SERVICE SECTOR - ENTERTAINMENT - GENERAL

1998
All eyes in SA's gaming industry are trained on the Gauteng Gambling and Betting Board after the recently announced resignation of board CEO Edouard Jacob-Guillarmod, just weeks before the province's casino licences are due to be awarded.

Industry specialists have widely pointed Gauteng as the most crucial cog in SA's gaming industry, and it has been estimated the province would benefit from 30% of the gambling spend across the country. The process of awarding casinos in the Gauteng would be used as a benchmark for the industry.

With the stakes so high for the 22 casino bidders in Gauteng, anxiety over any perceived or actual disruption in the process was inevitable, and the resignation of Jacob-Guillarmod at this stage raised a number of questions, one analyst said.

Jacob-Guillarmod and the board yesterday confirmed the resignation was due to an "incompatibility of management styles".

In terms of gaming legislation, the CEO is not a member of the board, has no say in policy decision-making and has no voting right on the awarding of casino licences.

However, the resignation has caused concern among bidders and investors about the nature of the "incompatibility". Bidders speculated that there may have been a difference over the primary criteria of assessing the bids — whether black empowerment should outweigh the merit of a bid.

The gaming board gave assurances that its processes would in no way be "disrupted or compromised" by the resignation. It was on track to announce the casino licences late this month or early next month. The board was also in talks with Jacob-Guillarmod about employing him as a consultant.
N: Your place is given.
M: Under what condition?

The undercover investigation that N: Oliver, and the book reading.
N: How much does he want for
M: (The undercover investigation)
N: He has said it is 50,000 dollars.
M: And what are you going to
N: (The undercover investigation)
N: Oliver, so when can I (The undercover investigation)
N: This afternoon.
M: Well, I (The undercover investigation)
N: Oliver, I'll be there.
M: He won't change his working conditions.
N: Oliver has a job, but
M: I don't know if he's going to the

M: Do you think that's true?
N: I can't tell you if the situation
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INVESTIGATOR GETS DEATH THREAT

IFP probes MP’s role in gambling deal bid

HEMANTHKUMAR NEERAHOO may also be investigated at parliamentary level if a complaint is received that he has failed to declare his interests. KARIN SCHIMKE reports.

THE Inkatha Freedom Party is investigating a member of the party who tried to broker a deal in the illegal gambling trade.

And private investigator Mr. Anthony Hall, who tipped off the Cape Times about a member of Parliament Mr. Hemanthkumar, "lively" Neerahoo’s willingness to negotiate a deal, has received a death threat since the report appeared on Friday.

Neerahoo, of Maritzburg, is a member of the ad hoc gambling and lotteries legislation committee.

He arranged for Hall, who claimed to be an illegal gambling operator, to contact a seller of illegal gambling machines. Their negotiations were recorded on tape.

"My party is investigating the facts and allegations contained in the article," IFP leader Chief Mangosuthu Buthelezi said at the weekend. "From a legal viewpoint it seems that the activities reported... might not necessarily be of any illegal nature. However, if accurate, the report would nevertheless raise questions of impropriety.

"I want to assure the public that once all the facts have been properly investigated, adequate action will be taken if there has been any impropriety or illegality."

The Cape Times report, carried after a five-day investigation, described Neerahoo’s role as a go-between for a man who was engaged to sell 10 illegal gambling machines at R4 500 each and sell machine tokens, and Hall.

As a result of the investigation, 34 illegal gambling machines were seized by police and the Western Cape Gambling and Racing Board.

The gambling act is specific: politicians may not become involved in matters pertaining to gambling, Mr. Luwellyn Landers, chairman of the parliamentary ad hoc committee on gambling and lotteries legislation, said yesterday. "This was stressed from time to time in the committee. The reason was that any MP involved in gambling was "lending himself to corruption".

The committee could merely pronounce itself on the matter, but could not act against Neerahoo, Landers said.

However, Minister of Water Affairs Mr. Kader Asmal, who is in charge of the register of MPs’ interests, said yesterday that if he received a complaint about Neerahoo he would ensure it was investigated.

"The register of members’ interests must show whether a member is a consultant and declare where the member is a director and other such interests," Asmal said.

It seems in this case the man worked as a consultant, also known as a ’fixer’ and if we have a complaint that this is not recorded in the members’ register we will certainly investigate. There have been complaints so far that he has violated register interests. The matter is up to (Neerahoo’s) party to investigate.

What drives a person to expose himself to danger by uncovering corruption in high places?

Hall, a policeman turned private investigator, has been asked several times in the past week if his objective is money or if he is merely using the media because he has an axe to grind.

"If I have an axe to grind, it’s with corruption," he said. "Shady characters shouldn’t be in a position of trust."

Hall has left Cape Town since the Cape Times carried its report. He said he had received five threatening phone calls.

"Four of them were abusive, calling me all kinds of names. But one man said: ‘For what you have done, you are dead.’"

Hall did not recognise the voices of the caller. He said a former girlfriend, who had been introduced to Neerahoo last year, had also received threatening calls.

He was prepared to testify before a parliamentary or judicial inquiry about his dealings with Neerahoo, Hall said.

Senior Superintendent Simon Mpembe, head of crime prevention in Cape Town’s West Metropole, said he would try to protect Hall from harm if he could.

"I have been in this field for more than 14 years and every time (Hall) has given us information it has been correct," he said. "He is hitting out at corruption and that is where people must support him. What he does is in the interests of the community."

Repeated attempts were made to reach Neerahoo for comment yesterday, without success.
Gaming board ‘will be operational next month’

Janet Parker

THE national gaming board will be constituted and start operating next month after a lengthy process which began with the publication of the National Gambling Act last year.

Ajay Sooklal, trade and industry’s director for gambling, lotteries and liquor, said yesterday the board had been constituted and would be announced in the first half of next month.

Although the gaming industry had reacted with a sense of relief to the news, some players have questioned how effective the national board will be, given its delayed creation. The industry had hoped the board would become operational in January last year.

Sooklal said that once operational, the board’s first priority would be to investigate route and site licence applications. Other initial priorities would be to liaise with similar foreign bodies to advise Trade and Industry Minister Alec Erwin on international developments in the gaming industry.

The new board would also study the regional economic, financial, social and moral interest flowing from the new gaming dispensation, and determine the national norms and standards of gaming in SA.

Sooklal said it was expected that a healthy relationship would exist between the national and provincial boards. Of the 17-member national board, nine positions were reserved for one representative from each provincial gaming board. The board would also consist of one representative each from the trade and industry, finance, safety and security, and environmental affairs and tourism departments.

One industry analyst, however, said the relationship between the national and provincial boards could prove problematic. “There is already a very strong provincial competency. If the national board makes determinations which conflict with a province’s vision, it could be a recipe for conflict.”

For instance, if the national board was to restrict route and site licenses too stringently, it could prove a hindrance to KwaZulu-Natal and Gauteng. Both provinces were planning large site gaming operations as the size and proliferation of illegal gaming in the two provinces had already indicated a demand for large site operations.

Another industry player said one of the most critical issues which needed to be dealt with at a national level was “problem” or compulsive gambling, for which no structures were in place yet.

However, other gaming purists said the national board would start operating just when smaller provinces needed guidance most.

Sooklal said that as stipulated in the act, the national board’s function included advising and offering guidelines on the control and activities of provincial boards and gaming operators. Provincial boards, however, did not have the authority to overstep the gaming act.
Galaxy franchises bingo in SA

Janet Parker

INTERNATIONAL business Galaxy Bingo, which has applied for six bingo licences in Gauteng, has introduced the concept of franchising bingo operations to local gaming entrepreneurs.

The bingo company's first franchise partner is the Gauteng Horse Racing Industry, which has joined Galaxy Bingo in two bids for licences, one each at Turffontein and Newmarket.

Galaxy Bingo MD Steve McCain said projected profit for a 700-seater bingo centre operating 16 hours a day, seven days a week, would be R10m in the first year of operation.

Profit ratios would vary in different provinces, but the average would be 70% prize payouts to 30% gross revenue, out of which corporate and gaming taxes, and value added tax would be paid.

An entrepreneur's R7m investment could translate to a turnover of R70m in the first year, he said.

The bingo company has planned two 850-seater luxury complexes near the existing Turffontein and Newmarket racetrack sites. Each development would be worth R20m.

The group has also applied for two other R20m pilot operations, and two 100-seater mini-metro bingo centres at developmental costs of R1.2m, all of which are to be franchised.

One of the franchise requirements would be to contribute to the Galaxy Bingo Community Trust. About R5.5m from each Galaxy bingo centre during the next 10 years would contribute towards economic empowerment and development in surrounding communities, McCain said.

A trust would be appointed to each province to select and approve community projects. The Gauteng Trust is headed by Walter Mokoape, Soweto Chamber of Commerce and Industry president, and patron of Twilight Street Children.

McCain estimates the bingo capacity in SA could support 2-million players and 300 bingo centres. In the UK, there were 3-million bingo players a week with revenues topping R12bn annually, R2bn of which accrued to government in taxes.

Galaxy Bingo's manufacturing company, Bingo Vision, has been licensed to manufacture equipment and consumables in Mpumalanga.
Gauteng racing clubs merge assets to form one gaming and leisure club

Gauteng MEC for Economic Affairs Jabu Moleketi, who were previously excluded.

"It is important to introduce an element of integrity in the industry whose history in other countries has not been honourable," he said.

Phumelela chairman Lumka said the second stage of transformation would involve setting up of operational structures and the final selection of black economic empowerment groups and strategic equity partners.

Talks are at an advanced stage to include the Vaal Club, Bloemfontein and Newmarket. The Eastern Cape and Western Cape have also expressed interest in joining the new company.

A total of 49 black empowerment consortiums registered their interest for a 22.5% stake in Phumelela last August and will be shortlisted to 19 before the end of the month.

The Strategic Equity Partner will be invited at the end of January, said Lumka.

Lumka said the new company will list before the end of the year.

Once the whole process of centralisation has been completed Phumelela shareholding will be as follows: 30 percent for the Racing Trust, black economic empowerment groups 22.5 percent, strategic investors 20 percent, general public 15 percent, racing public 10 percent and 2.5 percent for the employee share scheme.
Phumelela takes reins of horse-racing sector

Lucia Mutikani and David Moleleki

GAUTENG's horse-racing industry has been merged into a single corporate structure following the launch of Phumelela Gaming and Leisure company to manage the multimillion-rand assets of the former racing clubs.

Turfستان Racing Club, Gosforth Park Turf Club and Newmarket Turf Club transferred their assets to the company at a ceremony yesterday attended by Gauteng finance MEC Jabu Moleketi, Phumelela board of directors and representatives of the Racing Association.

Acting chairman Stewart Lumka said the company would be listed on the Johannesburg Stock Exchange in the second quarter of this year. The value of the new company's assets was still to be established. However, Gosforth Park alone is believed to be worth about R12m.

The shareholding of Phumelela will consist of 30% for the Racing Trust, 22.5% for black consortiums, 20% for the strategic investors and management, 15% for the general public, 10% for the racing public and 1.5% for the employees' share scheme.

Moleketi, who spearheaded the merger, said the provincial government would reduce the high taxation levels for the horse-racing industry. It is believed taxation levels will be slashed from the current 9% to 5% of turnover, with the levy from bookmakers increasing from 0.5% off course to 3% and from 2.5% on course to 3%.

The punters' tax burden has been the biggest gripe among the sport's enthusiasts. But before punters, who are paying 25% on exotic bets such as the Pick 6 and jackpot, can celebrate, it is expected to be several months before any tax deduction is announced.

Moleketi said the provincial government would make an announcement in five weeks on the casino licences for the province. The horse-racing industry was expected to have tough competition from casinos, likely to start operating by the third quarter of this year.

Racing Association chairman Kim Latilla said the granting of gaming licences to the industry was crucial for its and Phumelela's survival. Phumelela has submitted applications for gaming licences.

The Racing Association and Phumelela have signed an agreement stipulating, among other things, that members of the association will continue to have preferential access to the members' owners' and training facilities at the racing venues; the association will play a key role in respect of fixtures, programming and allocation of stakes; and racing venues will be maintained to acceptable standards.

The interim board has been appointed as Phumelela's first board of directors.

The members are Lumka, Peter Jaeger, Peter Malangeni, Brian Mehli, George Negota and Derrick Widd.
Lotteries Act opens doors for growth
Uphill Struggle faces Legislative axe
Company and consumer legislation to be reformed

will be up, and running' next year

Ewen promises national lottery is

(23)
ed for casinos

McKenzie hints that most bidder

ers for metropole gambling sites may lose out

YVETTE VAN BREDA

The Western Cape has moved a step closer to getting five multimillion-rand casinos.

Ten high-powered bidders, who lodged their applications by Wednesday’s closing date, are now to have their financial affairs investigated.

It is expected the first of the successful applicants will be announced around June.

The MEC for Local Government and Gambling, Patrick McKenzie, said the board would not put “all its eggs in one basket” and most of the five metropolitan applicants will probably be disappointed.

They are Akani Fairest Cape, Culemborg Metropole Casino, Grandwest Casino and Entertainment World, Stocks Hotels & Resorts Cape and Tsogo Sun W Cape.

McKenzie said he was pleased with the process and credited the province’s hard line in closing down illegal casinos and gambling dens.

It was essential to begin with “a clean slate” to reduce the risk of corruption.

The Western Cape Gambling Board would go to great lengths to verify the applicants’ credibility, McKenzie said.

The venues would be announced over several months.

Five of the 10 applicants’ proposed venues are prime properties. Akani Fairest Cape has chosen a prime site on the Foreshore.

The old railway yard at Culemborg, also on the Foreshore, has been cited by Culemborg Metropole Casino.

Win tickets to Game Fair

THE Sunday Times Cape Metro is giving away 25 double tickets to the Cape Game Fair in Durbanville on February 20 and March 4.

To win a set of double tickets, simply answer this question: On which farm is the Cape Game Fair being held?

The answer can be found in this issue of the Cape Metro. Send your answer on a postcard to:

Sunday Times Cape Metro
Cape Game Fair Competition
PO Box 2447
CAPE TOWN
8000

The competition will close on Tuesday, February 14.
10 firms get big chance

By Shadrack Mashalaba

PHUMELELA Gaming and Leisure, the new company which controls horse-racing in Gauteng, took a step forward when it announced the names of 10 Black economic empowerment groups yesterday.

The ten selected companies will be invited to own 22.5 percent of the soon-to-be-listed company.


The companies were shortlisted from a total of 49 organisations. It is not clear at this stage how the process of selection was undertaken and how much each group will own in equity.

Phumelela – which means to succeed – was officially launched on January 22 by Gauteng MEC for finance and economic affairs Jabu Moleketi. It took on a new corporate identity and appointed a six-member board chaired by Stewart Lunka.

In a statement, Lunka said the board was faced with the invidious task of narrowing 49 quality applications down to a final 10.

"We were obviously delighted with the considerable interest shown. The applicants were all top class and broadly representative in national demographic and gender terms. There were very few applicants who were not suitable," Lunka said.

Once the process of transforming Phumelela Gaming and Leisure is completed the company’s shareholding will be as follows: 30 percent for The Racing Trust, strategic investors 20 percent, general public 15 percent, racing public 10 percent and 2.5 percent for the employee share scheme.

Phumelela previously comprised Turfonein Racing Club, Gosforth Park Turf Club, Newmarket Turf Club, Totalisator Agency Board and companies under Highveld Racing Authority.
Casino licences to be announced today

The Gauteng Gambling and Betting Board will end months of speculation and intense lobbying when it announces the award of up to six casino licences in the province tonight.

"The Johannesburg Stock Exchange's leisure stocks were abuzz yesterday in anticipation of the announcement, which will give the successful bidders a slice of an industry estimated to be worth at least R1.5-billion in annual revenues."

"All the stocks associated with the licensing were moving up or down because players were really speculating about who is going to win or who is going to lose," an analyst said.

The board has already made its recommendations on the award of licences to the Gauteng executive, which is expected to rubber stamp them at 2pm today. The public announcement will be made at the Turffontein race course at 6.30pm, Gauteng Finance MEC Jaba Moleketi said yesterday.

Moleketi refused to be drawn on the number of licences to be awarded, or the identities of the licensees. In terms of national gambling legislation, the province may award a maximum of six casino licences, but there has been speculation that it may limit the number to four or five.

Moleketi said the board's recommendations were made according to the criteria set out in the Gauteng Gambling and Betting Act, including the impact on tourism, empowerment, job creation, equity participation by disadvantaged groups, benefits to local communities, management expertise and project viability.

Public hearings were held in November to test how the applicants measured up against those criteria. Objections, including those from churches and community groups concerned about the social effects of gambling, have also been considered, Moleketi said.

The first legal casinos in Gauteng are likely to be open for business by June, although these will be only temporary facilities, industry sources said. Construction of permanent casino, hotel and retail facilities of the sort proposed by licence bidders may take years to construct.

Construction of permanent casino facilities could also be delayed in the event of legal challenges by applicants who lost out.

The 23 applicants have proposed projects ranging in size from R360-million to R2.5-billion, situated in Johannesburg, Pretoria, the East Rand and on the Vaal River.
Moribo positions itself for licence to run SA’s first national lottery

By Shadrack Mashalaba

WITH the countdown to the establishment of the first National Lottery in South Africa already under way, Games Africa – a division of Moribo Leisure – is optimistic about its chances of securing the rights to manage the venture.

Speaking to Sowetan Business, Games Africa managing director Modise Makhene said they were looking at investing more than R100 million into the project.

"With our capable management, composed of local and international talent, I am sure we will emerge successful," said Makhene. "We will soon be going to the market to recruit more managers to beef up our team."

Born in Johannesburg, Makhene spent most of his life in the former Bophuthatswana in North West.

In 1985 he left South Africa to do a bachelor’s degree and later an MBA in the United States.

While in the US, he worked for Coca-Cola in Atlanta, Georgia. Makhene came back to South Africa in 1991 and worked for Tastie.

In January 1996 he joined Moribo, working in their marketing division, and was recently appointed to his current position.

He said the company was also looking at signing a partnership agreement with an international company, details of which would be released soon.

Games Africa is wholly owned by Moribo Leisure. Moribo also has a 40 percent stake in Basic Africa (Kappa), a 100 percent in share MM Williams, 65 percent in Lotec and 45 percent in Gitam-BBDO.

Makhene said he was preparing his company to be ready for the Government’s mid-March deadline when interested companies will be invited to a bidders’ conference.

Licence applications should be submitted to the Trade and Industry Minister by the end of May.

In July the shortlisted bidders will make presentations. This will be followed by site visits in August.

Makhene said there were compelling reasons for the establishment of a lottery in South Africa.

"The revenue generated by the initiative will help alleviate Government resources by contributing to good causes," he said.

"We have been ready for the last five years. The infrastructure is already in place and we intend to beef it up to complement the existing one."

"With the process of issuing casino licences also unfolding, the leisure and gaming industry is set for exciting competition," he said.

Makhene said his company would outsource some of its operations to local small businesses "whenever we can" with the intention of empowering them.

The decision by the minister and notification of the successful applicant is expected in September, which will be followed by the issuing of a licence to the successful applicant in October.

The National Lottery is expected to start operations between March and April next year.
Four casino licences for Gauteng

By Shadrack Mashalaba

THE gaming industry in the province entered a new era last night when the Gauteng Gambling and Betting Board (GGBB) announced four successful casino applicants.

The four successful consortiums, together with their proposed investments and locations, are: Tuong Sui (R1 billion at Fourways), Africasia (R870 million at Brakpan), Bafokeng (R650 million at Vaal River) and Global Resorts (R1 billion at the World Trade Centre).

GGBB chairman Mr Vincent Maleka said the board had in the past been put under pressure by the media to make official the "earth-shattering announcement".

"We have finalised the process and the announcement of the four consortiums after intense deliberations. We hope to achieve concurrence on the other two outstanding licences," said Maleka.

Gauteng is by law entitled to six casino licences. The two other licences are expected to be announced within a month.

A total of 23 consortiums submitted applications last year in a process which began in March last year.

Speaking to Sowetan after the announcements, Gauteng MEC for finance and economic affairs Mr Jabu Moleketsi said 66 percent of the work had been done and the province would now engage in intense debate on the awarding of the two outstanding licences.

Moleketsi dismissed rumours that some of the representatives from the bidding consortiums had been bragging about the announcement about being successful. "I personally have not heard of any person bragging," he said.
Board had to consider strict criteria before awarding casino licenses.

Dice fall favourably for some...
Johannesburg, Soweto bidders still confident they’ll get a gambling licence

By Lee-Anne Alphonse

While the battle raged, they fought a good fight. But when the chips were down, the bidders for casino licences in Johannesburg’s CBD and in Soweto, south of the city, were completely united in their disbelief.

For them and the proponents of Johannesburg’s revitalisation, the awarding of a casino licence was considered central to restoring the city as the economic hub of South Africa.

“We are obviously happy that the board has exercised its discretion. What is remarkable though is that the licence was not granted for the inner city,” said Sandile Zungu, chairman of the City Urban Renewal Enterprises (Cure) which had proposed building a R1.3 billion “City of Gold” near the Queen Elizabeth Bridge.

Zungu said Johannesburg’s inner city was the most deprived area of Gauteng and that the city needed a casino licence to “reverse the outward mobility of investors from the CBD.”

But he expressed confidence that one of the remaining two licences still to be awarded would come Johannesburg’s way.

Soweto Investments spokesman Richard Maponya was equally surprised that Soweto had not been awarded a licence, as the township “should have been the first of them.”

He, in turn, was confident that Soweto would get one of the two remaining licences.

Soweto Investments had proposed building a R1.5 billion hotel, entertainment complex and a hall of fame in Valley Road, Orlando.

Greater Johannesburg metro council spokesman Kenny Phila said while they were happy the metro area had been awarded one licence (at Fourways), he wanted to see one closer to the city centre.

He was also positive Johannesburg would be awarded a licence.

Central Johannesburg Partnership executive director Neil Freasier said the city desperately needed the injection a casino could provide.

“The city has got to such a rundown state and desperately needs an injection of some sort,” he said.

A licence “would have been a political demonstration of support for the city,” he added.

In a spin to get venues going by June

By Lee-Anne Alphonse, Taso Motshekga and Chisell Shabula

Gauteng’s first legal casino is expected to be up and running in June, following the award of a gambling licence in the province last night.

Togo Sun, which won a licence to operate a casino in Fourways, north of Johannesburg, should have a temporary casino operating in the Doorn at Northgate by mid-year while Global Resorts should have their temporary casino up and running in about six months, according to their spokesman Modabi Tabata.

The other two successful bidders are also expected to open temporary facilities within the year, industry sources say.

A delighted Togo Sun managing director John Malan said they would use the Doorn as a Northgate while their permanent casino was being built on the corner of Wintoppenny Road and William Nicholl Drive in Fourways.

This would take about 30 months to complete and an estimated 12 000 short and long-term jobs would be created in the process, he said.

Tabata said he did not know how long the permanent casino, to be established at the World Trade Centre in Kempton Park, would take to complete.

Meanwhile, there was a reaction to the announcement of the successful bidders.

Moeses Mokae, Emfuleni Safari Resort representative, said his group was “in the clouds” after being chosen as one of the four successful bidders.

“The significance of this licence lies in the fact that the ordinary people are going to be the beneficiaries,” he said.

He added that the development “meant real black economic empowerment”.

Khehla Mbheka, chairman of the African group, said he was also thrilled about winning the bid.

“We are very excited. We were confident we would pull through because we had done our spadework to meet all the requirements to the letter,” he said.

But Mokae said he was concerned with the board’s decision to award two licences for the East Rand market. “This is such a small market to accommodate two licence holders,” he said.

Unsuccessful bidder Moss Leoka, chairman of the Viking Bay Casino-Hire Co Ltd, said he was satisfied with the way things had gone even though they were unsuccessful.

“Now we can go fully aware that there would have to be losers and winners. It must have been difficult for the board to decide on who should receive the licences because of excellent presentations from all bidders,” he said.
Jackpot for four casino victors

Gambling announcement of Cautine winners follows heated discussions by provincial casino committee
Gauteng awards four of six casino licences

Janet Parker

The Gauteng Gambling and Betting Board has awarded four casino licences — to Afrisun, Emfuleni Safari Resort, Global Resorts and Togo Sun — to Sun International's casino proposals in Fourways.

Board chairman Vincent Maleka said yesterday all six casino licences allocated to the province would be awarded, and the decision on the two outstanding licences would be made within months.

Maleka said the licences were awarded subject to applicants completing an environmental impact study. There would be further conditionality bars for licence holders, some of which would be negotiated, and others not, he said.

 Asked what measures would be in place to ensure transparency, Gauteng finance and economic affairs MEC Jabu Moleketi said the board’s processes were subject to public scrutiny.

Kessel Feinstein principle Gillian Saunders said the most unusual aspect of the decision was to award two licences on the East Rand — to Afrisun and Global Resorts.

Afrisun, led by Sun International SA, has proposed an R870m Carnival City casino and hotel development on the site which houses the Bracken drive-in. Global Resorts, which already has a casino licence in Mpumalanga, has proposed a R1bn complex at the World Trade Centre in Kempton Park, in conjunction with international gaming giant Caesar’s World.

Independent hospitality and leisure specialist Delano Caras said the East Rand was a strong market, and it was likely both developments would do well.

He said it was “regrettable” that all six licences were to be allocated. It would have been more prudent to issue three or four first to test the Gauteng gaming environment.

Global Resorts CE Ernie Joubert said the licence was “a quantum leap forward for Global Resorts”.

Togo Sun, which submitted three applications in the province, was licensed for its Fourways plan, which entails a R1bn Monte Casino project. As part of its bid it pledged to develop a R350m convention centre at Sandton City.

Togo Sun has rented the Northgate Dome for its temporary casino.

Emfuleni Safari Resort, with international partners Semiramis of Malaysia and London Clubs International, has proposed a R850m resort near Vanderbijlpark on the Vaal River.
Billions waged on casino bid

Jobs for 10,000 ride on plans for city centre sites

Project leader Ken Sarginson of HGP Engineering, the Woodbrook Developers, said: "Cape Town has a long history of waterfront development and the development provides a link to the historic Victoria Wharf and the Foreshore, which is an important part of the city's development. The project will provide a much-needed catalyst for development in the city."
Something is wrong with casino licences – Maponya

By Shadrack Mashalaba

SOWETO businessman Richard Maponya expressed disappointment that Soweto was not among the four areas awarded casino licences by Gauteng authorities on Wednesday.

Maponya, who is involved in the Soweto Casinos consortium, said: “It would appear something is wrong with the whole process. We are still entrenching the status quo.”

Maponya said players who were already involved in the industry were favoured, which created a monopoly.

"An opportunity has been missed to involve new players. If the criteria set by the board that the disadvantaged, job creation and the revitalisation of the disadvantaged areas should be considered, then Soweto, without any doubt, deserves to have been the first to be allotted the licence," he said.

Soweto, added Maponya, was depressed and had one of the highest unemployment rates in the country.

"The forum on Wednesday was an ideal opportunity for the board to demonstrate its "commitment" to empowerment, which is preached by the Government," he said.

He said the delay in announcing the two outstanding applicants was not good for the applicants, as a lot of planning was involved in such ventures. "I appeal to the board to speed up the allocation as a matter of urgency," Maponya said.

However, it appears that granting a casino licence to Soweto will not materialise, according to sources close to the Gauteng Gambling and Betting Board.

A source said the names of the four consortiums announced as winners on Wednesday were already known.

The source named the remaining two winners as Ramada Rhino Resort and Akanzi Egoi.

Ramada is a joint venture between Ramada International Hotels, KaiRo Group and Rhino Hotel and Resort, who intend to inject an investment of R376 million into the Kromdraai area, near the Sterkfontein Caves in Krugersdorp.

Akanzi’s complex will be next to Gold Reef City, with an investment of R75 million.
By LEE-ANN ALFRED

and ROBERT BRAND

Licences were awarded to
the Tsogo Sun for a casino in
Fourways; Afrisun for a facility
in Brakpan; Global Resorts for
a casino complex at the World
Trade Centre in Kempton Park;
and Emfundisi (also known as
Toriello Investments) for a
casino near Vanderbijlpark.

The announcement came af-
fter months of deliberation by
the board, which had to recom-
mend six licensees to the Gam-
ing cabinet.

The naming of the last two
was deferred for a month.
Both Finance MEC Jabu
Moleketi and board chairman
Vincent Maleka have refused to
be drawn on the remaining two
licences, saying they will ex-
plain the reasons after the suc-
cessful bids are made known.

Richard Maponya, who
headed Soweto's bid, was still
in the dark yesterday about the
withholding of the two names.

Reports and graphics
South Africans need to be educated about the Bill of Rights so as to own these rights, Patricia de Lille argues in her speech.

And as a nation we need to give life and form to the principles of our Constitution.

23 Jan 1998

Establish harmony

In order to establish the harmony we seek, the array of rights guaranteed in the Bill of Rights must of necessity complement one another.

The right to equality before the law is complemented by the right to protection of human dignity and the right to freedom and security of persons.

The right to freedom of religion, belief and opinion is intrinsically tied to the right of freedom of expression and freedom of association. Inevitably, then, encroachment on any of these rights implies a systemic erosion of a host of other rights.

While some argue for the necessity of a Limitation of Rights Clause to enable some sort of control, others present an equally strong argument against the clause’s capacity to erode existing rights.

No doubt both arguments speak to the propensity for abuse. Yes, we need to prevent abuse, but how will we know when the limitations we set are in themselves abusive?

In the light of our history, our cultural diversity and dynamism, our perpetual atoness and our sensitivity to oppression, what boundaries will South African society establish on freedom of expression?

What will be the place of censorship within a rights-affirming culture? And what will it determine to be the parameters of censorship?

The media is clearly the most obvious user of the right to freedom of expression. It stands at the very heart of our democracy, mediating between the citizenry and the state.

It has certainly been interesting watching the media evolve in the context of the new South Africa as society, the state, corporations and unions trade their rights and freedoms against the all-imposing freedom of expression.

Here the media has conquered the market. The power the media holds, lies in its ability to select and determine the information it puts out. Caught between various contenders for power, the media is taxed with maintaining both its own right and the public’s right.

And it is a tough job indeed. But the public has a right to know, and that means to know everything. Not just one view, but all views and all opinions so that it can really decide for itself.

The media must provide an avenue for every voice, however out of tune, to be heard. Even those who sing out of tune within the golden gates of Parliament need a voice in the media!

Ours is a nation struggling for harmony. To achieve this, we need to be able to read the musical score before us. That means understanding our Constitution and owning the rights and freedoms it offers.

Once we have done this, we need to play them out, to challenge them and to test them so as to entrench them in our lives. By teasing out the different voices, we will create a space for each voice and still sing in harmony.

This is an edited version of a speech by Pan Africanist Congress MP Patricia de Lille at a multimedia launch by the Freedom of Expression Institute and the SABC in Johannesburg last week.)
President's Briefing: A Report of the Arts and Culture Trust of the
Province of the Eastern Cape

President, June 2018

The Arts and Culture Trust of the Province of the Eastern Cape has
been in operation since 2012. It has been a driving force in supporting
and cultivating the arts and culture in the Province. The Trust has
made significant contributions to the development and promotion
of the arts and culture in the Province. It has also been instrumental
in the growth and development of the arts and culture sector in
the Province.

The Trust has supported a wide range of arts and culture initiatives,
such as the annual Eastern Cape Cultural Awards, which recognize
outstanding contributions to the arts and culture in the Province.

