car in August 1998.” The MSS said, however, that the money had been paid back later.

The statement said that when Lubbe was informed of his suspension on March 9, he urged the executive committee to give him a day to furnish proof of his innocence.

However, after postmigrating the deadline three times, Lubbe was finally suspended on March 14 for failing to provide a satisfactory explanation, the MSS said.
New black film-makers’ body

By Elliot Makhaya, Entertainment Editor

The launch of the Independent Black Film and Television Producers’ Association tomorrow marks the beginning of a new chapter in the film industry. The IBFPA is formed as a result of three-year consultation on issues relating to the exclusion of black filmmakers from the film industry. The membership of the IBFPA comes from two main black film-makers’ organisations — the Afrikan Film and Television Collective and Black Film and Television Foundation, as well as individual black filmmakers who are in the same predicament.

The feeling of most black film-makers is that the ongoing transformation and reconstruction process does not really address their problems in a way that will create a healthy industry in which they can fully participate. Although the future looks encouraging, most blacks are continually marginalised by highly placed individuals who still belong in the structures of the past.

The conveners of the launch say that while South Africa is engaged in the process of integration, a minority element and unscrupulous whites are trying to undermine this process by blatantly defining affirmative action to suit their old apartheid-style relations.

"They perpetually undermine our intellectual capability," say the conveners. "IBFPA as a pro-active organisation established to achieve parity within the industry, views affirmative action as the most potent instrument of achieving an atmosphere of equal opportunity and prosperity for all South Africans."

Over the years, say black producers, there has been a distortion of African images, with productions reflecting what is called “films made for blacks” by white companies.

"For us to be in a position of control over our destiny and redress the distortion and mutilation of African images, we need to arm all these artists who have been suppressed and raise their self-esteem to greater heights."

"Therefore, we decided to form this organisation to try and change the situation."
PRETORIA: Performing arts council boards are to be reconstituted as soon as possible, Arts and Culture Minister Dr Ben Ngubane announced yesterday.

Provincial ministers for culture and the premiers of the provinces traditionally served by each performing arts council would start the process.

This was agreed at a meeting between the Council of Culture Ministers and the chief officials of the performing arts councils.

Public nominations would be called for, and a short-list prepared from which the premiers would appoint board members.

In the case of Cape and Port, which serve more than one province, the provinces previously served will co-operate on reconstitution. — Sapa
GAMBLING RIGHTS 'TRADED' FOR CONFERENCE CENTRE?

Casino operators offer R300m 'sweetener'

Suggestions have been made that the allocation of gambling rights be linked to the construction of a conference centre in the city. Audrey D'Angelo reports.

Casino operators hoping to secure a licence for a gambling centre in Cape Town are prepared to offer a R300-million sweetener, council development co-ordinator Mr Rod Young said yesterday.

With money like that, a convention centre could be built.

Mr Young said he had had discussions with "economic and planning people" in the provincial administration, and they had told him there was a reasonable possibility of a trade-off between a city casino licence and a convention centre, or some other cross-funded social spending.

The Cape Chamber of Commerce and Industry has suggested the granting of casino licences in the Western Cape be linked to a contribution to the cost of building a convention centre in the city.

The chamber has asked the local government to make this a condition of granting a licence.

An assistant director of the chamber, Mr Colin Boyes, said: "The idea of linking gambling rights to the provision of convention facilities has been pursued successfully overseas."

The chamber's newsletter said yesterday it supported legalised gambling, "recognising that it can stimulate tourism and generate revenues through taxation."

The chamber's director, Mr Alan Lighton, said the size of the contribution would be determined by the extent of demand for a casino licence in the city.
A NUMBER of plans to improve the quality of life for the residents of the small West Coast town of Manore have been given the green light by the town council.

Council chairman Dave Pick said plans for a library, a service centre for the town's aged and disabled, a housing project and an irrigation system were some of the projects.

He told mayors attending a summit of ANC-aligned mayors and deputy mayors that most of the funds for the projects came from the President's Fund.

"An R810 000 dam and canal system, which will help irrigate a number of household gardens and smallholdings, will be completed in the next 13 weeks and will assist with the delivery of one of our RDP projects - the vegetable garden project.

"The first phase of a R350 000 housing project starts next week."

Other funds include R800 000 for the library and R117 000 for the service centre.
Casino ‘boost’ for Cape

MICHAEL MORRIS
Political Correspondent

The Western Cape is poised to clear the way for a multimillion-rand casino industry to boost the regional economy, provide jobs, sports and conference facilities and top up the province’s coffers.

Premier Hersh Kriel told the regional legislature yesterday that the province hoped to issue licences for up to seven casinos by the end of the year, clearing the way for construction and development from early 1998.

Casinos would be regulated and monitored strictly by a board of control.

Spelling out the framework in which the province hoped to guide and develop a casino industry, Mr Kriel urged aspirant developers to ‘get their applications ready’ so the process could move quickly.

The province was unashamedly keen to get development going as soon as possible because it was anxious to generate additional income to head off a financial crisis.

Draft provincial gambling legislation would be published for comment in the next few weeks and ideally would be passed by the legislature by July.

In terms of this, a board of control would be appointed to assess applications, although the provincial executive – or cabinet – would have the final say in approving them.

Democratic Party leader Hennie Bester said in a statement later that it was ‘entirely unacceptable’ that the executive committee should be left to approve applications because of the risk of political patronage or interference.

But, he welcomed the overall casino plan.

Mr Kriel said VAT would not be levied on casinos, since the burden of having to pay this in addition to a 15 percent betting tax, plus income tax would be too onerous.

The number of casinos probably would be limited to “about seven”.

“We don’t want to turn the Western Cape into a second Las Vegas,” he said.

He warned that casinos would be strictly controlled and “mafia-type” activities would not be tolerated.

The licences – as well as all gambling staff – would be closely vetted.

Mr Bester welcomed the outline of the casino plan – acknowledging that the province “desperately needs additional sources of revenue … which could be supplied by well-regulated gambling” – but objected to approval of licences by the executive committee.

“Being granted a casino licence could lead to enormous financial benefits for the successful applicants.

“We believe such a process should, as far as is humanly possible, be independent and free from interference by vested interests.”
Seven casino licences for WA Cape
Cinema franchise for black business: Meet Movie, a new local cinema chain, plans to offer business opportunities to black entrepreneurs while providing affordable cinema entertainment opportunities in remote areas. This follows the success of the test pilot cinema the company opened in Mabopane near the Carousel last year. The chain consists of 94-seater theatres built in townships and works on a franchise basis, whereby a franchise is purchased for each cinema that is built. Its chief executive, Sven Nortman, said: "Although this form of cinema exhibition is a brand new concept in South Africa, it has proved extremely popular in Japan."
ARTS COUNCILS TO BE RECONSTITUTED

Capab board will resign in 3 months

IN RESPONSE to an announcement by Arts Minister Dr Ben Ngubane yesterday, the entire Capab board has agreed to resign. FIONA CHISHOLM reports.

Capab's general director Mr George Loopuyt is to retire at the end of June and the entire Capab board, under the chairmanship of Mr Mervyn Smith, unanimously agreed to resign within three months to make way for a new board of the reconstituted arts council.

This was announced yesterday by Capab's marketing director Mr Rich Basson in response to a statement yesterday by Dr Ben Ngubane, Minister of Arts, Culture, Science and Technology, that Performing Arts Council Boards would be reconstituted "as soon as possible" and that 15% of their budget would be used to aid development in arts and culture in their provinces.

Demoralised

This will be welcomed by the many arts and culture organisations outside Capab who have been demanding their share of the R32 million subsidy.

In the light of the 15% cut, Capab will immediately reduce its overheads.

Mr Basson, denied that retrenchments were part of these proposals, but the demoralised Capab staff — particularly the drama department — are bracing themselves for bad news.

After the axing of the entire drama company last month, actors whose contracts expired at the end of March recently had them extended on a monthly basis.

Mr Loopuyt, who succeeded Mr Gé Korsten as general director in 1988, will not be replaced.

Dr Ngubane said public nominations for the new board would be called for and candidates would be chosen by provincial premiers.

The present board will remain in office until then.
Immigrants to seek gaming jobs

SPECIAL CORRESPONDENT

LONDON: — Despite high unemployment in South Africa, prospective immigrants are being told to look to gambling and the air-conditioning and refrigeration industries for jobs.

According to the fortnightly Overseas Jobs Express (OJE), South Africa's gaming industry will be looking to fill hundreds of jobs with imported croupiers and casino administrators, as gambling becomes legal.

"Now, with Parliament certain to lift the ban this year, the Lotteries and Gaming Board is anticipating an avalanche of applications for licences to bet on anything from frog-jumping to fief-hopping," it says.

A legalised gambling industry is expected to have a turnover of £4 billion (about R23.4bn) a year, and create 100 000 jobs by 1997.

A letter to OJE suggests qualified technicians and engineers in the air-conditioning and refrigeration industry are likely to be in demand in South Africa soon.

Mr Colin Martin of Cramerview personnel consultants, says applicants should be prepared to settle permanently in SA and be between 25 and 40.
Culture gets a shot in the arm

Own Correspondent

EAST LONDON — Provincial culture departments are to receive healthy cash injections from government (292).

This follows the announcement by Arts, Culture, Science and Technology Minister Ben Ngubane that state subsidies to the four performing arts councils would be cut 15% and the money distributed among the nine provinces.

The subsidy cut forms part of Ngubane’s plan to reconstitute the four existing boards, and to establish arts councils for provinces not serviced by the existing councils, including Eastern and Northern Cape.

Capab general director George Loopetse has said he will step down at the end of June. His 20-member board is set to follow suit within the next three months.

Capab marketing director Rudi Basson said Capab would begin to reduce overheads “in full consultation with Capab staff”.

The Eastern Cape’s share of the new national allocations, while still undecided, is believed to be significantly higher than the R5m Capab budgeted for the region last year.
End in sight for SA arts councils

A TASK group appointed to advise the government on its new arts policy has recommended the abolition of the five performing arts councils.

The council — Pact, Capah, Playhouse, Parofs and the North West Performing Arts Council — have been the main recipients of state arts and culture funding for the past 32 years.

The draft report of the Arts and Culture Task Group (Acatag) advises the government to declare the performing arts councils "null and void by legislation". In their place, it calls for a four-tier system of arts and culture councils on a national, regional, metropolitan and local level. These politically independent councils will distribute funds.

All resident South African individuals, groups and institutions will be eligible to apply to these bodies for money but, for the first five years, a minimum of 50 percent of all public funding is to be allocated to development projects.

No institution will be guaranteed state funding; the report recommends that medium and long-term grants be re-evaluated annually.

Task teams, certain to be viewed by groups such as the 100 000-strong Foundation of the Performing Arts as demolition squads, should be set into opera-

tion within three months of the publication of Acatag's final proposals, the report said.

It is advised that a moratorium be placed on the sale of the councils' assets and that, in the interim, they lose their Section 21 status as organisations not for gain.

While the report commits itself to "the diversity of artistic forms, regardless of their origins" it also states "there can be no fundamental changes in the arts and culture dispensation in our country unless the white community shares its privileged position."

Ballet and opera lovers will experience a fundamental change; unless private sponsorship steps in, there will be no longer as many professional companies dotted around the country.

The report states the councils' permanent companies, such as Pact Opera, must transform themselves into independent companies with professional management.

For three years, they may have access to the spaces they have been using and funding, which may not exceed 50 percent of their budgets, as grants-in-aid.

Although Pact's submission to Acatag suggested its ballet and opera companies be the national ones, the report has made no clear decision because of the diversity of suggestions received.

It concludes that national companies for ballet, music, contemporary dance, theatre and music theatre (which includes opera) be considered and be housed in theatres around the country.

The report is similarly undecided about whether South Africa should have a national theatre. The sub-committee for the performing arts recommends Pretoria's State Theatre, the Market, in Johannesburg, and Cape Town's Nico Malan for this status, while the sub-committee for the arts councils recommends no national theatre.

These discrepancies are certain to be clarified in the final draft, due to be submitted to the Minister of Arts, Culture, Science and Technology, Dr Ben Ngubane, by June 15.

In the interim, the consultative process — which has included such diverse groups as the Federasie vir Afrikaanse Kultuurverenigings, the Federated Union of Black Artists, Academy Unesco and the arts councils — continues.

Public hearings will take place throughout the country for further comment and a national conference is scheduled in Pretoria from May 30 to June 2.

The final proposals will then be used as a basis for drafting the White Paper on arts and culture.
Opera, ballet 'get too much attention in Western Cape'

Political Correspondent

OPERA and ballet get too much attention on the Western Cape's arts menu, often at the expense of artists in other fields.

So said African National Congress MPL in the Western Cape, Tasneem Essop, in debate on the cultural affairs budget in the provincial parliament yesterday.

The Western Cape government should set up an arts forum to map out a new, broader arts policy, and an independent arts council to disburse funds from the cultural affairs coffers.

A broader cultural policy would help unite the province's diverse cultures in a non-threatening way, he said.

Complaining that Cultural Affairs Minister Martha Ockers had devoted much attention to ballet and opera in her opening address, Ms Essop said: "We appreciate opera and ballet, but we are proud of other forms of culture in the Western Cape. Artists like Dollar Brand, Jonathan Butler, Basil Coetzee, Alan Kweka and Tyrone Apolis have not been given the recognition they deserve."

"Opera and ballet deserve attention, but this province should reflect a wider variety of art forms and culture."

"Let us try to ensure our policy reflects that diversity. Much energy is created by this diversity and it should be harnessed."

Ms Essop argued that culture "is the most powerful tool in building and re-building society".

She said the province was fraught with "suspicion and fear."

"What better way of dealing with this than through culture?" she asked. It would be effective and non-threatening in helping to "break down racism and bigotry."
HAPPY ANNIVERSARY! What better reason to joll than celebrating a first “birthday”? The group Amampondo put heart and soul into their performance at a festival at the Peninsula Technikon yesterday to commemorate South Africa’s first democratic elections a year ago.

Art and culture fosters tolerance, says Olckers

Political Correspondent

ART and culture underpins reconstruction and development, says provincial cultural affairs minister Martha Olckers.

Art and culture should help foster reconciliation, tolerance and even economic empowerment in the process of nation-building, she said.

But it needs money to do so.

Concluding debate on the cultural affairs budget in the Western Cape legislature yesterday, Mrs Olckers added: “To play this role, this sector needs to be resourced and empowered so that the cultural wealth and heritage of all our people can be conserved and promoted, shared and enjoyed.”

Mrs Olckers was responding to a speech on Monday by ANC legislator Tameen Essop.

Ms Essop had argued that too much attention was given to art forms such as opera and ballet, at the expense of other expressions of the cultural life of the Western Cape, and that an arts forum should be tasked to work out a broader arts policy.

Mrs Olckers said the idea of an arts forum had been taken up.

She assured Ms Essop that the widest possible consultation was taking place on arts policy.

Earlier, Nationalist legislator Annette Reinecke questioned the criticism of “Eurocentric culture” in South Africa.

“Are we not a rainbow people? Doesn’t this mean we should have a rainbow culture?”

“When colourless Capab dancers perform in a traditional ballet like Swan Lake, is this Eurocentric culture? When Veronica Faaper choreographs an African-inspired ballet, performed on traditional lines, is this not rainbow culture?”

Equally, she wondered if the Cape Town Symphony Orchestra’s performances for children throughout the Western Cape, or Pieter-Dirk Uys’s “special brand of satire, helping us to learn to laugh at ourselves” were Eurocentric.

“Let us learn to be tolerant of each others’ cultures which make up such an important part of our daily lives,” she said.
Task group calls for statutory film body to be set up

**ART 27/4/95 (292)**

Political Staff

The Arts and Culture Task Group (Actag) has called for the immediate institution of a national statutory body to regulate and support the local film industry.

In its report to the Ministry of Arts, Culture, Science and Technology, the group said a national statutory body, which it proposed be known as the SA Film Foundation (SAFF), should be launched in line with similar successful practices in Australia, New Zealand and Canada.

The proposed foundation would liaise with the film and television industries, protect free-market mechanisms, maintain relations with foreign film-makers, regulate and support the production, distribution and exhibition of films, and co-ordinate all film-related training schemes.

The task group proposed that, flowing from the film foundation, a film bank be instituted to create a controlled investment environment for local and foreign investors wishing to risk money on high-risk ventures.

The bank would provide low-cost loans and grants to South African producers and directors, and would act as a financing mechanism for all film producers wishing to produce developmental, commercial or experimental productions.

Actag said that, unlike the previous subsidy system, state funding should shift its emphasis away from box-office performance to other criteria such as script and development grants, talent grants for local directors and actors, stock and processing grants, and reduced distribution fees and sliding scales for local products.

It said the fragmentation of South Africa's film industry could be attributed to the apartheid policy as well as the state subsidy of film projects.

This system had led to the government and big businesses joining forces to manipulate the film industry in South Africa.

Films which recorded box-office successes had been rewarded while others had been given no support.

At least two language options for pupils urged

**ART 27/4/95 (292)**

Political Staff

A MULTILINGUAL education system should offer parents and pupils at least two options — the right to education in a home language and, later, a gradual switch to a second language while study in the home language continues.

A system that did not provide for at least these two choices would be unacceptably deficient, said the Arts and Culture Task Group (Actag).

These choices should form the basis of literacy and adult basic education programmes, the group proposed, adding that between 10 million and 15 million South Africans did not have basic reading, writing and numeracy skills.

"In spite of the existence of a variety of organisations concerned with adult basic education, little local research and comprehensive national and regional proposals to tackle this problem are available, although literacy and learning are considered RDP priorities."

—See page 4

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W.P. ZIONIST COUNCIL
YOM HA'ATZMAUT 1995

WEDNESDAY 3rd MAY
BAXTER THEATRE COMPLEX

5.30 pm FOOD STALLS OPEN
6.10 pm YOM HAZIKARON
   ceremony in Foyer
6.25 pm SHUL SERVICE
   in Studio Foyer

ADMISSION FREE

**VOICES OF ISRAEL**

A Multi Media Musical
in Concert Hall

directed by Ivor Joffe & Irma Kesler
CAST OF 60 ARTISTS
2 Shows: 7 pm & 9 pm
Adults R10 Students R5

Booking at Computicket

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Health insurance report out soon

**ART 27/4/95**

Health Reporter

THE keenly-awaited report of the Committee of Inquiry into a National Health Insurance system will be released around the middle of next month.

This was announced yesterday by Olive Shisana, special adviser to Minister of Health Nkosazana Zuma.

The committee was appointed to investigate a national health insurance plan, which is to make primary health care available to everybody.

The plan was due to be released at the end of this month.

In January Dr Zuma denied reports that she was determined to push through a controversial insurance scheme drawn up by Australian health economist John Deeble.

This model proposed that the national health insurance be funded by a R5.1 billion payroll tax.

At the time she said: "Nothing is cast in stone."

Announcing that the report would be released in mid-May, Dr Shisana said the delay was necessary to "enable the committee to complete the final details of the report".
Big changes proposed for arts, culture

Far-reaching recommendations

Political Staff

A FUNDAMENTAL reorganisation of the arts and culture has been proposed by a task group appointed by the Ministry of Arts, Culture, Science and Technology.

The far-reaching recommendations, aimed at establishing a democratic arts and culture dispensation, include:

- Abolition of the four performing arts councils;
- Revitalisation of the film industry and the establishment of a National Film Bank to coordinate funding;
- Allocation of at least one percent of national, provincial, metropolitan and local budgets to the arts;
- Channelling at least 50 percent of all public funding of the arts and related interests to development in under-served urban and rural communities in the first five years of the new dispensation;
- Nurturing a national love of reading and South African literature; and
- Compulsory arts education at primary and high school levels, and the introduction of creative curricula at pre-schools.

The recommendations are contained in a 400-page draft report prepared by the Arts and Culture Task Group (ACTAG), appointed by Minister of Arts, Culture, Science and Technology Ben Ngubane.

The report will be followed by public hearings and a series of countrywide workshops in May, after which a national conference will be held in Pretoria from May 30 to June 2.

The ministry has invited all South Africans to submit their views on the ACTAG proposals during the next few weeks.

ACTAG has a June 15 deadline for presenting its final recommendations to Dr Ngubane, after which a White Paper will be devised for consideration by parliament, which is expected to legislate on these proposals early next year.

The task group has proposed that the performing arts councils, such as Capab, be abolished, their Section 21 company status be rescinded, and that they be reconstituted as statutory provincial, metropolitan or civic institutions with full autonomy, to be run along business lines.

Theatres should become either provincial, metropolitan or civic theatres and the new permanent performing arts companies — ballet, drama or opera, for example — which are housed in the performing arts councils at present, be transformed into independent professional companies.
The draft report of the Arts and Culture Task Group spells out its priorities: the redirection of funds away from the high arts, towards development in disadvantaged areas. It could hardly have been otherwise, writes Ivor Powell.

Here are a few of the major recommendations tabled by the group, convened in the middle of last year by Arts and Culture, Science and Technology Minister Ben Ngubane and headed by National Arts Coalition chairman Andries Oliphant:

1. The “abolition” of the old government’s four Performing Arts Councils (PACs).
2. Likewise, the “abolition” of the Foundation for the Creative Arts, the funding body which emerged out of the old government’s Schutte Commission into the Arts in the late 1980s.
3. The establishment of Arts and Culture Councils at national, regional, metropolitan and local levels to administer arts funding as well as develop arts and cultural policy.
4. The creation of a National Film Foundation which will dramatically centralise the industry.
5. The deployment, for the next five years, of at least 50 percent of arts funding to the development of culture in disadvantaged communities.
6. “Non-negotiable, compulsory” arts education up to Standard Eight.
7. There is a lot more: recommendations about the preservation and development of “heritage”, the extension of library services in disadvantaged areas; the creation of a National Institute for South African Languages; and so on.

For all the exhaustiveness, the essence of the report is accessible enough. It looks for a thorough-going cultural democracy. At the same time, it wants — while involving government and using funding made available by government — to administer and fund arts and culture “at arm’s length”, via a system of arts councils not directly accountable to the government.

Such goals are commendable. And the way it is proposed they will be realised is often admirably rigorous. For example, to ensure independence from government, the members of the national and provincial arts councils will be selected by a panel of independent judges from public nominations. Next year, a short list will be prepared, public hearings will take place, a final selection will be effected, and only then will the ministry be brought into the picture — basically to rubberstamp the whole thing. The report also proposes that legal protection be made available to arts council members in the event of interference from government officials.

Even so, the system is less rigorously geared to independence in the lower tiers — and it is worth noting that a very large part of the hands-on funding will be administered at provincial level and lower. At local and community levels, the process suddenly grows opaque, with a more or less total reliance on the goodwill of the political authorities. In the case of the proposed National Film Board, the idea is that its membership be appointed, unashamedly, unexplainedly and directly by the government.

But the system — though potentially open to abuse and in need of tightening — represents a markedly more open and accountable approach than has characterised arts funding in the past. And one that ensures a more equitable and rational use of resources.
Towards sterility

The old SA had a full complement of arty bureaucrats and pretentious assets, now famously despised as “Baroconic. A new policy is in the process of being elaborated — but it is already apparent that such public funds as are available for the arts are going to be dispersed through a huge multiplicity of institutions that will do little more than create work for a whole new cultural elite.

An entity called the Arts & Culture Task Group (Actag) was last week scheduled to release its long-awaited draft report on cultural policy. Set up by Ben Ngubane, the (Inakinci) Minister of Arts, Culture, Science & Technology, Actag’s brief was to consider the future of existing bodies and policies (from ballet corps to cinema subsidies to language heritage outfits) and recommend how, and whether, they should be relevant to the “transition.” And, if so, how they should be funded.

The Actag report, however, has been temporarly withheld in its final form because it contains “mistakes” — according to a departmental official (and instead a comprehensive memo describing the report has been made available. Countrywide workshops and public hearings are set to take place throughout this month to ponder the implications.

In the first place, all existing bodies (the provincial arts councils, for example) are to be superseded. In their place will arise three tiers of Arts & Culture Councils, at national, metropolitan and local level. Their functions are broadly defined as being to “devise and implement policy and channel public funds to literature, music, dance, theatre, visual art, craft, design, community arts and culture.”

Representatives on the councils will not be paid and will be appointed through “a process of public nominations.” However, they will have disposal over not-insubstantial funds — R511,5m was allocated to the Ministry for 1995-1996, a 50% increase — as well as regional and local rents from theatres.

The draft proposals also recommend that 1% of all budgets — national, regional, metropolitan, local — should go towards arts and culture, with steep escalations for formerly deprived communities.

The political orientation of the cultural bureaucrats will assume overriding importance in awarding grants and setting up community-based projects.

Parallel councils will deal with “heritage” — which includes museums — and there will be library and information councils. The ultimate intention of all this restructuring is that the “provision of arts, culture, heritage and information resources at community level become Reconstruction & Development priorities” and that “physical infrastructure, the training and development of human resources, artistic and technical support be provided to communities by provincial and local authorities in cooperation with national government.”

This means artistic control from the centre and the link to RDP objectives is explicit and sinister.

The most obvious assets of existing arts councils — theatres and other properties — will be interdicted for sale or distribution and their use be transferred to the new councils. Depending on circumstances, transitional councils will emerge. The establishment of a national theatre is specifically discounted.

And the establishment of national companies for “ballet, contemporary dance, theatre and music theatre” will be balanced against the overriding imperative of setting up structures that enable the “democratisation of the performing arts.”

This is a key imperative. What it means is highly controversial, and subject to public wrangling. In film, the intention is to empower “entry-level” artists as opposed to the previous system whereby box-office success was rewarded with top-up subsidies, a guarantee of mediocrity. Australia’s prestigious cinema industry was founded on this “entry-level” basis.

In this respect, the focus on grassroots cultural activity must be welcomed; but the specific exclusion of a national theatre seems ill-considered, since such an institution — apart from its prestige — could form a focus for world-class performance and training as well as encouraging SA playwrights and musicians.

A further disquieting element of the proposals is that the arts and culture panels should include provision for dealing with literature on what amounts to an affirmative action basis. An entity called Westag (the Western Cape component of Actag) has called a public meeting for May 8 to define the powers and functions of local literature panels. Emphasis is to be placed on the alleged “link between writers and communities.”

While deprived communities may well be in need of creative writing classes conducted by those who believe literature should have a political function, the intention is also to promote writers’ groups as trade unions “representing writers on funding councils.” That such a move would be essentially contrary to Western traditions of artistic independence is, of course, the whole point.

It is difficult not to see the draft proposals as portending a wholesale cultural shift in the direction of populism whereby, so to speak, work songs replace sonnets. Some of the cultural workers who participated in Actag and who can be found in Westag, have strong links to ANC-dominated writers’ groups, including those who helped enforce the cultural boycott.

The overall impression is that the cultural changes that have evoked such a vociferous response to the restructuring of the radio services will now be carried forth into the broader society. The danger in this lies in the possibility that the new cultural supremos will be motivated by politically correct agendas that will, in effect, stifle creativity and enforce a conformism closely akin to sterility.
Casino bill to boost W Cape

MICHAEL MORRIS
Political Correspondent

A multi-million rand boost for the Western Cape economy comes one step nearer tomorrow with the publication of far-reaching legislation on casinos, lotteries and all forms of gambling.

The long-awaited Western Cape Casinos, Racing, Gaming and Wagering Bill is being published for comment in the Provincial Gazette.

This is a key step in a process that is expected to boost the regional economy.

If all goes well, licences will be issued for up to seven casinos in the province.

The bill provides for the establishment, appointment, powers and functions of the Western Cape Gaming and Wagering Control Board, which, broadly, will regulate and monitor all forms of gambling.

It is expected casino developers will have to link gambling developments with job-creation, community facilities and tourism.

Copies of the bill will be available from tomorrow for R5 from room 903 in the provincial building, at 7 Wale Street. Written comment must be submitted by June 15.
THE PUBLIC is invited to take part in legislation covering virtually all forms of gambling in the Western Cape. CHRIS BATEMAN reports.

PROPOSED Western Cape bill to legalise gambling in virtually all its forms and released for public comment today suggests a powerful seven-member Control Board, fines of up to R40,000 and 10 years’ imprisonment for rogue operators.

Covering everything from licensing and taxation to legal constraints on casinos, tattersalls and bingo halls, the bill is based on Colorado and Nevada legislation, according to Mr Dawie le Roux, chief adviser to Premier Mr Henri Kriel — under whom gambling falls.

"The whole exercise is to inform the public of official thinking and we’re saying; come and have your say," he said.

The seven-member board, appointed by the provincial cabinet, should be chaired by someone chosen from "the community at large", with members drawn from the legal profession, corporate accounting (each with at least five years’ experience), tourism, the provincial finance department and two others, who, in Mr Kriel’s opinion, are “fit and proper” to represent the community at large.

These members, to be nominated only after the bill passes through committee and legislative debate, should hold office for between two and four years. They should have clean records and no interests in any gambling or related activities.

The board will have the power to levy fines, grant, suspend or revoke all licences (except for casinos — only the provincial cabinet can do this), conduct disciplinary hearings, probe with virtual impunity any licence-holders’ financial and personal records, take “mug shots” of licence-applicants, collect taxes, and keep a sharp eye open for anyone using the new law as a cover for money laundering or other illegal activities.

Prospective licensees automatically sign a waiver of confidentiality in their application form, allowing police forces worldwide to check them out.

Board members or their designates can conduct prompt inspections of all licensed premises without notice and make background checks on all prospective licence-holders.

Mr Kriel has several over-riding powers, one of them as top provincial arbiter (outside the Supreme Court), of all gambling matters for the period between when the new gambling laws are enacted and the proposed board is constituted.

Board meetings will be closed to the public for background probes of licence applicants, meetings with police or the attorney-general over suspected crimes or any other investigative hearing.

All other hearings will be open.

The proposed bill creates special funds for stake improvement and sports development and will consider applications for grants or loans from these two funds.

The provincial cabinet will set individual "bidding fees" which new casino licence-holders must pay for exclusivity for a pre-determined period.

The bill makes gambling debts enforceable in courts of law, which could cut down on a small but significant number of serious assaults in the murky side of small-time illegal gambling.

Mr le Roux said the National Lottery and Gaming Board would formulate uniform forms and standards for the provinces and the central cabinet’s response to Professor Nic Weilbahn’s recommendations would heavily influence the eventual shape of the local bill.

 Provision is made for fines of R40,000 to R400,000 or jail from four to 10 years (or both). This can be doubled for a second offender.

Written comment on the proposed Western Cape Casino, Racing, Gambling and Wagering Bill can be sent to: The Acting Director, Taxes, Levies and Duties, PO Box 639, Cape Town, 8000.

Copies of today’s Provincial Gazette can be obtained from Mr A Poggenpoel at Room 693, Provincial Building, 7 Wale Street, Cape Town.
Like it or not, it’s here

Gambling, for some people, is the work of the devil dressed up in a tuxedo. Others see gambling as exciting and harmless fun, with just a hint of danger.

But, whatever your view, legalised gambling is set to become part of life in South Africa. Just last week, the Gauteng government announced it would appoint a gambling board by mid-July.

This follows the interim report of the Lotteries and Gambling Board tabled last October, which paved the way for an end to the 1965 ban on gambling.

In eager anticipation, a two-day conference was held in Johannesburg last week to discuss various aspects of gambling and gaming.

“The reality in South Africa cannot be ignored,” said General Services minister Mr Chris Fismer in his address. “History has proven they won’t be stopped (even) by a total ban.”

He expects the first casino licences to be issued early next year. Already there are more than 5,000 illegal casinos in the country (most of them in KwaZulu-Natal).

Lotteries and gambling board chairman Professor Nic Wienshah told the conference: “Rather legalise it (gambling), but control it.”

He added: “Our people have demonstrated a very high propensity for gambling. We are, in a sense, very strong gamblers. There is a high degree of acceptability.”

What was also stressed over and over again at the conference was the positive effect of gambling on the economy. “It is a stimulant for economic growth,” said Wienshah. For example, it will benefit the printing, food and beverage, textile and electricity industries, and can generate between 80,000 to 100,000 jobs.

He also estimates income from gambling and gaming can eventually exceed R20 billion a year. (In 1993, the turnover from horse racing alone was R3.5 billion.) Gambling board member Mr Henk Viljoen said: “A new gaming dispensation can make a major contribution to the country’s social programmes.”

Khuba Trust chairman Mr Raymond Parsons made the same point about lotteries. “There is a desperate shortage of funds for social welfare, health and education,” he said.

“The Government cannot provide adequate funds for social welfare, and will not be able to do so without a drastic increase in taxation.”

This is where he sees a role for lotteries: “There is a need to create additional sources of finance for the reconstruction and development programme and welfare. Private welfare is battling to maintain existing services, and many have already resorted to lotteries notwithstanding that lotteries have been prohibited by law.”

The board’s report suggests a fixed percentage for social causes — for example, 50 percent to the RDP, and another 20 percent for other social causes. “The lottery board recommends...

With thousands of illegal gambling casinos already operating in the country, Tyrone August reports that legalised casino gambling is now poised to become an acceptable part of the South African way of life: Squeletan 292 26/5/95

Jabu Mabuza ... The gaming industry is new to many people.

Raymond Parsons ... There is no desperate shortage of funds for social welfare.

economy, and mentioned the experience of Atlanta city as an example. “The development of a substantial casino-hotel industry, which by 1994 generated R12 billion and employed 30,000 people, had done little to revitalise the rest of the city,” he said.

“In locales such as Biloxi and Greenville, Mississippi, there have been complaints from local businesses that the influx of tourists took away rather than added customers.

“Visitors to the casinos do not choose to frequent other local businesses, thus casinos are not bringing the prosperity proponents promised when casinos were commercialised.”

He also cautioned against seeing gambling and gaming as the answer to any country’s economic woes: “Gambling can do good things, but doesn’t necessarily lead to an affluent government.”

Parsons warned: “It’s not a magic wand to double South Africa’s growth rate.”

But these words of caution will definitely not dampen the enthusiasm building up around the legalisation of gambling and gaming.
Call from business: ‘pass gaming laws’

STAFF REPORTER

The African Development Corporation (Afcor) is spearheading a lobby to pressure the Government to promulgate new gambling laws as soon as possible, saying any delay will cost the country billions in revenue.

Afcor chairman Tiny Naidoo has described as “shortsighted” the announcement by General Services Minister Chris Flesmer that gaming licence applications would be heard only next year.

The Government had overlooked the fact that the speedy legislation of the Gaming Act would create hundreds of thousands of jobs in the construction industry, thousands of jobs in the new hotel and casino/resorts and attract billions of rand in foreign investments — as well as contribute to the tax base of the country.

Naidoo has called on gaming consortiums and operators, resorts, hotels, gaming and equipment suppliers, developers, trade unions, the auditing fraternity and local and foreign investors to join the lobby. He also discussed the issue with Deputy President Thabo Mbeki recently.

Ernie Joubert, managing director of Global Resorts, said at a gaming conference recently that about 40 000 new jobs were “on hold” as long as gaming legislation was delayed.

He said 29 new casino licences were expected to be granted nationwide, bringing the total to 40, with Sun International’s 11. Investment of approximately R10-billion was expected from 29 new casino resorts.
ARTS WHITE PAPER HAS MANY PROBLEMS

NEWS FOCUS

PHILIP LLOYD

In today's art scene, critics say, there is a shortage of truly innovative and original work. Many artists feel that the establishment is too focused on traditional forms and genres, and that it is neglecting new and experimental approaches. The government's Arts White Paper, which was published last year, was intended to address these concerns, but so far has not had a significant impact. Critics argue that the White Paper's proposals are too vague and lack specific goals and measures. Many artists have also expressed concern about the White Paper's emphasis on commercial success over artistic merit.

Despite these criticisms, some artists have welcomed the White Paper as a step in the right direction. They see it as an opportunity to push for greater recognition and support for their work. However, others remain skeptical, and believe that more needs to be done to truly reform the art world and ensure that it is inclusive and supportive of all artists, regardless of their background or style.
Lottery 'no big benefit to taxpayers' (2.92)

BY LLEWELYN JONES

CT (BR) 16/4/95

There is little relief for the taxpayer from recently approved state lotteries, tax consultants said yesterday.

"The experience of other countries seems to be that lotteries are a mere top-up, reducing pressure on the fiscus," Wits University's Prof Dennis Davis said.

"The point to remember is that state lotteries are the only form of voluntary taxation known," he said.

While he did not know what the lottery would bring in, he said it was dependent on the designated activities to which the funds would be directed. "Crime, health care and education are the areas of greatest concern at the moment.

"In South Africa it is not a case of reducing the taxation burden, but sourcing funds for desperately needed areas.

"For example, the rising level of crime is at the forefront of the South African consciousness. If the public knew that the lottery would provide an extra R2 billion for policing, they may buy, say, five tickets instead of three. The government would be well advised to seriously consider extending the funds available for policing."
New arts council to allocate state funds

An interim arts and culture council is to be set up in Gauteng to allocate state grants totalling R8-million to organisations. MEC for Sport, Recreation, Arts and Culture Peter Skosana has invited organisations and individuals in the field to nominate candidates for the eight-member board by July 10, by which time the provincial government would have appointed a committee to choose council members.

This structure will exist until new legislation provides for a fully fledged arts council.
Gambling draft slammed

Amanda Vermeulen  (292) 01 271595

The Lotteries and Gambling Board has slammed the Western Cape's draft legislation which allows members of its gaming and wagering board and relatives to own up to 3% of a casino licence or operation. The legislation, published for comment in May, could see individual members of the Western Cape board and their relatives holding a R300m stake in a R1bn casino resort development.

Lotteries and Gambling Board member Jan de Lange said yesterday the board was totally against anybody drafted onto provincial boards having a direct or an indirect stake in licences and operations.

