

SERVICES SECTOR → ENTERTAINMENT AND
RECREATION - GENERAL

1995

Ster-Kinekor to focus on townships

AMANDA VERMEULEN

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

Ster-Kinekor MD Mike Ross said at the weekend that Ster-Moribo, which was established last year, would expand significantly in 1995. (292)

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

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

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

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

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

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

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

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

The chain had also launched its first Showscan facility, a "virtual reality" screen and simulator which was proving very popular, Ross said.

BUSINESS DAY, Monday, January 9 1995

\$20m funding for local films

292

AMANDA VERMEULEN

BO 9/1/95

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

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

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

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

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

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

Higher consumer spending 'will benefit CNA Gallo'

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

A recent report by London-based Baring Securities said the group, which operates in the retail, entertainment and related fields, was poised to take advantage of an increase in private consumption expenditure (292)

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

"Sales have the potential to increase up to 25% by addressing out-of-stock situations and cash flow. Gross margins and over-

AMANDA VERMEULEN

heads should also benefit from the current financial year onwards."

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

Future earnings from the entertainment division had potential for driving group profits, the report said. This would be assisted by video and compact disc sales increasingly tapping into the mass market. 309/1/95

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

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

The video retailing busi-

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

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

Earnings a share for the financial year to March could improve 17% to 20c, while the 1996 year could see earnings leap 32% to 27c. "Continued expansion into the mass market, with a possible launch of a retailing chain targeting this market, should benefit the group in the long term," the report said.

10% levy on movies suggested

CT12/1/95 (292)
Staff Reporter

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

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

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

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

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

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

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

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

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

Sol rings changes for Sun group

12/1/95 ARB #12/95 292

BRUCE CAMERON
Business Editor

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

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

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

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

The Bahamas operation is owned by Sun International Hotels Limited, which is listed on Nasdaq stock exchange in New York, and in which Sun International Investments owns 60 percent.

Mr Kerzner said the intention is to sell the assets of Sun International Investments to

Sun International Hotels for further shares in Sun International Hotels.

This will result in Sun International Investments increasing its stake from 60 percent to about 77 percent in Sun International Hotels.

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

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

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

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

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

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

Mr Kerzner said the group

philosophy was always to be conservatively financed and consequently further share issues were possible to raise capital.

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

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

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

He said Sun International would be operating from three bases.

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

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

One is in Connecticut in the United States and the other on the coast near Athens, Greece.

Casino deal sours as black partners pull out

AMANDA VERMEULEN

(292)

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

The consortium confirmed yesterday Thebe Investments and Real Africa Investments (RAI) had withdrawn.

It is understood their withdrawal was a result of their failure to secure a large enough stake in the venture.

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

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

The Gaming Consortium, which was formed in November 1993 to pursue casino licences, was established to offer the black investment community the opportunity to participate in the gaming industry.

Under the current structure of the consortium, black business organisations Fabcos and Nafcoc would each hold 20% of the equity, a community trust would own 19%, the National Council of Trade Unions (Nactu) 10%, and black business corporations a total of 10%. The appointment of the welfare organisation to run the community trust had not been finalised.

A number of business corporations were in talks with the consortium to acquire the remaining equity.

About 2% of the equity would be allocated to 18 individual businessmen and professionals — called "promoters" — who formed the consortium.

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

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

Call for local film foundation

ARG 14/1/95

292

10% levy on cinema tickets suggested

IAIN MACDONALD

Weekend Argus Reporter

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

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

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

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

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

The HSRC pointed out that "at

■ The South African film industry continues its upward surge, with a recommendation by the Human Sciences Research Council to establish a statutory body for the industry.

present the South African film industry is deeply fragmented, and a national industry virtually does not exist".

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

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

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

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

policies, support wider distribution and fund ongoing research.

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

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

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

Protest marchers target DJs

CO 11
292
Soweto
26/11/95

By Victor Metsamere

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

"One DJ One Bullet", "One SABC One Okapi", "Give Our Music A Chance", "Kill The DJ and Give South African Music a Chance", shouted the marchers.

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

Among the 200-odd mbaqanga, mbube, maskandi, reggae and township disco musicians, were Stimela's Ray Phiri and Jabu Shibumbe, Sydney "Mama's Baby" Mogopodi, Rebecca Malope, Sister Phumi, William Mthethwa, Johnny Mokhali, Kenyan Simba Morri, Nothembi Mkhwenbane, Ebony, System Enemy, Tshepo Tshola and Shaka Bundu.

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

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

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

Sowetan has learnt that three radio DJs have cut a debut album which they promote heavily on their radio station.

Funds boost for cultural organisations

By BARRY STREEK
Political Staff

2912

CT 30/11/95

A LIFELINE of R527 000 has been thrown to struggling community cultural groups by the Council of Cultural Ministers.

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

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

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

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

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

Dr Ngubane did, however, indicate that he would explore the possibility of funding from foreign sources.

Zinzi Mandela's venture 'launched at public expense'

Winnie embroiled in a showbiz row

STAN 7/2/95 (292)

**DEPUTY Minister
alleged to have
abused her position
to promote
daughter's company**

■ BY BRONWYN LITTLETON
and ANDILE XABA

South Africa's queen of controversy, Winnie Mandela, is back in the spotlight — this time in an entertainment industry row featuring her daughter, local entertainers and American promoters from the Whitney Houston Foundation.

Top people in entertainment claim Mandela used Government resources to introduce her daughter Zinzi's newly founded private promotions company to the industry.

But normally publicity-hungry showbiz sources are shy to have their names linked to the dispute. They say there is outrage at the behaviour of the Deputy Minister of Arts, Culture, Science and Technology.

They claim she has abused her position to favour her daughter while the minister maintains she is just giving her daughter's company the same treatment anybody else would get.

Mandela, acting in her capacity as deputy minister, called a meeting of the industry's representatives in Pretoria last Friday. It was, ostensibly, to brainstorm promotional issues with American concert promoters, according to an invitation letter in The Star's possession.

People present said the meeting turned out to be the launch of a private company, Simunye — a joint venture between Zinzi Mandela-Hlongwane, her husband Zweli Hlongwane with Sheldon Platt and Toni Chambers of the Whitney Houston Foundation.

"I cannot believe the cheek of it. Mrs Mandela used taxpayers' money — my money — to present and launch a private company and then on top of it asked for my intellectual input," said one furious source who asked not to be named.

The usual practice is for agents promoting and bringing artists into the country to take a 10 percent to 15 percent commission from either the artist's fee or from ticket sales.

As Mandela-Hlongwane and her new partners intend bringing in top artists, they stand to

► To Page 3

Winnie embroiled in a showbiz row

◀ From Page 1

make a fortune from their new venture.

Asked for comment yesterday, Winnie Mandela's office said: "There is no relevance whatsoever in the fact that Ms Mandela-Hlongwane, who in fact set up the initial contacts with the promoters on her own initiative, is the daughter of President and Mrs Mandela."

The statement said the minister had received a faxed request from New York to facilitate a meeting between American promoters and members of the local cultural and music communities.

The invitation to Friday's meeting in Pretoria said the get-together had been requested by American concert promoters to "create an opportunity for the parties to meet and discuss among themselves important issues that particularly affect the industry".

People present at the meeting said this was an accurate reflection of the point of the meeting — but it failed to mention that the Americans and the Hlongwanes had formed a promotions company and that the session was to help that company get a better idea of how to conduct business in the industry.

In effect, said one source, the deputy minister was apparently condoning and endorsing a new monopoly on concert promotion which happens to be in her own daughter's hands.

But Mandela said yesterday: "My office does not understand the content of the criticism levelled at the meeting, because Ms Mandela-Hlongwane will not receive any assistance from this deputy minister which is not available to all other South African artists and musicians."

The statement said the office had "a very definite sense that the black artists who were being brought into direct contact with foreign promoters for the very first time were delighted at the opportunity."

"However, some of the white promoters who for many years have monopolised this particular industry have felt threatened that now black artists and musicians were being given direct contact with one of the world's largest music promotion groups."

Firdoze Bulbulia of Mohammed Promotions accused Simunye of "waving the dollar" to pave their way into the South African market. The failure of Mandela's department to address these issues indicated that she was ignorant of this situation or did not care to address it.

The deputy minister also announced at the meeting that the Pakistani government was "looking for four writers" to take part in an exchange programme. She said she was "inundated" with such requests by overseas governments.

STAN 7/2/95

Winnie's showbiz debut gets bad reviews

The Argus Correspondent

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

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

Zinzi, to the industry.

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

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

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

People present said the meeting turned out as the presentation of a private company, Simunye, a joint venture between Zinzi Mandela-Hlongwane, her husband, Zweli Hlongwane, and Sheldon Platt

and Toni Chambers of the Whitney Houston Foundation.

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

Asked for comment, Mrs Mandela's office said: "There is no relevance whatsoever in the fact that Ms Mandela-Hlongwane is the daughter of President and Mrs Mandela."



□ **NO SATISFACTION:** Winnie has taken a dim view of the entertainment industry.

Promoters, media racist, says Winnie

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

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

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

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

Sapa

(292) ARCT 11/2/95

Film industry 'should fall under education'

(292)

AMANDA VERMEULEN

THE development of a viable SA film industry should be the responsibility of the Education Department and not the Arts, Culture, Science and Technology Ministry under which it currently falls, industry sources said this week. **BD 16/2/95**

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

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

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

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

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

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

Giant cultural revamp on the way for W Cape

IAN MACDONALD
Staff Reporter

AN EXTENSIVE restructuring of the Western Cape's libraries, its film industry, visual arts, arts education and the performing arts — including Capab — is rapidly taking shape in Cape Town as part of a national arts restructuring policy.

The first draft discussion document for the formulation of an arts and culture policy for the Western Cape will be released next week by the Western Cape Provincial Arts and Culture Task Group (Westag).

At a press conference in Cape Town yesterday it was announced that such a culture policy would include a formula budget for state funding and that an "important consideration for recommendations is the structure of a national and

☐ Library, stage, films included

provincial arts council to govern the performing and creative arts.

On March 11 and 12 there will be open hearings for "artists and cultural workers, as well as the general public", followed by hearings in rural areas.

Consultations with community structures will continue until mid-April, with recommendations for a future arts and culture policy being tabled in May with legislation prepared for Parliament in June.

At the end of May there will be a huge national conference for arts practitioners. The venue is as yet undecided, but it is believed the conference may be held in Johannesburg.

Chairing yesterday's meeting, arts journalist and TV pro-

ducer Amanda Botha said the task group was, in the literary field alone, looking at "transformation of the library services", in which the Western Cape's 300 libraries would be regarded as community centres.

Librarians would be re-trained as community workers, the library would become a place to "develop creative arts such as story-telling".

Task group member Jo-Anne Duggan said at the meeting she was "very concerned at the lack of arts education in the Western Cape and that her committee would be "asking for appropriate arts education for all people".

Director and actor Peter Krummeck said the task group needed to "look at South Afri-

ca's obsession with materialism. "We need to take our community beyond the American dream and develop both arts and culture with equal dignity, in tandem," he said.

Gay Morris of the Performing Arts committee said there were a "host of problems" around the field of performing arts, and that "resource theatres are largely in the hands of a few and need to be utilised by many more groups.

"The dance potential in the Western Cape is enormous, and it's going to be a challenge to find a way forward," she said.

Community arts leader Sipho Vanga also urged the media to "make inputs to the process, and also become part of a sub-committee.

"There are many journalists, for example, who have expressed their concerns about free speech," he said.

Red tape chases camera crews from Cape Town

292

20/2/95

□ *'Treat them right' — or boom won't last*

JENNY VIALL
Staff Reporter

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

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

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

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

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

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

Each applicant must submit a copy of his or her application

to Home Affairs, as well as a comprehensive curriculum vitae and a clear explanation or motivation detailing reasons why it is necessary to import foreign talent and expertise.

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

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

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

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

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

"We're not happy about the situation," said a spokesman.

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

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

Mr Belling said there was "perhaps room for looking at the system. Our activities have increased a hundredfold over the past 18 months to a year. Everything is in flux. If there are problems in specific disciplines, they must talk to us."

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

"Where is the money going?" they asked.

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

The rest went to training people in various disciplines.

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

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

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

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

● The Consultative Committee is made up of 17 organisations in the performing arts and media fields.

Film industry 'should be left to private sector'

(292) BD 28/2/95

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

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

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

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

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

The advantage of making wildlife films was that they had a broad appeal across all groups locally and internationally, and the

stories did not "date". Wildlife movies also helped promote SA tourism.

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

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

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

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

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

11

Anger, disbelief over axing of Capab actors

By FIONA CHISHOLM

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

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

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

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

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

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

"In the business world people don't retain their

overheads while getting rid of their productive personnel. No one in management has been axed."

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

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

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

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

A small core of people including Ralph Lawson, Marthinus Basson and Ivan Abrahams has been left to manage both the artistic and administrative functioning of the drama department.

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e. Family planning worker?	
f. Community health worker?	
g. Traditional birth attendant?	
h. Other health worker?	

4.1 Personnel

Capab 'should not spend R35-m'

Political Correspondent

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

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

She said the influx of "outsiders" was placing a "huge burden" on the province's infrastructure.

● Pointing to the glaring contrast between newspaper reports on the Western Cape government's financial crisis and the R530 000-a-month bill to run the new Cape Metropolitan Council, lone African Christian Democratic Party legislator Michael Louis said: "We have to set an example and cut the size of government structures."

● Democratic Party leader Hennie Bester said the "resources squeeze" in the West-

ern Cape provided an opportunity to increase the scope of partnership between government and private citizens and the private sector.

ARG 2/3/95
● ANC legislator Russell McGregor said it was a "myth" that the white-run large-scale commercial farming sector was efficient and effective, but argued that insufficient consultation was taking place in the establishment of small farm schemes for newcomers to agriculture. (292)

(292)

Competition ST 5/3/95 Board slams Ster-Kinekor

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

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

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

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

Durban businessman Moosa Moosa, the owner of Avalon, claimed he was forced to shut down most of

By CIARAN RYAN

his cinemas because apartheid laws prevented him from competing fairly.

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

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

The board received complaints that Ster-Kinekor, through its links with Sanlam and Sankorp, received right of first refusal in new complexes. Sanlam companies control 14 of the 58 complexes operated by Ster-Kinekor.

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

Ster-Kinekor could not be reached for comment.

Competition Board slates Ster-Kinekor

AMANDA VERMEULEN

STER-KINEKOR'S dominance in the cinema exhibition and distribution market has been criticised by the Competition Board as anti-competitive and restrictive.

The board's report backs Moosa Moosa of independent exhibitor Avalon and several other parties which had lodged complaints against Ster-Kinekor's allegedly restrictive practices. (292)

The initial complaint was brought against Ster-Kinekor last year by Moosa after Ster-Kinekor proposed to open a multiscreen cinema complex at the Musgrave Centre in Durban which, according to the board, could have resulted in Avalon's exit from the market. (292)

Other complaints were lodged by Nu Metro, Thokozani Cinema, the Independent Exhibitors Association (Western Cape), Thari Cinema and the National Association of Independent Cinema Owners.

Some of the complaints against Ster-Kinekor included its alleged refusal to offer independent cinemas film products and its close ties to the Sanlam group, which gave it first option on cinema complexes in any Sanlam property development, even in black areas.

Ster-Kinekor said it did not dominate the market as it had only 58 cinema complexes compared with Nu Metro's 27 and the independent operators' 137. Its Musgrave Complex did not constitute a restrictive practice, and its distribution was said to be

of 200 To Page 2 BDB/3/95

Ster-Kinekor

(292)

From Page 1

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

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

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

The report said Ster-Kinekor and Interleisure, which were owned by Safren, Old Mutual and Sankorp, were typical examples of "the conglomerate interlock found in SA". BDB/3/95

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

Ster-Kinekor's contention that it did not dominate the exhibition market was a distortion of the facts. The report pointed to

Interleisure's 1993 annual report which referred to its "dominance of exhibition".

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

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

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

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

Cape Town set to hit the jackpot

By ANTHONY JOHNSON
Political Correspondent

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

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

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

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

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

The viability of many of these pro-

posed multi-million ventures should become clearer when Professor Nic Wiehan and his 18 board members place their report before parliament.

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

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

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

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

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

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

The report will also give the green light to a national lottery and sports pools in South Africa.

292

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CT 6/3/95

Film industry faces crunch as subsidy comes to an end

292
BD 6/3/95

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

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

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

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

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

The film industry currently falls under the Home Affairs Department, but it is making efforts to have it moved to Arts

AMANDA VERMEULEN

and Culture. Fischer said strong lobbying had taken place, but to date the industry had been given no indication of what would happen to the subsidy.

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

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

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

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

Brain drain hits SA again

JOHANNESBURG: The brain drain of the eighties is back.

In the first 10 months of last year, the net result of immigration and emigration was that South Africa lost over 3 600 people, compared with a net gain of almost 2 900 in the same period in 1993.

The loss of professional people amounted to 772 in the 10 months to October. The most popular destinations for people leaving the country were Britain and Australia.

— Sapa **CT 7/3/95**

Blizzard cuts off Sanae crew

A BROKEN ice ramp has halted the evacuation of South African personnel from the Sanae bases in Antarctica, stranding staff and cargo.

The damage, cutting off the SA Agulhas from crew on the mainland, happened when a blizzard struck at the weekend.

Emergency planning is complicated by the fact that communications with the bases were cut just before the weekend, when systems were shut down or dismantled for the evacuation. — Sapa

ILLEGAL OPERATORS FACE BAN

10-year casino shock for hotels

TRUMP CARD: Gambling king Sol Kerzner faces licence limits, and those who stayed legal may be in the pound seats.
BARRY STREEK reports.

A SHOCK proposal by the Lotteries and Gambling Board suggests that people operating illegal casinos should be barred from holding licences for 10 years.

This could hit major South African hotel groups, and open the way for the Southern Sun group, which has scrupulously kept within the law, to grab a lion's share of the new gambling market.

Other South African groups, such as Protea Hotels and Karos Hotels, could pay the price for allowing casinos to operate in

hotels under their control before being granted licences.

At present the only legal casinos in South Africa are those which operate in the four former homelands, mostly owned by Sun International, in which Southern Suns has a 20% stake.

It was also revealed that anti-monopoly provisions in South Africa's proposed gambling laws could prevent gambling tycoon Mr Sol Kerzner from gaining casino licences in metropolitan areas.

The Lotteries and Gambling Board is to recommend that no casino operator should be permitted to hold more than 30% of the total number of licences — and that only 50 be granted at this stage.

Mr Kerzner's Sun International already holds 17 licences in the former homelands, and would not

be able to acquire any more if the recommendation were endorsed.

Nevertheless, there are growing fears among prospective casino resort operators that Mr Kerzner has already effectively made a deal with the national and at least some of the provincial governments.

They believe Sun International would not have spent R35 million buying the Goodwood showgrounds without being reasonably confident that they would be granted a casino licence.

Indeed, the local agents of one potential foreign investor have written to Western Cape Premier Mr Hennis Kriel asking for assurances that the granting of a casino licence to Mr Kerzner's group was not already a fait accompli.

A significant portion of the capital of Sun International's homeland operation is held by the gov-

ernment through the former homeland development corporations, and it has indicated that it will soon announce its decision on the sale of state assets.

If the state decides to sell these shares, Sun International may have to find further capital to protect its interests in these casinos.

The board has also proposed that preference should be given to South African companies but that there should not be any provisions barring foreigners from holding gambling licences.

The proposed law also makes provision for a gaming machine licence, to permit the operation of slot machines in smaller buildings and pubs.

It will also propose a national lottery and scratchcard system. These licences will include an age limit.

CT 7/3/95

(292)

Cinema chain ⁽²⁹²⁾ reacts to report

AMANDA VERMEULEN

STER-Kinekor parent company Interleisure is to meet Trade and Industry Minister Trevor Manuel regarding the Competition Board's finding that it was anti-competitive, with company sources saying it might refer the matter to the Supreme Court as a last resort. **BD 8/3/95**

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

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

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

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

The board's Pierre Brooks said the board would welcome the opportunity to test this case in court.

Consortiums hope it's their lucky day

BD 9/3/95

(292)

AMANDA VERMUELEN

THE release of the Lotteries and Gambling Board report today will set the wheels in motion for black-dominated groups to begin playing a significant role in the future lotteries and gambling industry.

Several consortiums have emerged over the past year, some in conjunction with existing hotel or leisure groups which are planning to vie for licences independently.

One of the largest groupings to emerge was the Southern Sun alliance with the black-led Gaming Consortium, made up of unions, black business and professional organisations.

The original members were Nafcoc, Fabcos, Nactu, the SA Clothing and Textiles Workers' Union and black-led companies African Renaissance, Real Africa Investments and National Sorghum Breweries.

Southern Sun had also lined up a large international partner but to date the name has not been disclosed.

Real Africa pulled out of the Gaming Consortium earlier this year, allegedly over unhappiness at its small stake in the operation.

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

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

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

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

Investments.

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

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

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

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

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

The Lotteries and Gambling Board's recommendation that only 23 more casino licences be issued countrywide could leave small operators 'dead in the water', write Christina Stucky and Helen Grange

Shrugs and fists greet report

(293) Jan 10/3/95

There was a mixed reception from Gauteng casino owners and lottery operators to the Lotteries and Gambling Board's final report.

And it really was mixed — from a shrug of the shoulders to a wave of the fist.

The Wiehahn Report is to form the basis for new gambling legislation to be drafted by the Government this year.

Most larger casino operators agreed with the assessment of Peter Bacon, managing director of Sun International, who believes the report is in line with industry expectations.

While he feels the report contains "nothing contentious", some expressed disapproval of the recommendation that, in addition to the 17 licences already held by Sun International, only 23 more licences should be issued countrywide.

"I question the validity of anyone accepting that recommendation," said Mamie Hirsch, managing director of Omar Sharif Southern Africa.

He believes the provinces should be able to decide for themselves the appropriate number of licences to grant within their region.

He added that "fewer licences means less empowerment for indigenous people", an issue close to the heart of Patrice Motsepe, attorney for the Gaming Consortium which formed The Partnership with the Southern Sun Hotels group last year.

Motsepe welcomes the report's stance on black economic empowerment and broad black participation in the gambling industry and also supports the report's recommendation of the number of licences to be granted countrywide.

"We don't want a proliferation of casinos," he said, adding that The Partnership did not support



what he called "stand-alone casinos".

These casinos, particularly the smaller establishments, are, however, angered by the report's recommendation that those casinos which continued to operate illegally after October 21 last year should be barred from holding a licence for up to 10 years.

This provision could affect about 700 casinos with an average of 15 employees country-

wide, said Grant Kaplan, managing director of the Gaming Association.

Because the report does not spell out the definition under which casinos were illegal under the old law and which were not, Kaplan said, the report "is trying to couch in general terms something that can't be couched in general terms".

He believes that if there are

only 23 licences available countrywide, then "the smaller guys are dead in the water".

Karen van der Merwe, co-owner of Sleepy Hollow Casino and Hotel, told The Star she believed "we have been operating legally for five years".

During court action last year to prevent police raids on casinos, the Sleepy Hollow operation closed, but later reopened on a membership-only basis.

"If the Government does not want us to operate, then we won't," she said. "But the only way for the Government to control the small casinos is to legitimise them. They've been around for 25 years. They'll never go away."

Meanwhile, operators of lotteries and scratchcards generally welcomed the Wiehahn Report's recommendations.

In excess of R100 million has been raised for the Ithuba and

Legal entertainment now... but a mixed reception from casino owners, depending on whether they are "big boys" or "small fry". As one affected owner said: "Small casinos have been around for 25 years. They'll never go away."

tery operator, said it was "extremely happy" about Wiehahn's recommendations.

Managing director Brenda Koorneef said in a statement: "We are most pleased that existing scratchcard operations will be licensed through an interim registration process, allowing us to continue the fund-raising efforts by our company."

"In excess of R100 million has been raised for the Ithuba and

Viva trusts since Games Africa's inception in August 1992. Eventually the scratchcards and draw games will be incorporated into the national lottery system once this is up and running.

Koorneef also welcomed the recommendation that a single national lottery be introduced. It would be owned and controlled by the Government and operated by private enterprise, a situation which would allow the best technology and expertise to be used.

"The composition of the consortium applying for the licence to operate the lottery will be a very important consideration for the State Gaming Board," Koorneef added.

Sapa reports that horseracing should not receive special protection if gaming is legalised, the Wiehahn Report on gambling released yesterday recommends.

It is an "exciting" form of gambling which not only involves huge sums of money, but is the one industry which has contributed immensely to improving horse breeds, it states.