The Trust has also played a crucial role in the development of
arts and culture policies in the Province, working closely with
the Department of Social Development, the Department of
Cultural Affairs, and other stakeholders.

The Trust has partnerships with a number of organizations,
including the South African National Cultural Trust, the
National Arts Council of South Africa, and the Eastern Cape
Department of Social Development.

The Trust’s achievements have been recognized at both local
and national levels, and it has received several awards for its
outstanding contributions to the arts and culture in the Province.

The Trust’s future is bright, and it is committed to continuing
its work in supporting and cultivating the arts and culture in
the Province.

Culture is Integral

As the Trust’s inaugural year comes to a close, it is clear
that the Trust has made significant contributions to
the arts and culture sector in the Province. The Trust
has successfully supported a number of initiatives,
including the annual Eastern Cape Cultural
Awards, which recognize outstanding contributions
to the arts and culture in the Province.

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the Province.

The Trust’s future is bright, and it is committed
to continuing its work in supporting and cultivating
the arts and culture in the Province.
Competition puts squeeze on Toyota

Samantha Enslyn

TOUGH competition and an increased market share of low-margin entry-level vehicles put pressure on Toyota SA's attributable income, which dropped 12.8% to R170.9m for the year ended December 31 1997.

Earnings per share fell to 420.2c from 482.4c in 1996, but the final 73c dividend brought the total for the year to 97c from 88c previously. Turnover increased 5.7% to R6.58bn from R6.36bn the year before.

Toyota's vehicle sales last year compared favourably with industry figures released yesterday. It exported 3,800 vehicles to African countries and increased local retail sales to 97,311. Combined - a total of 101,111 units - this figure represented a new record for SA motor vehicle manufacturers, said Toyota.

One analyst said the push to sell 100,000 vehicles must have cost Toyota dearly. "They must have had to cut prices to reach that target."

However, Toyota financial director Peter Robinson said growth in entry-level vehicle sales had been substantial. Entry-level vehicles constituted 12% of Toyota's passenger vehicle sales in 1996 and increased to 32% last year.

According to the National Automobile Manufacturers' Association of SA, Toyota SA cornered 24.6% of the new car sales market last year. Among light, medium and heavy commercial vehicles it held 30.3% of the market.

Toyota Motor Corporation of Japan, which holds a 28.7% share in Toyota SA, assisted with an aggressive marketing campaign and continued to assist with implementing improved efficiency and cost reductions, the effects of which would not be seen immediately, Robinson said.

Toyota SA said discussions with the Japanese parent company to establish consensus on acceptable medium-term objectives for the group regarding factory utilisation, market share, exports, new ventures and financial matters were continuing.

Toyota said profit margins of motor vehicle manufacturers were likely to remain under pressure and it expected there would be further increased demand for entry-level vehicles.

Sales worse than feared: Page 3
New gambling board named

Amanda Vermeulen 00 10 3 48

The trade and industry department has announced the members of the National Gambling Board, following lengthy delays. The new board will be responsible for overseeing SA's fledgling gambling industry and ensuring all the provinces comply with the National Gambling Act.

Board chairman is Chris Pieterse, the former National Party minister who guided SA's new lottery and gambling laws into enactment in 1996. Other board members include provincial gambling board and department of trade and industry officials. Mpumalanga Gambling Board CEO Andre Willemse and Western Cape Gambling Board chairman Derek Auret are both members. SA's gaming industry waited about two years for this national board.
Casino countdown sparks feeding frenzy

GAMBLING LICENCES

Whatever happened in the final hours before the announcement made by the Gauteng Gambling Board to persuade it to make only an abbreviated response to its obligation to issue six casino licences within the province? The few individuals who were party to those goings-on will know exactly what drove the board's decision to announce four and not six lucky winners.

Everybody else is speculating wildly about the motives behind the decision: top of the list is political pressure. This may refer to favours dispensed to the right people or it may refer to the perceived need to locate at least one casino complex in an area that doesn't break up against influence.

This unfortunate final-hour development has created suspicion of a process that until then was impressive. The board's even-handed and informed handling of the presentations made by the 22 applicants last November seemed to astound even some of the applicants.

The board refused the billions of rand at stake that 10 of the 18 unsuccessful applicants are now reasonably convinced they will be awarded one of the two remaining licences — although not so convinced that some of them aren't limbering up for litigation in the event of final failure. Each of these parties has already invested millions of rand in preparing and presenting applications for projects, many of which are valued in excess of R1 billion.

According to the official announcement, the board and the provincial executive have agreed to continue their deliberations and to make an announcement on the remaining two licences within a month. At the same function, Vincent Maleka, the board chairman, had stated his board's decision and the executive council had achieved concurrence on four applications — Tsogo Fourways, Afristim, Emfuleni and Global Resorts.

By extension, industry players assumed the delay on the other two licences derived from the fact that the board and the council, comprising politicians, had not "achieved common organisers" on the two groups that had been recommended by the board.

To their credit, the politicians involved have made no public statements on the issue. Neither has the board. But this has not put a stop to the growing spin of speculation. Indeed, the lack of official comment has probably added to the speed of that spin.

A key aspect of that speculation is that the other two applicants selected by the board were Ramada Rhine Park, for a project in the West Rand, and Akani Egoli, for a project located around the Gold Reef City complex.

The full six apparently represented a package that took into consideration factors such as location, ownership, management and experience. The 10 applicants that reportedly feel they are still in with a chance are four in the north of Gauteng (African and MoAfrica in Midrand, Stocks Hotel and Leisure proposal at Centurion, and Magic Kingdom at City Lake near the Pretoria city centre); four in Johannesburg south and central (Soweto's Soweto Casino); and two in the West Rand area (Ramada Rhine and Silver Star Casino).

The other applicants seem to be out of the running because their proposals relate to sites that are too close to one of the four that has already been granted a licence — two at the Vaal, where Emfuleni has a licence; one in Germiston near Afristim and Global Resorts; and the Rydells, Kamps and Sandton Hilton proposals, which are too close to Tsogo Fourways. Tsogo Sun's other two applications are unlikely because this company has already been granted a licence.

The situation relating to Cure is uncertain. London Clubs, which is set to manage this casino, has already secured the Emfuleni casino at the Vaal.

Cure claims, despite considerable international evidence to the contrary, that its R2.5 billion project will be a major contributor to the revitalisation of the CBD — "it may in fact save the CBD from irreversible breakdown".

The original R2.5 billion proposal included the condition that Cure will be granted in the province and that no licence be granted within a 50km radius of Cure's site. These conditions were apparently changed in private discussions with the board.

Cure will not provide details of the changes and will not say whether it plans to cut back the size of the project given that licences have been allocated within the 50km radius.

The board does need a site in the southern central Johannesburg area. Of the four on offer Akani Egoli seems to present the most acceptable compromise. Apart from location, the project has solid financial backing. However, the Soweto project appears to have political support outside the board and Cabinet.

There is less clarity on the battle for the Midrand/Pretoria area. Much will hinge on whether the Gauteng government has given undertakings to the North West government to protect the Casanos and Marula.

If such a deal was struck, this should have been made public at the start of the process and not jeopardised the board's integrity at this late stage.

And finally the West Rand area, where most comment has been surprise that either Ramada Rhine Resort or Silver Star would be serious contenders for a licence. If the politicians force their selection against the board's informed judgment, it could prove to be a winner primarily for the legal profession.
Lack of insight into value of music centres could cost children dearly

Budget cuts by the Gauteng education department have led to the closure of many music centres, cutting thousands of children off from the opportunity to learn music, writes Readele Bunyard.

SILENT contempt stalks the corridors of education, plucking the futures of our children: these acts are ignominious, pitiful and inexcusable.

Weakening the cloths of direction and administration, they threaten the defencesless underbelly of the nation, our greatest asset. Some of their most recent victims are six children who took music in 70 extra-curricular centres across Gauteng. That is, until they were closed down by budget cuts from January.

No one represents the arts on the committees of curriculum 2025 in Gauteng. Severe provincial education department overstretching (as the tone of many letters is clear and an expected ECMLA for the end of this financial year) has resulted in radical and ill-conceived economizing by a department desperate to retrieve enough funds to spend on core education.

We were robbed by the perpetrators of a twisted ideology for more than 40 years. Children in Soweto in 1976 to beg release from ‘education survival’. Today lack of vision and forward planning combine to strip the youth of opportunity.

The extra-curricular music centres were first formed in 1976. Twenty-two years later, at least 800 children in these and in satellite centres, such as Johannesburg Symphony’s project in Soweto, will have nowhere to go unless they are able to pay higher fees. This will place musical training out of reach of all but the wealthy.

A circular terminating part-time posts as from January 1 this year was received by the centres two weeks later. Although department spokesperson Audrey Masoel claimed that matric pupils would not be affected by the closure, a number of matric pupils whose schools do not offer musical training are catered for in the extra-curricular centres. There has been no information about the studies of these pupils.

The history of arbitrary, nonconsultative budget cuts to music centres dates back to 1994, when there was a 20% cut. In 1996 the terms of employment of part-time staff were arbitrarily changed, allowing them to claim only for hours worked, and directing those who also worked elsewhere of access to pension and medical aid schemes.

Missing salaries

Last year the status of remaining part-time teachers became temporary and to date a number of them have not received their pension payoffs. In August last year the department stopped all cheques to music-centre staff in an effort to flush out possible “ghost” teachers. Notice was given that the whereabouts of the cheques, some of which were retrieved after a long search. In October an attorney was hired to chase the missing salaries. The teachers are still waiting for their December salaries.

According to Laurie Wepener, head of the Johannesburg Symphony Music Centre at the Johannesburg College of Education, at a meeting in March 1996 Edmond Williams, then Gauteng education director of support services, told music centres to rewrite their constitution to make themselves more accountable to all. No supplementary budget was provided and no direction was given. At the department’s request, the centres produced proposals for programmes they would undertake, including stock lists and budgets. To date, none has received recognition or assessment.

After many fruitless reconstructions and development programme arts project committees meetings, no one in the department seems able or willing to take any decisions. An inventory of the instruments and equipment at the centres must be taken, but the department has no plan of what to do with it or where to store equipment.

Instead of returning transformed centres and centres with satellites in poorer areas, the department has thrown the baby out with the bath water by axing teachers who work at several centres.

Even more disturbing is that the nature of music education has basically totally overlooked.

Margarette Berke-Delville, music education lecturer at Wits University, says musical training has an extremely positive impact on literacy, modes of communication, critical and creative thinking and problem solving. In countries where music-based education is practised it is known for teaching self-organisation and social skills, including teamwork, leadership and cultural awareness. At a recent conference on education, a presentation document was presented to delegates which emphasised four core outcomes for teacher education. These were: communication, life orientation, critical thinking and leadership. Artistic development was mentioned only in life orientation.

Barber-Delville said: “This is the only area where there is a lack of insight at local and national government level into the intrinsic nature of the arts. We need decision makers with the capacity and the understanding that learning is learning and through the arts is essential for a balanced education.”

Isaac Thabo, previously a music teacher who supervised two of the Rocksport opera company recently. Others will not have this opportunity. Their goals will be unrealistic, useless concerted efforts are made to keep extracurricular music/arts centres on the cards and accessible to all.

Budding musicians are being silenced by budget cuts

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Business Day

Newspaper South Africa
Casino bidders fear a trade-off

Johannesburg — There is growing concern among Gauteng casino applicants that an agreement existed between the Gauteng and North West governments to provide some protection for the Sun International South Africa (Sisa) operations in North West.

There are fears that this set the parameters for the allocation of licences in Gauteng.

Provincial officials would not comment on this speculation.

Jabu Moleketsi, the MEC for economic and financial affairs in Gauteng, would only say: "As a provincial government we are bound by the act to give reasons for our decisions and we will do so."

The government is obliged to give reasons within a month of announcing the names of the successful applicants.

None of the applicants is claiming that the provincial governments did not have the authority to reach such an agreement, but they state that if an agreement existed it should have been made public.

Of the 22 applications received, several of the strongest were made for projects to be sited in Midrand, Johannesburg North, or Pretoria.

Tsogo Sun's R1.3 billion successful application for a casino complex in Fourways is regarded as the most catastrophic to Sisa's operations in North West.

A licence for one of the three applications for the Pretoria area — Tsogo Sun, Stocks Leisure and Magic Kingdom — would have done considerably more damage to Sun City and Maruleng Sun. The allocation of a licence to one of the two megaprojects proposed for Midrand — Johneric Casino and MoAfrika — would also affect Sisa operations.

The Rhino Hotel and Resort, which was tipped as one of the lucky six but did not make it in the first official announcement, would have presented a challenge to Sisa in the North West. One casino operator said this could have been tolerated because of the relatively small size of the Rhino proposal.

In terms of the national gambling legislation, provincial governments have authority over the administration of provincial casino matters, but this must be done with reference to the interests of other provinces. Last month the Gauteng government said one of the key criteria for selection was "inter-provincial relationships".

Applicants said this was in contrast to earlier statements from the government and the Gambling Board, which were equivocal on the matter.

An executive of one team acknowledged that Sun City was a major tourist attraction for the country as well as an important employer for the province, but if an agreement existed, there was an element of bad faith on the part of the government.

"Millions of rands were spent developing proposals for areas that now seem to have been out of the running from the very start," said one applicant.
Gaming board members set up new body

Janet Parker

PROVINCIAL gaming board members from all nine provinces, as well as gaming authorities of Botswana and Swaziland, met recently and established the Southern African Gaming Regulators' Association (Sagra).

Sagra secretary Andre Wilse- nach, who is also the CEO of the Mpumalanga Gaming Board, said yesterday that the association would ultimately be the vehicle for interprovincial and inter-regional co-operation.

Sagra aimed to create a forum allowing gaming regulators in SA and neighbouring territories to interact with one another and "raise on matters of common interest".

Being essentially an association consisting of regulators, it was hoped Sagra would be used as a forum for regulators to reach consensus on issues before they were debated at national level via the recently-formed National Gaming Board. The board had representatives from all provinces, although not all of them were regulators and as such would not be as familiar with issues surrounding gaming regulation.

Issues raised with Sagra would include discussions on how to deal with illegal gaming as well as Internet gaming, which was a "critical issue at the moment".

Internet gaming was "currently a regulator's nightmare" and a worldwide problem. People could gamble via the Internet and certain games were accessible in jurisdictions where gaming was prohibited, with payment taking place via credit card transactions.

Another vital issue was that of limited payout machines (slot machines) and the issue of route and site operator licences. Consensus on the number of machines a site and the number of route licences a province was yet to be reached.

A proliferation of route and site operators could have dire consequences for casino operators, and have caused a number of casualties in the Namibian and Australian gaming industries, among others.
Fight hots up for big casino jackpot

DAN SIMON 23/3/98

The hunt is on for the one casino licence that counts and which is up for grabs in the Cape Metropole.

Today sees the start of a week of presentations before the Western Cape Gambling and Racing Board, which will decide which of the five applicants secures the lucrative gaming licence that will account for billions of rands in investment for the province and realise enormous profits for the successful licence-holder.

Presentations for casino licences in the Southern Cape, Overberg and West Coast regions will also be heard this week. The licences are expected to be awarded in June or July.

Huge stakes rest on the board's decision and each applicant for the Metropole's single licence will be going all out to impress the board with the quality of their project proposals, the amount of capital to be injected into the provincial economy, coupled with details of short and long-term job-creation opportunities.

The bid presentations will also include sweeteners such as empowerment and shareholding schemes for disadvantaged communities, large-scale family-oriented entertainment centres, tourist-related features and state-of-the-art conference facilities. Everything hinges on the licence.

And to add substance to their presentations, the applicants are also offering a canal on the Foreshore, a light rail system, an airstrip and even the completion of the half-finished highways in the city.

Applicants bidding for the Cape Metropole licence are Sunwest International, Tsogo Sun Western Cape, Stocks Hotels & Resorts, Akari Piacapet Cape and Culemborg Metropole. The proposed sites in order of each applicant are the Cape Showgrounds in Goodwood, Century City along the N1, Milnerton Racecourse, Lower Long Street and the Culemborg goods yard.

Each presentation will last two hours, beginning with Culemborg at 9 this morning.

In a warm-up exercise before today's presentation to the board, Stocks Hotels & Resorts, which will trade as Cape Millennium Casino & Leisure World Project, introduced details of its proposed R2.4-billion investment during a public presentation on Friday.

Once the board has allocated the five gaming licences, it will then begin the process of issuing five slot-route operators' licences.

The Gambling Board, in terms of the slot-route operators' licences, has set a ceiling of 5,000 slot machines for the Western Cape.

Applications for the slot-route operators' licences will only be called for after June and are only likely to be issued in early 1999.
Court holds up issuing of Gauteng casino licences

Janet Posel
24/3/98

THE Gauteng government has been prevented by the courts from granting the province’s two remaining casino licences, which were due to be announced tomorrow.

MoAfrika Casino Holdings, which is bidding for a R2.5bn casino project in Midrand, was granted an urgent interdict yesterday in the Witwatersrand Division of the High Court to prevent the licences being granted. The matter is to be heard on April 21.

MoAfrika said it was concerned about the continued integrity of the licensing process. It said there were reasonable grounds for believing that the Gauteng province had previously undertaken not to agree to the allocation of licences in the Midrand, Centurion and Pretoria area.

Industry members and analysts said the development exacerbated the frustration, rising expense and lack of confidence in the process. The Gauteng Gambling and Betting Board issued four casino licences last month after a month-long delay. It reserved its right to announce the final two casino licences after further deliberations.

Attorney and gaming consultant Grant Kaplan said the delay was likely to affect the whole process, as 19 bingo applicants were waiting to have hearings. Decisions on route and site operators were also likely to be delayed. He said the challenge was not unexpected as the gaming board had left a number of gaps for applicants who wished to frustrate a process that was not “user-friendly” as everyone in the industry wished.

However, the dilemma was more likely to be political rather than legal given the behind-the-scenes discrepancy between what the politicians wanted and what the board wanted, he said.

Independent hospitality specialist Delano Caras said a long legal battle would be harrowing for the industry, particularly for the four casino licence holders who would remain uncertain about the gaming environment.

Gauteng finance and economic affairs MEC Jabu Moleketi is expected to appear before a provincial subcommittee this week to answer questions on the issues raised by MoAfrika.
Gauteng plays down casino row

Johannesburg – The Gauteng government was “unconcerned” about the legal action that had delayed the issuing of the two remaining casino licences for the province. Jabu Moleketi, the MEC for economic affairs and finance, said yesterday.

The Johannesburg High Court, on Sunday, granted MoAfrika Casino Holdings an urgent interdict preventing Gauteng from allocating the outstanding two casino licences until after it appears in court on April 21.

Gauteng has already issued four casino licences to Global Resorts, Afsun Gauteng, Emfuleni Resorts and Tsogo Sun. The successful applicants for the last two licences were to have been announced this week.

MoAfrika, which is seeking a licence for its Woolworths-backed MoAfrika Mall at Randjesfontein in Midrand, said there were reasonable grounds for believing that the Gauteng province had some time previously undertaken not to agree to the allocation of licences in the Midrand, Centurion and Pretoria area.

“It is now required, before a final decision is taken on the allocation of these licences. MoAfrika also considers it necessary to seek an order requiring the disclosure and full details in respect of any such undertaking.”

It is widely believed that such an agreement may exist between Gauteng and the North West province to protect some of Sun

international South Africa’s casino operations in the area. These include Sun City, the Carousel and the Morula Sun.

Moleketi refused to comment on whether any agreements existed between it and the other provinces that prevented the allocation of gambling licences in certain parts of Gauteng. “The matter is sub judice and will be dealt with in court next month.”

But Leon Bevan, the spokesman for Martin Kuseus, the MEC of finance and economic affairs in the North West province, said no written agreement existed between the two provinces.

“The finance MECs and premiers of both provinces held informal discussions last year. We informed them of the implications for our province and they agreed to take this into account. But there’s no formal agreement to consider provincial boundaries or the impact on existing casino operations,” he said.

Industry sources say the court judgment could have dramatic implications for all six licences, particularly if it can be proved that a tacit or implicit agreement existed, preventing the allocation of licences in certain areas.

Moleketi said the four casino licences already awarded in Gauteng would be unaffected. “We’ll discuss the matter with our lawyers and present our case at the return court hearing set down for April 21,” he said.

Afsun, Tsogo Sun and Global Resorts all declined to comment yesterday.
Casino interdict gags Moleketi

Johannesburg — Jabu Moleketi, Gauteng's finance and economic affairs MEC, has been saved, for now, from answering questions on the controversial subject of the province's casino licences.

The matter is now sub judice following the urgent interdict obtained on Sunday by MoAfrika Casino Holdings, which prevents Gauteng from allocating the two outstanding licences until after it appears in court on April 21.

The provincial standing committee on economic affairs and finance was to have grills Moleketi tomorrow on all aspects of Gauteng's casino licences. In particular, it wanted to know whether any agreements existed with the other provinces preventing the allocation of gambling licences in certain parts of Gauteng.

Moleketi is scheduled to attend the meeting, but said this week he would not answer any questions related to MoAfrika's legal challenge.

MoAfrika claims the Gauteng government had probably previously agreed not to allow licences to be allocated in the Midrand, Centurion and Pretoria areas.

Many other industry stakeholders agree such a deal exists, even if tacitly.

The Gauteng Gambling and Betting Board said yesterday it wanted to resolve the dispute with MoAfrika over the issuing of the remaining two licences as speedily as possible. "We hope the matter will be resolved within a week, or as soon as possible after the return court date of April 21," it said.

Gauteng has already issued four casino licences to Global Resorts, Afrisun Gauteng, Emfuleni Resorts and Tshogo Sun. Sources within these companies, speaking on condition of anonymity, said the battle did not involve them and was primarily a political tussle between MoAfrika and the Gauteng executive. Most felt the gambling board had been caught in the political crossfire.

But they were concerned about the uncertainty the legal action had created in the industry and the possible ramifications this could have for them.
Real power is economic

Casino licences: court steps in

By Isaac Moleadi

The issuing of casino licences in Gauteng has been thrown into controversy after the successful legal action by MoAfrica Casino Holdings to stop the Gauteng Gambling and Betting Board from granting the remaining two licences.

The provincial gaming board was supposed to issue the outstanding licences today, but this has been delayed after the Johannesburg High Court granted MoAfrica an urgent interdict preventing the province from doing so until after it appeared in court on April 21.

Although the delay seemed not to have worried the provincial authorities, more individuals and groups are beginning to come out in the open criticising the initial granting of the licences to four gaming groups.

The groups granted the licences in February are Global Resorts, Afrison Gauteng, Emerald City Resort and Tsogo Sun.

The locations where the four successful investors are proposing to build their multi-billion rand casino investments have been questioned.

Global Resorts plans to build a R1-billion casino in Kempton Park, Afrison Gauteng a R870-million investment in Brakpan, Emerald City a R650-million complex in Vanderbijlpark and Tsogo Sun a R1-billion casino in Fourways.

Concerned about the black townships, businessman Thabang Mannonyane said he was concerned that areas “as big as Soweto” were not considered when casino licences were issued.

He said he was concerned that the majority of the casino applicants represented an “over-abundance of massive gin palaces” primarily aimed at serving the affluent societies of the north and areas of the Johannesburg metropolitan spread.

Mannonyane said these areas already had luxurious homes, shopping centres and decentralised office parks.

“The question pops up whether much has really changed in the South African mindset,” said Mannonyane.

He said the Gauteng provincial gaming board would help all South Africans if it explained how the Soweto bid fell short in meeting the board’s criteria.

Surprised

Other people, who preferred to remain anonymous, said they were also surprised that Soweto and the Johannesburg central business district did not appear on the list of the board members when they made their initial announcement.

“Soweto and the surrounding coloured and Indian areas of Eldorado Park and Lenasia could have been No 1 on the list of the board members because they are deteriorating and need to be given the opportunity to be revitalised,” said one man.

He wondered why Soweto businessman Richard Maponya was not given a second chance, as Global Resorts was, when it became clear that he was going to fail in his first bid attempt.

Soweto tycoon Richard Maponya whose casino group Soweto Casinos Orlando failed to win the bid to build a casino in the township when four casino groups were announced in February.
From one-horse town to one-armed bandits

The dull East Rand town of Brakpan is to become a new gambling Mecca after being granted a casino licence, reports Angella Johnson.

It's hard to imagine Brakpan as a gambling Mecca - an Atlantic City perched on the East Rand. But that is exactly what town residents are hoping will happen now that their impoverished town has been awarded a coveted Gauteng casino licence.

"We are very happy because it's going to be very good for business," said Louise Hoitser, who runs a panel-beating business with her husband Robert. "There's nothing here anymore, not even decent shops to buy groceries. I do my shopping in Boksburg or at the Humtsoe Mall. Believe me, this is a one-horse town - and the horse is on his last legs."

Africasin, led by Sam International, was granted a licence on Wednesday to operate a casino in the town.

It proposed to build a R770 million casino and hotel on a site that presently houses the Brakpan drive-in.

A town with some 239,000 people, Brakpan is suffering the effects of unemployment, running at 48% high, and the casino has promised to bring in more than 1,000 new jobs.

The newly appointed mayor, Daphne Caltot, says it is like being thrown a lifeline.

"Frankly, it means a lot, since we've heard on the grapevine that our biggest employer, the mining company Anglo, is thinking of closing because the minerals have run out," Caltot explained.

Even Brakpan's Roman Catholic priest is preparing to give the project his blessing for the sake of the community. "We really need something to inject new life into the area," said Father David Mofokeng.

He argued that Brakpan, a once-thriving coal-mining town, is being slowly eroded by the closure of small businesses and the exodus of its young people. "A casino will offer the opportunity for people to get jobs," he said.

But what of the moral implications of gambling and the possibility of Brakpan degenerating into a Sodum and Gomorra? Mofokeng was unrepentant: "I don't condone gambling, but the main thing is to get this town back on its feet."

Originally a farm named because of a small lake of brackish water, Brakpan came to prominence when coal was discovered there in 1888.

But, unlike its neighbours Benoni and Boksburg, it never quite matured as a fashionable or industrial town in its own right.

Doris Braams (78) moved there after her marriage in 1943. "It was quite a nice place then, very quiet, and everyone knew each other. But things started to go downhill about 20 or 30 years ago when the mines started closing, and we never recovered."

The main street is a testament to the town's decline, with rows of empty shops and a noticeable absence of the kind of popular chainstores one would expect to see. Even the pawnshops are closed.

Which explains why Braams welcomes the prospect of a gambling complex in her backyard. "I worry about the kind of people who will be coming here, but if it brings in money and puts the place on the map, then that is what really matters."

Hairdresser and salon owner Clive Snyman was the sole dissenter to be heard on the Gauteng Gambling and Betting Board's decision. "I don't think it's a good idea because people here have little enough money and this will only encourage them to gamble in order to win more."

And he knows that's not what happens," he said.

"We may get jobs, but I can see it ruining families when the breadwinner goes out and blows his entire earnings on roulette or the slot machines."
Irregularities acknowledged

Janet Parker

The Western Cape Gaming Board has acknowledged allegations of irregularity in the Sunwest bid for a casino licence in the Cape metropolitan area as an official objection.

Zola Sotyato, formerly head of a consortium named CIC — which was registered with Sunwest, a consortium led by Sun International — has made allegations that a gaming board member and his family, in contravention of gaming legislation, were involved in the Sunwest bid.

Sotyato said he had informed Sunwest of the irregularities. Sunwest allegedly then had private meetings with the board member and expelled CIC from the consortium.

He said the matter was of "great concern".

The Sunwest bid "should not be accepted and these issues investigated and exposed," he said.

Western Cape Gaming Board CEO Rosouw Labbe said yesterday the matter had been brought to the board's attention, and the allegations would be treated as a formal objection, to which Sunwest had the right to respond.

The board member in question had also resigned long before the casino licence application process had formally started, he said.

A Sunwest spokesman said yesterday the group was "perfectly comfortable" with the response it would give, as the allegations were "entirely without substance".

Bidders for a casino licence in the area already have given oral presentations to the board. Objections will be heard on April 6 for most bidders and on April 20 for Voego Sun.

Fresh speculation on bidders emerges

Janet Parker

SPECULATION has started again on which of the remaining bidders will be awarded the two licences to develop and operate casinos in the Gauteng province, following Multi-Africa Casino Holdings dropping its interim interdict preventing the province from awarding the remaining two licences.

Gauteng gambling and betting board chairman Vincent Maleka said it was likely the licences would be awarded within the next two weeks.

However, the board and provincial government still had to concur on which of the 18 bids would be allocated the licences.

The board allocated four of the six licences in February, but failed to reach concurrence at that stage on the candidates for the remaining two, resulting in a month's delay.

Analysts speculated at the time that the disagreement related to whether a licence should be awarded in Johannesburg's CBD to encourage inner city revitalisation.

They said yesterday it was likely the two licences would be issued to developments on the West Rand and to the south of Johannesburg.

The most favoured candidates were the proposed Ramada Rhino Resort development — a R975m joint venture with Ramada International Hotels, the KaiRo group, and Rhino Hotel & Resort on the West Rand — and the Akari Egoli bid adjacent to Gold Reef City south of Johannesburg.

No decision can be made before the court processes Multi-Africa's withdrawal of the interdict on April 8.
New players take
up their positions

Licences are awarded
Cards on the table as

Survey/Cambling & Lotttmes

After years of waiting, the post-legalised gambling industry

licences and is the race to operate the new national lottery
gets off the ground. MAURICEL KLEIN looks at the new
South Africa's gambling industry, for years the sole domain of the Sun International monopoly, is opening up: for the first time in more than a year, the government has started to issue licenses to bring new players into the industry.

Mmmbangwa and Gauteng were the first provinces to release their invitations for bidding on the lucrative licenses, with other provinces expected to follow suit soon. The move comes as the government tightens regulations in the industry to ensure a fair and transparent bidding process.

Gaming gives the provinces one of the few avenues through which they can earn revenue, especially when the subject of court action after strong opposition from one applicant, Mo Afrika.

Licenses awarded to: Global Resorts (at the World Trade Centre in Kempton Park), Tsogo Sun (in Fourways), Emfuleni Safari Resorts (at the Vaal River) and Afrism Gauteng (in Pretoria). The new licensees are expected to spend about R3.2 billion between them on their resorts, although some may only break even.

Another new player in the gambling world is Thibela Investment Corporation's wholly-owned division, Moribo Investment Holdings, which recently bought five casinos (a total gaming revenue of R200 million) from International for R55 million in line with Sun International's obligation to reduce its number of casinos by May 1998.

The deal, which was financially facilitated by Sun International SA, saw Moribo buy the Mabatho Sun, Molopo Sun, Taung Sun, Venda Sun and Amat and Sun. With its ambitions to win the national lottery, Moribo is clearly intending to be one of SA's major gambling concerns.

In the Western Cape, the gambling board has recently received applications. They include an application by SunWorld International - a consortium consisting of Sun International and Goodwood, and one from Tsogo Sun, at Century City.

Other applicants include Dalay Street (a consortium including Thebe), Stocks Hotel, Karos, Ogden (London Club's Caledon Casino), Ladbroke and Sun International, which has already opened in the Cape. Global Resorts has opened its Graceland casino in Kempton Park and Tsogo Sun opened its Emnotweni casino.

Meanwhile, the first few new legal gambling operations have already opened in Mmmbangwa and Tsogo Sun's Grand Resort has opened in Kempton Park.

Other provinces are also making strides. Recently, No West, which already houses Sun International's prime casino sites (Sun City, the Carousel and Marina), announced the appointment of a six-member board to preside over its five casino licences.