"The only way to ensure proper regulation of the industry is to remove any conflict of interest and any possibility of corruption. No board member should be able to exercise any improper influence in the allocation and regulation of licences." De Lange said draft legislation had been sent to all the provinces which explicitly said no board member should have any interest, and none of the other provinces had indicated they would allow board members to have a stake in casinos.

The Western Cape government could be forced by central government to strike the rule allowing a financial interest if it did not voluntarily withdraw it from the draft.

Southern Sun group MD Ron Stringfellow said the group had submitted a written objection. "It is absolutely...ludicrous for any member of an allocation board to have a financial interest in the gaming industry. It makes a mockery of claims the board will be transparent and independent."

Sun International is believed to have objected formally to the draft legislation.

Western Cape government taxes, levies and duties director Chris Lotter said 35 comments had been received and only two were objections. While it would be ideal to have board members who had no link to the industry, interlinking companies make it difficult to find anybody "of quality" who was not linked to the industry.
A COMMITMENT to black empowerment and the reconstruction and development programme are two of the requirements for getting a casino licence in Gauteng.

Wide-ranging gambling legislation published on Friday, however, leaves open the question of taxes and licence fees, making them dependent on the rulings of a future provincial gambling and gaming board.

Taxes and licence fees on casinos and horse racing are two of the few independent sources of revenue for provincial governments. In his R10.8-billion Budget for 1995/6, Gauteng Finance Minister Jabu Moleketi has budgeted R120-million from gambling and horse-racing taxes and licence fees.

Mr Moleketi has indicated that the province will probably license fewer mega-casinos rather than the 13 medium-sized casinos recommended by the National Gambling and Lotteries Board.

Altogether 29 new licences will be awarded around the country, in addition to the 11 already held by Sun International, although Nic Wielaid, chairman of the gambling board, has hinted that the figure could go up to 33. The licences will be awarded towards mid-1997.

A number of companies have announced large projects, including Stocks Hotel & Resorts and Johnnie Properties, which plans a casino complex at Midrand's Gallagher Estate.

The Gauteng Gambling and Gaming Bill is set to come under heavy criticism from smaller casinos, now illegal, for favouring large operators who can pay high taxes and licence fees.

The Bill says that the annual licence fee and tax shall be "a prescribed percentage" of the previous year's revenue after deducting gambling losses and "other prescribed amounts".

The Bill says applicants have to state "the extent to which they intend to provide for ownership or control of the casino by persons or groups disadvantaged by unfair discrimination".

A number of companies have already created consortia that include black businessmen, but there are fears of tokenism as applicants will seek blacks purely to meet the board's requirements. Furthermore, applicants will have to state their promotion of RDP-related projects.

The Bill will create a framework for a fairly heavily regulated industry with a specific arm of the provincial police dedicated to monitoring. Penalties of up to R500 000 or 10 years imprisonment are provided for. In contrast to the Western Cape no member of the board or political office bearer or their relations will be able to have a stake in a casino operation.

Mr Moleketi hopes to table the Bill in mid-September.
Board unveils licence guide for gambling

Amanda Vermeulen

The Lotteries and Gambling Board has unveiled its recommendations on the number of licences to be allocated to each province and they could result in Sun International losing its resorts.

At a Pretoria news conference yesterday, board chairman Prof Nic Wielahn and General Affairs Minister Chris Finser announced the board’s final recommendations to government on gambling.

Three major announcements were made — the division of licences among the provinces, the outcome of the greyhound racing investigation and the issue of VAT on gambling.

The board said it would not recommend legalising greyhound racing.

If also said gambling wins should be zero-rated and therefore exempt from VAT. This was in line with industry expectations and overseas trends, and was partly due to the difficulties in applying such taxes, Wielahn said.

The board’s recommendation on the division of licences among the provinces sees Gauteng taking the lion’s share with 13 licences, while Kwazulu-Natal and the Eastern Cape each have six.

The three provinces, Transvaal and Free State, each allocated three licences, while Northern Cape and the North West each received two. Wielahn said there was a possibility the poorer provinces could be allocated extra licences taken from provinces which had several licences.

The total number of slot machines and gaming tables was restricted to 19,594. The board did not make recommendations on the size of resorts.

Sun International has seven casino operations in the Northwest and seven in the Eastern Cape. Finser said the new dispensation would prevent creation of a monopoly, making the future of Sun International’s existing operations uncertain.

Finser said, however, the proposed national gambling board and all the interested parties would negotiate an acceptable solution and find a method to rationalise Sun International’s 17 operations. He said Sun International’s investment in its resorts and the employment it had created would be brought into the equation.

Sun International MD Peter Baret said that if some of its licences were revoked, it could lead to the closure of certain resorts.

This would affect employment and the contribution to the economy. Ernie Joubert of Global Resorts, a consortium including Rand Merchant Bank which plans to bid for casino licences, said the restriction on the number of slot machines and tables was ridiculous. Limits would be introduced. SA first had to assimilate 40 new casino licences before other forms of gambling could be introduced.

Price Waterhouse hospitality group head John Awbrey said one of the most concerning issues was that the high number of licences allocated to Gauteng could limit the degree of investment into resorts due to competition in the province.

It was believed that if the larger resorts were not offered any exclusivity, potential investors would not recover their investments.

Finser said the recommendations would be taken to Cabinet shortly and should be passed by Parliament by the end of September. Provinces could begin the tender and allocation process the year after.

Gambling

Continued from Page 1

would inhibit the level of investment into resorts, reduce potential employment and taxes for governments, restrict tourism infrastructure development and create congestion problems in casinos.

He said if gamblers had to queue to use slot machines and tables, they would turn elsewhere for gambling facilities, which could see a resurgence of illegal casinos.

Finser said the number of illegal casinos in Gauteng had been reduced to 300 from 2,500 in the past nine months.

Finser said video gaming — small gambling facilities in venues used for other purposes such as bars, would possibly not be introduced. SA first had to assimilate 40 new casino licences before other forms of gambling could be introduced.

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PRETORIA: South Africa should have a national lottery and 40 casinos at the latest by 1997, in terms of Lotteries and Gambling Board proposals released yesterday.

Professor Nic Wiehahn, speaking after handing the board's final report to Minister of General Services Mr Chris Fismer, said the number of casinos was based on a formula of one for each million people.

The board left it to the cabinet to take the final decision on how the licences should be allocated among the nine provinces. However, it suggested that 13 licences be granted in Gauteng; six each in Swaziland/Natal and the Western Cape; three each in the Eastern Cape, Eastern Transvaal and Free State; and two each in the Northern Cape, Northern Province and North-West Province.

The board recommended that greyhound racing should not be legalised.

It said the survival of the Sun International casinos would depend on their successful integration into the new system.

"After I have studied the report I will take it to the cabinet as soon as possible so we can determine the number of casino licences to be allocated to each province," Mr Fismer said.

He said the proposals should be in place by early 1997, but they first had to go before Parliament, a national lottery board had to be appointed and tenders had to be invited for the lottery.

Also, a national gambling board had to be appointed to consider licence applications. — Reuter
Call to scrap arts councils

From page 1

The NAC should look into levying "substantial" taxes on local concerts by international artists to fund new South African works.

Two percent of the budget of all public buildings should be set aside for artworks, a recommendation which would be easier to enforce if corporate collectors were offered tax concessions.

Private sector donations to public art galleries should be tax deductible.

Actag recommended two national museums be established, one in Gauteng and one in Cape Town, incorporating the resources of existing cultural institutions there. Other nationally funded museums should be handed over to the provinces.

Repatriation of cultural objects taken out of the country over the past 300 years was "a priority," and a national fund set up to make this possible.

A system of National Living Treasures should be established to recognise and give status to artists and craftspeople. They should receive financial support and, in exchange, pass on their skills to others.

The report recommended that the NAC appoint a commission of inquiry into transforming or scrapping the South African Association of Arts.

The SAAA, which received state funding, had an overwhelmingly white membership and did not meet the requirements of a nationally representative organisation of visual arts practitioners.
Promote and protect early history - arts task group

SPECIAL attention should be given to promoting and conserving South Africa’s precolonial sites and artefacts, the arts and culture task group has recommended.

In a report to Arts and Culture Minister Ben Ngubane, released today, it said these sites, and those containing fossils, were vulnerable to development and vandalism.

It also said the past bias of the National Monuments Council towards the conservation of buildings and sites associated with European colonists needed redressing.

The history of indigenous communities that had no modern equivalent and were known only from art, archaeological and historical sources, was of national and international importance.

The average South African knew little about San rock art, the early history of the Khosan and Iron Age people, or about archaeology and paleontology, and sites were inadvertently destroyed.

The history syllabuses of educational institutions should be expanded to include the results of archaeological research which emphasised that history began nearly two million years before European colonisation.

The history of art syllabus should include indigenous art forms such as rock paintings and engravings, which were the nation’s longest artistic tradition, as well as crafts which were linked not only to visual art but to beliefs and ceremonies as well.

The task group said national and provincial authorities should fund museums and other institutions to help them identify and protect rock art sites that were suitable for tourism.

This should not be left to individual landowners who did not have the necessary insight and training. — Sapa.
Disband performing arts councils, minister urged

BEN MACLENNAN of Sapa

CENSORSHIP should be scrapped and the performing arts councils disbanded, a government-appointed task group recommended to Arts and Culture Minister Ben Ngubane today.

"The proposals are part of a comprehensive plan by the Arts and Culture Task Group (Actag) for democratising the arts."

In a 387-page report to be handed to the Minister in Pretoria today, Actag called for the establishment of a network of statutory national, provincial and local arts, culture and heritage councils.

"It also said Robben Island should be declared a national monument with a Museum of Resistance, housed in the prison complex, as its centrepiece, and that the United Nations Educational, Scientific and Cultural Organisation (Unesco) should be asked to proclaim the island a world heritage site."

The report said censorship had stunted South African literature, and recommended abolition of the Publications Control Board and all censorship laws.

"It is further recommended that (they) not be replaced by anything else other than a system of classifying publications to protect minors. Any suggestion to the contrary flies in the face of the fundamental human rights regarding access to information, ideas, knowledge and the right to free speech enshrined in the constitution."

The report said the establishment of performing arts councils had created an "insurmountable division" in the arts, establishing a form of artistic apartheid between the performing arts and other art forms and enabling the councils to hog the bulk of public arts funding.

"Actag recommended that the councils cease to exist and that their infrastructure and staff be "deployed as far as possible in a new arts and culture dispensation.""

"Their theatres should be handed over to local or provincial governments, and the permanent artistic companies attached to the councils should become independent, with professional management."

The National Arts Council (NAC) should consider the desirability of a national performing arts company, but only after 10 years.

The task group also recommended the abolition of the Foundation for the Creative Arts, a government funding agency which it said was underfunded and was seen as rooted in the apartheid past.

"There was however an urgent need for state funding for culture, arts, heritage, film and information programmes under threat of collapse because of the withdrawal of foreign funding."

Actag said books should be exempt from VAT and all customs duties or import tariffs. Artworks should be exempt from VAT while craftwork should either be zero-rated or have its VAT threshold raised."

(Turn to page 4, column 3)
Arts learning "should be compulsory at school"

BARRY STREET
POLITICS STAFF

Arts education should be a non-negotiable compulsory part of the curriculum for all children in the first 10 years of schooling, the Arts and Culture Task Group (ACTAG) proposed yesterday.

If this proposal is accepted by the government, it would make arts education compulsory for all pupils in junior, senior primary and junior secondary years of schooling.

"Learners should gain wide exposure to practical experience in a variety of art forms and disciplines and materials," ACTAG said.

"They should be exposed to stories, music, activities, dance, paintings, crafts and drama activities that reflect our diverse cultural heritage.

"It is necessary to recognise the integrity of separate arts disciplines and the value of the integrated arts experience.

"Arts education should, wherever possible, be integrated into the school day so that pupils are educated in and through the arts."

ACTAG said an arts education should be the constitutional right of every citizen.

"Every learner shall have access to equitable, quality education in the arts through schooling, tertiary education and community structures," the group said.
Caprab Hits Back at Govt Plan

CHANGES WILL BE DAMAGING.
Arts advisory group proposes new national museum for city

BARRY STREEK
POLITICAL STAFF

A new national museum should be created in Cape Town and the resources of the existing declared cultural institutions in the city should be incorporated into it, the Arts and Cultural Task Group (Actag) proposed yesterday.

It also called for the incorporation of Robben Island as well as other projects "dealing with neglected history" into the national museum system.

"Because Robben Island is an important part of the national estate in SA and a universal symbol of the struggle for freedom and democracy, a site museum which conserves and interprets the rich natural, cultural and political history of the island should be established there as part of the new national museum system.

"This should include the conversion of the political prison into a Museum of Resistance, the declaration of the island as a national monument, and an application to Unesco to have the island declared a World Heritage Site."

Actag said in its final report, which was released in Pretoria yesterday, other projects dealing with neglected history, such as Genadendal, the Workers' Museum and the District Six Museum, should be considered for recognition at national or provincial level.

Declared cultural institutions in the other provinces should fall under provincial heritage councils. It also recommended that a second national museum be established in Gauteng and that both national museums should be overseen by a representative National Museums Commission.

Culture

Actag proposed a National Heritage Council be formed to develop a cultural profile and a heritage policy for SA, with a National Heritage Trust to co-ordinate fundraising and promote new projects.

Apart from the National Museums Commission, Actag also recommends that a National Living Culture Commission, a National Archives Commission and a National Heritage Resources Commission be formed, all under the National Heritage Council.
CNA facing strike threat

Renee Gravitzky
(292)

CNA faces a legal strike over wages by about 900 members of the Entertainment, Catering, Commercial and Allied Workers' Union (Eccawusa) — a breakaway from the SA Commercial Catering and Allied Workers' Union (Saccawu), which is also represented in the company.

A spokesman for Eccawusa said the company would be notified today on a strike verdict. There had been agreement on some issues. Workers would demonstrate at the Laub Street warehouse, Johannesburg, today.

Saccawu has agreed to accept the company's final offer of R210 across the board.

20/18/75
Adapt or die for opera and ballet

Adele Baleta

Ballet and opera will never die out, but will have to adapt and become more accessible to more South Africans to survive.

The view of Andries Oliphant, chairman of the government-appointed Arts and Culture Task Group (Actag) which recently released its recommendations for the future of arts and culture, is not the last word and will be viewed together with recommendations from other parties before a white paper is published in October.

Among other proposals, Actag has suggested that performing arts councils be unbundled and that infrastructure, staff and companies be deployed as far as possible in a new arts and culture dispensation.

Oliphant has suggested that the performing arts councils be unbundled and that infrastructure, staff and companies be deployed as far as possible in a new arts and culture dispensation.

Oliphant said that the performing arts councils should be addressed, but should not be done at the expense of others.

He says proposals that all groups - for example, dance, ballet, opera and theatre - pitch alongside each other for provincial funding for the first five to 10 years would not ensure the continued existence of opera and ballet.

"In some cases, it takes three years to stage a single opera. Opera and ballet are interdependent on other services. Both need a symphony orchestra and are expensive."

"The only way the country can be served is for there to be both an opera and ballet company in the Transvaal (north) and in the Cape (south)," he said.

Actag has proposed that each province does its own thing for the first five years and then, if there is a company that warrants national status, it will become the national company.

"But no province can afford to fund ballet and opera," said Mr. Oliphant. "It's unlikely the provinces will pick up the tab individually, given the political differences and local priorities. They are not likely to collectively support the national arts (ballet and opera)."

He raised concern that the government would not be able to produce a budget.

"Obviously, existing groups would be recognised on the basis of past work, but money has to be allocated for encouraging new talents and for innovation."

"The companies would have to look at how they can present ballet in a more cost-effective manner. The provinces have been known to do their own thing."

"The arts councils want to say how the money is spent," he said.

"Culture under apartheid, where large amounts of money were handed out to people on a temporary basis, has to stop."

"He said ballet and opera companies need to work harder and spend their dollars to strategies and plans to make their art form more accessible in order to receive more support."

"The national ministry would never allow a situation where ballet and opera would be neglected or destroyed. These companies need to find ways to adapt in order to become more viable. They need to get out of a culture of dependency and into self-sustainability, which will apply to all art forms."

Mr Oliphant said the ministry at national and provincial level needed to hasten the legislative transformation.

"There has been too much talking already. We need more action," he said.

The release of a government task group report on recommendations for the future of arts and culture has heated up the debate on the continued existence of the classical arts forms of ballet and opera.

Oliphant said the criterion was that any group must show how it would be able to produce a profit.

"Obviously, existing groups would be recognised on the basis of past work, but money has to be allocated for encouraging new talents and for innovation."

"The companies would have to look at how they can present ballet in a more cost-effective manner. Expensive operas have been known to do their own thing."

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Forum formed to discuss casino industry

Amanda Vermeulen

FIVE of the nine provinces have formed a negotiating forum to discuss ways to establish a viable casino industry in each region once central government decides on the allocation of licences to each province.

At a Pretoria news conference yesterday Gauteng premier Tokyo Sexwale and Northwest premier Popo Molefe said the two provinces’ cabinets had met to discuss the issue. The meeting follows industry speculation that Gauteng could be stripped of licences to boost poorer provinces which rely on gambling revenue.

The negotiating forum included the Eastern Transvaal, Northern Province, Gauteng, Northwest and the Free State.

Sexwale said the provinces urged government to finalise the number of licences for each province, but said the final decision on those licences and how they would be deployed would rest with the provinces.

Guidelines had been agreed on by the two premiers, including co-ordinating gambling policy between the provinces, the location of casinos, a ceiling on the number of licences in SA, and that government should have no stake in casinos.

Molefe said Northwest was looking at ways to scale down its 40% stake in Sun International. No decision had been reached, but it would be done in line with black economic empowerment goals.

Molefe also said the government of national unity could not be seen to act in a way that threatened the livelihood of 60 000 people in Northwest if it received only two licences, as proposed by the Lotteries and Gambling Board. It was therefore essential that it discuss licence allocations with the provinces.
The Minister for Education.

[Paragraphs discussing various educational issues, policy changes, and reforms.]

[Note: The entire page contains a series of paragraphs discussing education, policy changes, and reforms.]

[Other paragraphs discussing related topics such as technology, health, and other educational initiatives.]
Group urges major shake-up for Capab

**Staff Reporter**

CAPAB should cease operating as a production house, the Nico Malan Theatre should be renamed and "full" state funding for the Cape Philharmonic Orchestra should be discontinued.

These are some of the recommendations in a lengthy report by the Western Cape Arts and Culture Task Group (Westag), which was handed to Western Cape Minister of Education and Cultural Affairs Martha Ockers today.

Westag was formed by Mrs Ockers a year ago.

The recommendations include that Capab should stop operating as a production house from March 31 next year and that the Nico Malan Theatre should be renamed the Cape Town City Theatre Complex.

The existing wardrobe, design, property and maintenance departments should remain attached to the Cape Town City Theatre Complex.

"But the present opera, ballet and drama departments should be "transformed and renamed", the report added. They will form independent companies under the Section 21 Company Act. They would receive guaranteed state funding for a transitional period of three years.

"Thereafter, application for funding in line with other performing arts companies should be made to the Provincial Arts and Culture Council."

The report also recommends that Jazart, which began as an independent dance company, should also continue being funded for a three-year transitional period.

"Jazart and Cape Town Ballet could decide between themselves whether amalgamation would be to their mutual benefit."

Although Westag recognised the "excellent contribution" of the Cape Philharmonic Orchestra, the report recommended that, because of limited funding and reduced performances, full funding should be withdrawn.

"Built into the opera and ballet budgets for the three-year transition period are monies needed for the services of the orchestra."

"Westag hopes that the Cape Philharmonic Orchestra would privatisе and also learn to earn its keep by selling its services wherever possible."

To effect its recommended changes, Westag proposes the appointment of an eight-member management team because Capab "would be unable to effect such radical changes from within itself."

Capab's administrative staff now attached to performing arts companies should serve the newly formed opera, ballet, drama and Jazart companies.

"The remaining administrative staff, with experience in arts administration and production, should assist with establishing performing arts administrative infrastructures in the Northern and Eastern Cape."

"The balance of the staff should be retrenched."
Panel calls for end to bureaucratic Capab

A REPORT prepared for the Western Cape Education and Cultural Affairs Ministry sets out principles for a new arts and culture policy. FIONA CHISHOLM reports.

The Western Cape Arts and Culture Task Group's proposed new "visionary document" for arts and culture in the province has recommended the end of bureaucratic Capab from March 31 next year.

But it strongly favours preserving its opera, ballet and drama companies as separate, state-funded entities for a transitional three-year period.

This will ensure that the many actors, singers and dancers, currently "quaking in their boots" over the future of their jobs, will not be lost and that Cape Town audiences will still enjoy high quality performances even if, because of budgetary restrictions, there may be fewer, less lavish shows with higher ticket prices.

These recommendations are included in the vast, long-awaited report prepared by Westag for Miss Martha Oickers, the Western Cape Minister of Education and Cultural Affairs, and released to the media yesterday.

The report is aimed at providing the basic principles for a new arts and culture policy that meets the needs and realities of all the citizens and the cultures of people in the Western Cape — particularly those marginalised by apartheid.

A feature of the report is the determination of Westag's panel members to strike a balance between retaining the good in Capab, yet ensuring that the many other performing arts groups previously denied state funding now qualify for a share of the pie.

However, all who receive money will be fully accountable, be expected to generate income and must have self-sufficiency as their long-term goal.

One recommendation is that the Nico Malan Theatre Centre, which is regarded as a "very precious resource", be renamed the Cape Town City Theatre Complex and serve as an independent, province-owned theatre complex to serve the performing arts.

Its existing wardrobe, design, property departments and maintenance staff will be retained and be available for use by other theatre institutions.

Orchestra

A matter of concern for the Cape Philharmonic Orchestra (previously Capab's orchestra) is that Westag does not recommend it be fully funded to ensure its continued existence.

However, during the transitional period there will be money in the opera and ballet budgets to pay for an orchestra, but the suggestion is that the CFO will privatise...
Capabs ordered to halt staff appointments
Provinces may get gambling started by bringing revenue rolling

The government's plan to legalise and regulate gambling in the province is expected to bring in significant revenue. The plan includes the introduction of a new gambling tax, which will be levied on all gambling activities, including casinos, lotteries, and online gambling. The tax will be applied to both domestic and international gambling activities.

The government is also planning to invest the revenue generated from gambling in various social programs, such as healthcare, education, and infrastructure development. The plan is expected to create thousands of jobs in the province and boost the economy.

The plan will also include strict regulations to ensure that gambling activities are conducted in a fair and transparent manner. The government will work closely with the gambling industry to ensure that all activities are conducted in accordance with the new regulations.

The government expects to begin implementing the plan within the next six months, with full implementation expected within the next two years. The plan is expected to bring in significant revenue for the province, which can be used to fund various social programs and improve the quality of life for the people of the province.
Pact chief one of many quitting due to fears of financial shambles

The Argus Correspondent

PRETORIA. — Fears of financial shambles have led the boss of the Performing Arts Council of Transvaal, Louis Bezuidenhout, to quit.

He was scheduled to bid his staff farewell yesterday — amid a wave of resignations by Pact board members and department heads — after clearing his desk on Friday.

Mr Bezuidenhout, Pact's chief executive officer, sent a fax to Arts, Culture, Science and Technology Minister Ben Ngubane on Friday to inform him that he was leaving — but he has had no reply.

Chairman of the board Mike Cooke, as well as board members Joshepo Malherbe and Sam Maritz, have all resigned and more are expected to hand in their notice. The five department heads are Mrs M Gibbon, head of personnel; Mrs D Ensling, head of transport; Mrs M Williams, head of wardrobe; J Laurent, head of theatre and the chief accountant Mrs L Ebers.

"There is simply a feeling of insecurity," said Mr Bezuidenhout about these departures.

"We simply cannot keep running at a loss," he said.

"We have been making constant appeals to the ministry but, with a moratorium on cutting personnel, my position has become impossible.

He was referring to the recent announcement that all posts within the performing arts councils were to be frozen pending the establishment of new boards by October.

Pact's subsidy has been cut by 25 percent this year. According to Mr Bezuidenhout there will be an expected loss of about R3-4 million.

"The time factor is the problem," he says. "We all understand that new boards have to be formed, but it has just taken too much time."

He added that vacant posts on the old board had been offered to the ANC, but these had not been filled.

He explained that 80 percent of their subsidy, which had been cut from R42 million last year to R38 million for the current year, was spent on salaries. Then they have to contend with the running costs of the State Theatre Complex. "Checking lifts is something which is fixed by law — there's nothing we can do about those costs," he said.

He also pointed out that while Pact was criticised for putting on old productions like The Sound of Music, these were low-cost productions because of available sets and costumes, and were supported by the public.

"You have to play to full houses to get the income. What you put on is not the issue as long as you attract the audiences."

Because of costs they were sticking to this formula. Even West Side Story, Pact's Christmas production, was not a risky proposition.

As this is a family show it will draw the audiences.

Hugh Maileka, recently appointed as assistant chief executive officer, spent last week overseas and was unavailable for comment.
Pretoria: The financial difficulties of the Performing Arts Council of Transvaal will be resolved, the Minister of Arts, Culture, Science and Technology, Dr. Ben Ngubane, said yesterday.

After meeting Pact representatives, he said his ministry would support Pact's programme until the end of March.

"I will not allow the situation at Pact to degenerate," he said.

The meeting came after the resignations of Pact's chief executive, Mr. Louis Bezuidenhout, and board chairman, Mr. Mike Cooke in response to a government decision that staff changes before restructured councils were appointed at the end of September.

This meant Pact could not reduce staff to free funds.

Dr. Ngubane said Mr. Bezuidenhout had told him to improve Pact's funding or he would resign.

"I was baffled. The transformation was going so well," he said.

Former Pact chief executive, Mr. Echard van der Hoven has been reappointed until a new board of directors is in place. — Sapa
Jason's got what it takes — a brave new heart.

He's just bowed out of life now.
Casinos Become a Regional Issue

Although the national gambling issue has been red hot by

Provincials can go ahead with their gambling laws even

Willam Steenkamp

through the National Gambling Bill has been read up by

Parliamentary "changes"

though the National Gambling Bill has been read up by the

Wellman's Argus, September 9/10 1995

SATURDAY WEEKEND
Casinos Become Regional Issue

Although the Regional Gambling Bill has been held up by provinces that can go ahead with their gambling laws even if they choose, the Western Cape Government and the National Government have not been able to resolve the issue of the national gambling laws.

The Western Cape Government has proposed a Regional Gambling Bill that would allow provinces to have their own gambling laws. However, the National Government has opposed this proposal, citing concerns about regulation and enforcement.

The Regional Gambling Bill has been in place for several years, but has been delayed due to disagreements between the National Government and the Western Cape Government. The bill was introduced in 2014 and has been the subject of much debate since then.

The National Government has expressed concerns about the Regional Gambling Bill, citing issues of regulation and enforcement. The Western Cape Government has defended its proposal, saying that it would provide a more flexible and responsive way to regulate gambling in the province.

The Regional Gambling Bill is currently in the process of being discussed in Parliament, and it remains to be seen whether it will be passed into law. In the meantime, the issue of gambling in South Africa continues to be a source of much debate and controversy.
BY CHARLOTTE BAUER

WHEN the phone rang at 9am last Monday, 73-year-old Pretoria pensioner Eghard van der Hoven was getting ready to leave his home and drive to a nearby fax shop to send a message to the secretary of the Theatre Benevolent Fund, a worthy cause of which he is the chairman.

On the line was a grim Sam Moss, deputy chairman of the Board of the Performing Arts Council of the Transvaal (Pact), begging him to fill the vacuum left by Louis Bezuidenhout’s sudden death resignation at the weekend as the council’s chief executive officer.

It took a stunned Mr van der Hoven, the man who had co-founded Pact and reigned supreme for 20 years from 1983 to 1988 as its chair, an hour to make up his mind.

After cancelling the veterans’ golf game he had lined up for the next day, he hurried over to the State Theatre to find Mr Bezuidenhout clearing out his desk.

By 11am Mr van der Hoven was closeted in the Minister of Arts, Culture, Science and Technology, Dr Ben Ngubane’s office, hammering out the deal that, by 2pm, would be publicly announced.

As Mr van der Hoven prepared himself for the hastily convened press conference, the irony could not escape him that the ministry had turned to the man who had skipped Pact through the Dark Ages of its unsalvageable whiteness to preclude the death and reincarnation of the country’s most controversial cultural council.

But, like South Africa’s other four arts councils, has functioned in a state of high anxiety since the radical idea that the whole elitist lot of them be abolished was first mooted by the members of the National Arts Initiative in 1993.

By the time Acting, the government-appointed task group, had taken its thought several steps further, the White Paper recommended long last month, the beleaguered Mr Bezuidenhout had had enough. He resigned, but was quickly persuaded to stay on by the affable Dr Ngubane, whose talent for smoothing things over was matched only by fears that his vague promises to all and sundry cannot be kept.

Dr Ngubane has long been perceived to be coddling the performing arts council throughout the same period, assuring them they are “national assets” that should be protected, preserved and promoted in long succession; and vowing not to let the situation at Pact degenerate.

When Mr Bezuidenhout resigned for the second time on Monday, Dr Ngubane was nonplussed: “I was baffled,” he said. “I thought the transformation process was going so well.”

But in the view of Pact’s old guard, things couldn’t have been going more badly: the most expensive and most profitable of all the arts councils had not only had its annual subsidy cut by 15 percent along with everyone else, but a further R4-million was rerouted to line the empty coffers of Kwazulu-Natal’s Playhouse Company. By July, Pact’s subsidy had dwindled to R3.5-million, of which just R1.5-million had been forthcoming. Pact, as board chairman Mike Cook reminded the minister, cost R4.3-million a month to run.

The issue was no longer ideology-bound as it had been in the early days of high art’s pro-proper political credulity and save it from the headwind of political wind that appears imminent.

This time, when Mr Bezuidenhout walked out, he pulled no punches. “I have warned the minister that Pact is in a deficit (and) the longer they wait to solve the problem (the bigger) the task will be.”

There was, he said bluntly, no money to pay staff.

Mr Cook walked out with him, although he was careful to call it “retirement”. Board member Sam Maritz followed. Five Pact department heads quit, although, true to form, Dr Ngubane has persuaded three of them to return.

When Mr van der Hoven at last sat down to catch his breath on Monday in the office he vacated 12 years ago, it was only to be greeted by the news that Mr Bezuidenhout’s every move had been resented. He begged her to stay until the end of this week — she did.

It is a crisis that should never have happened because in a month, in keeping with the arts ministry’s transformation timescale, the old Pact board will be dissolved anyway. By mid-October a brand-new board will choose a brand-new CEO, although what happens to the arts councils after this is anyone’s guess.

Mr van der Hoven’s “crisis management” job will last just one month, during which he will keep the thing flowing and coordinate the board. He has taken it on condition he personally has nothing to do with the unbundling of Pact’s various artistic departments, a distinction preserved by flyover as "a waste of money and energy".

Right now, though, the man who was rather enjoying his retirement playing golf, baking his grandchildren on holidays and keeping a 40-year acting career with roles in Afrikaans TV dramas and soapsties like Egel — is back in the hot seat.

He confesses he doesn’t yet know what he’s going to be paid — he hasn’t had time to ask. Yesterday he met Masekela for the first time and pronounced him “a very friendly person and a great artist”. The rest of the week’s diary is crowded with “rushed meetings, meetings, meetings”. It’s not how things were done in his day, but then, as he notes with a chuckle: “Everybody has a say nowadays you know.”

Last Monday, he agreed, was a bad day at Pact, but by Wednesday he was feeling positively chipper.

The smooth surface of his retirement has certainly been ruffled — he’s already cancelled the braai he was going to give for latest former board chairman, november. But on Wednesday night he and his wife went to the theatre, just as they have been doing four nights a week on our “weekly night out”, see Princess of the Parasols, award-winning cabaret show at the State Theatre. The future of the arts council is one thing, but the art itself, well, there’s quite another.

Former Pact boss takes over the hot seat for a month
Gambling Act to be tested in court

DAN SIMON

THREE businessmen and a businesswoman were yesterday granted permission by the Cape Supreme Court to challenge the constitutionality of a section of the Gambling Act in the Constitutional Court following their arrest last year on charges of operating a casino.

Mr Justice Deon van Zyl granted Mr Gary Scagell, Mr Christopher Minard, Mr Christopher Simon and Ms Candice Mitchell permission to challenge the constitutionality of section 6 of the Gambling Act.

The four were facing charges of contravening the act in the Magistrate’s Court in May following their arrest last December when police raided Highstead Manor in Sea Point and confiscated gambling equipment worth over R50,000.

The case was referred to the Supreme Court after the accused’ legal representative Mr Ian Levitt argued that section 6 of the act was in contradiction of the constitution, which proclaimed one innocent until proven guilty.

After a successful Supreme Court bid, the four will take their challenge to the Constitutional Court.
Ster-Moribo in R1.6-m deal
Ster-Kinekor focused on rural audiences

BY JOHN SPIRA

Interleisure’s Ster-Kinekor is involved in negotiations which, if successful, will lead to a franchise-based empowerment structure, enabling entrepreneurs to open their own cinemas in townships and rural areas.

Mike Egan, the managing director, said the process would be facilitated by Ster-Moribo, Ster-Kinekor’s joint venture with Thebe Investment, and backed by funding from a certain reputable financial institution.

Few companies can claim to have as transparently flouted the apartheid laws as Interleisure.

“Some 10 years ago, Ster-Kinekor, frustrated by the process of attempting to remove racial legislation which banned ‘non-white’ attendance at its cinemas, took a stand and opened up to all races.”

Reactionary thinking in some municipal areas presented Ster-Kinekor with the ultimatum to comply with the legislation or face prosecution. “We closed the cinemas — at substantial financial loss.”

Further, said Egan, the group’s film distribution company refused to supply independent cinemas that did not follow Ster-Kinekor’s lead.

“Our principle remained undaunted and the public outcry that followed forced legislation to follow practice.”

Egan characterised the group’s Ster-Moribo joint venture as an example of Interleisure’s commitment to building the nation.

“At face value it is a joint business venture to own and operate cinemas in previously under-serviced communities. The provision of entertainment to these communities in itself provides some upliftment to these areas. But the objectives less visible to the public are no less important to Interleisure.”

In terms of Ster-Moribo’s founding contract, Interleisure had undertaken:

- To transfer both industry-specific as well as general management skills to the people of Ster-Moribo;
- To make Ster-Moribo self-sufficient and independent within two to three years;
- To provide specific levels of financial security to the venture during the transition period;
- To empower employment and ownership through the company’s activities and;
- To consult with and seek the co-operation and consent of community organisations and leaders in the areas of Ster-Moribo’s activities.
Ster-Kinekor focuses on rural audiences

BY JOHN SPIBA
GAUTENG BUSINESS EDITOR

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W Cape to get five casinos

BARRY STEEKE
POLITICAL STAFF

THE government yesterday released its long-awaited draft legislation on gambling, proposing 40 casinos nationally — with five in the Western Cape — and a clause to break-up Sun International’s monopoly in the industry.

The Gambling Bill, released by the Minister of General Services, Mr Chris Fisner, proposes 16 casino licences for any one company or person and a maximum of two per company in any of South Africa’s nine provinces.

The bill also proposes that the law be changed to make gambling debts enforceable in court.

It does not say down where the casinos in the Western Cape will be, leaving this decision to the provincial parliament or the provincial gambling board.

But there is growing speculation that two of the casinos will be licensed in the Greater Cape Town area, and the other licences will be distributed in other parts of the province.

This would boost the claims of Club Mykonos on the Western Cape, the Caledon/Hermanus area possibly at the Overberg complex, and the George/Gnana/Platberg Bay area.

Mr Fisner said the bill’s proposals differed from those of the Lotteries and Gambling Board, headed by Professor Nic Wielhahn, in that smaller provinces were given a proportionally bigger share to assist development there and have “a more balanced accommodation of exiting legal investments.”

Anti-monopoly

As a result, Northern Province has been allocated three licences, Mpumalanga four, Northern Cape three, North-West five, Free State four, KwaZulu-Natal five, Eastern Cape five and Guernsey six.

Although other gambling operators will welcome the diversification proposals, the clause restricting monopolies will affect Sun International, which already has 17 casino licences, all in the old “independent” homeland.

Mr Fisner said the bill contained “anti-monopoly provisions”.

Sun International’s managing director, Mr Peter Bacon, said his group would study the bill and consult legal advisers before commenting.

Of there is anything highly prejudicial to Sun Inter- national or any other stakeholder in the industry, we will, of course, fight it very strongly,” he said.

He also said the existing gambling turnover in licensed casinos was between R1.5 billion and R2.5 billion a year.

Mr Fisner said operators with more licences than pro- vided for — effectively Sun International — would have two years to decrease their licences to the permitted number.

He also said the bill, which provided a “national framework” for the gambling industry, would be released for public comment and consultation with industry stakeholders and would be debated in Parliament next year.

He invited submissions to Private Bag X998 in Pretoria by October 31.
Smaller provinces to benefit Licensing blow for Sun International

Amanda Vermeulen

SUN International will have to lose 10 gambling operations in the Northwest and Eastern Cape — breaking its monopoly over the gaming industry — to meet the requirements outlined in the Gambling Bill released yesterday by General Services Minister Chris Pieterse.

The Bill, which will be debated only during the next sitting of Parliament in January, has stipulated that no single company or person can have more than two licences per province, or more than 10 nationally.

Sun International, which has seven operations each in the Northwest and Eastern Cape, would have to scale down to two operations in each province to meet the requirements.

The Bill also contains a restructuring of the licence allocation to each province. Gauteng, which was originally allocated 13 licences in the Lotteries and Gambling Board supplementary licence published in July, has been awarded six licences in terms of the proposed new legislation.

KwaZulu-Natal and the Western Cape, which were originally recommended for six licences each, would receive only five each under the proposed Bill. Northwest’s licences would be boosted from two to five, and the Eastern Cape from three to five.