Horseracing is well established with a long history and a good record and "its wagering does not offer any problems". The industry provides direct employment to more than 20 000 people and indirect employment to more than 60 000.

Bets of approximately R3.5-billion a year are placed on horseraces through totalisators and bookmakers, and a substantial amount passes through illegal, untaxed "bucket shops".

An estimated R225-million is paid in provincial taxes while output value-added tax amounts to about R50-million.

Legalised gaming will affect the industry, the report states, but special measures should not be promulgated to secure or protect the horseracing industry's interests. — Sapa.

Board boosts gambling

CT 10/3/95 (292)

THE FINAL report of the Lotteries and Gambling Board, presented yesterday, provides for the legalisation of most forms of gambling in South Africa — but under strict controls. **BARRY STREEK** reports.

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

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

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

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

The cabinet was aware that gambling raised "all manner of moral and religious issues" and it would consider these before making any decisions, Mr Mbeki said.

The board's chairperson, Professor Nic Wiehahn, said because it would take some time to establish the proposed National Gaming and Wagering Board and the National Lottery Board and to establish the provincial licensing authorities once Parliament had approved the proposed legislation, he was doubtful whether new casinos would receive licences before next year.

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

Gambling legislation should have the primary objective of protecting gamblers, but an important objective should be "the protection of society against the overstimulation of latent demand for gambling, the damage to society of gambling and the decline of the work ethic through gambling".

administration, practices and operations with a view to creating and strengthening the perception of honesty, integrity and justice in the eyes of the public.

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

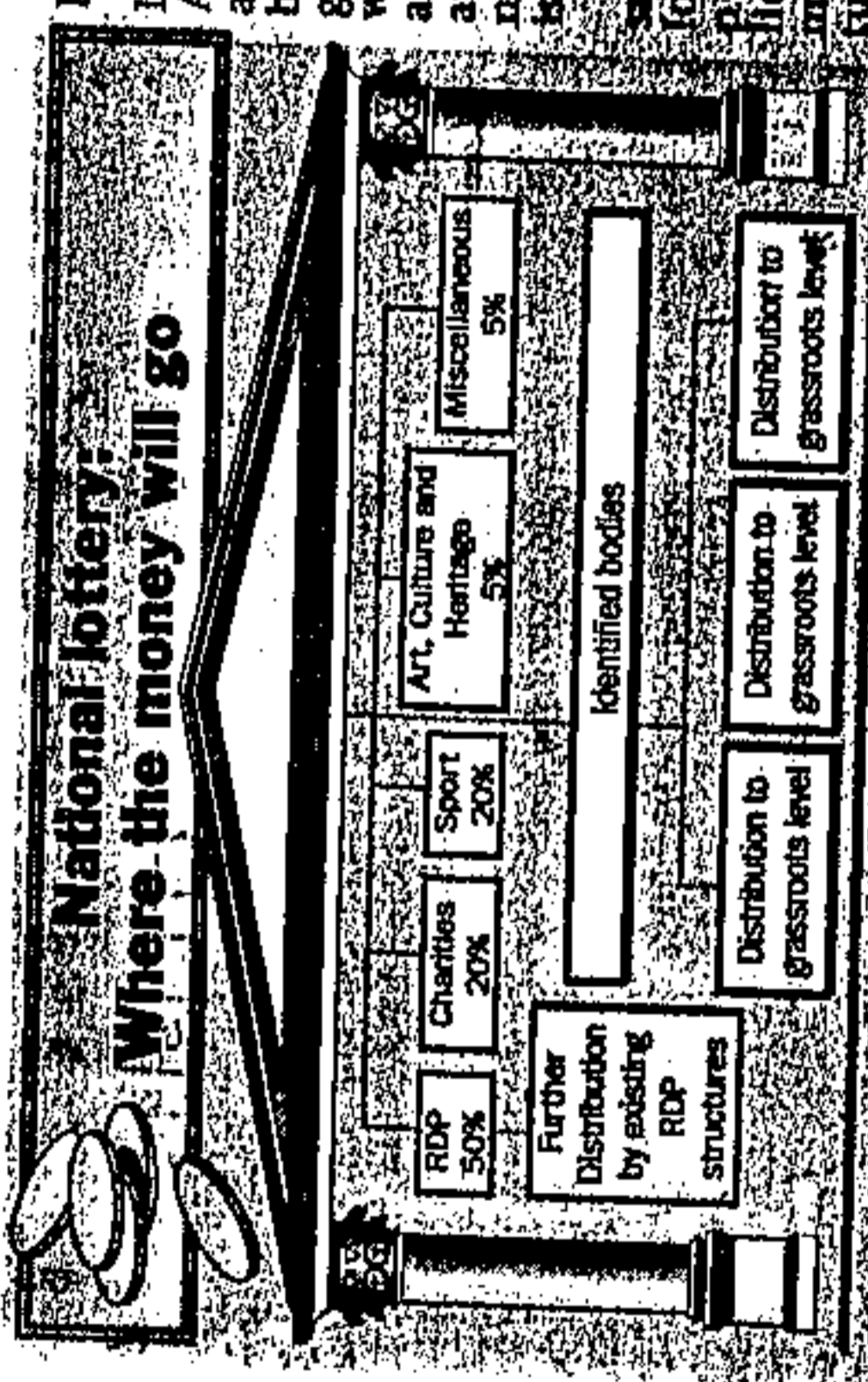
It also said legislation should exclude central and provincial governments and parastatal bodies from holding shares or other forms of power in the gambling industry, excluding the national lottery.

The board proposed:

- A national lottery for South Africa owned and controlled by the central government but with marketing and operation awarded to a non-state organisation;
- The legalisation of society lotteries with provincial licences with a turnover of R20 000, prizes not exceeding R20 000, and small lotteries at no more than R20 000 prize value of R3 000;

- Scratchcards should be regarded as lotteries;
- Sports pools should be regulated by the National Lotteries Board with the same regulations and controls as lotteries;
- Provincial licensing authorities should grant casino, bingo and gaming machine licences;
- There should be a code of conduct for casino operators and licensing of all casino employees;
- South Africans should have preference for licences but foreigners should not be excluded; and
- The number of casino licences should be limited to 40.

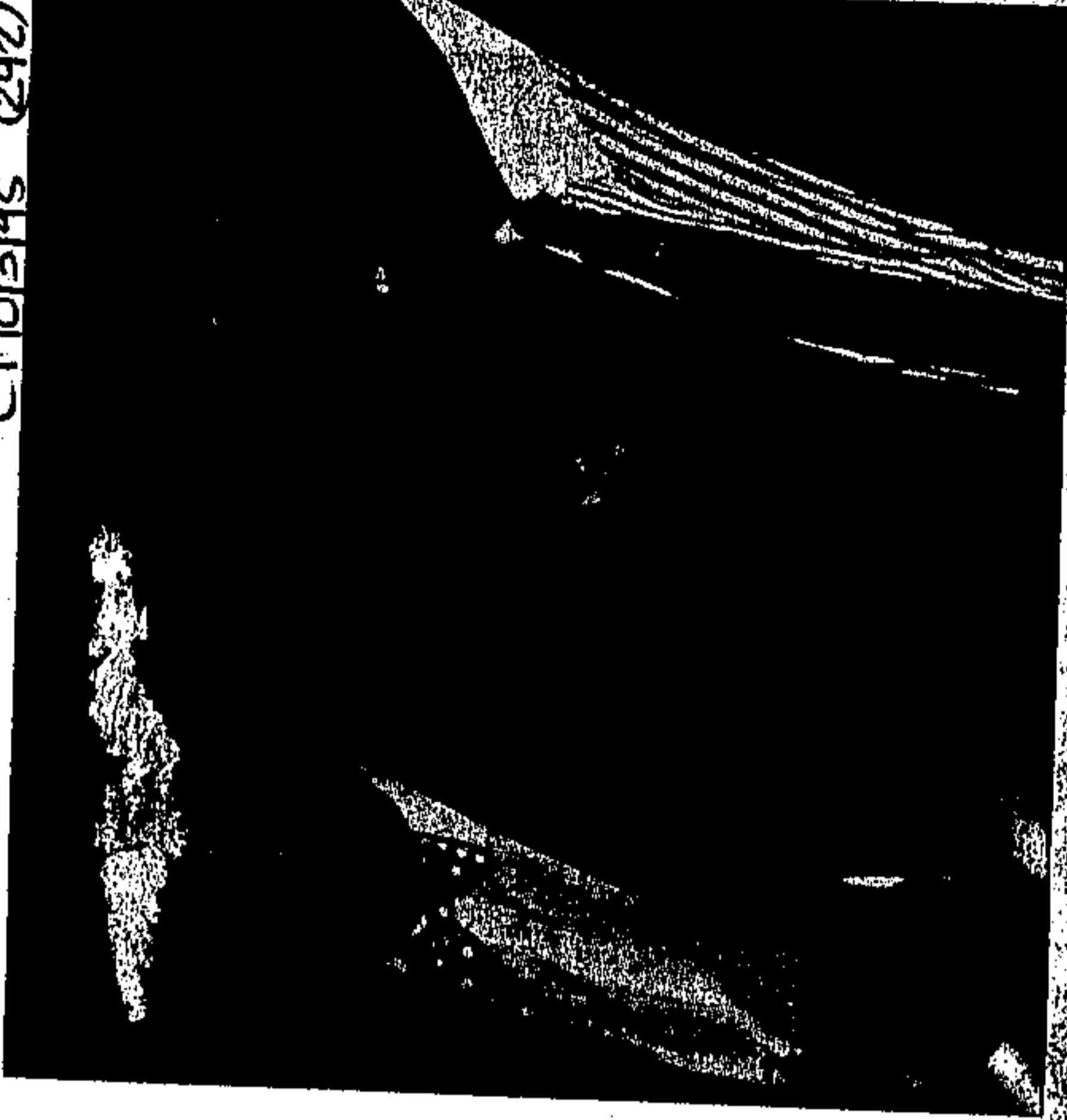
National lottery: Where the money will go



Deep concern

Professor Wiehahn said the board was deeply concerned about the effects of gambling among the poorest section of society and had called for immediate research into the problem of pathological gambling.

The board recommended that "the principles of transparency, fairness, openness, equity and logic be incorporated in the gambling policy and legislation of the country and that the industry shall itself adopt this principle in its



GAMBLING MEN: Deputy President Thabo Mbeki and Lotteries and Gaming Board chairperson Professor Nic Wiehahn at a press conference yesterday. **Picture: CLIVE SMITH**

R20bn a year bonanza

THE gambling industry could have a turnover of R20 billion a year by 1997 and create jobs for 100 000 people, the chairperson of the Lotteries and Gaming Board, Professor Nic Wiehahn, said yesterday.

It could also be one of the most important sources of income for the state in various areas, he said at a press conference handed to the government yesterday, the board said income tax should be levied on operators of gambling activities. This should be based on operators' overall winnings.

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

The board also said all legal gambling debts should be legal debts and be enforceable in a court of law. Gambling on credit should be subject to strict control.

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

The remainder of the lottery's income, after prizes and expenses had been deducted, should be apportioned, with 50% going to the RDP, 20% for sports development, 20% for charities, 5% to arts, culture and heritage, and 5% for miscellaneous causes to be identified.

New gambling licences mooted

292

297

B010/3/95

Board urges govt to launch state lottery

THE Lotteries and Gambling Board report has recommended strict control of the industry through a national gaming and wagering board, the protection of gamblers, the creation of a national state lottery and provisions for smaller lottery and gambling concerns.

Handing over the report to Deputy President Thabo Mbeki yesterday, board chairman Nic Wiehahn said acceptance of the report, together with and its appended draft Bills, would signal a "final break with the centuries-old prohibition on gambling in SA".

The report also recommended that, in the interim, a total of 23 new licences be allocated. This excluded licences for small outlets, like pubs and race tracks, which would be limited to a maximum of five slot machines. The board would decide later on the final number of licences to be granted nationwide. However, the report failed to clarify several key issues such as taxes, levies and the number of licences to be allocated to each province.

Various types of lotteries were recommended, ranging from the large-scale national lottery down to small lotteries with a maximum prize of R3 000.

Sun International's 17 gambling licences would be continued, to provisionally bring the total number of licences to 40. The board would continue to operate until it had reached a final decision on the total number of licences to be allocated and how many would be allotted to each province. The allocation of licences was, as the industry expected, linked to the develop-

AMANDA VERMEULEN
and ADRIAN HADLAND

ment of tourism and black economic empowerment, with other beneficiaries being sports development, charities, arts, culture and heritage, and other projects.

Substantial power was delegated to provinces to allocate casino licences, impose levies and gambling taxes, bidding and licence fees and fees on gambling machines and tables in casinos.

Tax on gambling would be levied on the gross winnings of each casino at a rate and payment frequency determined by the provinces but no VAT would be imposed.

General Affairs Minister Chris Fimmet said this would allow the provinces to levy their own taxes to be used for upliftment programmes in the province. Each gambling operation would pay the usual income tax, which would go into central government's coffers.

The board also recommended that it should be at the provinces' discretion to allocate licences to foreign operators but that SA operators be given preference.

Illegal casino operators were ruled out from a stake in the future dispensation. Those who had been prosecuted for operating illegal casinos after October 21 should be barred from applying for licences for up to 10 years, the report said.

Mbeki said the report would be passed on to the Cabinet's economic affairs committee before recommendations were made to the full Cabinet. Government was keen to move on the issue as quickly as possible and expected to have finalised the

□ To Page 2

Gambling

292

B010/3/95

□ From Page 1

relevant legislation by year-end.

A significant omission from the report was the Howard commission's recommendation that casino developments be restricted from operating within a 100km radius of metropolitan centres.

Finner said provinces could allocate licences anywhere within their jurisdiction. Mobile casinos, such as those found in certain states in the US, and those on airlines would not be banned at present but this was subject to further investigation.

Two types of casino licences were identified — one that allowed small operators up to five slot machines, and the other that provided for large casino operations.

Horse racing was not given any statutory protection in provincial gambling legislation, with the report stating it would have to compete for licences along with other gambling applicants.

The board recommended that dog racing not be legalised until further research had been undertaken.

Government's current stake in Sun International following the incorporation of the former TBVC states into SA was alluded to in a board recommendation that central, provincial and parastatal bodies not have shares in the lottery and gambling industries, with the exception of the national state lottery.

Finner said he had given the board about a month to make final suggestions on

the total number of licences that should be allowed countrywide, as well as the allocation for each province. Until the board had made a decision, the legislative process could not be set in motion.

He said the Finance Department would consult the Finance and Fiscal Commission when deciding on the rate of income tax to be levied on casinos and lotteries.

Sun International MD Peter Bacon said the report was fair but it had certain shortcomings, such as the failure to state the number of licences allocated to each province.

Tourism consultant Kessel Feinstein Consulting CE Delano Carras said the lack of special treatment for the horse racing industry made it likely that it would struggle to survive.

Many of the other organisations and groups planning to apply for licences said the report was equitable. However, Karos chairman Selwin Hurwitz said the inclusion of a bidding fee would make it difficult for small operators to compete on an equal footing with companies such as Southern Sun and Sun International.

Gaming Association chairman and attorney Grant Kaplan, who has represented some of the illegal operators, said the report was vague, and that the recommendations would effectively exclude small operators from participation in the industry.

● See Page 3

Horseracing industry gears up for competition

BY ROBERT GARNER
RACING EDITOR

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

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

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

Racing's best chance of survival in this country might be for the industry to be allowed to take part in other forms of gam-

bling. Colin Dunn, chairman of the Highveld Racing Authority, said yesterday that racing would compete for licences for other forms of gambling.

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

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

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

4/11/95

(292)

Call for probe into alleged corruption at task unit

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

Coerced 4/11/95

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

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

concocting versions implicating him.

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

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

"The allegations made by Mr Nkabinde are rejected.

"Notwithstanding, the controlling board of the ITU has called on the national commissioner of the South African Police Service to launch an independent investigation into the allegations," Varney said. — Reuter.

GAMBLING PROPOSALS SEEM TO FAVOUR SUN INTERNATIONAL

Casino domination feared

CT 13/3/95 (292)

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

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

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

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

Sun International, with its 17 legal casinos in the former homeland, is in a privileged position.

If the cabinet and Parliament agree to restrict the number of cas-

'Grant rural licences only'

POLITICAL STAFF

THE Western Cape should only grant casino licences in five rural areas to stimulate development there, the Fortes King group said yesterday.

It said an estimated 64 400 new permanent jobs would be created if casinos were developed in the Overberg, the West Coast, Boland, Garden Route and the Karoo.

If one casino licence was granted in Cape Town and the rural licences were scaled down, the number of new permanent jobs was calculated at 18 220.

These calculations were based on a report drawn up by Fortes King Consulting, part of the Fortes King Hospitality Group, which plans a R900 million casino spa resort in Caledon.

Fortes King said: "A licence granted for the development of a

metropolitan casino will drastically reduce the size and, therefore, investment potential of country casinos.

"An on-tap casino will absorb the life blood of the destination resorts: the day-tripper."

Mr Leon Fortes of Fortes King said a decision by the Western Cape government on casino licences would determine the future of the province for decades.

no licences to 40, Sun International will already have 42,5% of the licences.

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

With the secretive purchase of the Goodwood Showgrounds by a

Sun International subsidiary, the group is clearly preparing for a major casino investment in the Cape Town area.

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

He said at a press conference

that Sun International felt "apprehensive" about the new situation.

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

Asked about fears that the company would dominate the metropolitan market, Prof Wiehahn replied: "Equality of treatment is what we have recommended."

NEWS

Board to decide on how many casinos each province will get

■ BY HELEN GRANGE

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

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

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

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

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

Wiehahn said the implications

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

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

Strong emotion

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

Wiehahn added, however, that no recommendation had yet emerged on dog racing, which seemed to incite strong emotion in punters and spectators. The

(292) 15/3/95
board had been divided on the issue and further research was being conducted.

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

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

"The average formula is one casino to 880 000 people. On that basis, we would have 53 casinos, which is too many.

"Our formula is one per 1-million people.

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

Massive boost for arts and culture in budget

BARRY STREEK
POLITICAL STAFF

(292)

CT 16/3/95

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

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

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

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

The R121,7m had been provided under the national department's vote until agreement between the provinces is reached.

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

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

Science and technology received R229,5m. The Human Sciences Research Council will get R22,9m, the Foundation for Research Development R87,2m and the National Accelerator Centre R37,9m.

French film company seals local deal

FILM company Philo Pieterse Productions has signed a \$26m joint venture deal with French film company Son Lumiere to produce a miniseries in SA next year. **292** **20 16 13/45**

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

The new miniseries, to be filmed in English in up to 26 parts, would be

AMANDA VERMEULEN

sold on the international film and television market at Cannes in June. It would cost about \$1m an episode and would be jointly financed. Filming would begin in May next year.

He said his company had co-produced eight film and television projects with several European producers over the past 18 months.

Ster-Kinekor to meet Competition Board

(292) (28)
AMANDA VERMEULEN

STER-KINEKOR will negotiate with the Competition Board soon to find a solution to the board's ruling that it had acted in a restrictive and anti-competitive manner towards independent cinema operators.

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

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

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

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

BD 27/3/95
Egan said he was pleased Ster-Kinekor had been offered the possibility of a negotiated settlement. "We are encouraged by the spirit of negotiation and will enter into discussions in good faith with every confidence of finding a solution."

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

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

He said a fair price would have to be worked out.

New Deputy Arts Minister

CT 28/3/95

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

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

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

She joined the ANC's legal and constitutional affairs department in 1986 after teaching law in Botswana. — Sapa

292 (2014)

New face at arts and culture

(292)

■ BY ESTHER WAUGH
POLITICAL CORRESPONDENT

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

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



Brigitte
Mabandla

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

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

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

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

New cinema plans for Western Cape

Business Staff

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

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

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

● See page 20



New deputy arts ⁽²⁹²⁾ ~~minister~~ minister ARC 29/3/98 sworn in

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

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

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

As she left the room, Ms Mabandla was hugged by Health Minister Nkosazana Zuma and congratulated by other well-wishers, including Finance Minister Chris Liebenberg and Agriculture Minister Kraai van Niekirk. — Sapa.

NEW DEPUTY MINISTER: President Nelson Mandela welcomes Brigitte Mabandla into the government ranks as the new deputy minister of arts, culture, science and technology. She was sworn in at Tuynhuys today.

Picture: ROY WIGLEY, The Argus.

S-K for Cape expansion

COLIN DOUGLAS
Business Staff

(292) ARG 29/3/95

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

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

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

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

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

Following a complaint against Ster-Kinekor by Moosa Moosa, owner of a rival Durban cinema,

the board recommended that the antagonists reach a negotiated settlement, failing which Ster-Kinekor would be compelled to sell the Musgrave complex to Mr Moosa at a market price, or buy Mr Moosa's Avalon complex.

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

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

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

Turning to the question of local content requirements for cinema, Mr Ross defended Ster-Kinekor's mainly American fare, saying this was what consumers wanted.

Major cinema chain plans expansion in Western Cape

(292) ARG 29/3/95
COLIN DOUGLAS
Business Staff

A MAJOR cinema chain is expanding in the Western Cape.

Ster-Kinekor managing-director Mike Ross said yesterday that the company was keen to open a cinema complex in Table View and was considering several sites.

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Work was underway on a new six-screen cinema complex in Stellenbosch, while negotiations to secure a key site in the Peninsula were at a "sensitive stage".

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Police looking for...

LATINO

R3-m grant for Market

■ BY ANDILE XABA

(292)

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

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

The minister received a standing ovation when he made the announcement after the packed opening night of Shakespeare's

Titus Andronicus performed by South African actors and members of Britain's Royal National Theatre, with South African-born Antony Sher in the title role.

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

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

The minister's announcement is an indication that funding for arts and culture will shift from the old system, which favoured the performing arts councils.

(292)
PM 31/3/95
GAMBLING

High stakes

Capital investment totalling hundreds of millions of rand could be pumped into casino resort developments in the Western Cape if the provincial government agrees to keep gambling out of the Cape Town metropolitan area, according to the Fortes King Hospitality group. It operates five hotels in the city, and plans to meet head-on any move by Sun International to extend its casino empire to the region.

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

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

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

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

King says the success of resort developments less than two hours' drive from the city will depend mainly on day trippers. Of the 4,2m residents in the province, 3,4m live in the Cape Town metropolitan area. Their custom at the resort will effectively be lost if a casino and entertainment complex is built in the city.

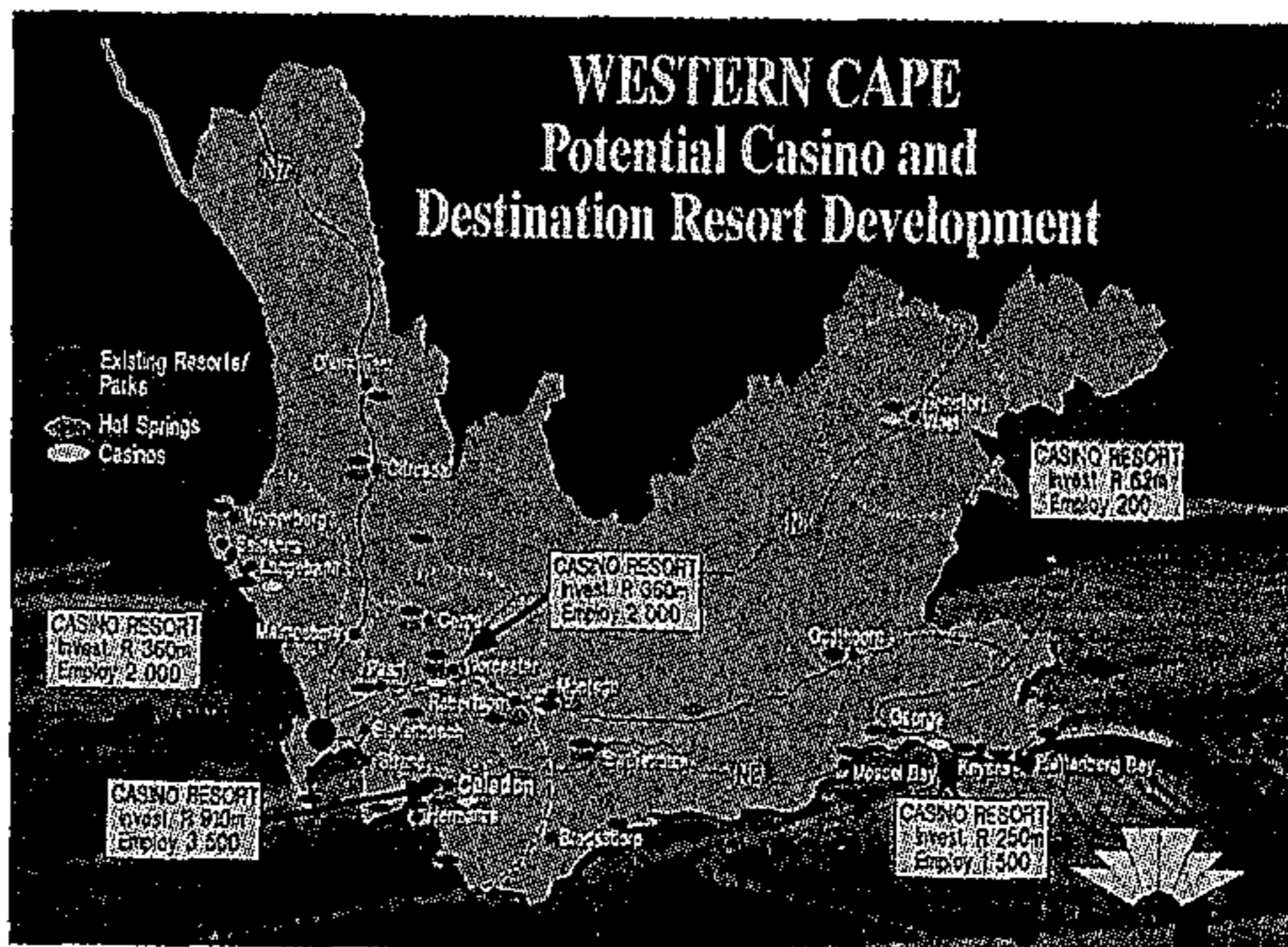
He says planning of the Overberger development is advanced. Construction could start within three months of a licence

being granted and would take about 18 months to complete.