New players in town

Global Resorts and Tsogo Sun - which have five casino licences between them - are fast emerging as the new major players in SA's gambling industry. Sun International, which is the owner of some of its resorts, remains a significant player, while Moribo, which picked up five of Sun International's resorts, has also made itself an instant player of some substance. As can be expected, the award of licences has created a fair share of controversy.

When Global and Tsogo Sun opened in Gauteng, critics said a pattern was emerging as provinces were favouring groups which were already established, creating monopolies. Apart from court action by one bidder, Mo Afrika, relating to the award of licences, the casino bids have been plaguing the start.

While provinces are eager to get casinos established and have an interest in them bringing in as much revenue as possible, there has been much criticism about awarding licences in city centres. The Gauteng Gambling and Betting Board, which issued only four of six licences, avoided metropolitan areas like the Johannesburg CBD, Soweto and Midrand, but it may still issue licences in these areas.

Nevertheless, the new industry is resulting in the erection of some major resorts, with the possibility of job creation and other economic spinoffs. Global CE Ernie Joubert, previous marketing director of Sun International, is building resorts on the scale of those of his previous employer. He has unveiled plans for the lavish Graceland resort in Secunda, which is already complete, and the proposed Caezers Resort in Kempton Park, Gauteng.

Tsogo Sun, which has won licences in Nelspruit, Witbank and Fourways, last year opened SA's first legal casino, the R36 million Emnotweni in Nelspruit.
Two more casinos on the way

Gambling Gambling Board expected to say
New Dakawa will open in time for Arts

Dakawa, once the ANC's international African resistance art showpiece, is back on its feet.

DAKAWA, once the ANC's international African resistance art showpiece, is back on its feet.

The Dakawa arts and culture project, which closed in disarray last year, has been infused with new life in the form of eager staff and a government subsidy.

By MIKE LOEWE

Kota said Dakawa would be fitting in with the province's new arts and culture strategy, which is centred on 160 cultural officers, who were appointed last year amid an outcry over the lack of a budget.

The province was working to find talented people in Eastern Cape towns and villages, to stimulate their artistic impulses and teach them how to market their goods to tourists, said Kota. Cultural officers were doing talent scouting in almost every town.

Kota said the cultural offices were working according to a six-phase strategy drawn up by the department. He said Dakawa had been chosen by Biso to be the province's shopping window to the world. Top Eastern Cape arts and crafts would be exhibited there in July.

While he and his staff were committed to producing great art, Dakawa intended to fit into the province's financial plans.

Kota said 15 trainees from Grahamstown had been recruited and "the core" would go on to receive formal business training.

In the past, Dakawa trainees protested against their contracts, which were extended from one year to two by mistake.

Kota and his staff claim there are still perceptions that Dakawa operates in a "pocket of poverty".

These views probably stem from the messy fights in Dakawa in the past and could turn out to be irresistible. The new Rhodes Fine Arts head, Professor Mark Haywood of Britain, has said he is keen on the art-to-craft genre. He took up his post in mid-last year with every intention of linking up with Dakawa.

This week Ranchhood said Rhodes and other art schools in Grahamstown would be called on to contribute their expertise.

Kota said new clinics and balances in management would eliminate the problems of the past. The project now operated according to a cashflow projection, and the trust was to meet every need promptly to consider. Participants were told.

He said the project was also trying to compensate for the original French and English language teaching.

The Dakawa project was also trying to ensure their original French and English language teaching.

Kota said with the new initiatives, the project was also trying to ensure their original French and English language teaching.

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Arts funding takes a new path

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Gauteng casino licences awarded after court bids

Jane Parker

Gauteng’s first two casino licences were awarded yesterday to the Akani Epoli and Ramada Hotel & Resort consortiums, following weeks of delays bought about by court bids from rival applicants.

However, certain failed bidders expressed disappointment at the decision, saying the process of awarding the licences was “flawed”. Analysts said there was a possibility that failed applicants would take legal action.

In the interest of transparency the Gauteng Gambling and Betting Board had prepared a document detailing reasons for its decision, containing certain previously confidential and “business sensitive” information on the bids.

However, the document would be released only once the applicants had given their consent to the release of sensitive information. Board chairman Vincent Maleka said it was hoped the document would be available for release on Friday.

The next step was to issue temporary casino licences to Gauteng’s successful bidders, which would place within 30 days. Tsogo Sun, Protea, AFRICA, Emzini and Oregan were awarded the first four casino licences in February.

The Akani Epoli consortium, driven by Real Khosa’s Co-ordinated Network Investments and including the Krok, was the highest bidder.

Continued on Page 2

Casino

Continued from Page 1

brothers, plans a development adjacent to Gold Reef City in southern Johannesburg.

Ramada Hotel & Resort has planned a R270m venture near Krugersdorp on the West Rand with Ramada International Hotels, the Kairo group and Ramada Hotel & Resort.

However, Carlton Add-Ventures, which had bid for a R600m development at the Carlton Centre in Johannesburg, said the decision by the board and provincial government was “tragic”.

The process has not complied with the criteria set forth in the request for proposals such as the revival of economically depressed or declining areas, or spatial development issues such as the enhancement of existing infrastructure. “We view the joint decision taken by the board and provincial government, not as a success, but a decision of failure. Failure to understand the real issues behind empowerment, but rather perpetuating the status quo,” it said.

MoAfrika Casino Holdings, one of the bidders which had attempted court action on the “integrity” of the licence award process, said the decision was a “disappointment”. MoAfrika’s chairman Rufus Maruma said the decision had “dealt a blow” to black empowerment, and would affect the shares held in the project by the previously disadvantaged. However, the megacentre development in Midrand, which was set to be the largest retail and leisure centre in the southern hemisphere, would go ahead as planned.

One of the successful bidders said legal action from failed bidders would prove tricky. Contestors would have to take on the industry, not just the gaming board, and the six winners are the industry in this province.”

En 29.1.98

With permission of Robert Botha

Yvonne Motelisi, left, Kgomo Motsepe and Gogo Mashugane, members of the Ramada Hotel & Resort consortium, celebrate yesterday after hearing they had won one of the two remaining casino licences in Gauteng.

Picture: ROBERT BOTHA
Johannesburg — Joy and disappointment greeted the award of Gauteng’s last two gambling licences to Akani, Egoli and Ramada Rhino Resort yesterday.

Yvonne Motaisi, from Rhino, screamed with joy on hearing her group declared the winner by Refilwe Mokoena-Moleka, of the Gauteng Gambling and Betting Board.

“I feel terribly excited. We feel it’s especially good for the people of the depressed area,” said Kgomo Kgomo, the head of Rhino. Their R370 million casino would be built near the Sierfontein caves to the west of Gauteng.

Solly and Abe Krook from Akani congratulated Vincent Maleka, the chairman of the gambling board, and his team for a job well-done. “I just admire the integrity of the gambling board,” said Krook.

“I always like to be a winner,” said Solly Krook, Akani’s R700 million casino would be built at Gold Reef City.

The initial four licences were awarded on February 25 to Tsogo Sun (Fourways), Global Resorts (near Johannesburg International Airport), Africiti (Brakpan) and Emfuleni Safari Resorts (Vaal Dam).

The award of the last two had been delayed because the board and the Gauteng provincial executive council could not concur.

CityUrban Renewal Enterprises and Mo Africa added to the delay by challenging the board in court. They later withdrew their actions.

Richard Maponya lamented the failure of his group’s bid for a gambling licence in Soweto. “This is the worst thing that can ever happen for this country, given the new political dispensation. There is no change. What we are seeing is that those who have been empowered by apartheid are now being enriched. It is a mockery of our democracy.” He said his group might contest its loss in court. “I don’t believe Sowetans will accept it. Something has gone terribly wrong here,” he said.

Carlton and AddVentures, whose application for a casino at the mothballed Carlton Centre also failed, said the board’s decision was “tragic”.

With six major licences awarded on the periphery, they have strangled the city and lost a tremendous revitalisation opportunity to position the city for renewed growth and development,” said AddVentures’ Russell Stewart.

The board did not give reasons for its decisions. Maleka said its report would first be made available to the 22 bidders before being released to the media by Friday.
Environmental concern over newly licensed casino

BY CECILIA RUSSELL
Political Staff

Months of speculation ended yesterday when the Gauteng Gaming and Betting Board awarded its final two casino licences to Akani Egoi at Gold Reef City in the south of Johannesburg, and Rhino Hotel and Resort, near Krugersdorp on the West Rand.

In February the board gave licences to four applicants – Tsogo Sun Holdings, Global Resorts, Afriseri Gauteng and Emfuleni Safari Resorts/Fortellos Investment.

But the final two could not be announced at the time because the board and the Gauteng executive council had not reached consensus on which of the remaining 18 casino bidders would win licences.

The board's chairman, Vincent Maleka, said detailed reasons for the board's decisions would be released once there was agreement from the applicants that "confidential and business sensitive information" could be divulged.

Spokesman for contender Carlton Add-ventures, Russell Stevens, said by locating the casinos on the periphery of, rather than in centre of Johannesburg, the board had lost a tremendous revitalisation opportunity to position the city for renewed growth.

Akani Egoi's chairman Solly Kroon said the casino's location at Gold Reef City would link Soweto with the southern suburbs of Johannesburg, giving an economically depressed area the impetus for development.

An excited Rhino Hotel and Resort chairman Tse Modise said after the announcement that he would be true to his promise to set up a trust fund for the poorest of the poor.

This application caused a storm of controversy from environmentalists and palaeontologists, because it is located in the middle of some of the richest palaeontological sites in SA.

Professor Philip Tobias of the University of the Witwatersrand said: "Although I don't know the details of the area involved, I do know that it is very close to the buffer zone surrounding the 11 famous fossil sites – Sterkfontein Valley Sites – which will form one of South Africa's first proposed World Heritage Sites.

I only hope the proximity of this development to the Sterkfontein Valley sites will not jeopardise our chances of having this proposal accepted by the World Heritage Centre at Unesco in Paris."

But Modise said yesterday that "in consultation with international experts on the preservation of World Heritage Sites we have committed ourselves to play a meaningful role in the management of those invaluable heritage sites in the district."

The group intends to appoint an international environmental agency, PLB, which manages Hadrian's Wall in England, to manage the site.
SABC TV looking to give a
leg-up to local film industry

Objective is to give viewers what they want

NATIONAL GOVERNMENT

"We understand the importance of supporting local film and television production. It is crucial for the growth and development of our creative industries. We are committed to creating opportunities for local talent and promoting South African narratives. Through our support, we aim to enhance the film industry, attracting more investment and promoting the stories of our country.

"Our focus is on fostering a vibrant ecosystem that nurtures creativity and excellence. With the right support, our filmmakers can create compelling stories that resonate with audiences both locally and internationally. We are excited to play a role in this journey and look forward to seeing the fruits of our commitment. Let's celebrate the talent and diversity of our film industry and support those who are making a difference."
The economy's revival is constrained.

Despite the recent increase in economic activity, the rate of growth is constrained by several factors. The government's fiscal policies, which were aimed at stimulating the economy, have led to a budget deficit that is unsustainable in the long term. Additionally, the global economy is still recovering from the COVID-19 pandemic, which has had a significant impact on trade and investment.

We will train locals, says happy consortium winner.

The consortium winner of a recent tender is thrilled with the success of the project. "We are excited to work with local businesses and provide them with the necessary training and resources to help them thrive," said the consortium leader. "This project is not only beneficial for the local economy, but it also provides opportunities for our team members to grow and develop their skills."
Gambling board expected legal action

Reasons for the casino licence delay explained

ANN GROTTI

Johannesburg — Members of the Gauteng Gambling and Betting Board expected legal action over the exclusion of applicants from the Pretoria area, the published executive summary of the board’s deliberations reveals.

The board members expressed their concerns about legal action at a meeting of the board held just days before the announcement of four of the six successful casino applicants.

Shortly after, the initial four licences were awarded, MoAfrika Holdings initiated legal action on the grounds that the process was flawed by an undisclosed agreement that Gauteng would protect the existing casino operations in the North West province.

MoAfrika subsequently withdrew the action, apparently over concerns of its black empowerment and community partners.

The executive summary includes the minutes of a board meeting held on February 19 which states that, after holding discussions with the various applicants, the board resolved that “it was never part of the consideration that Pretoria would not be given a licence and that the applicants were not informed before they were invited to apply for a licence that Pretoria would not be issued with a licence. This might expose the board and the province to ... litigation.”

The board’s final selection excluded the Pretoria, Centurion and Midrand areas.

At a February 16 meeting of the board’s executive and Jabu Moleketsi, the Gauteng MEC for financial and economic affairs, at which the board’s recommendations were discussed, Moleketsi said the Cabinet broadly agreed with the recommendations.

But it was not happy with two issues. “The Cabinet felt the viability of the casinos in the North West province would best be served by not awarding a licence in Pretoria,” the report says.

The second area of disagreement related to the awarding of a licence to Abain at Gold Reef City. “One (of the applicants) seemed to be the best-qualifying applicant in that it revitalises the Johannesburg CBD.”

It was apparently the inability to resolve these two issues that delayed the granting of the final two licences.
The sun always rises (in Gauteng)

Finance MEC Jabu Moleketi denies there was an intervention

A s the dust settles on controversy over the allocation of casino licences in Gauteng, a single point is left standing: Sun International SA (Sisa) has emerged as a major beneficiary.

Sisa casinos in North-West province are partially protected from Gauteng-based competition by the Gauteng Gambling Board's decision — taken in conjunction with the Gauteng provincial government — not to allocate any of the province's six licences to consortiums proposing to operate close to North-West.

Sisa casinos in North-West, which has incorporated former Bophuthatswana, include the company's crown jewel, Sun City.

What might have been a disaster for Sisa has been averted by the allocation of licences to casinos less likely to attract its clients. But Sisa's financial future is boosted by another development. One of the six licences allotted in Gauteng is held by Afinasun, a Sisa-led consortium.

The combined impact of these developments has rekindled suspicions in gambling circles that there could have been at the very least an understanding between the North-West and Gauteng governments that no casinos would operate in Midrand, Centurion or Pretoria.

One industry observer who declined to be identified cites a triad of events to substantiate his belief that there was a deal:

- First, the original draft law controlling the allocation of licences empowered the Gambling & Betting Board to make the final decision;
- Second, the law was changed after representations from Sisa to stipulate that the Gauteng government had to concur with the board's decisions; and
- Lastly, the board allocated a licence in Pretoria to the Magic Kingdom consortium, but the decision was revoked after objections from the Gauteng government.

The minutes of a board meeting held just before the allocation of the first four licences reads: "The cabinet felt that the viability of the casinos in the North-West province will best be served by not awarding a licence in Pretoria."

The same observer points out that the North-West government has a major share in Sisa operations in that province. It inherited the 50% stake formerly held by the Bophuthatswana Development Corp.

The inference to be drawn is that government at national and North-West level has powerful reasons for favouring Sisa above competitors in which it has no direct financial stake.

Magic Kingdom's Fred Ndlovu is one of those who suspect that there may have been a mutual understanding, if not a formal agreement, between the North-West and Gauteng governments to veto the establishment of a casino in or near Pretoria.

Ndlovu quotes statistical data to suggest that one of the six casino licences allotted in Gauteng should have gone to Pretoria. Kempton Park and Brakpan on the East Rand — where two newly licensed casinos will operate — account for a mere 7% of Gauteng's GDP, whereas Greater Pretoria — which was not allotted a casino — accounts for 22% of the province's GDP.

Ndlovu concludes that "simple economics shows it would have made more sense to have a casino in Pretoria."

His argument for a casino in the northern portion of Gauteng is backed by the industry observer quoted above. The observer recalls that a survey in the late Eighties showed that Vereeniging, now renamed Centurion, contained some of the wealthiest people in SA. He says they could have provided an important market for a casino in Pretoria, Centurion or Midrand, the three towns which were excluded when the licences were granted.

Gauteng MEC for Economic Affairs & Finance Jabu Moleketi flatly denies that there was an agreement with North-West on an "exclusion zone" within Gauteng. Though there were discussions between the two provincial governments, he insists that there was never an agreement or understanding on the allocation of licences in Gauteng.

It would have made no sense, Moleketi argues, to agree to an exclusion zone because "any casino in Gauteng" would have a negative effect on casinos in North-West. Recognising that, Sisa applied successfully for a licence in Gauteng to offset its potential losses in North-West, he adds.

The only inter-government agreement, Moleketi says, is between Gauteng and the Free State on the sharing of revenue generated by casinos in the Vaal area, where one of the six casinos allocated by Gauteng...
Emfuleni Safari Resorts, is situated.

Moleketi notes with exasperation that he has repeatedly repudiated reports of a secret agreement or understanding, to no avail. His problem, however, is the minuted note referred to above, recording the Gauteng cabinet's opposition to award a licence in Pretoria because it would be inimical to casinos in North-West.

There is another unexplained anomaly. One of the criteria set by the Gauteng government for the assessment of applications for casinos is revitalisation of "economically depressed and declining areas". Yet the board, with the concurrence of provincial government, has failed to award a licence to any of the applicants planning to operate from Johannesburg's decaying CBD or from historically disadvantaged Soweto.

One of the applicants, City Urban Renewal Enterprises (Cure), planned to invest R2.2bn in the declining CBD. Yet its application was turned down, seemingly in favour of a casino at Fourways (owned by the consortium Tsogo Sun). Similarly, a group planning a casino in Soweto (Richard Maponya's Soweto Investments) seems to have lost out to the applicant for a licence at Gold Reef City (Akanbi Egoli). The seeming inconsistency — of making revitalisation a criterion but not allotting a licence to areas that need it — is compounded by the failure to apply the same criterion in awarding a licence to Tsogo Sun.

It is pertinent to note that the proposal to establish a casino at Fourways was opposed by the Greater Johannesburg Metropolitan Council last June for several reasons. They include the council's conclusion that proposal was contrary to the Reconstruction and Development Programme and the Development Facilitation Act. One wonders why the board and provincial government took a different view.

Moleketi advises those seeking to understand the rationale behind the allocation of licences should study the memorandum on the issue released by the Gambling Board.

The memorandum shows, however, that revitalisation was not appraised when Tsogo Sun's application for a licence at Fourways was considered and that the interests of North-West casinos were a factor in rejecting Magic Kingdom's application for a licence in Pretoria. Neither does it provide a convincing explanation for allowing a casino near the world-famous anthropological site at the Sterkfontein Caves and thereby, in the eyes of many observers, jeopardising its nomination as a United Nations World Heritage Site.

Patrick Laurence
There are signs that nerves are fraying among the big-time players in the gaming machine industry. They have been waiting nine months for the go-ahead to chase a R4.8bn/year jackpot.

These are the potential takings from the 80,000 "legal" fruit machines, each taking R5.00/month, that industry experts believe SA can sustain.

Legislation is in place under the National Gambling Act of 1996. But no licences to operate limited payout gaming machines outside casinos can be issued until the regulations accompanying the act have been finalised due to long delays in the formation of the National Gambling Board. It met for the first time only last month compared to provincial boards that have been in place for at least a year.

Last week potential operators met National Gambling Board chairman Chris Fismer, hoping to hear that the board had finished its deliberations and would be passing its recommendations to Trade & Industry Minister Alex Erwin, to be promulgated. But Fismer told them the drafting would take a further two to three months.

Some operators and provincial gambling boards have decided not to wait — and are openly defying Fismer. The Northern Cape Gambling & Racing Board has issued "special licences" to 15 operators, who have up to 1,000 illegal machines raking in about R10m/month in towns like Kimberley, Upington and Springbok.

Walter Fouche, chief executive officer of the Northern Cape board, is unrepentant. "It's not illegal," he claims. "It's being done in accordance with our provincial Act."

"There's different opinions and from our legislation, regulations and policy documents, we're not in contradiction with the national act."

Fismer disagrees. "These are illegal operators, without a doubt."

He shares industry fears that other provinces are planning to follow Northern Cape's move. If that happens the big-time "legal" operators — like the UK's Bass Leisure and America's Nitro Gaming — might as well pack up and go home.

The National Gambling Act states clearly that no licences should be issued by provincial gambling boards until its regulations are in place.

These regulations will set industry standards — such as the maximum number of machines/province. Also, all machines must be approved by the SA Bureau of Standards to ensure that they are not programmed and give punters a fair percentage payout. Every cent pumped in by punters must be accounted for, through a computerised monitoring system linked to the Revenue Service.

None of the "illegal" machines in the Northern Cape comply with these requirements.

"We've asked the provincial board to cease its activity immediately and to implement steps to rectify the situation," says Fismer.

Richard Biesheuvel, chief operating officer of Lottec Holdings, a subsidiary of Thebe's entertainment arm, Moribo says: "This is not in the spirit of launching gaming in the correct manner. In our opinion it contravenes the national gaming legislation and the constitution. How do we know these guys are paying taxes?"

"Gaming is such a sensitive issue, you've got to run it strictly according to strict rules."

The big operators who want to play it the legal way sit and wait for the national act's regulations. The biggest is Monyaka, a consortium owned by Bass Leisure, Southern Sun, Nafooc and Fabco, the black Chambers of Commerce. Chief operating officer Neil Moir says Monyaka's investment so far is R50m. Though staff have been laid off, just waiting for the regulations to come through is costing R1.5m/month.

"Fismer's committed to passing his recommendations to the Minister within three months," says Moir. "This isn't the news we were looking for, but we've had so much pain that another two to three months is not a disaster as long as it happens. We made our investment decisions almost two years ago following extensive consultation with provincial governments and the DTI. We are here for the long haul."

Lawrence Smith, chief operating officer of the SA Video Gaming Corporation, which has invested R20m, says: "The waiting is frustrating, but the delays have made sure that we've got a solid base in terms of rules and regulations which are comparable with anywhere in the world. Provided we can now finally actually get going I think we'll all be fairly satisfied."

Fismer is linked by the heat being put on him by would-be operators. "After two or three months we'll have a clearer picture," he says. "We'll submit our initial drafting to the Minister and it's up to him to decide whether he's going to promulgate it, amend or throw it away. He may decide to postpone it."

He has little sympathy for aspiring players who've made large investments. "Some of them have made investment decisions and business decisions knowing that there's no legal framework to place. New they put the pressure on us and blame us for their bad business decisions."

Jack Ludin
The race for the Western Cape's live casino licenses has entered its final stretch, with the gambling licences.

Competition rise as firms go head-to-head for
State outlines tough terms for lottery

Gambling license required to spend up to $1bn, boost infrastructure and create jobs
Signal trackers will hunt down pirate viewers.

THE South African Broadcasting Corporation (SABC) is to employ the services of a signal tracking company to trace pirate television viewers.

SABC TV licence field operations manager Jan Cilliers said yesterday the corporation’s process of tracing pirate viewers was not financially viable.

"The (tracking) company had the necessary technology and infrastructure to reach everyone. No pirate viewers will be able to escape the net anymore," he said.

The Traces tracking company would utilise general information, systems, software and signal detector vans to check whether a person was watching television, as well as which channel was being viewed and whether the viewer had a valid licence.

Field workers would wear uniforms and carry identity documents identifying them as licence representatives.

The representatives were not allowed to collect any cash from licence defaulters, but would refer them to a licence paypoint such as a post office or Pick n Pay store.

The SABC would start outsourcing the programme in Gauteng and Western Cape. Between August and February the system would be put into effect in Free State, KwaZulu-Natal, Eastern Cape, Northern Cape and Mpumalanga. - Sapa.
Legislation to fight child pornography ‘fast-tracked’

NEW legislation to tighten controls over child pornography will come into effect today, Deputy Home Affairs Minister Lindiwe Sisulu-Gama announced this weekend.

She said the department had worked overtime to “fast-track” the Film and Publications Act in recognition of Children’s Week.

The new Act was an important step forward in the Government’s attempt to deal effectively with the sensitive question of pornography, especially child pornography.

The new legislation had been crafted as a fine balance between the freedom of speech as enshrined in the Constitution and the need to protect children, Sisulu-Gama said.

The new legislation makes the importation, production, possession and distribution of child pornography an offence.

“Anyone who downloads pornography from the internet will commit an offence.

“Anybody in South Africa who places pornography on the internet will be committing an offence and anyone distributing pornography to a person under the age of 18 is guilty of an offence.

“Because of the abuse of cyber-space for pornographic purposes internationally, South Africa’s laws would be amended to be consistent with relevant legislation in other countries.

A five-member committee had already been appointed to formulate guiding principles, taking into account the need to protect children from abuse without affecting the free flow of information, she said. — Sapa.
Muslims to oppose casino licence bid

"Gambling leads to addiction"

BY REGREGARD TRUMP
Sun Reporter

The powerful Muslim Judicial Council is against the establishment of a casino in Cape Town.

It says communities will ultimately have to deal with the gambling addicts and social ills the venture will spawn.

The council said to represent about 90% of Muslims in the Western Cape, yesterday picketed a public meeting called by the Culemborg Metropole Casino group.

The group has asked people to identify issues relating to the social and physical environment of its bid for the lucrative casino licence. Secretary general of the MJC Achmat Sedick said casinos would help only towards further degeneration of communities.

One of the stipulations by the Western Cape Gambling and Racing Board is that the casino should provide visible black empowerment and long-term benefits to the city.

The Culemborg group says 50% of the shares in its casino will be available to residents' associations in areas like Mitchell's Plain.

But Sheikh Sedick argued that a casino would have a negative impact on communities and its benefits would not really reach ordinary people.

"It will be the same as we have with drug addicts where the supplier will not be burdened with the addict and the communities will ultimately suffer," said Sheikh Sedick.

The MJC handed over a petition to the group signed by more than 20 000 people from communities as far afield as Athlone in the south to Bonteheuwel in the north.

"These guys look at it from an economic point of view, but the benefit to the community is minimal.

"It holds temporary economic benefits for a few, but over and above, it denigrates the poor.

"Casinos are known to be places for money laundering, extortion and racketeering no matter how the Government wants to regulate the law around this," said Sheikh Sedick. The casino would be a "breeding nest" for prostitution, alcoholism and socio-economic problems.

"These guys intend to invest close to R10-billion to build a casino and other recreational facilities. Why can't they use that money to help impoverished communities?" said Sheikh Sedick.

Five consortia have bid for the licence, expected to be awarded next month.

The others are Akamii Fairest Cape, Tsogo Sun Western Cape, SunWest International and Stocks Hotels and Resorts.
Gaming licence announcement delayed

Janet Parker

THE Northern Province Casino and Gaming Board delayed announcing the province's casino licence winner on Friday after two of the bidding consortia applied for court interdicts to stop it doing so.

Gaming board chairman Lazarus Mahlangu said yesterday two consortia — Great North Resorts and Hunters Entertainment Centre — had applied for interdicts against the board, and were challenging its capability and its short-listing procedure.

The courts would adjudicate the applications tomorrow. The board had instructed its counsel to oppose the application, Mahlangu said.

Last month the board announced a short list of four applicants — Great North Resorts, Thobela Investments, Morija Entertainment World and Tsogo Sun Holdings.

At the same time, it announced it would issue only one of the two available casino licences during the current process, as the proposed casino locations were "too close together". All short-listed proposals were in or around Pietersburg. The allocation of another licence would be considered later.

The board initially received seven applications for casino licences in the province. Hunters Entertainment Centre and Alani Leisure did not make the short list. Karos Mohlopi withdrew from the process at an earlier stage.

The province was allocated a total of three casino licences, but Sun International already has a small gaming operation, the Venda Sun, in the province.

Mahlangu said it was difficult to estimate how long the developments would delay the board's announcement on the province's casino licence award.

The pending action follows similar situations which emerged in Gauteng and Mpumalanga during the casino licensing process. Interdicts preventing the Gauteng Gambling Board from announcing the last two of the province's six casinos were granted to unsuccessful casino applicants but later withdrawn. The Mpumalanga Gaming Board is still facing action on its decision to award casino licences to Tsogo Sun in Nelspruit and Witbank. The two casinos are already trading in their temporary or phase one stage.

The Northern Province Casino and Gaming Board was to have had discussions with the short-listed companies and the successful applicant was to be announced on Friday. The next step would have been to conclude a binding agreement with the successful applicant to ensure all conditions relating to the running of the casino were followed.
SA actors play a unique role in US

Simon Barber

WASHINGTON — Actors' Equity, the protectionist US theatrical union, has agreed to let six SA performers keep their parts in the blockbuster Broadway musical, The Lion King, a stage version of the Walt Disney cartoon hit.

The South Africans, including Tsidi Le Loka, who plays Rafiki, a sage baboon, have in turn agreed to train local actors to play their roles, which involves singing and chanting in several African languages that do not trip easily off American tongues.

The union, which works hard to minimise the number of foreign actors on US stages, originally agreed that the South Africans should be allowed to perform only from the show's opening last November until June 30. Disney Theatrical Productions said it wanted to keep the South Africans in the cast because they provided a "unique service" and gave the show a sort of musical Hamlet with an all-Asian cast set in the Serengeti rather than Denmark, an authentically African flavour.

The union relented and has decided the South Africans may stay indefinitely so long as they are prepared to transfer their skills by holding master classes and so cease to become unique.
Approval to establish and legalise a wide range of gambling activities in South Africa— including five casino licences in the Western Cape— was given by the national Parliament in 1998.

It prompts the view that clauses in the South African constitution allow life to become morally and socially bankrupt, impure and impoverished, to the point that society is dehumanised.

The Government does not see—or at least, refuses to acknowledge—that gambling and casinos are an immoral and crime-ridden activity within the South African context.

The State sees casinos and gambling only as a viable and lucrative economic opportunity which is an avenue that will alleviate poverty in South Africa.

Ironically, America is the model of success in the areas of economics, crime, general societal life, and practically everything else as far as this government is concerned.

Yet, America is at its lowest ebb with respect to the abhorrent moral values within society.

We need to remember that moral values and poverty. Poverty breeds disbelief and disillusionment. Disbelief and disillusionment create disillusionment and criminality.

First and foremost, the mere fact that the casino licence is available for the casino development in close proximity to so-called underdeveloped and underprivileged areas constitutes a very serious indictment on the developers and planners of casinos.

Their integrity and sincerity are in question here. Who is truly benefiting, financially, from this?

Why wasn’t the land chosen for the casinos in developed areas like Bloubergstrand, Durbanville or Tanboerskloof?

It is said that the casino development will improve and upgrade the surrounding areas by providing recreational facilities. This is very far-fetched and hypocritical.

In comparison, the same thing was said about legitimising and regulating illegal liquor trading and shebeening in residential areas.

This regulation has proven to be a failure and it has a negative impact on the community.

The communities are in a more abject state of misery and crime-infestation.

Investors in casino development say they represent the interests of the historically disadvantaged communities.

Isn't this the answer to the multi-farious social and criminal problems prevalent in our communities?

Instead of building an elaborate casino and entertainment complex, this will obviously attract some well-off people, enrich some and ignore most others—but ultimately destroy them, their children and their households.

South Africa is a secular state wherein religion is accommodated and tolerated but it does not necessarily influence the law.

The law is acceptable as long as it serves the interests of all, not being prejudiced and discriminatory, in accordance with the Bill of Rights and the constitution of the country.

I am not a legal eagle but this is the basic understanding I have about the law of this country.

If it is so that all legislation must be "in the interests of all", then the Government should have made a more thorough study of the casino development before it was enacted into legislation.

There should be a broader community consultation to produce a more informed and well-balanced blueprint before enacting it into law.

Religion must definitely play a role in these decisions because the root of any value system stems from the person's religious convictions.