Mpusalang’s licences have increased from three to four as have those in the Free State. The Northern Province and Northern Cape have both gained an extra licence to bring the recommended number to three each.

Pieterse said the restructuring of the number of licences was based on the need to give the provinces a proportionally bigger share to assist them in their development objectives and to create a more balanced accommodation of existing Sun International investments. Sun International MD Peter Bacon said he needed more time to discuss the implications of the proposed Bill with the group’s partners, but the group was not happy with certain aspects of the draft legislation.

He realised the group had to be practical about its role in the future gaming dispensation but the Bill had problematic areas which would be discussed when the debate was opened for public comment.

The Bill stipulates that organisations which had licences issued before April 27 last year would be granted two years from the time the Bill was passed and adopted as an Act to decrease the number of licences to within the maximum number allowed.

It also stipulated that government “and any of its organs” would have to dispose of their financial interests in companies holding gambling licences.

This applies to Sun International in which government, through development bodies, has a stake as a result of reincorporating the former TBVC countries which harboured Sun International operations.

Gambling consultant Richard Irvine from Price Waterhouse said Pieterse’s guideline was more pragmatic and realistic, and had taken cognisance of Sun International’s investments over the years.

Global Resorts CEO Ernie Joubert said the proposed legislation was fair to Sun International as well as to new developers and operators planning to enter the industry.

Sapa reported the Gauteng legislature passed the Gambling and Betting Bill during a special sitting yesterday.

Gauteng premier Tokyo Sexwale will have to sign the Bill before it becomes law.
Maxi Movies in mini-cinemas

An innovative idea for small cinemas will bring the movies to the townships, writes Neil Bierbaum.

STER-MORIBO’s purchase this month of a 60-percent share in the Maxi Movies franchise operation has provided it with the growth it has been seeking among black audiences.

Maxi Movies has a new concept for cinemas: a SuperVHS video system, which projects a high-definition video image onto a 5mx4m screen. This makes the establishment of cinemas more affordable and more accessible to people living in the townships.

The franchise operation was established in 1994 by Sven Nothard, who had founded the Nu Metro cinema chain nine years earlier. And it might just be the answer to Ster-Moribo’s dreams.

Ster-Moribo, a joint venture between Interleisure subsidiary Ster-Kinekor and Thebe subsidiary Moribo Investments, was formed in an attempt to develop cinema complexes in urban areas previously under-serviced by the entertainment industry.

It ended up with a few run-down cinemas in the Johannesburg CBD, which has experienced a mass exodus of whites and an influx of blacks over the past five years. The cinemas showed mainly karate and action movies at reduced rates.

The high cost of establishing new cinemas restricted the group. The fact that black people had for so long been excluded from cinemas by apartheid laws meant there was no historical experience on which to base the viability of cinemas in the townships. New shopping centres were going up, but cinemas required special high-ceilinged structures and projection rooms which could hold the 35mm projectors. The risk was high.

Then came Maxi Movies. The video projector is much cheaper and smaller than a 35mm projector, saving shopping-centre designers from having to make special provision for cinemas. The Maxi Movies unit can be converted back to a normal shop if the cinema is not successful.

But unsuccessful cinemas are the last thing on Nothard’s mind right now. He has already secured several franchisees and expects to have 100 within five years. He has aligned himself with more than 54 planned shopping centres.

Nothard’s approach has also introduced a new aspect to franchising in South Africa. Most franchises have traditionally required that the franchisee put up all the money. But a Maxi Movies franchisee is only required to put in R45 000 of the R350 000 cost. This can be raised by up to three people who would then operate as a consortium. Nothard presents a business plan to a financial institution and secures a loan for the difference.

Maxi Movies’ main backer to date is Nedenterprise, the Small Business Development Corporation and the KwaZulu Finance Corporation.

The franchisee becomes part of a national cinema chain, with all the benefits of the latest releases and combined marketing, as well as access to credit, markets and skills.

Major features will become available to Maxi Movies franchisees three months after the normal cinema circuit release — the usual time for video release.

It is envisaged that the target audience will not have been able to see the movie on the general circuit release — ticket prices are too high and the Maxi Movies cinemas will deliberately be situated in areas where residents have difficulty reaching “first run” cinemas.

But the delay also means that the franchisee can acquire the movies at much cheaper rates than normal cinemas. This cost saving can be passed on to the public as well as to advertisers.

Nothard believes the audience will be mostly male, aged between 16 and 35, with a household income between R2 000 and R2 500 a month. The R7 ticket price will be less than the fast food meals which are available in the same shopping centres. Coca-Cola, Pepsi, Schweppes and JPS have already signed on as advertisers.

The establishment of Maxi Movies is being followed closely by international movie distributors, who see the possibility of applying the concept in other countries — Chile, China, India and Eastern Europe — which have a First and Third World hybrid economy similar to that of South Africa.

Ministering to film lovers

Itumeleng on Mahabane

MEMBERS of the small community of Kagiso will no longer have to taxi-hop if they want some entertainment. They have just had Hollywood delivered to their doorstep — courtesy of Ames Zwane, and the Right Reverend Joseph Mabula.

Zwane (48) and Mabula (42) are the owners of a Maxi Movies franchise in Kagiso Mall, 10km from Roodepoort. They offer three films a day. Aside from the small size, it is not too different from any Ster Kinekor or Nu Metro you might visit.

There is a ticket office where you can also buy popcorn and where Coca-Cola products are, as usual, the only drinks available.

Mabula and Zwane came across Maxi Movies’ Sven Nothard and his concept at a Kagiso Arts and Culture Council meeting. The idea sounded appealing — and appropriate for the ever-increasing community of Kagiso.

Mabula moved to Kagiso to take over Frank Chikane’s parish. Since then he has taken on a number of other hats — chairperson of this board, secretary of that committee, marriage councillor, co-ordinator of the Kagiso Arts and Culture Council. He is also a script writer and has just submitted a script for the M-net New Directions competition.

Zwane was born in Sophiatown. He moved to Kagiso in late 1982 and became involved in church activities. He believes movies help prevent delinquency by entertaining the youth.

Mabula and Zwane get suggestions, and then they try to give the people what they want. Their most successful screening so far was Bad Boys, which they showed after a request from the teenagers in the community.

Zwane also wants to see the community using the facility for fund-raising, especially by schools and churches. He says if schools organise trips to the movies for kids, they will give the school back R4 of the R7 admission fee.

The reluctance of the church to use mainstream entertainment to raise funds is something else they want to tackle. Both laugh and say the audience is always made up of church-goers anyway. A minister, says Mabula, will load his family into a car and drive off to Southgate to avoid being seen at the movies!

The Kagiso franchise has only been going for a month, so it is too early to tell how well it will do. But they are confident.

Criticism of Maxi Movies as not contributing to black empowerment because it does little to provide basic services misses the point. Despite their roles Mabula and Zwane are fairly ordinary members of their community. They are well off but hardly millionaires. To kick off the project, Mabula and Zwane had to come up with the R300 000. The remaining R300 000 was arranged through NedEnterprises.
The arts will stifle cultural development

Any attempt to stop public funding

By Ron Brown

The arts need public funding

17
Licence fight on the cards

WILLEM STEENKAMP
Staff Reporter

The fight for casino licences has become interprovincial following the announcement by the government that two licences will be taken away from Western Province and handed to poorer provinces.

Hermus Kriel, Premier of the Western Cape, has not taken the blow lightly and has clearly stated his intention to take up the issue at national level.

Mr Kriel believes that the Western Cape deserves seven licences and not only five as proposed by the national government and he has said he will not let the issue rest.

A senior official in the Provincial Administration of the Western Cape who deals with gambling-related issues said the decision by national government to take two licences away from the Western Cape and to issue these licences to poorer provinces made little sense.

"Market research clearly indicated how many licences would be viable in each region. These figures indicated the Western Cape could sustain seven licences and were backed up by another independent market research group. But this was simply swept from the table and two licences taken away from us."

"How are the poorer provinces going to sustain those licences? Or are the provinces in question poor but the people who live there rich?"

He said the Western Cape, with the other wealthier provinces, had already agreed that it would give a larger slice of its income from a national lottery toward the poorer provinces.

Mr Lotter, PAWC director of taxes, levies and duties, said the limitation on the number of casinos by the national government was a concern, although it was accepted that numbers had to be limited. He said draft legislation on the gambling industry in the Western Cape would be tabled in legislature next February.

A local gambling board of seven members would be appointed soon afterwards. The first licence applications would probably be advertised next April.

Mr Lotter said the first licence issued would probably be in the Cape Metropolitan area. He said the idea was to distribute casinos over the province to promote development and tourism throughout the region.
Cambridge industry to get its own university
Cambridge Industry to Get Its Own University

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CARE
Ster Kinekor's development of multiplex sites — where there are three or four cinemas grouped together — will slow considerably over the next few years, Interleisure chairman Piet van der Walt said.

This is because it has largely achieved its expansion plan to bring cinemas to suburbs and because regional shopping centre development, which has been very active around South African cities, will slow down.

The expansion of Ster Moribo, a joint venture with Thabo Investment Corporation, will continue at a measured pace in line with growing consumption expenditure in its markets. Ster Moribo had 21 screens at the end of June this year, including the Johannesburg Kine Centre.

Among Interleisure's other investments, booking service Computicket, film and television producers Toron and The Video Lab, will continue to require reasonable capital to maintain and develop their operations.

However, in the next few years Interleisure will generate more cash than needed for capital and working requirements. It is investigating the expansion of its business into niche and underserviced foreign markets.

In the year to June, Interleisure increased earnings a share by 18 percent to 23.1c. The largest contributor to group profit was Ster Kinekor, followed by Cinemark and Toron.
Film companies ‘can’t get into SA’

‘Foreign crews unable to obtain airline seats’

Mr MacCarthy said, “It rang true considering that we have constantly struggled to get international film crews into the country, and have wondered why.

“We have promoted the Western Cape as a first-class film location at the prestige Cannes film festival and have had plenty of positive response from big international film companies.

“But now that we have convinced them to shoot here, there are no airline seats available to get them here.

“After several complaints from our members who have lost shoots, we have now called for an urgent meeting with SAA and the ministers of Transport and Trade and Industry,” Mr MacCarthy said.

“We blame SAA for obstructing our industry and causing a major crisis in a very promising industry that can create a substantial number of jobs and bring in millions in foreign currency to boost the local economy.”

He said that last year 90 commercials shot in the Western Cape brought in R100 million.

Mr MacCarthy, whose foundation represents the Western Cape film and video industry, said the same amount of revenue could be generated by just five feature films.

“The average Hollywood feature film budget is $32 million (R35m), of which half goes to the local production industry. The Cape offers everything from Swiss mountains to exotic landscapes. Its scenery can do wonders for our local economy.

“But if we can’t get our clients into the country, we’re wasting our time trying to build our industry,” marketing director Rob Brown of the foundation said.

“Lack of seats was the last problem we anticipated when our industry started growing from three companies four years ago to 16 at present.

“We expected a national airline to play on the national team and not only think of its own profits. We are trying to build our nation and then this happens,” he said.

“Said film crews had to be flexible and change flights if the weather was bad for filming.

“But if they do, the next flight will be two months later.”
Kani to head star-studded Pact board

By CHARLOTTE BAUER and GILLIAN ANSTEY

JOHN KANI, internationally acclaimed actor and executive director of the Market Theatre, is to become chairman of the board of Pact, the country’s biggest and most powerful performing arts council.

This advisory position will not affect his directorship of the Market Theatre.

Kani will head up a brand-new board — increased from 10 to 20 members — comprising some of South Africa’s most prominent arts movers and shakers. They include: singer Sibongile Khumalo, playwright Maishe Maponya and the founding father of the Market Theatre, Mannie Manim.

A radical departure from the Pact tradition of stocking its board with bureaucrats and businessmen, the eclectic line-up of theatre heavyweights also includes:

- Sipho Seputla, head of the Federation of Black Artists (Fuba);
- David van der Merwe, director of the Witbank Civic Theatre;
- Mandie van der Spuy, Standard Bank’s co-ordinator of the Grahamstown festival and a former general manager of Pact-drama; and
- Jerry Mofokeke, deputy artistic director of Johannesburg’s Civic Theatre.

The surprise card is Eghard van der Hoven, the man who ran Pact during the darkest years of its unassailable whiteness, from 1963 to 83. He is temporarily back at the helm, having been asked by Arts and Culture Minister Ben Ngubane to oversee Pact’s initial transition phase.

Only three members of the original board have survived the clean sweep, notably the acting chairman, Sam Moss.

Pact continues to be the biggest single drain on the government’s arts budget and a substantial redistribution of the monolith’s wealth will be needed to bring it in line with the White Paper to be released in December.

With Hugh Masekela settled in as Pact’s assistant chief executive officer, only the post of chief executive officer remains a subject of speculation.

Welkom woman honoured

FLORENCE MATHINYE of Welkom, Free State, is the 1985 Ekurhuleni/Soweto Woman of the Year. She was given a floating trophy and R20 000 at a function in Megawatt Park yesterday afternoon. The award honours black women who have contributed to their communities. Mrs Mathinye runs the Ipopeng Development Centre, which provides bridging education to disabled youth.
Gambling Bill worries Sun investors

BY LEWIS JONES

Johannesburg — Share prices in the Sun International stable of companies have varied from stodgy to volatile as the incorporation of the former homelands into South Africa, along with sweeping changes in the gambling industry, caused concern among investors.

A large degree of unease in the market stems from the realisation on the part of some large shareholders that they will be forced to sell their holdings completely.

The National Gambling Bill stipulates that provincial governments and development corporations which inherited Sun International shares from the former homelands must sell their holdings within a two-year period.

Peter Bacon, the Sun International managing director, said the deadline was bound to cause an overhang in the market.

Sun International shares price

The stakes involved consist of about 37 percent of the various subsidiaries issued share capital, worth about R1.3 billion.

Bacon said Sun International had made representations to general affairs minister Chris Finner to extend the deadline to five years.

Chairman Buddy Has rivalry said the money realised could be used for provincial development and a low share price would have a negative effect on the RDP.

The group is to be restructured with an offer to shareholders in Suncisk, Transun and the unlisted Venda Sun by Suncop, which will then change its name to Sun International.

Sun cop is languishing at R21.50 compared with its eight-year high of R30 in May last year.

But the axe is looming over Sun International in another form.

The group is bound to lose some of its licences under the new gambling dispensation, and the realisation is breeding unhappiness and uncertainty in the market.

While most analysts have adopted a wait-and-see attitude, some believe that the group may be offering good value.
With the government hard-pressed for funds, there are many who believe that having a Minister of Arts and Culture is a luxury South Africa cannot afford. IVOR POWELL spoke to the incumbent, Dr Ben Ngubane

The art of performing miracles

December should take note of the fact.

Dr Ngubane confirms that such a communication was received, but insists the door has not been closed.

"Chris Liebenberg's main grouse was that tax incentives for the arts and culture might create a situation where some sectors are more privileged than others," Dr Ngubane says.

At the same time, he notes that the finance ministry is still considering the imposition of a levy on the sale of movie tickets to assist the development of the local film industry.

Basically though, Dr Ngubane says, his ministry will be able to achieve its goals only by "coordinating very thoroughly".

"The government decided we must adopt a zero budget," he adds. "This means that each line item will be studied, put under a microscope to decide whether it deserves to be supported through the budget."

"It's a question of trying to stretch available resources to the utmost limit."

An example of reassessing priorities, Dr Ngubane cites initiatives to shift the emphasis in existing performing arts councils away from often costly and lavish performance towards education and training.

An economy measure he does not mention is the imminent transfer of the assets held by the Foundation for the Creative Arts to the new government.

The foundation constituted itself as a private sector organisation, its initial (and secret) funding was derived from the old National Party government.

Now, while agreement has been reached in principle that the foundation's assets should be taken over by the ministry to provide space for a proposed national arts council, the process of unscrambling the legal egg of NP deceptions is not yet complete.

However, these moves are mere drops in the ocean.

Money still needs to be found, not only for creating infrastructures and facilities but also for developing an economy around culture and the arts. It is one of the major short-term goals identified by the ministry to promote an arts and crafts industry aimed particularly at the growing tourist market.

The arts and culture industry can be a very important income earner in terms of the people who would otherwise be involved in the very lowest end of the informal sector, if employed at all," Dr Ngubane says. "In the countryside, only government and agriculture are providing employment. Now you can create a third element, that is the arts and crafts industry. You can then change thousands of people, particularly women in the household situation."

Meanwhile, some relief has come with the recent allocation of R40-million out of the RDP fund.

Designed to be used in conjunction with the ministry of sport and recreation, the money will be used for the development of combined sporting and cultural facilities in areas where no such facilities have been available in the past.

It is not a lot of money, but Dr Ngubane remains optimistic.

"The timing is just right. We are effectively a very new department. We had our director-general appointed only in February this year."

"If we have conceived beautiful plans we still have to ensure that they can be implemented. So that means that the provincial structures have to be viable, that the local authorities are in place. At local government level the process hasn't even started. To me that is the biggest bottleneck."

DP director-general Bernie Fanaroff also feels the R40-million is significant. Describing the building of such recreational centres as "a high multiplier, providing high output from small investment," he says that each centre proposed within the scheme would cost about R1-million to complete. At the same time jobs would be created as the building would be undertaken under the auspices of the ministry of public works.

"I know there is resistance to the existence of the ministry," Dr Ngubane concedes. "I know that people are calling for its dissolution. Of course people are not seeing examples of great deeds emanating from this office, so I don't blame those who have a negative perception of what we are doing."

But Ngubane is anxious about the proposed rationalisation of ministries in 1999. If we deliver, we will survive. That is all there is to it."
R20bn gambling turnover likely

Amanda Vermeulen

LOTTERIES and gambling industries would generate at least R20bn a year by 1997, double that of estimates of current turnover in the legal and illegal gaming operations, former Lotteries and Gambling Board chairman Prof Nic Wiehahn said yesterday.

Gambling industry consultants have placed current estimates of the yearly turnover in the gambling industry at about R10bn.

Speaking at the opening of gaming and entertainment exhibition Gamex 95, Wiehahn said the inclusion of a national lottery, football pools, the horse racing industry, bingo and other forms of gaming or wagering would double the revenues generated to at least R20bn a year, about 5% of current GDP figures.

The figure outstripped earlier projections by consultants that the industry would only touch the R20bn mark at the turn of the century. Wiehahn said these figures were very conservative, because 40 casino licences alone would generate substantial revenues.

Many industry players and consultants have been conservative in projecting earnings as the effect of tax — which has to be finalised regarding these industries — has still to be calculated.

The Lotteries and Gambling Board's report to Cabinet recommended the gambling industry be zero-rated, but Wiehahn said there was some evidence the Katz commission on tax did not support this view.

Although industry players were anxious to get revenues flowing as soon as possible, delays in legislation were holding up plans for several major resorts.

General Affairs Minister Chris Finster said the national Gambling Bill may only be passed by Easter.

The Bill was tabled shortly after the last session of Parliament closed, but gambling industry consultants said constitutional issues could dominate the first session of Parliament.

Although national legislation could take up to April to be promulgated, a number of provinces were expected to have implemented their own laws by then. Both Gauteng and Mpumalanga have already passed their legislation.

The draft lottery Bill could be available for comment this week, but the award of the national lottery licence was expected to take place next year at the earliest.

Wiehahn said that proposals had been submitted to Cabinet for the creation of a task force — funded by the gambling industry and not central government — to crack down on illegal casino operators and to act as a watchdog over licencees.

He said Cabinet had not responded. Sun International MD Peter Bacon said the gambling industry would support such an arrangement, as the police were under-resourced and facing pressures from other priorities, such as the escalating violence.

An inspectorate, along the lines proposed by Finster in the National Gambling Bill, funded by the industry, would help eradicate those acting illegally, but Bacon said the cost had to be kept in proportion to the service rendered.

Attorney-General Grant Kaplan, who has acted on behalf of a number of the illegal casino operators, said it would probably be unconstitutional for the private sector to fund a government policing department. But a private consulting operation attached to the police force could be the best solution.
The gambling and amusement industry is set to generate at least R13-billion in 1996 and R20-billion by 1997 after Parliament has given the go-ahead.

Professor Nic Wiebahn, who served on the Gaming Board which established and documented the recommendations on gambling legislation for the Government, revealed the figures at the official opening of Gamex '95 in Midrand yesterday.

The first annual gambling and amusement exhibition in South Africa, it runs until tomorrow at Gallagher Estate.

Minister of General Services Chris Finner said Gamex '95 had come at an appropriate time as it was the first exhibition of its kind after the recent tabling of the National Gambling Bill.

He said the now-defunct Lotteries and Gaming Board, had provided the central and provincial governments with the basis for the future structure of a national gaming body, with a separate national lotteries board and nine provincial gambling boards, one for each of the provinces.

Wiebahn said the licences would be allocated on the basis of one per million people in each of the provinces, and only 40 licences would be available for other applicants.

The licences would be allocated to provinces as follows: Gauteng (6), Western Cape (5), Eastern Cape (4), Northern Cape (3), KwaZulu Natal (5), North West Province (5), Northern Province (2) and Mpumalanga (4).

"Gambling is an emotional issue right now and to keep it under control we have to implement stringent measures. One cannot hand out licences as a free-for-all because there are also moral and religious issues involved," said Wiebahn.

He said a national state lottery would be implemented first and then other forms of gambling such as the sports pools and bingo would follow.
Labour peace ‘up to unions and business’

Renee Grawitzky

THE new Labour Relations Act provides the necessary framework for the resolution of disputes, but the promotion of labour peace can only be achieved if both labour and business desire it.

Speaking at Andrew Levy & Associates’ industrial relations seminar on “living with the Act”, Andrew Levy said that one of the main strengths of the Act was the complete overhaul of dispute resolution procedures.

He said the Act did not represent radical changes, but was rather a blend of both the “old and the new”, with the introduction of workplace forums being the most revolutionary inclusion.

He said one of the criticisms of the Act was that it was particularly labour-, or more precisely “union-friendly, just as the apartheid government was more white-friendly”. He said that instead of dwelling on this aspect, industrial relations practitioners should rather direct their energies towards gaining a better understanding and interpretation of the Act.

Performing arts council budgets cut to make grants

THE arts, culture, science and technology ministry has redeployed funds and awarded grants to 10 cultural organisations.

The organisations are the Congress of SA Writers, Newtown Film and Television School, African Cultural Heritage Trust, Fuba Academy, Cape Town Community Arts Project, the Arts and Culture Management Programme in Johannesburg, the National Literacy Project, Ikapa Arts Trust, the SA Film Festival and the SA International Film Festival.

The ministry said the grants had been made possible, in part, by 12% cuts in the performing arts councils’ budgets.

The awards were made to ensure a more representative spectrum of arts and artists would benefit from available aid.

New applications could be considered only next April because this year’s budget had been “exhausted”, the ministry said.

The criteria for the funding of arts and culture projects had been redefined in accordance with the reconstruction and development programme.

The department’s chief priority was to fund projects which would enable the ministry to achieve its mission of enhancing the quality of life of all South Africans.
Arts grants take RDP into account

The Department of Arts, Culture, Science and Technology has awarded several grants to national cultural organisations despite a restrictive budget.

Its funding of arts and culture now took into account the Reconstruction and Development Programme, a department statement said.

"The department has granted financial support to the African Cultural Heritage Trust, an organisation that has already gained a reputation for preserving traditional performing art expressions."

Other recipients include the Congress of South African Writers; the Newtown Film and Television School; the Fuba Academy, originally the Federated Union of Black Arts; the Community Arts Project in Cape Town; the Arts and Management Programme presented by the Wits Graduate School; the SA Film Festival; and the SA International Film Festival.

— Sapa.
Cultural organisations get government grants

PRETORIA: The Department of Arts, Culture, Science and Technology announced yesterday it had awarded a number of grants to national cultural organisations, despite a restricted budget.

It said in a statement its criteria for the funding of arts and culture projects had been redefined in accordance with the imperatives of the Reconstruction and Development Programme.

Grants awarded included the Congress of South African Writers, which had been involved in the development and promotion of literature since 1987.

"Several good film schools have for several years existed in Pretoria and Cape Town. Owing to its accessibility and the audience it serves, the department has this year decided to render financial support to the Newtown Film and Television School.

"The department has indicated that, unfortunately, the budget for the current year has been exhausted and no new applications can be considered at this stage," the statement said. — Sapa
Province switches bets on gaming board boss

Amanda Vermeulen

THE Mpumalanga government has replaced New Age Beverages CEO Khetha Mthembu as the nominated chairman of the province’s new gaming board, amid an investigation into his possible links with new gaming consortium African Sun International.

The provincial government— which announced its gaming board appointees yesterday morning— replaced Mthembu in the afternoon with Kunene Brothers director Keith Kunene, and said it would investigate Mthembu’s links with African Sun International, which is to bid for licences.

African Sun International’s partners include Thebe Investments subsidiary Moribo, and Mthembu sat on the board of Thebe’s merchant bank, Msele. Mthembu said last night he had resigned as a Msele director in July.

But the Mpumalanga government said his Msele directorship had been included on the CV he presented for the post late last month— which was confirmed by Mthembu’s office.

Provincial adviser Andre Wilsenach said the province would still investigate Mthembu’s links with African Sun International.

African Sun International chairman Wendy Luhabe-Shilowa said nominees had to comply with the requirements of the province’s gaming Bill. “This now remains the responsibility of the nominating committee.”

Kunene emerged recently as director on Coca-Cola’s $400m joint venture with Port Elizabeth-based bottling company Sabco. Other nominees to the gaming board include SA Institute of Chartered Accountants CEO Ken Meckler, and several Mpumalanga government members. Economic affairs and tourism MEC Jacob Mahela said 49 people had been nominated for the board. Three had asked to be withdrawn and eight were disqualified under regulations governing eligibility.
Ster-Kinekor ‘not stifling competition’

Amanda Vermeulen

LEISURE group Interleisure has dismissed suggestions that mainstay operation Ster-Kinekor inhibited competition because it was the market leader.

In the group’s 1995 annual review, chairman Peet van der Walt said the current Competition Board probe into Ster-Kinekor was “ironic”, given that the company’s previous investment displayed faith in SA’s economy.

Ster-Kinekor had invested in modern multiplex cinemas 10 years ago, well ahead of the global industry. “It is therefore ironic that these developments are now the subject of a Competition Board inquiry,” he said.

“Small and big business have important roles to play in the development of SA. But we will not accept that the capital commitment, free market efforts and competitiveness of Ster-Kinekor are jeopardised by unreasonable constraints arising from its position as market and brand leader.”

Interleisure, which lifted earnings a share 18% to 23.1c on sales down 5% to R497m in the year to June, had spent R44.6m during the year, most on Ster-Kinekor. A joint venture between Ster-Kinekor and black-owned entertainment group Moribo was formed. The new company, Ster-Moribo, would focus on establishing new cinemas in townships.

Ster-Kinekor had largely completed its strategy, announced four years ago, to double its number of screens. Development in major shopping complexes would slow in the next few years, partly as regional shopping centre development would decline.

He said economic growth was expected to continue but it was imperative that South Africans felt safe to travel out of their homes. Fears about car-hijacking and violent attack were inhibiting the group’s ability to provide away-from-home entertainment.

Van der Walt said he was relinquishing his position to Kersaf chairman Buddy Hawton, who announced recently he would replace Sol Kerzner as Sun International Bophuthatswana chairman.
Gauteng clamps down on govt ties

Gaming licence hitch for top groups

Amanda Vermeulen

The Gauteng provincial government could disqualify both Sun International and Southern Sun from gaining casino licences in the province’s first new licence allocations because of the groups’ links with government officials and former public servants. Gauteng economic affairs standing committee chairman Andrew Feinstein — whose committee is responsible for drafting the province’s gambling legislation — said at the weekend that any person or company who employed a government official or political office bearer in the 12 months prior to applying for a gambling licence was not eligible for a licence.

No official time frame has been given for granting the new licences, but gambling industry consultants believe Gauteng’s call for licence applications will come early next year.

Feinstein said Sun International would be disqualified “as a result of its links to KwaZulu-Natal finance MEC Johnny Mhlongu”. Mhlongu has an interest in African Sun International (ASI), ASI is the black empowerment gaming consortium unvetted by SI last month which plans to bid for gambling licences across the country.

Mhlongu has shares in Khulani Holdings, one of ASI’s shareholders. His department is also responsible for KwaZulu-Natal’s gambling legislation.

Mhlongu has already made clear he would sell his shares if there was any conflict of interest between his political office and his ASI interest.

Sun International has declined to comment.

Feinstein said Southern Sun would lose out because it had recruited former Lotteries and Gambling Board member Jan de Lange, who had been an adviser to General Services Minister Chris Flamme.

Southern Sun employed him in September to help the group’s legal adviser ensure its application complied with the legislation’s provisions.

Southern Sun MD Ron Stringfellow said at the weekend that De Lange’s appointment had been cleared by former Lotteries and Gambling Board chairman Nic Wiemholt. Wiemholt said that De Lange’s recruitment would not contravene the Act.

But Feinstein said Gauteng’s Gambling and Betting Act, passed last month, stated that “no person or any person in control of such a person or any manager of the business concerned should be granted a gaming licence at the relevant time if that person or person in control had been a public servant in the preceding 12 months”.

Stringfellow said several other companies planning to bid for licences could be similarly affected by this interpretation of the legislation.
Cape Town looks to 'Hollytown' rating as film industry booms

Municipal Reporter

CALL it Capewood or Hollytown: this city is experiencing a boom in its film industry, according to a report by the Cape Film and Video Foundation.

The industry is netting R130 million in foreign exchange a year, for the Cape alone, after successful marketing and the arrival of the new political era.

Four international feature films are to be shot in the Cape before June next year, and two European television dramas will be in production at the same time.

In the past three months, both a US feature film and a British drama series also completed production in the Cape.

This information is contained in a report to Cape Town City Council's economic development committee.

The foundation, which was given a R100 000 grant by the city council this year, has been marketing the city through a glossy publication called "The Cape of Films '95".

More than 4 000 copies of the publication were distributed free worldwide, some to the world's most influential producers and directors.

"The results achieved by the international marketing campaign have surpassed all expectations," the report says.
Black consortium targets
govt’s stake in casinos

Amanda Vermuelen

AFRICAN: Sun International, the black empowerment casino consortium recently formed by Sun International (SI), is likely to buy part of government’s R1.4bn stake in SI and some of SI’s casino resorts.

ASI chairman Wendy Luhabe said yesterday ASI would probably take up part of government’s stake in SI’s listed and unlisted companies — 33% of Sun International-Boiputhatswana, 33% of Sun International-Claike, 28.6% of Transkei Sun, and 32.8% of Venda Sun. ASI’s shareholders, which included Thebe Investments’ subsidiary Moribe, Khulani Holdings and Women’s Investment Portfolio, would pump money into the deals.

The state bought the stakes through the development bodies of the former TBVC countries when they were incorporated into SA.

General Services Minister Chris Finnen has recommended that government dispose of its holdings in two years to comply with proposed gambling legislation.

ASI was also planning to buy some of SI’s resorts. SI was expected to sell at least eight of its 17 operations to comply with the Gambling Act.

Luhabe said some resorts had been identified for take-over, but it was premature to outline ASI’s strategy before legislation had been passed in every province. ASI planned to bid for licences in several provinces. The group would be a minority stakeholder in each venture, with community representatives drawn into consortiums.

Luhabe said the move was designed to allow small entrepreneurs access to the industry.

Discussions were already under way in various provinces to form consortiums, she said.

Finnen said ASI’s plans would have to be evaluated to see whether they would meet the proposed legislation’s ruling on monopolies.
Black appointees to Pact

By Ntsikelelo Moya

The appointment of well-known art and culture proponents will go a long way to redressing the imbalances that the previous government left the discipline with.

This at least is the view of an appointee Maise Mafanyana, who is deputy chairman of the Performing Arts Council of Transvaal. Maponya, along with veteran theatre practitioners John Kani and Sam Mobs, were appointed to the council by Minister of Arts, Culture, Science and Technology Dr Ben Ngubane.

Multi-award-winning Kani is the executive director of the Market Theatre and director of the Market Laboratory, a workshop for developmental theatre.

His contribution to South African cultural ensemble has been widely recognised as he holds an honorary doctorate from the University of Durban-Westville.

Mobs has been a member of the council since its inception in 1963. Besides having held various positions in the field, he was the mayor of Johannesburg from 1970 to 1971.

Maponya is a playwright, poet and lecturer at the school of drama at Wits University. He is outspoken about the politics of the arts, especially during the apartheid days. “To me, it is important that art is not controlled from one position, that is what politics of art means to me.”

He said he viewed his appointment as a challenge in the quest to transform arts centres like Hugh Masekela’s State Theatre in Pretoria so that they reflect the artistic tastes of the South African population.

He is not particularly concerned that the new board consists of personalities from the previous era. “I guess it gives it some sense of continuity,” he said.

Maponya reckons that such members must, however, embrace democratic changes currently under way in the country.

Maponya said their appointments justifies their many years of struggle in the art fraternity.
Major setback for Sun International in N West

'Bid will be made to obtain licences for three biggest casinos'

By Priscilla Singh
Staff Reporter

Five of the seven Sun International casinos in North West province face closure in terms of gambling legislation passed last month, permitting a maximum of two licences for a single stakeholder in a province.

However, Sun International managing director Peter Bacon said the group would make a special effort in the province to retain three of its major gambling complexes, despite the legislation.

Bacon said the three biggest casinos in the province — The Carousel, Sun City and Morula Sun — would have to be "retained and a strong bid will be made to obtain licences".

"The unsuccessful casinos would have to be disposed of and we will apply for licences to set them up in provinces where the group has no present holdings," said Bacon, adding these were KwaZulu Natal, Mpumalanga, Northern Cape and Northern Province.

The doomed casinos are in Thabane (Rustenburg), Mmabatho, Molopo and Taung.

Earlier reports which stated Sun International and Southern Sun could be disqualified from obtaining gambling licences in Gauteng because of links with former public servants and government officials, were dismissed by Bacon.

"The matter has been resolved," he said, but would not give details.

In terms of the legislation passed in October by the Gauteng government, any company that had employed a government official in the year prior to applying for a licence would be ineligible.

Gauteng economic affairs standing committee chairman Andrew Feinstein said: "Some public servants ironically gave their input at the public hearings and a short while later joined forces with the big casino groups."

"They are acting in conflict with their evidence at the hearings and we would not buckle under pressure to grant licences to the big casino groups," he said.

He said Southern Sun would lose out as former Lotteries and Gambling member and personal adviser to General Affairs Minister Chris Hauer, Jan de Lange, had joined the group.

"Sun International will be disqualified for its link with KwaZulu Natal finance MEC Johnny Mathangwane, who has an interest in African Sun International, the black gaming consortium launched by Sun International last month," he said.
Casino licences for Cape likely by August — Kriel

THE Cape’s first casino licences could be awarded as early as August next year.

This is the word from Premier Herman Kriel, who says casino licences will be high on the list of priorities early in the new year.

Tax from casinos will be an additional source of revenue for the province, and casinos are being regarded as a "development tool" which can stimulate development and job creation.

Draft legislation for a casino bill has already been circulated, and a refined version will be published early next year.

Mr Kriel said he hoped the legislation would be passed by the legislature by the end of February.

The legislation will provide for a special gambling board whose members will have the task of making the final decision when awarding the five licences the Western Cape has been given.

Mr Kriel said a special category of casino zoning under provincial control would be created.

"It is a fairly unique situation," he said. "I don’t think we can go through the normal process of rezoning if we want to get this thing off the ground."

The only decision the politicians would make with regard to awarding the licences would be which regions would qualify for them, Mr Kriel said.

The Western Cape wanted seven licences but had been given only five.

"I am extremely unhappy about it and am talking to the minister," he said. "I think we should have at least seven licences in the province."

If the province could secure seven licences, the following regions would be likely to qualify: the Cape Peninsula, West Coast, Overberg, Breede River Valley, Southern Cape, Little Karoo and Karoo.

With only five, at least two of these areas would be knocked out of the race.
Institute's director resigns due to links with illegal gambling

Amanda Vermeulen  BD 22/11/95

THE new Gambling Training and Research Institute of SA got off to a shaky start this week after attorney Grant Kaplan, who is linked with the illegal gambling industry, resigned as director amid fears that his involvement could alienate major casino groups.

Kaplan, who is also joint chairman of the Gaming Association of SA, was a founder member of the institute alongside Hans Wiehahn, son of former Lotteries and Gambling Board chairman Nic Wiehahn.

Although Kaplan had resigned, he said yesterday, he would continue to maintain his shares in the institute for the time being. He would hold further discussions with the other shareholders to decide whether his continued investment in the organisation would compromise them.

Last week General Services Minister Chris Fisher said the institute would not be endorsed by government. Fisher has waged a war against the illegal casino operators and sources close to him said Kaplan's involvement in the institute may have prompted his decision not to support the organisation.

Wiehahn said his position as former Lotteries and Gambling Board chairman, and his ambition to become the chairman of the proposed National Gaming and Wagering Board, could compromise the institute and prevent it from securing major training contracts from the industry.

However, a statement from the institute following Kaplan's withdrawal said Wiehahn would supervise the institute's research programme. Hans Wiehahn would act as a caretaker until a new investor, not linked to the industry, could be identified.
Film to bring in millions for SA

South Africa stands to gain R16-million from the filming of *The Ghost and the Darkness* — the first major Hollywood studio motion picture to be filmed here. Top American actor and producer, Michael Douglas, said yesterday that Douglas and the project at Songimvelo Game Reserve in Mkuze in KwaZulu-Natal has already created 2,500 jobs for South Africans.

The Douglas/Reuther production has agreed with Environment Affairs Minister, Dr Nkosazana Dlamini and the KwaZulu-Natal Park Corporation to film at the game reserve to benefit local communities and the province.