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

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

□ Sun International executives could not be



reached for comment on their plans for the showgrounds site. However, during the group's battle to close down small city-based casinos over the past two years, executives repeatedly stressed that casinos needed to be linked to substantial tourism-related infrastructural investment. ■

Movies of old for township kids

(292) 31/3/95

■ BY WINNIE GRAHAM

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

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

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

The films are old but "of good quality, morally sound and of

real entertainment value". In Magalefa's view they make better viewing than most modern films which often concentrate on sex, violence or science fiction.

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

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

He has approached headmasters who have given the project enthusiastic support. He estimates that at least 250 pupils (of

a usual school enrolment of 800) will regularly attend screenings, bringing in enough money to pay the projectionist, add to school funds and make money available for RDP projects.

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

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

Anyone able to help should telephone Magalefa at (011) 838-3082.

NEWS

State grant boosts Market's standing

292
star
31/3/95

■ BY ANDILE XABA

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

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

The minister received a standing ovation when he made the announcement on Wednesday after the opening of Shake-

speare's *Titus Andronicus* performed by South African actors and members of Britain's Royal National Theatre, with South African-born Antony Sher in the title role.

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

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

Chairman of the Market Theatre Foundation Graham Lindop

echoed Kani's views: "In the past the Market refused grants from the government," he said.

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

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

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

Midrand town council chief suspended

star 31/3/95

■ BY CHARMEELA BHAGOWAT
CITY REPORTER

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

In a statement, the MSS said Lubbe had been suspended because a commission of R594 987 was allegedly paid to an intermediary on a council investment of about R14,8 million. Local gov-

ernment regulations prohibit the payment of commissions to officials or intermediaries in respect of council investments.

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

The MSS said it was also investigating "an irregular event ... with regard to the proceeds of the town clerk's scrapped

motor car in August 1993". The MSS said, however, that the money had been paid back later.

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

However, after postponing the deadline three times, Lubbe was finally suspended on March 14 for failing to provide a satisfactory explanation, the MSS said.

ENTERTAINMENT *Black film-makers form an association to look after their interests*

Sowetan 5/4/95

292

New black film-makers' body

By **Elliot Makhaya**,
Entertainment Editor

THE LAUNCH OF the Independent Black Film and Television Producers' Association tomorrow marks the biggest cooperation pact between black film and television producers in the country. The launch is tomorrow at 6pm at the Windybrow Theatre, Nugget Street,

Hillbrow, Johannesburg. The IBFTP was formed as a result of a three-year consultation on issues relating to the exclusion of black filmmakers from the film industry. The membership of the IBFTP comes from two main black film-makers organisations — the African Film and Television Collective and Black Film and Television Foundation, as well as individual black producers who are in the same predicament.

The feeling of most black film-makers

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

Conveners of the launch say that while South Africa is engaged in the process of integration, a minority element and un-

scrupulous whites are trying to undermine this process by blatantly defining affirmative action to suit their old apartheid-style relations.

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

all South Africans."

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

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

Arts boards to be reformed

(292) CT 11/4/95

PRETORIA: Performing arts council boards are to be reconstituted as soon as possible, Arts and Culture Minister Dr Ben Ngubane announced yesterday.

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

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

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

In the case of Capab and Pact, which serve more than one province, the provinces previously served will co-operate on reconstitution. — Sapa

GAMBLING RIGHTS 'TRADED' FOR CONFERENCE CENTRE?

Casino operators offer R300m 'sweetener'

(292) CT 11/4/95

SUGGESTIONS have been made that the allocation of gambling rights be linked to the construction of a conference centre in the city. **AUDREY D'ANGELO** reports.

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

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

Mr Young said he had had discussions with "economic and planning people" in the provincial administration, and they had told

him there was a reasonable possibility of a trade-off between a city casino licence and a convention centre, or some other cross-funded social spending.

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

The chamber has asked the local government to make this a

condition of granting a licence.

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

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

The chamber's director, Mr Alan Lighton, said the size of the contribution would be determined by the extent of demand for a casino licence in the city.

Plans to improve quality of life

Municipal Staff

A NUMBER of plans to improve the quality of life for the residents of the small West Coast town of Mamre have been given the green light by the town council.

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

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

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

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

Other funds include R600 000 for the library and R117 000 for the service centre.

Casino 'boost' for Cape

MICHAEL MORRIS
Political Correspondent

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

Premier Hennis Kriel told the regional legislature yesterday the province hoped to issue licences for up to seven casinos by the end of the year, clearing the way for construction and development from early 1996.

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

Casino development would have to go hand-in-hand with job creation, development of facilities and tourism promotion.

Spelling out the framework in which the province hoped to guide and develop a casino industry, Mr Kriel urged aspirant developers to "get their

applications ready" so the process could move quickly.

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

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

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

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

But, he welcomed the overall casino plan.

Mr Kriel said VAT would not be levied on casinos, since the burden of having to pay this in

addition to a 15 percent betting tax, plus income tax would be too onerous.

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

"We don't want to turn the Western Cape into a second Las Vegas," he said.

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

The licencees — as well as all gambling staff — would be closely vetted.

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

"Being granted a casino licence could lead to enormous financial benefits for the successful applicant.

"We believe such a process should, as far as is humanly possible, be independent and free from interference by vested interests."

Seven casino licences for W Cape

BARRY STREEK

PLANS for seven casinos in the Western Cape were unveiled yesterday by provincial Premier Mr Hennis Kriel.

Draft legislation to allow gambling in casinos had already been agreed to by the provincial council of ministers, and would be published before the end of the month, he said.

In terms of the proposed law, a board would be appointed to control all gambling, lotteries and horse racing in the Western Cape.

Mr Kriel said it was hoped the draft law would be approved by the provincial

legislature in July and that applications could be submitted to the board in August to enable the casino licences to be granted in early December.

His announcement yesterday follows the recommendations of the Lotteries and Gambling Board, chaired by Professor Nic Wiehahn.

A large number of companies and investors have expressed interest in establishing casinos in the Western Cape and Mr Kriel said "quite a number" of potential investors had already contacted him.

One of the considerations in granting licences would be the size of the pro-

posed investment by the company.

Mr Sol Kerzner's Sun International has already bought the showgrounds site at Goodwood through a subsidiary company in anticipation of being granted a casino licence.

Controls

Other groups which have investigated casinos include the US-based Sheraton group, the Hilton Hotels group, the Mount Nelson Hotel and the Southern Suns group.

Mr Kriel said not all seven casinos would be located in the Cape metropole

area. They would be located "all over our province", but no decision had been taken yet about how many would be in the greater Cape Town area.

He stressed that there would be strong controls over casinos in the province and said this would be preferable to the lack of control of hundreds of illegal casinos.

The Democratic Party yesterday welcomed Mr Kriel's announcement that strictly regulated casinos would soon be operating in the Western Cape, but protested against the fact that licences would be issued by the Provincial Executive Council.

(292)

AT 12/4/95

Cinema franchise for black business:

Maxi Movies, a new local cinema chain, plans to offer business opportunities to black entrepreneurs, while providing affordable cinema entertainment opportunities in remote areas. This follows the success of the test pilot cinema the company opened in Mabopane near the Carousal last year. The chain consists of 94-seater theatres built in townships and works on a franchise basis, whereby a franchise is purchased for each cinema that is built. Its chief executive, Sven Northan, said: "Although this form of cinema exhibition is a brand new concept in South Africa, it has proved extremely popular in Japan."

CT(BR)12/4/95 (22)

ARTS COUNCILS TO BE RECONSTITUTED

Capab board will resign in 3 months

292

CT 13/4/95

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

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

This was announced yesterday by Capab's marketing director Mr Rudi Basson in response to a statement yesterday by Dr Ben Ngubane, Minister of Arts, Culture, Science and Technology, that Performing Arts Council Boards

would be reconstituted "as soon as possible" and that 15% of their budget would be used to aid development in arts and culture in their provinces.

Demoralised

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

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

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

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

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

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

The present board will remain in office until then.

Immigrants to seek gaming jobs

CT 19/4/95

(292) (173)

SPECIAL CORRESPONDENT

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

According to the fortnightly Overseas Jobs Express (OJE), South Africa's gaming industry will be looking to fill hundreds of jobs

with imported croupiers and casino administrators, as gambling becomes legal.

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

A legalised gambling industry is expected to have a turnover of

£4 billion (about R23,4bn) a year, and create 100 000 jobs by 1997.

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

Mr Colin Martin, of Cramerview personnel consultants, says applicants should be prepared to settle permanently in SA and be between 25 and 40.

Culture gets a shot in the arm

ED 19/4/95
Own Correspondent

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

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

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

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

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

The Eastern Cape's share of the new national allocations, while still undecided, is believed to be significantly higher than the R5m Capab budgeted for the region last year.

End in sight for SA arts councils

ST 23/4/95

(292)

By GILLIAN ANSTEY

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

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

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

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

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

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

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

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

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

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

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

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

Although Pact's submission to Actag suggested its ballet and opera companies be the national ones, the report has made no

clear decision because of the diversity of suggestions received. It concludes that national companies for ballet, music, contemporary dance, theatre and music theatre (which includes opera) be considered and be housed in theatres around the country.

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

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

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

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

The final proposals will then be used as a basis for drafting the White Paper on arts and culture.

Opera, ballet 'get too much attention in Western Cape'

292

Political Correspondent

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

So said African National Congress MPL in the Western Cape, Tasneem Essop, in debate on the cultural affairs budget in the provincial parliament yesterday. **ARC 25/4/95**

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

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

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

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

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

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

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

"What better way of dealing with this than through culture?" she asked. It would be effective and non-threatening in helping to "break down racism and bigotry".



HAPPY ANNIVERSARY! What better reason to jol than celebrating a first "birthday"? The group Amampondo put heart and soul into their performance at a festival at the Peninsula Technikon yesterday to commemorate South Africa's first democratic elections a year ago.

Art and culture fosters tolerance, says Olckers

Political Correspondent

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

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

But it needs money to do so.

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

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

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

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

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

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

"Are we not a rainbow people? Doesn't this mean we should have a rainbow culture?"

"When 'colour-less' Capab dancers perform in a traditional ballet like *Swan Lake*, is this Eurocentric culture? When Veronica Paeper choreographs an African-inspired ballet, performed on traditional lines, is this not rainbow culture?"

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

"Let us learn to be tolerant of each others' cultures which make up such an important part of our daily lives," she said.

Gender	Rur	Female	Male	Total	Number
					2

Task group calls for statutory film body to be set up

ARG 27/4/95 (292)

Political Staff

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

In its report to the ministry of arts, culture, science and technology, the group said a national statutory body, which it proposed be known as the SA Film Foundation (SAFF), should be launched in line with similar successful practices in Australia, New Zealand and Canada.

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

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

on high-risk ventures.

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

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

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

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

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

At least two language options for pupils urged

ARG 27/4/95 (292)

Political Staff

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

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

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

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

● See page 4

W.P. ZIONIST COUNCIL YOM HA'ATZMAUT 1995

WEDNESDAY 3rd MAY
BAXTER THEATRE COMPLEX

- 5. 30 pm FOOD STALLS OPEN
- 6. 10 pm YOM HAZIKARON
ceremony in Foyer
- 6. 25 pm SHUL SERVICE
in Studio Foyer

ADMISSION FREE

VOICES OF ISRAEL

A Multi Media Musical
in Concert Hall
Directed by Ivor Joffe & Irma Kesler
CAST OF 60 ARTISTS
2 Shows: 7 pm & 9 pm
Adults R10 Students R5
Booking at Computicket

w27d09c02

Health insurance report out soon

Health Reporter

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

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

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

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

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

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

At the time she said: "Nothing is cast in stone." Announcing that the report would be released in mid-May, Dr Shisana said the delay was necessary to "enable the committee to complete the final details of the report".

Big changes proposed for arts, culture

□ *Far-reaching recommendations*

Political Staff

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

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

- Abolition of the four performing arts councils;

- Revitalisation of the film industry and the establishment of a National Film Bank to co-ordinate funding;

- Allocation of at least one percent of national, provincial, metropolitan and local budgets to the arts;

- Channelling at least 50 percent of all public funding of the arts and related interests to development in under-supplied urban and rural com-

munities in the first five years of the new dispensation;

- Nurturing a national love of reading and South African literature; and

- Compulsory arts education at primary and high school levels, and the introduction of creative curricula at pre-schools.

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

The report will be followed by public hearings and a series of countrywide workshops in May, after which a national conference will be held in Pretoria from May 30 to June 2. The ministry has invited all South Africans to submit their views on the Actag proposals during the next few weeks.

Actag has a June 15 deadline

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

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

Theatres should become either provincial, metropolitan or civic theatres and the new permanent performing arts companies — ballet, drama or opera, for example — which are housed in the performing arts councils at present, be transformed into independent professional companies.

Arts task group plans to promote local films

292
CT 27/4/45

PRETORIA. The government's Arts and Culture task group (Actag) yesterday recommended the establishment of a national film foundation to promote local productions.

In its draft report, released by Arts, Culture, Science and Technology Minister Dr Ben Ngubane, Actag proposed the establishment of a national film bank to provide low-interest loans to producers. Functions of the film foundation would include liaison with

local and foreign film and television industries, and promoting the production and distribution of local films.

A national film and video archive should be set up under the foundation's auspices.

The task group also recommended the establishment of a national state-funded film trust to finance entry-level producers, directors, script writers and other film and video producers.

On the "universalisation" of

arts and culture, it said arts education should be a "non-negotiable, compulsory" part of a revised curriculum for all pupils in the first 10 years of schooling.

Appropriate arts education programmes for teachers would also have to be provided.

Legislation to introduce a new national arts and culture policy would probably only ready by next year, Dr Ngubane said.

The task group also called for the abolition of the performing

arts councils, and rejected the concept of national theatres.

However, it recommended the establishment of national companies for ballet, contemporary dance, theatre and music theatre.

The release of the draft report coincided with public hearings and a series of country-wide workshops and would culminate in a conference at the end of May.

Dr Ngubane said the proposals reflected many months of work and were a good start to his min-

istry's attempt to develop widely supported arts and cultural policy.

Actag called for national, metropolitan and local arts and culture councils to channel public funds to literature, music, dance, music theatre, visual art, craft, design, community arts and culture.

Actag also recommended that "at least one percent of national, provincial, metropolitan and local budgets be allocated to the arts, culture and heritage" — Political Staff, Sapa

4/ARTS & BOOKS

'A total restructuring of the arts'

WM 28/4-4/5/95

(292)

The draft report of the Arts and Culture Task Group spells out its priorities: the redirection of funds away from the high arts, towards development in disadvantaged areas. It could hardly have been otherwise, writes **Ivor Powell**

THERE'S a lot of quasi-legalistic waffle, and just as much high-sounding but unworkable sentiment, in the 397 pages that make up the draft report released this week by the government-appointed Arts and Culture Task Group (AcTag). Nobody should be deceived, though: it represents nothing less than a total restructuring of the ways in which arts and culture are funded and administered in this country.

If the recommendations are implemented, the draft report must still be submitted to a series of public hearings, only then will its recommendations be incorporated into a White Paper to be drawn up by the ministry. And only — though this is not to denigrate a document that addresses principle rather than harsh reality — if the total economy of the United States suddenly becomes available for cultural development in South Africa.

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

- The "abolition" of the old government's four Performing Arts Councils (PACs).
- Likewise, the "abolition" of the Foundation for the Creative Arts, the funding body which emerged out of the old government's Schutte Commission into the Arts in the late 1980s.
- The establishment of Arts and Culture Councils at national, regional, metropolitan and local levels to administer arts funding as well as develop arts and cultural policy.
- The creation of a National Film Foundation which will dramatically centralise the industry.
- The deployment, for the next five years, of at least 50 percent of arts funding to the develop-

ment of culture in disadvantaged communities. ● "Non-negotiable, compulsory" arts education up to Standard Eight.

There is a lot more: recommendations about the preservation and development of "heritage"; the extension of library services in disadvantaged areas; the creation of a National Institute for South African Languages; and so on.

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

Such goals are commendable. And the way it is proposed they will be realised is often admirably rigorous. For example, to ensure independence from government, the members of the national and provincial arts councils will be selected by a panel of independent judges from public nominations. Next a short list will be prepared, public hearings will take place, a

final selection will be effected, and only then will the ministry be brought into the picture — basically to rubberstamp the whole thing. The report also proposes that legal protection be made available to arts council members in the event of interference from government officials.

Even so, the system is less rigorously geared to independence in the lower tiers — and it is worth noting that a very large part of the handson funding will be administered at provincial level and lower. At local and community levels, the process suddenly grows opaque, with a more or less total reliance on the good faith of the political authorities. In the case of the proposed National Film Board, the idea is that its membership be appointed, unashamedly, unexplainedly and directly by the government. But the system — though potentially open to abuse and in need of tightening — represents a markedly more open and accountable approach than has characterised arts funding in the past. And one that ensures a more equitable and rational use of resources.

■ **TO PAGE 32**

Towards sterility

PM 5/5/95
 The old SA had a full complement of arty bureaucrats and pretentious assets, now famously despised as "Eurocentric." A new policy is in the process of being elaborated — but it is already apparent that such public funds as are available for the arts are going to be dispersed through a huge multiplicity of institutions that will do little more than create work for a whole new cultural elite.

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

CURRENT AFFAIRS

be relevant to the "transition." And, if so, how they should be funded.

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

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

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

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

The political orientation of the cultural

bureaucrats will assume overriding importance in awarding grants and setting up community-based projects.

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

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

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

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

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

In this respect, the focus on grass-roots cultural activity must be welcomed; but the specific exclusion of a national theatre seems ill-considered, since such an institution — apart from its prestige — could form a focus for world-class performance

CURRENT AFFAIRS

and training as well as encouraging SA playwrights and musicians.

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

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

artistic independence is, of course, the whole point.

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

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



Ngubane ... new focus on arts and culture required

Casino bill to boost W Cape

(292) ARG 18/5/95
MICHAEL MORRIS
Political Correspondent

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

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

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

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

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

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

● Copies of the bill will be available from tomorrow for R5 from room 693 in the provincial building at 7 Wale Street. Written comment must be submitted by June 19.

Gambling plans revealed

CT 19/5/95 (292)

THE PUBLIC is invited to take part in legislation covering virtually all forms of gambling in the Western Cape. **CHRIS BATEMAN** reports.

A PROPOSED Western Cape bill to legalise gambling in virtually all its forms and released for public comment today suggests a powerful seven-member Control Board, fines of up to R400 000 and 10 years' imprisonment for rogue operators.

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

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

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

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

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

Prospective licensees automatically sign a waiver of confidentiality in their applica-

tion form, allowing police forces worldwide to check them out.

Betting operators must also get "support licences" for everyone they employ.

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

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

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

All other hearings will be open.

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

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

The bill makes gambling debts enforceable in courts of law, which could cut down on a small but

significant number of serious assaults in the murkier side of small-time illegal gambling.

Mr Le Roux said the National Lotteries and Gaming Board would formulate uniform norms and standards for the provinces and the central cabinet's response to Professor Nic Wiehahn's recommendations would heavily influence the eventual shape of the local bill.

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

Written comment on the proposed Western Cape Casino, Racing, Gambling and Wagering Bill can be sent to: The Acting Director, Taxes, Levies and Duties, PO Box 659, Cape Town, 8000.

Copies of today's Provincial Gazette can be obtained from Mr A Poggenpoel at Room 693, Provincial Building, 7 Wale Street, Cape Town.



Like it or not, it's here

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

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

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

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

"The reality in South Africa cannot be ignored," said general services minister Mr Chris Fismar in his address. "History has proven they won't be stopped (even) by a total ban."

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

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

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

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

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

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

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

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

The board's report suggests a fixed percentage for social causes — for example, 50 percent to the RDP, and another 20 percent for other social causes. "The lottery board recommenda-

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



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

tions provide a sensible basis for a new lottery dispensation in South Africa," says Parsons, who urges the introduction of lotteries by the beginning of 1997.

Gambling will also be a positive spin-off for black advancement. "The gaming industry is new to most," said Mr Jabu Mabuza of the Southern Sun Gaming Partnership.

"It gives us a new beginning in business." He sees it as a perfect opportunity to involve black people in ownership and management.

Gambling will also benefit tourism. The director of the United States-based Institute for the Study of Gambling, Professor William Eadington, addressed this aspect. Las Vegas has a floating tourist population of 150 000.

"There is no doubt Las Vegas has been a phenomenal economic success," says Eadington. "Tourism support facilities, such as motels, restaurants, service stations and retail shopping have grown up with the tourist-based casino industry."

However, he also expressed some caution, and said gambling did not always boost the



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

economy, and mentioned the experience of Atlanta city as an example. "The development of a substantial casino-hotel industry, which by 1994 generated R12 billion and employed 50 000 people, had done little to revitalise the rest of the city," he said.

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

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

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

Parsons warned: "It's not a magic wand to double South Africa's growth rate."

But these words of caution will definitely not dampen the enthusiasm building up around the legalisation of gambling and gaming.

Call from business: 'pass gaming laws'

Star 30/5/95

(292)

■ STAFF REPORTER

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

Afcor chairman Tiny Naidoo has described as "shortsighted" the announcement by General

Services Minister Chris Fisser that gaming licence applications would be heard only next year.

The Government had overlooked the fact that the speedy legislation of the Gaming Act would create hundreds of thousands of jobs in the construction industry, thousands of jobs in the new hotel and casino/resorts and attract billions of rands in foreign investments — as well as con-

tribute to the tax base of the country.

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

Ernie Joubert, manag-

ing director of Global Resorts, said at a gaming conference recently that about 40 000 new jobs were "on hold" as long as gaming legislation was delayed.

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

NEWS FOCUS

Arts White Paper has many problems

(292) BD 8/6/95

IN JUNE last year the arts, culture, science and technology ministry started a public debate about the future of arts and culture funding in SA. Arts and culture task groups were started in most provinces and nationally. This process is nearing its end, and a draft White Paper has been published for comment.

It raises far more questions than it answers, and a most important question is that of process. For instance, the Foundation for the Performing Arts, an independent nationwide non-profit organisation, has recently given the minister a petition signed by 100 000 of its supporters rejecting many of the White Paper's conclusions. Our views were made known to the minister in a memorandum we sent him in June last year, and was made available to the national task group.

We have been shocked to find that our views have been totally ignored. We are not alone in believing the process has been hijacked by a group with a hidden agenda, determined to create a monstrous bureaucracy to control funding. Similar complaints have recently been raised by national library services and place-names organisations, which have also had the misfortune to find themselves moved to the department.

The present proposals on arts councils are reputedly "democratic". They recommend a national arts council, chosen by an independent panel from a list of public nominees. It has to be questioned whether this is a democratic process. Can a few nominees to a central body such as this really represent the widespread interests in the performing arts industry?

There is no suggestion that such nominees need to have any significant constituency, and indeed if our own experience is anything to go by, public constituencies are there to be ignored.

The provincial arts councils would be similarly set up, but they would include panels on policy and funding, the members of which would be selected by the national council. It is further proposed that the same undemocratic process should apply at the regional and local levels.