No all-religious persuasions agree with the Government that whatever is legislated in a country must be in the good interest of all. Human goodwill is important.

Islam is totally against casino development and gambling, and so are all the Muslims.

Muslims know for a fact that they cannot be involved or engaged in any activity or in any aspect of casino development or gambling.

Those Muslims who serve on some of the activities related to this project, like the investors, promoters, punters and gamblers, know for a fact that what they are doing is a gross violation of the laws of Allah, and therefore punishable by Allah.

They are bad Muslims.

The weakness in them is that they are enticed by Satan in terms of money, prestige and power.

Some of Satan's handiwork is beautifying the evil of gambling and casinos for mankind, through all sorts of temptations.
nbling with morality’

ent hypocritical and far-fetched – Sheikh

by night in November 1997. According to an assessment of income patterns, Australians are the western world’s biggest gamblers, spending more per head on betting than on food.

development and gambling, and so on all the Muslims.

Muslims know for a fact that they must be involved or engaged in any activity or in any aspect of casino development or gambling.

Those Muslims who serve on some of the activities related to this subject, like the investors, promoters, users and gamblers, know for a fact what they are doing is a gross violation of the laws of Allah, and are thus punishable by Allah.

They are bad Muslims. The weakness in them is that they are enticed by Satan in terms of money, prestige and power.

Some of Satan’s best friends are customizing the evils of gambling and sin for mankind, through all its temptations.

These people, after all, are strong-minded persons with some economic muscle.

Casinos and gambling – without doubt – will temporarily enrich them, but ultimately destroy them.

However, what about those poor people without any means of survival, who are desperate to feed a stomach?

Because of this disillusionment of the millions of races they may win at the casinos or gambling machines, they will steal and even kill just to get a penny, or take their hard-earned pay packet in order to try their luck at the machines.

The devastating and demoralizing fact is that they may hit the jackpot once in a 100 attempts – or never – but they will inevitably return to that object, desperate home where hungry stomachs are awaiting them.

As one writer observed: “To stake their gambling they often dissipate their savings, neglect their families, default on bills, and borrow money from friends and loan companies.

“Eventually they may resort to writing bad cheques, embezzlement, or other illegal means of obtaining money.”

This is how casinos and gambling will destroy people and nations.

Statistics are self-evident, and believe me, it is not a case of controlling gambling habits or taking measures to avoid compulsive gambling.

The establishment of casinos and gambling, wherever they may be, must be prohibited.

If you think Las Vegas is your model of success for gambling, then please emigrate and make your living there.

Casinos and gambling, most definitely, are not good for any South African society.

I am sure that many of the other religious persuasions, if not all, are also advocating the same sentiments.

The point is that responsibility does not go without accountability.

As Muslims, we believe that Almighty Allah is good and only wants good for His creations.

He made laws that are a benefit and advantage for mankind and never to man’s detriment.

Therefore we believe that every human being is accountable to Allah because all of us come from Allah, and unto Him is our final return.
SA gaming figures a bit of a gamble

Janet Parker

A REPORT by tourism, hospitality and leisure specialist Grant Thornton Kessel Feinstein raises questions about some of the key assumptions supporting SA's fledgling gambling dispensation.

Gillian Saunders of Grant Thornton Kessel Feinstein said the question was whether the SA public had enough disposable income to sustain the various forms of gambling on offer.

Despite SA's low per capita disposable income, casino operators in Gauteng were expecting casino spending to be as high as the top casino spending areas of the US, where per capita disposable income was much higher, Saunders said.

SA's casino industry is already estimated by operators to be capable of generating about R3.8bn by 2000.

Ajay Sooklal, the trade and industry department's director of lotteries, said the national lottery was expected to produce about R6bn a year and once fully developed, the bingo industry was estimated to be able to generate R2.7bn in annual turnover.

The gambling industry estimated SA could sustain about 40 000 limited payout machines or slot machines which would be housed in restaurants, pubs and clubs, with an estimated revenue a machine of between R36 000 and R108 000 a year.

While the revenue forecasts are from different sources, they are generally accepted estimates and the annual revenue of gambling activities, excluding the horse racing industry, tallies up to between R16bn and R19bn a year, a figure analysts have dismissed as ridiculously high.

Richard Biesheuvel, the chief operating officer of gambling and leisure group Moribo Leisure, said that once fully developed, SA's gambling industry — casinos, limited payout machines, the lottery, bingo and horse racing — would generate a maximum of R12.2bn a year, not only because of economic restrictions, but also because of a relative shortage of sites available for limited payout machine gambling.

Using Gauteng's casinos as an example, Saunders said that "current international wisdom states that one of the best measures of casino performance is to equate total gross casino win (total losses for gamblers) to total disposable income".

Based on last year's statistics, disposable income was estimated at R146bn and the expected total win for the six Gauteng casinos was R1.96bn, which equated to 1.34% of the disposable income.
Ster-Kinekor aims to conquer Africa

Janet Parker

STER-Kinekor has unveiled an aggressive expansion plan which will see it developing cinema complexes throughout Africa.

The cinema operator, which is wholly owned by entertainment and media group Primedia, has also committed R522m over the next two years to expanding its SA operations by 12 complexes, and a further 26 projects are being considered.

Development executive Anton Botha said the group was investigating markets in Zimbabwe, Botswana, Namibia, Tanzania, Uganda, Kenya, Mozambique, Malawi, Zambia, Gabon and Côte d’Ivoire, with some projects at the final approval stage.

Ster-Kinekor complexes would continue to be developed, expanded and refurbished in major cities locally as the group believed it had not yet reached saturation point. Smaller towns would also be reached, with confirmed developments at Shelley Beach, Pietermaritzburg, George, Rustenburg, Upington and Vereeniging.

The Ster-Kinekor brand would also be taken into predominantly black residential areas to capture the emerging market. Botha said a complex was planned for Soweto and “a few others” were in the pipeline.

The initial capital investment of R522m will be spread over two years and result in 12 new cinema complexes, which translate into 70 screens and 12 000 seats. This will bring Ster-Kinekor’s SA screen capacity to about 500 at 75 complexes.

Botha said the group aimed to increase further its market share, which is at 72%, expecting about 22-million cinema-goers this year from 20-million last year.

Market share was expected to grow via organic growth and customer-orientated programmes such as the Movie Club, Kids Club and Sixty Plus Card, which had proved successful.

The group’s SA plans include super-complexes of up to 16 screens, and others of between four and six screens in smaller towns.
Boards defy govt on slot machines

Janet Parker

THE Northern Cape and Free State gaming boards have disregarded pointed government requests not to grant special or temporary licences to illegal slot machine operators.

Both provinces have issued “phase-out” licences to route and site operators — limited payout or slot machines — prompting protests from national regulators and potential bidders.

Ajay Sooklal, the trade and industry department’s director of gambling and lotteries, said yesterday the two provinces issued the special licences despite a letter from Trade and Industry Minister Alec Erwin to all the provinces in March expressing concern at the move. Sooklal said the Northern Cape and Free State disregarded the letter and the licences they issued were therefore “illegal”.

Southern African Gaming Regulators’ Association secretary Andre Wilsonach said the move was “unacceptable”. There was already a drop in foreign investor interest in SA’s route and site industry due to delays in formulating national policy and an unregulated industry could scare foreigners away completely, he said.

Northern Cape Gaming Board CEO Wouter Fouche defended the province’s actions, saying its gaming act made provision for special licences. The board issued the licences in March after they had been granted by the provincial cabinet. They would expire at the end of next month and no provision for renewal had been made.

The province had to choose between an illegal industry or a special licence that did not contribute to provincial coffers, or a “sunset” period of special licences which offered the benefit of gaming taxes.

One industry source said the special licence gives illegals certain rights and the provinces could find it very difficult to take those rights away.
State selling applications for R25,000
eA
SA national lottery licence up for grabs

THABO LESHIBO

Johannesburg — South Africa moves closer to its first multibillion-rand national lottery today when the trade and industry department starts selling application documents to prospective lottery operators for R25 000 each.

Ajay Sookhtal, the department's gambling, lotteries and liquor director, said the draft "request for proposals" and licence documents would be on sale by today.

Applicants have to declare their interest in running the lottery to the trade and industry minister by noon on July 31. The application fee of R1 million is non-refundable.

Jacques Verster, a consultant to the lottery industry, said the lottery was expected to have a turnover of between R3 billion and R6 billion a year. The prizes are expected to be astronomical, easily topping R50 million.

The lottery will be 80 percent owned by the private sector, 15 percent owned by the Post Office and five percent owned by the National Empowerment Fund.

Imbube, Viva and Zama Zama, some of the scratch card competitions run by Games Africa on behalf of charity trusts, would be allowed to run only up to a week before the launch of the national lottery.

The probable date for the launch of the lottery is the beginning or middle of next year.

Verster said the main contenders for the lottery licence included International Lottery and Totalizator Systems, based in San Diego, Scientific Games, based in Atlanta, and Tattersalls Australia.

The international players will bid together with local empowerment groups, including front-runner Moritbo Lesure, the holding company for Games Africa.

"The government wants transparency and will want to avoid obscene profits by the operator — like in the UK. Whoever runs the lottery would have to be squeaky clean," said Verster.

He expected the Imbube Trust, Viva Trust, Kagiso Trust and the Red Cross, which are beneficiaries of the scratch card business, to benefit even more from the lottery.
Top Nats in Cape casino bribe probe

ANDREA WEISS
Political Reporter

The Office for Serious Economic Offences (Oseo) is investigating the possibility of corruption surrounding the allocation of the single casino licence in the Cape metropolitan area.

This was confirmed today after the African National Congress called a press conference in which it implicated a senior member of the Western Cape National Party and a provincial administration official in taking bribes, one of R1 million.

Tommy Prins, a legal director of Cape Town Oversight, confirmed that his office was preparing investigations into "the circumstances preceding and surrounding the applications for casino operating licences in the Cape metropole, with the view to establishing the possibility of corruption."

Mr Prins said he had not been given details of any specific figures or names of senior NP members or officials.

Five companies are bidding for Cape Town's single licence. Public hearings are scheduled to be held in August. The winning company will have secured the province's most coveted licence.

The ANC named NP members, alleging that at least R1 billion had changed hands, but it failed to provide any documentation to substantiate the allegations.

ANC leader Ebrahim Rasool said the ANC was "obviously protecting sources" in declining to give any further details, but the allegations had been corroborated and were not based on a single source.

Mr Rasool said it appeared it was "common knowledge" that money had been paid over to a senior NP member to secure gambling licences. It was obvious that the motive was to influence decisions around gambling sites and rights.

The ANC said the matter had been referred by the legal adviser at a meeting of the Western Cape Gambling and Racing Board.

Jan Kruiper, media liaison officer for the NP in the Western Cape, said the ANC was "making politics out of unsubstantiated allegations."
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(292) AR6 23/7/98
How the dice rolled in Casino Bridge

Top Nats threaten legal action against provincial ANC leader
The page contains various images of items, possibly part of a product catalog or commercial advertisement. The text below the images is cut off, making it difficult to ascertain the context or content of the text. Without clearer visibility of the text, a more detailed analysis cannot be performed.
Barnard set to sue as ANC scraps claims

ANDREA WEISS

Legal letters between African National Congress provincial leader Ebrahim Rasool and Western Cape Director-General Niel Barnard are flying thick and fast in the wake of the gambling probe disclosures yesterday.

Dr Barnard threatened to sue Mr Rasool yesterday for alleging that he was linked to casino corruption and, in spite of a qualified retraction from Mr Rasool to Dr Barnard’s lawyers, he has repeated his threat.

Early today Mr Rasool retracted the allegations he made against Dr Barnard at a press conference, saying that “so far as your letter to me constituting a denial by your client of any involvement in this matter, we have no reason to disbelieve your client’s denial.”

But Dr Barnard felt this was not sufficient and repeated his threat to sue, giving Mr Rasool until later today to set the record straight and formally to withdraw “defamatory and unsubstantiated allegations.”

Dr Barnard’s letter pointed out that the allegations made by Mr Rasool were repeated by Radio Sonder Grense today.

He said he was still reserving his rights to take legal action against Mr Rasool and his colleagues.

This drama follows yesterday’s dramatic announcement of an anti-corruption investigation.

ANC scraps claim, but Barnard may sue

From page 1: of the awarding of a casino licence in the province.

Economic Offences had decided to begin investigating whether there was any corruption.

The Western Cape Gambling and Racing Board, which is to award the licence, is in disarray because of a shortage of members, two of whom resigned recently, leaving only three of the seven-member board in place.

Reasons advanced for the resignation of Blum Khan and Gerrie Steenkamp this month were that minutes were arriving late and that there was a difference of opinion over the siting of a convention centre.

The winner of the metropolitan casino licence is expected to provide a convention centre for the city.
Casino "bribes": Barnard hits back

ANDREA WEISS
AND GWINNIS UNDERHILL

Sensational allegations by the African National Congress that former premier Herman Kriel and a senior provincial official accepted bribes from one of the bidders for the province's casino licence may have backfired.

By week's end, the party was facing a costly lawsuit from provincial director-general Niel Barnard, who twice rejected the party's apology and its retraction of allegations of corruption.

The ANC was also under pressure from the Office for Serious Economic Offences (OSEO) to substantiate its claims.

However, it was strongly defend-
ing its position last week.

The party had alleged that Mr. Kriel accepted a R1-million bribe to influence the award of the coveted casino licence in the Cape metropoli-
tan area.

In a strongly worded fax sent to the ANC offices yesterday, the OSEO pressured Western Cape ANC leader Dr. Ibrahim Rasool to provide evidence to back the claims he made at a press conference on Thursday.

OSEO director Jan Swanepoel said it had become apparent: Mr. Rasool had more evidence than his office.

"Judging by the information from the press conference he held, Mr. Rasool must have more access to information than I have," he said.

ANC spokesman Cameron Dug-
ob more defended the ANC's decision to go public with the allegations. He said the press conference had been held when it became clear the National Party had no political will to make public the allegations.

"As the official opposition party in the legislature, we felt we had a duty to inform the public of the allegations. We do not trust the NP to be transparent," he said.

The allegations arise from a letter presented to the Western Cape Gambling and Racing Board on June 26.

The letter, which contains what have been termed "unfounded and unsubstantiated allegations" - claims that SunWest, the company bidding to build a casino at the Goodwood racecourse, had bribed Mr. Kriel and a senior provincial official.

The author of the letter has not yet been identified, but the OSEO has an affidavit believed to be from the same person.

SunWest said it was unable to respond fully to the "unfounded and unsubstantiated allegations" in the letter because of the strict parameters laid down by the gambling board regarding public statements. "However, the
ANC faces lawsuit
as casino corruption
charges backfire

From page 1

compny said, "SunWest wishes to
state categorically that it absolutely
rejects any suggestion that the com-
pany, or its associated companies,
have been involved in any way in
the impropriety referred to in these
reports.

Meanwhile, it is unclear whether
the ANC saw the letter before hastily
convening its press conference on
Thursday. Mr Dugmore refused to
confirm or deny whether the party
had seen the letter and its contents.

On the issue of the OSBO's request
for further information, he said: "We
have agreed to share all the infor-
mation we have and to co-operate with
OSBO."

He declined to elaborate on what
information the ANC had to sub-
s tantiate its claims.

Dr Barnard's lawyers sent a terse
letter to the ANC late yesterday say-
ing a summons would be issued "as
speedily as possible" because the
party had not fully complied with
his demand for a public apology.

Mr Rasool's second apology to Dr
Barnard read: "While I was not the
initiator of the allegations, I report-
ed on an impression with regards to
the possible involvement of Dr
Barnard and I confirm my earlier
withdrawal of the specific allega-
tions levelled at Dr Barnard regard-
ing the taking of money and realise
that the way in which I raised this
matter with the public may have
carried harm to the person of Dr
Barnard.

I, therefore, put on record my
apology for any such harm suffered
by Dr Barnard."

Dr Barnard's lawyers replied that
the apology did not comply with Dr
Barnard's demand for a full retrac-
tion and advised Mr Rasool that a
summons would be issued.

Director Swanepoel said he was in
possession of a signed affidavit from
a man who claimed to have first-
hand information about corruption
involving the award of a casino
licence, but that he was still check-
ing the story.

He declined to name the man.
"The man is scared - wouldn't you
be?" he said.

The person had consulted him in
Pretoria, with his lawyer present,
Director Swanepoel said.

"At this stage we are doing a
preparatory investigation and not a
full investigation. We don't want to
say much because it is important we
first check out the validity of his
statement," he said.

Mr Swanepoel said the career of
Abe Williams, former Minister of
Welfare, who was accused of corrup-
tion, had been destroyed, but OSBO
had still not completed that investi-
gation.

Director Swanepoel said he was
did not want to pre-empt the findings
of a preliminary investigation.

SAPA reports that Mr Kriel has
strongly denied the ANC's allega-
tions that he accepted bribes.

He had not done anything improp-
er to influence the granting of a cas-
ino licence to anyone, he said in a
statement through his lawyers.

He welcomed the referral of the
matter to the OSBO and had asked
them to investigate the allegations
against him as speedily as possible.

He said he would take further
appropriate steps after the investiga-
tion.

Mr Kriel said he deplored the
transparent politicking that lay
behind by Mr Rasool's press state-
ment.
Casino bribe claim ‘based on secret letter’

KEN VERNON

WESTERN Cape ANC leader Ebrahim Rasool has conceded that he has no hard evidence to support his claims that top National Party officials accepted bribes — but says they are based on a letter from an unknown source.

He is sticking to his guns on an issue that threatens to grow into a major political storm.

He says the mysterious letter implicates former premier Hermus Kriel and others, claiming they accepted money in exchange for allocating casino licences.

However, in an interview this week Rasool said he did not have the vital letter in his possession nor had he seen it.

Cape-Metro has established the existence of a letter from a "source" allegedly implicating Kriel, and that it has been in the possession of the Gauteng branch of the Gambling and Racing Board for more than a month.

Over a month ago a separate sworn affidavit was obtained by the Office for Serious Economic Offences, implicating an unnamed person in irregularities in the granting of a gambling licence for Cape Town.

According to OSEO head Jan Swanepoel, the letter and the affidavit are not the same, nor does the affidavit implicate "those people whom Rasool has accused".

"We have no evidence to back up what Rasool has been saying about bribing of certain officials and we have asked him to supply whatever evidence he has," said Swanepoel.

Rasool has had to retract his accusations against regional director-general Dr Niel Barnard, but he faces court action as Barnard has rejected his apology.

Kriel and local Gambling Board chairman Derek Auret, implicated by Rasool for accepting bribes, have also said they may sue.

The MEC responsible for gambling, Patrick McKenzie, said: "I am not going to bail Rasool out. He acted unethically on rumours and that is no way for a responsible leader of a major party to act. He has made his bed and must lie on it."
Casino delay ‘threatens Cape projects’

Linda Ensor

CAPE TOWN — A delay in finalising the award of the Cape Town casino licence because of corruption allegations could have significant budgetary implications for the province, finance MEC Lampie Fick warned yesterday.

Without the required financial contribution of R150m by the successful bidder to the budget, capital projects worth R200m might have to be suspended to keep the province within budget, Fick said.

Last week African National Congress (ANC) provincial leader, Ebrahim Rasool accused former premier Hermus Kriel, the National Party and provincial director-general Niel Barnard of taking bribes to favour one of the applicants for the Cape metropolitan licence. The accusation against Barnard was withdrawn by the ANC, which first publicised the fact that the corruption allegations were being investigated by the Office for Serious Economic Offences (OSEO).

Fick said the suspension of capital projects by the public works and roads departments could have a “disastrous effect”, especially on small contractors.

“Should the awarding of the casino licence be delayed by more than three months because of the OSEO investigations, capital works projects to the value of R200m may have to be suspended. Contractors may have to sue the ANC for damages suffered because of the suspension of contracts as a consequence of their allegations.”

Fick said the provincial cabinet would take a decision on August 5 on whether to suspend the contracts.

ANC spokesman Cameron Dugmore dismissed the accusations as “empty politicking”. The delays were not caused by the ANC but by an independent report to the office and by the internal troubles at the Western Cape Gambling and Racing Board.

Kriel and Barnard have threatened the ANC with legal claims of R10m each. Kriel said he was not satisfied with the apology and retraction of the allegations on Friday by Rasool.

The licence applicant accused of making the bribes, Sunwest International, has rejected the allegations as unfounded and unsubstantiated.

Kriel, 57, has denied accepting a R1m bribe. He claims through close associates that the allegation has damaged his credibility at a time when he is setting up a consultancy.

The ANC plans to oppose the court actions. It was correct to publicise the allegations, Dugmore said, otherwise it would have been failing in its duty as an opposition party. The allegations were made on the basis of reliable information based on a legal adviser’s report to a board meeting.
Barnard launches R20-m defamation claim

Mr Rasool alleged Dr Barnard had received money in a corruption scam surrounding the awarding of a casino licence in the Cape metropolitan area.

He subsequently withdrew his remarks twice in response to demands from Dr Barnard’s lawyers, but both retractions were rejected on the grounds that they did not fully meet the demands.

In a letter to Mr Rasool’s lawyers today, Dr Barnard’s attorneys said there was no factual substance for the ANC leader’s remarks and he would have been able to establish this by telephoning Dr Barnard or the Office for Serious Economic Offences.

The letter rejected Mr Rasool’s “unsatisfactory and heavily qualified” first retraction, as well as the fact that it was not made public. It said the second retraction was also not made public by Mr Rasool.
Bribery claim absurd — Morkel aide

Linda Eraser

CAPE TOWN — Western Cape premier Gerald Morkel confirmed yesterday that one of the provincial officials accused of taking bribes from gambling operators worked in his office.

The official, Marius Durandt, is Morkel’s personal assistant and worked in the same capacity for former premier Hanno Kriel. Kriel has denied allegations that he personally took a bribe to secure a particular decision regarding the casino licence for the Cape Town metropolis.

Durandt rejected the allegations as “absurd”, saying they should be treated with the contempt they deserved. He was interviewed last week by provincial director-general Niel Barnard, accused by the African National Congress (ANC) as being one of the beneficiaries of corruption. The ANC later withdrew the claim.

Barnard said last week the unnamed official he had interviewed had proclaimed his innocence.

Sapa reporter Barnard had instructed his attorneys to serve summons for libel on the ANC’s provincial leader, Ebrahim Rasool, for the allegations made last week.

Kriel said he deplored the “transparent politicking which lay behind the irresponsible press statement” made by Rasool. Kriel indicated legal action could ensue against Rasool.

Morkel called on the Office for Serious Economic Offences to expedite its probe of the corruption allegations. He said the provincial government had budgeted to receive R135m this fiscal year from the R150m the successful applicant would pay into the treasury.
Casino policy planners now gambling with the bidders

THREE former senior Western Cape officials, who played pivotal roles in the formulation of provincial gambling policy, are now acting for some of the bidders for the lucrative Cape Metropolis casino licence.

They are former provincial director-general Herbert Beukies, former provincial revenue chief Chris Lötter and Dawie le Roux, former gambling adviser to ex-premier Hennus Kriel and the driving force behind the province’s gambling legislation.

Another key official, Brian Louw, former Western Cape chief director of planning, resigned his post last year and has since taken up a job as an expert consultant to the Gambling Board itself.

The process for allocating the metropolis casino licence was embattled in controversy last week when ANC Western Cape leader Ebrahim Rasool claimed former premier Hennus Kriel and provincial director-general Niel Barnard had been involved in taking bribes.

Rasool withdrew his remarks and apologised over the weekend — only to then repeat the allegations against Kriel — but Sapa reports that Barnard yesterday instructed his attorneys to serve summons for libel against Rasool.

Kriel, who has denied the allegations, said yesterday he deplored the “transparent politicking which lay behind the irresponsible press statement” made by Rasool. He said he would await the findings of an Office for Serious Economic Offences (OSEO) probe and indicated that legal action could then ensue against Rasool.

The ANC’s Western Cape spokesperson Cameron Dugmore asked whether it was ethical for officials who gained all their experience at state expense to take huge packages and then “benefit further in the private sector of the same field”.

Beukies is a consultant to Akani Leisure, which is bidding for a casino on the Foreshore, and le Roux is vice-chairperson and Lötter a board member of the multinational bid for a casino at the Culemborg site.

While they were civil servants, the province spent thousands of rands funding research by Lötter and le Roux in Hong Kong, Australia and Las Vegas. Le Roux, formerly racing MEC in the Western Cape, was appointed in terms of a three-year contract as a special adviser to Kriel after the 1994 general election.

He said yesterday that one of his duties was to assist in the preparation of gambling legislation which entailed overseas trips to Australia and the Far East to gain “first-hand” knowledge.

“I was asked to join the Culemborg bid in April this year. I left before my contract expired for no reason other than wanting to go back to my practice.”

Lötter formerly employed with the Western Cape administration for 32 years, now runs Chris Lötter Consultant CC which specialises in gambling and racing matters. He is a consultant to the Culemborg bid on an ad hoc basis.

Lötter yesterday said he took a severance package last year after applying for the package in 1996. During his career, Lötter became director of taxes, levies and duties. It was in this capacity that he played a major role in compiling the gambling legislation in the Western Cape.

Beukies could not be reached for comment yesterday, but Akani chairperson Frans Strobeel yesterday confirmed that Beukies was being consulted by the consortium on strategic planning.

Democratic Party Western Cape leader Henkie Bester said last night he did not “necessarily have a problem’’ with former provincial employees using their skills, acquired in government service, elsewhere.

“Would object if they were employed on the basis that they could possibly influence their erstwhile colleagues” — but that he did not think this was the case with Le Roux, Beukies or Lötter.

Former W Cape officials acting for casino bidders

“Our concern is about the integrity of the decision-makers, that is, the board, and the integrity of the licensing process,” Bester said.

The persons allocating gambling licences had to be “impartial and beyond reproach”, he added.

Bester also stressed that the Western Cape’s gambling legislation had been carefully formulated — to prevent legal problems, and was so good it had been used by other provinces.

“We spent a hell of a lot of money to produce good legislation,” he said.

Wellington attorney Peter Ingwersen’s bid to join the Gambling Board, which is down to three out of seven members and no longer has a quorum, was put before the Portfolio Committee on Gambling last week and rejected — but not before, insiders say, “several eyebrows were raised” at the fact that Gambling Board chairperson Derek Auret is Ingwersen’s brother-in-law.

All licence applications are publicly advertised and, to save expenses, full probity checks are done on only those remaining after the “weeding out” process by the portfolio committee.

The final choices are then put to Gambling MEC Patrick McKenzie, who then reports to cabinet, who makes the final decision.

Auret declined to comment on the matter last night.
ANC reeling from bribery allegations. Supporters are asking if executive was set up.

Red-faced by Rasool's apology, supporters are asking if executive was set up.

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New board members undergo forensic tests

Rural casinos first in queue

Top lawmaker adds

Probes weigh to casino
Competition for SA lottery intensifies

By Isaac Moledi

COMPETITION to bid for South Africa's national lottery heightened yesterday after the launch of Moraba—a South African owned black empowerment consortium—to bid for the country's national lottery.

The consortium comprises Moraba Leisure, RealAfrica Holdings, Union Alliance, Makana Trust, Ithuba Trust, and Association of Race Courses South Africa.

The consortium has, however, contracted international experts suppliers, Scientific Games International, International Lottery and Totalisator Systems and ICL SA to put forward Moraba's bid to manage and operate the national lottery.

Mosi Mashishi, Moraba Leisure chief executive and Moraba spokesman, said Moraba had all the vital elements to win the bid.

"The consortium is unique in that it is 100 percent South African owned and through its shareholders, Moralee truly meets the empowerment requirements outlined in the requirements for proposal," he said.

The launching of Moraba brings into play stiff contest in the national lottery.

The Trade and Industry Ministry said last week that it had received six letters of intent and three inquiries for the tender to operate South Africa's multi-billion rand national lottery.

Although the ministry declined to release details about the bidders, it said more bidders were expected to join the fray to beat the October deadline for formal proposals.

Mashishi said Moraba would benefit from Moraba Leisure, which through its subsidiary, Gama Africa, has more than six years in charitable game experience and understanding of local consumers.

Gama Africa has also had a longstanding working relationship with the Post Office, now a 15 percent equity holder in the lottery.

The other key shareholder is Real Africa Holdings, a financial services, information technology and industrial holding group, to add financial power and credibility to the organization, Mashishi said.

The Government said tenders needed to hand in their letters of intent by Friday last week, and the bidders' conference is expected to be held tomorrow. Tenders will have to make formal proposals on their bids on October 9. Winners will be announced in January next year.
Gambling board under fire

Top politician blasts board for looming job cuts on Sunshine Coast

By QUENTIN WRAY

The Eastern Cape Provincial Gambling Board has been accused by a top politician of cynically acting in the interests of a privileged handful of people. In a speech delivered in Grahamstown this week, Speaker of the Eastern Cape Legislature and ANC Albany chairman, Gugulethu Nkwinzi, said the board had acted "very cynically".

Nkwinzi said the casino licensing process had been subjected to the board and those bidding for the licences.

Nkwinzi's comments were not at all well received by Eastern Cape MEC for Finance and Economic Affairs, Enokh Godongwana.

As a London newspaper reported this week that Godongwana had lashed out at Nkwinzi, saying his (Nkwinzi's) comments have been "misleading".

Godongwana defended the board, saying its recommendations had been published for public comment, giving communities a chance to voice their feelings.

He said the issue of where licences would be allocated should not be contested between political parties or between regions of the same party. Rather, licences should be given where economic development would be maximised. He said where "rural bias" made economic sense, a licence would be considered.

Nkwinzi said his rural constituents -- who were among the poorest people in the Eastern Cape -- would pay the price if the Fish River Sun lost its licence and one was granted in Port Elizabeth.

The Eastern Cape is allowed to issue five casino licences and has been divided into five zones for this purpose.

Nkwinzi said the Fish River Sun had inexplicably been put in zone two -- which included East London -- rather than the Port Elizabeth zone (zone one). This was despite most of its trade coming from Port Elizabeth.

Nkwinzi said this had created the "artificial impression" that zone one (PE) had no casinos. This would make the board's decision to grant a licence in Port Elizabeth much easier as it would not be forced to choose to close an existing facility in favour of opening a new one.

Meanwhile, he said, Hamburg -- which lies eastwards of Fish River and is closer to East London -- had been included in the PE-dominated zone.

He said as there were already three operating casinos in the Eastern Cape -- the Wild Coast Sun, the Fish River Sun and the Amatola Sun -- these resorts should keep their casino licences and two new licences should be granted, preferably to resorts in the Karoo and around Queenstown.

Nkwinzi said the government could not absolve itself of its responsibility to retain existing jobs as well as ensuring a balanced distribution of wealth, leisure opportunities and jobs.

He said Port Elizabeth did not need a casino as it had already benefited from lots of job-creating opportunities -- Coega, the Volkswagen South Africa export deal and the Sancor motor plants and so on.

Nkwinzi said he feared the loss of the licence would cost much-needed jobs and that they would not be replaced.

Nkwinzi said government had a moral and political responsibility to fight the move.

Control of the Fish River Sun has been handed to the predominantly black-owned Emfuleni Resorts, which has indicated it will be applying for a casino licence in Port Elizabeth and that it intends to let the Fish River Sun licence lapse next year.

The company says it will upgrade the hotel's conference and sporting facilities to counteract the effects of the loss of its casino.

Nkwinzi said he was very sceptical of how successful this would be.

He said Emfuleni had not consulted with the ANC in the area about the effect their plans would have on local communities.