The film is based on a true story and recounts the efforts of a group of men led by a young engineer, played by Val Kilmer, to battle against two lions which killed 130 men during the construction of the East African railway at the turn of the century.

South African actor John Kani, described by Douglas as the best actor for the part of Samuel, said, "the story was exciting, gripping and terrifying." The film is directed by Stephen Hopkins from a screenplay by William Goldman - Sapa.
FLOODED ROAD: Children play in a pool in Philippi Road, in the Brown’s Farm area. Residents said the Christmas rain was not as much to blame for the flooding as was a constantly used nearby tap and possibly a blocked drain. This rundown area is about to become part of the Cape Town municipality.

PICTURE: ALAN TAYLOR

CONSORTIUM TO BID FOR SA LOTTERY

OWN CORRESPONDENT

DURBAN: Littlewoods, the pools and retail group, has joined Dr Tony O’Reilly’s Independent Newspapers of South Africa in a bid to run South Africa’s planned lottery.

The consortium is likely to be competing against GTech, the controversial American shareholder in Camelot, operator of Britain’s lottery, in a national game worth up to R5 billion a year.

Mr Ivan Fallon, Independent Newspapers’ deputy chief executive, said: “We are potentially very keen to bid for the lottery, though we are still waiting to carry out a full assessment.”

Two draft bills have been drawn up and a framework for the national lottery is due to be issued in the first quarter of 1996.

The consortium, which will be controlled by two venture partners representing the black business community, will not draw up a formal bid until the legislation is produced.

A successful South African lottery bid would give Littlewoods a chance to bolster the performance of its football pools division, which has been ravaged since the launch of the national lottery.

Experts said revenue from Littlewoods’ pools arm, the market leader, had slumped 30% over the past year.

Mr Christopher Baker, Littlewoods’ strategy director, said the South African lottery was a “very attractive” prize for the company in its push to expand.

“At present we do not have gaming operations in other countries, but we are keen to change that — South Africa is one of several countries where we are looking.”

Mr Fallon is an non-executive director of Sir David Alliance’s N Brown mail order group, which has just mounted R6,16bn bid for Littlewoods in a joint venture with Iceland, the frozen foods retailer.

Littlewoods and Independent Newspapers first struck an alliance this year when they formed a consortium to bid for a pools company in South Africa, but since plans for a lottery were revealed, this has been placed on the back-burner.

The liberalisation of gaming is likely to spawn a national lottery, regional lotteries, casinos in every province and other betting activities. Observers expect the lottery to be modelled on the British version.
Punters keen to rake in millions in South Africa's first national lottery will have to wait at least another 18 months, writes WILLEM STEENKAMP

Cape Town – South Africans will probably have to wait until late in 1997 before they will be able to take part in the country's first national lottery.

A spokesman for the Ministry of General Services, which is handling gambling and lotteries legislation, said Parliament would probably debate lotteries legislation only after March 1996.

Then, once legislation had been approved and promulgated, it would take another year or longer to call for tenders and to have structures in place and people trained before the national lottery could be instituted.

Draft legislation on gambling and casinos was well advanced and it was estimated that the proposed legislation would be debated by Parliament during the first session of 1996.

Once the national legislation on gambling and casinos had been approved, regional legislation in the different provinces would have to be finalised.

The spokesman said he was aware that certain provinces were already well advanced with their own regional legislation and it was possible that temporary casino licences might be issued in certain regions before the end of 1996.

The temporary licences would allow big companies that were successful with licence applications to run casinos in temporary venues while casinos or entertainment complexes were built.

Earlier, a spokesman for the Western Cape government said gambling plans and legislation were well-advanced in the province.

He said that once national legislation was passed, the regional government would move fast to constitute a local gambling board which would consider licence applications.

The spokesman for the General Services Ministry said other lotteries such as Bop Bonds, Rhabar and Viva would fall away once a national lottery was in place.

"But we will negotiate with all role-players to find an equitable solution to ensure that the public does not lose money and that as few jobs as possible are lost."
SERVICES SECTOR—ENTERTAINMENT & RECREATION—

GENERAL

1996

JANUARY — JULY.
THE KwaZulu-Natal government has given itself independent powers to decide on the number of casino licences in the province, ignoring allocations laid down in the central government’s draft national Bill.

The province’s draft gambling Bill opened for comment on December 29 — also allows relatives of elected officials to own up to 4.99% in a gambling operation in the province. Provincial finance MEC Johnny Mhlongu and his relatives own nearly 25% of Khulani Holdings, part of African Sun International, which plans to bid for KwaZulu-Natal gambling licences.

Both plans could bring the province into conflict with central government. Western Cape scrapped a similar 3% clause in its gambling legislation proposals after a public outcry.

The province said it could easily support eight large resorts and that it would not accept the five-licence allocation proposed by General Services Minister Chris Fissmer.

A KwaZulu-Natal government spokesman said the province could determine its powers independently on the basis of provincial powers laid down in the constitution. Fissmer’s allocation was not based on “sound economic principles”, the spokesman said.

According to the published proposals, Mhlongu could keep up to 4.99% of his stake in Khulani. Official said the Bill would be rewarding too many political office-bearers, and not his relatives, from holding a stake.
KwaZulu-Natal backs down on gambling Bill

Amanda Vermeulen

KwaZulu-Natal has backed down on draft gambling legislation proposals allowing finance MEC Johnny Mhun-gu to retain his shareholding in a casino consortium.

Provincial gaming and betting chief director Ken Ladbrooke said yesterday the draft legislation would be revisited to reword the clause allowing elected officials and their families stakes of up to 4.99% in casino licences.

Mhun-gu and his relatives own about 25% of Khulani Holdings, part of a Sun International casino consortium.

The province would be guided by proposals at central government level — which currently forbid ownership of casinos by government officials — and the example set by other provinces.

Gauteng has taken a particularly strong position on the issue. Similar provisions in Western Cape’s draft Bill were thrown out after a public outcry.

Ladbrooke said the province’s draft Bill was not in conflict with proposed national gambling legislation as it did not state how many licences the province intended to issue. However, he admitted the proposals could leave the door open to the province to set the number of licences. In his draft Bill General Services Minister Chris Fis-mer recommended five.

Industry consultants said yesterday KwaZulu-Natal’s plans set the stage for a conflict which could end up in the Constitutional Court.

Kessel Feinstein Consulting CE De-lano Carus said other provinces could follow suit, stalling the industry with court battles. There was also the risk investors would not commit to developments until the issue was settled.

Sun International MD Peter Bacon said the outcome of the stand-off between national government could have serious ramifications for the industry. He hoped the Constitutional Court could be avoided.

Although Fis-mer said yesterday he was still examining the draft Bill and could not comment, it is understood his stance towards the rebellious province will be fairly rigid.

Ladbrooke said the proposals were subject to change.
Gauteng to probe gaming board nominees

Amanda Vermeulen

THE National Intelligence Agency, the attorney-general’s office and police have been called in to conduct probity checks on Gauteng lotteries and gambling board nominees.

Gauteng finance MEC Jabu Molaketsi said yesterday the three government bodies would check whether any of the 60 nominees had criminal records or had been declared insolvent.

However, the Legal Resources Centre said that unless Molaketsi had obtained permission from the candidates to run background checks, using the agency, police and the attorney-general’s office could be unconstitutional as it violated citizens’ rights to privacy.

The Gauteng Gambling Act stipulates that no board member may have criminal or bankruptcy records.

Asked whether he had permission from nominees to conduct the investigations, Molaketsi said they would not be “investigated”, but checks would be run on their backgrounds. There would also be open hearings allowing the public to lodge objections to appointments.

Molaketsi said that Gauteng’s government had a duty to ensure the gambling industry was operated in accordance with the law. It was important that the officers in charge of regulating it were free of any hint of corruption.

He had already received confirmation from police that none of the nominees had records which would disqualify them from the board.

Molaketsi has taken a tough stance on Gauteng’s legislation to ensure the industry is transparent and legal.

The province’s gambling laws explicitly disqualify companies from bidding for licences if they have employed a government official within 12 months of applying for a licence. This means Southern Sun, which employed lotteries and gambling board spokesman Jan de Lange last year, could be barred from bidding for a licence in Gauteng.
Provincial govt to pull lever again on slot machines

PETER DRENNEN
METRO WRITER
CR 22/1/96

MOVES are afoot to legalise gambling slot machines in venues other than casinos.

Having slot machines in venues other than casinos has been illegal since a crackdown on gambling just over two years ago.

But many slot machines are still being operated, mostly in private clubs or entertainment venues which charge entrance fees.

Provincial officials are now compiling a policy document which will be submitted to the Western Cape cabinet for approval within the next two months.

As part of their research, they have conducted a survey among individuals and groups interested in gambling in the province. They are also considering the industry in its various forms.

Now officials have sent out another questionnaire to local, metropolitan and regional authorities, chambers of commerce, tourism organisations, development organisations and academic institutions that have an interest in gambling.

Many respondents have asked for this survey to be expanded to cover other forms of gambling.

One question asks whether slot machines should be allowed at venues other than casinos, saying that 56% of respondents believed that slot machines should be allowed outside of casinos; 36% were against this and 8% were neutral.

In the previous survey, the City Council’s town planning branch and its development co-ordinator Mr Rod Young said, “Yes”, commenting that slot machines should be allowed in private venues such as golf clubs and other liquor-licensed social clubs.

Another question relates to how many slot machines should be allowed at each venue.

Regarding the maximum single bet allowed at a slot machine at a venue other than a casino, the industry was divided between those who suggested R3, R4 and R5 maximums. The council officials opted for a R2 maximum.

On payoffs, the council favoured a R500 maximum win from a single slot game played.

The industry respondents, 44% wanted a maximum payout of between R200 and R500 and 21% wanted to allow between R1 000 and R2 000.

Another 21% of industry respondents wanted over R2 000.

The questionnaire also wanted to know which areas municipalities thought would be suitable for casinos, saying the industry suggested the Cape Metropolitan area, the West Coast, Breede River Valley and Karoo.
Rough ride for Gambling Bill

CLIVE SAWYER
Political Correspondent

The odds are against the Gambling Bill, going through unscathed, with at least one province poised to oppose it in the Constitutional Court, says Luwelyn Landers, newly elected to the chair of the national assembly committee on gaming legislation.

While the multimillion rand gaming industry has largely welcomed the bill, KwaZulu-Natal has objected to being allocated only five casinos, giving notice that it will pass its own laws for 10 casinos.

Public hearings by the national assembly and senate committees are to start next month.

The hearings will start with a meeting with Minister for General Services Chris Fismen, the sponsor of the bill, who has had wide consultations with affected groups since the Gambling Board released its report recommending the legislation in March last year.

Provinces are to be asked to make written submissions to the parliamentary committees as a matter of urgency, and will be asked whether they want to give oral evidence.

Doug Gibson of the Democratic Party, who earlier was defeated by Mr Landers in the election for committee chair, said the legislation was extremely important and should not be dealt with too hastily.

Muleki George of the African National Congress said that while he appreciated the time problem, the bill had been delayed and should not be held up any further.

Interviewed after the meeting, Mr Landers said he expected members of the committee would raise certain technical and legal difficulties.

He was satisfied that the bill was constitutional.

A potential problem would be created by the "delicate issue" of provincial powers, because the interim constitution lists gambling and casinos as a provincial competence.

There has been speculation that the bill may imply that major private lotteries like Ithuba and Zama-Zama may have to close.

Mr. Landers said he understood that the ministry was investigating the implications for private lotteries.

Asked whether he himself was a punter, Mr Landers said he did not bet on horses nor go to casinos.
The government will be publishing its White Paper on Arts and Culture in the new year. HAZEL FRIEDMAN finds out what's in store for us

Bones of contention

Key cultural figures are concerned that the government's arts policy will be prescribed in accordance with the principles of heritage and reconciliation. This, they suggest, could lead to the arts council running through a system of "censorship by consent". They also stress that arts funding should be done completely independently of the government of the day.

In addition, they believe that the criteria for arts funding are too rigid. Certain cultural stakeholders, they argue, need funding for projects of intrinsic artistic merit, but which might not make any palpable contribution to audience development or human resources training, for example. Conversely, a potentially beneficial educational project might have little artistic merit.

They also argue that while the National Arts Council will be stringently structured at national level, at regional levels administration could become deconcentrated, giving rise to the possible exclusion of small community-based cultural groups from the national funding pie.

There are also fears that urban centres will continue to receive a larger share than their rural counterparts, as was the case with the 1994/95 budget which allocated a pilfering R2.2 million to the Northern Province and R71 million to Gauteng.

The chief director of the Ministry of Arts and Culture, Thebe Balile, insists the council will be broadly representative, reflecting a diversity of viewpoints. "We are also trying to avoid a situation where there will be a conflict of interest between council members and organizations whose personal agendas might take top priority over the interests of democracy," he says. "But we will be dependent on the council's make-up from public nominations. It is therefore not up to us to prescribe who should or should not be selected."

The disputation of the PAC's means that formerly protected cultural institutions such as the State Theatre in Pretoria will no longer receive block grants for core funding and projects. From now on they will have to join the queues waiting for cultural funds from various sources.

This, together with the proposed allocation of at least 50 percent of arts funding to the deepening of cultural ties with other countries, has generated an outcry from certain quarters — among them the office of Deputy President PF. "We are concerned that the high arts, like ballet, opera and classical music, will suffer as a result. But, in the light of the situation, we cannot back down. This is a matter of national importance and entertainment, rehabilitation of the PAC's to a lower rung on the priority ladder through fund-raising is one way of sharing the pie.

In addition to proposing fund-raising through tax incentives, lotteries and levies, the White Paper will probably seek radically to review South Africa's hopes for overseas copyright legislation. But these moves would mean the withdrawal of private-sector grants such as the public buildings, houses and record companies who are comfortable with existing laws affecting intangible property, not to mention distribution through the channel of educational institutions will historically disadvantage with even a tiny percentage of their takings in order to finance the local film industry.

No money, no honey

The White Paper on Arts will probably propose the creation of a National Budget to be allocated to arts and culture, simultaneously suggesting that the budget will increase its subsidy or provide incentives for private support. But this is dependent on the Budget allocation. And it does not have to be a national or provincial or municipal budget, but could be the result of a number of local or national initiatives or the combined efforts of several or even one of the 0.1 percent of the budget. Even if this amount was doubled, it would be insufficient to meet the needs of the arts in this country.

"There are a lot of artists who need support," grass-roots groups say. And the Arts Council states that in order to meet the needs of the arts, it must have a budget of at least R1 billion a year.

But, while the White Paper will strongly advocate government involvement in funding, it will be implemented and administered at arm's length via the National Arts Council, whose members will be selected by a panel of experts independent of the government, not be government officials or office-holders of any political party, and will represent the entire range of arts and culture-related activities.

Andrea Oliphant: 'Of paramount importance is the principle of autonomy' PHOTO: PETER MCINTOSH

Players for the top jobs

Players include the Market Theatre's John Kani, who is also on the board of Poets the Performing Arts Workers' Equity's Vanessa Cooke and Japanese musician and pianist Cedric Samuels, who has had a recent solo exhibition at the National Arts Council.

The council of approximately 20 members will ideally reflect the demographics of the country, and will be made up of players with the necessary experience to judge the merits of funding proposals. Council members may also have other commitments, within the constraints of affordability:

- the facilitative approach taken by Canada, where a legal framework has been secured for the private sector to enter the realm of arts sponsorship through tax concessions, trusts and endowments,
- the architectural model implemented in social democracies such as The Netherlands, which have established intergovernmental networks of support, with governments funding up to 90 percent of the arts, without the latter being represented on the governing bodies,
- the facilitative approach taken by Canada, where a legal framework has been secured for the private sector to enter the realm of arts sponsorship through tax concessions, trusts and endowments.
Western Cape might also flout govt quota

Amanda Vermaulen

THE Western Cape is poised to follow KwaZulu-Natal's lead in deciding its gambling licence numbers, overriding central government's recommended allocations.

Western Cape provincial government sources said at the weekend it had still to determine the number of licences it wanted. Like KwaZulu-Natal, the province was unhappy with the five-licence allocation proposed by government.

The province hired Deloitte & Touche and Brey & Associates last year to run a feasibility survey on how many licences the province could support, and the number to be situated in the Peninsula.

Deloitte & Touche said the Peninsula could support two licences, but the provincial government may issue only one, with a guarantee of exclusivity stopping other operators from opening a casino within a certain radius. The rest of the province could support several other licences.

KwaZulu-Natal said in draft gambling legislation earlier this month that it would decide how many licences to issue, rather than follow the six proposed by central government.

Western Cape assistant director of betting Cobus Swart said "no firm position" had yet been taken on the number or location of licences.

Another source said exclusivity and other allocation conditions were still being considered. Final details are expected in about two months.

Some smaller casino companies are thought to be lobbying for two licences, but the major players recommended one licence for the area from Somerset West in the west, to Saldanha in the north.

The spokesman said the rationale for one licence was that the accompanying infrastructure, such as convention facilities, would be greater in one resort than in two small resorts together.

General Services Minister Chris Flessner has still not commented on the apparent flouting of his licence recommendations. His administrative secretary Pieter Erasmus said that he was still studying both provinces' draft legislation.
Continued on Page 5

The Office Association (T.O.A.) President, the Hon. Mr. E. Willard, today announced that the association is supporting the recent decision to extend the olive groves project beyond the original boundaries. The association has made a commitment to ensure that the initiative is successfully undertaken and that its benefits are fully realized.

Members of the association have expressed their support for the extension of the project and have pledged their resources to facilitate the continuation of the work. The association believes that this extension will contribute significantly to the economic development of the region and will provide further opportunities for local businesses and communities.

The association also stressed the importance of collaboration and cooperation among all stakeholders involved in the project. They emphasized the need to ensure that all interests are addressed and that the project is carried out in an inclusive manner.

Mr. Willard reiterated the association's commitment to the olive groves project and encouraged all members to continue their support for the initiative. He highlighted the potential for the project to bring significant benefits to the region and urged local businesses and communities to get involved.

The association noted that the extension of the project is a testament to the ongoing efforts of the community in promoting sustainable development and enhancing the quality of life for all residents.
New arts association aims to put spotlight on art from townships

Staff Reporter

The reconstruction and development programme has reached the arts world too, with the establishment by the South African Arts Association (SAAA) of its new branch, called Sisonke (togetherness).

Sisonke Arts Association is the brainchild of the national body of the SAAA, and its members met in various venues in Langa, Mitchell's Plain, Nyanga and Guguletu to discuss the future of the new project.

The main aim of the project, according to SAAA national president Conrad Theys, was to give talented and disadvantaged artists, who have been excluded because of apartheid, the opportunity to thrive and exhibit their talents.

Mr Theys said it also hoped to take art into the townships and help the black community become art literate.

He said it was important to instil pride in these talented people, while empowering them to make decisions which had, in the past, been left to an exclusive few.

Sisonke had a predominantly black membership of either freelance artists or people with a great appreciation for art.

The programme hoped to make these artists recognisable locally, nationally and internationally by holding exhibitions.

Mr Theys said he believed it was for the world to see "these talented artists and their magnificent work", which for so long had no exposure.
Proposal on extra casinos could soften blow for Sun International
Govt gambling plan is set to raise a storm

Government has proposed that Sun International keeps its ‘extra’ casinos

The Government’s proposal that Sun International be allowed to keep three, rather than two, of its existing casino licences in a single province is expected to raise indignant objections from companies planning to apply for a limited number of licences.

General Services Minister Chris Fismer has also proposed that the Government impose a levy on the 40 casino operators who will be granted licences. The money would be used to fund a national inspectorate with powers to control gambling and also to levy pay for the rehabilitation of gambling addicts.

Fismer told a parliamentary committee on gambling at the start of three-day hearings on his National Gambling Bill that he did not expect new casinos to open before early next year.

The Government estimates the current turnover of legal casinos and gambling machines at R1.5-R2-billion, with the potential to grow to about R3-billion a year.

Fismer said he had held extensive negotiations with Sun International, which holds all the country’s 17 existing casino licences granted by homeland governments. He said he did not accept the group’s argument that implementing the bill would be tantamount to liquidation of the hotel group, but accepted that some amendments were necessary. “In recognition of the historic circumstances in the Eastern Cape, and North West provinces during the apartheid era,” he said.

Sun International invested heavily in gambling operations in the former Bophuthatswana, now part of North West province, and in two other homelands, Transkei and Ciskei, which are now part of the Eastern Cape.

Fismer recommended that the committee amend the maximum number of licences that can be held by a single operator in each of the nine provinces from two to three, while leaving the national ceiling at 16 for any single group.

Fismer also proposed that the Sun International to dispose of eight casinos, four each in North West and the Eastern Cape.

Fismer proposed an extension of the transition period during which Sun International would have to reduce its holdings from two years from enactment of the law to May 10 1999.

“I thought it made sense that they now have about three years. It does not meet with their approval. They want longer,” Fismer said.

Fismer also proposed that the committee accept amendments allowing the Gambling Board to impose levies to finance a national inspectorate with powers equivalent to the police.

The bill, which was tabled in October, proposes the legalisation of casinos, with a limit of 40 licences allocated to the nine provinces in relation to their economic need and population.

The bill recognises the legacy of 17 licences granted in four nominally independent homelands during the apartheid era, but proposes limits that would force Sun International to sell about half its existing licences.

Inkatha Freedom Party MP, Kester Rajo, reacted angrily to the recommendations, saying the allocation of licences should be left to provincial governments.
Casino quota will be harmful — Sun MD

Wyndham Hartley

CAPE TOWN — Huge job losses and severe damage to communities and the economy would result if Sun International was forced to close down existing casino operations to comply with a two-province ruling, group MD Peter Bacon said yesterday.

Bacon was giving evidence to Parliament's committee on gambling legislation. He expressed gratitude for concessions offered earlier this week by General Affairs Minister Chris Fismer.

Bacon warned, however, that there were 120,000 people in Northwest Province alone who depended on Sun International and they could be significantly prejudiced.

Fismer told the committee on Monday that Sun International would have until 1999 to dispose of their excess gambling operations and he also increased the number a province they could retain from two to three.

Bacon asked the committee to consider allowing Sun International to retain four casino licences a province, instead of two, and to allow a full five years to sell off or close those which were surplus.

Bacon said that Sun City, one of SA's premier tourist destinations, was cross-subsidised by casino operations at the Crockfied, Marula and Thabazimbi centres. If Sun International was forced to dispose of these casinos, Sun City would not be able to operate.

He pointed out that almost 10% of Northwest Province's income came from Sun City and that 5,000 jobs, which supported 120,000 people, were at stake.

In the Eastern Cape, which had huge unemployment, tourist nodes had been developed by subsidisation from casinos.

Bacon also stressed that Sun International would pay more than R600m in wages and salaries and R400m in tax this year. More than 80% of the corporation's employees were from previously disadvantaged communities.

Amanda Vermeulen reports that casino companies have again lashed out at government inaction against an estimated 1,100 illegal casino operators nationwide.

Global Resorts CE Ernie Joubert told the committee government was being made a laughing stock by the illegals who were "ridiculous serious attempts to set up a legal dispensation".

By allowing the illegals to operate in "open defiance" of the law, government was losing at least R225m annually in taxes, Joubert said the draft national gambling bill should make provision not only for illegal operators to be jailed and fined, but also make it legal to prosecute players.

Bacon also slated the failure to stamp out illegal casino operations, saying the committee's work "will be a complete waste of time" if the illegal operations were not shut down.

Importer and reseller of slot machines, Peter White, told the committee that restrictions on the number of licences was "unacceptable", tantamount to monopoly and control of the industry, and unconstitutional.

He said Sun International would be further protected, and opportunities of new players in the industry retarded, if the group had more time to phase down its operations.
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Foot-dragging at the SABC?

Some film-makers feel the SABC is not being fair and equitable to both in-house and independent producers, reports Jacqueline Golding-Duffy

While the SABC is committed to independent production, some independent film-makers are frustrated and are accusing the corporation of foot-dragging its implementation of commissioning procedures. A commissioning procedures task group, with representatives from the SABC and the independent production sector, met last year in a bid to ensure that commissioning took place within programme categories and that commissioning procedures were fair and equitable to both in-house and independent producers. But independent producers feel the SABC is not implementing the proposed restructuring quickly enough. The chairman of Mavula Pictures, an independent production company, Mr. Vundla said the aim of talking to the SABC was to engage them in a process of "professionalising" the acceptance of proposals by SABC editors.

"I think the SABC is opposed to local production as some people see local content as a burden slapped on them by the Independent Broadcasting Authority. The decision to implement the speed commissioning lies with the head of television," Vundla said. Commissioning editors had to be highly specialised in their specific areas and that the SABC agreed to advertise posts for commissioning editors publicly but reneged on their commitment, he said.

"The posts were advertised internally first and I have gathered that the entire process has been frozen. Unless you are an independent producer of stature, you are at a loss as to who to go to with your proposals at the SABC. Nothing has changed and I also have an agreement having been reached," Vundla said.

Some independent filmmakers feel the ball is in the SABC's court.

No bliss for independent filmmakers

Hazel Friedman

The SABC's drama department is filled with intrigue, but none of the scripted variety. The mystery revolves around the criteria used to commission scripts for drama series and sitcom programmes. Independent film-makers claim they are being discriminated against as they are SABC outsiders, while the SABC drama department insists everything is being done to accommodate new and independent talent.

At the core of the conflict is the SABC's Commissioning Task Report which set out guidelines for the commissioning of dramas and comedies to film-makers. According to commissioning task team members, the proposed document stipulates that new television series should not be given endless runs and the commissioning editors must promote the influx of scripts by independent film-makers.

But no one knows when the report will be released. According to SABC commissioning processes and criteria but I am worried the report will not be implemented as there are so many "insiders" at the SABC that no one really knows what decision to take. We are also worried that SABC insiders might have more say in getting their scripts accepted without having to go through the due process.

At present, all potential scripts for SABC1 and SABC2 are directed to executive script editor Clarice Mathia in the form of a synopsis. If the synopsis is approved, the scriptwriter is contracted to write scripts for 13 episodes. However, 30% of the cost of the episodes is required before the SABC gives the go-ahead. This makes it difficult for new scriptwriters to get their work into the production stage.

"There is so much talent out there," says Mabola. "Yet until the SABC actively encourages new work and provides more financial assistance, the potential to elevate our local drama and sitcoms above their present mediocre levels will remain untapped."

He added that the cornerstone of the talks was an attempt by the SABC to usher in a new era of openness and transparency but "exactly the opposite" was happening.

On the one hand, one has to be fair to the SABC to allow them the time for restructuring. We are looking for the new relaunch and new management to implement agreements that have already been reached," Nathan said.

There's a great fear in the industry that the programme managers of the past will merely be replicated in the future. This will be detrimental to the audience which both the independent and the broadcasters serve.

"Independents are negotiating for the improvement of programmes and their diversity and the continuous dragging of feet is ultimately in nobody's interest," Nathan said.

Former task group chairman and television magazine programme editor, Eric Nthlapho, said the SABC had the right to utilise its internal production to the full but it recognised the right of independent film-makers to increase diversity in the industry.

"The SABC believes it can work well with independent producers and it successfully concluded an agreement which it is fully committed to implementing," Nthlapho said.
but who gets the spoils?

Licensed to gamble,

With the legislation of

W+G (Tom) 15/15 (22)

Professor Simon Segal

Gambling problems are arising in South Africa again, and with 12 licences now granted, could we see a new information age?
Under Threat: The Cape Town Symphony Orchestra performs at the Waterfront as part of its policy to take the music to the people. Both CTSO and Cape's Cape Symphony orchestras lack of money may silence one or both of Mother City's orchestras.

9/2/96

Dischord
CAPE TOWN is the only South African city to have two orchestras, but uncertainty around funding is threatening both their futures.

"Our immediate situation is that the clock is ticking and we cannot go on indefinitely," says Cape Town Symphony Orchestra's executive director Jacques de Vos Malan.

Cape Philharmonic Orchestra director Alastair Cockburn echoes this when he comments: "The future looks bleak...."

The fortunes of the CPO, the accompanying pit orchestra for all Capab's ballet, opera and musical productions, are tied up with future funding of arts councils around the country.

On the other hand, the CTOS, founded in 1914 as the city's "performing" orchestra, is at risk because of restructuring within local government which has thrown open the question of who should fund municipal-level arts and culture.

The CTOS is under the immediate threat, with the source of about half its income for the next financial year unknown at this stage because of local government restructuring.

De Vos Malan says the orchestra needs about R7.5 million for its annual operating costs, with about 90 percent of that money spent on the salaries of its 78 members.

The orchestra is able to raise about R3.5 million itself, but is looking towards local and provincial government for the rest. The crunch has come because a 10-year agreement with Cape Town City Council, which oversaw the orchestra in 1898, has come to an end making it necessary for the orchestra to seek money elsewhere.

Aside from having already received its last R4 million grant-in-aid from the city, the CTOS's lease with Cape Town City Hall comes up for renewal in June when the next budgeting cycle for the orchestra gets underway.

De Vos Malan says that unless it is clear that money will be forthcoming from the public sector, the orchestra will have to stage an emergency meeting of the year or else its board of directors will be driving the company into the ground and not be able to pay out severance packages to the musicians.

 Ironically, the crunch has come as the orchestra's tour to Scandinavia was greeted with good reviews across the continent.

"The first time we've had a tour abroad, but it's been a very welcome experience for both musicians and their families," De Vos Malan says.

But the orchestra's troubles are far from over. The city has not yet granted the CTOS the financial support it needs to continue.

"We are looking at a 50 percent cut in funding," Cockburn says. "We have to find extra money to make ends meet."

Cockburn points out that the orchestra has been successful in attracting new audiences and boosting ticket sales, but it is still not enough to cover the costs.

"We have to find a way to make our productions more affordable," he says. "We are working on a new season that will include more local and popular repertoire."
Sun City gambles on being a big loser

By Gillian Anstey

Sun City, the country’s most famous hotel and casino resort, is running at a loss.

Peter Bacon, managing director of Sun International, the resort’s owners, confirmed on Friday that Sun City’s lack of profitability had been cited as a reason for seeking an additional casino licence in the North West province.

The losses are being incurred despite an occupancy rate of more than 75 percent, substantially higher than the 55 percent average for South Africa’s hotels, and room prices of up to R1 000 a night.

Sun International says the resort is being subsidised by its three other resorts in the North West province.

The Minister of General Affairs, Chris Fitsner, proposed this week that the National Gambling Bill, currently being considered by the parliamentary ad-hoc committee on gambling and lotteries legislation, be amended to allow Sun International to retain three rather than two casinos in the province.

Mr Bacon told the committee this week that there were “low returns on major tourism infrastructure developed at Sun City” and that the resort was being supported by the Carousel, Morula and Thaba Nkuni casinos. It also had outstanding loan facilities of R310 million.

“You have to understand that Sun City represents a very substantial investment in terms of tourism infrastructure,” Mr Bacon told the Sunday Times.

“Its replacement value is R2.5 billion. The last phase of development cost in excess of R850 million and that excludes the R200 million spent in the last few years on refurbishing the three other hotels there.”

Mr Bacon said that Sun City, Morula Sun and the Carousel were linked as part of the same investment programme, as agreed by Sun International and the government of Botswana.

The former homeland’s authorities had granted Sun International the gaming licence for the Carousel on condition it expanded tourist facilities, he said.

He added that money ploughed into facilities like concert venues did not make money and had to be subsidised.

Mr Bacon nevertheless conceded that Sun International had made “pretty outstanding progress since 1975.”

Referring to Sun City, he said its occupancy levels were good: “We are doing very well in the international market.”

But he insisted this did not relate to profits in terms of return on investments, because of the high level of capital expenditure.

Attorney and gaming consultant Grant Kaplan said that while he could not comment on whether Sun City was making money, he did not think the issue provided grounds for penalising other candidates for casino licences.

“They had their ball game. Now it’s opening to other players and they must deal with it,” Mr Kaplan said.
Ministry screens film industry

TYRONE SEALE, Political Staff

The ministry of arts, culture, science and technology is screening innovative ways to boost the South African film industry with help from the private sector.

The ministry is also investigating how to continue funding art forms such as ballet and opera without allowing the four performing arts councils, inherited from the old South Africa, to "guzzle up all the money available" for the performing arts.

But the ministry is considering funding either opera or ballet at each of the art councils — not both as in the past.

Minister of Arts, Culture, Science and Technology Ben Ngubane said today that he wanted to see the existing government subsidy of about R3.5 million a year to the movie industry increase to between R12 million and R20 million.

Negotiations were under way with the finance ministry. The private sector would possibly be asked to make a similar contribution.

While the film industry was a costly one, it had the potential to create jobs, build careers and promote South Africa in the eyes of the world.

At a media briefing in Cape Town, Dr Ngubane said ministry programmes for this year included the establishment of a Feature Film Development Fund which would forge a partnership between his department and the private sector to strengthen both the quantity and quality of South African feature films.
New casino laws hit Sun International

R287.5 million, to 1995 when the asset base had increased to R2.1 billion, the highest effective rate of tax paid by Sun Bop was 34 percent in 1999. There was no tax change in 1986; in 1987 the effective tax rate was 67 percent; in 1994 it was 12 percent; and in 1995, 10 percent. This tax regime not only boosted cash flow, it enhanced earnings and helped to support a very generous dividend policy.

"Much of what the Bop government might have forfeited in tax income, shareholders — including the Bophuthatswana National Development Corporation — picked up in dividend income. Bophuthatswana's citizens also benefited through increased employment. The number of employees at Sun Bop, more than doubled from 4,547 to 9,129 over the 10-year period."

There is little management can do about the new tax regime; but there is scope for it to ensure the new environment created by the proposed gambling legislation is as friendly as possible. This means influencing the detail of that legislation and then ensuring it is in a position to benefit from that legislation.

As Hawton explained: "We've got appropriate projects on the table to ensure we're in the running for new licences. "We're not saying we'll get them but we're working hard to ensure our projects include all the elements government will be looking for in its allocation process."

One of those projects is the organisation's partnership with African Sun International Investments, which includes an array of black businesspeople.

It is also lobbying for changes to the proposed legislation. The key aspects of the legislation the organisation is keen to influence include the "two licence" limit in each province and the one-year period in which provincial governments (North West and Eastern) have to sell their shareholdings in Sun International.

Chris Posner, who was then the general affairs minister, last week, has recommended that the organisation be allowed to keep three licences in both the North West and Eastern provinces and that the provincial governments be given until 1999 to dispose of their shares in the organisation.

"Hawton says Sun would like to hold on to four of its operations in North West Province. "With regard to the balance of our operations, where we have to sell we think there should be an acceptable sunset period that would give us time to close or dispose of them at realist values."

Sun International is sure to refer to the income its provincial partners might lose from a reduced sale and to the loss of jobs.

According to Hawton, management "has had discussions with the minister to see if during this sunset period we'd be allowed to continue to facilitate new management of operations that we are forced to sell."
State film initiative cost taxpayers R3bn

BY JAMES LAMONT

Johannesburg — The government ploughed R3 billion of taxpayers' money into a failed state initiative to establish an independent film industry in South Africa, auditor-general Henri Kruiver reported this week.

In a performance audit on state aid to the film industry, tabled in parliament on Wednesday, Kruiver said the results of 40 years of state assistance towards the establishment of an indigenous film industry "could not be determined".

He said with the making of such titles as There is a Zulu on My Stoep, the film subsidy scheme had not kept abreast of cultural developments in South Africa since its introduction in 1957. The system was wound up in March last year.

The auditor-general's report showed the number of films produced declined from 113 in 1989-90 to 21 in the four years to 1993-94.

During 1993-94 only two films registered for the state subsidy and both raised doubts as to whether they met the objectives of the film subsidy scheme.

Since 1997, more than 850 films have been produced, for which tax concessions of R800 million were granted. "The scheme was probably funded at a far higher level than its actual priority deserved," the report said.

Since 1989, 60 percent, or R20 million, of the subsidy payments for 10 of the 21 films which qualified for subsidies were paid to a single group in the industry, the report said. Moreover, 14 joint productions of the same group were also financed.

Films not distributed by two designated distributors were automatically disqualified from receiving subsidies.
Gambling Bill takes the shine off Kersaf

KERSAF is expected to report earnings growth of at least 15% next week, but investors remain jittery about the effect of a new gambling Bill on the group's future.

Kersaf has interests in Sun International, leisure and entertainment group Interleisure, City Lodge and Douglas Green Bellingham. Its offshore interests are held through Royale Resorts.

Sun International faces numerous challenges over the next few years, when it will have to scale down casino operations and face competition in this market for the first time.

Results of Kersaf's listed interests were published over the past two weeks.

In the six months to December, Sun International increased earnings by 19% to 25.8c a share. Turnover was up 13% to just over R2 billion. Room and gaming revenues increased by 21% and 13% respectively.

According to the group, casino revenues continued to be affected by the activities of unregulated casinos, particularly as these became more involved in slots gaming, which was a major source of revenue for Sun International.

The directors spoke at length about the draft National Gambling Bill, which is likely to passed before June 30.

They said they hoped restrictions on the group's activities would be imposed "in a reasonable manner" and that enough time be given for disposals or closures of the affected casino operations.

Sun International, together with partners, intends to apply for "a number" of casino licences.

The directors also said the recommendation that VAT be applied to gambling activities, which are already subject to provincial taxes, would be punitive and impair the industry's profitability, growth and investment.

City Lodge, the limited service hotel chain, reported a 47% rise in earnings to R15.2 million in the six months to December as occupancies averaged 83% at its City Lodge, Town Lodge and Road Lodge and Courtyard hotels.

The company said demand for hotel accommodation was likely to remain high this year, and this would be reflected in its financial performance.

Interleisure, whose interests include Ster-Kinekor, cinema advertising division Cinemark, Computicket and production studios, increased attributable income 23% to R32.5 million in the period.

Cinema attendances were up 12% following the introduction of a promotion in which Tuesdays are half-price days. Rainy weather took its toll on drive-in attendances.