PHILLIP LLOYD

Thus the proposals are clearly for a top-down structure. Nowhere is there any suggestion that these councils should be responsible for their actions or accountable to the public for the funds they expend.

If the proposed process is flawed, the funding mechanism is a disaster waiting to happen. In its policy document, the foundation stressed the underlying principle that "the role of the state is to create a positive climate for the arts". The task group draft has an extraordinary collection of objectives for state funding, none of which makes any reference to arts or culture. One is so curious it is worth quoting: "An objective of state funding should be to make more money available to more people." Beware the public servant offering to give you back your taxes.

The task group then recommends certain criteria for state funding for the performing arts. These criteria centre on need (and which of us cannot show need?), practicality, cost effectiveness and intrinsic merit (presumably to be measured by cultured public servants). The foundation has stressed in its submission that arts and culture belong to people not to artists. This is particularly true in the performing arts. If you do not have an audience, you do not have an art form. Funding should be related to the size of the audience in relating to the cost of the production, which would mean state support for the democratic expression of the people's culture in a real and positive way.

Thus an essential criterion for state funding criteria in the performing arts has been ignored. The task group proposals will benefit only a few artists, will completely bypass the workers and will deliver less to the people than they enjoy now.

One cultural pursuit a few million people enjoy each year is what the performing arts councils offer. The task group's draft White Paper first treats these under the heading, "Problem". It goes on to repeat a series of lies to justify its stand. It says, for instance, that they receive the total

national budget allocated to the performing arts. This is demonstrably not true. The Foundation for the Creative Arts, a body funded by the education department, has made some money available for music, which is a performing art. It is claimed it does not distribute funding beyond the performing artists directly connected with it. Is this a "problem"? Or is the task group seriously proposing to distribute money to performing artists without entering into some form of contract with them? The task group claims the arts councils have large, unwieldy, bureaucratic structures created to swallow up large portions of the funds and hamper the development of the performing arts. This is also demonstrably untrue. All the performing arts councils have a minuscule bureaucracy considering the turnover of the business they run.

The trouble with viewing the councils as a problem, particularly when the grounds for your view are false, is that you overlook what a valuable resource they represent. Opportunities for using this resource to further the reconstruction and development programme's objectives are being squandered. The performing arts councils have trained more performing artists, more directors, producers and technicians than all other institutions in SA put together. Each year more than 2.5-million people attend their productions. This is an achievement which cannot be ignored, and the task group does the nation and the RDP a disservice when it does so.

If there is a problem in the performing arts councils, it is that two of them — Capab and Pact — are in provinces which are now much smaller than they used to be. They run the two largest theatre complexes in SA. If these theatre complexes and their managements were to be transferred to the Western Cape and Gauteng, the sheer cost of maintaining the complexes, let alone the cost of their management and technical services, would seriously distort the arts and culture budgets of the two provinces and put them way out of line with the arts and culture budgets of the other provinces.

We have proposed that these two the-

atres — and only these two theatres — together with their demonstrably successful management and technical teams, should be funded at the national level and not the provincial level. The task group has only partially considered this option, and for reasons totally obscure to us has seen fit to recommend its rejection. Instead it proposes the transformation of these magnificent resources into independent theatre venues which are the responsibility of provincial and local governments for maintenance and subsidising deficits.

The task group has also considered the future of the Foundation for the Creative Arts. This body was an apartheid structure funded by the education department at a rate of R1,5m a year until 1992. Funding initially dropped to R300 000 in 1993, but it then gained an additional special grant to take it back to R2m. For the first several years of its existence it did essentially nothing. As a result, by 1992 it had investments we estimate at about R10m and gave an investment income of more than R1m a year. In 1992 its total income was about R2,7m against a total expenditure of about R1,2m, nearly half of which went on administration. In 1993 its income, including the special grant, was about R2,5m and its expenditure about R2m, of which administration again made up nearly half. However, its reserves were drawn down by an estimated R7m for other purposes, leaving it with "only" R3,5m by the year's end. Financial figures for last year do not appear to have been released.

Thus, by the end of 1993 we estimate that it had revenues of about R13m during its short life, had charged R1,7m to administration and had distributed R2,1m in project funding. This state-funded body built up enormous reserves, created a successful bureaucracy, and delivered less than 20% of its funding to the constituency it was set up to service. With such a track record, we do not believe it deserves the continued existence the task group recommends.

□ Lloyd is Foundation for the Performing Arts acting chairman.

Lottery 'no big benefit to taxpayers'

(292) ~~292~~

By LLEWELLYN JONES

CT(BR) 16/6/95 STAFF WRITER

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

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

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

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

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

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

New arts council to allocate state funds

■ STAFF REPORTER

An interim arts and culture council is to be set up in Gauteng to allocate state grants totalling R3-

million to organisations.

MEC for Sport, Recreation, Arts and Culture Peter Skosana has invited organisations and individuals in the field to

nominate candidates for the eight-member board by July 10, by which time the provincial government would have appointed a committee to

choose council members.

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

Star 21/6/15
(292)

Gambling draft slammed

Amanda Vermeulen

(292)

BN 29/6/95

THE Lotteries and Gambling Board has slammed the Western Cape's draft legislation which allows members of its gaming and wagering board and relatives to own up to 3% of a casino licence or operation.

The legislation, published for comment in May, could see individual members of the Western Cape board and their relatives holding a R30m stake in a R1bn casino resort development.

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

"The only way to ensure proper regulation of the industry is to remove any conflict of interest and any possibility of corruption. No board member should be able to exercise any improper influence in the allocation and regulation of licences."

De Lange said draft legislation had been sent to all the provinces which explicitly

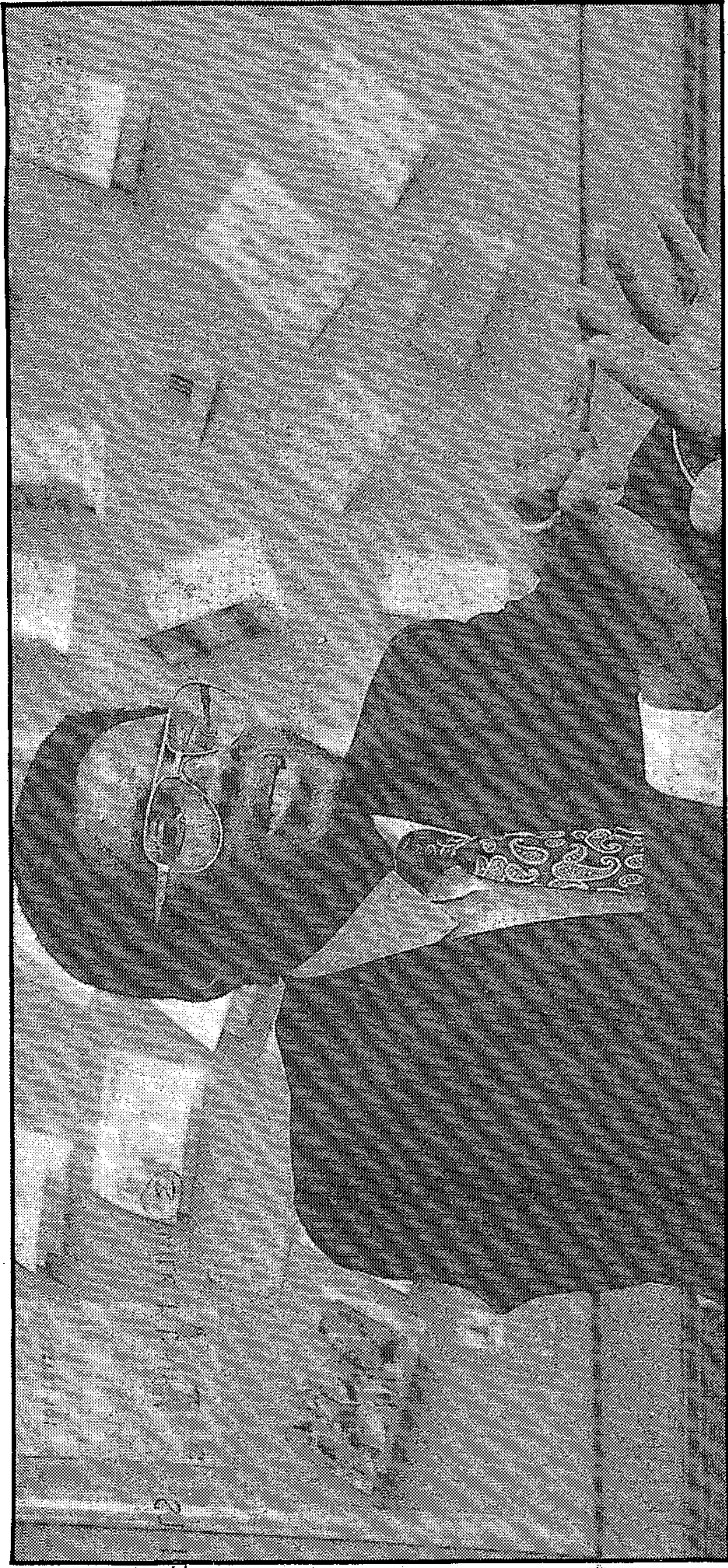
said no board member should have any interest, and none of the other provinces had indicated they would allow board members to have a stake in casinos.

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

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

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

Western Cape government taxes, levies and duties director Chris Lotter said 35 comments had been received and only two were objections. While it would be ideal to have board members who had no link to the industry, interlinking companies made it difficult to find anybody "of quality" who was not linked to the industry.



DRAWCARD . . . Jabu Moleketi, Gauteng's Finance Minister, who this week announced the region's plans for linking mega-casino licences to social upliftment priorities

Black wins in casino stakes

ST 16/7/95 (BT)
which plans a casino complex at Mdrand's Gallagher Estate.

A COMMITMENT to black empowerment and the reconstruction and development programme are two of the requirements for getting a casino licence in Gauteng.

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

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

Mr Moleketi has indicated that the province will probably license fewer mega-casinos rather than the 15 medium-sized casinos recommended by the National Gambling and Lotteries Board.

Altogether 29 new licences will be awarded around the country, in addition to the 11 already held by Sun International, although Nic Wiehahn, chairman of the gambling board, has hinted that the figure could go up to 53. The licences will be awarded towards mid-1997.

A number of companies have announced large projects, including Stocks Hotel & Resorts and Johnnic Properties,

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

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

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

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

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

Mr Moleketi hopes to table the Bill in mid-September.

Board unveils licence guide for gambling

Amanda Vermeulen

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

At a Pretoria news conference yesterday, board chairman Prof Nic Wiehahn and General Affairs Minister Chris Fisser announced the board's final recommendations to government on gaming.

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

The board said it would not recommend legalising greyhound racing.

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

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

The Eastern Cape, Eastern Transvaal and Free State were each allocated three licences, while Northern Transvaal, Northern Cape and the Northwest Province each

received two. Wiehahn said there was a possibility the poorer provinces could be allocated extra licences, taken from provinces which had several licences.

The total number of slot machines and gaming tables was restricted to 19 599. The board did not make recommendations on the size of resorts.

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

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

Sun International MD Peter Bacon said that if some of its licences were revoked, it could lead to the closure of certain resorts. This would affect employment and the contribution to the local economies.

Ernie Joubert of Global Resorts, a consortium including Rand Merchant Bank which plans to bid for casino licences, said the restriction on the number of slot machines and tables was ridiculous. Limits

Continued on Page 2

Gambling

(292) 80/11/7/95

Continued from Page 1

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

He said if gamblers had to queue to use slot machines and tables, they would turn elsewhere for gambling facilities, which could see a resurgence of illegal casinos. Fisser said the number of illegal casinos in Gauteng had been reduced to 300 from 2 500 in the past nine months.

Fisser said video gaming — small gambling facilities in venues used for other purposes such as bars, would possibly not

be introduced. SA first had to assimilate 40 new casino licences before other forms of gambling could be introduced.

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

He said if the larger resorts were not offered any exclusivity, potential investors would not recover their investments.

Fisser said the recommendations would be taken to Cabinet shortly, and should be passed by Parliament by September. Provinces could begin the tender and allocation process before the year-end.

Lottery and 40 casinos 'in place by 1997'

~~217~~ (292) CT 19/7/95

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

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

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

The board recommended that greyhound racing should not be legalised.

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

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

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

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

KwaZulu-Natal poised to defy gambling board's licensing plan

Farouk Chothia

(292) 130 28/7/95

DURBAN — The KwaZulu-Natal government is poised to defy the National Lotteries and Gambling Board's recommendation that only six casinos be established in the province, setting the scene for a possible constitutional confrontation with central government.

Finance MEC Senzele Mhlungu said yesterday the KwaZulu-Natal government would investigate the possibility of issuing the "optimum" number of casino licences. "The fact that the board has indicated that

KwaZulu-Natal has been prescribed six licences is misleading. It must be clearly understood that the competence for the development and regulation of a gaming industry in KwaZulu-Natal is vested with the provincial government and not with central government."

Reacting, General Services Minister Chris Fismner said, "If legislation enacted by central government and provincial government are in conflict with one another, the Constitutional Court will have to interpret it and make a ruling." While gaming was listed in the constitution as a provin-

cial competence, central government could set norms and standards and take steps to ensure effective economic co-ordination between provinces.

Mhlungu said he was merely putting forward a proposal for formulating a gaming policy and, unlike other provinces, wanted the public to make an input in drafting legislation. Public submissions would be received until August 18 and KwaZulu-Natal would consider allowing all gaming forms.

Mhlungu said he wanted a KwaZulu-Natal gaming board to be established by October and legislation to be passed in the

provincial legislature by early November. Tender submissions had already been received for casino developments, but this process would continue. Successful applicants would be announced by June, after which licences would start being issued.

He said gaming in KwaZulu-Natal would be based on market-driven and socially responsible principles. Consideration would also be given to the geographic distribution of KwaZulu-Natal's population. Casino developments would be used to promote tourism and to encourage delivery of benefits to needy communities.

Fismner said quotas had been set for provinces to ensure all benefited. If KwaZulu-Natal allowed a casino to open near the Wild Coast, the Eastern Cape's economy could be negatively affected.

At the same time KwaZulu-Natal risked "cutting its nose to spite its face" if it issued a large number of licences, Fismner said. "When you have an ideal number, you have a bigger venture, a bigger investment and a bigger income for the government." Mhlungu's decision was "strange" con-

Continued on Page 2

Casinos

(292) 130 28/7/95

Continued from Page 1

considering the fact that a KwaZulu-Natal government representative was on the board which proposed that six licences be issued. "They have supported everything that has emanated up to now as far as casinos are concerned," Fismner said.

Meanwhile, the national finance minister has referred the question of taxes levied on the gambling industry to the tax commission. The issues to be considered include VAT and income tax on the industry and income tax on gambling profits. All submissions should be forwarded to the tax commission, private bag X349, Pretoria, by August 31.

(292)
**Call to scrap
arts councils**

(From page 1).

ARG 3/1/95
The NAC should look into levying "substantial" taxes on local concerts by international artists to fund new South African works.

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

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

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

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

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

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

The SAAA, which received state funding, had an overwhelmingly white membership, and did not meet the requirements of a nationally representative organisation of visual arts practitioners.

Promote and protect early history - arts task group

ARG 31/A/95

(292)

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

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

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

The history of indigenous communities that had no mod-

ern equivalent and were known only from art, archaeological and historical sources, was of national and international importance.

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

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

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

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

This should not be left to individual landowners who did not have the necessary insight and training. — Sapa.

Disband performing arts councils, minister urged

BEN MACLENNAN of Sapa

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

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

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

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

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

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

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

Actag recommended that the councils cease to exist and that their infrastruc-

ture and staff be "deployed as far as possible in a new arts and culture dispensation".

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

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

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

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

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

(Turn to page 4, column 5)

AR 631/7/95 (292)

Arts learning 'should be compulsory at school'

BARRY STREEK
POLITICAL STAFF

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

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

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

"They should be exposed to

stories, music activities, dances, paintings, crafts and drama activities that reflect our diverse cultural heritage.

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

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

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

"Every learner shall have access to equitable, quality education in the arts through schooling, tertiary education and community structures," the group said.

CT 1/8/95

(292)

'CHANGES WILL BE DAMAGING'

Capab hits back at govt plan

CAPAB has slammed recommendations on the future of the arts and culture. **BARRY STREEK** and **WILLEM STEENKAMP** report.

THE dramatic restructuring of cultural bodies proposed yesterday by the government-appointed Arts and Culture Task Group (Actag) was impractical and would "do a lot more damage than anything else", CAPAB human resources manager Mr Cas le Hane said.

Mr Le Hane said the report "tends to overlook the positive components of what has happened over the past 30 years".

Capab had a "commitment to change", he said, and was working to improve its popularity through improved links with community-based organisations, distributing its resources and perhaps changing its name.

Mr Le Hane said organisations like Capab were desirable for artistic unity and fulfilled the "need to be connected".

He said the Actag proposal to create individual entities by splitting the various components of performing arts councils, such as drama, opera and ballet, was impractical.

Capab Ballet would cost over three times as much to run independently as it did at present. The pooling of resources such as wardrobes, set-building and transport would also be lost if Capab was split up.

Actag said yesterday that although gov-

ernment structures had allocated R511,6 million for arts and culture in the current financial year, it was calling for substantially increased spending on cultural activities, including tax incentives.

It proposed the national government should allocate "at least one percent" of the budget to arts and culture and other government structures, provincial and local, should allocate between four and seven percent of their annual budgets to the arts.

The far-reaching proposals were contained in a 382-page report handed over to Arts, Culture, Science and Technology Minister Dr Ben Ngubane yesterday afternoon.

Actag said it had not received any formal submissions from Capab concerning its own future, although Capab Eastern Cape had submitted its own recommendations.

The performing arts councils had "created an untenable division," Actag said.

"It established a form of artistic apartheid between the performing arts and all other art forms," with the result that the bulk of public funding for the arts was allocated to no more than four institutions.

Actag recommended that the performing arts councils "cease to exist and that the infrastructure, staff and companies will be deployed as far as possible in a new arts and culture dispensation". The permanent companies should become independent with professional managements.

● See Page 4

Arts advisory group proposes new national museum for city

BARRY STREEK
POLITICAL STAFF

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

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

"Because Robben Island is an important part of the national estate in SA and a universal symbol of the struggle of freedom and democracy, a site museum which conserves and interprets the rich natural, cultural and political his-

CT 1/8/95
tory of the island should be established there as part of the new national museum system.

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

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

Declared cultural institutions in the other provinces should fall under provincial heritage councils.

It also recommended that a sec-

(292)
ond national museum be established in Gauteng and that both national museums should be overseen by a representative National Museums Commission.

Culture

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

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

Censorship, publication control and arts councils must go — report

Kevin O'Grady

PRETORIA — A government-appointed task group yesterday recommended the abolition of all censorship laws and the scrapping of performing arts councils.

The 23-member arts and culture task group handed a 387-page report on transforming the arts to Arts and Culture Minister Ben Ngunane. The proposals will form the basis of a White Paper.

It said censorship and publication control in SA had stunted the development of literature and resulted in the banning of

"countless publications and authors".

The Publications Control Board and all legislation concerned with censorship should be abolished and replaced only by "a system of classifying publications to protect minors".

The report also recommended that arts education should be made compulsory during the first 10 years of schooling, and Ngunane would meet Education Minister Sibusiso Bengu to "ensure proposals are carried out through to his ministry", said task group chairman Andries Olliphant. He said the four provincial performing

arts councils should be replaced by statutory arts, culture and heritage councils at national, provincial and local level.

The councils had created an "untenable division" in the arts that had resulted in the bulk of public funds being allocated to "no more than four institutions", the report said. They should be declared null and void and all assets transferred to government structures in their areas. Their performing companies should become independent and work towards self-sufficiency. Independent performing arts bodies should be established in Northern Province, Eastern

Transvaal, Northwest and Eastern Cape.

The report set down guidelines for the provision of funds — at least a third of total funding — and facilities (50%) for community-based arts and culture.

Olliphant said members of the new councils would "work on a voluntary basis as part of their civic duty" and would be replaced after two or three years to "ensure no power bases are developed around public resources". Their role would be to advise Ngunane on funding and policy.

Arts and culture director-general Roger Jardine called for an increase in his de-

partment's cut of the national budget to 1% and for the private sector to play a role in funding arts and culture.

The report also dealt with developing heritage resources and recommended that a "museum of resistance" be established in the prison on Robben Island and that the island be declared a national monument.

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

● Picture Page 3

CNA facing strike threat

Renee Grawitzky

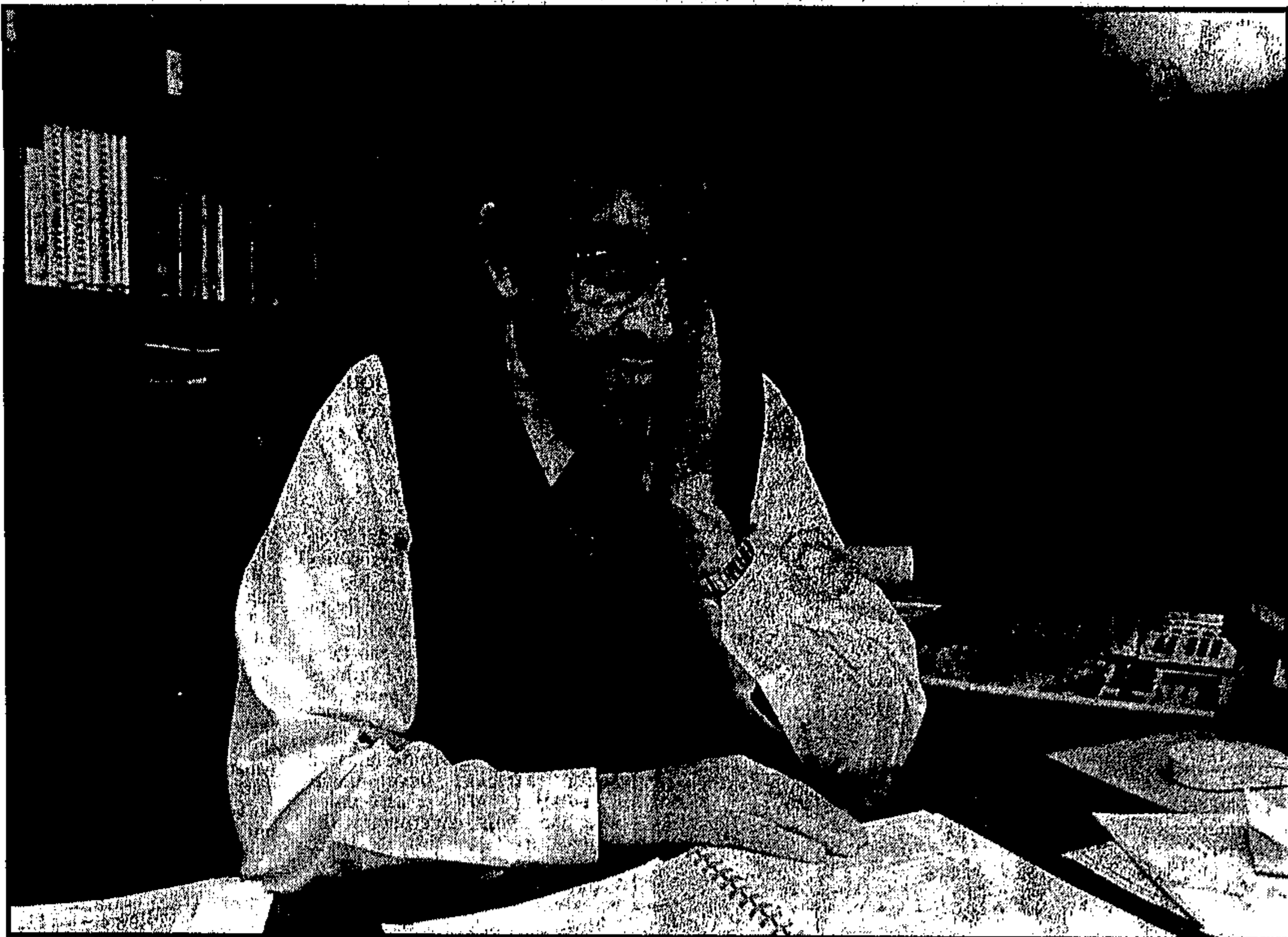
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CNA faces a legal strike over wages by about 900 members of the Entertainment, Catering, Commercial and Allied Workers' Union (Eccawusa) — a breakaway from the SA Commercial Catering and Allied Workers' Union (Saccawu), which is also represented in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

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

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

BD 1/8/95



Picture: DOUG PITHEY, Staff Photographer.

□ **FEARS:** Capab chief director George Loopuyt fears ballet and opera could become extinct if they were not funded.