He said he wanted to meet with Emfuleni management to discuss the matter further.

Emfuleni spokesman Nick Motase said his organisation had no comment to make on the subject of potential job losses.

RCN Weekend Service
Casino to create 1,400 jobs

By Shadrack Mashalaba

UP TO 1,400 jobs will be created when Tsogo Sun’s temporary casino at MTN Sundome in Randburg opens late in September.

An investment of more than R200 million will be injected to convert the basement of the dome, currently under construction, to set up a temporary casino.

Work on the project to install equipment and furniture for a casino operation started after Tsogo was awarded a licence by the Gauteng Gambling and Betting Board.

Tsogo Sun currently has three casino licences – one in Gauteng and two in Mpumalanga.

Speaking to the media at the weekend, Tsogo Sun’s chief executive Jabu Mabuza said work on the temporary casino was progressing well.

Mabuza said operations in Mpumalanga were performing satisfactorily. He said they were also aiming for another licence in Durban. Other provinces targeted were Western Cape, Free State and the Eastern Cape.

Staffing issues

Sundome casino general manager Howard Berchowitz said they were currently dealing with staffing issues.

Berchowitz said Tsogo had committed itself to the training and employment of people who are unemployed.

"Staff recruitment for the Sundome is at an advanced stage. On the tables side of the operation, 120 trainee dealers have already been selected and are undergoing intensive training and a further 210 experienced dealers will be recruited by September," said Berchowitz.

Training is being conducted internally.

Tsogo Sun is a 50-50 partnership between Tsogo Investments and Southern Sun Gaming.

Southern Sun Gaming Investments is subsidiary of Southern Sun, which in turn is owned by South African Breweries.

Tsogo Sun comprises the National African Federated Chamber of Commerce and Industry, the Foundation for African Business and Consumer Services, the National Council of Trade Unions and the South African Clothing and Textile Workers Union.

Other shareholders in Tsogo include individuals.
Only lawyers seem to have benefited in gambling rush

ANN CRONTY

Johannesburg - At an early stage it was apparent that the legal fraternity was likely to be the major winner in the process that was to take South Africa into a new gambling and betting legislative environment. Two years later, and after considerable time and money has been spent, the country has only one functioning permanent casino complex.

In Gauteng, SilverStar Development has initiated legal action against the chairman of the Gauteng Gambling and Betting Board, the Gauteng MEC for Finance, Economic Affairs and the Rhino Hotel and Resort in Mmpumalanga there has been still no resolution of the legal disputes initiated by Karos/Eskiheleni and AfriSun relating to the two licences allocated to Tsogo Sun in the Western Cape.

In Mpumalanga, the Office for Serious Economic Offences is investigating allegations of certain irregularities regarding the application for the Capetown Metropole area; in the Northern Province, the Supreme Court issued an interdict against the province's gambling board to refrain from announcing the successful casino applicant.

For those growing increasingly cynical about the much-touted benefits of this industry, the good news is that all litigation inevitably delays the full effect of the onslaught of legal gambling on society. Far from being a source of funds for alleviating poverty in urban areas, the emphasis seems to be turning to the destruction of the industry can be wreaked on urban areas.

And as each year passes it is likely that even those with a stake — or hoping for a stake — in the industry are less enthusiastic about prospects. Less than scientific estimates put the total annual spend for gambling at about R1 billion. The figure is not based on some fairly heroic assumptions but covers casinos, horse-racing, bingo, lotteries, flesh-foots and slots. In addition to the uncertainty that surrounds these estimates, there is the important matter of consumer spending, which daily seems to weaken. Few retailers are forecasting any appreciable improvement in the foreseeable future.

Reports from Gauteng sources suggest that a number of the bankers of some of the licence winners are getting cold feet. But gambling board executives say they are not aware of any of the six licence holders in the province having financial difficulties and that things are running to schedule.

By early October, Gauteng will have its first legal casino when Tsogo Sun opens its temporary facility at Fourways; more will be opened in November, with the last hoping to be open for business in time for the important Christmas period.

But to date the only permanent casino that is up and running is Global Resorts' Secunda complex in Mpumalanga. The official launch a few weeks ago was over a year after the licence was issued.

In April last year, Global Resorts secured one of the three licences that were issued in that province. In an unexpected stroke of good fortune Tsogo Sun won the other two — one licence was for a Nelspruit site and the other for a site in Witbank.

The selection of Tsogo Sun as the preferred finalist in Nelspruit and Witbank precipitated 25 formal objections. The Mmimulanga Gambling Board dealt with the objections and went ahead and issued the two licences to the Southern Sun-controlled company; but that was not to end Tsogo Sun's tussles.

Indeed, one year and three months later Tsogo has not been able to go ahead with its permanent casinos in that province because legal action by two unsuccessful licence contesters is still unresolved. Karos/Eskiheleni, an unsuccessful bidder for the Nelspruit licence, is behind the legal action relating to Tsogo Sun's Nelspruit casino, and Afrisun has taken legal action against the Secunda project.

The delay is not entirely bad news for Tsogo Sun, which until the legal wrangle is resolved cannot establish permanent facilities. This means it is saved the considerable expense of setting up permanent facilities but can continue to operate temporary casinos.

In Gauteng, there have been a number of threatened legal actions spinning from the Gambling and Betting Board's selection of licence holders. MoAfrika withdrew before its action got to court; City Urban Renewal Enterprises withdrew its action after the parties appeared in court.

SilverStar's action is tabled for December 1, but the board is keen to bring the date forward to create certainty for Rhino Ramsada.

Industry sources say the absence of litigation against the board ahead the provincial government has more to do with concerns about the subsequent political fallout rather than satisfaction with the process. A number of concerned parties are attempting to motivate a commission of inquiry into the awarding of the six licences.

In Cape Town, the allegations of certain irregularities regarding one of the applicants for the Cape Metropole area, regarded as potentially the most lucrative licence in the country, is under investigation by the Office for Serious Economic Offences. According to an industry magazine, Gaining for Africa's information, the matter is expected to be dealt with speedily and a licence should be issued by December.

The recent resignation of four members of the Western Cape Gambling Board has required it appoint two new members, in something of a rush, to ensure a quorum.

And in the Northern Province, according to Gaming for Africa, the interdict against the Gambling Board was granted "on the basis that companies owned by certain board members were contracted and received payments of large sums of money to do evaluation on applicants for casino licences".

All in all, the uninvited winners in this so-far patchy process have indeed been the legal fraternity.
Death-bed letter implicates Kriel in R50-m bribe

By ROGER FRIEDMAN
Cape Town

A dying man wrote a letter alleging that former Western Cape premier Hermus Kriel was offered a R50-million bribe to ensure that the Cape Metropole casino licence was awarded to a subsidiary of Sun International.

Kriel's lawyer laughed when he heard his client stood accused by a dead man, but the Office for Serious Economic Offences (OSEO) has confirmed that it is scrutinising the claims contained in the letter written by the terminally ill David Price.

Price, describing himself in the letter dated June 14 as an "ex-bookmaker and professional casino gambler", died on July 2. He had instructed an associate to release the letter to the OSEO, members of the media, government departments and political leaders after his death.

"By the time this letter reaches you I will be dead. My name is David Price, ex-bookmaker and professional gambler. I have always been an honourable gambling man living by a code of ethics which is fair play. I have instructed an associate to release this letter after my death as I did not wish to be questioned and labelled a tell-tale in the last days of my life. I am dying of an incurable disease. I believe that the following disclosures I am about to make are in the interest of justice," he wrote.

According to Price, two men, whose names lawyers recommended we did not publish, concluded a deal between themselves and Sun International for the purchase of Goodwood Showgrounds.

"A package deal of R100-million was offered to Sun International, which included the delivery of a casino licence for the Cape Metropole," he added.

The letter continued that the property was transferred for R46.5-million. "The other R50-million will be paid to the Ex-premier Hermus Kriel for making sure that SunWest will be awarded the Cape Metropole licence," Price wrote.

"Price wrote that Kriel insisted on the appointment of a certain member of the Western Cape Gambling Board, to ensure SunWest was awarded the licence," said his lawyer, Jeff Malherbe, who would not comment on the letter as he had not seen it.

A close associate of Kriel's told The Star that Kriel was waiting for the OSEO to complete its investigation. Thereafter, Kriel would sue ANC Western Cape leader Ibrahim Rasool for bringing the original allegation involving a R1-million bribe to public notice.

OSEO assistant director Tommy Prins said he was personally involved in conducting a preparatory investigation into matters arising from the casino licensing process.

"Our first source was not the letter from Price," he said. "In view of the seriousness of the allegation, we decided to institute a preparatory investigation.

Some of Price's former gambling associates this week expressed surprise that they would have penned such a letter. They described him as a "complacent" and "addicted" casino gambler.

According to deeds office records, the Goodwood Showgrounds site was transferred in two pieces from the Western Province Agricultural Society to H Investments No 55 Pty Ltd in August 1994 and April 1995 for a total of R46.58-million.

H Investments No 55 Pty Ltd subsequently changed its name to SunWest.
Six rivals in the running for SA lottery

SIX companies, including a few “surprise entrants”, are in the running for SA’s National Lottery — one of the world’s last big lotteries up for grabs.

Two of the more surprising potential applicants to file expressions of interest were Virgin and International Growth Company, which industry insiders said was an “unknown name in gaming and lottery circles”.

Ironically, while it had been speculated widely that Virgin would enter the race, Virgin’s chairman Richard Branson, when visiting SA late last year, said his group was not interested in running SA’s lottery, but wished to advise on how it should be done.

According to a list of potential bidders released by the trade and industry department, Pan Malaysian Pool Management SDN BHD, a Malaysian sports pool group, has notified the department of its intention to bid.

The remaining potential bidders are Lottothru, Morrelot trading as Moraba, and Rainbow Entertainment.

The department said although Ladbroke Holdings SA had purchased the request for proposals document inviting applications for the lottery, it had not submitted an expression of interest letter by the required date.

Lottothru is a 100% SA-owned consortium led by trade union-based investment vehicle Hesken Consolidated Investments and International Gaming Networks, the gaming and lotteries division of pay television group MII Holdings. Its international supplier is Automated Wagering International, the world’s second-largest supplier of lottery technology.

The Moraba consortium, also 100% SA owned, brings together Moribo Leisure, Real Africa Holdings, Union Alliance, Makana Trust, Ithuba Trust and the Association of Race Courses SA as stakeholders. Moraba has secured the exclusive contracts of international suppliers Scientific Games International and International Lottery and Totalizer Systems, and technology group ICL SA.

Rainbow Entertainment includes US-based lottery and gaming group GTech Holdings Corporation.

SA’s national lottery has been estimated to be worth between R2bn and R8bn in annual revenues, 50% of which will be “good cause” money. Industry members said the competition for the operating contract would be stiff as SA’s national lottery was one of the largest in the world still up for tender, after China and India.

Government is expected to announce the winner in January.
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Government is expected to announce the winner in January.
Kriel to sue for R15m over bribe allegations

ROGER FRIEDMAN

FORMER Western Cape premier and
apartheid-era police minister Herman Kriel has
instructed his lawyer to sue the Cape Times,
Western Cape ANC leader Ibrahim Rasool and
the ANC for R5 million each, for defamation.

The proposed legal suit relates to allegations
of bribe and corruption in the run-up to the
awarding of a single, lucrative casino licence
for the Cape Metropole. The
allegations are presently the
subject of a preparatory inves-
tigation by the Office for Seri-
ous Economic Offenses.

Lawyer Jeff Malherbe con-
firmed last night he had
received instructions from
Kriel to issue summons “in
view of the continual spread-
ing of defamatory reports
against him”.

Allegations that Kriel was
under suspicion of accepting a
R1m bribe to influence the
casino licence process surfaced
publicly at a press conference
on July 23 called by the ANC
and addressed by Rasool.
Rasool called for a full inves-
tigation into the allegation.

Then, yesterday, the Cape Times published a
letter alleging that Kriel had been offered a
R50m bribe to ensure that the Cape Metropole
casino licence was awarded to Sun West, a sub-
sidiary of Sun International.

The letter was written by the dying David
Price — a self-described bookmaker and profes-
sional casino gambler — who instructed that it
only be released after his death. He died
on July 2.

Sun West dismissed Price’s allegations as a
pack of lies aimed to discredit its casino licence
bid.

Malherbe said last night he could not com-
ment on Price’s letter because the matter had
become sub judice the moment he received
instructions to sue.

Rasool and the ANC are already being sued
for R1 million each by Western Cape director-
general Niel Barnard over Rasool’s handling of
the July 23 press conference.

Reporting to Kriel’s proposed legal suit,
the Cape Times editor Ryland Fisher said it was
Kriel’s “democratic right to take whatever legal
action he wants to take”.

Fisher said: “We stand by
the stories we have published
to date. We have published
these stories as we believe
they are in the public interest,
and not because we are part
of any campaign to defame
Mr Kriel or anyone else.”

Approached for comment,
the Western Cape ANC said
last night it had not received
any official notification from
Kriel or his lawyer.

The ANC said: “Mr Kriel
has every right to resort to the
courts. The ANC Western
Cape will defend any action
instituted by him. Our initial
decision to make public alle-
gations in order that they
may be fully investigated was based on fulfilling
our mandate as the official opposition in
the legislature. This is both a moral and public
responsibility we have. It was done in the public
interest.

Earlier this evening, our provincial executive
committee reaffirmed its full support for
the leadership collective and in particular our
provincial chairperson, Ibrahim Rasool. The
leadership was also mandated to intensify our
campaign to bring to the fore all allegations of
corruption so that they may be fully investigated.
No one will stop us from playing the role of
whistle-blowers.”
Closure of illegal gambling outfits boosts Sun International

Janet Parker

GAMBLING and hospitality group Sun International SA (Sisa) lifted attributable earnings before exceptional items 11% to R465.3m for its full year to June, after increased revenues resulting from the closure of illegal gambling operations helped the bottom line.

The group said its earnings would “materially decline” in the coming year following Gauteng’s phase one casinos opening, affecting Sisa’s existing gambling operations in the North West province.

Disposal or closure of other of its gambling operations to reach compliance with the National Gambling Act and the prevailing difficult trading conditions in the hospitality industry would further affect future group earnings.

Share earnings before exceptional items increased 11% to 58.8c a share. Because of potential funding requirements for the development of new casinos, the directors would make a capitalisation award in lieu of a dividend, although shareholders could elect to receive a final cash dividend of 15.5c a share. The total dividend for the year rose 7% to 32c a share.

Analysts said yesterday the results under review were better than expected. However earnings were likely to decline 30% to 40%, given a “best-case scenario”. This would result if Sisa won a casino licence both in Cape Town and Durban to add to the licence already won in Gauteng, one analyst said yesterday.

Group revenue increased 12% to R2.6bn, and profit from operations rose 20% to R657.9m, reflecting a two percentage point increase in profit margins to 25%.

Gaming and hospitality revenues increased 9% and 18% respectively, although excluding the Table Bay Hotel, the group posted a three percentage point decline in average room occupancies to 64%.

The group said that despite a disappointing 4% increase in overall revenues at its Sun City operation, the resort had achieved a small operating profit compared to the previous year’s R40m loss.

Group interest income fell slightly less than R27.6m (1997: R28.3m) and the tax bill increased to 38% to R182.3m after increased pre-tax earnings, reduced benefit of the tax equalisation reserve, as well as the lower secondary tax on companies charge owing to the proposed capitalisation award.

The directors said Sisa’s agreement to dispose of five of its casinos and hotels to Moribo Investments, due to take effect from June 30, had been delayed.
Casino probe to target bank accounts

WILLEM STEENKAMP

Investigations sifting through the allegations of bribery and corruption surrounding the award of the Cape Town casino licence have called for details of at least 60 bank accounts.

Tommy Prins, of the Office for Serious Economic Offences (Oseo), told Saturday Argus that Oseo investigators visited Western Cape Premier Gerald Moriel this week to inform him of the development.

"We realise the financial implications of the allegations on the province and we informed the premier that the investigation was still continuing. No deadline can yet be set on the completion of the investigation," said Mr Prins.

"Currently we are busy with a preliminary investigation into the bribery allegations. We have called for the disclosure of at least 60 bank accounts and more are to follow. We are following a paper trail." 

Allegations of bribery were initially levelled by Western Cape African National Congress leader Ebrahim Rasool against former premier Herman Kriel and Western Cape director general Neil Barnard.

Dr Barnard is suing Mr Rasool for R2-million. Mr Kriel indicated that he would sue the Cape Times, SABC and others for a total of R15-million after they published allegations that he was offered a R50-million bribe.

The allegations were contained in a letter written by bookmaker David Price, who asked that the letter be publicised after his death. Mr Price died of AIDS on July 2.

After the letter was published, Saturday Argus was informed that three businessmen had allegedly guaranteed the delivery of the casino licence to any bidder prepared to buy the Cape Showgrounds.

The businessmen – a Cape Town lawyer, a Cape Town businessman who was involved in several controversial property deals, and a Johannesburg businessman – are well-known in local financial circles. The showgrounds were eventually bought by SunWest and sources said the men were given an option on a 10% shareholding in the company.

SunWest director Ian Douglas has strongly denied these allegations. He said that although the three men were offered a share option, it was not as high as 10% and that their interest had been declined to the Western Cape Gambling and Racing Board. He said the businessmen were reputable and the transaction was above board.

"As is common practice in the casino industry, the overall consideration for the Goodwood (Cape) showgrounds includes a payment based on the enhanced value of the land should SunWest obtain a casino licence." 

"This consideration compares favourably with the land cost included in other casino bids," said Mr Douglas.

As far as can be established, the three businessmen were asked to disclose their financial details to Oseo.

The original affidavit, in which allegations of bribery were made against top officials of the Western Cape government and which sparked the Oseo investigation, was apparently made by a man believed to be related by marriage to one of the three businessmen.

John van Breda of the Good Hope Agricultural Society, which sold the showgrounds in 1994, said the society had been approached by an agent who had introduced him to the three businessmen.

"The agent received a commission and we received a cheque of about R40-million. "I do not know who paid the money. At no time was a casino licence mentioned to me," said Mr Van Breda.
Ex-unionist nominated to chair lotteries board

Janet Parker

Joe Foster, a former trade unionist and African National Congress delegate to the National Council of Provinces, has been nominated to be the first chairman of the National Lotteries Board.

Foster was chosen by a parliamentary committee, which forwarded the decision to the National Assembly on Wednesday. The decision is expected to be approved and passed to Trade and Industry Minister Ales Erwin before it is announced.

The move is in line with a statement made earlier this week by Ajay Sooklal, the trade and industry department's director of gambling and lotteries, who said the makeup of the board would be announced next week.

Other candidates for the post of chairman included former Olympic bid company chairman Chris Ball; Cape Town attorney Joe Verster and labour expert Nic Wielahn.

The final request for proposals document, inviting applications to run the lottery, still have to be ratified by the new board and it is expected to be released next week, formally setting the lottery tender process in motion.

According to government's initial schedule, applications were to be hand-in by October 9. However, Sooklal said the new board was likely to announce a postponement to a date in late November.

Industry sources expect this to push out the board's decision on the winning applicant to about March, meaning the lottery should be up and running in the third quarter of next year.

Six bidders are expected to apply to run the national lottery, control of which will be split between the successful private operator, the post office and government's national empowerment fund on an 80:15:5 basis.

The potential bidders include the Morole Leisure-led Morole consortium; the Lottodythu consortium incorporating Hoekien Consolidated Investments and MHH Holdings; Rainbow Entertainment with international group GTech; Virgin; Fun Malaysian Pool Management, and International Growth Company.
Gauteng gaming set in motion

By Sowetan Business Reporter

Gauteng gaming was set in motion yesterday with the opening of a temporary casino and the launch of another.

Tsogo Sun opened its R200 million temporary casino at the MTN's Sun-dome in Randburg.

Across town at Nasrec, the Akani consortium officially launched its multimillion rand temporary casino at the Expo Centre. It will officially open in November.

Work at Tsogo’s temporary casino, which is housed in the basement of the dome, started immediately after the company was awarded one of the six casino licences by the Gauteng Gambling and Betting Board early this year.

The MTN Sun-dome at Northgate Shopping Centre will house the casino for 29 months while the R1,943 billion Montecasino Entertainment World in Fourways is under construction.

This licence is the third to be awarded to Tsogo Sun, a 50-50 partnership between Southern Sun and Tsogo Investments. Southern Sun Gaming Investments is a subsidiary of Southern, which in turn is owned by South African Breweries.

Tsogo Sun comprises the National African Federated Chamber of Commerce and Industry, the Foundation for African Business and Consumer Services, the National Council of Trade Unions and the South African Clothing and Textile Workers Union. Tsogo also has individual shareholders.

As part of the empowerment drive, 70 percent of employees at the dome will come from disadvantaged local communities and 30 percent of new recruits will be previously unemployed. The company also enjoys a management agreement with MGM Grand, a Las Vegas-based world-class gaming company.

Tsogo has two casino licences in Mpumalanga. The company is also targeting other licences in the Western Cape, Eastern Cape and Free State.

The 24-hour Sun-dome casino will have 1 700 slot machines and 50 tables, a food court, accessible parking, a dynamic all-purpose indoor exhibition and entertainment centre.

Speaking at the launch of Akani, chairman Reuel Khoza said the project will put his consortium ahead of the pack in the industry.

Khoza said 483 jobs have been created in the operation. He said work on Akani’s permanent casino will start soon, and this will be completed towards the end of next year.

The Akani consortium includes the Kroki brothers, Coordinated Network Investments, Siphamilele Investments, Black Management Forum, G7 Investment Holdings, Youth Investment Network, Prime Portfolio Investments, Xal Women’s Investment and Young Christian Association.
An unsuccessful gambling board applicant has declared a labour dispute with the province in the latest twist in the troubled saga of attempts to award casino licences in the Western Cape.

This follows the appointment last week of Johannes Hamilton of Worcester as the fifth member of the Western Cape Gambling and Racing Board, which will give the board a quorum to resume its work.

The board has been unable to consider applications for gambling licences because it has been without a quorum for two months.

Although the process appeared to be back on track when Dr Hamilton was appointed, applicant Derrick Apollis lodged a complaint with Premier Gerald Morkel, objecting to the appointment on the grounds that it was in breach of the Labour Relations Act.

Mr Apollis, a deputy director of labour relations in the provincial administration, was nominated by a provincial standing committee as a candidate, but the cabinet refused to ratify his appointment.

He said he had handed the matter to his lawyer and was considering applying for an interdict on the grounds that he was better qualified for the job.

Mr Apollis said he had been co-opted back on to the board after his 10-month term lapsed, had been sent on a R262,000 training program in Las Vegas and attended world conferences on gambling.

Until a fortnight ago, he was being sent all information pertaining to the board.

He said he regarded himself as better equipped to serve on the board, and by not reappointing him the province was throwing taxpayers' money down the drain.

Board members are paid R2,000 a meeting and R500 an hour for reading.

Gambling Minister Patrick McKenzie said he did not believe the dispute with Mr Apollis would further delay the process of awarding a licence.

He said it was pleasing that Dr Hamilton had been appointed because he came from a comparatively rural area and he also had a background in psychology.

Mr McKenzie added that all applicants had been subjected to intense scrutiny and had been interviewed thoroughly.

The Office for Serious Economic Offences has appointed an accountant in its probe.
SA film industry ‘needs cash boost’

Sowetan Business Reporter

THE South African film industry has the potential to increase the number of people it currently employs by between 10 and 20 percent if much-needed support is injected into the industry.

The Southern African International Film and Television Market (Sithengi) chair Shaun Moodley says the Government can help the industry by granting a once-off lump sum to help rekindle the industry. Moodley says the industry is not an open bowl waiting to be fed with funds but an industry that can play a competitive role.

Films’ 2 People producer Indra de Lanerolle says the local industry, with its “parochial” outlook, collapsed at the beginning of the 1990s. The industry had “noisedived” because it was no longer profitable and was also faced with globalisation.

Top film and television directors, producers and distributors will descend on the Cape metropolitan area from November 13 to 20 for Sithengi 1998, the third annual Southern African Inter-

national Film and Television Market, which will be held at the new studios at the Cape Town Waterfront.

A number of officials from the Ministries of Trade and Industry, Arts, Culture, Science and Technology Broadcasting will address a one-day film finance and investment workshop that will be held on November 16 at Sarani Studios.

According to the organisers of Sithengi 1998 the main objective of the workshop, sponsored by the Cape metropolitan-area which has contributed R200 000, is to explore private-sector and public-sector investment opportunities in the film and broadcasting industry.

Finance Ministry Director-General Maria Ramos will address the workshop on The Macro Economic Framework of Film Industry Investments: An examination of the current legal and taxation environment.

Also in attendance will be representatives from merchant banks, finance houses and investment companies and foreign missions.
Neglect of priceless art collection

Among Hans Fransen's charges is a woman with whom it is fair to say he is intimate. Oddly enough, he doesn't actually know who she is.

He talks of her - her dignity, poise, a certain unblushing candour - with a lover's unreasonable affection. And so he might: Not only is the subject of his attentions a masterwork by Frans Hals, a rare possession for any world-class gallery, but for want of sufficient public funding - a painting prone to more risks than it deserves.

As director of the Michalis Collection in the Old Town House in Greenmarket Square, Dr Fransen presides over a priceless cultural asset which, if it is not quite in decline, certainly suffers neglect. The Hals portrait of an unnamed woman is the most valuable item of the collection's 100 major pieces.

The whole collection, which includes hundreds of drawings and etchings, several by Rembrandt and Van Dyck, is worth a fortune. But the annual grant is a pitiful R357 000 - as at the National Gallery, salaries account for the bulk of it and the institution is all but ignored by the Department of Arts, Culture, Science and Technology. "It is," Dr Fransen says frankly, "a scandal."

The Michalis Collection has always been only modestly funded, but was, for most of its existence, able to add to its core collection and look after its physical well-being. For almost 10 years now, however, the state allocation has remained static in real terms, amounting, due to inflation, to an effective 60% cut in its funds.

"The marginalisation of the Michalis Collection is further symbolised by a total absence of interest from the Department of Arts, Culture, Science and Technology."

"Our gem of a museum, visited annually by tens of thousands of foreign tourists, has - despite repeated invitations - never had a courtesy visit from the minister, his deputy or indeed the previous minister or deputy or from the director general and his deputy."

"Nor has the Department of Public Works shown any interest, for a number of years now, in a building nominally under its care." "Despite its energetic cultural programme - visiting exhibitions, concerts, lectures - the state of the collection and its lighting, its physical environment and its building, have become an embarrassment.

The Michalis's home is a grand presence in a lively part of town. Inside, many of the pale, faintly impolite faces of the Dutch and Flemish masterpieces peer out dimly from ill-lit walls.

Dr Fransen says of the pokey lighting: "I have had visitors say, 'This is a lovely collection, it's just a pity you can't see it'. But of course, you can hardly make out."

In some cases, this is because they are in need of restoration, for which there is a backlog. This is not surprising given that the restoration of a single Rubens easel cost R10 000.

"Funding dries up"
Real power is economic

‘Gaming board to indemnify itself’

By Shadrack Mashalaba

The National Gaming Board says it will try find ways to prevent future court actions on the provincial gambling boards by casino bidders.

Addressing the 1998 Managers’ forum for Gaming & Gambling conference in Johannesburg yesterday, National Gaming Board chairman Chris Fisner said an audit procedure would need to be put in place to see whether the provincial boards have carried out their obligations.

Fisner expressed concern at the growing number of court actions brought against provincial gambling boards.

The provincial gambling boards have constantly been served court interdicts as casino bidders accuse them of various irregularities, including mismanagement.

The latest incident took place in Northern Province where Hunters Entertainment Centre and the Great North Resort applied for court interdicts charging irregularities in the process of nominating the shortlisted consortium.

This led to a raid of the ‘Northern Province’ and ‘Gaming Board’ by the Office for Serious Economic Offences last Friday.

During the raid the police unconfiscated documents related to licencing.

Expressed dissatisfaction

“While litigation cannot be avoided, it has developed a situation where the credibility of the industry is threatened,” warned Fisner.

In Gauteng and Mpumalanga there were also cases of litigation against the respective boards where some of the applicants expressed their dissatisfaction about the process of awarding licences.

Western Cape casino companies also alleged that a member of the board had received a bribe.

The National Gaming Board recommended that no more than 50 000 slot machines be allowed outside South Africa’s 40 permitted casinos.

The board, in a report undertaken by a multidisciplinary team of academics advised by international experts, recommended that limited payout machines accept bets of not more than R5. The Jackpot payout on these machines should not exceed R300.

Fisner said the report was the first step towards legalising South Africa’s potential R3 billion slot machine industry.

The board meets again on November 6, after which policy proposals will be submitted for consideration by the minister of trade and industry.

According to Fisner, 1998 was the year of implementation. The challenge was to develop an independent research regime which would help maximise of benefits while at the same time minimising dangers in the industry.

"In the next two years or so we hope to review legislation in provinces to bring about uniformity," he said.
Rocky patch for Northern Gaming Industry
Casino licence delay costs bidders and province a fortune

MARCIA KLEIN

THE delay in issuing of casino licences in the Western Cape is costing increasingly impatient bidders and the province millions of rands a day.

Despite assurances by the Western Cape MEC for local government and gambling, Patrick McKenzie, that the first licence would be issued before the end of the year — barring anything unforeseen — applicants believe the plum licence for greater Cape Town (Metropole) is unlikely to be awarded before investigation into allegations of bribery is wound up.

But the investigation, which is being conducted by the Office for Serious Economic Offences, could take years.

Hardly surprising, therefore, that smaller operators who have bid for licences in outlying areas, some of whom have invested huge financial resources to absorb the mounting costs involved in playing a waiting game, are less patient. Companies could have spent up to R50-million each to date, excluding income lost because of the delay.

There are nine applicants for the five licences to be issued in the province.

The five applicants for the one licence in greater Cape Town are:
- Milnerton, Stocks Hotels and Resort Holdings;
- Cape Beauty, Tsogo Sun;
- Goodwood, SunWest and Two birds at the Foreshore by Culemborg Metropole Casino and Akani;
- Fairest Cape.

The applicants for the four remaining licences are:
- Mossel Bay, Pinnacle;
- George, Akani;
- Overberg, Caledon Casino Bid Company;
- Langebaan Club Mykonos.

It was originally expected that the first licence would be issued in August but now the applicants, who each paid a non-refundable R1-million application fee, are expecting a six-month delay, at best. It is estimated that the applicants for the greater Cape Town licence are incurring costs of close to R1-million a month.

The casinos were expected to generate a total revenue of about R500-million in the first year and more after that.

It was agreed that whoever won the greater Cape Town licence would pay a R155-million fee, so interest on this money is being lost to the province. It was expected that this money would be used for an international convention centre, and the tourism consultancy arm of Grant Thornton Kessel Feinstein estimated that the centre could generate R85-million a day in revenue from an international convention centre is being lost.

McKenzie remained positive. "We are pleased with how the process is developing," he said.

Kriel probe drags on

The preliminary investigation into a claim that former Western Cape premier Hermus Kriel accepted a R1-million bribe from a casino bidder is still under way after three months, writes KEN VERNON.

The Cape head of the Office for Serious Economic Offences, Tommy Prins, this week refused to put a time limit on the probe — first expected to take two weeks.