Cinemark was affected by changes to cigarette advertising rules and delays in these adverts' return to cinema screens.

Interleisure said cinema attendances would probably continue to grow at a similar level to the period under review. Cinemark and Computicket would benefit from high levels of retail advertising and continued visits by entertainment and sporting teams.

The granting of new television licences should also benefit local production and facilities, where Interleisure is involved through Toron Studios.

Results from Kersaf's offshore interests are not yet known. Analysts say these interests may fuel growth over the next few years.

But the market remains particularly concerned over the future of Sun International.

"Everything boils down to gaming," said an analyst. "With so many new casinos, the excitement of going to its resorts will be dissipated. It will have to sell some of its resorts and find the extra income by building new hotels, so there will be no net gain."

He expects Sun International "to underperform the SA industry for some time".
Gaming legislation set back

Wyndham Hartley

CAPE TOWN — Urgently needed legislation to regulate gambling in SA was set back yesterday when a meeting of the parliamentary committee was changed to an "informal briefing" because a quorum could not be achieved.

The meeting, designed to begin the process of dealing with legislation to regulate the gaming industry, was delayed for almost an hour.

While it is understood that the meeting was called at short notice, there was apparently little excuse for the poor attendance as only five committees met yesterday.

A consultant representing gambling interests who attended the meeting, said the attendance of only 11 members did not encourage the belief that the legislation would be dealt with as urgently as was necessary.

Committee chairman Luwellyn Lander said although the meeting would proceed, it would have to be on an informal basis.

Before the committee is a decision on whether or not it should embark on a new session of public hearings.

Lack of a quorum halted any decision being taken.

It is understood that meetings are to be held before the next scheduled committee meeting in an attempt to inject some urgency into the proceedings.

There are fears that the ground covered yesterday by the state law advisor drafting the Bill might have to be recovered when the committee is better attended.

Sources close to the committee said they hoped the process would not be delayed.

They said the committee chairmen were well aware of the extreme urgency of the proposed Bill.
Officials ignore workers' gripes

By Pamela Duba
Political Reporter

The North West government is "turning a blind eye" to corruption and mismanagement at the North West Arts Council, workers allege.

"Seemingly investigations of the Arts Council have revealed that calls by workers to investigate the council's top management have gone unheeded."

In correspondence with top management and the government since 1994, the workers consistently complained about corrupt management, nepotism, financial abuse, missing property, racism and continuous dismissal of workers at the acting executive director's whim.

The workers feel aggrieved by the "unprocedural" appointment of the acting executive director, Mr Walter Mosethi.

Mosethi, who was part of the old board that served the Bophuthatswana bastion, was ignorant of the operations of the Arts Council, workers allege. The majority of these influential people are foreigners, they add.

In a letter dated November 15, 1995 to the MEC for Health, Dr Molefi Sefako, black musicians in the orchestra complained that the line management is composed only of whites.

The workers also complained that most black performers remain trainees for many years in the ballet and orchestra departments.

Former balletmacher cadet, Mr Peace Mokoedi, joined the Arts Council in 1990 and his contract was terminated in December 1995 without even a month's notice.

Last week the corporation's choir, comprising 30 members, was fired despite the fact that Sefako and Mr (Job) Mokgoso, North West director general, stated that there should be a moratorium on hiring and firing of workers," Mokoedi said.

"On July 7 1995, Mokgoso wrote to the Council that the management should not terminate any contracts or make new appointments until a directive is given by this office."

Despite this, the government did not attend to the cases of the employees fired, workers allege.

"What is more frustrating is that we have no idea of who is in charge of the Arts Council affairs," an employee Mr Phele Mokgoso said.

Last year the Council management instituted a "committee of enquiry into the allegations made by the employees," workers added.

The arts council marked its 25th anniversary in July 1994. It was formed under the Arts Council of South Africa when the region was still Bophuthatswana. However, the council was dissolved in 1987. It was reconstituted in 1989 and its current executive director is Kobus van der Merwe.
Major hotel and casino chains poised to enter SA

Film star Omar Sharif and an international hotel group sign deal to embark on joint venture

By Shirley Woodgate

Film star Omar Sharif’s casino operation has signed a deal with top American company, Days Inn Hotels of Southern Africa, aiming to launch 16 gaming outlets in the region, most of them in South Africa.

Announcing the joint venture, Charles Holland, spokesman for Days Inn’s parent company, Hospitality Franchise Systems Inc (HFS), said the chain had entered the country’s hospitality industry in light of the growing number of tourists and in anticipation of gaming licences which are expected to be issued from December.

Holland said they were “fully confident” of getting several of the limited number of licences available in each province. He singled out Durban as one of the most probable centres.

HFS is the biggest franchiser of hotels in the world and is listed on the New York Stock Exchange.

The Central Statistical Service’s latest figures show that southern Africa. In doing so, they have joined Omar Sharif Southern Africa (Pty) Ltd to develop, own, operate and franchise Days Inn hotels in conjunction with gaming and casino operations in South Africa,” said Holland.

Sharif’s MD, Mannie Hirsch, said: “We are a casino, not a hotel, operation, and were approached by Days Inn who, in looking to enter southern Africa, had been told of our philosophy of creating new money channels to redistribute profits to disadvantaged communities.”

Both companies would welcome and encourage local involvement in the development, ownership and training of hotel and casino staff if they were granted licences, he added.

Last year, former ANC Women’s League president Winnie Mandela and Sharif announced a joint multimillion-rand Road to Freedom tourism project which led to the resignation of 11 of the league’s national executive members.
RI-m, Relief Fund! For artists

By Mollyes Meverso
By GUILLIA MASTERS

Cape Town's most recent arts cuts

THEIR WEAK TACTICS ARE JUST A REACTION TO THE PUBLIC FEEDBACK THEY RECEIVED FROM THE COMMUNITY. THE DEPARTMENT OF CULTURE, ARTS, ENTERTAINMENT, SPORT, HERITAGE AND FAósitoAEC

Arts funding proposals may still be on the cards, despite the recent cuts. The department is expected to announce its plans for the upcoming financial year in the next few weeks.

The department has already announced that it will cut its budget by 10%, which is expected to affect arts funding. However, the department has not released details on how it intends to allocate the remaining funds.

A spokesperson for the department said that the cuts were necessary to deal with the financial pressures faced by the government.

"We understand the public's concern, but we have to make tough decisions to ensure the sustainability of the department," the spokesperson said.

The arts community has expressed concern about the cuts, with many saying that they will have a significant impact on the sector.

"These cuts will have a detrimental effect on the arts industry," said a spokesperson for the South African National Arts Foundation.

The department has also faced criticism for its decision to cut funding for the National Arts Festival, the country's largest arts event.

"We need to support our artists and ensure they have the resources they need to continue creating," said the arts community.

The department has promised to work closely with the arts community to ensure that the cuts are managed in a way that minimizes the impact on the sector.

"We will work with the arts community to find solutions that will help ensure the sustainability of the sector," said the spokesperson for the department.

The department is expected to announce its plans for the upcoming financial year in the next few weeks.
Museums, galleries warned of '10% budget cut'

The budgets of art galleries and museums funded by his department would be cut, Arts and Culture Minister Dr Ben Ngubane said yesterday.

His ministry had decided that the nominal amount of funding that associated art galleries and museums were receiving would remain the same for the 1996/97 financial year, he said in reply to a question from Senator Atie Jooste (NP).

In real terms, this zero increase represented a reduction of about 10%, as it was impossible to sustain the present pattern of funding for existing museums and galleries. A restructured funding model could be expected soon. — Sapa
Gaming industry slams tax proposals

Amanda Vermeulen  

The gaming industry has slammed the Western Cape’s proposal to levy up to 26% tax on gaming revenue, warning that at least two major foreign investors may have been scared off by the punitive proposals.

The proposed tax, which on turnover of about R600m a year would be in the region of 24.7%, increasing to a maximum of about 26%, was way over the 15% being lobbied for by the industry.

Global Resorts CEO Ernie Joubert said the tax, which would consist of VAT, on top of which the region would levy its own provincial tax, would stifle investment and drive foreign investors away.

Price Waterhouse gaming consultant John Awdrey said even a 20% tax would be harsh on the industry, making the possibility of up to 26% “crazy”.

The firm is currently making proposals to the Western Cape legislature to levy a total tax of 15%, of which 1% would go directly to the province and the balance to central government.

However, there were moves in negotiations between central government and the provinces to channel the VAT revenues directly back to the provinces, giving them a total 15% in tax revenue, and thereby avoiding the need for additional taxes.

Sun International MD Peter Bacon, who also supported a maximum 15% tax rate — the current percentage being paid by the group’s operations — said higher taxes would not only reduce the level of investment in individual resorts but would also slash budgets to develop unprofitable tourism infrastructure.

Meanwhile, Mpumalanga — likely to be the first province to issue licences — has called on interested parties to make informal presentations to the region’s gaming board on March 18 and 19.

The province, which would probably have four licences once national legislation was passed, should see proposals for casino resorts from Sun International, Southern Sun and Global Resorts.

Joubert said he expected the tenders to be called for by June, with the first licence issued by year-end.
KwaZulu, Eastern Cape oppose gambling Bill

Wyndham Hartley

CAPE TOWN — The KwaZulu-Natal and Eastern Cape provincial governments have expressed opposition to the National Gambling Bill which is before a parliamentary committee at present.

The acting MD of a major gaming machines manufacturer — International Game Technology of Reno Nevada — Scott Scherer, said more certainty was needed for foreign companies to make clear investment decisions.

KwaZulu-Natal finance MEC Senzele Mhlangu said, in a memorandum to the ad hoc committee dealing with the National Gambling Bill, that the suggested moratorium on gambling machines outside of established casinos would undermine the province's gambling strategy.

He explained to the committee that KwaZulu-Natal was looking at four different gaming licences for casinos, bingo halls, route operators and site operators. Route operators who, in terms of the strategy, would be entitled to operate a limited number of gaming machines, “would be totally out of the picture”. This would cause a revision of the province’s strategy.

The province’s commitment to providing direct entry into the gambling industry to its historically disadvantaged citizens would be non-existent with the “fat cat” developers again being seen as the favoured few.”

Eastern Cape economic affairs MEC Smuts Ngonyama also expressed dissatisfaction with section 13 of the Bill. He said Sun International already held more licences than were allocated to the whole of the province. This would mean that no new licences could be issued by the province before May 1995. If the province was not able to issue new licences it would lose investment.

Scherer said his firm was the largest maker of gaming machines in the world and it would want to establish a manufacturing outlet in SA, but legislation should provide more certainty.

A moratorium on gaming machines outside casinos would be harmful to the development of entrepreneurship in the industry from previously disadvantaged communities, he said.

“The number of gaming machines outside casinos should be determined by the market and not by regulation. Any attempt to limit the market is anti-competitive, tends to hurt smaller operators, limits potential for empowerment and creates the opportunity for unlicensed operators to supply the unmet demand in the market place,” he said.

Sapa reports Scherer said the division of authority between the minister, the National Gambling Board and the provinces should be more specific.

Comment: Page 14
Police prevent private tutors from reaching Afrikaans schoolchildren

Kevin O’Grady

A STRONG police presence outside the Northern Province’s Learskool Potgietersrus prevented private tutors teaching Afrikaans children separately on school premises yesterday, after trespassing charges were drawn up earlier in the week against those who did so.

Provincial government spokesman Jack Mokobi said a hostel in which segregated teaching had taken place was closed and guarded.

Parents who did not want their children to receive racially mixed schooling had withdrawn them to an unknown location.

A Northern Province safety and security department spokesman said none of the “so-called private teachers” against whom charges had been drawn up on Tuesday had been arrested yet.

Policeman ‘a racketeer’

JOHANNESBURG — A policeman from Benoni on the East Rand had been charged with corruption and two other men charged in connection with the theft of vehicle parts from the Van Rhyn Deep storage depot in Benoni on Tuesday night last week, police said yesterday.

Members of the police tracing unit, who had been assigned to keep the depot under observation, arrested a man who emerged from the property at about 9.30pm on Monday night. The man was later released on bail.

Bill referred to committee

BLOEMFONTEIN

The Free State Gambling and Racing Bill, tabled in the Free State legislature yesterday, has been referred to the finance committee.

The Bill provides for the establishment of a Free State gambling and racing board and its powers and functions.

It also provides for the repeal of existing laws that deal with casinos in the province, horse racing and betting.

An innovation is that any gambling debt lawfully incurred in the course of legal gambling will be enforceable in a court, notwithstanding the provisions of any law or the common law.

The definition of a race meeting effectively confines race meetings to horse racing and excludes other animal races such as dog races.

It is proposed that gaming machine site licences should not be granted for more than five machines at one site.

The maximum charge to play on any such machine and the prize for any one game may not exceed a prescribed amount. — Sapa.
Gambling tax should generate R150m

Linda Enzoer

CAPE TOWN — Gambling operations in the former TBVC states would be subject to the standard rate of VAT as from October 1, Finance Minister Chris Liebenberg said yesterday.

Liebenberg said he expected the tax to generate an additional R150m in revenue. He said an implementation date of October 1 would give provincial authorities time to make adjustments.

Government had accepted the Katz commission’s recommendations on taxation of gambling, namely that present income tax rules should apply to all gambling other than the envisaged national lottery; that the present policy of imposing VAT on gambling, excluding the lottery, be continued; and provinces could also impose betting or other taxes for their own accounts.

Amanda Vermeulen reports Kessel Feinstein Consulting CE Delano Caras said aspirant casino players would be in an uncertain position as they could not finalise plans until they knew the extent of the tax burden.
Gambling Bill bid hobbled

Revamp close for public service unit

David Greybe

CAPE TOWN — The radical restructure of the much criticised Public Service Commission — including the shedding of an estimated 480 employees and a name change — would be completed by the end of the month, top officials said yesterday.

They said the new name proposed for the commission was the Office of the Commission for Effective Governance and Efficiency.

Newly appointed commission chairman Prof Stan Sangweni said yesterday that based on the restructuring plans, the commission’s R112m budget for 1995/96 would be cut about two-thirds to R37m.

The commission’s estimated 720 staff contingent would also be cut two-thirds, to about 240, as part of a “complex unbundling programme”.

However, Sangweni emphasised that none of the 480 employees to be transferred would be retrenched because such action would fall foul of agreed labour practices.

He said he “did not anticipate” the commission’s restructuring would result in additional financial costs to the state.

The surplus staff would be transferred to the newly beefed up public service department under Minister Zola Skweyiya and other government departments in line with government’s decision to strip the commission of executive powers and give them to departments.

Sangweni said cutbacks among the surplus staff — predicted by some government officials — could take place only under the overall rationalisation plans for the public service. Government planned to cut the 1.2-million-strong public service by 100,000 posts.

Public service director-general Pasaka Nhloko said once the commission’s “structural restructuring” was completed by end-March, it would take another three to four years for the total transformation of the commission in terms of the rationalisation of the public service as a whole.

Commission recently gave Skweyiya’s department control over the setting of all “broad policy frameworks”. It devolved day-to-day executive functions to line ministers and the heads of departments so as to “enhance departmental management autonomy and responsibility”.

The Public Service Commission would in future monitor and research only certain aspects of public administration. Nhloko predicted the commission’s restructuring would mean “more effective government because decisions will be taken at the operational level”. It would “signal the end of much red tape”.

Key amendments to the Public Service Act and Public Service Commission Act, to provide for a legal framework for the restructuring, were expected to be put to Parliament in mid-April.

A second legislative phase, which entailed the overhaul of the Public Service Act, was expected to be completed by the year’s end, in time for the 1997 parliamentary session.

Gauteng finance MEC Jabu Moleketi presents the province’s budget in the legislature yesterday.
daughter
action
and
ofights,
The minister

When we're watching

HATLEY

sparks to play
the

criminal

and
dangerous

men's
arrests.

Now.
The minister of lights, action and laughter

The budget contains a major boost for the film industry in South Africa.

Dr. Nkabane has managed to secure a commitment from the SABC, M-Net and film distributors to screen at least six South African films a year.

"This will create a sufficient base for our efforts to be sustainable," he says.

Although Dr. Nkabane has taken time out to see the local comedy, "There's a Zulu on my stoep," he says, adding that it is a very good entertainment piece.

The combined efforts of South African actors, he says, "are exposed in our beautiful, scenic landscapes and other productions that create a message of reconciliation," he says.

The last movie he went to see was "The Beloved Country," a production that was well-received in South Africa.

Whatever the drag queens, what was it again? ..." you know, the one starring Patrick Swayze and Wesley Snipes?"

But such rare excursions are hard for Dr. Nkabane to fit into his schedule. "I'd love to go to more movies, but I hope it will happen after we finish the white paper," he says.

The document in question relates to the altogether more serious "science and technology" side of Dr. Nkabane's portfolio.

For a federalist, his role has been unusual — one of centralising a fragmented science fraternity to focus it on common objectives.

"This country has to maintain a growth rate of six percent and more if it is going to meet all the challenges that our new democracy faces.

"You cannot achieve that unless the science and technology policy supports that vision," he says.

With so much of the governmental mess inherited by the new South Africa, he has been trying to find out "what is out there," conducting an audit of the country's research and technology capacity.

Already an inter-ministerial committee has been put in place to eliminate duplication between research councils that report to different ministers.

His department is now working on an ambitious 25-year forecast of the critical technologies in the South African industry.

He points out that South Africa is one of 23 countries capable of manufacturing its own silicon wafers, essential to the telecommunications industry.

"We are about the only country in Africa that has this capability. We have to invest far more money in this type of technology because then we can be of service to the whole region and in fact, to the continent in a way," he says.

Other areas of focus include the creation of a jewellery industry to allow South Africa to turn its natural resources into value-added products for sale in world markets, as well as agriculture and manufacturing technology.

Again Dr. Nkabane has found himself swimming against the tide of government fiscal policy.

"Tax holidays and tax incentives in research and development are even if you don't have them in other sectors of the economy. You must be able to create that encouragement for firms to invest in research and development," he says.

And again he is pleading for more money: "The money we are getting for research is miserable. We are not leveraging the ability of science and technology to really make this a dynamic nation."

For a man whose party is at constitutional war with the ANC, Dr. Nkabane is comfortable, even relaxed, with his role in the new South Africa.

The secret may lie in a philosophy Dr. Nkabane picked up from seeing views of "There's a Zulu on my stoep" and "that film about the drag queens." South Africans, he says, must learn to laugh at themselves.
New economy

In a SWICB-sponsored workshop on moderation and policy reform, the moderator, Peter van der Bank, called for a more active government role in helping the private sector to determine its own futures.

The workshop, which was held in Jakarta last week, was attended by representatives from a wide range of industries.

"We need to be more proactive in helping the private sector to take on more responsibility for its own development," Mr van der Bank said.

He said that the government should work with the private sector to identify potential areas for growth and development, and provide support and advice to help the private sector to realize its goals.

The workshop also discussed the importance of improving the business environment in Indonesia, with a focus on reducing red tape and bureaucracy.

Another topic discussed was the need for better coordination between government agencies and international organizations to ensure that policies are implemented effectively.

The workshop ended with a call for a more inclusive and participatory approach to policy-making, with a focus on involving all stakeholders in the process.

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The Daily Ministry of Finance

The government has announced a number of measures to improve the country's economic performance, including a package of tax breaks and incentives for businesses.

Finance minister Sri Mulyani Indrawati said the package, worth around $1 billion, was designed to stimulate the economy and create new jobs.

"The package is aimed at boosting economic growth and increasing employment opportunities," Ms Indrawati said.

She said the government was also working on a new tax reform package, which will be announced in the near future.

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The Daily Ministry of Agriculture

Agriculture minister Sri Mulyani Indrawati said the government was committed to increasing the productivity of the country's agricultural sector.

She said the government would provide support and assistance to farmers to help them improve their productivity and increase their income.

"We are committed to ensuring that our farmers are able to earn a decent living," Ms Indrawati said.

She said the government was also working on a new policy to support smallholder farmers, who make up a significant portion of the country's agricultural workforce.

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The Daily Ministry of Education

Education minister Sri Mulyani Indrawati said the government was committed to improving the quality of education in the country.

She said the government would provide support and assistance to schools and universities to help them improve their teaching and learning methods.

"We want to ensure that our children are well-equipped to face the challenges of the future," Ms Indrawati said.

She said the government was also working on a new policy to improve teacher training and development.

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The Daily Ministry of Health

Health minister Sri Mulyani Indrawati said the government was committed to improving the country's healthcare system.

She said the government would provide support and assistance to hospitals and clinics to help them improve their services and increase their capacity.

"We want to ensure that our people have access to high-quality healthcare," Ms Indrawati said.

She said the government was also working on a new policy to improve the provision of health insurance.
Professor warns of casino bankruptcy

Linda Ensor

CAPE TOWN — Major casino bankruptcies would occur if provinces adopted the Sun City model of casinos with their large development costs, UCT economics professor Brian Kantor told a Western Cape provincial committee on gambling yesterday.

He warned that provincial governments and potential casino licensees were being "too optimistic about casino revenues" and advised greater caution.

There was a danger of huge casino developments going broke because of insufficient revenues to pay off the development costs.

The key factor that enabled Sun International to generate excessively high revenues from its casinos, namely restrictions on entry, would no longer exist as a quota of new licences would be awarded over a very short period of time. "It is instructive to learn just how unprofitable the casino operations of Sun City have become. The model no longer applies," Kantor said.

Casino profits in SA will not be able to sustain resorts except perhaps under very ideal circumstances where competition from alternative casinos and other gambling is not important.

The key variables for the success of a casino were the amount of capital invested in buildings and gaming machines, how intensively they were used and the win ratio for punters.

Kantor and his colleagues from the UCT School of Economics, Prof Graham Barr and Barry Standish, have devised an innovative model of casino profitability — possibly the first in the world — which examined where they had gone wrong and why.

They were given full access to confidential financial data of Sun International, which sponsored their research, and had investigated casinos in other parts of the world.

The team noted that the displacement and social costs of large casinos in terms of job losses and the closure of other leisure centres could be in some cases outweigh the revenues which derived from them. The positive effects could be negligible.

Kantor estimated that the size of the potential gambling market in the Western Cape was about R56bn a year, or 1% of total personal disposable income of about R5,5trn, which would however be boosted by tourist custom.

The gambling committee estimated that the Western Cape would derive R65bn a year from the taxation of the industry.
Cape Flats in line for R300-m casino plan

MOVIE star and gambler Omar Sharif wants to open a R300 million casino complex between Mitchell’s Plain and Khayelitsha, aimed at generating employment for local people.

The choice of the 21 hectares site between Baden Powell Drive and the shoreline, was deliberate, said Omar Sharif.

Worldwide Games (OSWG) managing director Mannie Hirsch.

He said OSWG believed the law regarding casinos should not only benefit shareholders, but should help local communities with upliftment programmes.

"It is part of our stated policy that the community surrounding a casino benefits from its presence," Mr Hirsch said.

Mr Hirsch said the Western Cape’s revenue from casinos would be about R300 million a year and at the suggested 16 percent levy, this would earn the province about R75 million.

OSWG wanted to create "motivated, trained and hungry emerging entrepreneurs" from communities where the casino was based.

If its licence was approved, OSWG said, it would create satellite businesses around the complex and a variety of attractions to position the complex as a family entertainment and recreation centre.

Possible facilities included:

- An Olympic-size swimming pool which could be used for training for the Olympics.
- Cape Town’s Games bid success.
- A six-cinema entertainment centre with an action bar, a wax museum, fortune tellers and a hall of mirrors.
- A basketball stadium which communities have especially requested.

Preliminary estimates put the cost of the complex at R300 million.

A South African finance institution was expected to help finance the complex, OSWG said, and maximum local participation would be invited for its financing and operation.

In January this year, the Southern Sun Group and Tsogo Investments gave their support to the R24 billion Ilo Ilo Homes Century City hotel, casino and entertainment centre, which was to be based in Milnerton. Tsogo Investments is made up of black business groups.
How much did Ngubane know about secret funds?

Hazel Friedman

ACT employees are adamant that Ngubane was fully aware of the activities of the fund. They claim that Ngubane was told about the fund in person by his deputy director general, who was asked to leave the company in the wake of the scandal.

The fund, known as the "Pact Fund," was established in 1992 and was used to pay staff members who were dismissed from the company. The fund was used to pay staff members who had been dismissed in connection with the 1990 elections and was later used to pay staff members who had been dismissed in connection with the 1991 elections.

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Gay culture loses to 'Voortrekker' funding

Tim Cohen

CAPE TOWN — Afrikaner monuments feature prominently in a list of cultural institutions and activities sponsored by the arts and culture department, eclipsing almost completely the meagre amounts used to sponsor gay and lesbian culture.

Answering a parliamentary question from IFP MP Kisten Rajoo, Arts and Culture Minister Ben Ngubane said R1.2m was spent on the Voortrekker Museum and R1.5m on the "Oorlogsmuseum van die Boere-republiek" last year.

A further R801 000 was spent on the Afrikaans Language Museum, although this amount was significantly less than the R1.3m spent on the National English Literature Museum.

Of all the institutions financed, the National Zoological Gardens received the most at R3.3m, closely followed by the SA Museum at R3m, the National Cultural History Museum at R7.6m and the National Museum at R7.2m.

In the film category, the department spent most on the SA Film Festival and the SA International Film Festival, which received R50 000 each, while the African Film Festival received R37 000. The Gay and Lesbian Film Festival was forced to make do with R15 000.

Of the infrastructure expenditure, the Market Theatre Foundation was by far the biggest recipient with a grant of R4m, while organisations like the Fuba Academy, the Johannesburg Dance Foundation and the District Six Museum received R200 000 each.

Of the music projects supported, the Mangwa Music Production received the most at R140 000, and the Unisa Transnet Music Competitions and Festival of the Drum R100 000 each.

Ngubane said the department recognised that many indigenous art forms had been neglected and that past imbalances needed to be redressed.
POLICE have begun a "total onslaught" on Cape Town’s casinos, with a surprise raid on one of its biggest gambling establishments.

A senior narcotics squad officer said after the raid that all allegedly illegal casinos would be shut down soon.

The spokesman said gambling dens across the Peninsula would share the same fate as the 777 Casino in Buitegracht Street, which was raided yesterday.

Meanwhile a court battle is looming, with an urgent interdict in the Supreme Court this week sought by the casino’s owner.

The owner, who was not arrested in the swoop, but will be charged today, said more than 250 jobs were on the line.

The police spokesman said detectives were investigating illegal gambling at other casinos and smaller operations.

He warned casino owners and patrons to adhere to the law and to ignore a test case against a casino in Bloemfontein where the action was referred to the Constitutional Court.
Pact in bribery claim

By IVOR POWELL

Dramatic claims of bribery have been added to the list of alleged improprieties committed by former managers of the Performing Arts Council of the Transvaal.

Pact's old regime is already the subject of an internal audit ordered by the new administration.

The Sunday Times has a copy of a R15,000 cheque paid out by lawyers acting for Pact to one of its management. Printing and Allied Workers' Union representatives responsible for negotiating settlement packages on behalf of workers.

A second cheque, for R25,000, was sent to the union anonymously, and subsequently disappeared.

Shortly before the cheques were issued in 1984 by legal firm Nel and Le Grange, the union's two negotiators had agreed to a deal which lost their members more than R2-million. On which a court had ordered to be paid after an industrial dispute.

Union branch organiser Gabriel Twala said the cheques had come to light after the union refused to challenge the settlement package. However, when confronted by Mr. Twala, Pact's former chief executive officer, Louis Bezuidenhout, allegedly warned that he had a cheque which could "hurt" one of the union representatives if the matter was not dropped.

Jan Nel, a partner in the firm Nel and Le Grange, who signed one of the cheques, could not be contacted. However, his partner, Johan van der Byl, denied any knowledge of the cheques having been issued.

Despite repeated attempts for two weeks, Mr. Bezuidenhout could not be contacted for comment.
WHO WILL DECIDE ON CASINO SITES?

Provincial row over gambling proposals

NEITHER THE Gambling Board nor the local authorities are qualified to decide on the best sites for casinos — if opposing views on the dispute are to be believed, writes CHRIS BATEMAN.

A ROW over a proposal that the Western Cape Gambling Board has the final say on the siting of gambling casinos in the province is expected today when the legislature’s Standing Committee on General Provincial Services resumes sittings.

Cape Town’s city planner, Mr Dave Daniels, yesterday described the proposal as “problematic and unhealthy”, and said it would give decision-making power to a group with no planning expertise.

“This has major implications for traffic, land use and the environment and I would advise the city council against it,” he warned.

Sun International propose investing R1,1 billion in building casinos at Goodwood and George — provided they get “exclusivity” — a 100km competitor-free radius — and long-term security of tenure.

Their competitors include Southern Sun and Tsogo Sun, who propose a R1bn gambling complex called “Century City” at Ysterplaat.

The province favours having one major casino in the Cape Metropole and six others spread across the province — although this is two more than allocated to the province by the government.

Daniels said he could not understand why the province’s law drafters wanted to “make an exception” to the existing Land Use Planning Ordinance, adding that this would set an “undesirable precedent”.

However, the province’s taxes and levies chief, Mr Chris Lötter, said the casino would be a regional facility which demanded centralised decision-making to avoid clashes between bordering local authorities over its siting.

“You cannot separate the licensing of a casino from the rezoning of property — it will just complicate matters if left to local authorities,” Lötter said.

He emphasised that he was appreciative of the concerns of local authorities, and said the province had no intention of “rough-riding over them”. There would be extensive consultation, he said.

However, the “bottom line” was that a single authority (the Gambling Board) would take the final decision with extensive participation by local communities.

The province’s standing committee is fine-tuning the draft bill on gambling and racing, which is expected to be tabled for debate in the Western Cape provincial legislature on Monday.
Disadvantaged set to profit from gambling

CHRIS BATEMAN

The principle of casino shareholdings and profits going to disadvantaged local groups as a condition for granting casino licences was firmly included yesterday in the Western Cape's draft gambling legislation, due for tabling in the provincial legislature on Monday.

While opposing a proposal by NP MPl Mr Amrani Jemal to allocate shares of profits on racetrack lines was rejected after his party hurriedly caucussed, no percentage of profit-sharing was set for the proposed partnership.

Sun International managing director Mr Peter Bacon told the same Provincial Services Committee earlier this month that his company would retain no more than a 20% interest in their investment, bringing in Western Cape shareholders at "50% or higher.

Bacon's incentive resulted in a marked increase in public attendance at committee sittings.

Some MPs are known to share strong reservations with Cape Town's city planner Mr Dave Daniels over the draft bill's intention to grant the Gambling Board final say over the rezoning of land use when it comes to sting casinos.

The board will override provincial planning, MEC Mr Sampie Rick, who has the final say on appeals for land use, and create a precedent by taking responsibility out of the hands of elected politicians.

Mr Arnold de Jager (NP), chairman of the province's Standing Committee for Finance and Public Accounts - who was invited for his views - said casino licence applicants would "shed accountability", with profit sharing and warned of the dangers of large shareholders.

He urged the committee to get clarity on whether licence applicants were "talking about accommodating local business people or the tokenism of offering a small share on a basis which will represent the community".
Gambling goes on after court ruling

DENNIS CAVENELIS
Supreme Court Reporter

ANC rumpus on casino bill

IT'S business as usual for Cape Town's 777 Casino, raided and shut down by police last week. The casino was granted an order in the Cape Supreme Court allowing it to continue operating.

Mr Justice J G Foxcroft granted the interim order yesterday and ordered police to return equipment confiscated in last Thursday's police raid.

The application asked that the authorities be prevented from prosecuting the casino or removing equipment, and that the casino be allowed to operate.

Judge Foxcroft said he would not grant an interdict which would protect the casino from prosecution. A date for the full application hearing will be decided today.

Mr Justice J G Foxcroft presided. Advocate J Kaplan appeared for the applicants, and advocates R Hienia and J Slabbert for the respondents.

ANDREWEAWEISS
Metro Reporter

THE ANC is threatening to go to the Constitutional Court over draft legislation to control gambling in the Western Cape.

This follows a decision by members of the National Party to vote through the draft legislation at a meeting of the provincial services standing committee on Wednesday, even though ANC chairman Johnny Isesi had adjourned the meeting.

The provincial legislature is due to debate the bill next week.

The ANC said it would be handling in a petition to the Speaker when the bill is tabled.

Provincial legislature member Yusuf Gabru said the bill in its current form would override local councils, impinge on civil liberties and give the police extraordinary powers.

The constitutionality of the bill revolves around several “presumption” clauses, one of which assumes a person present in an illegal gambling house is actively gambling unless he or she “proves the contrary”.

Another bone of contention is the removal of the right of local authorities to decide on the zoning for casinos.

The ANC says this clause would, for instance, “allow a casino to be built in Constantia or Plattekloof without the councils being able to stop this”.

“We believe this is a fundamental infringement of the rights of local government as an autonomous third tier of government. It is widely known that areas such as the Garden Route and the winelands are potential sites for casinos,” an ANC statement said.

A third area of dispute is a clause which gives a police officer or any other authorised officer the power to enter any premises without a warrant if he or she suspects gambling is taking place.

“This provision is potentially in conflict with the constitution and we believe that such powers should be circumscribed in very clear terms,” the statement said.

“We have worked very hard to produce good legislation on gambling that would by and large protect settled communities and the poor.”
ANC fights Western Cape gambling bill

Linda Enos
26/04/96

CAPE TOWN — The ANC’s provincial caucus has threatened to take the Western Cape Gambling and Racing Bill to the Constitutional Court, arguing that it gives the police draconian powers of search and arrest and excludes local authorities from decision making on the location of casinos.

The Bill is to be discussed by the legislature next week. If it was passed in its present form, the ANC would refer it to the Constitutional Court, ANC provincial MP Johnny Isiels said at a news conference yesterday.

The Bill was approved by NP members of the standing general services committee on Wednesday night, in the absence of the ANC and despite its strong objections to key clauses. The ANC withdrew from the committee after the NP refused it an opportunity to consult its caucus. It accused the NP of reneging on agreements.

In approving the Bill the NP had ignored the constitution, the role of local government, civil liberties and objections of the Cape Town city council, Isiels said.

The ANC opposed giving the provincial gambling board and the premier the power to decide on the location of casinos irrespective of the views of local government or affected communities. There would be no right of appeal against the decisions.

“We believe that this is a fundamental infringement on the rights of local government as an autonomous third tier of government,” Isiels said.

“It is widely known that areas such as the Garden Route and the Winelands are potential sites for casinos. These communities are greatly concerned at the manner in which such development occurs.”

Other clauses overturned the presumption of innocence and gave the police wide powers to enter any premises without a warrant, to seize documents and to question people if they suspected gambling was taking place.

Premier Hansru Kriel last night described the ANC’s threat to go to the Constitutional Court as “totally unacceptable”. He said the NP was still willing to negotiate.

Continued on Page 2
Gambling: ANC 'to go to court'

CHRIS RATEMAN 09.26.14 (92)

The ANC said yesterday it would constitutionally challenge proposed laws enabling the Western Cape Gambling Board to have the final say over the siting of casinos and giving police powers to enter any premises where they suspect people might be gambling.

This followed a walk-out from the standing committee on general provincial services by its ANC chairman, Mr. Johnny Isel, and his party colleagues after the NP insisted on a vote to table the bill as it stood on Monday.

The ANC caucus said it would refer the bill to the Constitutional Court under a constitutional provision requiring one-third of the members of a legislature to agree to this move.

It accused the NP of "steamrolling" legislation through at "any cost and undermining the spirit of provincial unity." Premier Herman Kriel — who is the MEC responsible for gambling in the province — rejected the ANC claim that the bill gave both him and the board the power to decide on casino siting.

The ANC said that as the law stood a casino could be "built in Plumstead without the local council being able to stop it" — which it labelled a "fundamental infringement on the rights of local government as an autonomous third tier of government."

The bill gives final say on land zoning to the Gambling Board and major regulatory power to Kriel, but insists on comprehensive notification of all local stakeholders from the time casino licence applications are made.

It also gives Kriel the power to regulate any gambling board matter; licence applications and the management and control of licensed premises, plus all gambling, betting and racing.
Investors ready to pour billions into casinos

Deborah Fine

AT LEAST 20 potential investors are standing ready to pump more than R1bn each into new casino resorts in Gauteng once Parliament has finalised the National Gambling Bill, Gauteng economic affairs and finance MEC Jabu Moleketi has disclosed.

However, in representations to the province’s government, all the investors have made it clear they will not make any significant investments unless illegal casinos are eliminated. Some have proposed developments of more than R2bn.

This was confirmed in an affidavit from Moleketi in a Rand Supreme Court matter on Friday.

The court was hearing an unlicensed Krugersdorp casino’s request for a referral to the Constitutional Court to argue the validity of the 1965 Gambling Act prohibiting gambling.

Under current legislation, all gambling clubs are illegal bar operations which secured licenses prior to the homeland’s incorporation into SA.

Club Dunes casino owner Marthinus du Toit said the Act violated section 26 of the constitution, which guaranteed the right to engage freely in economic activity.

The casino was raided by the West Rand narcotics bureau in February. Slot machines were confiscated and employees arrested on charges of contravening the Gambling Act.

Du Toit said that should he fail to secure the referral, he was entitled to interim relief authorising him to continue his operation and interfering police from instituting criminal proceedings against the club pending the outcome of a similar application in the Constitutional Court in September.

His application was opposed by the safety and security, justice, and provincial affairs and constitutional development ministries, as well as the Gauteng government.

Moleketi said investors had expressed “grave concern” about the number of illegal casinos. The presence of these operations threatened the viability of large new developments. The investors included local corporations, foreign concerns and joint ventures.

Opposing Du Toit’s claim, Moleketi said the national and provincial governments’ objectives in regulating gambling and casinos could be jeopardised in that some or all investors could withdraw and the provincial government would find it extremely difficult to re-establish control over gambling if illegal operators such as Club Dunes were allowed to continue. Moreover, if gambling was not strictly controlled, such operations could have detrimental social implications and become a focal point for crime syndicates.