Adapt or die for opera and ballet

ARU 5/8/95

(292)

ADELE BALETA
Staff Reporter

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

That's the view of Andries Oliphant, chairman of the government-appointed Arts and Culture Task Group (Actag) which recently released its recommendations for the future of arts and culture.

The document, which has been handed to Minister of Arts, Culture, Science and Technology Ben Ngubane, is not the last word and will be viewed together with recommendations from other parties before a white paper is published in October.

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

Capab chief director George Loopuyt has raised fears that the "expensive international art forms of ballet and opera could become extinct" if they were not funded on a national level.

"It's like the black rhino. Many people would not worry about whether or not they had a rhino in their backyard, but steps are being taken to protect the rhino against extinction."

But, Mr Oliphant said there was nothing in the proposals singling out any art form for neglect or spe-

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

cial treatment.

"There is no reason for this monomania about the imminent death of ballet and opera. There is nothing in the Actag report which suggests that any art form will die. The proposals should be looked at in a dispassionate manner."

Mr Loopuyt believes previous apartheid imbalances in the funding and promotion of some art forms should be addressed, but should not be done at the expense of others.

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

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

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

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

company.

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

He raised concerns that the final formula on how the budget was to be divided between the provinces was not included in the recommendations.

"I believe it will cost in the region of R700 to R900 million to run and we have had only a national budget of R120 million in the past.

"It's a pipe dream to believe that there will be government funding available in the order of one percent for the national companies to seven percent for local authorities who currently don't contribute anything.

"There is not a country in the world that spends one percent. The arts budget is currently 0.08 percent of the national budget," he said.

Actag recommends that arts councils — not production houses — be established at local, metropolitan, provincial and government level to distribute funding for the arts. Groups will have to pitch for

funding.

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

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

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

The arts councils will want to see how the money is spent, he said.

"Culture under apartheid, where large amounts of money was handed to stagnant groups, to people on a permanent basis, has to stop."

He said ballet and opera companies would have to work harder and apply their minds to strategies and plans to make their art form more accessible in order to receive more support.

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

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

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

Forum formed to discuss casino industry

Amanda Vermeulen

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

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

rely on gambling revenue.

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

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

Guidelines had been agreed on by the two premiers, including co-ordinating gambling policy between the provinces, the location of casinos, a ceiling on the number of licences in SA, and that govern-

ment should have no stake in casinos.

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

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

BD 11/8/95 (288) (292)

teacher-training colleges are being trained at private colleges;

- (2) whether he intends to give an instruction that teaching at these colleges be suspended pending the completion of a national audit of teachers-in-training; if not, what are the relevant details; if so, with effect from what date;

- (3) whether it is anticipated that (a) private teacher-training colleges and/or (b) students attending these colleges will suffer any financial loss as a result of this decision; if not, why not; if so, (i) what will be the extent of this loss and (ii) what steps does his Department intend taking to compensate for these losses;

- (4) whether any private teacher-training colleges have been consulted in this regard; if not, why not; if so, (a) which colleges and (b) what was the response in each case;

- (5) whether any other organisations, individuals and/or institutions have been consulted in this regard; if not, why not; if so, (a) which organisations, individuals and/or institutions and (b) what was the response in each case?

The MINISTER OF EDUCATION:

N782E

- (1) (a) No information on the number of students attending private colleges of education is available at present.

(b) Lapses.

- (2) After the Council of Education Ministers' (CEM) meeting held on 29 May 1995, the Minister of Education made a statement that the CEM had decided "that no further private colleges of education would be accepted for registration for the purposes of providing pre-service teacher training". Teaching at registered private colleges of education will not be suspended.

- (3) As teaching at registered private colleges of education will not be suspended no

(a) private teacher-training colleges and/or

(b) students attending these colleges should suffer any financial loss. If there are colleges of education which have not had themselves registered

but which have admitted students, the responsibility will devolve upon such private colleges to make good any losses which might be incurred.

(i) Lapses.

(ii) Lapses.

Records of foreign aid rendered to South Africa

402. Mr A J LEON asked the President of the Republic:

- (1) Whether the Government keeps any records of foreign aid rendered to South Africa; if not, why not; if so, in respect of each of the latest three specified years for which information is available, (a) which countries rendered such aid, (b) what amount in aid was rendered and (c) to whom was such aid rendered;

- (2) whether this aid was rendered for any specific purposes; if so, for which purposes;

- (3) whether any conditions were attached to such aid so rendered; if not, what is the position in this regard; if so, what conditions in each case;

- (4) whether any portions of the amounts so rendered in aid have not been spent; if so, (a) what portions and (b) why, in each case?

(292)

N833E

The PRESIDENT OF THE REPUBLIC:

- (1) No central records are available for foreign aid received by the government or civil society during the last three years. The Cabinet has appointed an interdepartmental committee—the International Development Co-operation Committee (IDCC)—to co-ordinate international Official Development Assistance (ODA).

- (2) This Committee has initiated an Information Management System (IMS) to establish correct information on the flows of ODA. The Central Economic Advisory Service (CEAS) has prepared a detailed questionnaire that is currently being completed by countries providing ODA to South Africa. The Commonwealth Secretariat has also investigated the proposed IMS and will deliver its report on its

feasibility by the end of August. It therefore follows that information on ODA actually rendered will only be fully available by the end of the year.

The IDCC has knowledge of receipt of the following ODA by the government during the last 12 months. It has up to now not kept track of monies provided to civil society. This will only be possible once the IMS is functioning.

Funds that have gone through the RDP fund to date:

(a)	(b)	(c)
Switzerland	R6 647 169,00	Ibayi Presidential Lead Project
Denmark	R1 010 000,00	President's Conference on SMMEs
Denmark	R893 874,00	Dept of Water Affairs
Denmark	R276 000,00	Women's empowerment project
Taiwan	R1 383 911,00	Small farmer development project
European Commission	R17 400 242,46	Various health projects

Other funds to government that have not gone through the RDP fund:

(a)	(b)	(c)
United Kingdom	1 811 500,00 British Pounds	Capacity Building for Provincial Governments to implement the RDP
United States of America	R1 917 699,00	Provincial RDP support

United Nations Development Programme (UNDP)

US\$998 800,00

UNDP

US\$120 000,00

Commonwealth Secretariat

R211 410,00

Japan

R1 808 million

Sweden

R20 000,00

UNDP

US\$100 000,00

electrification of rural clinics and schools
Consultants to RDP (through RDP suspense account)
Beijing Women's Conference Process (through Dept of Welfare account)

- (3) Each country has its own peculiar conditions. Since the above amounts are largely small grants, the only conditions applicable to them are that the spending be reported in the format required by each country. These conditions and reporting formulae differ markedly from country to country. The IDCC is in the process of advising government to appoint a task team of specialists to investigate all the conditions and reporting requirements to establish commonalities and prepare a standard to be applied by all government structures receiving ODA.

- (4) In view of the fact that a central information system as envisaged in the IMS is not yet in place, it is not possible to provide detailed information on ODA not yet spent and why.

Minister of Home Affairs: internal/external flights undertaken

406. Mr J A JORDAAN asked the Minister of Home Affairs:

- (1) (a) How many (i) internal and (ii) external flights were undertaken by (aa) him and (bb) his Deputy Minister during the period 1 July 1994 to 31 March 1995, (b) which of these flights were undertaken on (i) airline and/or (ii) private aeroplanes, (c) which airlines were used, (d) what was the purpose of each flight and (e) what was the cost involved in each case;

- (2) whether (a) he and/or (b) his Deputy Minister were accompanied by any persons on any of these flights; if so, (i) by whom and (ii) what was the cost involved in this regard in each case?

The MINISTER OF HOME AFFAIRS:

N837E

- (1) (a) (i) (aa) 134

nist, socialist regime 10 years to destroy the health care system of Mozambique. Millions of Mozambicans fled their country to seek food and health care from a NP government in South Africa. The ANC communist-dominated regime is going to do the same to South Africa, but in a record time of two years. [Interjections.]

The wheels of our country's health care system are already coming off. Doctors are forced to stop operating. The health system in the Eastern Cape has all but ceased to function. The Thaba Nchu and Boishabelo hospitals in the Free State are on the point of closing down. The HF Verwoerd and Tygerberg academic hospitals are in a shambles. Almost half a billion rands worth of budgeted money will not be spent on primary health care clinics this year, and that is because the ANC Government is incompetent to manage the health care system in our country. [Interjections.]

The school feeding scheme in the Eastern Cape and the Free State has come to a standstill because of unbridled corruption, and the ANC is doing nothing about it. The ANC promised the people of this country houses and health care, but they cannot deliver because of their incompetence. The people know that the NP can do this job; it has a proven record in this regard. The time has come for the NP to take over the Government again. [Interjections.]

Mr M J FILLIS: Madam Speaker, I was not aware of the fact that this was a humorous interpellation. [Laughter.] Obviously, Dr Odendaal's input suggests that it is, I want to say to the hon the Minister that she may well be right about the importance of the provision of primary health care to all South Africans. However, let me say to her, too, that it would be tragic to begin a scaling-down of high-technology health care in South Africa. She probably is right, too, that a balance between high-tech health care and primary health care is absolutely necessary.

However, let me say that what is really required in South Africa is not so much a scaling-down of high-technology health care, but the proper management and utilisation of it in this country. This refers to both the private and the public sectors. In fact, let me say that there must be a complete interaction between these two sectors, the private and the public sector, in the area of health care, in order to make high-technology health care as cost-effective as possible.

We all know that equipment in the area of high-technology health care is expensive. Also, because of the rapid changes that take place in computerised equipment, it has the ability to age very quickly, and to become obsolete as well. Consequently, in a country like South Africa where the health budget is tight, there is a need to ensure that a minimum of equipment is purchased, but that this equipment is utilised to its maximum.

This means that what exists in the private sector must be available to the public sector as well, on a fee-for-service basis if necessary, and of course, vice versa. However, we must avoid the overpurchasing of equipment which will then stand idle, and lead to the need for the overservicing of patients on the part of the owners of the equipment, in an attempt to recover costs—something that has been happening in this country for a long time.

However, I urge the hon the Minister not to cut back on high-tech health services. This will be detrimental to the entire health care programme in South Africa because there is no doubt that health care technology, if utilised appropriately and cost-effectively, will contribute significantly to the success of our health care programmes in this country. [Time expired.]

The MINISTER FOR HEALTH: Madam Speaker, I agree with the hon Mr Ellis that we should retain high-tech health care. However, what I am saying is, there has to be a balance: Primary health care has to be introduced.

If one inherits a system which is exclusively high-tech, and one wants to introduce primary health care, but does not have double the resources in terms of one's budget, it means that one has to reprioritise. That is what common sense will tell one, unless there is an unlimited amount of money given to me to create the primary health care system without interfering with anything else.

I would like to say to the hon Minister Odendaal that ... the hon member Mr Odendaal ... [Laughter] ... that it took him and his NP colleagues 10 years to fund Renamo to destroy the health care system in Mozambique. [Interjections.]

That is what destroyed the health care system in Mozambique. Those people sitting on the other side of the House funded Renamo to destabilise Mozambique. [Interjections.] He must not come

and tell us about socialism having destroyed the health care system in Mozambique.

Furthermore, I would like to say that health care in the Eastern Cape reflects years of neglect of the homelands by the previous government of apartheid. The corruption we see there did not start on 27 April. It started a long time ago. What started on 27 April is the exposure of that corruption. [Applause.]

Ms N E MASANGO: Madam Speaker, I would like to ask the Minister how her department is going to address the corruption in the Eastern Cape. An amount of R133 882 360 has been allocated for the year 1995 and they have already consumed R114 million in only four months' time. As a result, 1,9 million children have been deprived and the quality of food has deteriorated drastically as well.

The NP puts it to the Minister that because of negligence on her part, this noble project was implemented hastily and haphazardly without a clear sense of what was required and how to go about it. If the answer is no, she must please supply South Africa with a remedy for this chaotic situation or give the task to those who can and will find a way to deal with the mess promptly and without further depletion of the RDP Fund.

*Dr W A ODENDAAL: Madam Speaker, this afternoon I witnessed the most bizarre thing I have ever seen in this Parliament. The hon the Minister of Correctional Services said the Minister for Health did not have a health plan in place yet, and that is why he could not supply condoms in prisons. This hon Minister for Health told Mr Niehaus sitting there behind her that such a health plan is on the table. Who is lying to us? [Interjections.] Which one of these two Ministers is telling the truth?

I say the hon the Minister for Health does not only have a policy problem; she also has a managerial problem. She does not know what is going on in her department. It has been clear for a long time that the corruption with regard to the school feeding programme is getting out of hand. What has she done about that? She is going back to the Cabinet to ask for more money to waste. I think the time has come for her to resign. [Time expired.]

The MINISTER FOR HEALTH: Madam Speaker, unfortunately my equipment was not working so I did not hear much of what Dr Odendaal said. Let me say that where we found

corruption we made sure people were arrested and justice took its course.

I want to say to Her Master's Voice ... [Laughter] ... and repeat that what we are seeing at the moment are a lot of problems such as hospitals in the Eastern Cape that are dilapidated and hospitals that have not been maintained properly. We are seeing areas that are not properly resourced by health personnel, but this is what we inherited. [Interjections.]

The SPEAKER: Order!

The MINISTER: Well, in Zulu they say the truth pricks. We can see who is being pricked by the truth right now. [Interjections.] What I would like to say then to Her Master's Voice is that we have committed money, and we are repairing the hospitals. Work has started on repairs to some of the hospitals in the Eastern Cape. We have advertised for doctors to go and work in the Eastern Cape. [Interjections.] Yes, if we do not get South African doctors, we shall get Cuban doctors. [Interjections.] [Applause.] What we are concerned with is the health of the people of South Africa. [Time expired.]

Debate concluded.

Funding for the performing arts

3. Mr M F CASSIM asked the Minister of Arts, Culture, Science and Technology:

Whether any additional funding for the performing arts in particular and all other arts in general is being envisaged; if not, why not; if so, what are the relevant details?

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The MINISTER OF ARTS, CULTURE, SCIENCE AND TECHNOLOGY: Madam Speaker, unfortunately additional funding for the performing arts in particular, and for other arts in general is not going to be forthcoming at this stage. This is an unfortunate situation, since the argument for making additional funds available to the arts during this period of reconstruction is rather a compelling one. For this reason, my Ministry is currently exploring ways of raising additional funding, because we see it as crucial bridging funding in the process of transforming the arts sector.

The process of transforming our cultural dispensation from one that serves the cultural interests of a few to one that meets the needs of all South Africans is one that requires funding. In the past

(292) HMAS 2919 218/95

the Government tended to fund only the larger metropolitan-based cultural institutions. At the heart of the RDP, however, the imperative is to create equality of access in all areas of our country. To achieve this, two vital processes are involved. The existing publicly funded cultural institutions will have to broaden their programmes in order to serve a wider constituency. Ways will have to be found through the RDP to establish a cultural infrastructure in areas which are currently under-resourced. Even if funds and resources are redistributed from existing institutions to the emerging ones, the process of creating equality of access would still require additional funding.

In order to facilitate the development of the full range of South Africa's cultures and heritages without either undermining those that were previously nurtured or continuing to neglect those that were historically marginalised, additional funding is required.

To date, the performing arts have been funded via the performing arts councils. To bring about meaningful transformation in this sector it is necessary to ensure that the performing arts councils serve a wider constituency. However, I would like to point out that the performing arts councils, like many of our cultural institutions, will require funding if they are to transform themselves into institutions that serve wider needs.

This is the message that I would like to convey to this hon House, because we need a partnership between our Ministry and members of this House, particularly members of the Portfolio Committee on Arts, Culture, Science and Technology, to create a public awareness of the need. [Time expired.]

Mr M F CASSIM: Madam Speaker, first of all, I want to thank the Minister for the manner in which he has approached this interpellation. Very often arts are seen as something that is superfluous, and therefore requiring minimal funding. However, when one considers that South Africa at the moment is in a state of transformation, a most exciting transformation, this is the time when arts and performing arts require every opportunity to show the country itself and the world exactly what is happening here.

It is, indeed, very sad that funding is short and scarce. I would like to suggest that some of the State assets should be put into a trust which will

allow for funds to accrue to arts on a perpetual basis. There are in this country many State assets which, I believe, the Minister of Public Works is attempting to put into a State register. If he could utilise some of these State assets, which are not being utilised beneficially for the moment, for the benefit of art and of performing arts in particular, it would help a great deal indeed.

We must also look at equity funding. There are many institutions in this land, and cultural groups, which have a stake in culture and in art. The partnership that the Minister spoke about has to be explored to the fullest extent. It is only on the basis of a partnership between the State and private cultural interest groups that funding will accrue. Otherwise there will always be a shortage of funding.

Coming again to marginalised groups, rural groups, groups in small towns and small communities, these were always left out of consideration when it came to cutting the cake of State funding. It is imperative that this Government reverses 30 or 40 years which have seen important actors from this country leave these shores to take their skills elsewhere. They need to be here at this juncture of our history, to be able to capture for our country the exciting period of change that we are going through.

Of course, State funding in itself will not be enough, so if we could have equity funding ... [Time expired.]

Mr M M Z DYANI: Madam Speaker, the importance of the performing arts cannot be over-emphasised. In history the performing arts have not been utilised for entertainment alone. They have been critically utilised both in religion and medicine by various communities. Our academic gowns and historic rituals of at least the Christian church come from the classical theatre.

We need to invest seriously in the performing arts of our people, but we should also raise and develop the now moribund artistic forms of the rural people of this country. We have had our Bachs, our Mozarts and our Picassos in this land. Let us all contribute to the fashioning out of the new culture, drawing the best elements of all the beautiful cultural manifestations found in this land.

The MINISTER OF ARTS, CULTURE, SCIENCE AND TECHNOLOGY: Mr Speaker, as I have said before, I wish to stress the fact that the performing arts councils, like many of our cul-

tural institutions, will require bridging funding if they are to transform themselves into institutions that serve wider needs.

Without bridging funding, the chance of damaging these national assets in the process of transformation is great. Additional funding is required, both to facilitate the rationalisation of the performing arts councils along sensible and responsible lines and, while this is occurring, to nurture the aspirations of the myriad communities who in the past have had no access to cultural development.

This is the crux of the matter and all the other schemes will be expressed and conveyed in our White Paper, which we are developing out of the Actag recommendations.

We shall be working closely with the select and portfolio committees of both Houses in this process. We do welcome the suggestions made by the hon member Mr Cassim, but this is going to be part of a developmental process.

Dr K RAJOO: Mr Speaker, Mr Minister, colleagues, we understand that the hon the Minister does not have enough money right now. We understand that it will be difficult for him to get additional funding. What we would like to know from him, is where he is going to get the bridging finance from. If he is going to nurture the arts, science and culture divisions, he will obviously have to look to overseas foundations and overseas institutions which have established cultural foundations. I am sure he has visited many of these countries and that many of the people involved in these foundations have promised South Africa funding. Could he perhaps get that funding? We need it now.

We do not only need money for this type of activity. We need a new mentality. The vast structures that exist in this country had basically White involvement. Now we would like to see the Black majority come on board these structures, so that we can expand the mosaic of the South African culture. We do not want a melting-pot syndrome. We do not want to put everything in one pot, ending with a mishmash. We want each of our diverse cultures to add to the beauty of South Africa as a country.

We want to ask the hon the Minister whether he has formed a National Arts Board for the promotion of culture. We request that such a board should network with international foundations, also regarding how best to improve South African

foundations for culture. We ask the Minister also to network with regard to the cultural promotion of music, song and dance, which is fairly well developed, especially in the Indian community.

We understand that the Minister's department has given money to the regions. This money has not yet reached these organisations which are now battling to survive. How best can we nurture them? He should guide the MECs in the regions in this regard.

As far as science and technology are concerned, is the Minister prepared to sponsor a chair at a university specifically for the improvement of the arts, science and culture? [Time expired.]

Mr M F CASSIM: Mr Speaker, the idea of the bridging fund can be adopted. I think the hon the Minister can take the opportunity here today to announce that a trust fund of R0,5 billion is being created by this Government. Indeed, if we look at the fact that South Africa is made up of a mini-Portugal, a mini-Greece, a mini-Italy, a mini-England, a mini-India and a host of other countries, each country could be invited to put money into this pool of R0,5 billion that could be used on a continuous basis. Such money could be given to the performing arts in the form of loans, which would be interest-free, and could be repaid into the kitty.

In Singapore, for example, there are tax credits, which are given to companies that support the arts. If this country were to help emerging artists, onto their feet through some system of tax credit, these artists, once on their own two feet, would be in a position to take care of themselves.

The DEPUTY SPEAKER: Order! The hon member has to get off his feet now. His time has expired. [Laughter.]

The MINISTER OF ARTS, CULTURE, SCIENCE AND TECHNOLOGY: Mr Speaker, as I have said, we accept all the suggestions that have been made, but the Department of Public Expenditure, the Department of Finance and the Reserve Bank will have to be involved in formulating proposals before we can finalise the issue of incentives. This is not something that we as a department can finalise on our own. These things are covered in the White Paper process.

However, we must look at the RDP as the underpinning of expansion in the funding of culture. All donor moneys go through the RDP process, and are processed and assessed there.

- (1) Whether companies have to comply with any financial requirements in order to be registered as an airline; if not, why not; if so, what are these requirements;
- (2) whether he will make a statement on the matter?

N1064E

The MINISTER OF TRANSPORT:

- (1) A licence to operate an air service is only granted by the Air Service Licensing Council once the applicant has satisfied the said council that it would be able to operate such service in a safe and reliable manner.

Applicants are, therefore, required in terms of the Air Services Licensing Act, 1990 (Act No 115 of 1990) to submit detailed information regarding their financial capability in rendering the proposed air service. The following are required:

- (1.1) Audited accounts of the most recently completed financial year.
- (1.2) Projections of the income statement, cash flow and balance sheet and the assumptions on which the projections are based.

Requirements in respect of income statements:

- Proposed tariffs, forecast revenue, forecast yields, passenger numbers and cargo volumes and flying hours.

Requirements in respect of cash flow statements:

- Revenue, trading costs, fixed asset expenditure, debtor, creditor and stock assumptions; finance raised and repaid; financing costs and taxation.

Requirements in respect of balance sheets:

- Sources of finance—equity; short, medium and long term loans; securities for finance and encumbered assets.
- Shares—shareholders, nationality of shareholders, types of shares and number and value of issued shares.

Northern Cape, where more than one province is involved, the consultation process is more complicated.

However, South Africa simply cannot afford to have the more expensive genres (like opera and ballet companies and a symphony orchestra), duplicated nine times. Therefore a national capability, planned and funded by the central government is being considered and investigated. Naturally, the establishment of such a national capability will influence the continued existence of the councils in their present form.

- (2) At a meeting of the Council of Culture Ministers on 26 January 1995 it was agreed that the Performing Arts Councils should be reconstructed by agreement between the Premiers. Following a meeting between the Council of Culture Ministers and the Chairpersons and Chief Executives of the Performing Arts Councils on 10 April, it was agreed as the first step towards reconstruction, that the Boards of the Performing Arts Councils will be reconstituted as soon as possible. In order to carry out this decision, the Department has placed advertisements in the media to call for nominations.

- (a) In order to make the Boards of the Councils representative of the whole community, the Articles of Association were changed so that the members may be appointed by me in consultation with the relevant MEC of a province. In the case of CAPAB the Board members will be appointed by me in consultation with the MECs for Western Cape, Northern Cape and Eastern Cape. In the case of PACT the new Board members will be appointed by me in consultation with the MECs for Gauteng, Eastern Transvaal and Northern Province. Independent selection panels will be set up within the provinces to select suitable board members from the nominations received.

- (b) I assume the Performing Arts Councils will always be dependent on state funding. The budget for the Performing Arts Councils will remain at central level until such time as it can

be taken over by the relevant provinces.

In conclusion I want to stress the fact that the PACs, like many of our cultural institutions, will require bridging funding if they are to transform themselves into institutions that serve wider needs. Without bridging funding, the chance of damaging these national assets in the process of transformation is great. Additional funding is required both to facilitate the rationalisation of the PACs along sensible and responsible lines and, while this is occurring, to nurture the aspirations of the myriad communities who have had no access to cultural development in the past.

*21. Mr D M BAKKER—Justice:† [Withdrawn.]

Buildings: State property

*22. Mr A G MOHAMED asked the Minister of Public Works:†

- (1) Whether he has an inventory of all the buildings in the Republic that are State property; if so, (a) how many such buildings belong to the State and (b) what is the total valuation of these buildings; if not, why not;

- (2) whether he or his Department is contemplating any steps to obtain the necessary information; if not, why not; if so, what steps?