Kriel was accused in an anonymous letter to the Gauteng Gambling and Racing Board early this year.
New crisis for gambling board

PROBE INTO RESIGNATIONS URGED

WASHINGTON, November 4, 1998

The news was greeted with shock and surprise, as the gaming board's top officials announced their resignations, effective immediately. The sudden departure of the key executive team has left the agency in a state of turmoil, with questions swirling about the board's future and its ability to continue its operations.

The board, which oversees the state's $1 billion lottery industry, has been under scrutiny for its management practices and financial透明度. Rumors of internal strife and infighting had been circulating for months, but the resignations came as a shock to many in the gambling community.

"This is a watershed moment for the board," said one industry insider. "The resignations come at a time when the board is facing a number of challenges, including a lawsuit over alleged kickbacks and a state audit that found $8 million in misappropriated funds."

The resignations were announced during a special meeting of the board, which met behind closed doors before releasing a statement to the public. The board's chairman, who has been at the helm for the past decade, said the decision was made "after a long and difficult process of self-evaluation and reflection."

The board's vice chairman and chief executive officer were also among those who submitted their resignations. The board has not yet announced replacements for the departed officials.

The resignations have raised questions about the board's ability to function in the near term, particularly as it deals with the ongoing lawsuit and other legal challenges. The board's future is uncertain, with some calling for a complete restructuring of the agency.

"This is a critical time for the board," said another industry observer. "We need to see some strong leadership and a commitment to transparency and accountability if the board is to have any chance of recovery."
Preliminary investigation 'looks into allegations of improper
Health unit probes gambling licences

By tray cresswell
Casinos could net R1.5 bn in investments in E Cape

BY QUENTIN WRAY

MORE than R1.5 billion in new fixed investment could flow into the Eastern Cape when the province's five casino licences are granted on May 19 next year.

Officials also said that a study showed that building a casino in Port Elizabeth would create 3,200 construction jobs and 1,700 full-time posts afterwards.

Eastern Cape Gambling and Betting Board chairman Vuyo Poswa, who came up with the figure of R1.5 billion, said "thousands" of jobs would be created in the construction phase and in running the casinos.

Many more jobs would flow to downstream businesses.

However, he said, the scale of the investment depended on who won the licences.

He said there were 13 bidders in the running and they had expressed interest in all zones except for Zone 4 which covered Umtata and its surroundings.

If licences were allocated to Port Elizabeth and East London, fixed investments of more than R500 million would be made in each of the province's two cities.

Successful applicants had to furnish guarantees that they had enough financial backing.

Gambling Board CEO Mac Gama said a study commissioned by the board had shown that if a casino were to be built in Port Elizabeth, 3,200 jobs would be created in the construction phase.

There would also be 1,700 full-time posts created. This excluded jobs in downstream and support industries.

When asked about the effect that losing casino licences would have on communities near the Fish River, Amatola, Wild Coast and Mdantsane Sun hotels, Poswa said there would "obviously be job losses".

All casino licences expire on May 10.

However, he said job losses would be absorbed by the new casino and the number of jobs lost would be exceeded by those created.

He said people must not be "sentimental" when looking at job losses in poor rural areas.

He said the board had to serve the "broad interests of the Eastern Cape and not just those of one community".

Poswa said the 13 interested parties had until Monday to hand in their request for proposal forms.

The board would then inspect the proposed premises for the casinos and send copies of applications to affected local authorities.

Interested parties had until January 21 to object to the proposals.

Objections had to be forwarded to the applicants within a week and responded to by February 22.

He said public hearings would be held in the last week of March and the board had to complete all its investigations by April 6.

Successful applicants were to be notified on April 19 and the licences would be awarded by May 19.

Applicants had two years to get the casinos up and running in terms of their proposals.

ECS Business
The Government has identified the arts and entertainment industry as the next growth point for employment and investment, writes Sharon Chetty.

The arts and culture industry in South Africa is being redirected towards making the sector contribute more to job creation.

This week a strategic plan - which will enable the crafts, film, television, music and the publishing industries to become more commercial - was made public by the Ministry of Arts, Culture, Science and Technology.

According to Deputy Minister Brigitte Mabandla, growing global trends show that the arts will be among the main creators of jobs and wealth in the early part of the next century.

The most significant part of the new strategy, she says, is that the economic impact of the industry is being focussed on.

But she reassures: "We will be organising the arts and culture industry properly without losing aesthetic values."

The reorientation is happening while there are already concerns about globalisation and its impact on national culture: a factor people here are well aware of, she says.

"There are fears that countries are losing their uniqueness, that cultures are under threat."

"But there is also the opportunity to use the arts and culture of a society for broader purposes... the fears about globalisation are well known and therefore will not be ignored."

"We do not want our uniqueness to get lost in the global scheme of things. At the same time, we are also saying that we can use what's special about us to promote South Africa further."

Mabandla says that debate about more local content on radio stations and a move towards local productions shows that there's a need to promote and enjoy our own productions.

At least three international conferences in the past year have examined the relationship between culture, heritage and development, she says.

According to the last census, the craft and related trades sector employs 1.2 million people.

The local music industry is worth more than R900 million and employs more than 12,000, while there is work for more than 20,000 in the film sector, which is worth R1.3 billion.

The publishing industry employs over 20,000 and is worth an estimated R4 billion.

There is the potential to make these industries expand further and through the trickle-down effect absorb more people in gainful employment.

The policy has been worked on for more than a year and all interested parties find their say. Public hearings were held in the different provinces to ensure broad consultation.

While the focus is on the arts and culture industries, allied sectors like science and technology will play a vital part, she says. An example would be the development of materials for the crafts industry.

Now that the study has been launched, there will be a parallel process of ensuring the industries carry out some of the recommendations and Government is expected to play a supportive role.

"This will be an ongoing process... in a few years we'll be able to review and modify our plans."

The industries have been evaluated and their strengths outweigh their weaknesses, she says. Already existing infrastructure is definitely an advantage. There is also "substantial natural talent" in this country that just needs to be nurtured and supported, she says.

Another plus factor is that the international drive towards harnessing the cultural industry for development has just started, which means that South Africa can use this to its advantage.

On the downside, South Africa would have to improve on its productions to be able to compete globally.

The Government also needs to do more to ensure an environment conducive to creativity. Certain impediments, like the fact that there is no legal framework for the protection of musicians as creators, need to be removed, says Mabandla.

Training facilities will also be looked at and among the plans is a state-sponsored film school that will provide international standard tuition.

"Government has to create the environment that lets talent grow. We will have to put in the seed money in projects and let them develop into something more."

However, there will have to be a "concerted effort" in several areas of Government and the private sector in order for the plan to work, she admits.

As a start the education curriculum will have to be more sensitive towards the arts and culture, and nurture young talent. The tourism industry would "naturally" have to work more closely with the different sectors as it would provide the international exposure.

"Like there are design schools for people to learn certain skills, we will have to have the facilities that will encourage the development of other creative talents."

Mabandla uses an example from nature to emphasise her point. "In agriculture there is no endless supply of water, but we need it to survive. The technicians have to dig deep and look far to find the water."

"Similarly, there is a lot of natural talent that is vital for our nation. We have to be able to use that as best we can," she says.

Arts and culture has always been the "stepson and stepdaughter" of the Government and is seldom seen as very important, she says.

Finally, "people are waking up to the fact that it is a vital area and far more important to the economy."
SS - ENTERTAINMENT GENERAL
1999
Urgent meeting over bribery allegations

By Shadrack Mashatana

THE Heath Special Investigating Unit is to hold an urgent meeting this month with Gauteng Premier Mathole Motshekga following allegations of bribery in the allocation of casino licences in the province.

Speaking to Sovieton yesterday, Judge Willem Heath confirmed that the unit would be meeting the premier at his office on January 17.

Heath also confirmed that the unit had received a complaint alleging bribery.

He said the meeting with Motshekga would discuss the bribery claims that have been lodged by parties. "Their identity cannot be disclosed at this stage," he said.

He said depending on the outcome of the meeting with the premier, the matter would be referred to the office of President Nkosazana Dlamini Zuma. It would issue a proclamation to give the unit the powers to go ahead to investigate the case.

The investigation is expected to "open a can of worms" that will result in a long legal battle.

Casino licences

The awarding of casino licences in Gauteng and other provinces was characterised by litigation which threatened to derail the process.

Gauteng completed the process of allocating its six casino licences last year.

The licences were awarded to Akaal Egoi (Navrach), Global Resorts East Rand (Kempton Park), Afrilux (Braamfontein), Tisago Sun (Fourways), Emfuleni Safari Resort (Vaal) and Rhino Hotel and Resort (West Rand).

Sovieton has learnt from sources who prefer to remain anonymous that some members of the Gauteng Gambling and Betting Board had been approached by applicants who offered them bribes.

The sources also allege that some members of the board had, among other things, received cellphones.

The Heath unit was appointed in terms of Act No 74 of 1995 to investigate serious maladministration, corruption, fraud and other matters emanating from the administration of state institutions, state assets and public money, and to institute civil proceedings arising from such investigations.
Gauteng casinos welcome probe into licences

By Shadrack Mashalaba

SUCCESSFUL. Gauteng casino consortia have welcomed investigations by the Heath Investigating Unit into allegations of bribery in the allocation of licences in the province.

Judge Willem Heath confirmed this week that his unit had received a complaint from an “undisclosed person”, alleging that bribery had played a role in the awarding of licences.

Heath is expected to hold a meeting with Gauteng Premier Mathole Motshekga this month at which the allegations will be discussed.

Global Resorts chief executive Mr Ernie Joubert said he had heard rumours about bribery.

Joubert said Global Resorts had not received any communiqué from either the Heath Unit or provincial government about the latest developments.

He denied any suggestions of bribery and said his company was committed to opening its books to anyone as it had nothing to hide.

"If such action existed it did not come from our company. We did not meet any government or board official, nor lobby them. Ours was the best bid and package and it won us the licence," he said.

Chairman of Ramada Rhino Hotel and Resort Mr. Tso Modise said his consortium would have no problem being investigated by the Heath Unit.

Modise said his company won the licence because of its impeccable presentation to the Gauteng Gambling and Betting Board.

"Our presentation was worth putting forward. We are prepared to open every document for investigation, we are even prepared to re-do our presentation if we have to," said Modise.

Won't comment

Stocks Leisure Holdings managing director Mr. Bruno Corte, whose consortium made an unsuccessful bid, would not comment on the bribery allegations.

He said Stocks Leisure would wait for the outcome of the meeting between Heath and Motshekga.

The six consortia awarded licences were: Akani Egoli, Global Resorts, Afrisun, Tsogo Sun, Emfuleni Safari Resort and Rhino Hotel and Resort.
Empowerment groups vie for lottery licence

THE race is on for SA's first licence to operate the national lottery, which is expected to rank among the 20 largest in the world.

Aliy Sookal, the Department of Trade and Industry's director of gambling and lotteries, confirmed on Friday that three black empowerment consortia are in the running for the licence, expected to generate sales of between R3-billion and R8-billion a year.

Bids were received from LottoYethu, a wholly-owned SA consortium, driven by 'union investment' vehicle Hosken Consolidated Investments and International Gaming Networks, the gaming and lotteries arm of Multichoice; Moraba Consortium, another solely SA-owned group, driven by Moribo Leisure; and Uthingo with its 70% local ownership and 30% international partnerships.

Expected to be awarded by May this year, the licence will be granted initially for five years, with the potential to extend it in annual increments to a maximum of eight years.

It is proposed to launch in October, perhaps starting only with the instant scratch-card lottery to be followed by more infrastructure-intensive games.

It is expected that the winning bidder will have to invest up to R1-billion in setting up a lottery infrastructure, including a retail network of 3 000 to 10 000 terminals.

Because of the sheer scale of the project, and its risk of falling foul to operator exploitation, the department has decided to follow a model similar to the one used in the UK.

The UK National Lottery has been a phenomenal success. In its first year, it paid R215-billion in prizes and R98.2-billion to good causes.

It took five years to come up with a formula that balanced the profitability of a lottery with Britain's social needs. Operators' profit was capped at 35%, and at least 20% of revenues have to be distributed to "good cause" funds.

Hence, the department's criteria are compliance with probity, financial and technical skills; maximisation of "good cause" revenues, accessibility, affordability, commitment to economic empowerment and social responsibility.

As LottoYethu says, the government is essentially looking for an operator with the experience, integrity and SA know-how to establish the SA National Lottery as one of the leading lights of international lottery practice.
Crooked casinos

Gamblers face arrest

WILLEM STEENKAMP

Top Cape Town businessmen are running illegal casino operations and fleecing hundreds of na"evi gamblers in crooked card games by using marked cards.

This scam has been uncovered by officials of the Western Cape Racing and Gambling Board.

Gambling Board officials say the illegal casinos run from private homes in the city are also used by gangsters and druglords to launder "hot" money.

In a desperate attempt to combat the growing number of these illegal operations, law enforcers at the Gambling Board will start targeting punters.

People found guilty of visiting these premises will face fines of up to R2-million, Derek Auret, chairman of the board, told Saturday Argus.

The Gambling Board already has a comprehensive database of names of illegal casino operators as well as the names of those who frequent the venues.

Saturday Argus has been told that teachers, doctors, lawyers and executives at leading financial institutions in the city regularly visit the establishments.

These people will now face the full force of the law. "It's easy money," said Mr Auret. "And although we know who runs these operations, when we raid the places front men are put forward to appear in court to take the blame. The real owner simply opens up a new operation under a different name.

"But now the gloves are off. We are not only going to target the operators of these venues but will also arrest the punters. In the past we were soft on these people but this will now change.

"Although legislation allows us to arrest both staff and punters at these venues, the board has up till now not chosen this route," Mr Auret said.

"However, in order to show illegals that we will not tolerate any further contravention of the law, an agreement has been reached between the board, the police and the office of the Director of Prosecutions in terms of which all staff and punters found on casino premises

will now be arrested and charged.

"It must also be remembered no one arrested and found guilty of a contravention of the law will qualify for a licence to work or operate in the legal gambling industry."

The board expects to decline in May which of five bidders will get the licence to operate Cape Town's only legal casino.

Mr Auret said the illegal casinos ran crooked card games using marked cards to fleece gamblers.

Their employees, who knew how to recognise marked cards, posed as punters.

They occupied the last position on blackjack tables and would call for a card or ask to "stick" in a way that favoured the dealer.

Often, the payout rate of slot machines was set as low as 30%, while the internationally accepted payout standard at legal casinos was always 60%.

He said gangsters were also becoming increasingly involved in running these illegal operations.

And although illegal gambling debts were not enforceable by law, owners of illegal casinos used strong-arm methods to collect their money.

However, someone who won a lot of money at an illegal venue would have no recourse to the law to force these casinos to shell out.

Since August 1997 Gambling Board officials, helped by the police and the office of the Director of Prosecutions, have closed down more than 150 illegal casinos in the Western Cape.

More than 2,700 slot machines and about 60 tables have been seized and will be destroyed.

The maximum fine for contravening the law for the first time is now R2-million or 10 years' imprisonment. If found guilty again, transgressors could face even stiffer fines and longer sentences.

Mr Auret said because of successful raids, illegal casino operators had lately altered their strategy to get around the law.

"They now operate in closed private clubs with restricted access to known gamblers only. But these clubs - many run from private homes - are under constant surveillance.
Gambling board offers reward

The board's decision to offer a reward for information leading to the apprehension of a gambler who failed to pay his debts has triggered a controversy. Some are concerned about the potential for malpractice, while others applaud the board's initiative. The board's president, Mr. Smith, stated, "We believe this reward will encourage honest behavior and uphold our commitment to ensuring fair and legal gambling practices."
Casinos’ deal: silence or death

people who “graze” (give information) on Cape Town’s many illegal casinos could end up paying the ultimate price: death.

So fear are customers and staff to provide information or give evidence that police and the Western Cape Racing and Gambling Board are almost powerless to close down illegal gaming houses.

This chilling claim was made to Saturday Argus by Gambling Board investigator Marius du Preez, who is also a deputy director of the board.

He said the board had information that punters who informed or gave evidence about the activities of illegal casino operators would be “taken out”.

Saturday Argus approached Mr. du Preez after receiving several calls from people wanting to know why certain casinos in the city were not being closed down even though their existence was well known.

“Our information is that a gang on the Cape Flats can be hired for R10,000 to take out anyone earmarked for death by the illegal casino operators,” Mr. du Preez said.

This was no idle threat and informers whose cover was blown while informing on criminal activities had paid the ultimate price.

He said this was the main reason gambling board officials had great difficulty closing some of the larger and better organised casinos which operated illegally.

“We need to get evidence or a statement from a witness before we can get a warrant issued by the court to raid an illegal casino,” he said.

“Throughout the country, punters are afraid to come forward, even when their information is compelling.”

It was clear that punters were afraid to come forward and give evidence about illegal casinos.

The board has been unable to close down any of the four casinos that operate under the Western Cape Racing and Gambling Board.

“Organised crime bosses run these casinos as closed-shop operations,” Mr. du Preez said.

They mean that they only deal with punters who know where to go and they can get away with it because some of their punters are so powerful that they do not want to lose their punters.

This means that if one of our informers manages to get into such a casino, he can get a warrant issued by the court to close down the place.

“We need to get evidence or a statement from a witness before we can get a warrant issued by the court to close down these places,” Mr. du Preez said.

“If evidence is given about illegal casinos, they are prepared to put the names of these operators to statements. They are not afraid of the authorities and they are not afraid of the courts to come forward, even when their information is compelling.”

An American businessman, who owns two casinos in Las Vegas, told Saturday Argus that he was approached by a group of punters who wanted him to close down his casinos.

“Mr. du Preez said the board was open to new legislation being proposed by the anti-grazing group. He said the committee was prepared to put the names of the punters to statements that they were being extorted.”

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He said he was in close contact with punters who wanted to give evidence about illegal casinos.

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Arts funding racist, ANC tells council

NGM 27/2/99

Charges of racism were levelled at the New National Party-controlled Cape Metropolitan Council after it proposed to sponsor an arts event in Blouberg to the tune of R100 000.

African National Congress councillors declined to vote on the agenda item, saying the event was a local one and therefore did not deserve the funding.

The money was intended to support the Blouberg Arts and Culture Extravaganza.

ANC chief whip David Dali said his party members did not oppose the extravaganza, but it did not meet the criteria used to accept the project for funding as part of the CMC's major events programme.

The CMC's technical services department stipulates that entirely local events cannot receive funding. Only projects affecting the entire Cape metropolitan area are in line for sponsorship.

ANC councillor Mzukisi Gaba said several Guguletu projects had not been given the green light by the CMC because they were deemed "local", but now the rules were being bent to accommodate Blouberg.

ANC councillors said this was racism because "white people" had applied for the funding.

New NP councillors voted without the ANC, giving the green light for the event to be funded.
Leaked report reveals controversy over Cape Town casino bid

The Wheel of Fortune

MISFORTUNE

WILLOW NEWS

SUNDAY TIMES METRO MARCH 14 1999
Kriel ‘bent’ casino bid rules

Allegations that Hernus Kriel, influenced casino licensing have surfaced. Chiara Carter and Ivor Powell report

A man who served on the Western Cape Gambling Board has now submitted a complaint to the Gaming and Racing Board chair, Derek Aurel, and the MEC for Economic Affairs.

The statement was made by Cape Town architect Gertie Steenkamp—a gambling board member who resigned from the body last year who also is being investigated by the office for Serious Economic Offences for alleged involvement in the misappropriation of funds.

After Steenkamp expressed growing disenchantment with the model for regulating gaming in the Cape, Kriel allegedly suggested to him for daring to question decisions taken by the provincial government.

Steenkamp claims an angry Kriel urged him to “remember he had been put in this position by the National Party and must act in accordance with the decisions of the National Party.”

Steenkamp replied that in his understanding, the board was independent and its members bound to take decisions on the basis of merit. He was then allegedly told that Kriel was “too clever for his own good because he should be using his skills to benefit his old parliamentary constituency.”

Steenkamp also claims he was offered bribes by Kriel’s friend—a businessman linked to the bid by SunWest International to run the proposed Goodwood casino. Steenkamp alleges the businessman offered to pay to ensure that the money had already been secured ahead.

He quotes the businessman as saying: “Steenkamp is not my problem, but you are.” On another occasion, Steenkamp claims the businessman offered to turn his office into a venue for Steenkamp’s business interests.

Steenkamp understood this to be a suggestion to induce him to support the Goodwood bid — although he had developed serious reservations about it. SunWest International was anxious to secure a site for the proposed casino.

After signing a sales contract, the company paid the businessman and two partners money upfront and the remainder to be paid later, on condition they did not pursue the bid. Steenkamp claims that before he joined the board, Kriel introduced him to the businessmen.

After Steenkamp joined the board, the businessman allegedly tried to discuss the casino bids on several occasions. The situation reached the point where Steenkamp asked Kriel to intervene and tell the businessman to desist.

Steenkamp also asked Kriel about an instruction by Aurel that the former premier had received to undue influence on decisions in the casino business. Kriel put Steenkamp’s mind at ease, assuring him that this would not be the case. Steenkamp claims the businessman later made another approach, visiting his office under false pretenses. At this encounter, the businessman indicated that he had inside information on the board’s decision to award the SunWest contract.

Steenkamp says that, on another occasion, he told Kriel to tell the businessman to “mind his own business.”

He reported the conversation to two board members. Steenkamp says that shortly after the ABC went public with its accusations against Kriel, the former premier contacted him. Steenkamp alleges Kriel asked him not to mention the businessman’s attempted bribe.

“In this discussion Mr Kriel asked me if I was ever offered money to influence a scheme. My answer was yes. The businessman had offered me money to influence a decision. Kriel asked me to please forget this conversation. I responded that I would not forget this situation. However, if I were asked to give evidence, I would have no other option but to make it public. Mr Kriel again said to me that he was not involved in the whole affair but that such a revelation would reveal that he was not involved.”

Steenkamp says that, in August last year, another contractor, Las Vegas Sands, invited him to lunch. Steenkamp was admitted to the board by Kriel after he had been one of the bidders for a casino licence in Cape Town, an area where his firm has business interests.

Steenkamp told the BID that he believed the Cape Metropolitans should have more than one casino in order to avoid conflict of interest.
Strict rules for gaming board staff

EASTERN Cape officials involved in gambling will have a tough time if they try to benefit financially from their involvement in the bidding process.

Eastern Cape Gambling and Betting Board legal affairs head Keith Harvey said the board's operations were structured to minimise any chance of people getting away with accepting bribes.

Such scandals have rocked the issuing of gambling licences in other provinces, Harvey said their best defence against board members and staff being offered bribes, was that they were running as: "a small self-contained unit ... everyone works in closely knit teams" and if anyone suddenly became a lot richer it would be noticed immediately.

The gambling board also had permission from members and staff to access their income tax and bank information should it need to investigate their financial affairs.

Board directors and staff members "from the person who makes the tea to the chief executive" have to fill in a comprehensive "personal history disclosure form" which details their family's financial affairs, assets, liabilities, investments, houses and other property owned by them.

- They have to detail donations made to political parties, past employment information, criminal records, previous involvements in the gambling industry, details of employment disciplinary hearings and whether they or their spouse have ever been sued in their personal capacity or declared bankrupt.

One of the questions asked is: "Have you ever been involved in a business relationship with anyone which you later regretted?"

They are also asked if they are linked to anyone involved in organised crime. Directors and employees are also asked if they have suffered personal or business losses which resulted in their getting an insurance payment of more than R20 000, and whether they have ever owned property that was destroyed by fire or an explosion.

At a media briefing last week board chief executive Malizile Gantsho admitted, however, that there would always be allegations of bribery in the gambling industry.

"There are no happy losers in gambling," Gantsho said.  — ECN Business.
All above board’ in casino licence scramble

BY CECILIA RUSSELL
Political Staff

The Gauteng Gambling Board has defended its allocation of casino licences.

Board chairperson Vincent Maleka last week attended a meeting of the Gauteng finance standing committee to answer questions about the awarding of the licences.

These questions included how Tsogo Sun Fourways had been awarded a licence when it had not received town planning rights and why no licences were awarded to the Johannesburg city centre.

He was asked whether the board or Gauteng’s executive committee had interfered with or cancelled a series of presentations by casino applicants, arranged by the Johannesburg metro council, and whether a board member, Ruth Friedman, had failed to declare a conflict of interest.

He said Tsogo Sun Fourways “had obtained appropriate zoning rights” when its application was considered.

He said the board did not ignore the criteria for the revival of depressed areas, but applicants from the city centres, including Johannesburg, had failed for “other reasons”.

Maleka denied that the board had told the Johannesburg metro council to cancel its presentations. He also denied that Friedman had failed to disclose her property interests.

“Mrs Friedman had no property interest in Fourways ... Her status in the adjudication process ought not be elevated any higher than that of the other board members.”
A truly transparent licensing system is the only hope for the industry, which has been beset by allegations of bribery and corruption.

Time to put all cards on the table

The gambling industry in South Africa is being plagued by damaging allegations of corruption. This is true not only of the Western Cape but of the rest of the country as well. Most of these allegations centre on claims that politicians and members of gambling boards have been bribed to secure casino licences.

In the Western Cape, the Office for Economic Affairs is investigating an allegation that former premier Hernus Kriel accepted a bribe from Tsogo Sun.

In Gauteng, the Heath Commission is investigating whether the provincial finance minister was bribed by Tsogo Sun.

Rumours of scandalous political interference are rife in KwaZulu Natal and are likely to feature in litigation soon.

Trouble of one sort or another is brewing in the other provinces, not only in relation to the award of the casino licences but also the award of the national lottery licence and the licensing of the operators of gambling machines outside casinos.

These allegations have rightly and inevitably attracted a great deal of coverage. They have also lessened, but not less invidiously, the haloed opposition politicians with irresistible electioneering opportunities.

This is an extraordinarily dangerous and damaging situation. The delays that these allegations occasion are hugely expensive. They are depriving the Western Cape of vital revenue, jobs, tourism and empowerment opportunities worth hundreds of millions of rands a year.

The delays also create deep skepticism among national and international investors about South Africa’s ability to create an environment of clean and efficient public administration in which it is safe to invest.

Before we can discuss the remedy for this thoroughly unwelcome situation – and fortunately there is one – we need to understand more about the process from which it has emerged.

As is often the case, it is a story of the unintended consequences of good intentions.

What has happened is this: since 1994, for thoroughly laudable reasons, there has been a determination on the part of the Government to make it as easy as possible for people with evidence of corruption to report it to appropriate authorities.

Hence, the existence of Oseo and the Heath Commission, which operate with their own rules. These rules include measures enabling potential whistle-blowers to give evidence without fear of having their identity revealed.

In the case of the gambling industry, this has led to allegations of corruption against people who are accused of receiving bribes. They may indeed only learn that allegations against them are being investigated when this information is leaked to the press or divulged by politicians in the privileged context of Parliament.

Once this has happened, ordinary people tend to apply the adage “There’s no smoke without fire”, which is understandable but deeply regrettable, not only because it is unfair but because it creates for public authorities a huge problem of public perceptions, as is clearly evident in the Cape Town casino licence bid.

There are five consortiums bidding for this licence, two of which are the object of so far wholly unsubstantiated bribery allegations.
only hope for South Africa's gambling industry, bribery and corruption. **Peter Collins** reports

**cards on the table**

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reproach, they also create a huge opportunity for people to make damaging but false allegations. Those people may be malicious, embittered, in pursuit of illegitimate commercial or political advantage over a rival, or simply deranged.

Unfortunately, it is not practicable to let the investigations run their course. Not only would that prove quite intolerably expensive but it would still not furnish us with a defence against the possibility of new allegations being made, maliciously or otherwise, therefore making it impossible ever to award a licence.

Fortunately, however, there is an alternative. While we cannot eliminate the possibility of bribery, what we can do fairly easily is to develop procedures for awarding gambling licences that make it impossible for a bribe to be effective.

The key here is genuine transparency: the deliberations of the licensing authorities must be conducted by the participants in the knowledge that everything they say may be subjected to subsequent scrutiny by the public, by the courts, by the Cabinet and by the unsuccessful bidders. Therefore, the licensing authorities would have to make their process of reasoning fully explicable and defensibly. They must be able to say:

- These were the objectives that the Government sought to secure by licensing this form of gambling.
- These were the minimum conditions in terms of financial soundness and probity that we required companies to meet to avoid disqualification.
- These are the criteria against which we evaluated competing bids - and these criteria are consistent with the Government's objectives.
- This is how we weighted the different criteria and these are the reasons why we weighted them as we did.

We awarded scores to the competing bids according to the following criteria: financial viability; economic impact; town and regional planning issues; environmental issues; problem gambling issues; recreational and business tourism issues.

And we quote:

**Where we did not agree with the conclusion of the experts, it was for the following reasons.**

**On the (comparatively rare) occasions where we had to rely on subjective rather than objective judgments, for example in aesthetic matters, this was how the discussion and the voting went.**

**For all these reasons, we finally concluded that the candidates should be rated as follows.**

**If you disagree with these conclusions, you must show that we were mistaken about matters of fact, that our reasoning was fallacious or that our exercise of judgment was irresponsible. It is not enough that you simply dislike the result.**

It is extraordinarily difficult to conceive how the members of a gambling board, knowing that they will have to justify themselves with this degree of detail, could actually pervert the judgment of a board in favour of an undeserving bid.

This does not mean that allegations of bribery or other impropriety should not be fully investigated.

On the contrary, anyone against whom allegations of dishonesty or other malpractice are upheld can and should be immediately prevented from participating in or benefiting from the operation of a gambling licence. And this can easily be done by revoking their licence. But, of course, this should only happen once the allegations have been proved.

What must not be allowed is for the mere existence of unsubstantiated allegations to deprive ordinary citizens in the Western Cape of the benefits of new employment opportunities, a more successful tourism industry and the alleviation of pressure on the public purse - worth between R1.5 million and R2 million a day.

**Peter Collins teaches business ethics at the University of Cape Town. He is the leader of a team of national and international academics who specialise in researching gambling policy. They recently reported on public policy for slot machines outside casinos for the National Gambling Board.**
Poor and disadvantaged support Tsogo casino bid

LOREN KOLESCHEN

POOR and disadvantaged communities in the Blaauwberg municipal area yesterday gave the thumbs-up to Tsogo Sun Western Cape in its bid to build a casino at Century City.

Residents from Atlantis, Mancori Beach, Windsands and Mamele gave their full support for the casino development and "looked forward to making a success of the project."

The Milnerton Library’s 100-seater auditorium was packed with local and township residents trying to parake in a public hearing with the Western Cape Gambling and Racing Board and Tsogo Sun, one of five consortia bidding for the Cape Metropole casino licence.

Secretary-general for the South African Association of Black Contractors, Frank Fredricks, said that the bid should be given to Tsogo Sun as the construction business is in a recession and "we need the job opportunities that are going to be provided."

Atlantis resident Rachel Donough thanked the board for the opportunities it could provide with the casino development.

"The casino licence will provide jobs closer to home for the the people living in the area, Tsogo Sun will provide jobs for our children," she said.

A small group of mostly Muslim protesters waving placards stood outside the library.

They made their voices heard when any objections to the Casino Du Cap were called for by the head of the board, Derek Auret.

"These are all marketing strategies at the expense of human beings who will still have the same problems of poverty and crime once the casino is built," said a local Imam of the Kensington Mosque.

A resident of Faktroen, James Kaler, pleaded with the board not to approve the licence bid in order to prevent further "destruction of compulsive gamblers."

He added: "My own son lives in Summer Greens, right next door to the proposed development, and he has a problem.

"I make an appeal to the board about our young people becoming compulsive gamblers."