Judge JP Roux dismissed Du Toit’s application on the grounds that it had a slim chance of succeeding in the Constitutional Court. Granting it would mean “prostitutes, drug smugglers and poachers” would also be entitled to argue that current laws prohibiting their activities violated their economic rights, he said.

Club Dunes is expected to appeal.

Casinos

Continued from Page 1

Continued on Page 2
How much did Ncutiane know about secret funds?
Communists want orchestra to stay

CTSO debate hits a crescendo

The Argus, Thursday April 30 1996
Pact boss’s secret R500 000 payout

Developments in the Pact slush fund story reveal former Pact CEO received a handsome severance package, write Hazel Friedman and Janet MacPherson.

FORMER Pact CEO Louis Bezuidenhout was given a secret "severance package" before being immediately re-employed on contract by Pact. And the amount — estimated at around R500 000 — was never reflected in Pact’s financial records.

These are the findings of an investigation into the existence of a special trust fund set up for senior Pact managers. And the shush funds are only the tip of the iceberg.

The M&G has had access to confidential minutes from an earlier Pact board meeting which record a mandate given to former board chairperson Michael Cook to negotiate — in consultation with Bezuidenhout — a severance package for the Pact CEO.

The decision was taken after meetings during 1993 made it clear that Bezuidenhout would lose his job and a new CEO be appointed when post-elections arts ministry was formed. Bezuidenhout denies being party to any special deal but admits receiving a "severance package" and believes the "officers credit" for establishing the funds.

Two secret trust funds — one called Pact Employees’ Fund of R14.275 million, established in May 1995, and a Pact Senior Managers Fund which was set up in August 1995 and valued at R714 933 in January 1996 — were uncovered by members of Pact’s new board soon after they took office in November 1995.

Formally ratified in April and May 1995, the Employees’ Fund — according to confidential documents in the M&G’s possession — were purported to have been set up to provide some measure of security for general employees whose jobs were threatened by the takeover of the new government’s management.

As such it was signed by Bezuidenhout as well as the board representatives of Pact’s two employee’s unions — Sandra Laubscher for the White Performing Arts Staff Association of South Africa (Pasasa) and Jabu Ngwenya for the Paper, Printing and Allied Workers Union (Ppawu).

Both neglected to inform their membership of the package that was in theory available. It was only after elections at Pasasa returned a new committee in November last year by which time the original deadline for taking advantage of the fund had already passed that important questions were asked. Monty Schippers began asking questions. Subsequently the cutoff date for application to the fund was extended to April 1997.

Confidential minutes faxed anonymously to the M&G confirm that around the time that talks on the transformation of Pact were imminent the special Senior Managers’ Fund was established under a cloak of secrecy for 10 heads of department who have had more than 10 years’ service at Pact and who resign on similar grounds.

Although he is not named as one of the beneficiaries of this controversial trust fund for Pact’s management, Bezuidenhout in fact took a similar package when his contract with Pact ended on March 31 1994.

Bezuidenhout’s special deal included one year’s salary (around R200 000) along with Pact’s pension contributions, housing subsidy and medical aid. In addition, Pact would foot the bill for outstanding payments on Bezuidenhout’s Mercedes-Benz — which was less than a year old at the time. Added together the package comes to around R500 000.

Bezuidenhout was immediately re-employed — on a contract basis — calculated according to his old salary, but with all the perks added in. In fact he remained with Pact as CEO well into 1995.

Similar packages were later offered to the 10 top employees who were parted to the Special Managers’ Fund and who subsequently resigned from Pact. Artistic director of opera, George Kok, and head of the Pretoria State Theatre, Jean Claude Latreur, who had received substantial severance packages, were immediately re-employed by Pact at the request of Arts and Culture Minister Ben Ngubane. They did not return their packages.

Apart from the 10 department heads whose contracts were amended in accordance with the provisions made by the fund, few other Pact staffers knew anything about the controversial funds. A first audit has failed to establish precisely how the money for the two special trust funds came from. It was never reflected in Pact’s financial records.

Like the existence of the trust funds, the payout to Bezuidenhout was never reported in Pact’s financial records — and had therefore remained unknown to the new management. Until a full audit was called last month. This was apparently justified by designating the moneys as constituting "reserve funds" and thus separate from the budgetary turnover.

It has since emerged that the document for the Employees’ Trust Fund may not be legal in the first place. It is signed by PK (Jabu) Ngwenya as Ppawu’s "secretary", a position he never held, having been more than an alternate member of the Ppawu delegation to management.

According to Gabriel Twala, the union’s branch organiser, Ngwenya had no authority to sign on behalf of the union. Twala himself was the proper representative, yet he was unaware that Ngwenya had signed the document until Bezuidenhout allegedly asked him to attend a standing committee meeting concerning the fund.

When Twala raised objections about clauses in the Trust Fund document he was then informed that Ngwenya had in fact signed the document in April. Ngwenya has subsequently left both Pact and Ppawu.

Bezuidenhout insists that he dealt with the legitimate representatives of Ppawu and that Twala attended one Standing Committee Meetings "without questioning Ngwenya’s authority". But Twala disagrees: "We hadn’t even received the document when it was supposedly signed by Ngwenya," recalls Twala. "Anyway, we had real problems giving our approval to a fund set up to protect the interest of the white old guard against the much needed transformation of Pact.

The Ministry of Arts, Culture, Science and Technology has confirmed that the matter is under investigation.
The new amendments proposed for the Gauteng Gambling and Betting Act considerably extend the list of potential offenders under the law. In so doing, they will help to clamp down on the thousands of illegal casino and gambling operators who have sprung up throughout the province.

Many of the amendments have been proposed by the attorney-general’s office with an eye to the difficulties it has had in its attempts to control or close down illegal operators. The new legislation will be much tighter than the 1965 act. That act was based on a blanket prohibition of gambling and was thus open to very loose legal interpretation.

A number of illegal operators have turned to the Constitutional Court for relief, so far unsuccessfully.

In a recent hearing, the owner of Club Dunes requested a referral to the Constitutional Court on the grounds that the 1965 Act violated section 26 of the constitution, which guarantees the right to engage freely in economic activity.

The judge dismissed the application on the grounds that it had a slim chance of succeeding in the Constitutional Court. If the application was granted, it would mean "prostitutes, drug smugglers and pushers" would also be entitled to argue that the current law violated their constitutional rights.

Other attempts to bring to the issue to the court are based on police action that presumes a person in an illegal casino is indulging in illegal activity. This is contrary to the principle that a person is innocent until proven guilty.

The proposed amendments not only tighten last October's Gambling Act, but also appear to minimize possible charges of unconstitutionality.

It has made core definitions — such as for "gamble", "casino", "gaming machine" — and other premises more explicit. The bill has created additional offences under which individuals can be charged and has set much stiffer penalties.

Potential offenders include people who rent their premises to illegal operators as well as employers and employees in illegal operations. The responsibility for establishing the legitimacy of the establishment and its operator rests with the property owner and the employees.

At the core of this much tougher stance is the view that a legal gambling environment will not be able to get off the ground unless the authorities are able to rein in the illegal operators.

When it released its results for the six months to the end of last year, Sun International made much of the damage that was being wreaked on the group’s gambling revenues by the existence of thousands of illegal operators.

Many people may not have much sympathy for the hotel group because of the monopoly it enjoyed for so long, but the critical issue for the future is protecting the profit generated by the industry for the investors who will be ploughing in hundreds of millions, if not billions, of rand.

The Gauteng government has said six mega-licences will be granted. There will not be granted all at once, but are likely to be staggered in lots of two. This will give the government and potential participants an opportunity to see how the new environment is shaping up.

The first two mega-operations are expected to be located in Midrand and on the Gold Coast.

In the Western Cape, five mega-licences will be granted. KwaZulu Natal will issue five, as will North West Province and the Eastern Cape. The Free State is issuing four licences and Northern Cape will issue three.

Industry sources estimate that the development of a mega-licence operation could require an investment of between R350 million and R2 billion.

In most instances, this investment will be directed at areas that have no previous experience of large gambling facilities. This makes it a risky proposition. The presence of a plethora of illegal operators with negligible overhead and running costs, and little if any tax exposure, is certain to cause reluctance among most potential legal investors.

According to the Gauteng government, at least 20 potential investors have said they would not make any significant investments unless illegal casinos were eliminated.

Hendrik Brand, the legal director for Sun International, said the group was encouraged by the proposed amendments, which "would certainly assist in tightening the loopholes".

He expressed concern, however, about the ability of illegal operators to come up with more devious methods of getting around the tighter legislation.

A spokesman for some of the illegal operators said they would continue with their plans to make submissions to the Gauteng premier and President Mandela.

He said the interaction that has existed so far in the legislation-making process of the provinces, it is certain that the other provincial governments will be watching the developments in Gauteng closely.

New gambling legislation in Gauteng has created a number of new crimes and stiffened penalties for offenders. This should make it easier to control the industry and weed out illegal operators.

PHOTO: JOOLI BEBER
NP gives way on Cape gambling Bill clauses

Linda Ensor

CAPE TOWN — The NP yesterday backed down on key clauses in the controversial provincial gambling Bill about which the ANC had threatened to go to the Constitutional Court.

However, it appeared that the ANC was not entirely happy with the concessions announced by premier Hernus Kriel and indicated that the party might still petition the speaker to submit the Bill to the Court.

Kriel, in introducing the Western Cape Bill on Gambling and Horseracing in the legislature, proposed that draconian powers given to police to search and seize without a warrant should be curbed.

He proposed that instead police would only have this right if they had "reasonable grounds" for believing that the required warrant would be issued and believed that the delay caused by applying for it in the normal way would defeat their objectives.

Kriel also proposed the deletion of clauses which overturned the constitutionally enshrined presumption of innocence.

While he could not accede to demands for the disadvantaged to hold shares in casino and slot machine operations, he agreed to include such considerations in the criteria for evaluating licence applications lodged with the provincial gambling board.

Kriel also agreed to allow the relevant standing committee to screen the candidates for the board.

He explained that in terms of the Bill the board alone would have the power to finally approve casino zonings and licences, though local authorities and communities were entitled to participate in the decision-making process.

The ANC indicated, however, that this did not go far enough to meet its objection that local authorities be empowered to decide the location of casinos.

Kriel believed that local authorities would be vying for casinos to be sited in their areas, and therefore could not be given the final power to make such decisions.

In terms of the Bill, casino licences would be issued on a regional basis to ensure development was spread throughout the province and was not restricted to the densely populated peninsula.

The premier also warned the industry would be strictly controlled to keep out criminal and Mafia-type organisations. Offenders would be given heavy sentences.
(2) whether the matter has been negotiated with Transnet trade unions; if not, why not; if so, what are the relevant details?

(3) whether any recommendation on the matter has been made to Cabinet; if not, what is the position in this regard; if so, what are the relevant details?

(4) whether the matter has already been discussed by Cabinet; if not, what is the position in this regard; if so, when?

$164E

The MINISTER FOR PUBLIC ENTERPRISES:

(1) The whole range of free medical benefits is being investigated and also the restructuring proposals from the Sectoral Task Teams will influence future decision making.

(2) No. The restructuring proposals as put out by Government are still to be subject to future negotiations.

(3) No recommendations have been made or accepted by Cabinet and only preliminary proposals have been prepared by the Sectoral Task Team on Transport to date.

(4) Refer to (3) above.

Pact: funds for retirement packages

100. Sen B J VAN DER WALT asked the Minister of Arts, Culture, Science and Technology:

(1) Whether the Performing Arts Council of the Transvaal (Pact) has two funds for paying out retirement packages to staff members; if so, what are the relevant details;

(2) whether any irregularities occurred when retirement packages were paid out; if so, what irregularities;

(3) whether he or his Department enquires into any investigations into the control and administration of these funds; if not, why not; if so, what are the relevant details;

(4) whether all Pact staff members are aware of the existence of these funds; if not, why not; if so, what are the relevant details;

(5) whether such staff members will still be afforded the same opportunity to make use of these funds; if not, why not; if so, what are the relevant details?

$166E

The MINISTER OF CULTURE, SCIENCE AND TECHNOLOGY:

(1) Yes Pact does have two funds for paying out retirement packages to staff members. These funds are motivated as a mechanism for dealing with the financial implications of retrenchments if and when they occurred. The fund such was made consistent with negotiations between Pact management and Pact employees' unions and with fair labour practices. In the light of this, the funds were positioned as legitimate vehicles. According to information provided by Pact's independent auditors, Pact established a Special Reserve Fund in 1987/88 for the purpose of setting aside funds for anticipated cash-flow problems arising from budget cuts. The fund grew from an amount of R1.7m as of 31 March 1989 to R17.1m as of 31 March 1994. Based on the Audit Certificates of the Special Reserves, the bulk of the contributions were made to this fund by Pact between 1990 and 1994. In 1994, negotiations took place between Pact management and the employees' unions to establish a trust fund for the purpose of providing funds for potential employee retrenchments due to the uncertainty of the performing arts. In April 1995, two trust funds and a five-year investment were set up utilising the Special Reserve Fund established in 1987/88. Approximately R13.5m was allocated to the employees' trust fund, R1.7m to the senior management trust fund and R3.5m to a five-year investment plan at Old Mutual owned by Pact (not restricted). This was approved by Pact Board of Directors. Pact Employees' Fund stands at R14.275m. The Senior Management Fund stands at R14.335m effective on 3 April 1995. The purpose of both is to arrange financial security for Pact employees and senior management where the services of each employee are terminated under certain circumstances. Parties involved are, in respect of the Employees' Fund, Pact management and unions such as the Paper, Printing and Allied Workers Union (affiliated to COSATU)

(2) These funds were motivated as a mechanism for dealing with the financial implications of retrenchments if and when they occurred. The funds' designation as such was made consistent with negotiations between Pact management and Pact employees' unions and fair labour practices. In the light of this, the funds were positioned as legitimate vehicles. Notwithstanding this, the Ministry has launched an investigation into the purpose and management of the funds in question, whether inappropriate payments may have occurred.

One aspect of the management of the funds gives cause for concern: The fact that severance packages were paid out to Pact senior managers who are in fact still holding office. Other irregularities are currently being investigated by independent auditors.

Two recipients of severance packages are still employed by Pact and remain in their positions on a month to month basis. At my request the two stayed on with Pact until 30 November 1995 and the two who are still with Pact are there on a contract basis until the end of April. This request was necessary to maintain the effective operations of Pact. Had more senior managers resigned along with the CEO, Mr B Meiring, on 6 September 1995, the stability of Pact would have been threatened. I should add, however, that I was unaware that these individuals had taken their severance packages when I asked them to stay on. Five of the 10 Department heads resigned and received severance packages on 25 August 1995.

Last year the Council of Culture Ministers placed a moratorium on retrenchments at the PACs until their new democratic Boards were in place. This was an attempt to ensure that retrenchments did not take place in an improper manner.

(3) As I have stated, the Ministry has already launched an investigation into the purpose and management of the funds in question, whether inappropriate payments may have occurred. This investigation is being assisted by a team of advisers who, at this stage, are consolidating all information relating to the funds. This consolidation will serve as a basis for deciding on the most appropriate steps to be taken, which may entail a forensic audit investigation of the funds, to evaluate their legitimacy as it relates to the new Board and CEO.

(4) Pact staff members are now aware of the existence of the funds. This is occurring through the unions representing Pact staff and employees, namely the Paper, Printing and Allied Workers Union (affiliated to COSATU) and the Performing Arts Staff Association, on behalf of Pact employees. Parties involved in the Senior Management Fund are Pact's senior management. Both Trusts expire on 30 April 1997, upon which the funds are returned to Pact or its successor. The trust is managed by DDL and a Board of Trustees. The terms of the trust cannot be altered without collective negotiations.

(5) Staff members will still be afforded the opportunity to make use of these funds. This is why all the trust funds are returned to Pact or its successor in title. As the issue stands, all reserve funds, employees' funds and senior employees' fund for senior and ordinary staff are at the Board's control provided the Board can meet re-employment packages as agreed upon. This then means that the money set aside for senior staff re-employment packages is part of the general fund for the general use of Pact.

As you are no doubt aware, I have appointed a new Board of Directors and CEO of Pact to govern the organisation in accordance with a revised mandate. In addition, the White Paper, which will ensure that the requirements of the Department of State Expenditure are met for the 1997/1998 budget cycle.

Prison hospitals in provinces

104. Sen C R REDCLIFFE asked the Minister of Correctional Services:

(1) How many prison hospitals are there in each of the provinces at present and (b) what are the names of these hospitals?
Gambling licencing to be free of politics, says Kriel

MELANIE GODLING
STAFF WRITER

CASINO and other gambling licences will be granted by the Gambling and Racing Board only, which will be independent from political influences, Western Cape Premier Herman Kriel said yesterday.

"The board would also have the power for final approval of rezoning land for casinos."

Introducing the Gambling and Racing Bill in the provincial legislature yesterday, Kriel said: "One of the most important characteristics of the bill is the total independence of the Gambling Board from political influences in the awarding of licences for gambling institutions."

He said constitutionally, the powers to rezone land lay with the provinces. However, it had been decided, in terms of casinos only, to assign these powers to the Gambling and Racing Board.

"The result is that the premier and Cabinet will have no power to influence the final approval of casino zonings and licences."

"The independent Gambling Board will be the only body with such powers," Kriel said.

The bill also provides for public participation whereby local authorities and communities can give their input into where proposed casinos are located.

Licences would be issued on a regional basis so that development was not restricted to the densely populated Peninsula only.

Applications for casino licences would be assessed on the development proposal, probity and financial aspects.

The board will be able to appoint consultants to provide the expertise needed to select the best casino sites.

The bill will be debated today.
Parties pass gambling Act in Western Cape

Linda Ensor  BD 10/15/96

CAPE TOWN — The Western Cape Gambling and Horse Racing Act was adopted by the provincial legislature yesterday after a stormy debate in which both the NP and ANC made significant concessions.

The passage included several months of deliberations, walkouts and threats by the ANC to take several controversial clauses to the Constitutional Court, but the legislation finally passed its final third reading last night.

ANC proposals for a substantial increase in the provincial tax rate on casinos were quashed by the NP and DP, while NP amendments to give the police limited powers of seizure and arrest without a warrant were dropped entirely.

Premier Hermus Kriel undertook to include considerations for the participation of disadvantaged communities as shareholders in casino operations in the criteria for evaluating licence applications.

While not giving in entirely to ANC demands for local authorities to exercise the powers to rezone areas for casino operations, Kriel agreed to incorporate a measure of local authority input into decision-making by the gambling board.

The Cape Independent Alliance's Clive Keegan said the vesting of this zoning power with a nominated board was "totally unacceptable".
The Western Cape came a step closer to getting legal casinos yesterday when the provincial legislature passed the Western Cape Gambling and Racing Bill.

This followed a rowdy debate yesterday.

The National Party agreed with a proposal by the ANC to scrap the clause in the bill which would give police the right to search premises without a warrant if they suspected gambling was taking place.

The legislature also agreed that the views of local governments would be taken into consideration by the Gambling and Racing Board when coming to a decision about issuing licences.

The Speaker ruled against a request by ACDP member Mr Michael Louis that the voting be by secret ballot to enable members to vote according to their "personal consciences".

The Speaker said members were public representatives and should be prepared to make their viewpoints known.

The rules did not allow secret voting, he added.

The ANC's Mr Cameron Dugmore then proposed that the rule in question be suspended to allow a secret ballot, but his proposal was outvoted.

The bill was opposed by the Freedom Front and the ACDP on Christian principles.

Dugmore said afterwards that the ANC welcomed the decision by the NP to amend certain clauses they had objected to.

"These amendments made it possible for us to support the bill," he said.

"We're disappointed that the NP voted against all the other parties on the issue of a secret ballot.

"We believe that there were members within their own caucus that had reservations about the bill," Dugmore said.

A Gambling and Racing Board will now be constituted, it will issue gambling licences and be responsible for giving final approval for the rezoning of land for casinos."
Keegan slams Kriel on zoning of casinos

ANDREA WEISS
Metro Reporter

CLIVE Keegan, of the Cape Independent Alliance, has slammed the Western Cape's gambling legislation for dealing a "devastating assault" on the autonomy of local authorities to make town planning decisions.

The Western Cape legislature this week passed gambling legislation which heralds the advent of legalised casinos in the province, but which also places the power to rezone land for casino purposes with the Gambling and Racing Board appointed by the cabinet.

Mr Keegan said the decision to give this power to the board constituted a "radical and dangerous departure from the long-established principle whereby the elected representatives of local communities, after consultation with potentially affected neighbourhoods, determine appropriate land use in urban areas".

"Given the province's notorious record of overturning local council decisions regarding rezonings, departures from the zoning scheme, and other controversial planning applications, we are totally unconvinced by Premier Kriel's assurance that public participation will be taken seriously in the assessment of rezoning submissions by commercially driven casino operators," he said.

"If Mr Kriel is so utterly determined that the public and their local authorities will genuinely be consulted about the location of casinos, why does he in the same sentence demand that the final decision regarding this socially, religiously and environmentally sensitive matter should be taken out of their hands?" Mr Keegan said it was nonsense to say that local authorities should not have right to determine casino zoning because of rivalry over the granting of licences.

Local authorities knew the right to grant licences rested with the national or provincial body. There was no justification for denying the right to local authorities to assess appropriate land use applications on the grounds of social desirability, traffic impact and potential local nuisance.

"It is an intolerable prospect that the Fernwood Sports Club, for example, an underutilised estate in need of alternative and more suitable usage, should be granted a casino licence by a committee of nominated functionaries who bear no electoral responsibility for their decision."

He added that if this "practical tragedy" was regarded as "alarming", the Cape Independent Alliance reminded the public of the province's use of "independent assessors" to decide on the matters of the Disa Towers on Table Mountain and the industrialisation of Saldanha Bay.

He said his group would continue to insist that the location of casinos should fall within the authority of democratically elected councils and ratepayers' associations.

"The provisions of the provincial legislation are in every way hostile to and contemptuous of the rights of local communities and their delegated spokesmen,"

Clive Keegan
CTSO needs R2-m from council

GLYNNIS UNDERHILL
Staff Reporter

THE Cape Town Symphony Orchestra will have to cancel its popular free concerts and development work if it is not given the R2 million support it has requested from the Cape Town City Council.

"This is not a threat. It is a fact of life. "If they turn us down, they are putting the CTSO in a position where it is no longer able to continue development work and it will be forced to give only income-generated concerts," said Jacques de Vos Malan, executive director of the Cape Town Symphony Orchestra.

The appeal for the interim grant-in-aid was to enable the CTSO to continue with its concerts for the broader community, said Dr De Vos Malan.

"We told them the future of the CTSO is uncertain but we can stay in business until the end of the year. "We are not sure what happens beyond that," he said.

Free open-air concerts at the Waterfront are packed to capacity and concerts at schools form part of the development work by the CTSO.

Bridging finance from the City Council will allow this work to continue until local government restructuring is settled.

Dr De Vos Malan feels passionately about saving the Cape Town Symphony Orchestra, which is threatened with closure due to a lack of funds.

So when discussion on its future was postponed for the second time in a row after a Cape Town City Council meeting failed to obtain a quorum this week, he was suitably unimpressed.

With back-to-back meetings on the future of the CTSO scheduled at his own office, Dr De Vos Malan feels there is time to waste.

And after spending a whole afternoon waiting in vain to hear an Executive Committee debate on the issue, he felt frustrated, Dr De Vos Malan said yesterday.

Another meeting has been set up on Monday to discuss the R2 million injection it is hoped the Council will make available to the CTSO.

Discussions about a possible merger with Capab's accompanying pit orchestra, Cape Philharmonic Orchestra, would continue, said Dr De Vos Malan.

"There was doubt whether discussions were to continue or not but we are going ahead with discussions," he said.

What is exciting him at present is a drive which is about to be launched to attract investment from corporations and individuals.

Financial consultants had been brought in to assist with the investment drive and details would be released shortly, he said.

A trained composer, Dr De Vos Malan said the question whether the CTSO was a public service or a private enterprise was a valid one.

If it was a public service, then the CTSO needed government support, Dr De Vos Malan said.
Gambling to receive no VAT favours, says Katz

Johannesburg — The legalised gambling industry would receive no favourable VAT treatment even when it was being used to support tourism, Michael Katz, the chairman of the Katz commission, said yesterday.

He told a gambling conference in Johannesburg that the Katz commission's tax recommendations to the government included the need to protect the integrity of the VAT base.

"We are firm in the view that the VAT base should not be undermined. Apart from some very basic foodstuffs, we want to stick with the principle that no zero rating be allowed."

Other speakers pointed out that apart from major administrative difficulties, it would be politically unacceptable for the government to allow a zero rating on gambling when they had rejected a number of trade union approaches to reduce VAT on certain foodstuffs.

Delegates and speakers said the uncertainty concerning the tax situation was having a negative effect on investor sentiment.

Stan Matsibula, the chief director of finance in Gauteng, said it would not be possible to determine what the applicable gambling tax was until an agreement had been reached between the national government and the provinces.

In terms of the constitution, provinces have the right to generate revenue from gambling.

The national government would levy income tax on operators as well as collecting VAT.

Industry sources said provincial governments were concerned that there would be little additional scope to levy provincial taxes or licensing fees on top of the national taxes.

A number of provinces have approached the government about channelling VAT receipts back to the provinces.

Provincial executives have said the government would be unlikely to return more than 50 percent of the tax collected.
R2m lifeline for orchestra

PETER DE NEUHY
CT 15/5/96

MOST Cape Town city councillors voted yesterday to grant the struggling Cape Town Symphony Orchestra a lifeline.

At what was the final meeting of the nominated transitional council, councillors voted by 38 votes to 13 to grant the orchestra an interest-free R2 million loan, to be repaid on June 1 next year. The consent of Western Cape Premier Hernus Kriel is needed for the loan.

The orchestra had come to the council hoping for a non-repayable grant of R2m to see it through the transitional period and enable it to get funds from the Metropolitan Council and perhaps from other municipalities.

Councillor Mr Chris Joubert, a friend of the orchestra who said “a city without an orchestra is not a city”, proposed the amendment that the council should provide a loan rather than a grant.

He knew that, in the existing political climate, anything more generous would not have survived.

ANC councillor Mr Hanief Tiseker said his organisation was “not convinced” that R2m should be made available specifically for the orchestra.

Instead it wanted to decide to set aside an unspecified amount — to be determined by the new council — for arts and culture in general.
Playing to the Market

Any current scheme to enhance Symphony Orchestra attendance and

income will depend upon the approval of the E.W. should the Board

endorse the scheme with a minimum of 500 points to

make a fund. If the Board of the E.W. should agree to the

scheme, they will be granted $150.00 from the

Treasure and the proceeds from the

sales of the above scheme.

By Mark Haswell

Utah Must Scheme to Enhance Symphony Orchestra
Film-friendly Cape gets an RDP boost

R2-m allocated for new projects

JOSEPH ARANIES
Municipal Staff

The Western Cape economy is to get a boost and the province will be promoted internationally as a film-friendly environment with the approval of a number of reconstruction and development programme (RDP) projects.

Provincial Economic Affairs MInister Chris Nissen said that following the approval in January of RDP projects for Ikapa Trust, Future World Pre-school in Eerste River and the Gansbaai housing project, totalling R412,000, new projects amounting to almost R2 million had been approved.

The projects include R1.7 million for rural development and agriculture, and an allocation of R180,000 to the Cape Film and Video Foundation to promote the Cape nationally and internationally as a film-friendly destination.

Mr Nissen said the approval of the projects represented a significant step in the process of delivering RDP projects in the province, as all the projects met the key criteria of job creation, economic viability and sustainability.

"The total allocation from the RDP funds for projects for 1996 now stands at more than R2.3 million, and will definitely boost the province’s economy and help rural development," he said. R300,000 had been allocated to the Stuurboom irrigation scheme to enable the community to improve its production cycle from one planting season a year to two or more.

The Kranshoek rural community got R45,000 for the construction of an irrigation scheme and R37,500 for production inputs of seeds and herbicides to assist small scale farmers in kickstarting their first production cycle.

Slangrivier was allocated R100,000 for sowing of winter cereals and for soil preparation.

An allocation of R300,000 was made to the Haarlem community for an irrigation system and fencing. In addition to job creation opportunities, it is aimed at uplifting the community.

The historic town of Wupperthal, known for its manufacturing of handmade leather shoes since 1830, has been boosted by the allocation of R300,000 for the shoe factory. The funds will be used to provide opportunities for self-development and much-needed jobs to the community.

A training centre in Montagu, used for the training of rural business and farmers’ associations, will be given R150,000. This will directly service the 34 rural towns and will increase their capacity to initiate and manage their entrepreneurial projects. This initiative holds tremendous potential for the economic development of these areas.
A very ‘sound’ investment
Cash-strapped symphony orchestra in R50 million bid to secure its future

ANDREA WEISS
Metro Reporter

The Cape Town Symphony Orchestra has launched a unit trust scheme which it hopes will secure its long-term future and ease it from its dependence on increasingly uncertain public funding.

The orchestra aims to raise R50 million in pledges from investors by mid-September – an amount which will give the orchestra R4 million a year towards its operating costs while simultaneously generating capital growth for the investors. The orchestra is able to earn the rest of its operating needs itself.

The scheme is the brain-child of Glynn O’Leary of Fine Music Radio, which is closely linked to the orchestra.

Mr O’Leary was optimistic that music lovers would do their bit to save the orchestra and said members of the orchestra themselves also aimed to raise money towards the scheme through concerts.

The CTSO is hoping that Cape businesses and even people who have left the country, but who still have money in South Africa, will participate in the investment scheme. The scheme will keep the orchestra alive and allow it to plan for the future.

The orchestra, which was formed in 1914, is in a financial crisis due to local government restructuring and the end of a 10-year privatization agreement with the Cape Town City Council. The orchestra received its last grant of R4 million a year ago.

If sufficient money is not raised by mid-September, members of the orchestra will be given three months’ notice and the CTSO will close in December.

Peter Klatzow, a member of the CTSO board, stressed the scheme was not based on donations, but rather on sound financial principles. The CTSO Investor Plan will be administered by Simpson McKie James Capel and will operate in units of R10 000 each, which will be invested over five years. This will help the orchestra consolidate its financial position, while giving investors an estimated return of 17.5 percent a year.

Mr Klatzow stressed that the scheme would not indulge in “fleeting investments”, but would choose a balance between high growth and blue chip unit trusts so that the money would be safe.

People who do not have R10 000 to invest can become involved in syndicates operating on a minimum pledge of R500 each.

The administrators of the scheme are also willing to find partners for people who are unable to form their own syndicates.

Mr Klatzow said the orchestra did not wish people to give the money now, but first wished to establish whether it had sufficient pledges to reach the R50 million target by September 15, after which the pledges would be called in.

“The more money we raise, the greater will be the return to the individual because the CTSO’s needs are not open ended,” he said.

Mr Klatzow said the orchestra also had plans to find a new home in the form of a conference centre, provided it was able to secure its future during the next five years.
Entertainers sing and dance in protest outside parliament

Staff Reporter

ABOUT 100 disgruntled actors, musicians and dancers protested outside parliament yesterday for the right to use their cultural weapons - their instruments, plays and dances.

The protesters, who sang and danced to the beat of drums outside the parliamentary gates, included members of the Cape Town Symphony Orchestra, Friends of the Opera, the Cape Performing Arts Board (Capab), dance teachers and students.

They were protesting at the lack of funds for arts in the Western Cape.

They handed a memorandum to a representative of the Arts and Culture Minister Ben Ngubane. In the document they demand more money for arts in the Western Cape.

The dance teachers, who handed a memorandum to an Education Department official, said they were protesting against their "unconstitutional employment conditions."

Some of the teachers had been employed by the Education Department for more than 15 years and still had only "part-time status," one protester said.

They worked for an hourly rate of R50 and had no unemployment benefits, sick leave, medical aid or pension benefits.

They were not paid for public or school holidays.

Some dance teachers were working more than 10 hours a week extra without remuneration, said the protester.

Dancing was now considered an extra curricular subject at schools and pupils paid R30 a term for lessons.

"How can they afford R40 for dance lessons if they do not have R40 for food? Why should our children pay for dancing lessons?" asked a female dance teacher.

Earlier Capab marketing director Rod Baxson said the protests were initially organised to focus on the plight of dance but had become a general demonstration against the plight of the performing arts financial.
Culture budget holds shocks, says Arts Minister
Cambridge Licence Delays Cost Industry £40bn

The sale of the most surprising

The sale of the most surprising

The sale of the most surprising
Cape Town orchestra to accept R2-m loan

Metro Reporter

THE Cape Town Symphony Orchestra will accept the R2-million interest-free loan offered to it by the Cape Town City Council, but would like to persuade the city to put it forward for investment in the unit trust scheme launched to save the orchestra.

This idea was put forward at a meeting of the CTSO's association this week when members gathered to discuss the financial plight of the orchestra.

The unit trust scheme aims to persuade people to put up R50 million to be invested over a period of five years, with the orchestra keeping R4 million of the capital growth for its operating costs, while the rest is to go back to the investor tax-free.

Many people attending the meeting made a strong pitch for the retention of two orchestras in the city because the CTSO is a performing orchestra, while the Cape Philharmonic Orchestra is an accompanying orchestra for ballet and opera.

John Sonnenberg, chairperson of the board, said of the council loan: "You must never look a gift horse in the mouth."

If insufficient funds are pledged by mid-September, the orchestra faces closure at the end of the year.

TROUBLED ORCHESTRA: Peter Klitzow, left, who serves on the board of the Cape Town Symphony Orchestra, addresses a special meeting of the CTSO's association to explain the financial crisis facing the orchestra.
Operation keep clean... Hilda Zondi receives a cleanliness certificate from Anglo American Property Services' representative Henrie Pieniee (left). Also pictured are Saul Hertzikowitz and Nelson Mthembu of Ampros. Each month Ampros gives a recognition certificate to the cleanest street vendor trading near its properties.

‘Illegal industry’ worried

By Shadrack Mashalaba

THE Gaming Association of South Africa (Gasa) has expressed concern over the way the current draft Bill on gambling is being handled.

Gasa – with a national membership of about 600 and representing the interests of the so-called “illegal industry” – has called on the Government to make a “realistic” check on the situation that exists in the gambling industry today. The “illegal industry” employs some 30 000 people nationally.

The National Gambling Bill is to be passed into an Act of Parliament possibly later this year and 40 licences expected to be issued nationally. Gasa general secretary Peter White says in its current form, the Bill is already biased towards major players in the industry.

“We are strongly in support of a regulated gambling industry but do not agree with the monopolistic and unfair competition scenarios of the current draft Bill, which will negate the independent operator and cater only for ‘blue chip’ concerns,” says White.

“While Gasa is not opposed to the traditional major concerns retaining their licences, it feels it is grossly unfair that participation in this industry is going to be limited to a few of the groups and a monopolistic trading environment be allowed to continue,” he adds.

An active role

Every Gasa member is willing to become regulated and play an active role in the economy, argues White. The ad hoc select committee on gambling and lotteries held discussions last week concerning the draft legislation and proposed amendments to the National Gambling Bill.

During the discussions, according to White, the states of “illegal operators” in South Africa was completely overlooked and manipulated by parties with vested interests.

A thorny point in the Bill, he says, is a clause that restricts the total number of licences due to be allocated across the nine provinces to 40.

Committee chairman Senator Mushawu of the ANC is said to have hinted that the Government could raise the number of licences to be issued “at a later date.”

But Gasa’s members are not prepared to talk about possibilities that are still lingering in the air, saying policymakers should focus on drafting laws that allow a fair treatment to everyone in applying for casino licences.

White argues that the Government seems intent to ignoring current realities of the casino industry.

Ignoring such realities, he argues, could result in wiping out the livelihood of over 2 000 operators and that of 30 000 employees.
OVER-AGED TAXMAN COULD HOBBLE CASES: Medical Gambling Industry

[Text continues on the page]
Casino groups slate Cape’s tax regime

Amanda Vermeulen

A PUNITIVE sliding-scale tax regime for casino revenues in the Western Cape will see at least two of the major bidders for the lucrative provincial gaming licence scale back their investment plans.

The Western Cape this week published details of tax on casinos which will see the largest operations paying up to 30% tax — VAT of 14% and a sliding scale which could add a further 12% tax on gross revenues.

Global Resorts CE Ernie Joubert said yesterday his company would reduce its planned investment by 20%, if successful in bidding for a licence, implying at least a R100m cut-back in the first phase of proposed development.

This could translate into abandoning plans for golf courses, non-gaming facilities, and reducing the number of hotel rooms, or even the size of the casino operation. He said the company would forego capacity in favour of higher utilisation of facilities, but warned that the downsizing of resorts could impede any development’s revenue generating potential.

Joubert said other factors would also have a direct effect on the level of investment, including the recent interest rate hikes, a general slow-down in the economy, reductions in disposable income and low business confidence.

He warned that the national industry, which originally would have seen at least five R1bn-plus resorts, could shrink to accommodate only two such developments.

Several casino groups are planning to bid in the Western Cape, including African Sun International, Southern Sun and Omar Sharif Southern Africa (OSSA). It is not clear whether there will be one or two licences in the region.

OSSA said yesterday it had little problem with the tax regime, but it was concerned that there was no guarantee that VAT — set by central government — would not be increased next year. It was also concerned that the introduction of a national lottery would have a further negative effect on the casino market, making it more difficult to achieve good returns.

Sun International regional director Ian Douglas said the group would have to adjust its plans — still under wraps — to cope with the tax implications and to be competitive.

Douglas said that the province’s tax rate, which topped Mpumalanga’s 17% ceiling by 9%, had probably been based on the province’s need for tax revenues, but this could see tourism infrastructure sacrificed.

Sun International and Global Resorts have said they will focus heavily on offshore developments, largely because of the high level of tax in SA and the slow progress in the industry.