N1067E

The MINISTER OF PUBLIC WORKS:

- (1) The Department of Public Works is responsible for properties which are used by National Government Departments. An inventory exist which include

- All properties held for domestic use of the National Government
- State Land held by the former Provincial Governments
- Ex South African Development Trust properties
- Model C schools
- Properties used by the State which are situated within the areas of former Black local authorities

Group urges major shake-up for Capab

ART 24/8/95

(292)

Staff Reporter

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

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

Westag was formed by Mrs Olckers a year ago.

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

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

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

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

The report also recommends that Jazzart, which began as an independent

dance company, should also continue being funded for a three-year transitional period.

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

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

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

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

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

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

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

"The balance of the staff should be re-trenched."

SHAKE-UP FOR ARTS, CULTURE

Panel calls for end to bureaucratic Capab

CT 25/8/95

(292)

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

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

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

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

These recommendations are included in the vast, long-awaited

report prepared by Westag for Mrs Martha Olickers, the Western Cape Minister of Education and Cultural Affairs, and released to the media yesterday.

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

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

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

their long-term goal.

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

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

Orchestra

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

However, during the transitional period there will be money in the opera and ballet budgets to pay for an orchestra, but the suggestion is that the CPO will privatise."

Capab ordered to halt staff appointments

25/30/8/95

(292)

BARRY STREEK
POLITICAL STAFF

THE Cape Performing Arts Board (Capab) and the four other performing arts councils have been ordered not to hire new staff or negotiate retrenchment or retirement packages for existing staff. The councils will, however, be paid the second instalment of their

subsidies immediately.

This was disclosed in a statement yesterday by Minister of Arts, Culture, Science and Technology Dr Ben Ngubane and the provincial ministers responsible for arts and culture.

They said after a meeting in the city that until the new boards of the performing arts councils were in place, a moratorium would be

placed on all new appointments of staff excluding ad hoc staff for specific scheduled productions, all new retrenchment packages, and all retirement packages.

"With members of new boards in the process of being appointed, the rationale is that each new board should have the prerogative to make new appointments, negotiate retrenchment and retirement

packages if necessary, and decide on future artistic programmes."

The "council of culture ministers" also agreed to release the second instalment of the performing arts councils funding immediately.

This followed a decision in April that their funding was to be paid out in two instalments.

The future of the councils has not yet been resolved, although

the national Arts and Culture Task Group (Actag) and the Western Cape Arts and Culture Task Group (Westag) called for the councils to be disbanded in their current form and the subsidies they have been granted to be re-allocated.

Apart from Capab, performing arts councils that served the old provinces and the Bophuthatwana homeland still exist.

Provinces may get gambling started to bring revenue rolling

Amanda Vermeulen

LOTTERIES and gambling legislation is unlikely to be passed during the current parliamentary sitting, but provinces may be allowed to proceed with their own legislation in order to get gambling revenue flowing into provincial coffers.

General Services Minister Chris Fismser said at the weekend the large amount of legislation due to be passed by Parliament before the closing of the current sitting this month could result in the lotteries and gambling Bills being held over until the

next scheduled session in January or to a possible special session in November.

Fismser said he had urged the state law advisers to expedite drafting of the proposed legislation, and Trade and Industry Minister Trevor Manuel had indicated that the gaming legislation was being viewed as a top priority.

Provinces were anxious to set gambling activities in motion to start drawing revenue to finance reconstruction projects and tourism development, Fismser said.

Although the pressure is on to push the legislation through, government still has to

accept the Lotteries and Gambling Board supplementary report on the number of licences to be allocated in each province.

The board's recommendations have drawn strong criticism, particularly over the 13 licences allocated to Gauteng.

The Bills, which still have to be drawn up, will, among other things, determine the number of licences in each province and the level of gaming tax. Both these issues have generated controversy.

Fismser hoped draft legislation would soon be available, and although it might not be passed until next year, the provinces

would be able to use it as a guideline for their regional legislation.

If, however, provincial legislation was not in line with the proposed national law, the matter could end up in the Constitutional Court, Fismser said. This would create further delays, frustrating potential industry players and the provinces.

Fismser said he hoped such a situation could be avoided.

Industry sources warned at the weekend that discord among the provinces over the allocation of licences could result in a tug-of-war developing.

Kessel Feinstein Consulting CE Delano Caras warned that no developer would be prepared to commit any investment until all the legislation — provincial and national — had been passed.

Caras said the time lapse between tendering for and being granted a licence could be as much as seven months. Although provinces and the industry were anxious to get the ball rolling, by the time regional gaming boards were in place and it had been decided where resorts would be situated, it could be a year before developments were started.

Pact chief one of many quitting due to fears of financial shambles

The Argus Correspondent

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Hugh Masekela, recently appointed as Assistant Chief Executive Officer, spent last week overseas and was unavailable for comment.

Pact assured of funding until end of March — minister (292)

CT 5/9/95

PRETORIA: The financial difficulties of the Performing Arts Council of Transvaal will be resolved, the Minister of Arts, Culture, Science and Technology, Dr Ben Ngubane, said yesterday.

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

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

The meeting came after the resignations on Friday of Pact chief executive Mr Louis Bezuidenhout and board chairman Mr Mike

Cooke in response to a government decision that staff changes before restructured councils were appointed at the end of September.

This meant Pact could not reduce staff to free funds.

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

"I was baffled. The (transformation) was going so well," Dr Ngubane said.

Former Pact chief executive Mr Echard van der Hoven has been re-appointed until a new board of directors is in place. — Sapa

He's just bowled over by life now

□ *Jason's got what it takes — a brave new heart*

ALAN SIMMONDS

IF someone tells Justin Johnson of Kraaifontein "you have the heart to play sport" he'll understand more than most.

Two years ago the 18-year-old Durbanville Technical College student, a listless, despairing young man, was given a new lease on life with a total heart transplant at Groote Schuur . . . today he's the Kraaifontein Sports Star of the Year!

He was selected ahead of a rugby player and a cricket/karate nominee.

"I couldn't take part in sport in my early teens. I tired too easily. A faulty tricuspid valve, diagnosed when I was two, was the problem and an open heart operation in 1991 was unsuccessful."

His sister Felicity, 17, in

Standard 9, is not sports-oriented.

But the boy who played chess for his school found an outdoor activity in which he could not only share but shine . . . bowls.

In only his first season Justin was chosen for the Western Province Under-21 side and played in tournaments with distinction in Gauteng and Oudtshoorn.

He also reached the semi-finals of his club singles.

Justin, who is studying travel and tourism after completing matric through correspondence, hopes to go into the lucrative tourist industry when he completes his studies this year.

He's also changed bowling clubs, leaving Kraaifontein for the more competitive Durbanville club which is packed with

national and provincial players.

292
MAG 8/9/95

"Kraaifontein Bowling Club and its members were good to me. Ivan Giles, who spent so much time coaching me, was terrific. I enjoyed my short time there, but they and I realised I must look for a more strenuous and competitive environment on the green", Justin said.

He was introduced to the game through his association with the Transplant Games Association of South Africa (TGASA) and was selected to travel to Manchester, England, this year.

"I couldn't go because of studies. But hope to make the next of the bi-annual games in Australia in 1997."

Now fund-raising is in full cry with pharmaceutical company Sandoz, manufacturers of Justin's essential anti-rejection

drug Ciclosporin also donating generously.

"I hope to make the team and if I do I shall be prepared for the trip," said Justin with a grin.

Proud father Garth, a talented badminton player and road-runner, was delighted.

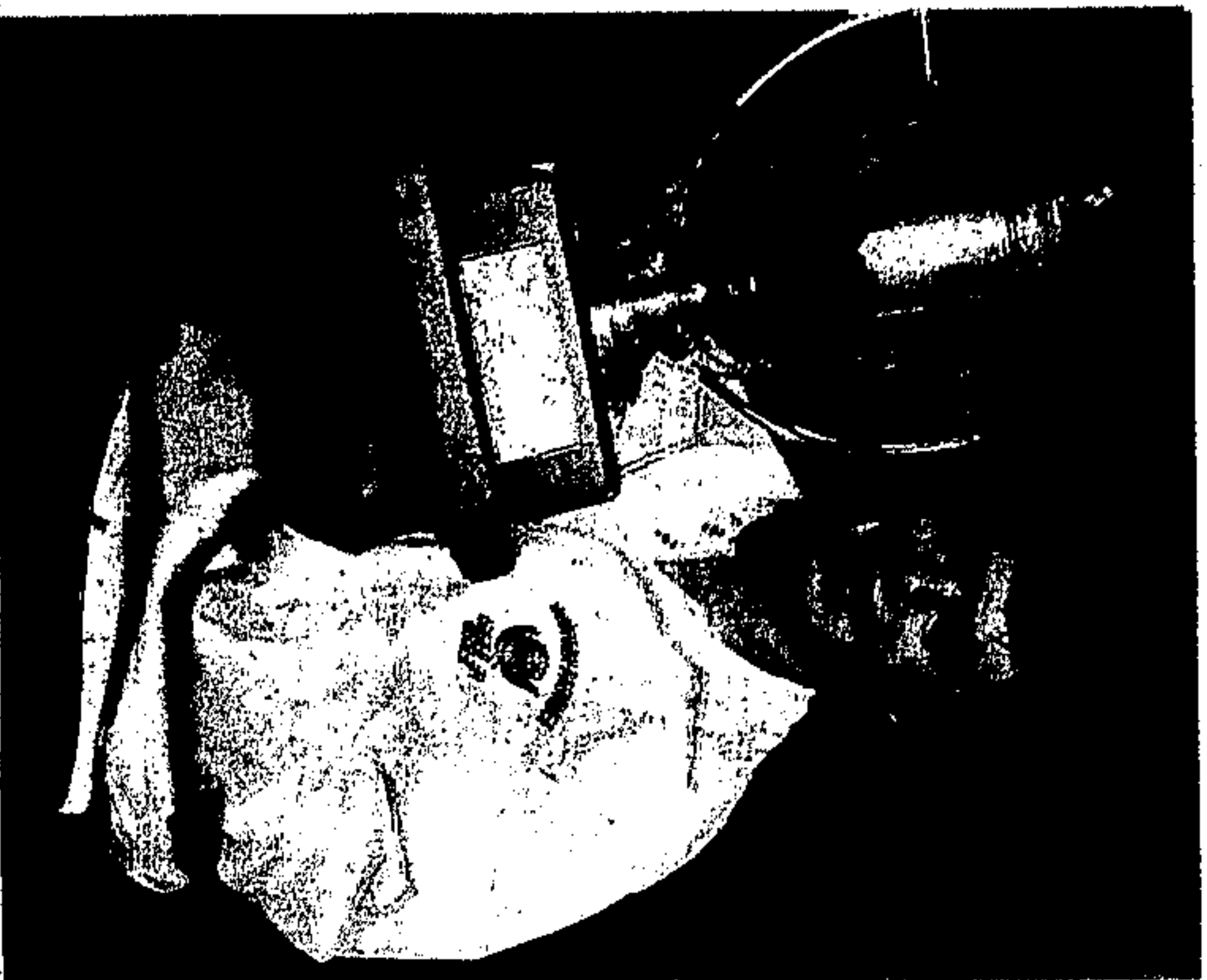
"If you could have seen the lad a few years ago and compare it with what we have to today it's a miracle. He eats like a horse"

Mother Biddy describes the change as "day and night."

Now Justin returns to hospital every three months for routine check-up on his new heart, a gift from an unknown 28-year-old.

And the future?

Success at work, progress at bowls and good health . . . a heart-warming new chapter in the lives of the Johnsons of Kraaifontein.



Picture: JACK LESTRADE
ACE OF HEARTS: Justin Johnson, 18, with his Kraaifontein Sportsman of the Year trophy.

Casinos become a regional issue

WILLEM STEENKAMP

Staff Reporter

THE Western Cape government and other provinces have received the go-ahead to finalise gambling laws in spite of the fact that national gaming legislation may not be passed by parliament this year.

Western Cape Premier Hennis Kriel said provincial gambling laws would not be held up as there had been ongoing talks between central and provincial governments and there was no major difference on their proposed gambling laws.

This may now open the door to provinces to move ahead in appointing independent gambling boards to approve applications for casino licences in their regions.

A spokesman in the office of general services minister, Chris Fismser — under whose responsibility the central lotteries and gambling legislation falls — said there was nothing to stop provinces from moving ahead with their own regional legislation to issue casino licences.

■ Provinces can go ahead with their gambling laws even though the National Gambling Bill has been held up by parliamentary chaos

Concerns had been expressed that the administrative crisis in parliament which left the country's top legislative body with a backlog of about 44 bills in the current sitting, could delay the establishment of casinos in provinces around the country.

But the spokesman for the general services ministry said Mr Fismser was in regular contact with the different provinces and they had a good understanding of what would be contained in the national legislation.

The Western Cape published draft legislation on gambling and the spokesman said nothing prevented this and other provinces from finalising their legislation and appointing independent gambling boards to consider casino applications.

"The provinces are aware of the content of the national legislation. By the time they have adapted their draft legislation and ap-

pointed their gambling boards, national legislation should in any case have been passed," said the spokesman.

He said early indications were that about 40 casino licences would be divided among the different provinces.

"This means that gambling boards can start considering licences applications and issue these licences once they are sure how many casinos they will be allowed to have in their particular province."

A spokesman for the Western Cape Regional Government confirmed that nothing prevented the province from moving ahead with final gambling legislation in spite of the fact that national legislation had not been passed.

"Our legal people are in fact at this moment reading through and checking the final legislation which will serve before the Western Cape legislature early next year.

Stiff penalties in new Gambling Bill

Own Correspondent

ILLEGAL casino operators will face a 10-year prison sentence without the option of a fine and lesser offenders will pay a R2 million penalty, according to Gauteng's new Gambling and Betting Bill.

Introducing the bill before national policy on gambling has been formulated, finance and economic affairs MEC Jabu Moleketi said licences would be limited.

He said the bill would eradicate about 12 000 illegal casinos and 40 000 illegal gambling ventures and enforce a highly-regulated and controlled gambling environment.

Although the national Lotteries and Gambling Board suggested 13 large casinos, Gauteng will limit the number of licences to about five in order to encourage large gambling consortiums with significant black partnerships.

Hearings for licence applications will be heard by the Gauteng gambling and betting board this year.

All gambling and betting employees will be registered.

"We have not enabled telecard gambling or interactive gambling. We believe these activities would lead to the uncontrolled proliferation of gambling, especially amongst under-age persons. Strict restrictions have been imposed on how and where gambling can be advertised," said Mr Moleketi.

He said dog-racing would still be more "exhaustively investigated" by the new board before being allowed.

Auditing firms have said 1½ times more than original estimates of R1,5 billion will be spent on gambling activities in Gauteng.

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By CHARLOTTE BAUER

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

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

It took a stunned Mr van der Hoven, the man who had co-founded Pact and reigned supreme for 20 years from 1963 to 1983 as its CEO, an hour to make up his mind. After cancelling the veterans' golf game he had lined up for the next day, he hurried over to the State Theatre to find Mr Bezuidenhout clearing out his desk.

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

As Mr van der Hoven prepared himself for the hastily convened press conference, the irony could not have escaped him that the ministry had turned to the man who had skippered Pact through the Dark Ages of its unassailable whiteness to preside over the death and reincarnation of the country's most controversial cultural monolith.

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

By the time Actag, the government-appointed task group, had taken this thought several steps further in its White Paper recommendations last month, the beleaguered Mr Bezuidenhout had had enough. He resigned, but was quickly persuaded to stay on by the affable Dr Ngubane, whose talent for smoothing things over is matched only by fears that his vague promises to all and sundry cannot be kept.

Dr Ngubane has long been perceived to be coddling the performing arts councils through the hand-over period, assuring them they are "national assets" that should be protected, preserved and promoted in the new dispensation; and vowing not to let the "situation at Pact degenerate".

When Mr Bezuidenhout resigned for the second time on Monday, Dr Ngubane was non-

ST 10/9/95

BRINGING DOWN THE CURTAIN ON THE ARTS COUNCILS

plussed. "I was baffled," he said. "I thought the (transformation) process was going so well."

But in the view of Pact's old guard, things couldn't have been going more badly: the most expensive and most profitable of all the arts councils had not only had its annual subsidy cut by 15 percent along with everyone else, but a further R4-million was rerouted to line the empty coffers of Kwazulu Natal's Playhouse Company. By July, Pact's subsidy had dwindled to R38-million, of which just R19-million had been forthcoming. Pact, as board chairman Mike Cook reminded the minister, cost R4.3-million a month to run.

The issue was no longer ideology-bound as it had been in the early days of high art's pre-election paranoia. Even the arts councils knew it wasn't a simple case of *Giselle* vs *Gumboot*, but a

question of money — who had it, who didn't and who would get how much of it in the end.

Seemingly cosy relations between the ministry and Pact weren't so tight after all: between March and September this year Mr Bezuidenhout and Mr Cook sent Dr Ngubane's office 16 letters asking for clarification on pressing financial and administrative points. None of them were answered.

Pact's surprise appointment of legendary trumpeter Hugh Masekela as deputy CEO a few weeks ago was perceived by sceptics to be a last-ditch attempt on Pact's part to give the battered monolith political credibility and save it from the unbundling that appears imminent.

This time, when Mr Bezuidenhout walked out, he pulled no punches. "I have warned the min-

ister that Pact is in a deficit (and) the longer they wait to solve the problem the (bigger) the task will be." There was, he said bluntly, no money to pay staff.

Mr Cook walked out with him, although he was careful to call it "retirement". Board member Sam Maritz followed. Five Pact department heads quit, although, true to form, Dr Ngubane has persuaded three of them to return.

When Mr van der Hoven at last sat down to catch his breath on Monday in the office he vacated 12 years ago, it was only to be greeted with the news that Mr Bezuidenhout's secretary had also resigned. He begged her to stay until the end of this week — she did.

It is a crisis that should never have happened because in a month, in keeping with the arts ministry's transformation timetable, the old Pact board will be dissolved anyway. By mid-October a brand-new board will choose a brand-new CEO, although what happens to the arts councils after this is anyone's guess.

Mr van der Hoven's "crisis management" job will last just one month, during which he will "keep the thing flowing and co-ordinate the business". He has taken it on condition he personally has nothing to do with the unbundling of Pact's various artistic departments, a distinct probability he disapproves of as a "waste of money and energy".

Right now, though, the man who was rather enjoying his retirement — playing golf, taking his grandchildren on holidays and keeping up a 50-year acting career with roles in Afrikaans TV dramas and soaps like *Egoli* — is back in the hot seat.

He confesses he doesn't yet know what he's going to be paid — he hasn't had time to ask. Yesterday he met Masekela for the first time and pronounced him "a very friendly person and a great artist". The rest of the week's diary is crammed with "meetings, meetings, meetings". It's not how things were done in his day, but then, as he notes with a chuckle: "Everybody has a say nowadays you know."

Last Monday, he agreed, was a bad day at Pact, but by Wednesday he was feeling positively chipper.

The smooth surface of his retirement has certainly been ruffled — he's cancelled the braai he was going to give for a few friends today to wet his new Weber. But on Wednesday night he and his wife went to the theatre, just as they have been doing four nights a week for 20 years, to see Amanda Strydom's award-winning cabaret show at the State Theatre. The future of the arts councils is one thing, but the art itself, well, that's quite another.

Former Pact boss takes over the hot seat for a month



Gambling Act to be tested in court

ET 12/9/95

(292)

DAN SIMON

THREE businessmen and a businesswoman were yesterday granted permission by the Cape Supreme Court to challenge the legality of a section of the Gambling Act in the Constitutional Court following their arrest last year on charges of operating a casino.

Mr Justice Deon van Zyl granted

Mr Gary Scagell, Mr Christopher Minard, Mr Christopher Simon and Ms Candice Mitchell permission to challenge the constitutionality of section 6 of the Gambling Act.

The four were facing charges of contravening the act in the Magistrate's Court in May following their arrest last December when police raided Highstead Manor in Sea Point and confiscated gambling

equipment worth over R500 000.

The case was referred to the Supreme Court after the accuseds' legal representative Mr Ian Levitt argued that section 6 of the act was in contradiction of the constitution, which proclaimed one innocent until proven guilty.

After a successful Supreme Court bid, the four will take their challenge to the Constitutional Court.

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BUSINESS



Ster-Moribo's Moss Mashishi.

Ster-Moribo in R1,6-m deal

By Isaac Moledl

STER-MORIBO, a joint venture between Thebe Investment and Ster-Kinekor, has bought the controlling stake in Maxi Movies in a R1,6-million deal.

The deal has resulted in the formation of a new company called Maxi Movies and Franchising that will be owned 60 percent by Ster-Moribo.

The transaction also means that all the businesses owned by Maxi Movies will be transferred to the new company.

Ster-Moribo, a joint venture between Thebe Investment's Moribo Investment and Ster-Kinekor, was formed in 1994 and it is owned 50-50 by the two companies.

Maxi Movies is a low-cost cinema concept which was launched to pro-

vide emerging entrepreneurs with the opportunity to own a stake in the entertainment industry. Maxi company will own 40 percent of the new company.

Ster Moribo chairman Moss Mashishi says Ster-Moribo will now use systems set up by Maxi Movies in the townships.

In terms of the deal, Maxi Movies will have access to Ster-Moribo's

(292) Source: 14/9/95

management expertise. Ster-Kinekor, which has been behind the formation of the new company, says the aim of the partnership is to utilise the Maxi Movies concept of cinema development, particularly in areas previously under-served by the entertainment industry.

Maxi Movies is presently operating five cinema franchises in various parts of the country. Four other franchises are still under construction.

The company is planning to set up at least 100 new cinemas in the next few years.

Maxi Movie managing director Sven Nothard says the formation of the new company means a strong relationship between the new company and Ster-Moribo and its partners within Ster-Kinekor.

"The new relationship with Ster-Moribo and partners means that we are able to provide our franchisees with a better support system," says former Nu Metro Theatres MD

Ster-Kinekor focused on rural audiences

Star 22/9/95

(292)

■ BY JOHN SPIRA

Interleisure's Ster-Kinekor is involved in negotiations which, if successful, will lead to a franchise-based empowerment structure, enabling entrepreneurs to open their own cinemas in townships and rural areas.

Mike Egan, the managing director, said the process would be facilitated by Ster-Moribo, Ster-Kinekor's joint venture with Thebe Investment, and backed by funding from a certain reputable financial institution.

Few companies can claim to have as transparently flouted

the apartheid laws as Interleisure.

"Some 10 years ago, Ster-Kinekor, frustrated by the process of attempting to remove racial legislation which banned 'non-white' attendance at its cinemas, took a stand and opened up to all races."

Reactionary thinking in some municipal areas presented Ster-Kinekor with the ultimatum to comply with the legislation or face prosecution. "We closed the cinemas — at substantial financial loss."

Further, said Egan, the group's film distribution company refused to supply independent cinemas that did not follow Ster-Kinekor's lead.

"Our principle remained undaunted and the public outcry that followed forced legislation to follow practice."

Egan characterised the group's Ster-Moribo joint venture as an example of Interleisure's commitment to building the nation.

"At face value it is a joint business venture to own and operate cinemas in previously under-served communities. The provision of entertainment to these communities in itself provides some upliftment to these areas. But the objectives less visible to the public are no less important to Interleisure."

In terms of Ster-Moribo's

founding contract, Interleisure had undertaken:

■ To transfer both industry-specific as well as general management skills to the people of Ster-Moribo;

■ To make Ster-Moribo self-sufficient and independent within two to three years;

■ To provide specific levels of financial security to the venture during the transition period;

■ To empower employment and ownership through the company's activities and;

■ To consult with and seek the co-operation and consent of community organisations and leaders in the areas of Ster-Moribo's activities.

Ster-Kinekor focuses on rural audiences

By JOHN SPIRA

GAUTENG BUSINESS EDITOR

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(292) CT(BR) 22/9/95

W Cape to get five casinos

BARRY STREEK
POLITICAL STAFF

ET 27/9/95 (292)

THE government yesterday released its long-awaited draft legislation on gambling, proposing 40 casinos nationally — with five in the Western Cape — and a clause to break up Sun International's monopoly in the industry.

The Gambling Bill, released by the Minister of General Services, Mr Chris Fisser, proposes 16 casino licences for any one company or person and a maximum of two per company in any of South Africa's nine provinces.

The bill also proposes that the law be changed to make gambling debts enforceable in court.

It does not lay down where the casinos in the Western Cape will be, leaving this decision to the provincial parliament or the provincial gambling board.

But there is growing speculation that two of the casinos will be licensed in the Greater Cape Town area, and the other licences will be distributed in other parts of the province.