Auret said he was sympathetic to Kaler’s own personal problem but said that the board had dealt with the issue of gambling addiction.

Most of the objectors felt that the casino development would influence alcohol consumption and add to the misery of the poor communities in the area.

However, Rod Stringfellow, a director of Tsogo Sun Western Cape, said the group was working towards employing local people during and after construction.

"We want to employ as many people as possible from the surrounding communities with at least 95% of the workers coming from these areas. But there will be a need for experienced casino skills which may not be available here as there have not been any legal casinos in the Western Cape."
No winners yet in bid for Western Cape gaming licence

Bids for the lucrative Cape Town metropolitan casino are extravagant and competitive. But the province has failed to get gambling off the ground, writes associate editor Tim Cohen.

For the jewel of SA's casino licences, the Cape Town metropolitan licence, have just completed the bidding process which began enthusiastically but has ended in uncertainty. The question of who will win the prize is overruled by the question of how long it will take before gambling actually begins in the Western Cape.

The bidding process has been long and sometimes bizarre. There have been the curious episodes of deceased allegations of fraud by one of the bidders in a local newspaper and investigators searching the house of the head of the gambling board.

In many ways, the seeds which complicated the process were planted in the Western Cape's legislature, which declared that each region in the province would be granted a single licence.

This was arrived at for the best possible reasons: to ensure equity between the regions, to encourage development outside the metros and to maximise the size of the construction project, so that an exclusive licence would permit.

However, the result has been the opposite: the value of the Cape Town licence has increased to such an extent that competition for it has been white hot, collecting attention enough from the other licences as serious bidders wait to see if they get Cape Town before casting their eyes elsewhere.

It has also encouraged bidders to use underhand tactics in spiking each other's bids.

The unintended result has been that not only has no legal gambling taken place in the province, but even minuscule construction has been begun despite the granting of three licences so far in the province.

This spectacular laxity is a result of everyone splitting a licence each bid. The exclusivity of the licences has meant that all the eggs have been in one basket and a single failure in each region has meant that no alternative has been available, and, hence, no bargaining placed.

This has been the case both when the accusation of fraud by the bidder and when the bidder won the licence.

In the case of the Overberg casino guarantees provided by Laforlesse, a partner in the Caledon Casino Bid Company, were withdrawn after this company was involved in an international betting ring.

In the southern Cape region, financial guarantees provided for the Placard development near Mossel Bay were deemed insufficient by the boards and the Worcester licence because no acceptable bid was put forward and the west coast licence for Langebaan was withdrawn after a change in the bid company's shareholding.

In the north-east, the board has acted scurrilously, sticking strictly to the legislative requirements. Its scrupulousness is bolstered by the likelihood of legal action by failed bidders if it is not. The exclusivity of licences has meant that the spoils are located in fewer hands and the competition is more intense.

The problem for the drafters of the Western Cape's gambling legislation is that the size of the gambling market is unknown. Only a guestimate is possible by extrapolating from population size and other indicators.

The Cape Town environment is also different. There are vociferous religious objections to gambling, especially from Muslims. Capetonians also have more entertainment distractions than their upcountry brethrens in the form of beaches, mountains and vineyards. This makes it difficult to see demand accurately and, indeed, where to place the casino.

On the up side, the positive consequence of a single exclusive licence has been that the bids for the metropolitan licence have been fabulous. The huge value of the licence has unleashed a wave of creativity in the formulation of the bids.

Alshab's town train system, Sunwest's extension of the Waterfront's waterfront into the city, Toogy's science park, among others, are all marvellous ideas which will boost a city already rich in attractions.

There is also a down side. However much bidders claim the evils of gaming, there are controls, this is conditioned by the simple act of standing in a casino and watching poor people pour coins into slot machines. Gambling is entertainment for some but it is also a desperate act for desperate people.

Casino operators' best argument is the one they use: the loss of gambling will take place anyway but at least in a controlled environment the operators pay tax.

If the city gets a casino, which one should it be? This is a difficult question for outsiders, as the details of each bid run to volumes.

Nevertheless, some of the charms on offer by bidders include:

- The Caledon bid offers a big conference centre which the city needs and a large slab of foreign investment, probably the largest pending fixed investment into SA. That has the added advantage of a double check because the company will be subject not only to SA law but also US gambling law.

- Sunwest claims its bid will be the largest in financial terms - a claim hotly disputed by other bidders - and it includes a broad-based empowerment exercise and well-designed complex.

- Toogy's Sun's bid is located in the huge City Centre complex of which the Ratanga Junction amusement park is a part - which promises to be an extraordinary attraction.

Unfortunately for all three of these bidders, they are having "proximity problems", which is another way of saying they are accused of cheating.

Sunwest is being investigated by the Independent Directorate: Serious Economic Offences. Toogy's Gauteng relatives are to be investigated by the Heath special investigating unit and Caledon faces a court case relating to its purchase of Transnet property for the casino.

The granting of the licence is also a political matter. Toogy's political connections on a national level are impeccable but Caledon has aligned itself with strong Western Cape interests. How the board will tip the energy of those powerful bodies will be interesting to watch.

In a sense, it does not matter who they choose. All the bidders will bring investment - in the region of R200m - to the city.

Most of the contenders anticipate enlargements to the surrounding areas. All have black empowerment components.

The problem is that the whole process has been so long, creating an ideal environment for the losers to dash to the courts.

The coming elections may also throw a spanner in the works. If the Cape Town licence is not decided before June 2, it is possible the province's government will change, which will lead to a review of the gambling legislation.

This will mean back to the drawing board for all the bidders. The Western Cape Gambling Board needs to get this one away quickly to stabilise the foundations of the gambling scene in the province and also to boost its battered credibility.
Slots lobby counts
cost of govt delay

An integral part of SA’s gambling mix has become a political football on a field where the goal posts keep shifting, writes Janet Parker.

THE long-awaited slot machine industry is again at risk of being cast aside as other issues take precedence on government’s agenda.

These include creating the most favourable climate for government to launch the National Lottery, belated concerns that the SA market will be overexposed to gambling of all varieties and the possibility that control of the industry will be centralised to some degree.

However members of the noncasino slot-machine industry have compelling arguments in favour of the swift implementation of legislation — regardless of any moves afoot to centralise the industry — to allow them to start operating.

The illegal slot machine industry is roaring ahead, with an estimated 60,000 machines in SA. Proposed regulation sets out a maximum of 50,000 machines nationally.

Industry members thus dismiss arguments that SA’s gaming market cannot sustain an introduction of the legal slot machine operators, saying it would ultimately be of benefit by reducing its size.

First, the delay in kickstarting the industry is giving the illegal industry the gap to expand at an alarming rate. Also, illegal slot machine operators change machines’ payout settings regularly to maximise profit.

This results in occasional jackpots of up to R10,000, enticing gamblers hoping for big jackpots and pitting the illegal slot machine industry in direct competition with casinos — the only other big win opportunity on machines.

The proposed maximum payout for the legal slot machine industry is R500, with a maximum wager of R5, thus orientating noncasino slot machines gaming more in the realm of entertainment and creating a niche that does not compete directly with casinos. “No one will wager R500 to win R500,” as one operator said.

On a practical level the situation for potential, legitimate slot operators has become increasingly frustrating. Local and international operators have been waiting for three years for the industry to get off the ground, and have already invested more than R300m.

International players in particular generally have associations with global gaming and leisure conglomerates, which are becoming increasingly disillusioned with SA’s gaming industry and with the country as an investment opportunity. “If we can’t find a home for our money here, we’ll take it elsewhere,” one industry-affiliated source said yesterday.

The legal industry is capable of generating between R1bn and R1.5bn a year for local and national government coffers through VAT, gaming levies and income tax. Government is not receiving a cent from the 60,000 illegal machines in operation.

Once given the go-ahead, the legitimate slot machine industry will create 5,000 direct and 2,500 indirect jobs.

It will also empower and provide security to about 20,000 site owners, through skills transfer and a 95% profit share.

Given these immediate and quite obvious benefits, industry members have grown increasingly angry by the delay. “These repeated delays cannot have anything to do with logic. It has turned political, undermining good legislation, and bastardising and delaying this process,” one industry member said this week.

While the industry hopes to gain clarity on the matter from the Trade and Industry Minister Alec Erwin before the June 2 election, most industry members are deeply cynical about any favourable developments occurring soon. The general feeling is that a legitimate and lucrative industry is being kicked around on a field where the goal posts keep shifting.
Stormers players to be charged over pay demands

MARK KEOHANE  Arg 29/5/99

Stormers players will face a South
African Rugby Football Union disci-
pplinary committee hearing because of
their pay for play demands on the eve
of last weekend's Super 12 semi-
final.

Player representative Andy Mar-
inos and team captain Cornie Krige are
expected to be charged with bringing
the game into disrepute by threaten-
ing not to play if financial guarantees
of R80 000 a player and a R5 000 win
bonus were not assured before kick-
off.

SARU chief executive Rian Oberholzer said yesterday he had person-
ally investigated the matter and, after
hearing from all the major role play-
ers, had referred it to the disciplinary
committee.

"My decision is not based on pub-
lic reaction but on the facts in front of
me," said Mr Oberholzer.

"I believe there is enough cause for
further action to be taken. The matter
is now in the hands of the disciplinary
committee."

"They will meet today to determine
what the charge is and which individ-
uals are implicated."

Marinos and Krige are believed to
be the only players who will be asked
to attend the hearing, as they were
responsible for the higher match fee
negotiations, as reported in Saturday
Argus last week.

Marinos, acting as team spokes-
man, said Saturday Argus last
week that the team would not play
unless the financial crisis was
resolved. When interviewed on the
eve of the game, Marinos was
adamant the players' demands were
not unreasonable.

WRU Rugby Pty Ltd chief executive
Rob Wagner, who doubles as the
Stormers' chief executive, confirmed
that the demands had not been unre-
asonable.

But he said the union did not have
the additional funds to pay the players.

Pick 'n Pay boss Raymond Ackerm-
man read about the crisis in Saturday
Argus, met the Stormers and wrote
out a cheque for R42 000 to ensure the
game was played.

Mr Ackerman, initially offered the
team R100 000, but negotiations were
concluded only when the figure was
eapped to R122 000.

After the match Stormers coach
Alan Solomons denied there had ever
been a crisis and defended his players
by saying the issue had been blown
out of proportion.

He also argued that his players had
not held the union to ransom and
were not greedy.

Weekend Argus investigations this
week found that the Stormers squad of
22 each received R29 000 for playing
Saturday's semi-final, more than the
Springboks earn for a test match and
more than they got for beating Aus-
tralia to win last year's Tri-Nations.

Mr Oberholzer confirmed the Boks
were each paid R25 000 for a test
match, regardless of the result and the
opposition. The standard win bonus
is R3 000.

"Each Springbok got his match fee
and win bonus after beating Aus-
tralia, and because of the achievement.
SARU decided to give the entire squad
(players and management) an addi-
tional bonus," said Mr Oberholzer.

He added that he was aware of the
amount each Stormers squad member
had been paid for playing the semi-
final, but would not release the figure.

However, it has been established
that with the addition of Mr Ackerm-
man's cheque, each player got R29 000.

The average salary for the Stormers
(workng on a conservative monthly
retainer of R25 000) is R38 400 for the
past five months, which amounts to a
total of R192 000 for January to May.
Ngubane eyes Pact's R16-m for art projects

By Elliot Makhaya
Entertainment Editor

Dr Ben Ngubane, the Minister of Arts, Culture, Science and Technology, has expressed hope that the money in the special reserve fund by the Performing Arts Council of the Transvaal (Pact) could be used to fund a broad range of arts and culture projects in the country.

Ngubane said that, subject to the findings of the Heath Commission, the R16 million from the Pact fund established in 1989, could be used in a transparent fashion to fund the development and promotion of the arts in South Africa.

When the fund came to the attention of the Department in 1993, the department's director general Roger Jassim instructed auditing firm Deloitte and Touche to conduct a forensic investigation into certain aspects of the secret fund.

Pending the findings and recommendations arising from the investigation, it is hoped the money could be made available to assist the needs of the arts community and the country as a whole.

Ngubane expressed hope that the money could now be channelled to a broad range of art and culture stakeholders.

And this could be done in a process overseen by appropriate and accountable institutions such as the National Arts Council (NAC) and Business Arts South Africa.

This could involve the formation of a committee comprising representatives of the NAC, the state theatre and the Department of Arts, Culture, Science and Technology for overall disbursement.

Such a committee would assess the best possible methods for using the money for theatre and artistic development to the benefit of the nation.

Ngubane said transformation in funding of the arts, culture and heritage in South Africa has given rise to a diverse range of projects and the R16 million could benefit the sector.

Several such initiatives in all provinces have been supported in the past five years, and arts sector has grown significantly and made an invaluable contribution to the country's emerging pride.

For more details on arts and culture funding you should contact Kimberley Worthington of the ministry of Arts, Culture, Science and Technology at (012) 337-8257.
Delayed report costs R1.5m daily

PRISCILLA SINGH

For every day that the Office for Senus Economic Offences (Oseo) delays making public its outcome on the investigation into allegations of bribery and corruption in the allocation of casino licences, it costs the province R1.5 million.

It has been at least three weeks since the Western Cape Gambling and Racing Board announced Sunwest as the preferred finalist to establish a casino in the province, and Oseo says it has yet to finalise its report.

Oseo's investigations were also completed about the same time.

Word on the street is that the report has been finalised, but Oseo's chief director in the Western Cape, Tommy Pries, said yesterday that he was still waiting for advocate Janice van Vuuren to complete it.

Once finalised, it will be handed to the provincial Oseo director in Swanspool on Tuesday to the national director of public prosecutions, Bulelani Ngcuka, for final approval.

Only then will the Gambling and Racing Board be able to conduct its pending investigations into Sunwest.

Sunwest director Ian Douglas said that "it was then" and they wanted to move forward with the plans for setting up a temporary casino for operation by March next year.

In terms of the provincial costs, the delay is costing the Western Cape R1.5m a day.

On a national basis this figure doubles to about R3m a day, Douglas added.

"It's not lost money, but it's delayed. These projects are all about getting construction under

way. The empowerment groups are also very frustrated, "This is not a get-rich-quick scheme and everyone is counting on jobs," Douglas said.

On Monday, Sunwest said a presentation in a Site C community hall in Khayelitsha, where about 100 women shareholders in the Sun International-backed consortium shared a cup of tea with Douglas and listened to how they would reap the benefits of the casino development.

Sunwest's Grandwest Casino and Entertainment World will comprise a R1.5 billion complex at the old Cape Showgrounds in Goodwood.

The casino will have 1,750 slot machines and 66 tables operated by Sun International. There will be an amusement park, an ice rink, entertainment areas and cinemas.

A separate development at the convention centre at the Forefront, with a Venetian-type canal to the Waterfront.

Construction at Goodwood is expected to create 3,829 jobs and 1,147 at the convention centre. During the operational phase at the casino, there will be 3,660 jobs available at the casino and 80 for the convention centre.

Douglas says the casino is near its market, creating development opportunities in Goodwood where they are needed most. "But most of the expenditure on tourism is in the city, where the canal and the convention centre will enhance existing infrastructure." "Now that everyone is alive to begin what they have worked extremely hard for, they are being held back by Oseo's delay in releasing the report," Douglas said.
When heritage becomes a thing of the past

Are the new SA's cultural artefacts being properly marketed? Jonny Steinberg dusts off the museums to find a full-scale battle under way

W HILE people don't plant oak trees anymore, says Stephan Welz of Sotheby's, "in the past, white South Africans did things for future generations. They were establishing the land for their grandchildren. Now there has been a shift. Things are uncertain for the first time. People can start hoarding property, homes, artefacts, and can think of leaving them for their children. Once that stage happens, it will reflect itself in our heritage.

"You think there things are far from the world of museums," Welz says, "but they are not. Several generations of certain species have dissolved into thin air. The new generation will need to know and understand the institutions of our heritage battle to find themselves."

"The reality is that the museums, and on the 'cool face', people use the toscars of war; museum directors on one side, government's department of arts and culture on the other. In the latest round of battle, SA National Gallery director Martin Tuk, a distant cousin of the department. "Museum directors complain about being left for the dustbin of the market. But they must engage the market, shape it, lead it."

"The market, when its exhibition schedule, breathes a diaphragm of government's Department of Arts and Culture."

"The truth is," Martin says, "as Martin Maumt, a South African, on the 'cool face' of the market."

"I am often commissioned by museums to trace stolen artefacts. More than often, not staff are involved. People feel the institution they are serving is collapsing. They lose all respect for the reason they are there in the first place."

"How successful is Welz at tracing artefacts through the labyrinth of the black market?"

"It is difficult to believe, but every major national museum does not keep photographic records of their collection. There is no way of proving where they come from."

"Last year, Welz says, 'a well-known Pretoria museum lost its silver collection, and the director and staff did not even notice it was missing. Six to eight months later, the museum was contacted by a Belgian organisation to sell the collection."

"The most recent case, the Verwoerd assassination, was a disaster. It was the first time the museum had heard of the matter."

"If museums lack the professionalism to hold on to their collections, what will they find if they choose to renew and innovate?"

The place of museums as keepers of the past is by no means secure. There are other media which are potentially more efficient at telling the stories of the world.

A recent trip to the National Museum of Tanzania in Los Angeles brought the point home. It is priced for its many-coloured depicting of the Holocaust. It is a challenge of the museum, I approached one of the hundreds of computers and entered the name Martin Heidegger. "I am a philosopher who publicly acknowledged that he worked with the National Socialists," he is quoted in the New York Times.

"Heidegger, arguably the most acute philosopher of our age, was a Nazi. I was told that he helped the museum in any way."

"There have been responses to the end of apartheid," Welz says. "But they are going through the motions; they are not bringing much imagination to the task."

"Museum Africa displays the interior of a servant's quarters. Who is this for? What is its meaning? We have all seen servants' quarters. Does a display like this one have any meaning or unusual about apartheid? I don't think so."

"Some argue that governance was always on a hiding to nothing in the arena of heritage. Anymore by the watchword of reconciliation, government left untouched the entire audience of this, the place of the world. Today, we are more comfortable with the idea of commemorating the history of those who were killed by it."

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[Graphic: Mayihloko]
When heritage becomes a thing of the past

Are the new SA's cultural artefacts being properly marketed? Jonny Steinberg dusts off the museums to find a full-scale battle underway

WHITE people don't plant oak trees, you know, I said, to Stephan Wiese, a South African art historian. The problem is that white people don't have a past. The past is a thing that black people have. They are the ones who have a relationship with the land. They are the ones who have a relationship with the ancestors. The past is something that black people have. They are the ones who have a relationship with the land. They are the ones who have a relationship with the ancestors.

Mention the word "museum" and, on the "cool" face, people use the discount for war museum directors on one side, government's department of arts and culture on the other. In the latest round of battle, SAN National Gallery director Marylin Martin writes a letter to the editor of a local newspaper in the latest edition of Leadership magazine.

"From 1994 to 1997 our budget for the museum was R200,000," Martin writes. "Now we have nothing. A collection stagnates as it is unable to grow due to lack of space and contemporary works because we cannot compete with private and corporate collectors. What is wrong with the new SAN?" Martin adds.

And when heritage meets the shadow between visibility and reality.

The shadow, for Martin, is the looming menace of the growth employment and redistribution (GHER) agreement. GHER, a modern, neo-liberal project to stabilize the post-apartheid and historically unequal world to the senseless각기별자리가 되어버려.

There is a danger that museums may be denied of their social role by becoming institutions that are driven by the profit motive," Martin writes. "The pressure to constantly seek money from other sources diminishes our dignity and status and threatens our independence... Many artists are disillusioned. For the majority of black artists nothing has changed - they still have no access to education, facilities or even basic materials.

"The art department acknowledges that fiscal restraint makes its task a tough one. It has also insisted that Martin's facts are wrong. Government spends R130m a year on museums, cultivating infusion this means public expenditure on heritage has been restored to 1987 levels, having dropped considerably in the 1990s.

The problem, the department argues, is not simply a scarcity of funding, but a lack of engagement of museums directors to make anything with what they have.

"There is nothing more degrading than working in institutions without incentives," says Gugulethu Metz, a consultant to the department. "The department plain about being left to the cruel elements. But they also engage the market, shape it, lead it. The Monet exhibition at Lushu is an example. The Art Gallery, which was closed for six months, has open 18 hours a day to meet public demand - something everyone has been talking about.

The story of the world of museums.

Some say the crusty old institutions of South African heritage pride themselves on being bald faced, impossible. A "museum director is brought in to make it happen," says one observer. The museum in the 1980s, museums were financed by the state itself for the sake of innovations in public exhibitions. But now, according to one observer, they are more like little mugs of an identical artefact.

"Last year," Welz says, a "well-known Pretoria museum lost its silver collection, and the director and staff did not even notice it was missing. Six to eight months later, the museum was contacted by a Belgium organisation to say its collection had turned up in northern Europe. It was the first time the museum had heard of the matter."

If there is any evidence that SA's museums are part authors of their own destruction, it is the story behind the steady stream of local artefacts being pawned on the world's black markets. "Theat at the moment is tremendous," Welz says. "We are often commissioned by museums to trace stolen artefacts."

"More often than not, staff are inexperienced... We are dependent. We want to see the artefacts. We want to see the story behind the artefacts."

The place of museums as keepers of the past is by no means secure. There are other media which arguably command more depth and nuance."

"The museum is a place to discuss the past, not just to see it. It is a place to discuss the past, not just to see it. It is a place to discuss the past, not just to see it.

"There have been responses to the end of apartheid," Welz says. "But they are going through the motions; they are not bringing much imagination to the task.""

"Museum Africa displays the interior of a woman's quarters. Who is this woman? What is her meaning? What have we all seen avantgarde?" Welz adds. "Is the public watching this? Is the public watching this? Is the public watching this?"

"And no government that was always on a mission to ruthless in the arena of heritage. Animated by the watchword of retraction, government left the old crew that runs SA's national museums, and developed an arms-length relationship with it. To date, not a single black museum director has been appointed."

"The decision to develop wonderful policies," says an observer, "was not about what you are doing with the ball. Yet the black museum director is that..."

"The African National Congress (ANC) decided to go the arts and culture portfolio on an Inklings Freedom Party minister who was a "black museum director," an observer says. "Why did the ANC not appoint black museum directors during the 1980s? It has never really grasped what culture means as an institution or a political project. It has never taken seriously, despite what it says, that a nation can invent itself through the imaginative deployment of heritage."

"When I compare 1994 and 1948 I wonder whether government is not squandering a wonderful opportunity," he says."

The promise of Apartheid nationalism in the 1980s and 1990s was the poor white problem. Apartheid put up the Vos and Voortrekkers monuments by getting a handful of white working class school kids. There is a potential, I pride myself in black museums

With imagination and creativity, the ANC could do the same."
DEVELOPER SPEAKS FROM GREECE

Business dealings with ex-premier explained

AFTER THE RELEASE of a report from the Oseo which says there is no evidence of irregular payments to ex-premier Hernus Kriel relating to the awarding of a casino licence, property developer Ian Hirschson explains his business dealings with Kriel. ROGER FRIEDMAN reports.

WHILE investigators from the Office for Serious Economic Offences found prior business dealings between Kriel, Hirschson and Johannesburg property developer Martin Janit "suspicious" — and of some of their explanations "unsatisfactory" — they could find no evidence of payments to Kriel in respect of the sale of a Goodwood Showground to a casino company.

Hirschson, Joint and city attorney Raymond Mallach split the R20 million when selling an option on the Goodwood Showground are and then brokering the deal for the company.

According to Oseo: "H Investments S.A.S was a shelf company acquired by the vendors (Janit, Hirschson and Mallach) to secure an option to acquire the Goodwood Showground for a future casino development from the Western Province Agricultural Society. H Investments was subsequently purchased by Kriel Investments, which thereby indirectly acquired the option to purchase the Goodwood Showground. The ownership of H Investments was subsequently transferred from Kriel to Sun International (SA) and the name of H Investments was changed in April 1997 to SunWest." Janit has now sold Kriel has stepped down as premier. SunWest has been chosen as the "preferred" bidder for the Cape Metropole licence, and Oseo has just completed an 11-month investigation into allegations that Kriel was paid R3m to use his influence to ensure that SunWest obtained the sought-after casino licence.

The investigation went after Oseo received affidavits alleging that Kriel was involved in a corrupt deal with two friends — Janit and Hirschson — to "deliver" them "the operator's licence."

Oseo did not only investigate the origins and destination of the R20m commission, but also delved into previous business associations of the two central role-players. It was found that Kriel had on occasion loaned money to Janit, investor in one of Janit's property developments; been paid consultancy fees by Hirschson, and that Hirschson was a trustee of various trusts established by Kriel. But Oseo found that "although a comprehensive forensic accounting review was done in respect of the R20m paid to the vendors, no substantial amounts, as was claimed, could be traced to Kriel's accounts."

Speaking from Greece yesterday, Hirschson said Kriel had been unaware of his and Janit's negotiations over the Goodwood Showground property "until we had it in the bag."

Said Hirschson: "I started the negotiations, then Janit heard what was happening and approached me about it. We subsequently joined forces. Kriel did not know about our negotiations."

Oseo investigators found that Kriel had in the past been paid a monthly consultancy retainer by Hirschson, and that in 1991 Hirschson contributed R40 000 toward the buying of a flat for Kriel in the city.

"Hirschson responded yesterday that presenting these findings without providing any context could distort the real issues."

He said that Kriel was paid a retain- er by his property company, Equilor — among other property companies from 1985 to 1989. He was then a NP MP for Parow. 

"In 1989 he became minister of provincial affairs. He immediately resigned from us. There was a rule that members of the cabinet could not engage in private business activities."

Hirschson said the flat in Mouille Point was sold to Kriel by a firm called Unidev, which had shares in Equilor.

As a new minister, Kriel had been given a government car. "He came to me and said he did not need his private car any more, and did not want to buy it. I bought it and I still have the car. I paid him R40 000 for the car (a Nissan Skylane) and what he did with the money is his business."

"Unidev sold him the flat, not Equilor or me," Hirschson said.

Oseo found: "Both Kriel and Hirschson suggested that the sale of a car by Kriel to Hirschson could have been the underlying reason for the above mentioned payment of R40 000 by Hirschson in respect of the flat. No documentary evidence to substantiate this suggestion was found. Although the explanations advanced were unsatisfactory, further investigation proved to be fruitless."
Gambling appeal fails

Mungo Soggot

The Pretoria High Court has dealt another blow to the Mpmamamanga Gaming Board by refusing leave to appeal against a court order instructing them to hand over videotapes and documents of its deliberations.

The decision is the latest in a series of court orders which have reversed or implicitly questioned decisions taken by provincial gaming boards. These judgments have eroded the credibility of the gaming boards, opening the door to Minister of Trade and Industry Alec Erwin's threat last month to scrap them and create one national gaming regulator.

The minister signalled his dissatisfaction with the current provincial set-up at a meeting with an organisation representing slot machine operators.

The latest Mpmamamanga order was given in a case lodged by Artsun, a division of Sun International, against a decision by the gaming board to give a licence in Witbank to rival Tsogo Sun. Both Tsogo and the board applied for leave to appeal, but were turned down by Judge Brian Southwood, who released his written judgment last week.

Judge Southwood dismissed arguments raised by Tsogo and the Mpmamamanga Gaming Board that it could appeal the order. "While the decision and the orders may cause the respondents some inconvenience and place them at a disadvantage in the litigation, that is not relevant to the question of appealability," he said.

The Mpmamamanga Gaming Board insists that details of its deliberations should not be made public. Chairperson Kunene said recently that otherwise, "[Board members would never be free to say what they want]."

Kunene's board has been hit with a similar disclosure order over its decision to give a licence to Tsogo Sun in Nelspruit. Tsogo was refused leave to appeal, but then petitioned the chief justice for an appeal, which was granted last month. The rival applicant in that case is Naraxo Hotels.

In March, the Pretoria High Court set aside a decision by the Gauteng Gaming Board to grant a licence to a company to build a casino near the Sun City complex. The court found the Gauteng board had taken an incorrect fact into account in reaching its decision.

The Gauteng board has also been the subject of controversy surrounding its decision to grant a licence in Fourways to Tsogo Sun. The Democratic Party's Peter Leon has accused Tsogo of paying a R10 million bribe to secure a Gauteng licence—an accusation for which the provincial DA leader is now being sued.

Leon last week sought to persuade the Johannesburg High Court that Tsogo's R10 million defamation claim should be dismissed because he was protected by the doctrine of parliamentary privilege. Leon argued his statement outside the provincial legislature was also protected by the privilege doctrine, citing foreign cases in which politicians who had confirmed outside Parliament statements made during debates had been shielded from libel suits.

Judge in Leon's case was reserved.

Leon made his allegation during the Gauteng legislature in February, saying Tsogo Sun paid a senior MEC R1 million for the licence. The politician in question was later identified as MEC for Finance John Moloketi by one of Moloketi's senior colleagues, Piroz Cachalia.
Cop team targets illegal casinos in Western Cape

WILLEM STEENKAMP

A special police task team has been deployed to close down the growing number of illegal casinos in the Western Cape.

Andre Du Toit, commander of the provincial detective services, said the team had been specially trained to stamp out illegal gambling operations, and it was a matter of time before illegal casinos were closed.

Director Du Toit said the police had been winning the battle against illegal operators until about a year ago. Their operations suffered a setback when the casino licensing procedure was delayed following allegations of bribery against one of the bidders for the Cape Town licence.

The vacuum period gave illegal casino operators the opportunity to regroup. They had perfected their operations, setting up intricate membership procedures and using surveillance equipment at entrance, which made it virtually impossible for people who were not known to the operator to enter the premises.

But the police were confident that the task team would soon be able to act successfully against illegal operators.

"Director Du Toit has also received international training in policing of illegal casinos. "It must be remembered that we have to present prima facie evidence to a magistrate before we are issued a search warrant. Because it is difficult to enter these premises to gather evidence, we have difficulty in obtaining search warrants. However, this situation is now being addressed." he said.

He said police were working closely with officials of the Western Cape Racing and Gambling Board and he expected several breakthroughs.

"Some illegal casinos have been operating in parts of the city for the past two years without any action taken against them. Director Du Toit said police were monitoring the situation.

"We have reached a very sensitive stage of our investigations and we cannot give any details for fear of jeopardising these investigations," said Director Du Toit.

Reacting to claims that policemen were being bribed to allow some illegal casinos to continue operating, Director Du Toit said he could not react to unsubstantiated allegations.

"We want to give the assurance that we will act on these allegations if anyone supplies us with information. We will not hesitate to act against any member of the force who is guilty of wrongdoing," he said.

He called on people who had information to come forward. He said their identity would be protected.
Tomorrow is D-day for casino licence bidders

Caledon, Bredasdorp, Hermanus and Kleinmond in the running for the Overberg region

MADGAY WILLIAM

Tomorrow is D-day for the contestants in the new race for two of the province's lucrative mega-casino licences - in the Breede River and Overberg regions.

The bid consortia which have until October 15 to submit their R800m, non-refundable deposits and the complete planning proposals for their "international-standard" resorts.

If all goes without a hitch, the Gambling Board will then select pre-approved candidates, approve their financial guarantees and award the two licences.

The Gambling Board is mum on when it will make final decisions, but it is thought that the winners will be announced early next year.

The province is the first to have a casino in each of its five new regions: the Cape Metropolitan Area, the Western Cape, the Overberg, the Breede River and the Southern Cape.

The Western Cape's casino licensing process has been fraught with drama, threatened litigation and delays since it began almost two years ago.