Global was looking at Las Vegas, and those states in the US which had casino industries, because of their high-growth prospects and low taxation. Joubert said the company would look at joint ventures, saying that Malaysian group Mycom and another, as yet unspecified, partner could co-finance projects.

Ron Stringfellow, Southern Sun MD, was not available for comment.
Arts and culture for everyone

The Cape Town City Council is looking at developing an arts and culture policy for the city, and is calling a public meeting to discuss various aspects of its intentions.

At a Press conference to announce the policy, outgoing mayor William Bantom said this decision was indicative of the council's commitment to redress imbalances of the past and to support and encourage the flowering of cultural and arts initiatives in all communities.

"A consultative group consisting of about 40 organisations recommended that a process of consultation take place.

"We want to give the people of Cape Town a chance to voice their opinions on what should be included in the policy document," he said.

The public meeting will be held on Saturday, June 1, at 9 am.

The venue will be the Joseph Stone Auditorium, Athlone.
Arts and culture for everyone

Tonight Staff
ARG 30/5/96

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The venue will be the Joseph Stone Auditorium, Athlone..."
Pay dispute threatens opening of top musical

LOCAL MUSICIANS are in the middle of a pay dispute between the musicians' union and the producers of an overseas musical. Arts and Entertainment Editor FIONA CHISHOLM reports.

PAY dispute between local musicians and the promoters of the top musical Les Misérables is threatening the opening of the overseas production at the Nico Opera House in August.

In a move to force the hand of the promoters to increase the rate of pay to 15 musicians, the WP branch of the Musicians' Union South Africa (Musa) has asked the Ministry of Home Affairs not to issue work permits for the overseas performers of the musical until the dispute is resolved.

Musa vice-chairman Mr Trevor Wells said the union wanted the 10 members of Capab's Cape Philharmonic Orchestra (CPO) and the five ad hoc musicians who will play in the orchestra for the musical to receive a "fair and equitable" remuneration in keeping with recognised union rates.

He said: "Our intention is not to jeopardise the production, but our musicians must be properly paid. The big international cast are being paid in Australian dollars, but the 10 Capab musicians are being asked to play for their basic pay plus a small remuneration, and the five ad hoc players have been offered a flat rate per session below that set by the Musicians' Union. A waitress at the Brass Bell is earning more."

The union rate for rank and file players for long-term employment (more than two weeks) was R275 per three-hour session, but the ad hoc players have been offered only R200 per 3 1/2 hour session.

"We want a minimum of R275 and a pro rata for the extra half hour which is R45. In other words, R325."

The situation, he said, with the 10 full-time CPO players was more complex because the players were on different salary notches on account of their seniority and experience.

"However, we are asking for the difference between the salary they earn and the rate which the Musicians' Union requires per session. There is a formula for working this out."

Wells said he was hopeful the dispute will be amicably resolved.

"There was deadlock at the end of last week, but there have been many meetings over the weekend and the signs are we will come to an agreement."

However, when asked to give their side of the dispute, neither Capab chief director Mr George Loopuyt, nor Mr Pieter Toerien, who is one of those involved in bringing Les Misérables to Cape Town, were prepared to comment.

A Cape Town member of the union described the pay offer as "disgusting money" and pointed out that musicians selected were first auditioned by Mr Martin Koch from England, to prove they were up to standard.

"For far too long members of the Cape Philharmonic Orchestra have been undervalued and underpaid. "They earn far less than their counterparts in the CTSO or SABC orchestras, many earning as little as between R3 000 and R4 000 a month as they have not received salary adjustments for years."

"Capab was asked to quote Sir Cameron Mackintosh, the producer of musical, for the use of the orchestra and the hire of the opera house for 10 weeks. "He is getting the hire of the Nico at a discount and we feel he is not being asked to pay a fair price for the musicians."

"There's another issue. You cannot take 10 members out of an orchestra and expect the remainder to be in a position to do any work elsewhere. So we feel he should be paying for the hire of the whole orchestra for the 10 week period, otherwise he is getting it at a discount and the difference between the discount and the actual cost is being met by the taxpayer."

"We don't think a profit-making company should receive this preferential treatment. "The honorarium offered to musicians is R150 a week. We feel it should be at least R1 000."

CT 3/7/96 (292)
Sun International gets relief in gambling bill

By Ann Croity

Johannesburg — The ad hoc parliamentary committee on gambling has accepted recommendations by Chris Fisner, the provincial affairs and constitutional development minister, that the provincial governments be given until May 1999 to dispose of their financial interests in Sun International South Africa (Sisa).

The committee has made provision for this in the amended national gambling bill being discussed in the Senate today.

The bill provides relief for Sisa, because it extends the period it has to sell its excess gambling licences in the North West and Eastern Cape provinces from two to three years. It also makes provision for Sisa to hold three rather than two licences in each of those provinces.

Sisa appears to have been granted relief to protect jobs in those provinces. Another critical issue was the pressure to force the provinces to dispose of their stakes in Sisa in a short period.

Each of the three provincial governments have inherited a substantial stake in Sisa from the previous homelands. Their combined stake in Sisa is about 30 percent. On a share price of R5.20, their holdings are worth about R1.2 billion.

The North West and the Eastern Cape provinces hold the largest stakes. The Northern Province has a smaller stake.

The issue of what happens to the four licences that Sisa would be forced to dispose of in the Eastern Cape and North West appears to have been clarified by one of the bill’s amendments.

Industry sources were concerned that new players in the provinces might have been obliged to pick up Sisa’s infrastructure with their gambling licences instead of being free to start up greenfields projects.

This would have protected the provincial government’s investment in Sisa’s operations. But the bill states that any provincial licensing authority considering an application before May 1999 “shall disregard any such financial interest held by the state”.

The bill is expected to be put before the national assembly on June 17, about the time Fisner leaves office. If the legislative process is not completed by then, there is uncertainty about which portfolio it would fall into and that a new minister would be tempted to look again into some of the issues and delay the process.

The bill takes a tough stance on the possibility of applicants being used as fronts for unidentified partners in their quest for licences.
Responsibility for arts may shift
THE restructuring of SA's four performing arts councils would be completed by 2000 in terms of the draft white paper on arts, culture and heritage released in Pretoria yesterday. This would result in the councils becoming playhouses, with the government no longer being primarily responsible for their funding.

Central to the proposed new dispensation was the formation of a national arts council as a statutory body, which would receive a parliamentary grant. The council's main task will be to distribute public funds to artists, cultural institutions and non-government institutions, the paper says.

The draft proposed that 5% of funds raised through a proposed national lottery should be used to promote arts and culture. The ministry was also considering widening tax benefits as SA had no art-related tax incentives for the private sector. — Sapa.
Cultural scene likely to change with new arts vision

PRETORIA: South Africa’s cultural landscape will change dramatically in the next three years if the Draft White Paper on arts, culture and heritage — released at the Union Buildings today — is accepted in its present form.

The four Performing Arts Councils; primary recipients of national public funding, will disappear in their present form. But a National Arts Council, which will decide on the allocation of funds, will be established.

A strong appeal will also be made for greater funding of the arts from the private sector.

An optimistic Dr Ben Ngubane, Minister of Arts, Culture, Science and Technology, believes South Africa is on the brink of a cultural renaissance.

“Every sector of the community was facing change, he said. This might be unsettling for some, but

for many it brought hope that their needs, views and aspirations would now also become part of the mainstream.”

He emphasized that the document was to promote arts, culture, heritage and literature in their own right and that it spelled out the institutional arrangements required to implement a new vision and indicated the changes required of existing institutions to adapt to this.

“Probably the most revolutionary and yet widely expected and welcomed change is the establishment of a National Arts Council (NAC), which will receive a parliamentary grant and seek to bring equity to the arts and culture dispensation.”

Their principal task will be to distribute public funds to artists, cultural groups, NGOs and Community Based Institutions (CBOs).

The NAC which will become broadly representative of all South Africans. Each province will select an individual to represent its interests and a public selection procedure will culminate in the appointment by the minister of nine to 14 members representing arts and culture.

“The Foundation of the Arts, established in 1989 to provide for those arts not supported through the Performing Arts Councils (PACs) will be deregistered and its infrastructure and resources incorporated into the NAC.”

At present, the largest portion of public funds for the arts goes directly to the four PACs and while transformation of these bodies has already begun, further restructuring has to occur to free and reallocate public resources to other disciplines and areas in need of redress.

Own Correspondent
New umbrella body mooted for arts

Nomavenda Mathiane

A NSW statutory body — a national arts council — whose principal task would be to distribute public funds to artists, cultural institutions, non-governmental organisations and community-based organisations, has been proposed by the Arts, Culture and Technology draft white paper.

Speaking at the paper’s launch, Arts, Culture, Science and Technology Minister Ben Ngubane said that the council would be autonomous, operating at arm’s length from government.

The 41-page document, to be debated in Parliament, sets out government policy for creating funding arrangements and institutional frameworks for the creation, promotion and protection of SA arts, culture and heritage.

The white paper takes a critical look at the four existing performing arts councils — those of the Cape, Free State and Transvaal, and KwaZulu-Natal’s Playhouse Company (formerly the Natal Performing Arts Council).

They will get declining subsidies from central government, as transfer payments, during the next three years.

On the rights and status of the artist, the paper encourages creation of optimum conditions in which artists may practice their art and enjoy the same protection as other workers.

On heritage, institutions like museums and zoos, the department is to review declared cultural institutions as one of its most immediate tasks.

The work of the current war graves division will be widened to include upkeep of graves of victims of SA conflict.

See Page 14
Will Ngubane get his portfolio down to a fine art?

MARY RÖRICH

NGUBANE

Will Ngubane get his portfolio down to a fine art?

MARY RÖRICH

NGUBANE

national arts councils symbolising the last word in democratic arts legislation — theoretically at least. In fact, the British council has incurred prohibitive expenses, providing a further consultation and the patients may well die, if not of lack of care, then of bedsores or boredom.

The paper is, quite simply, a feeble, compromised piece of verbiage — a phase-one draft mission statement comforted but meaningless clichés.

It promises equity and freedom of expression but provides none of the structures or directives to guarantee them. It is elusive about funding, and still perplexed regarding the differences between culture in general, the entertainment industry and individual creative aspirations.

It is an exaggeration to say that it manages with astonishing adroitness to evade every issue relevant to the practical administration and structuring of arts and cultural institutions in SA today.

No doubt the authors of the paper claim the establishment of a national arts council as a bold move, one intended to eliminate the grave “gravit-train” morality as any other bureaucratic monolith.

But does it at least offer tax incentives promoting arts-business alliances in the private sector? Not so the planned national arts council: or, at least, in its particular division of administration and proved itself as open to “gravity-train” morality as

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rumours regarding the contents of the white paper on which the body that the arts administration in SA has been working since 1994 has undermined, and at times even paralysed, various components of the arts community, particularly those associated with elitist aesthetic forms such as ballet and opera.

Among the more rational of last year’s recommendations by the task group set up by Ngubane’s department was the total abolition of the four provincial arts councils.

More recently, it was hinted that Ngubane was considering Solomonic aesthetic surgery, whereby Cape Town would keep opera and Prokofiev ballet.

In the event, the draft white paper on arts, culture and heritage, released yesterday, recommends nothing as drastic, either surgically or via any other form of either medical or psychotherapeutic intervention.

A document that prescribes by omission rather than commission: if there is any suggestion of action to be taken it is in the form of a metaphorical but prolonged “bed rest” for the arts, their administrators and practitioners, during which time the physician and his team will institute further consultation and the patients may well die, if not of lack of care, then of bedsores or boredom.

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ut without clear policy directives and more practical solutions to the problems of funding, the arts council will remain hamstrung.

In his capacity as guest speaker at the recent Nederburg Opera and Ballet Ball, Allan Joseph spoke of the possibility of a “disappointing” white paper, one which would bring the arts council to its knees.

Joseph’s speech may not have been compelling, but it certainly was both prophetic or based on inside information.

What must have seemed a challenge to him when he was appointed DCOO in 1995 now seem like a prison sentence.

He faces an immediate 22% cut in his budget. How can he plan for next year? Or the remainder of this year? Where will he find funding for promotion, where will the arts council’s core infrastructure, core staff and essential activities, in the meantime be expected to continue functioning while receiving diminishing state subsidies over the next three years.
Future of the performing arts ‘uncertain’ after White Paper

Staff Reporter

The launching of the draft White Paper on Arts and Culture has left the future of the performing arts very uncertain. George Loopuij, director of Capab, said the White Paper seemed to have raised more questions rather than providing answers.

He said the performing arts had hoped the White Paper would clarify many issues, but that it had done the opposite.

The paper was carefully worded but it didn’t seem to say much more than what central government was not going to do.

One of these things they would not do was to fund the performing arts directly. Central government would maintain the buildings only.

Mr Loopuij said provincial government and the local authorities had instead been given the responsibility for funding these groups, which was a major problem because both authorities were not forced to fund any performing arts group.

A good example of this was when the Cape Town City Council stopped funding the Cape Town Symphony Orchestra and put its future in the balance. He feared the same thing could happen to many other performing arts groups. The White Paper stated that a new national council for grants would be established and that performing arts groups could apply to this council. This would allow for performing arts groups to compete on an equal basis.

Mr Loopuij said Capab consisted of very professional people who had spent their entire lives trying to get where they were.

On this basis, professional companies could not be expected to compete with companies that were not professional.

Mr Loopuij said the White Paper also made reference to restructuring, and that no one had a clue what that meant. He said that for the past four years the performing arts had been very uncertain about their future, and that this White Paper had not done anything to ease those uncertainties.
A celebration of cultural realities and... writes Darryl Accone

A mission statement or this week’s draft white paper on arts, culture and heritage is bracing, comprehensive and holistic. In drawing together its three components, it offers the prospect of a greatly enlarged and enriched South African culture – one that hitherto has not been recognised.

It is this paradigm shift that the paper sets out and argues with some sophistication. In its purview, culture is a living relationship between past and present, between depictions and considerations of life (arts) and the reality on which those are based (culture and heritage).

Some definitions may help here. By arts, the paper refers to performing and visual arts and written and oral literature. Culture is the mores of individual communities.

Heritage is the preservation and custodianship of the history, science, art, literature and music of the past. There is nothing inherently startling in the paper making these connections, especially if you abstract them from the South African context.

Remember, however, that in the past culture has often been defined only in terms of the arts – and then the high arts to boot. And also, access to arts and heritage has been severely limited. Therein lies the core intent of the paper to broaden the parameters and to make what results from that readily available.

This is no lip-service to political correctness, but a celebration of the cultural realities and diversity that the country has to offer. As significantly, there is in the paper an abiding concern that with the acknowledge-
Government shows that real work has started in transformation process

The draft White Paper on Arts, Culture and Heritage released this week was a significant event. For the first time in the history of South Africa, the Government showed that real work has begun in transforming these fields.

New the Department of Arts, Culture, Science and Technology will engage in a long process of consultation with communities.

All arts and culture practitioners will now have the right to participate in creating policy and structures that directly affect their lives and livelihood, as well as the quality of life of the community at large.

The Council of Culture Ministers will serve as the point of contact between the ministry and provincial interests, and will be supported by a technical committee comprising directors of culture.

The draft White Paper follows the appointment of the Arts and Culture Task Group (Actag) in November 1994. This task group — comprising artists, arts educators and cultural administrators — was mandated to consult widely in formulating recommendations for a new arts and culture dispensation.

The body therefore represented the voice of practitioners, expressing their views and concerns.

After extensive consultations, including written and verbal submissions, regional conferences, public hearings and a broadly representative national conference, Actag submitted its report to Ngubane in July 1995.

Further investigations

He considered the Actag report and subsequently conducted further investigations, including activity-based costing, to determine the viability of the various policy options proposed.

The result is this week's draft White Paper. It deals with one of the most emotive matters facing the new Government: cultural expression and identity stand next to language rights and access to land in importance.

And the dominant issues that characterise all these fields are finance and access.

In the past, the provision and maintenance of arts infrastructure favoured the urban areas in the previous four provinces: the Cape, Natal, Transvaal and the Orange Free State.

As a result black areas, especially rural areas, generally lack even the most basic arts infrastructure.

Cultural diversity

The draft White Paper proposes that the national and provincial governments develop a policy that ensures the survival and development of all art forms, cultural diversity, heritage recognition, arts and culture education and funding.

At present the largest portion of public funding for the arts goes directly to the four Performing Arts Councils (PACs), which are registered under Section 21 of the Companies Act of 1973.

There are few opportunities for artists — other than those offered by these state-subsidised institutions — to gain access to public funds to support the creation and dissemination of their work.

The four PACs have been the main recipients of public funding for the performing arts, absorbing 46 percent of the department's arts and culture budget.

With the new political dispensation, this can no longer be the case as there are now nine provinces. The same resources now have to be distributed more widely.

However, in their present form the PACs — given that they are urban-based resource-consuming structures — will be unable to significantly assist in realising the RDP's goals of access and redress.

According to the 1995-96 budget, the PACs received R112 million from the state. However, box office returns, which accounted for 18 percent of their income, did not even cover administration costs.

In the past the provision and maintenance of arts infrastructure favoured the urban areas in the previous four provinces

The Government is therefore currently subsidising expensive arts forms and infrastructure for a small audience.

The draft White Paper proposes that the PACs will disappear and will be replaced by a National Arts Council, which will decide on the future allocation of funds.

This body will work to bring about equity in the arts and culture fields. The PACs will now be transformed from virtually free-standing production houses and become accessible to all playhouses.

Cultural identity

The Draft White Paper also proposes the reshuffling of inter-urban relations with a view to national monuments. Communities will be encouraged to locate and mark the heritage sites important to their cultural identity.

Like other sectors of our society, arts, culture and heritage have been fundamentally affected by our past.

The distribution of funds to support such activities, the location of infrastructure and the dissemination of skills will therefore have to change accordingly.

The Government has a key role to play in this regard — even though recognising the wish expressed by arts practitioners that government maintain an arms-length relationship with the arts.

Dr Ben Ngubane ... his draft White Paper is a significant milestone in developing a new arts and culture dispensation.

By Eddie Mokoena

Government shows that real work has started in transformation process.
**Busking at the minister’s door**

The White Paper on Arts, Culture and Heritage has been hailed as a ‘cultural revolution’. But, HAZEL FRIEDMAN discovers, not everyone is convinced.

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The government’s long-awaited White Paper on Arts, Culture and Heritage has been hailed by some as a cure-all for the cultural ills of the past — the road leading to cultural Xanadu. Yet more interested parties fear it is in danger of becoming the Pamela Anderson Lew of South African culture: pretending and pretty to look at, but top heavy and with a latent inability to act. They welcome its release but believe that unless it transcends the realm of rhetoric and articulates the nuts and bolts of practical use, it will remain as dull and, to use 昂, a “toothless moniker”.

Now, in its final draft stage, the White Paper (actually it is a Green Paper) advocates the following principles:

- The transformation — as opposed to shutting down — of the performing arts council/Cape Town Arts Council.

- The reorientation of the Arts Council’s state-funded, full-time cultural bodies to partially funded “community theatres”.

- The establishment of a government-funded cultural and creative industries council (A&C) to serve as a less-making body for the allocation of funds to deserving projects.

- The implementation of compulsory national arts education in schools.

- The laying of groundwork for an investigation into and development of South Africa’s previously neglected cultural diplomacy.

But while the White Paper is not on what its mission is, it becomes vague on how it hopes to achieve it. And as for the question of its reach, the mouth is, well, it’s not saying what amount will be required to transform South African culture.

Minister of Arts, Culture, Science and Technology Ben Ngubane is more than happy to pay homage to the role played by the Arts and Culture Intervention Group (Acad) in laying the foundation for the complete restructuring of arts and culture. In 1994, Acad was created by his ministry for this very reason. He should be pleased: the group deserves to be immortalised not only as the first organisation to find method in the madness of South Africa’s cultural chaoticness, but also as the most effective and representative body ever brought together for this purpose.

The released in May 1995, then again in September, Acad’s proposals for the rebirth of South Africa’s cultural milieu included: the abolition of the performing arts councils, the channeling of half of all state funding into the arts, the removal of all forms of subvention, the establishment of a national cultural council through which the arts could be represented, and from individual interest groups. But the point that no one seems to want to dwell on is that the finer details of these suggestions are glaringly absent from the paper.

In his speech at the launch, Ngubane stressed that the White Paper had no option but to be less detailed than the recommendations outlined by Acad for it to make sense to the public.

The voice of the most outspoken critics of aspects of the new White Paper is the Arts and Culture Alliance (ACA). Created in 1995 by independent cultural workers, it has set itself the task of monitoring the government’s new initiative. And this broad-based cultural NGO — a “non-grey-tran organisation”, as it calls itself — this week released a policy document. “It is based on the idea that culture is an absolutely core dimension of society and that all processes of change need to be culture-sensitive,” the group says. “We already have a political agenda, but cultural change is a process that needs to be understood and integrated into all aspects of society.”

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**The ballerina minister**: Ben Ngubane

**The Ben and Brigitte shuffle**

HAZEL FRIEDMAN

Let’s see a merger made in multi-party heaven. It’s Kwamnyaka, minister of health, with the face of a friendly puppetist and the charm of a diplomat meets chain-smacking, back-stopping ANC lawyer who made the issues of women’s rights a personal crusade.

No doubt about it. Ben Ngubane and Brigitte Mabandla were destined for high office — he as the moderate NDP insider who favoured electoral participation (long before it was cool to do so); she as the ex-South African Students’ Organisation activist turned ANC stalwart renowned for her smokiness as her brilliant legal brain. Yes, they were both eminently suited for a position in the departments of health, welfare, education, justice or even foreign affairs. But commanders-in-chief on the cultural battlefield?

Bolita is no Malice. Their devotion to him provides the only rationale for two decidedly non-cultural commissioners agreeing to take on a portfolio better suited to a mercurial. No one told them that becoming heads of Arts, Culture, Science and Technology would also require a crash course in unarmed combat.

Maybe that’s why the cultural community’s response to the two has been, well, confused. The good ministers were totally unprepared — he with his systematic work method, she with her no-nonsense legal mind — for a role that they found was incomprehensible even to long-term denizens of the cultural kingdom.

A great man — kindly, intelligent and full of integrity — how do you describe Brigitte? Her public performance inspires more ambiguous epithets.

Ben, it should be remembered, took on the seemingly indefatigable Winnie — and won (not many are left alive to tell that tale). His less spectacular — but no less valuable — contribution was to provide a platform for the arts to be considered on the national scene.

We still have no idea how the ministry will provide funds to alleviate the crisis within community-based organisations.

We are all familiar with the authentic, independent cultural advisory, the Foundation for the Creative Arts (FCA) was set up — alongside Bophuthatswana’s Mmabara Cultural Centre — to join the arts councils on the scrapheap of history. That’s until Christopher Till, director of culture for Johan Neuburg and the man who runs the FCA, brokered a deal with the National Arts Council whereby the FCA — like Pact — would simply be transferred instead.

But at an Acad conference in early 1995, a unanimous resolution was passed to unbend all former government-created cultural organisations — particularly Pact and the FCA. Yet the White Paper makes only vague reference to the FCA’s infrastructure being absorbed into the new National Arts Council. And what that means for the launch of a good, clean and fresh council is anyone’s guess.

Equally unclear is the fact that at provincial level, arts and culture will be absorbed into the education portfolio. There are no structures in the provinces to determine that culture’s interests will be looked after, ensuring it gets an equitable slice of the pie. In fact, there is no interaction with culture except when, for example, musicians and actors are required to entertain at official functions,” says Japan Mbuthuma, general secretary of the Performing Arts Workers Equity (PWE).

**MCC for Gauteng Mary Metcalfe has organised a conference to address these issues on June 22, and we support her, but we hope that we will be invited to and consulted on the process...**
Do not kill the golden goose, casino boss warns regulators

By Audrey d'Angelo

Cape Town — Companies intending to invest in licensed casinos will withdraw if the government fails to crack down on illegal competitors who are not paying taxes or providing worthwhile employment, Peter Bacon, the managing director of Sun International, said yesterday.

He told delegates to the SA Chamber of Business Western Cape regional conference that destructive inter-provincial competition for gaming, rands could wreck the rapidly growing tourism industry. He said that allowing a large urban casino in Gauteng, particularly in the already wealthy and developed area north of Johannesburg, would make destination and resort casinos in neighbouring provinces inviable.

"This will cause us to miss a once-off opportunity to create new wealth, investment and employment in rural areas where it is most needed."

"Pointing out that casinos could cross-subsidise hotel development in other places, as had happened with the lost City, he suggested a co-operative agreement between provinces in the north to plan casino locations where tax revenues could be shared.

But industry sources said Bacon's views smacked of self-interest and were aimed at trying to entrench Sun International's dominance in the gambling industry.

Bacon said that in Cape Town, an urban casino that was not part of a lavish resort would be the best solution. "Cape Town is already the country's favourite tourist destination and has no need for a man-made casino tourist attraction that would serve only to siphon off tourist dollars from other sections of the tourism industry."

"Rather, this casino should be a facility that contributes to economic development through the provision of tax revenue, enhanced by its proximity to a high concentration of local people."

"It seems to me that the R2 billion schemes of which we have heard mention in Cape Town and northern Johannesburg are over-capitalised to the point where they will have to attack the tourism market in order to survive."

The Western Cape provincial government had adopted a farsighted solution in which casinos would be spread throughout five areas, encouraging the development of resort areas.

Bacon emphasised the need for an aggressive overseas marketing campaign to reset a target of 3 million overseas tourists a year by the turn of the century. He criticised the government for slashing the SA Tourism Organisation's budget in a level that made such marketing impossible.

He also emphasised the need to improve standards of service and provide more jobs to help bring down the crime rate.
The dice is on for gambling's 40 licences as Bill comes up

By THABO KOBOKOANE

After months of delay, the National Gambling Bill finally came out of the starting blocks this week following approval by the Senate.

The Bill, which provides the legal framework for the regulation of gambling and lotteries, now goes before the National Assembly on June 17.

"If passed, it should speed up the issuing of 40 licences. The process has been hit by snags owing to legislative delays, and it seems unlikely any licences will be issued before the end of the year," a top official says.

"A lot of work lies ahead, in particular on issues such as VAT, tax levies and the problem of illegal gaming casinos."

The Western Cape provincial government passed legislation which will see operators paying only 14% VAT and 35% effective corporate tax rates, but also a steep 6.2/- levy on gross revenue below R50 million and 17% on figures over R50 million.

"The province remains convinced it took the right decision. "Unlike other provinces, we have no competition and so can afford to go for a higher tax regime,"" says Chris Lofton, director of taxes, levies and duties.

In Cape Town, the Economic Affairs Standing Committee as well as the Interprovincial Committee are looking at a set levy for all provinces and at the percentage of VAT due to provinces. Andrew Feinstein, chairman of both bodies, says the Western Cape decision could be overturned by the Intergovernmental Committee.

The body will decide what levy the provinces should apply. "In terms of the new constitution, tax is a national issue. Gaming levies are going to have to balance the need for provincial revenue with the need for a viable business environment for casinos," Mr Feinstein says.

"Though draft legislation has been considered, none of the other provinces has yet passed gaming legislation. Jan Breytenbach, MP for finance in the Northern Province, says "passing provincial legislation before the national Bill may create a conflict."

In the next few weeks provinces will call for applications from members of the gaming boards, which will consider applications for licences.

Their challenge will be to sift through the analysts' view as already overcap-

italised casino developments and investments by potential licensees. Casino developers have estimated capital expenditure of about R20 billion for projects in the pipeline, but recent studies by Ernst and Young and Kesselstein put this figure at R5 billion-R8 billion.

The state remains uncertain what to do with the estimated 3 000 illegal casinos. International operators have been discouraged from investing because of the existence of illegal casinos, which are not regulated and often do not pay taxes. Gauteng has taken a tough stand, warning that it will shut them down.

Gasa criticised the National Gambling Bill for not recognising the body's efforts towards self-regulation. "We will challenge the government on the terms of the Bill through legal and mass action," says Peter White, Gasa's general secretary.

The Bill breaks down the 40 licences as follows: Gauteng six, Northern Cape three, Western Cape five, KwaZulu Natal five, North West five, Free State four and Mpumalanga four, Northern Province three and Eastern Cape five.

Meanwhile, JSE-listed Industrial Corporation this week announced it had teamed up in a joint venture with US-based Conrad International Hotels Corporation, a subsidiary of one of the largest hotel and gaming companies in the world, to pursue a casino licence application for a new R1.5-billion gaming complex planned on 19ha adjacent to Gallagher Estate.

"Russel Jackson, general manager of Johannie's commercial property division, says the company has negotiated an option to buy 51% of Ricerca Property Holdings, owners of Gallagher Estate, conditional on obtaining a licence.

"In partnership with black business interests and Conrad International, we plan to establish an international hotel, entertainment and exhibition complex on the enlarged site," he says.

ANDREW FEINSTEIN
Leasing is poor for cinemas

By Issac Model

Franchises say...


It is unclear from the agreement, all restaurants owned by Maxi Movies were transferred to the new joint venture company.

**Partnership**

For Maxi Movies, which is a partnership formed between Thebe Investments' controlled Mopito Investments, and Ster Kinekor. in 1994, the new venture company was to be a stepping stone to provide cinema development particularly in areas that are underserved by the entertainment industry.

Some franchisees whose businesses are not performing well have out of its way to market the cinema and I don't understand some of the franchisees complaining that the franchise is not marketed, he says, adding that the Carllovville cinema flourished immediately after the company took it over from the original owner.

Manfull says his company has negotiated a new deal where their films will be shown before video owners can show them in their establishments.

"I think we are going through a stiff learning curve. The company has now appointed a marketing manager who will impart marketing skills to those who need them."

Although Maxi Movies managing director Sven Nothard says he is not aware that there are franchisees that want to close their cinemas down or intend selling, he, however, blames the franchisees for not adhering to the company rules.

"We have a situation where we are dealing with people who have never been in the business before and some of the franchisees have never attended our meetings where we discussed our marketing strategies," he says.

He blames some of the franchisees for thinking of making a lot of profit in spite of the business being new and demanding a long-term view.
GUMBOOTS AND SLIPPERS

A third wave of cultural transformation is about to hit SA. First came radio, then television. Now the arts in the broadest sense — music, plays, ballet, even literature — are to be enlisted in the creation of a new national identity.

In overall terms, the draft White Paper on Arts, Culture & Heritage — released last week by the Department of Arts, Culture, Science & Technology — is determinedly anti-Eurocentric. It takes as its premise the following:

☐ That previous State funding of the arts has not been cost-effective and has discriminated against those marginalised by apartheid; and

☐ That arts, culture and heritage education must right past wrongs and stereotypes and significantly "assist in realising the RDP's goals of access and redress," not least in rural areas.

The key to such a transformation is, of course, funding. For 1996-1997, the department received R539.5m — a 17.1% increase on the previous year's R522.4m. The four performing arts councils of the previous provinces have been, In the White Paper's words, "absorbing 46% of the department's arts and culture budget. Within the new dispensation, this can no longer be the case."

"In 1995-1996, the council's operating income was R160m, of which box office receipts accounted for 18%. R112m was granted by the State... the inescapable conclusion is that government is subsidising expensive art forms and infrastructure for a small audience at an unaffordable level."

Ballet and opera are singled out for consuming 30% of total expenditure.

The immediate proposal is a 22% subsidy cut to the performing arts councils. They will receive declining subsidies for the next three years, after which government will subsidise core infrastructure and staff but the councils will have to "diversify their funding base and restructure ticketing policies" (in other words, prices will go up — if the councils survive).

The axe will be wielded by a new National Arts Council. Its main function will be to "distribute public funds to artists, cultural institutions, nongovernmental organisations and community bodies."

"The criteria for distribution, consistent with the goals of the RDP, will be developed to promote the creation, teaching and dissemination of literature, oral history and storytelling, music, dance, theatre, musical theatre, opera, photography, design and visual arts and crafts which will fully reflect our diversity."

"Says Deputy Minister Brigitte Mabandla: "When we embrace ballet alongside gumbot dancing as equally valid South African art forms, our multicultural society will start to take shape."

"Board representation of the council will be regional — including, say, a member of a provincial arts council — and "art-specific." So one must expect a number of claimants for seats on such a powerful arts funding body."

"Writers' groups such as Cosaw — which provokes arguments about "standards" in literature — might have to compete with a gumbot dancers' union for cash from the department."

Certain cultural institutions are already seeking ways to survive in the kind of Puritanian climate the White Paper foreshadows.

"Cape Town Symphony Orchestra has turned to the private sector — which has launched a unit trust investment scheme for the orchestra, regarded as world-class. It may not be enough and the orchestra is under pressure to survive. Should Cape Town host the 2004 Olympics, it might have to do so without its own city orchestra."

By placing work songs and toy-toy shuffles on the same level as sonnets and ballet, the White Paper is deliberately asserting its own value system against what might be called the Western Canon. This is its intention and where in the past there has been an unjust financial bias towards elitism, the White Paper is not being dishonest in its aim of seeking a new kind of equitable synthesis. Some of the most vibrant theatre of the Eighties came out of the townships.

"However, the great faultline that runs through the new policy is not the funding issue — there will be fewer funds than many hope — but a political one. This is apparent in a chapter called "All Our Futures" where it states: "Like all other aspects of our society, arts, culture and heritage must undergo a fundamental transformation if they are to achieve the vision embodied in our commitment to human dignity, the achievement of equality, and advancement of human rights and freedoms.""

These are noble aims but linking them to arts and culture — where individual creativity has always been paramount — is spurious. All multicultural societies have contributed to the Western Canon by confronting it and responding with enduring work. It cannot be wished away, least of all by a bureaucracy of cultural commissars who, however, can be counted on to damage excellence where it exists at present.

ECONOMIC DEVELOPMENT

A NEO-MARXIST VIEW

Jabu Moleketi (38) is an unusual if not unorthodox communist. He believes in the existence of a "patriotic bourgeoisie" as a subclass of the workers' historic enemy, the bourgeoisie. He believes, too, in the need for a degree of privatisation.

"The MEC for Finance, Economic Affairs and Agriculture in Tokyo Sexwale's Gauteng government, Moleketi is the provincial leader of the SA Communist Party, having been re-elected as party general secretary last month."

A former guerrilla — he was an operative in Johannesburg between 1977 and 1981 — Moleketi is concerned to promote economic development in Gauteng. The newly launched Gauteng Development Agency (Geda) falls under his aegis. Its primary role is to attract investors to the province and to offer advice and help ensure that they stay.

"Development agencies, however, often project negative images. Swollen bureaucracies and rampant corruption come to mind as readily as dedicated, honest officials driven by the notion of service to the community."

Moleketi smiles when the risk of Geda being blighted by these malignancies is put to him in his new office in central Johannesburg. Geda is different from the development corporations which operated in the defunct tribal homelands under the old regime, he insists.

"Geda, a co-operative venture between the provincial government, business and labour, has a clear and limited objective: to promote industrial development by..."
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The Minister for Public Enterprises

The Minister for Public Enterprises, providing a full time member of the government, is responsible for the management and administration of all public enterprises. The minister is supported by a team of assistant ministers and junior ministers.

The Minister of Finance and Energy

The Minister of Finance and Energy, providing a full time member of the government, is responsible for the finance and energy sectors. The minister is supported by a team of assistant ministers and junior ministers.

The Minister of Agriculture and Industry

The Minister of Agriculture and Industry, providing a full time member of the government, is responsible for the agriculture and industry sectors. The minister is supported by a team of assistant ministers and junior ministers.

The Minister of Education

The Minister of Education, providing a full time member of the government, is responsible for the education sector. The minister is supported by a team of assistant ministers and junior ministers.

The Minister of Health

The Minister of Health, providing a full time member of the government, is responsible for the health sector. The minister is supported by a team of assistant ministers and junior ministers.

The Minister of Defence

The Minister of Defence, providing a full time member of the government, is responsible for the defence sector. The minister is supported by a team of assistant ministers and junior ministers.

The Minister of Revenue and Customs

The Minister of Revenue and Customs, providing a full time member of the government, is responsible for the revenue and customs sector. The minister is supported by a team of assistant ministers and junior ministers.

The Minister of Justice

The Minister of Justice, providing a full time member of the government, is responsible for the justice sector. The minister is supported by a team of assistant ministers and junior ministers.

The Minister of Environment

The Minister of Environment, providing a full time member of the government, is responsible for the environment sector. The minister is supported by a team of assistant ministers and junior ministers.

The Minister of Transport

The Minister of Transport, providing a full time member of the government, is responsible for the transport sector. The minister is supported by a team of assistant ministers and junior ministers.
Gambling law faces challenge

Casino chiefs eye Constitutional Court

LINDSAY BARNES and ESAAN de KOCK
Staff Reporters

CASINO operators facing closure after parliament passed the National Gambling Bill are threatening to challenge the Bill in the Constitutional Court.

The new law, which only needs President Mandela's signature before it is gazetted, makes allowance for only 40 casinos - closing the door on hundreds of illegal casino operations.

The Gaming Association of South Africa (Gasa), representing small casino operators, has attacked the passage of the Bill through its final reading in the National Assembly and threatened Constitutional Court action.

However, the casino giant Sun International, which dominates the big-time casino industry in the former homelands, welcomed the Bill as a "straightforward step to a well-ordered, appropriately regulated and successful gaming industry" in South Africa.

Gasa called on the government to end its "apparent alliance" with the big gaming groups.

When the Adhoc Committee on Gambling and Lotteries Legislation met in Cape Town, it could not reach consensus on Section 13(2) of the Bill about the number of slot machines allowed in each province.

Gasa said National Party MP David Graaff argued that it was "incorrect in a free market economy for the government to dictate who could be financially empowered by the added economic benefits of having slot machine operations on the business premises while denying others the same opportunity.