This would boost the claims of Club Mykonos on the Western Coast, the Caledon/Hermanus area, possibly at the Overberger complex, and the George/Knysna/Plettenberg Bay area.

Mr Fisser said the bill's proposals differed from those of the Lotteries and Gambling Board, headed by Professor Nic Wiehahn, in that smaller provinces were given a proportionally bigger share to assist development there and have "a more balanced accommodation of existing legal investments".

Anti-monopoly

As a result, Northern Province has been allocated three licences, Mpumalanga four, Northern Cape three, North-West five, Free State four, kwaZulu/Natal five, Eastern Cape five and Gauteng six.

Although other gambling operators will welcome the diversification proposals, the clause restricting monopolies will affect Sun International, which already has 17 casino licences, all in the old "independent" homelands.

Mr Fisser said the bill contained "anti-monopoly provisions".

Sun International's managing director, Mr Peter Bacon, said his group would study the bill and consult legal advisers before commenting.

"If there is anything highly prejudicial to Sun International or any other stakeholder in the industry, we will, of course, fight it very strongly," he said.

He also said the existing gambling turnover in licensed casinos was between R1,5 billion and R2bn a year.

Mr Fisser said operators with more licences than provided for — effectively Sun International — would have two years to decrease their licences to the permitted number.

He also said the bill, which provided a "national framework" for the gambling industry, would be released for public comment and consultation with industry stakeholders and would be debated in Parliament next year.

He invited submissions to Private Bag X998 in Pretoria by October 31.

Smaller provinces to benefit

Licensing blow for Sun International

Amanda Vermeulen

SUN International will have to lose 10 gambling operations in the Northwest and Eastern Cape — breaking its monopoly over the gaming industry — to meet the requirements outlined in the proposed Gambling Bill released yesterday by General Services Minister Chris Fisser.

The Bill, which will be debated only during the next sitting of Parliament in January, has stipulated that no single company or person can have more than two licences per province, or more than 16 nationally.

Sun International, which has seven operations each in the Northwest and Eastern Cape, would have to scale down to two operations in each province to meet the requirements.

The Bill also contains a restructuring of the licence allocation to each province. Gauteng, which was originally allocated 13 licences in the Lotteries and Gambling Board supplementary report published in July, has been awarded six licences in terms of the proposed new legislation.

KwaZulu-Natal and the Western Cape, which were originally recommended for six licences each, would receive only five each under the proposed Bill. Northwest's licences would be boosted from two to five, and the Eastern Cape from three to five.

Mpumalanga's licences have increased from three to four as have those in the Free State. The Northern Province and Northern Cape have both gained an extra licence to bring the recommended number to three each.

Fisser said the restructuring of the number of licences was based on the need to give the smaller provinces a proportionally bigger share to assist them in their development objectives and to create a more balanced accommodation of existing Sun International investments. Sun International MD Peter Bacon said he needed more time to discuss the implications of the proposed Bill with the group's partners, but the group was not happy with certain aspects of the draft legislation.

He realised the group had to be practical about its role in the future gaming dispensation but the Bill had problematic areas which would be discussed when the debate was opened for public comment.

The Bill stipulates that organisations which had licences issued before April 27 last year would be granted two years from the time the Bill was passed and adopted as an Act to decrease the number of licences to within the maximum number allowed.

It also stipulated that government "and any of its organs" would have to

Continued on Page 2

Licences

Continued from Page 1

dispose of their financial interests in companies holding gambling licences. This applies to Sun International in which government, through development bodies, has a stake as a result of reincorporating the former TBVC countries which harboured Sun International operations.

Gambling consultant Richard Irvine from Price Waterhouse said Fisser's guideline was more pragmatic and realistic, and had taken cognisance of Sun International's investments over the years.

Global Resorts CE Ernie Joubert said the proposed legislation was fair to Sun International as well as to new developers and operators planning to enter the industry.

Sapa reports the Gauteng legislature passed the Gambling and Betting Bill during a special sitting yesterday.

Gauteng premier Tokyo Sexwale will have to sign the Bill before it becomes law.

Maxi Movies in mini-cinemas

WM(BM)29/9/95 (292)

An innovative idea for small cinemas will bring the movies to the townships, writes **Neil Bierbaum**

STER-MORIBO'S purchase this month of a 60-percent share in the Maxi Movies franchise operation has provided it with the growth it has been seeking among black audiences.

Maxi Movies has a new concept for cinemas: a SuperVHS video system, which projects a high-definition video image onto a 5mx4m screen. This makes the establishment of cinemas more affordable and more accessible to people living in the townships.

The franchise operation was established in 1994 by Sven Nothard, who had founded the Nu Metro cinema chain nine years earlier. And it might just be the answer to Ster-Moribo's dreams.

Ster-Moribo, a joint venture between Interleisure subsidiary Ster-Kinekor and Thebe subsidiary Moribo Investments, was formed in an "attempt to develop cinema complexes in urban areas previously under-served by the entertainment industry".

It ended up with a few run-down cinemas in the Johannesburg CBD, which has experienced a mass exodus of whites and an influx of blacks over the past five years. The cinemas showed mainly karate and action movies at reduced rates.

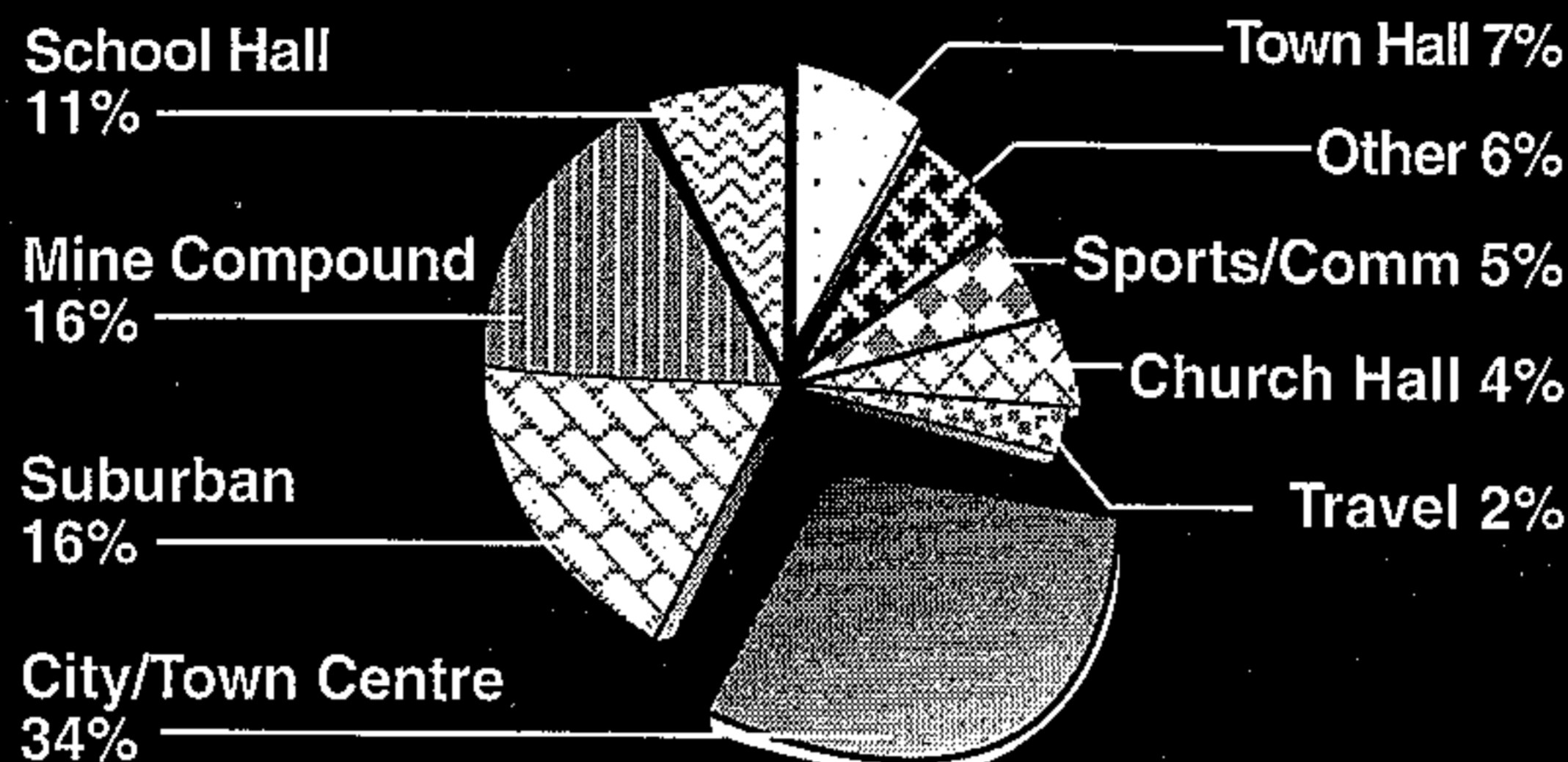
The high cost of establishing new cinemas restricted the group. The fact that black people had for so long been excluded from cinemas by apartheid laws meant there was no historical experience on which to base the viability of cinemas in the townships. New shopping centres were going up, but cinemas required special high-ceilinged structures and projection rooms which could hold the huge 35mm projectors. The risk was high.

Then came Maxi Movies. The video projector is much cheaper and smaller than a 35mm projector, saving shopping-centre designers from having to make special provision for cinemas. The Maxi Movies unit can be converted back to a normal shop if the cinema is not successful.

But unsuccessful cinemas are the last thing on Nothard's mind right now. He has already secured several franchisees and expects to have 100 within five years. He has aligned himself with more than 54 planned shopping centres.

Nothard's approach has also introduced a new aspect to franchising in

Past attendance by type of cinema



Ministering to film lovers

Itumeleng oa Mahabane

MEMBERS of the small community of Kagiso will no longer have to taxi-hop if they want some entertainment. They have just had Hollywood delivered to their doorstep, courtesy of Amos Zwane, and the Right Reverend Joseph Mabuela.

Zwane (48) and Mabuela (42) are the owners of a Maxi Movies franchise, in Kagiso Mall, some 10km from Roodepoort. They offer three shows a day. Aside from the small size, it is not too different from any Ster-Kinekor or Nu Metro you might visit. There is a ticket office where you can also buy popcorn and where Coca-Cola products are, as usual, the only drinks available.

Mabuela and Zwane came across Maxi Movies' Sven Nothard and his concept at a Kagiso Arts and Culture Council meeting. The idea sounded appealing — and appropriate for the ever increasing community of Kagiso.

South Africa. Most franchises have traditionally required that the franchisee put up all the money. But a Maxi Movies franchisee is only required to put in R45 000 of the R350 000 cost. This can be raised by up to three people who would then operate as a consortium. Nothard presents a business plan to a financial institution and secures a loan for the difference.

Maxi Movies' main backers to date are Nedenterprise, the Small Business Development Corporation and the KwaZulu Finance Corporation.

The franchisee becomes part of a national cinema chain, with all the benefits of the latest releases and combined marketing, as well as

Mabuela moved to Kagiso to take over Frank Chikane's parish. Since then he has taken on a number of other hats — chairperson of this board, secretary of that forum, marriage councillor, co-ordinator of the Kagiso Arts and Culture Council. He is also a script writer and has just submitted a script for the M-Net New Directions competition.

Zwane was born in Sophiatown. He moved to Kagiso in late 1982 and became involved in church activities. He believes movies help prevent delinquency by entertaining the youth.

Mabuela and Zwane get suggestions, and then they try to give the people what they want. Their most successful screening so far was *Bad Boys*, which they showed after a request from the teenagers in the community.

Zwane also wants to see the community using the facility for fundraising, especially by schools and the church. He says if schools organise trips to the movies for kids, they will

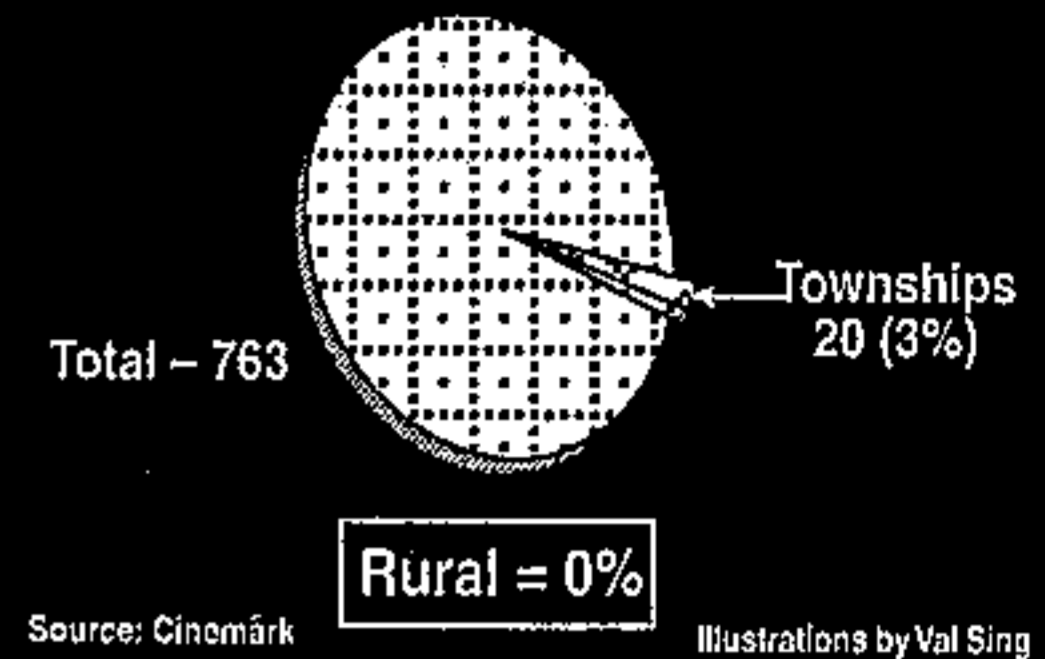
access to credit, markets and skills.

Major features will become available to Maxi Movies franchisees three months after the normal cinema circuit release — the usual time for video release.

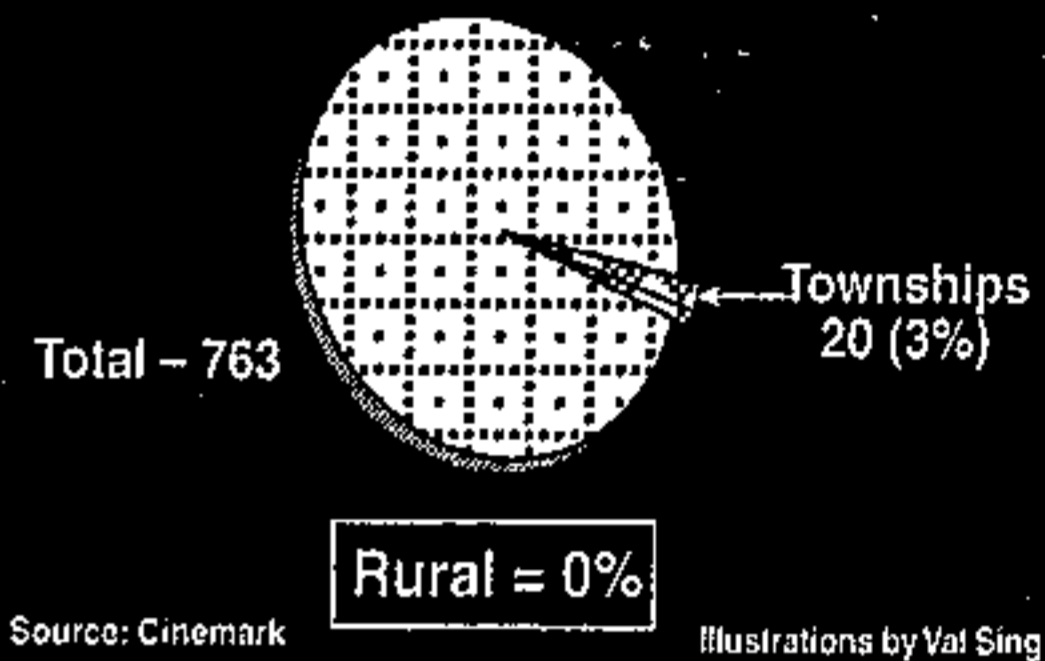
It is envisaged that the target audience will not have been able to see the movie on the general circuit release — ticket prices are too high and the Maxi Movie cinemas will deliberately be situated in areas where residents have difficulty reaching "first run" cinemas.

But the delay also means that the franchisee can acquire the movies at much cheaper rates than normal cinemas. This cost saving can be passed on to the public as well as to

Total cinemas in SA



Total cinemas in SA



give the school back R4 of the R7 admission fee!

The reluctance of the church to use mainstream entertainment to raise funds is something else they want to tackle. Both laugh and say the audience is always made up of church-goers anyway. A minister, says Mabuela, will load his family into a car and drive off to Southgate to avoid being seen at the movies!

The Kagiso franchise has only been going for a month, so it is too early to tell how well it will do. But they are confident.

Criticism of Maxi Movies as not contributing to black empowerment because it does little to provide basic services misses the point. Despite their roles Mabuela and Zwane are fairly ordinary members of their community. They are well off but hardly millionaires. To kick off the project, Mabuela and Zwane had to come up with R45 000. The remaining R300 000 was arranged through NedEnterprises.

advertisers.

Nothard believes the audience will be mostly male, aged between 16 and 35, with a household income between R2 000 and R2 500 a month. The R7 ticket price will be less than the fast food meals which are available in the same shopping centres. Coca-Cola, Pepsi, Schweppes and JPS have already signed on as advertisers.

The establishment of Maxi Movies is being followed closely by international movie distributors, he says, who see the possibility of applying the concept in other countries — Chile, China, India and Eastern Europe — which have a First and Third World hybrid economy similar to that of South Africa.

Personally I would not let affirmative action jeopardise production

Film industry opens up to blacks

(2927) Souetan 29/9/95

By Ntsikelelo Moya

AFFIRMATIVE ACTION HAS FINALLY REACHED the hitherto lily-white film industry. And if film director John Rogers has his way, this will be the dawn of a new era.

Ironically, Rogers has responded to the criticism that he and the industry have suffered from having white directors direct black movies, thus giving a distorted pic-

ture of typical black life. He has therefore pioneered the first director training programme for black directors. "The need for this concept became clearer to me when TV1 did the same thing with *Verspel*. I could not understand why this was necessary when we have so many Afrikaans directors and virtually none black," he says. The proposal for this project was initially rejected by the SABC.

Rogers and his company, Bateleur Films, put togeth-

er a course that would instruct the four aspirant directors and scriptwriters in all aspects of television drama production which was followed by a 13 episode CCV TV youth drama series, *Young Vision*. The trainees directed three episodes each and Rogers directed the other. He supervised the trainees on set.

Neo Mamsunyane, Terrence Nxogwa, Yusi Dibakwane and Archie Mzazi, all well-known in the business, were picked for the course. They were chosen on the basis of their experience in drama, artistic integrity and visualisation skills.

"People have come to realise that there is now a new dispensation and that a need to redress the imbalances in society exists. But personally, I would not let affirmative action jeopardise production; that is why training is vital," says the veteran director of *Senzekile*, *Africa PI* and *Mmalonya*.

The training did hit snags at times, with trainees realising the extensive work that had to be done when making films. Aspects such as visualisation and perception did not come easy to the greenhorns.

"They did not realise that there is a total change of lifestyle. Some had to come to terms with their reasons for wanting to be directors. This had to be expected when one takes into account that we are doing here in nine months what takes technicians three years to do."

But again, the new series is virtually black with a white director still at the helm. "We have to stop talking about black or white drama and embrace that we are a rainbow nation. For example, we have people of different ethnic groups in Young Vision, does that mean that we must get someone from each ethnic group to direct aspects pertaining to that ethnic group?"

Rogers says he does recognise that people will sometimes have more insight into certain lifestyles than he has, but it is then that his experience in terms of what the SABC and advertisers expect stands him in good stead.

Asked if he does not think that is unfair, he replies: "It is the market forces."

The arts need public funding

By Ben Ngubane

THE recent calls for an end to the public funding of the arts is a serious cause for concern. I take issue with this view and wish to offer an alternative perspective.

It is the Department's view, certainly at this stage, to make public funds available through subsidies, grants and other forms, in order to develop, nurture and celebrate the arts, including the performing arts.

The experience of other countries even more developed than South Africa, where free market principles abound, and where generous tax incentives encourage private sector involvement in the arts, indicates that public funding of the arts is still crucial to its development.

The United States, Australia, Germany, Netherlands and Sweden, to name but a few, all have a mixture of varying levels of public and private support for the arts.

It is not current Government policy to provide tax incentives to encourage private sector involvement in any particular social sector, including the arts, and it is highly unlikely therefore that Government funding for the arts will cease in favour of pure market forces or reliance upon the private sector to provide primary support for the arts.

Cultural institutions and arts companies which received state subsidies in the past have acquired skills, resources, infrastructure, experience and expertise which, in the absence of state subsidies, would enable them to stand a good chance of accessing private sector funds for the arts.

In such a scenario, though, it will again be those who have been marginalised in the past who will continue to struggle for limited resources.

The Universal Declaration of Human Rights declares in Article 27 that everyone has the right to enjoy the arts, and to participate in the cultural life of the community.

Our interim Constitution guarantees the right to freedom of creative expression. It is the view of my Department that these carry limited meaning on paper, unless Government

Any attempt to stop public funding of the arts will stifle cultural development

creates the conditions and circumstances which enable and empower people and artists to exercise these rights.

The quality and nature of our democracy will depend on the extent to which freedom of expression is developed, encouraged and protected in its practice.

Clearly, with the unequal distribution of resources in the past, it is now incumbent upon Government to address past imbalances so that freedom of creative expression, enjoyment of the arts and participation in the cultural life of the community can indeed be exercised by all, and not just by a privileged few.

Public resources

However, this ambitious vision, based on fundamental human rights, has to be achieved with approximately the same level of public resources which have been available for the arts in recent times. In fact, public resources for the arts and culture have decreased in real terms, while the needs have increased dramatically.

There are now nine provinces, each having a legitimate claim on public resources, whereas the primary recipients of performing arts resources are four urban-based institutions in four major cities.

It is impossible for these institutions to be funded at the same levels as in the past, as well as serve the needs of all South Africans spread across nine provinces with the amount of money available to my Department.

While culture has to compete with housing, education, job creation and health for public resources, it is likely that there will not be significant increases, if any, in the arts and culture budget.

Within this scenario, my Department simply cannot justify – politically or morally – continued support to the performing arts councils at the same levels as before.

Public resources for the performing arts will have to be allocated differently. Prior to the last (1995/96) Budget, my Department did not have clear policy guidelines to help us allocate resources.

The Arts and Culture Task Group (ACTAG) had been appointed to make new policies and to guide Government's budget allocations, and so we were inevitably and understandably criticised by a large section of the arts community when the budget largely reflected the pre-election status quo.

ACTAG's report has now been delivered, after the broadest and most in-depth consultations ever with the country's arts community. All four performing arts councils were invited to participate in the ACTAG process, and all did to varying degrees.

All proposals were considered and debated, and the final ACTAG report represents the views of an overwhelming majority within the arts community.