The Overberg farming town of Caledon is still smarting with disappointment after the dramatic collapse of its successful Ladbrokes/Fortes King casino bid earlier this year.

Residents' hopes of hundreds of new jobs and an economic boost were shattered when the Caledon Casino Bid Company's major financial partner - the British-based Ladbrokes gaming group - withdrew in March after successfully securing the Overberg licence.

Ladbrokes came under a barrage of condemnation from small-time local investors making up the Overberg Empowerment Company, local builders and residents, when it failed to guarantee its R500 million odd contribution to the financing.

The Gambling Board refuses to speculate on the identity of possible new applicants, but it is rumoured that Fortes King will again go all out for a share in the Overberg licence.

Ladbrokes' R500 million Caledon Hotel, Spa and Casino Resort proposal comprised a 151-room Hilton Hotel, a health spa built around Caledon's seven mineral hot springs, a health and resort club, a squash and tennis court, and a golf course.

The local community's prize empowerment opportunity was to have been a tourist village "showcasing uniquely regional businesses such as brewing, wild flower arrangements and weaving".

The resort would have been built on the site of the Overberg Country Hotel on the mountain slopes outside Caledon, which had already closed its doors in anticipation of work on the new development - due to begin two weeks after Ladbrokes' withdrawal.

The hot-water springs were also closed, but have since re-opened.

The architecture was to have been a mixture of Dutch baroque, Victorian and Edwardian styles - supposedly to blend with the countryside.

It is not known whether the Gambling Board will accept a scaled-down version of the initial Ladbrokes proposal, or, if Fortes King does reply, whether its new proposal will use the same plans and designs.

Caledon's mayor, Rhodes Johannson, said people had been eagerly awaiting the creation of hundreds of jobs from the tourist village before the 1st of January.

"I hope that the Gambling Board will be sympathetic towards us. I don't think Hermanus will be able to handle a casino - they're already too overcrowded. Caledon has everything in place - we're in a very favourable position. I think we're the most promising," he said.

Other Overberg towns that could end up hosting a classy, giant casino-resort complex are Bredasdorp, Hermanus and Kleinmond.

In the neighbouring Breede River region, the Gambling Board did not receive a single proposal when it first opened for applications.

In the Western Cape's other two regions, the West Coast Region's licence process is due to start up shortly after the Gambling Board put it on hold last year.

In Cape Town, only the results of the Sun West's probity check are outstanding before construction begins at the Goodwood Racecourse.

The Western Cape's five "gambling regions" will each be home to a luxury casino resort. In the Cape Town Metropolitan area (1), the licence will be handed to Sun West if it passes the Gambling Board's probity check. In the Southern Cape (2), Pinnacle Point has won its court bid to secure a licence. On the West Coast (3), the Board has invited interested parties to submit proposals for a new casino. The deadline for the Breede River (4) and Overberg (5), is 4pm tomorrow.
Heath probe uncovers irregularities in Gauteng

By Joshua Raboro

THE Health Special Investigation Unit has uncovered irregularities in the Gauteng housing department and the awarding of casino licences involving huge sums of money, the unit’s preliminary report revealed yesterday.

But the report, which was given to Gauteng Premier Mkhosana Shilowa and housing MEC Paul Mashatile, did not identify the irregularities because the unit has not completed its work.

After a two-hour meeting between the unit’s representatives and a delegation from the provincial government, the unit’s spokesman, Mr Guy Rich, would not release details of the irregularities, saying this could "jeopardise the discovery of huge sums of money".

Investigations started after former president Mr Nelson Mandela signed a proclamation giving the unit the go-ahead for a full probe into alleged nepotism, irregularities and corruption in the housing department.

The proclamation outlined 18 allegations involving housing developers, conveyancers, department officials and the Gauteng Housing Advisory Board.

The anti-corruption unit was also given the green light to look into the awarding of casino licences, including claims that certain gambling board members received commissions and favours from applicants and did not disclose their personal interests in the licences.

The unit will also investigate the conduct of lawyers with claims against the Road Accident Fund after the then minister of transport, Mr Mac Maharaj, requested the probe.

Rich said the purpose of yesterday’s meeting was to brief the provincial executive on the progress made by the unit in its investigations.

He said the unit was receiving cooperation from officials of the provincial housing department as well as other executives.

“We are going through tremendous volumes of documents since we started our probe in April,” Rich said. “We want to uncover any form of irregularity that might arise.”

He said the unit would summon any official it wanted to interview, but he could neither deny nor confirm that they would do so with former MEC for housing and land affairs Mr Dun Mofokeng.

Shilowa’s spokesman, Mr Thabo Masebe, said yesterday that the premier had pledged to support Judge Willem Heath’s unit in its work.
Bass gives Erwin licence ultimatum

By AMANDA VERMEULEN

Bass Leisure has fired off an ultimatum to government, warning that unless it receives clarity by the end of the month on a timetable for issuing certain gaming licences, it will disinvest from SA immediately.

Bass Leisure SA MD Neil Moir said this week it could not sustain its investment in SA — now at about R100 million — unless government provided certainty on the timetable for licensing the limited-payout machine (LPM) manufacturing industry.

Bass set up an operation in SA three years ago following the introduction of a new gambling dispensation. The group was awarded a four-year inward investment tax holiday by the Department of Trade and Industry but has racked up significant costs related to setting up a plant and staff without earning income.

Moir said the creation of a viable, regulated LPM industry had been stalled by unexplained delays in promulgating national regulations.

The most recent communication from Trade and Industry Minister Alec Erwin, dated August 2, was that a proposal was being considered for the introduction of LPMs in a phased manner and under certain conditions but “at this stage I will not be making any further announcements.”

Bass’s empowerment partners, Nacoc and Fabcos, stand to lose investment value of R30 million each if Bass disinvests from the joint venture. Nacoc president Steve Skosana said “it did not augur well for the country if government made promises to foreign investors and failed to keep to the timetable.”

National Gambling Board chairman Chris Fisman said that Bass had misinterpreted elements of the gambling legislation, but that it had valid concerns and “a right to expect answers (from government).”

Erwin said: “Government will not respond to threats of this nature. Bass invested in SA at its own commercial risk.

“We acknowledge the group has legitimate concerns, and it’s our intention to provide clarity as soon as possible. But Bass would be very unwise to disinvest over this issue.”

He said that Cabinet and the ministry had discussed a number of “confidential concerns” about the gambling industry but declined to outline a timetable for the issuing of LPM licences.
Gambling industry surprised by ad for new chairman

JOHANNESBURG - Indications that Chris Fismer, the chairman of the National Gambling Board, was about to be replaced, were met with astonishment and concern by gambling industry leaders yesterday.

They expressed amazement at a notice in the Sunday papers inviting nominations for the appointment of a chairman for the National Gambling Board.

That position is now held by Fismer, who is highly regarded by industry players. He has headed the board since its inception in March last year and, since the mid-nineties, has been a key player in establishing the newly legislated industry.

Neither Fismer nor officials from the trade and industry department were available for comment yesterday.

Shosho Buthelezi, the chief executive of the board, said yesterday that he was unaware of the situation until he saw the notice. At this stage, it is unclear what prompted the move or whether Fismer will remain to head the board until a replacement is found.

The suddenness of the move has sparked speculation that there could be a rift between Fismer and politicians at national level. "It may just be that for personal reasons Fismer has decided to move out of the industry, but the unexpected announcement of plans to look for a new chairman does lead to speculation of some sort of rift," one analyst said.

A senior corporate executive said Fismer had an extensive knowledge and understanding of the industry, which would be difficult to replace.

"One of the extremely frustrating aspects of creating a new legislative environment for the gambling industry has been the shortage of skilled and informed individuals at government level. "Now it looks as though we will be replacing one of the few skilled individuals in a key position with a comparatively new player. The consequences may not be so bad for casinos or the lottery where legislation has been

put into play, but it will be severe for the slots sector of the industry where things have not yet been finalised," the executive said. Fismer was appointed in March last year when the board was formally established.

The establishment of the board came 18 months after nominations were advertised for the position of chairman and two general board members. The delay in appointing Fismer chairman has sparked concerns about another period without an effective head of the national board.
Setting the record straight for Samro

THE Southern African Music Rights Organisation (Samro) has pointed out that it is a non-profit organisation whose constituents are its members and members of affiliated societies worldwide.

"Samro has approximately 4 800 local members who are composers, lyricists, beneficial rights-holders and publishers of musical works.

"Those persons who wish to qualify for Samro membership should preferably have had at least some of their original musical works published by recognised music publishers and/or commercially recorded.

"The report that appeared in City Press on August 15, under the headline 'The face of our recording industry is ugly indeed and SA musicians lose millions in unpaid royalty payments', contained numerous inaccuracies and misrepresentations of fact in regard to Samro and its business activities.

"The main functions of Samro are:
- To administer the rights of broadcasting, performing in public and transmitting in a diffusion service the works of its own members and the members of its affiliated societies all over the world; and
- To collect the appropriate licence fees from the authorised licensees and to distribute the net royalties to members of Samro and members of its affiliated societies.

City Press referred to Samro in the article as a "collection agency" responsible for the collection of royalties and this suggested that Samro's inefficiency, or alternatively non-transparent operations, had resulted in musicians not receiving that which was due to them in respect of royalty payouts.

"Samro takes exception to the use of the term "collection agency" in respect of its business operations.

"That Samro has established an offshore bank account is untrue and defamatory.

"The statement that Mahlathini only received R4 446 in respect of royalties for the period January to September 1996 is inaccurate.

"In this regard Mahlathini's royalty earnings for the past five years amounted to thousands of rand and all amounts due to him were paid by Samro.

"Hugh Masekela is not a member of Samro but is a member of an affiliated society of Samro, namely Broadcast Music Incorporated.

"All his royalties have been paid to this body.

"In general the association of Samro with an "ugly face of the recording industry" is disappointing and misleading. Samro administers rights arising out of broadcasts, performances and transmissions of musical works."
Erwin lashes out at US, Germans

'Stay out of row over gambling'

CHARLES PHANIE
Pretoria correspondent

Trade and Industry Minister Alec Erwin has lashed out at United States and German business lobbies for allowing themselves to be used in fighting battles for local gambling companies.

Speaking during debates on the Gambling Matters Amendment Bill, Mr Erwin said there was much exaggeration on the bill by the American Chamber of Commerce (Amcham) and the Association of German Businessmen for Southern Africa (VDA) together with Colombo, the radio up to the Cape Town licences.

Amcham and VDA said the bill would result in a loss of confidence by South Africans in business, an argument which, if successful would have resulted in the disqualification of the preferred bidder Sunwatt, a consortium including Sun International South Africa (Sisa) which is partly-owned by the parastatal North West Development Corporation (NWDC).

Mr Erwin said such an argument was a gross distortion based on pure self-interest.

"He said organised business had every right to speak out for its members but "they will lose everyone's respect if they promote pure self-interest.""

He said organised business had every right to speak out for its members but "they will lose everyone's respect if they promote pure self-interest."

Mr Erwin said parastatals were accused this year to get rid of their shareholding in Sisa in line with Government policy of not holding gambling interests. But the unwinding of NWDC and the Eastern Cape Development Corporation (ECDC) had not gone well. The Government had not been able to put these companies into independent companies.

"As the democratic South Africa extracts itself from the mess we have encountered numerous difficulties and I despair of the patience of the electorate," he said.

"The reason we have not been able to put these companies into independent companies is because of some unexpected events by trying to capitalise on this problem."

"I am particularly disappointed that representatives of American and German business interests have associated themselves with this," Mr Erwin said.

DP MP Mr Nigel Bruce said his party had reservations about the bill because Government would not be treated by investors if it kept on changing rules.

He said the DP would support the bill if Mr Erwin gave an undertaking that Sisa would be excluded from further consideration for any casino licences and that Government's interest in Sisa be considered in assessing candidates.

The Inkatha Freedom Party, the new National Party, the United Democratic Movement supported the bill.

Some DP members voted for the bill when a division was called, with the African Christian Democratic Party and the Adriatic Embankment voting against it because of their objection to gambling in any form whatsoever.

Bill rectified: 'A technical oversight'

Erwin blasts 'self-interest' in gambling

Cape Town - Alec Erwin, the trade and industry minister, yesterday accused foreign groups opposing the National Gambling Amendment Bill of gross distortion based on pure self-interest.

During the debate on the bill in the national assembly, he stated US and German business interests as well as local empowerment groups who opposed moves to allow North West Development Corporation to hold on to its share of Sun International until 2003.

Sun has been named the preferred bidder for the Western Cape casino licences.

"Organised business chambers have every right to speak out for their members, but they will lose everyone's respect if they promote pure self-interest at the expense of facts," he said.

Erwin was also concerned that empowerment groups had linked the concerns of US and German interests with the Western Cape licence debate. He said that the decision to wind down Sun International would affect licences for other provinces.

"This is the matter which the various concerns are now taking us to court and every other licence, as they claim is not based on facts," he said.

Erwin said it was unlikely the amendment would affect investor confidence as it merely rectified a technical oversight.

Most parties supported the amendment, but Nigel Bruce of the Democratic Party said he could only support it if the government ensured that Sun International did not get any casino licences.

The amendment, he said, reflected badly on the government's privatisation programme as it allowed the North West government to hold on to its gambling stakes, even if only for the short term.
Slot machines win Erwin's approval

Industry players say the decision will engender investor confidence.

Janet Parker

TRADE and Industry Minister Alec Erwin has given the thumbs-up to SA's long-delayed slot machine industry. He said yesterday it would be introduced no later than September next year.

The move will effectively kickstart an industry capable of generating between R2bn and R3bn a year, and which will create about 5 000 direct and 2 500 indirect jobs. Local and international members of the route and site gaming industry, also known as the non-casino slot machine industry, have waited for more than two years and invested more than R3bn waiting for the go-ahead.

The delays have also proved damaging to SA's reputation to international gaming investors. Earlier this month, frustrated by the spiralling costs associated with delays and uncertainty surrounding the industry, UK gaming group Bass Leisure pulled out of SA.

'The delays have also resulted in SA's illegal slot machine industry mushrooming to about 60 000 machines,' said Erwin yesterday.

However, Erwin said yesterday, he had begun talks with the provinces to 'improve co-ordinated introduction of the industry over the coming years'.

Non-casino slot machines (or limited payout machines) would be introduced no earlier than June next year but no later than September, he said.

'Increasing the national lottery is being given priority and I would like a gap between its launch in March and the commencement of operations of limited payout machines.'

Key features of the regulations include a wager limit of R5, a maximum payout of R500 with no linked jackpots; and a maximum of five machines a site.

These features are in line with a report released last year which was commissioned by the National Gambling Board and drawn up by an academic research group.

But where the report recommends a phased-in approach to licensing the slot machine industry, with phase one capping the maximum number of slot machines to 50 000-nationally, Erwin did not specify the number of machines, saying instead there would be 'an agreed allocation for all provinces and implementation in all provinces'.

He said the National Gambling Board and the department were consulting stakeholders in the 'detailed drawing up of the regulations within this framework'. These detailed regulations will be published as soon as they are ready, and it is likely that this will be very early in 2002.

Industry members believe, however, that Erwin is committed to the recommended number of 50 000 machines, and will allow the industry to grow in all provinces at the same time.

Other features of the regulations would be a common national standard for all machines, as well as a central monitoring system 'which will allow provinces to carry out their regulatory obligations as well as provide a national monitoring capacity', Erwin said.

The slot machine industry has welcomed the development, saying it would engender investor confidence. Moss Mashishi, chairman of the industry watchdog, the Limited Payout Machine Association, said the industry overwhelmingly welcomed the commitment to fixed time-frames which will assist it in managing its exposure to investment in the industry.

Mashishi said the industry also supported the national standardisation, and the uniform national approach the minister was adopting.

Route operator companies generally target small sites with a liquor licence in both central business districts and the suburbs. As a result, the industry is one of a few which takes economic empowerment to grassroots levels.

Erwin issued a warning to illegal operators, saying they would be dealt with 'to the full extent of the law and no concessions will be entertained'.

Grant Kaplan, of gaming consultancy Grant Kaplan Friedgut Attorneys, said the illegal slot machine industry, at its prime, had 130 000 machines, indicating a large latent consumer base.
Jobs shock as two casinos evaporate

EASTERN Cape gambling authorities decided not to issue casino licences to two of the province’s four successful bidders.

This means the R252-million casino destined for East London and the R52-million casino destined for Queenstown will not be built — at least in the short term.

The green light was given to Sun International-backed Emulentis Resort’s R533-million Port Elizabeth casino, conference centre and resort; and to Sun International’s Wild Coast Sun near Bizana on the Wild Coast.

The Wild Coast Sun was awarded its licence a month ago. It was the only existing Eastern Cape casino to have its licence renewed.

The provincial gambling and betting board had set down strict requirements for financial guarantees.

Thebe Investments-backed Gompo Leisure Resorts had put in the bid for East London; and Siyakha Leisure Resorts, also linked with Thebe, won its bid for Queenstown.

Gompo CE Thabo Mokoena said he felt the board’s decision and had been “administratively unjust and unfair”.

His group had been told to furnish R111-million in guarantees. However, in a close of business on Monday, Gompo had furnished only R70-million in guarantees. Mokoena said he was confident his company would have found the remaining R41-million in stipulated 30-day period. The board then demanded that the R70-million be forfeitable should the remaining guarantees not be found.

Mokoena said this was unacceptable as Gompo was more than 90% empowerment owned and could not afford to lose such an amount of money.

He said the “vagaries of the market” meant it was impossible to guarantee the remaining sureties would have been found.

Gambling Board chairman Joe Lukwago-Mugerwa said he was disappointed that the board had not been able to issue the licences. However, he was not prepared to “get into a newspaper debate with the applicants” over the non-issuing of licences; save to say that if the board had issued the licences, they would not have “done justice to the people of East London or their statutory obligations”.

Border-Kel Chamber of Business CE Les Holbrook said while he regretted the loss of the licence, he was “pleased the board was sticking by its principles”. He said it had been made clear from the beginning that proper guarantees would be needed. “There would be nothing worse than them having to suspend building operations halfway because of a lack of capital.”

Not only did the loss of the licence cost East London the R252-million investment, it also puts on hold indefinitely the creation of the 1 600 much-needed construction-phase and 660 operation-phase jobs.

Also lost to the region is the re-opening of King William’s Town’s Amatola casino and hotel. The Amatola would have been the venue for Gompo’s temporary casino. — ECN Weekend.
Kenya film industry loses R2.4bn to SA in shoots

Nairobi — Kenya has lost location shootings to South Africa of at least eight feature films with budgets totalling some $402 million (R2.42bn), a Kenyan film producer said yesterday.

Noor Ali, of Telecine Productions said the films were lost to the South African Film and Telecommunications office in Los Angeles because of poor marketing of Kenya as a location site. — Sapa-AP
Kenya loses film shoots to South Africa

KENYA has lost location shootings to South Africa of at least eight feature films whose budgets total $402 million, according to a Kenyan film producer.

Noor Ali, of Telecine Productions, said the films, which were initially to have been shot in Kenya, were lost to the South African Film and Telecommunications office in Los Angeles, California, because of poor marketing of Kenya as a location.

"In 1996 alone, three feature films based on Kenyan stories were poached by South Africa for production," Ali was speaking at the annual Kenya Audiovisual Week conference in Nairobi.

"Some of the films lost to South Africa include The Air Up, Ghosts and the Darkness (based on the book, The Man-Eaters of Tsavo), I Dreamed of Africa, Tarzan and a remake of Born Free."

The original Born Free and Out of Africa, about the life of Danish novelist Karin Blixen, were filmed in Kenya.

South African producers flew Masai tribesmen to South Africa and recreated the Kenyan savannah for the shooting of Ghosts and the Darkness.

All said a steady flow of feature films and commercials had been shot on location in Kenya after Out of Africa put the country on the audiovisual map in the early 1980s.

Producers and directors were now shunning Kenya because it did not have a film commission to market the country and deal with bureaucracy.

Other participants pointed out that the South Africa had better infrastructure and that production companies had begun to head south after the end of apartheid in the early 1990s.

"There is a stiff competition," said Steven Kirago of the Kenyan Ministry of Information. "We are not aggressive enough in marketing Kenya."

Although Kenya had better locations, South Africa offered production companies a better package of economic incentives, Kirago said. Several American actors, saying they were concerned about personal safety, had refused to go to Kenya. Insurance companies charge maximum premiums to cover actors because the East African nation is in the high-risk category.

During the week-long conference, Kenyan directors and producers criticized the country's television stations for the excessive use of "dumped" foreign material to cut down on costs.

All said at least 65% of commercials screened by television stations had been produced for foreign audiences and were "dumped" in the Kenyan market at little cost to TV stations. But broadcasting representatives said agencies and production companies should come up with products to meet their demands.

"We are not saying we should make our film industry meet the standards of Hollywood - we can't, but we can develop our own standards," said Joe Ambwock of a new television and radio station to be launched by the Nation Media Group. — Sapa-AP
Johannesburg – Naledi Ya Afrika (Naledi), the empowerment company, said yesterday it would use extensive marketing to globalise rural products.

"By vigorously developing the export market for indigenous arts and crafts, Naledi will also be promoting the heritage and rights of different cultures of our country," said King Goodwill Zwelithini, one of the company partners.

Other shareholders in Naledi, which was launched yesterday, included the Centre for Scientific and Industrial Research (CSIR), Kuzwayo Trust, Pendula Trust and the controlling shareholder, the Mason Trust.

Naledi seeks to create jobs and facilitate development, particularly in the rural areas, through the establishment of small, micro and medium sized enterprises (SMMEs) and the provision of direct access to external communication and marketing.

It will operate under four divisions: Naledi Financial Services, which will establish a financial system between the small business units it sets up, using a cash-free smart card system; Naledi Technologies, which will be managed by the CSIR and will oversee the employment of technologies by the SMMEs; Naledi Manufacturing, which will assist the SMMEs with the implementation of appropriate manufacturing technologies; and Naledi Marketing and Communications, which will be responsible for all promotional activities.

The SMMEs would keep 70 percent of the profits derived from the distribution of goods produced by Naledi, said. It would receive 20 percent and the remaining 10 percent would be donated to community projects.

Ben Kgabane, the minister of arts, culture, science and technology, said Naledi’s integrated business plan embraced the latest technologies and helped transform the dream of sustainable multipurpose community centres into an achievable reality.
Body ‘will protect culture’

Farouk Chothia

CAPE TOWN — President Thabo Mbeki would appoint members of the commission for the promotion and protection of language, cultural and linguistic rights, with no role envisaged for Parliament in the process, said provincial affairs and local government department deputy director Richard Sizani.

He said yesterday that legislation on the commission would be tabled in Parliament in January, and the commission was likely to be formed during June next year. It would be made up of between 11 and 17 members, with a budget of R3.2m.

Sizani was briefing the national assembly’s provincial affairs and local government committee on progress in getting the commission off the ground. The constitution requires that the commission be established.

The commission would be made up of the “main communities” in SA. Organisations would make submissions seeking representation on the commission and Mbeki would appoint its members. He would define the term “main communities”.

Sizani said a role for Parliament was not envisaged in the appointment process as there was a need to avoid “political bargaining” over the issue. However, Parliament would have to approve legislation, Sizani said.

African Christian Democratic Party MP Rhoda Southgate questioned the need for the commission, saying its work would overlap that of other bodies.

Carrim said the commission was needed when one considered that ethnically driven wars were raging in various parts of the world. The commission would allow for “cultural self-determination”, he said.
Orchestra plea for state help

STAFF REPORTER

The Cape Town Philharmonic Orchestra is to make urgent presentations to all levels of government in the coming week in an attempt to secure bridging funding. It needs R5 million by the end of the month or it will be forced to close.

Spokeswoman Shirley de Kock said if the orchestra was allowed to fold, other orchestras in the country wouldn't be far behind.

"The orchestra has been invited to represent Cape Town and Africa at the World Music Festival in the Canary Islands in January. Can you imagine the kind of message we would be sending out if we have to back out at this stage? We would be saying that Africa can't get its act together."

Ms De Kock said a community concert and a symphony had already been cancelled and a concert planned for Gowan Mbeki in December was in jeopardy.

She said Mr Mbeki, father of President Thabo Mbeki, had pledged his support and promised to do what he could to help secure funding.

The orchestra's annual budget is R13 million of which R8 million a month is spent on salaries. "Musicians aren't well paid, but they're passionate about what they do. It's their life," said Ms De Kock.

An R8 million investment plan, in the form of unit trusts, was set up about three years ago, one of several attempts to keep the orchestra afloat.

"The orchestra uses the interest from that money which has amounted to R1.5 million over the past two years."

Ms De Kock said they realised the Government had other priorities for funding but had hoped big business would sustain them. "Unfortunately, that hasn't happened." Money for sponsoring young musicians from disadvantaged areas was vital.

"You don't come out of school and get a world-class orchestra. It takes years of practice and you can't fast-track musicians," said Ms De Kock.

Meanwhile the strain of living under the threat of closure is taking its toll on the musicians.

Conductor Nerina von Mayer said it was tragic that one of the city's time-honoured traditions could be lost. "We all try to be as professional as we can but the possibility of closure is an overriding preoccupation. If it goes, the heart of the city will be gone."
Orchestra: R3m today or it's over

Last calls for cash

MICHAEL MORRIS
Sunday Times

Today is D-Day for the Cape Town Philharmonic Orchestra. It will close unless it finds R3m by 6pm, when the orchestra's executive board meets.

If by that time it does not have sufficient pledges of financial support to guarantee musicians' salaries and meet other essential running costs, Cape Town will lose one of its finest and most misunderstood cultural assets.

Not for the first time, the orchestra finds itself in a bottom-line squeeze. But it is the longest-term financial initiatives that have caused the current panic, and it is the mounting pressure to be more self-sufficient that is not yet satisfied enough to tide it over the immediate future.

It needs pledges of at least R3m to go on. Ideally, R5m is needed, to get through to the end of March. The orchestra costs about R1m a month to run.

Since its plight was publicised 10 days ago, there has been a groundswell of popular support, and pledges, from the public. But the sums involved are not nearly sufficient.

There remains hope that the various levels of government will help keep the orchestra going, but it will need private sector help, too.

In what is effectively a challenge to the city's business community, the Western Cape's Cultural Affairs Minister, Glen Adams, has promised to ask the provincial cabinet to

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It's R3m or curtains for Cape Town's Philharmonic orchestra

From page 1

approve an advance on the annual allocation of R1m, but only if the remainder of the R3m shortfall "has been secured".

Pledges of support today could make the difference between sound and silence for the orchestra's 76 musicians, whose first concert of the season, under the baton of David Tibboell, takes place after this evening's meeting.

Dutch cellist Pieter Wispelwey will be the guest soloist in Haydn's Cello Concerto and Tchaikovsky's Rococo Variations.

Pledges of support may be submitted until 6pm on 416 0150.
CTPO escapes final curtain - for now ... 

Fikile Mdlalashe's thoughts on the risk of Cape Town losing its orchestra are strictly partisan.

In a brief statement in the national media yesterday, he gave the point quickly enough, leaving for others the distant and polite philistine the orchestra debate has spawned.

"This can't happen, it just can't happen," he insisted. "These must survive." The chief bust of activity helmed us, as the Cape Town Philharmonic Orchestra lost its battle in rehearsals, became the latest casualty of the ratings war.

After all, at noon yesterday, who could say if the orchestra would survive? Only the idea that it was unthinkable made it a loss of a loss.

But as a lead singer in the opera Elektra in the year 1987, Mdlalashe has a voice, and the right to man.

This Cape Town-trained opera singer is a product of the rash of the classical tradition. The orchestra is, in fact, a most impressive cornerstone to the culture. Its prestige is a legacy of the bonds of the upper middle class, not so much supposed to be the sole beneficiary as an underestimated. School and university students across the socio-political spectrum, the opera and ballet schools - and plans for youth orchestra - depend on the efforts and skills of its mentors.

There are informal collaborations with performers of non-classical music, and the orchestra provides opportunities for such composers as Piers van der Bergh and Hendrik Hofmeyr to orchestrate and arrange African music in both classical and jazz.

Interestingly, it is a source of popular entertainment, and a significant contributor to the tourism that is now the region's economic mainstay.

But, in its formalized and cultural status as a state of the Cape Town Philharmonic Orchestra, it is not a significant force in the socio-political landscape.

Talking this yesterday, conductor David Tidswell provided the answer to Mdlalashe's question: "Will we be better than the previous era?" He continued, "It's a question that the Cape TownPhilharmonic Orchestra has been asked many times, and it's a question that we must answer ourselves.

"It's a question that we must answer ourselves.

Tidswell's thought is that the orchestra has a role in the city. "We are committed to the city's development. We are committed to the city's citizens. We are committed to the city's culture."

Tidswell also suggested that the orchestra is a living, breathing organism that is always evolving. "We are always looking for ways to improve, to grow, to expand."

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DESPITE TRANSFORMATION CONCERNS

City council saves broke orchestra

THE CASH-STRAPPED Cape Town Philharmonic Orchestra has been offered an eleventh-hour lifeline by the Cape Town City Council — with some strings attached. JUDITH SOAL reports.

THE Cape Town City Council voted yesterday afternoon to call off the Cape Town Philharmonic Orchestra (CTPO) by offering it a loan to prevent its closure. However, this offer was accompanied by some strongly-worded concerns about the orchestra's lack of transformation.

"The council has funded the orchestra to the tune of over R1 million since 1996," executive committee chairperson Saleem Mowzer said. "This is a high cost and perhaps a contradiction for a city where the majority of the population live in poverty." Nevertheless, the council voted unanimously for a delegation led by Mowzer, city manager Andrew Boraine and councilor Faidiela de Villiers to meet the orchestra board to discuss:

- The offer of a loan to save the orchestra;
- A programme for the future financial stability of the orchestra;
- Areas of concern regarding the composition and transformation of the orchestra;
- An implementation plan and time-frames for financial and transformation programmes.

The urgent motion to the council was introduced in response to an announcement earlier this month that the orchestra, which costs about R1m a month to operate, would have to close by the end of this month if it could not raise R3m by today.

Orchestra board chairperson Kenneth Marcus said last night he was "delighted" with the offer.

"We look forward to meeting the council to discuss the details with them," he said after a board meeting last night.

"In the light of this offer and coming discussions with the national Department of Arts, Culture, Science and Technology, it is possible funding, we have postponed the decision on our future until next week."

By late yesterday, last-minute appeals had attracted pledges of almost R500,000 from corporate and private donors. Marcus said the support had been "most encouraging."

"These people can see that Cape Town would lose more than its symphony orchestra, which is the kernel of musical life in the city. Not being able to support the philharmonic will send out a message of incompetence, of a city unable to offer one of the cornerstones of civilisation."

Marcus said the CTPO had a business plan to make it more self-sufficient.

"We have initiated business projects which will earn more than R2m. If we get this bridging finance to keep us going until the end of March, the orchestra will be able to run purely on business lines."

It is these business plans that the council is interested in along with concerns about the role of the orchestra.

"Fighting for the survival of a cultural institution like the CTPO is tied up with the development of the city," said Mowzer.

"The orchestra management must take responsibility for cultural development in its sphere of activity. This is not evident in the practical working of the orchestra.

"Does the orchestra represent the demographics of the city? Is it true that over 80% of its members are foreign? How often do people who are poor get to view the orchestra?" Mowzer asked, adding he would raise these questions with the board.

While the CTPO is breathing a sigh of relief, others in the music industry are questioning the concentration on one project.