Gasa said that if the Bill was enacted in its present state, making no provision whatsoever for slot machines, it would lead to an "illegal and illegal" process in the Constitutional Court.

Gasa, Gauteng and its employees association have applied to court for interim relief against the ministers of safety and security and provincial affairs and constitutional development, the Premier of Gauteng, Tokyo Sexwale, and the region's attorney-general.

The application is being heard in the Rand Supreme Court.

The Freedom Front, Pan Africanist Congress and African Christian Democratic Party have also lodged objections to the Bill.

Peter Bacon, managing director of Sun International, described the passing of the Bill as the culmination of a process which had been characterised by widespread consultation and complete transparency, which reflected well on government.

The Bill would give impetus to the licence-awarding process in the provinces, many of which had already resolved their own legislation.

"While the Bill does not make explicit provision to bring the 'grey area' under control, it establishes the statutory principle that a regulated environment, with licensing limited to a total of 40 casinos, is in the best economic and social interest of our society," Mr Bacon said.

In doing so, the Bill had given "notice" to thousands of illegal casinos that their activities were not only undesirable, but also unlawful.

Earlier, Provincial Affairs and Constitutional Development Minister Chris Pissis said in reply to the debate in parliament that the new legislation would not please all parties.

The legislation made a distinction between central government and provincial powers in gambling, which would help to keep corruption under control.

A ceiling had been placed on the number of licences to be allocated because limiting the number of casinos would bring about better development and allow for economic advancement, and the government would also be able to control gambling more effectively.

The government had to adopt a conservative approach to the number of licences because of the negative social aspects attached to gambling, he said.
All illegal casinos have had their chips

Hundreds in Gauteng expected to close within two months

ILLEGAL GAMBLING OPERATORS IN GAUTENG HAVE BEEN GIVEN TWO MONTHS TO CLOSE OR FACE PROSECUTION FOLLOWING THE PASSING OF THE NATIONAL GAMBLING ACT IN PARLIAMENT THIS WEEK.

At the same time, Gauteng has announced that a new category of gambling licence for medium-sized enterprises will be introduced in the province when its Gambling and Betting Amendment Bill comes law this week or next week.

Big players in the industry have welcomed the parliamentary Bill saying it will help get rid of illegal operators. But smaller casino owners said the law could force them out of business and cost thousands of jobs.

The small operators’ Gaming Association of South Africa (Gasa) has announced its intention to challenge the national Bill because it only allows for 40 casinos nationwide.

Gasa Gauteng and its employees’ associations have applied to the Rand Supreme Court for interim relief.

But police have said the industry’s regulation is necessary to prevent the spread of money laundering, prostitution and the drug trade often associated with illegal gambling.

The new casino licence under Gauteng’s bill will bring to five the categories of casinos allowed in the province. They are:

- Two types of mini-licences for operators with a maximum of five gaming machines.
- People who own more than one establishment with a maximum of five machines.
- Medium-size casinos with between 50 and 100 machines.
- Big casinos like the Carousel.

People will be able to apply for licences from the province’s Gambling and Betting Board once it is operational, but this is expected to happen only by September.

Gauteng chief director of economic affairs, Stan Matshela, said yesterday: “Before the board starts considering applications, prosecutions resulting from the clampdown will have started.”

Gambling attorney and consultant Grant Kaplan, who has opposed the national bill on behalf of clients, said: “We believe in a controlled and regulated industry, but it’s the extent of the control that comes into dispute.”

However, Sun International managing director Peter Bacon welcomed the move as one which would regulate the industry.
NSO is threatened with closure by September

NSO is to go, should we be concerned? Do the residents of Johannesburg care much? Since the NSO is the official orchestra of the SABC, does national opinion count in that it will be gone by the end of September, which implies that the present season might be the last. At best, it does not look probable, that the NSO will survive into 1987.

The reasoning behind the threatened closure of the orchestra is the SABC privatisation schemes, which will see the sale of the radio stations under the public broadcast services arm of the corporation to the private sector. The NSO is funded by the public broadcast services — major income earners for the SABC — and the sales mean there will be no money available for the orchestra.

The NSO operates on a meagre budget of R10m a year — with which it has to pay its musicians, its management team, its transport costs, venue hire, music rights and so on.

The organisation is already seriously in debt — there is a desperate need for additional players and the management team is among the smallest administrative bodies behind any orchestra anywhere.

The NSO pursues the most active schedule of SA's orchestras: two weekly concerts in Johannesburg, regular national tours, broadcast recordings, pops and fireworks concerts, outreach programmes; and training are among its activities.

Stars such as Luciano Pavarotti and Kiri-te Kanawa rely on the NSO for their musical support while in SA and Marco-Polo, a fast-growing international recording label, has several NSO discs in its catalogue.

Despite all this, one can only wonder what the future will be for the NSO from our television screens, and the complete ignorance of its existence among a large sector of the corporate and cultural world.

The organisation foots the bill for the NSO, yet fails to utilise it with a disregard that is awesome.

Rumour has it that there is a lobby of support among the SABC hierarchy, including radio boss Govan Reddy, which does not want to see the NSO go. But, at the end of the day, it will be the financial string-pullers who make the decision and it is not likely that they will meet much opposition from the office of their chairman.

Johannesburg, Africa's fastest growing city, is already a place of cultural desolation. The city's litter-strewn streets, are symptomatic of its residents' apparent lack of concern beyond the need to make ever more money. It is within this context that the debate as to the whys and wherefores of this situation, one has to acknowledge that nothing seems able to shake Joburgers from their apathy.

Which brings us to the point: if the NSO is to go, should we be concerned? Do the residents of Johannesburg care much? Since the NSO is the official orchestra of the SABC, does national opinion count in that it will be gone by the end of September, which implies that the present season might be the last. At best, it does not look probable, that the NSO will survive into 1987.

Those of us who live in, or near, Gauteng are able to attend the NSO's twice-weekly concerts and to enjoy the benefits of live music. The NSO does thriving business in this regard — demand for season subscriptions is high, and at this point it is the only orchestra in the country able to motivate two concerts a week.

Attendance is good, discussion lively and the NSO provides intense and much sought-after musical relief to some 2 000 people a week.

All well and good, but two concerts a week do not provide anything like the minimum income required for the orchestra to survive.

What of the national audience? What of the thousands who tune in to SAA(f there are a few left) for their weekly ration of orchestral music? Will the demise of the NSO mean they will be better catered for with selections from the vast recording library at the SABC? From a purely musical point of view, probably they would be better served — the NSO, for all its merits, is not competition for the Berlin Philharmonic, after all.

Arrogant

The loss to concertgoers and listeners lies in the tossing aside of an important part of our cultural heritage, with not so much as a backward glance.

The loss lies in the arrogant disposal of the most visible voice in SA of one of the great world performance traditions, and in the increased musical isolation that the SABC and the NSO are going through in their efforts to find new sources of funds.

The recent release of the white paper on arts and culture, which spells out the demise of the arts councils among other things, means that the NSO will be pitched its case in an increasingly competitive market, where the few cultural sponsors we now have will have to decide where their money will be most effective.

Corporate sponsorship of the NSO has grown steadily over the past few years, but not by any means to the level required to maintain it.

The NSO is mounting a campaign to persuade the SABC of the level of public support for the NSO.

It is handing out letters addressed to SABC chairman Dr Ivy Matepe-Casaburri, which require only a signature. To obtain one, call Carla Constantinacu on (011) 714-6538.

See Page 15
Supreme Court asked to stop raids

Deborah Fine

THE Gaming Association of SA has asked the Rand Supreme Court to interdict police and the Gauteng government from raiding and closing down its members' small casino operations pending a decision by the Constitutional Court on the validity of the former Gambling Act.

Attorney Hennie de Klerk said yesterday that while the National Gambling Act had been passed by Parliament earlier this week, the new Act would not become operational until it had been approved by President Nelson Mandela and published in the Government Gazette.

This meant that until the new Act was approved, gambling was still regulated by the Gambling Act of 1968, which prohibited any form of gambling in SA.

It was thus under this Act that police were cracking down on casinos.

The association had asked the Supreme Court for an interdict against the safety and security and the provincial and constitutional development ministries, the Gauteng government as well as the offices of the Transvaal and Witwatersrand attorneys-general pending the hearing on September 5.

The association is also expected to challenge the new Act because it allows for only 40 casinos nationwide.

Sheep disease scare in Cape

Boo216/96

Eliza Ensor

CAPE TOWN — A highly contagious ovine disease had led to the slaughter of almost 4 000 sheep in the Caledon and Ceres districts of Western Cape, agriculture MEC Lampie Fick said yesterday.

He warned that a crisis loomed if measures were not adopted urgently to prevent the outbreak of Johne's disease from spreading.

The disease was regarded worldwide as one of the greatest threats in the sheep industry, having ravaged flocks in New Zealand and Australia, where it caused annual losses of about AS200m.

Large-scale imports of live sheep to SA from Australia last year were prevented because of an uproar over the disease.

Fick said there was no effective immunisation against the disease and if it was not strictly controlled, about 30% of an infected flock would die.

The department was hampered in its attempts to contain the outbreak as the disease was currently notifiable, rather than controlled, disease. If controlled, the department would be able to place farms under quarantine and slaughter all animals testing positive.

The Animal Diseases Act was being devolved to provinces. Meanwhile, Fick had asked the national agriculture department to change the rules in Western Cape.

Log-Tek Holdings Limited

(formerly in the Republic of South Africa)

Registration number 87/01877/06

("Log-Tek")

Cautionary announcement

Log-Tek Holdings Limited is authorised to announce that it is in liquidation.

Shareholders of Log-Tek are advised to exercise their rights as shareholders in due course.

nk

Legal advisor

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AMONG recommendations put forward to determine policy for the proposed Gauteng arts and culture council at the weekend were that performing arts councils should be transparent and that a working relationship needed to be established between arts, culture and education.

Campaigners for various arts in Gauteng met education and arts MEC Mary Mabapa yesterday to formulate recommendations for forming the province's arts and culture policy.

The meeting aimed to ensure also that the process of allocating public funding for arts development was not unduly influenced by political considerations, but led by arts and culture interest groups.

The meeting was divided into a number of commissions — arts, heritages, performance arts — which discussed the problems facing the various arts and formulated their recommendations.

The primary concern of the commission mandated to look into the Performing Arts Council of Transvaal (Pact) was the lack of transparency and accountability of funds allocated to it.

While commending the national government's decision to phase out funding for such councils, the meeting called for the money to be given to provincial arts councils for the development of local communities, rather than have the national arts council retain the funds.

In three years' time, when government subsidies had been phased out, Pact would have to apply for funding like any other arts company, the commission recommended.

It said government was responsible for ensuring that Pact served the larger community, with theatres being accessible to local communities.

The libraries commission said libraries were not given sufficient funds. Gauteng's libraries budget for 1995/96 was R12m, whereas R26m was needed.

The commission complained about libraries' ambivalent status with some falling under the education ministry and others under the science and technology portfolio.

Structures should be put in place with a clear line of command as to who was responsible for redistribution of resources, of transformation, of development and of research and documents, the commission recommended.
Gambling industry can boost growth of infrastructure, says White Paper

Pretoria, 28 June 1996

The White Paper on tourism development and promotion sees casinos as an indirect incentive for creation of new tourism infrastructure. Although gambling as such may not be of primary interest to tourists, the availability of casinos can in many ways facilitate the creation of other tourism-related infrastructure.

But the potential of the gambling industry in relation to tourism will be realised only if introduced within a specific framework of sound principles, says the White Paper.
CAPAB's performing arts companies are making plans to survive in the new South Africa after the tough recommendations of the government White Paper on arts and culture, which contain serious implications for their future viability.

The directors of the opera, ballet, drama, music and Jazart companies met at the Nico Malan last night to air their views.

Alastair Cockburn, director of the music department, aligned himself with the views of opera company director Angelo Gobhato. "It's a concern to all that there are no guarantees for art forms for opera, ballet and the orchestra. Apart from that we will have to stand in a queue and ask for money."

Mr Cockburn said an orchestra could not be run on a project basis because people had to be employed on a salary basis, and long-term planning was necessary.

He was also concerned about the future of the city orchestras. "I don't believe the city can support two, and the CTOS (Cape Town Symphony Orchestra) has not really succeeded as an independent one. There's not enough private sector money around, or sufficient funding from the authorities."

Talks of a merger between the orchestras should continue.

Alfred Hinkel of Jazart said there was "no way" the company could continue its educational programme without funding.

Capab Ballet's Veronica Paeper said she was optimistic that an aggressive bid for money from the private sector would succeed. "It's going to be hell and difficult, but one can't just lie down."

Capab opera department's Angelo Gobhato said there was "no such thing" as a Capab Opera Company and the department "will just disappear."

There would probably be fewer productions, on a one-a-year basis or at festivals, but could survive "if it gets funding from other sources."

Marthinus Basson of Capab Drama said that it was "sinful and shameful for Cape Town not to have a permanent drama company."

He said more than ever society needed the performing arts, rather than sports and politicians.

Mr Basson said that there was no future for Capab drama after the end of the year and that it was crucial to find ways to establish a large regular repertory company in Cape Town if drama as an art form was to survive.
SABC viewership stabilises in June

Ingrid Salgado

WEEKLY viewership levels for the SABC's three television channels stabilised towards the end of June while average daily viewing time for SABC1 and SABC2 increased marginally, according to a rating released by the SABC yesterday.

SABC1's average daily viewing time increased from 40 to 41 minutes and SABC2's rose from 46 to 47 minutes for the period June 17-23. SABC3 levels were unchanged at 17 minutes.

The ratings indicated strong support for Afrikaans language programmes. Among Nguni- and Sotho-speaking audiences, indigenous language programmes dominated the top 10 programmes, led by the SABC1 drama Ubando Lwami.

Performance of news bulletins varied from channel to channel. There had been a marked viewership improvement of Afrikaans news bulletins with increases among English, Nguni and Sotho viewers.

IBA processing 12 private radio licence applications

Ingrid Salgado

THE Independent Broadcasting Authority has received 12 private radio licence applications for three new frequencies in Cape Town and one new Durban frequency, the broadcast regulator said yesterday.

Applications closed on Tuesday, and applicants' details would be made available only if the IBA had gazetted the applications. One FM and two MW frequencies are up for grabs in Cape Town.

One Durban FM frequency is available. Applications for one Gauteng MW frequency and three Johannesburg FM frequencies close on August 16.

IBA spokesman Amos Vilakazi said the authority had not yet had time to scrutinise the Durban and Cape Town applications. It was still analysing licence bids for six SABC regional radio stations.

The authority expected to have licensed the first batch of applicants by November while public hearings to consider bids for the SABC stations would start in September, at latest.

The authority could not speed up the process, Vilakazi said. The IBA Act required the regulator to wait a month for objections to be received from applicants and another month to respond to objections. The IBA's decision on which applicant to licence would follow public hearings.

Posts, Telecommunications and Broadcasting Minister Jay Naidoo's proposal to speed up licensing by changing the IBA Act had been put on hold, as Parliament was in recess.

Provinces to get a voice in lotteries

Linda Ensor

CAPE TOWN: Provincial governments have been given a significant role in governing the national lottery, in terms of the Lotteries Bill tabled in Parliament yesterday.

The Bill provides for each province to be represented on the National Lotteries Board, while provincial premiers will have to be consulted over the way lottery funds are spent for the RDF. The Bill stipulates that money raised by the lottery will have to be equitably distributed among the provinces.

Sports pools, where punters forecast the result of a sporting event to win a prize, are given the green light by the Bill, opening the way for operators such as Littlewoods to enter the SA market.

The Bill proposes the establishment of a National Lotteries Board made up of a maximum of 19 members, with two representatives from central government, one from each of the provinces, a lawyer, an accountant and not more than four with specialised knowledge of the lottery industry.

The board's functions include awarding a licence to a company to run the lottery, monitoring the way it is run and administering a National Lottery Distribution Trust which will receive the licence fees and funds raised.

The Bill stipulates that a licence will only be awarded to a company that shows "a clear commitment to the advancement, upliftment and economic empowerment of persons or groups or categories of persons disadvantaged by unfair discrimination".

With the concurrence of the relevant minister, the trust fund will distribute the funds raised to the RDF and to support charities, sport, recreation, the arts, culture and the national heritage.

Prescribed percentages of the funds in the trust will be allocated to each of these earmarked recipients, though the Bill does not detail these percentages.

The Bill proposes that bodies receiving lottery funds should be nationally representative and active in all provinces.

Provincial and local interests, including the number of lottery tickets sold in each province, and the population and financial requirements of each province, will have to be taken into account when grants are made.

A condition for the granting of a licence is that no political party or political office bearer has any direct or indirect financial interest in the applicant company. The licence could be granted for a maximum of only five years.

The Bill recommends that small, private and society lotteries be allowed under certain conditions, but that competitions not based on a degree of skill, and newspaper and broadcasting competitions be outlawed where they offer prizes for forecasting a future event or a past event where the result is not generally known.
Casino operators see red over new legislation

Ulundi — A Gambling Act passed by the KwaZulu-Natal legislature in Ulundi has sparked outrage among casino operators in Durban, who claim thousands of employees will lose their jobs.

The act will be fully enforced within about three months, by which time all illegal operators will have to have closed down or face prosecution. During the three-month period, illegal operators will be given 30 days notice to close down.

Casino owners said they would challenge the act in the Constitutional Court. Gaming Association of South Africa treasurer Gary Citron said the act would force the closure of about 500 casinos, leaving about 10,000 people in the province jobless.

In a speech prepared for delivery in the legislature, finance MEC Senzile Mchunu conceded the act would result in job losses, but added he was confident more jobs would be created after the industry had been legalised.

In terms of the act, licences would be granted for five major casinos. Other licences, such as for bingo, site and route operators, could also be applied for.

The act proposed illegal operators be given up to 10 years in prison without the option of a fine of a R2-million fine, or both, for contravening the act.

Citron condemned the penalties, arguing that murderers and rapists faced far more lenient sentences. Businessmen who created jobs would be penalised.

Mchunu conceded the penalties were "deliberately severe because of our desire to attract blue-chip operators and also because of the overriding need to be conscious of maintaining the industry's integrity and our responsibility to protect society," he said.

He said the act would ensure the gambling industry was strictly regulated which would secure gaming revenues for the province, aid development, job creation and the advancement of previously disadvantaged communities.

"Casino owner" Ish Maharaj said he would have to dismiss 50 employees if he was forced to close his casino in central Durban.

The gaming board, which had yet to be established, would consider applications for five casino licences, as well as where gaming venues would be sited, Mchunu said.

Citron said the Gaming Association would take the matter to the Constitutional Court if the Gambling Act did not cater for smaller businessmen. "Sapa"
Gaming tax scares off hotel group

BY JEREMY WOODS

HIGH gaming taxes in the Western Cape have led Southern Sun and its black partnership company, Tsogo Sun, to withdraw their support for key elements of the R2.4-billion Century City development.

Tsogo Sun has paid R20-million for land in the development, which lies alongside the N1 north of Cape Town.

Their intention was to jointly develop the tourism part of the project — one of the biggest tourism infrastructure spends planned for the Cape — jointly with the developers of Century City.

The plan was to include hotels, an international theme park, a world-class theatre and a “showplex” for major rock concerts.

But these vital tourism facilities, which would have created hundreds of jobs and generated millions of rands in foreign exchange, will now not be provided by Tsogo Sun.

It blames high taxes, pegged at 26 percent by the Western Cape provincial government, for its pull-out.

"The casino initiative was an ideal opportunity for Cape Town to benefit from some cross-subsidising with that money going into tourism projects like a new conference centre, which the city badly needs in the quiet winter months," said Ross Stringfellow, the managing director of Southern Sun.

"These opportunities have now been lost to Cape Town, so far as we are concerned, and our whole plan has been put in jeopardy. If you only have to pay 18 percent in other provinces, why bid in a province where you have to pay 26 percent?"

Stringfellow said his group was seriously debating whether they would now bid.

"It's Cape Town's loss. A great opportunity to develop the city's tourism infrastructure has passed by," he said.

The rest of Century City will go ahead as planned.

Martin Wragge, the chief executive responsible for the development, said the threatened venture with Tsogo Sun did not affect other projects.
Cabinet adopts 5 bills aimed at transforming culture

By Joval Rantao

The process of transforming arts and culture in South Africa has been taken a step further by the Cabinet with the adoption of five pieces of legislation.

The National Arts Council Bill, the National Advisory Council on Innovation Bill, the National Lexicography Units Bill, the Legal Deposit Bill, and the National Film and Video Foundation Bill have been approved.

"This is a process to speed up delivery to the people of South Africa. This new legislation will ensure that equity and access are addressed and put into operation in a concrete fashion. It also signifies the Government's commitment to these sectors," said Arts, Culture, Science and Technology Minister Dr Ben Ngubane.

In their respective fields, the bills either significantly transform an existing act, or address and create legislation in areas that have previously been neglected.

The National Arts Council Bill will establish a statutory body which will be responsible for the development and promotion of the full range of South African art forms, as well as developing its support services.

It encourages arms-length funding, thereby ensuring independence but also encouraging accountability.

The National Advisory Council on Innovation Bill provides for the constitution of a body which would advise the Government on the role of innovation, science and technology, while also focusing on commercialising these sectors for the practical benefit of the country.

The National Lexicography Units Bill provides for the establishment and management of monolingual dictionaries for all official languages. The documentation of indigenous languages would be guaranteed.

The Legal Deposit Bill provides for the deposit of books and other media (for instance audiovisual and electronic publications) published or produced in South Africa, as well as those produced abroad and intended for distribution nationally. It aims to ensure the preservation of South Africa's intellectual heritage.

The National Film and Video Foundation Bill provides for the establishment of a representative 14-member council which will finance, collect research information and map out development and education with the view to promoting film.

The bill will also incorporate the establishment of a film and video initiative and a film development fund.

This piece of legislation represents the ministry's ongoing efforts to transform this sector.
Arts councils face final curtain over cash crisis

Tim Cohen

SA’s four performing arts councils would face their final curtain call unless they were able to transform themselves into profitable institutions, legislation approved by the Cabinet yesterday indicated.

Arts and Culture Minister Ben Ngubane said the National Arts Council Bill had been approved. It gave the four old councils three years to adjust to drastically decreased state funding.

Past Napac, Canab and Pacov currently receive 46% of government’s arts budget. In the 1995/96 financial year, they will receive R121m, even though they generate only 18% of their income through the box office.

Ngubane has argued that this is untenable, given the need for a more diverse spread of arts funding.

At the end of the three-year period of declining subsidies, government would subsidise only the councils’ core infrastructure. They would have to apply along with other institutions to the proposed national arts council for extra funding.

The National Arts Council Bill would establish a statutory body responsible for the development and promotion of the full range of art forms, as well as developing its support services, in a manner that ensured independence “but encouraged accountability”.

Ngubane announced that the Cabinet had approved four other pieces of legislation intended to ensure equity in the provision for arts and culture.

The Bills and provisions are the National Advisory Council on Innovation Bill (a body to advise on innovation, science and technology); the National Lexicography Units Bill (the establishment of national dictionaries in all official languages); the Legal Deposit Bill (ensuring the deposit of books and information to preserve SA’s intellectual heritage); and the National Film and Video Foundation Bill (a 14-member council to help promote film).
Gambling association challenges Gauteng Act

Deborah Fine

THE Gambling Association of SA has lodged an urgent application in the Rand Supreme Court attacking the enforceability and constitutionality of the Gauteng government's newly legislated Gambling and Betting Act.

The association, which applied to amend its existing notice of motion, submitted that the new Act was not enforceable until the provincial authorities had set up mechanisms for small casino operators to acquire gambling licences. Alternatively, the Act was unconstitutional because it infringed operators' fundamental right to economic freedom.

The association originally lodged court action in June seeking an order to restrain the national safety and security ministry from prosecuting small operators pending a decision by the Constitutional Court on the validity of the 1986 Gambling Act, which prohibited gambling in SA.

Advocate Aaron Mendelow asked the court yesterday to allow the association to amend its notice of motion to include an attack on the Gauteng Gambling and Betting Act of 1998, which prohibited gambling in the province except where a licence had been obtained from provincial authorities. Because the Gauteng government had legislative powers concurrent with those of Parliament, the 1986 Act—in terms of which police continued to shut down small operations—had been superseded by the 1998 Act, he said.

This meant gambling in the province was no longer an offence, but operating a casino without a licence was. Police could thus no longer prosecute operators under the 1965 Act. However, they could also not prosecute small casinos without licences in terms of the 1998 Act because the province had not yet set up machinery for these operators to obtain licences.

Mendelow asked the court for an order declaring both Acts unenforceable, alternatively an order declaring both void because they infringed on rights to economic freedom. An alternative was to refer the question of the acts' validity to the Constitutional Court.

He also asked that the court make an order permitting small casinos to continue operating and restraining police from prosecuting them pending the outcome of the association's application, and the setting up of mechanisms whereby they could obtain licences or alternatively pending a decision by the Constitutional Court.

The association's application for the amendment was opposed by the safety and security ministry on the grounds that the association was seeking to introduce fresh relief which had not been made out in its founding papers.

Judge Basill Wunach will decide today whether to accept the amendment and allow the association to continue with the amended application.
Sun International likely to monopolise casino stakes

By Ann Crofty

Neispruit - Sun International South Africa could be the only local operator allowed to operate a casino in South Africa for the first five years of the new legislative regime, industry sources said yesterday.

This follows the news that the first legal gambling licences will be announced by the Mpopamulanga government in March next year.

The Mpopamulanga Gambling Board (MGB) last night issued a request for proposals for the development of casino operations in the province.

This began a process that will include the submission of proposals, the hearing of objections to those proposals and the complete detailed investigation of the preferred finalist.

Industry sources said the most controversial aspect of the MGB regulations was that it was "a prerequisite for the operators to have been licensed for at least five years in other comparable gaming jurisdictions."

This means that Sun International South Africa (SISA) is the only South African company able to apply to operate a casino in Mpopamulanga.

"Given the likelihood that other provinces will follow the Mpopamulanga lead, it is possible that SISA will be the only local operator allowed to operate a casino in South Africa for the first five years of the new legislative regime," industry sources said yesterday.

Andre Wilsema, MGB's chief executive, said it was important to have experienced operators in the industry. "There is no way we could have granted a licence to someone with no experience. This highly sophisticated industry requires proper and efficient management," he said.

Wilsema pointed out that most of the potential applicants were talking to international operators. "It is possible to obtain the necessary experience through a management contract," he said.

MGB has four casino licenses to allocate and it has divided the province into four zones, each of which will receive a license. The four zones are northern highveld, southern highveld, lowveld and the escarpment.

The northern highveld and the lowveld are expected to receive proposals for the most ambitious operations. Sources estimate the larger proposals could involve initial investment of as much as R350 million.
Govt rejects gambling association argument

Deborah Fine

The Gauteng government and the safety and security ministry yesterday rejected argument by the Gambling Association of SA that a “vacuum” in existing gambling legislation meant that small casino operators were no longer prohibited by law from operating in the province.

The Rand Supreme Court yesterday granted the association leave to amend its original notice of motion to include submissions that the 1965 Gambling Act — which prohibited gambling in SA and authorised police to shut down small casinos — had been superseded by the Gauteng Gambling and Betting Act of 1995, which allowed gambling in the province under licence.

But police could also not prosecute small casinos for not having licences in terms of the new Act because the province had not yet set up machinery whereby these operations could obtain the necessary licences.

The association has asked the court to declare both Acts unenforceable or alternatively void because they infringed on individual rights to freely engage in economic activity. Adv Pierre Rossouw, appearing for the State, submitted that according to principles set out in the Constitution, the 1965 Act would remain enforceable until it was either struck down by the Constitutional Court or was repealed by Parliament or by the Gauteng legislature.

Moreover, ruling in the association’s favour would create a “chaotic, free-for-all situation” in which “any person could open a casino anywhere without any restriction or control”, he said.

Rossouw also submitted that the right to economic freedom was not an absolute right, but rather was heavily constrained by society’s framework. As such, the pickpocket’s freedom to pursue his livelihood was thus limited by his victim’s rights to property.

Society demanded the regulation of the gambling industry to avoid the negative social consequences that could be associated with an unregulated industry, and the court had to weigh up the interests of the association’s members against society’s interests and the greater good.

The association’s counsel, Adv Ayaan Mendelow QC, argued that gambling had never been unlawful in terms of the common law but, had been prohibited only by the 1965 statute in response to “social mores 30 years ago”.

Because social attitudes towards gambling had changed — the gambling industry had even been given a “national blessing” by government — the reason for the promulgation of the 1965 Act had fallen away, rendering the Act a relic of the “days of the dinosaurs and Jurassic Park”.

Argument continues today.
Mpumalanga to issue first licences

NELSPRUIT — Mpumalanga would issue the first casino licences in SA’s history in March next year, offering potential casino owners the option of an exclusive licence for 10 years, the province’s Gaming Board chairman Keith Kunene announced yesterday.

Four licences would be issued, and the board expected 15 to 20 applications from local and international operators.

The value of casino developments was expected to range between R150m to R350m.

The board also received proposals for developments valued at about R500m.

Kunene said successful applicants would be granted temporary licences allowing them to start operating immediately to raise cash to finance projects.

Applicants would also have the option to pay for an exclusivity fee in a secret bidding process. The option would secure guarantees from the board not to grant new licences for 10 years in any of the four regions where casinos would be located.

Board CEO André Wilsenach said the exclusivity fee would reflect the value the individual operator placed on the licence.
BRITTE MARANDA

GOVERNMENT Must unite a fragmented art community

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BUSINESS DAILY of July
Sun keeps its place in the sun

Justin Pearce

African Sun International is likely to end up with the lion's share of South African gambling licences despite being forced to cut back operations in some provinces. Southern Sun, a company once closely associated with Sun International, is also expected to be a major player, and a third operator is headed by a former Sun International executive.

Sun International is to remain in the gaming game as part of a consortium called African Sun International, which also includes Thebe Investments, Khulani Holdings, Real Africa Holdings, Vela International and the Women's Investment Portfolio.

According to a prediction in the latest edition of The RDP Quarterly Report, African Sun International will secure 10 or 10 of the 40 licences to be allocated nationally in terms of the National Gambling Bill, recently passed by Parliament.

A further 10 licences are likely to go to Tsogo Sun, a group which is owned in equal measure by Southern Sun and The Gaming Consortium. The Gaming Consortium includes black business groups Nafoc and Fabcos, the National Council of Trade Unions, the South African Clothing and Textile Workers' Union, and a community trust.

The consortiums have been formed in line with the Act's requirement that gambling operations not be dominated by white-owned corporations.

Another major bidder is Global Resorts, founded by Ernie Joubert who was formerly Sun International's marketing director, with the backing of Rand Merchant Bank. Global resorts is expected to pick up about five licences.

Vienna-based Casinos Austria, which operates casinos in 15 countries, is next month to launch a consortium called Casino 5A Consortium which could receive eight licences. Local partners in the consortium include businessman Reuel Khoza, chairman of Co-ordinated Network Investments and Innovative Resorts, and merchant bank FirstCorp.

Hendrik Brand, Sun International's legal affairs director, said the company was satisfied with the provisions of the Bill.

While the bill does not permit any operator to run more than two casinos in any one province, this has been stretched to three in the case of Sun International. In the Eastern Cape and North West, where most of Sun International's casinos survive from homeland days, the company has until May 1999 to trim its operations to the prescribed number. The Eastern Cape and North West have each been granted five licences in terms of the national plan, while Sun International currently operates seven casinos in each province. There are no legislative requirements on how quickly the group gets rid of its licences, provided it has fallen into line with the law by 1999.

Brand said the company would pay attention to "empowerment opportunities" in disposing of its licences, with a view to bringing in new investors and ensuring jobs would not be lost.

The loss of the casinos in those two provinces would leave Sun International with fewer than 16 casinos nationwide, 16 being the limit prescribed by the Bill. This would allow the company to start casinos in other provinces, Brand said. Sun International is already looking at opportunities in the Western Cape and KwaZulu-Natal.

The Bill has been sharply criticised by illegal casino operators, who face immediate closure, while Sun International has until 1999 to close down operations where required.

Brand dismissed these concerns: "The individual entrepreneur cannot be ruled out. They can come on board through the consortia."

Brand added the Bill's provision for premises which could operate a limited number of gambling machines was an ideal opportunity for small investors.
Citi's a sure bet for casino profits

The South Africa's most popular casino, Citi's, has announced plans to expand its operations to the city of Johannesburg. The expansion will include a new hotel and entertainment complex, which is expected to create thousands of new jobs.

The project is expected to cost over R1 billion and is set to be completed in 2024. Citi's CEO, Mr. John Smith, said the expansion was necessary to keep up with the growing demand for casino and entertainment options in the city.

"We have seen a significant increase in visitation to our casino over the past few years," said Mr. Smith. "We believe that this expansion will help us to continue to meet the needs of our customers and to provide them with a world-class experience.

The new hotel will include 300 rooms and suites, a state-of-the-art fitness center, and a range of dining options. The entertainment complex will feature a new nightclub, a rooftop pool area, and a range of bars and lounges.

Local operators are confident that Citi's expansion will provide a boost to the local economy. "This is great news for Johannesburg," said Mr. Peter Green, CEO of the local tourism board. "It will not only create jobs but also bring in new visitors and help to boost our economy."

The expansion is expected to create over 2,500 new jobs during the construction phase and over 1,500 permanent jobs once the expansion is complete.

Mr. Smith assured customers that the casino will continue to operate as usual during the construction phase. "We understand the importance of Citi's to the community and we will do everything we can to ensure that our customers are not inconvenienced during this time."

The expansion is expected to further strengthen Citi's position as one of the leading casinos in South Africa and to provide a much-needed boost to the local economy.
Mpumalanga gets on board first

M + G 19-25 7/96

Justin Pearce

Mpumalanga launched its provincial gaming board on Wednesday, putting itself months ahead of other provinces.

The result isMpumalanga expects to issue its first casino licences by March next year, says Andre Wilsenach, the board's chief executive.

Most other provinces are talking of issuing licences in the first half of next year, but are going to have to move fast to catch up with Mpumalanga.

Wilsenach outlined the province's plan which is likely to be the blueprint for how other provinces set about issuing casino licences: from this week the board will invite proposals from prospective investors. Investors are certain to be consortiums which will be able to show experience in the gambling business as well as a measure of black South African investment and a commitment to community development above plain profit. The plan is in line with the national act.

The provincial board will assess the first round of proposals on the basis of financial viability and the experience of the investors. Wilsenach says the province will let the market determine where the province's four casinos are to be sited. To ensure a spread of casinos, around Mpumalanga, the province has been divided into four zones, and one licence will be issued in each.

In addition to large casinos, the national act provides for licences to be issued to smaller operators, for example someone who wants to have a few gaming machines in a bar. Wilsenach is to deal with these licences only after the licensing process for casinos is well underway.

The Constitution puts control over gambling in the hands of the provinces. Central government legislation provides a framework in which the provinces may operate, allocating 40 licences to the various provinces. It is up to each province to pass legislation on how the industry will be regulated within its borders.

The original worthy recommendation of the Wiehahn report on the casino industry that the bulk of these licences be granted to the poorer provinces has given way to hard economics, with wealthy Gauteng getting six licences, more than any other province. The Western and Eastern Cape, KwaZulu-Natal and the North West have five each; the Free State and Mpumalanga four; and the Northern Cape and Northern Province three licences each.

But according to a recent report by researchers at Ernst and Young, casino revenue is still going to be much more thinly spread in the poorer provinces. For instance, the Northern Cape, with three out of 40 casinos, is likely to account for only 1% of South Africa's gambling revenue, while Gauteng with its six casinos will account for 27%.

The regulated environment for gambling in South Africa has been welcomed by foreign investors. Christian Neuberger of Casinos Austria said, "the solid legal framework in South Africa" with its checks against corruption provided confidence for investors which was often lacking in African countries. The need to bring local investors on board was not a deterrent, Neuberger said, since it is normal for foreign investors in the gaming industry to form local partnerships.

He warned though that "the closing down of illegal casinos is a basic requirement" for the success of the legal casino industry. Up to now the police in the various provinces have taken an inconsistent approach to illegal casinos. There are estimated to be 70,000 gaming machines in the "underground economy", concentrated mostly in the large cities. One problem has been the doubtful constitutional status of provisions in the old Gambling and Lotteries Act, which grants sweeping powers of arrest and prosecution against anyone found on premises where gambling is taking place.

In the Witwatersrand Supreme Court this week, the Gaming Association of South Africa, which represents the illegal casino operators, argued the Gauteng casinos should be allowed to continue operating until the passing of provincial gambling laws will give them a chance to go legal.

As the provinces pass their legislation, the war on illegals is likely to become a priority. KwaZulu-Natal's act already provides for a 10-year prison sentence without the option of a fine for an unlicensed casino operator who does not shut up shop after a 30-day warning.
MEC accused of stacking cards in his own favour

SOUTH AFRICA 5
plans

Alleged Transki Bridge Injuries Kerner's Connecticut Casino

WASHINGTON — So far, the new Connecticut Casino plans have been nothing but a disappointment.
Gambling board may face court action

By Ann Crony

The Gambling Board has been granted a licence to operate a casino in the Kwando-Ndiba Belle casino in Zambia.

The board has submitted a proposal to the Kwando-Ndiba government for the establishment of a casino in the province. The proposal includes the construction of a new casino and the creation of new jobs.

The Kwando-Ndiba government has given its approval for the project, subject to certain conditions. The conditions include the payment of a fee for the use of the casino premises and the allocation of a percentage of the casino's profits to the government.

The board has also been granted a licence to operate the casino. The licence includes the right to operate the casino under the terms of the National Gambling Act.

The board will be responsible for the operation and management of the casino. The board will be required to submit regular reports to the government and to comply with all applicable regulations.

The board is expected to begin operations in the near future. The Kwando-Ndiba government hopes that the casino will be a significant source of revenue for the province and will help to boost the local economy.