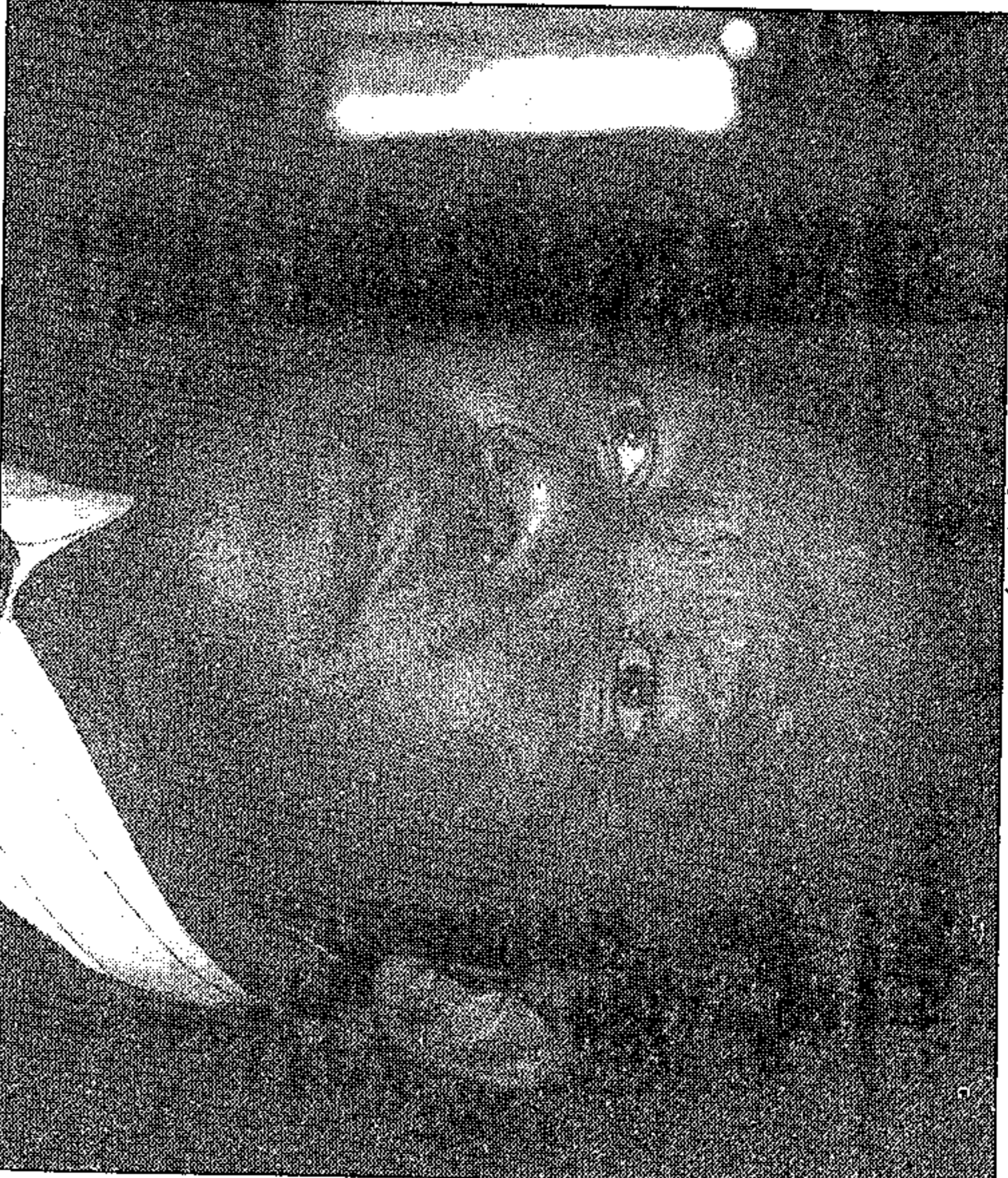
My Department is still in the process of studying ACTAG's recommendations, and it is unlikely we will be able to establish the recommended statutory bodies, for example regional and national arts councils, to take advantage of the next Budget.

We have established a process to draft the White Paper, which will generally be undertaken by officials within my Department, in consultation with a reference group consisting of former ACTAG members, my advisers and others.

Basic human right

However, with the budgeting process for 1996/97 to be completed soon, it is my intention to signal my Department's intentions, specifically with regard to the reallocation of the budget for the performing arts councils.

While I have argued, along with the United Nations and our own Constitution, that access to cultural development is a basic human right, there is



Dr Ben Ngubane ... 'a major role of the arts in tourism'.

another sound reason for continuing, indeed increasing, public funding of the arts.

The potential for the arts to make a significant impact on our economy is not to be underestimated. In rural South Africa, the crafts industry is the third largest provider of employment – after the state and the agriculture sector.

With small injections of public funding, aimed at training traditional crafts producers and creating marketing infrastructure, the crafts industry is set to become a major export market for South Africa.

Take another example: tourism. Recent international studies show that cities which actively base tourism development on the arts, architecture and industrial heritage are the leaders in the international tourist industry.

American economist Robert McNulty recently demonstrated for example that in the US, "cultural or heritage tourism is a far more important force than visitors to our beaches or National Parks system. It is the

largest source of tourism revenue in the US."

The Department is currently reviewing the distribution of public resources for the arts so that it has a more catalytic effect in creating jobs, and in enhancing spin-off arts industries.

International research has shown that it costs 20 times less to create a job in the arts than in light industry. Research has also shown that the music, film, performing arts and publishing industries contribute significantly to a country's economy through job creation, taxes generated, tourism and foreign earnings. Through each economic spin-off, wealth is generated to further develop the art industries.

The economic, social and nation-building role of the arts in South Africa is unexplored terrain. Those who call for an end to the state's support of arts and culture are undermining an enormously important project even before it has begun.

(Dr Ngubane is Minister of Arts, Culture, Science and Technology.)

(292) Soulelan 9/10/98

Licence fight on the cards

WILLEM STEENKAMP

Staff Reporter

ARG 14/10/95

THE fight for casino licences has become interprovincial following the announcement by the government that two licences will be taken away from Western Province and handed to poorer provinces.

Hernus Kriel, Premier of the Western Cape, has not taken the blow lightly and has clearly stated his attention to take up the issue at national level.

Mr Kriel believes that the Western Cape deserves seven licences and not only five as proposed by the national government and he has said he will not let the issue rest.

A senior official in the Provincial Administration of the Western Cape who deals with gambling-related issues said the decision by national government to take two licences away from the Western Cape and to issue these licences to poorer provinces made little sense.

"Market research clearly indicated how many licences would be viable in each region. These figures indicated the Western Cape could sustain seven licences and were backed up by another independent market research group. But this was simply swept from the table and two licences taken away from us.

"How are the poorer provinces going to sustain those licences? Or are the provinces in question poor but the people who live there rich?"

He said the Western Cape, with the other wealthier provinces, had already agreed that it would give a larger slice of its income from a national lottery toward the poorer provinces.

■ Chris Lötter, PAWC director of taxes, levies and duties, said the limitation on the number of casinos by the national government was a concern, although it was accepted that numbers had to be limited. He said draft legislation on the gambling industry in the Western Cape would be tabled in legislature next February.

A local gambling board of seven members would be appointed soon afterwards. The first licence applications would probably be advertised next April.

Mr Lötter said the first licence issued would probably be in the Cape Metropolitan area. He said the idea was to distribute casinos over the province to promote development and tourism throughout the region.

Gambling industry to get its own 'university'

■ BY ROY COKAYNE

The establishment of an institute to monitor and research South Africa's gambling industry and provide appropriate training to the management and employees of casinos has been announced in Pretoria.

Called the South African Institute for Gambling Training and Research, it combines expertise from the business

and academic sectors.

It has been founded in response to a recommendation from the Lotteries and Gambling Board which called for the formal training of gambling personnel with appropriate accreditation.

Included among its executive officers is Hans Wiehahn, a lawyer and management labour consultant who is the institute's operations director.

Wiehahn's father, Nic Wiehahn, was previously chairman of the Lotteries and Gambling Board.

Wiehahn senior, also a former head of the School of Business Leadership at Unisa, will be the institute's chief consultant and head its research activities.

The institute's other executive officers will be Paul West, director of the Centre for Life-

long Learning at Technikon South Africa, Johan Kruger, business and studies manager at the Centre, and Grant Kipling, a practising attorney and gaming consultant.

The appointment of more people to the executive board will be announced in due course.

Wiehahn said the institute would immediately begin to implement management training

ing while its personnel training and research activities will commence early next year.

Technikon South Africa's centre in Roodepoort would initially provide training and accommodation facilities until the institute's own facilities in Midrand had been completed. The institute aims to provide a comprehensive turnkey service backed by national and international accreditation.

Man/18/10/95

(2922)

1995

Gambling industry to get its own 'university'

By Roy Cokayne

PRETORIA BUSINESS EDITOR

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vide training and accommodation facilities until the institute's own facilities in Midrand had been completed.

The institute aims to provide existing and new entrants into the gambling industry with a comprehensive turnkey service backed by national and international accreditation, with the objective of being operational by the time the draft bill on lotteries and gambling becomes law.

"An estimated 45 000 operators in various categories have begun gearing up for the new gambling dispensation. They range from

established casino operators to thousands of bingo and small-machine operators and lottery ticket retailers. Altogether they will employ some 70 000 people directly in the lotteries and gambling side of their business," said Wiehahn.

Leading academic and gambling research institutions in the United States, Britain and Australia would provide input into the training syllabi and ongoing assistance with the development of training and consulting services. These would also include rehabilitation programmes for compulsive gamblers.

Ster Kinekor to slow expansion

(292) CT (BR) 23/10/95

By CHARLOTTE MATHEWS

INVESTMENT EDITOR

Ster Kinekor's development of multiplex sites — where there are three or four cinemas grouped together — will slow considerably over the next few years, Interleisure chairman Peet van der Walt said.

This is because it has largely achieved its expansion plan to bring cinemas to suburbia and because regional shopping centre development, which has been very active around South African cities, will slow down.

The expansion of Ster Moribo, a joint venture with Thebe Investment Corporation, will continue at a measured pace in line with growing consumption expenditure in its markets. Ster-Moribo had 21 screens at the end of June this year, including the Johannesburg Kine Centre.

Among Interleisure's other investments, booking service Computicket, film and television producers Toron and The Video Lab, will continue to require reasonable capital to maintain and develop their operations.

However, in the next few years Interleisure will generate more cash than needed for capital and working requirements. It is investigating the expansion of its business into "niche and underserviced foreign markets".

In the year to June Interleisure increased earnings a share by 18 percent to 23,1c. The largest contributor to group profit was Ster Kinekor, followed by Cinemark and Toron.

Film companies 'can't get into SA'

□ *'Foreign crews unable to obtain airline seats'*

(292)

ARG 24/10/95

Staff Reporter

THE Cape film industry has claimed that the shortage of airline seats for foreign film crews coming to South Africa has resulted in a crisis in their industry, losing them millions of rands.

The Cape Film and Video Foundation has called for an urgent meeting with the ministers of Transport and Trade and Industry to find a solution as the growing film industry is apparently being hamstrung.

"Foreign film companies cancel their shoots worth millions in foreign currency in the Western Cape because there is no possibility of getting into this country," a furious Michael MacCarthy, of the Cape Film and Video Foundation, said.

He was responding to an Argus article quoting a top Department of Transport official who claimed that South African Airways (SAA) was blocking foreign airlines from increasing their seat capacity in an attempt to maintain their virtual monopoly.

SAA has denied having influence over applications and has said that the final decision lies with the government.

Mr MacCarthy said: "It rang true considering that we have constantly struggled to get international film crews into the country, and have wondered why.

"We have promoted the Western Cape as a first-class film location at the prestige Cannes film festival and have had plenty of positive response from big international film companies.

"But now that we have convinced them to shoot here, there are no airline seats available to get them here.

"After several complaints from our members who have lost shoots, we have now called for an urgent meeting with SAA and the ministers of Transport and Trade and Industry," Mr MacCarthy said.

"We blame SAA for obstructing our industry and causing a major crisis in a very promising industry that can create a substantial number of jobs and bring in millions in foreign currency to boost the local economy."

He said that last year 90 commercials shot in the Western Cape brought in R100 million.

Mr MacCarthy, whose founda-

tion represents the Western Cape film and video industry, said the same amount of revenue could be generated by just five feature films.

"The average Hollywood feature film budget is \$32 million (R85m), of which half goes to the local production industry. The Cape offers everything from Swiss mountains to exotic landscapes. Its scenery can do wonders for our local economy.

"But if we can't get our clients into the country, we're wasting our time trying to build our industry," marketing director Rob Brown of the foundation said.

"Lack of seats was the last problem we anticipated when our industry started growing from three companies four years ago to 16 at present.

"We expected a national airline to play on the national team and not only think of its own profits. We are trying to build our nation and then this happens," he said.

He said film crews had to be flexible and change flights if the weather was bad for filming.

"But if they do, the next flight will be two months later."

Kani to head star-studded Pact board

ST 29/10/95 (292)

By CHARLOTTE BAUER and GILLIAN ANSTEY

JOHN KANI, internationally acclaimed actor and executive director of the Market Theatre, is to become chairman of the board of Pact, the country's biggest and most powerful performing arts council.

This advisory position will not affect his directorship of the Market Theatre.

Kani will head up a brand-new board — increased from 10 to 20 members — comprising some of South Africa's most prominent arts movers and shakers. They include singer Sibongile Khumalo, playwright Maishe Maponya and the founding father of the Market Theatre, Mannie Manim.

A radical departure from the Pact tradition of stocking its board with bureaucrats and businessmen, the eclectic line-up of theatre heavyweights also includes:

- Siphso Sepamla, head of the Federation of Black Artists (Fuba);
- David van der Merwe,

director of the Witbank Civic Theatre;

● Mandie van der Spuy, Standard Bank's co-ordinator of the Grahamstown festival and a former general manager of Pact drama; and

● Jerry Mofokeng, deputy artistic director of Johannesburg's Civic Theatre.

The surprise card is Eghard van der Hoven, the man who ran Pact during the darkest years of its unassailable whiteness, from 1963 to 83. He is temporarily back at the helm, having been asked by Arts and Culture Minister Ben

Ngubane to oversee Pact's initial transition phase.

Only three members of the original board have survived the clean sweep, notably the acting chairman, Sam Moss.

Pact continues to be the biggest single drain on the government's arts budget and a substantial redistribution of the monolith's wealth will be needed to bring it in line with the White Paper to be released in December.

With Hugh Masekela settled in as Pact's assistant chief executive officer, only the post of chief executive officer remains a subject of speculation.

Welkom woman honoured

FLORENCE MATHINYE of Welkom, Free State, is the 1995 Eskom/Sowetan Woman of the Year. She was given a floating trophy and R20 000 at a function in Megawatt Park yesterday afternoon. The award hon-

ours black women who have contributed to their communities. Mrs Mathinye runs the Ipopeng Development Centre, which provides bridging education to disabled youth.

Stressed

Gambling Bill worries Sun investors

(292) CT(BR) 27/10/95

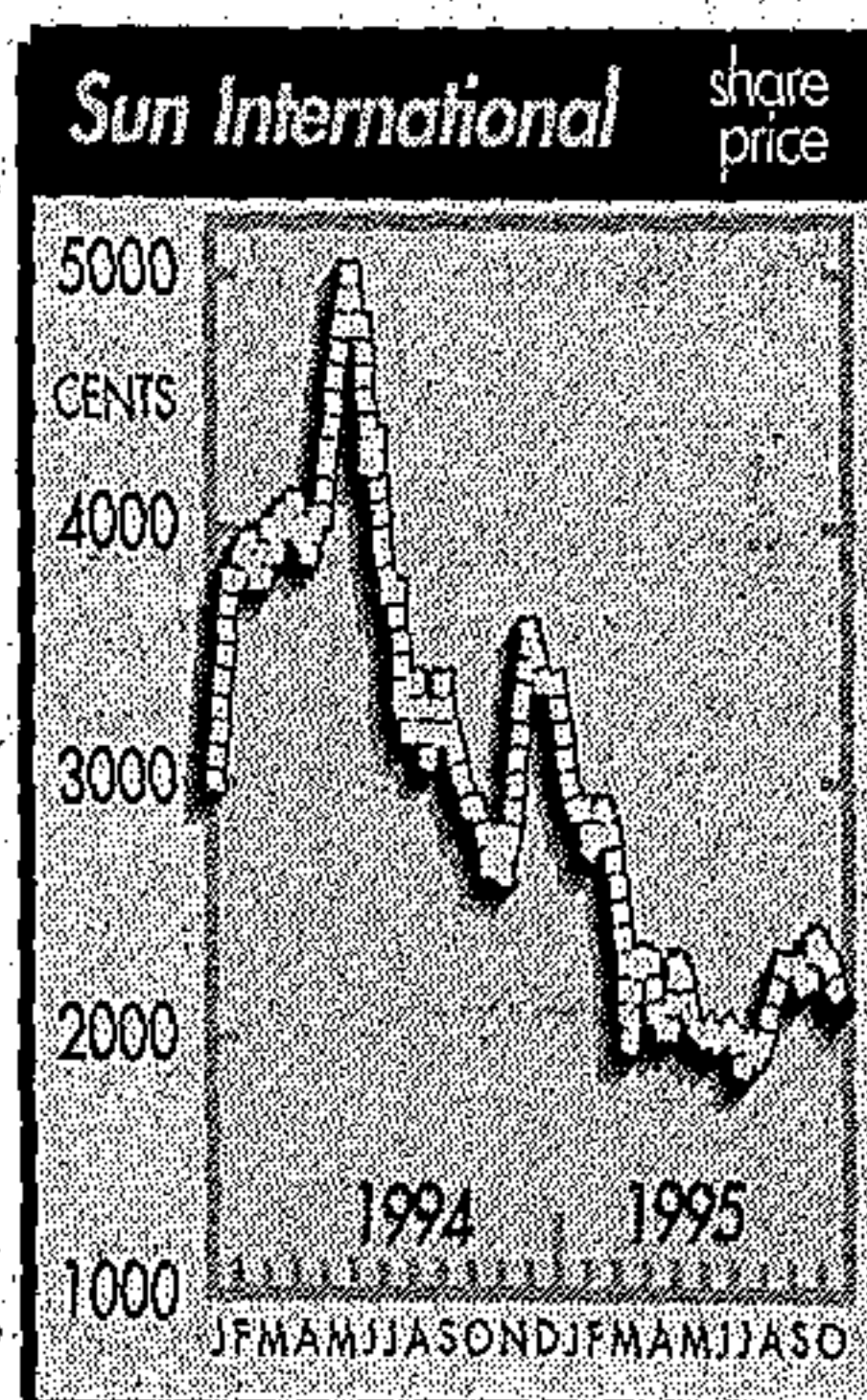
By LLEWELLYN JONES

Johannesburg — Share prices in the Sun International stable of companies have varied from stodgy to volatile as the incorporation of the former homelands into South Africa, along with sweeping changes in the gambling industry, caused concern among investors.

A large degree of unease in the market stems from the realisation on the part of some large shareholders that they will be forced to sell their holdings completely.

The National Gambling Bill stipulates that provincial governments and development corporations which inherited Sun International shares from the former homelands must sell their holdings within a two-year period.

Peter Bacon, the Sun International managing director, said the deadline was bound to cause an overhang in the market.



The stakes involved consist of about 37 percent of the various subsidiaries issued share capital, worth about R1,3 billion.

Bacon said Sun International had made representations to general affairs minister, Chris Fisser, to

extend the deadline to five years.

Chairman Buddy Hawton said the money realised could be used for provincial development and a low share price would have a negative effect on the RDP.

The group is to be restructured with an offer to shareholders in Suncisk, Transun and the unlisted Venda Sun by Sunbop, which will then change its name to Sun International.

Sunbop is languishing at R21,50 compared with its eight-year high of R50 in May last year.

But the axe is looming over Sun International in another form.

The group is bound to lose some of its licences under the new gaming dispensation, and the realisation is breeding unhappiness and uncertainty in the market.

While most analysts have adopted a wait-and-see attitude, some believe that the group may be offering good value.

IT'S A dismal situation," says Dr Ben Ngubane. "Really, it's like trying to perform the miracle of the loaves and fishes."

Thus does the Minister of Arts, Culture, Science and Technology describe the budget facing his department in the current and coming years.

"The money we have had for the arts and culture last year, this year and most probably next year too will be the same money that was allocated under the old government to the House of Assembly, the House of Representatives and the House of Delegates. Period.

"Now we have to use that money on a national scale. There was nothing allocated to the TBVC states ... nothing inside the black communities."

In effect, this means that the lion's share of the budget — the total for the 1995/96 financial year is R226-million — is accounted for even before it is allocated.

Keeping institutions like the performing arts councils, museums, libraries and the South African National Gallery just ticking over, requires 90 percent of available money. This leaves only around R30-million for developing infrastructures in communities where no allocation whatsoever has been made in the past.

Actually, the situation is somewhat worse.

The Sunday Times has information that Finance Minister Chris Liebenberg recently sent a letter to the ministry, rejecting key proposals on additional funding for culture and the arts.

MR Liebenberg said that various tax reforms and incentives proposed by the government-appointed arts and culture task group would not find favour with those holding the government's purse strings.

In its report released in July, the task group, Actag, proposed, among other things, that VAT on books be abolished; that levies be imposed on foreign films and performances in order to finance the development of community arts centres; that tax exemptions be made available for private sector involvement in the arts; and that a minimum percentage of all government budgets and public building be allocated for the development of arts and culture.

None of this, Mr Liebenberg said, was going to fly with his department — and the White Paper on arts and culture policy currently being prepared for release in

With the government hard-pressed for funds, there are many who believe that having a Minister of Arts and Culture is a luxury South Africa cannot afford. IVOR POWELL spoke to the incumbent, Dr Ben Ngubane

The art of performing miracles

(292) STS/11/95

December should take note of the fact.

Dr Ngubane confirms that such a communication was received, but insists the door has not been closed.

"Chris Liebenberg's main grouse was that tax incentives for the arts and culture might create a situation where some sectors are more privileged than others," Dr Ngubane says.

At the same time, he notes that the finance ministry is still considering the imposition of a levy on the sale of movie tickets to assist the development of the local film industry.

Basically though, Dr Ngubane says, his ministry will be able to achieve its goals only by "reprioritising very thoroughly".

"The government decided we must adopt a zero budget," he adds. "This means that each line item will be studied, put under a microscope to decide whether it deserves to be supported through the fiscus.

"It's a question of trying to stretch available resources to the furthest limit."

As an example of reassessing priorities, Dr Ngubane cites initiatives to shift the emphasis in existing performing arts councils away from often costly and lavish performance towards education and training.

An economy measure he does not mention is the imminent transfer of the assets held by the Foundation for the Creative Arts to the new government.

While the foundation constituted itself as a private sector organisation, its initial (and secret) funding was derived from the old

National Party government.

Now, while agreement has been reached in principle that the foundation's assets should be taken over by the ministry to provide space for a proposed national arts council, the process of unscrambling the legal egg of NP deception is not yet complete.

HOWEVER, these moves are mere drops in the ocean.

Money still needs to be found, not only for creating infrastructures and facilities, but also for developing an economy around culture and the arts. It is one of the major short-term goals identified by the ministry to promote an arts and crafts industry aimed particularly at the growing tourist market.

"The arts and culture industry can be a very important income earner in terms of the people who would otherwise be involved in the very lowest end of the informal sector, if employed at all," Dr Ngubane says. "In the countryside, only government and agriculture are providing employment. Now you can create a third element, that is the arts and crafts industry. You can then engage thousands of people, particularly women in the household situation."

Meanwhile, some relief has come with the recent allocation of R40-million out of the RDP fund.

Designated to be used in conjunction with the ministry of sport and recreation, the money will be used for the development of combined sporting and cultural facilities in areas where no

such facilities have been available in the past.

It is not a lot of money, but Dr Ngubane remains optimistic.

"The timing is just right. We are effectively a very new department. We had our director-general appointed only in February this year.

"If we have conceived beautiful plans we still have to ensure that they can be implemented. So that means that the provincial structures have to be viable, that the local authorities are in place. At local government level the process hasn't even started. To me that is the biggest bottleneck."

RDP director-general Bernie Fanaroff also feels the R40-million is significant. Describing the building of such recreational centres as "a high multiplier, providing high output from small investment", he says that each centre proposed within the scheme would cost about R1-million to complete. At the same time jobs would be created as the building would be undertaken under the auspices of the ministry of public works.

"I know there is resistance to the existence of the ministry," Dr Ngubane concedes. "I know that people are calling for its dissolution. Of course people are not seeing examples of great deeds emanating from this office, so I don't blame those who have a negative perception of what we are doing.

"But I've no anxieties about the proposed rationalisation of ministries in 1999. If we deliver, we will survive. That is all there is to it."

R20bn gambling turnover likely

BD 7/11/95 (292)

Amanda Vermeulen

LOTTERIES and gambling industries would generate at least R20bn a year by 1997, double that of estimates of current turnover in the legal and illegal gaming operations, former Lotteries and Gambling Board chairman Prof Nic Wiehahn said yesterday.

Gambling industry consultants have placed current estimates of the yearly turnover in the gambling industry at about R10bn.

Speaking at the opening of gaming and entertainment exhibition, Gamex 1995, Wiehahn said the inclusion of a national lottery, football pools, the horse racing industry, bingo and other forms of gaming or wagering would double the revenues generated to at least R20bn a year, about 5% of current GDP figures.

This figure outstripped earlier projections by consultants that the industry would only touch the R20bn mark at the turn of the century. Wiehahn said these figures were very conservative, because 40 casino licences alone would generate substantial revenues.

Many industry players and consultants have been conservative in projecting earnings as the effect of tax — which has to be finalised regarding these industries — has still to be calculated.

The Lotteries and Gambling Board's report to Cabinet recommended the gambling industry be zero-rated, but Wiehahn said there was some evidence the Katz commission on tax did not support this view.

Although industry players were anxious to get revenues flowing as soon as possible, delays in legislation were holding up plans for several major resorts.

General Affairs Minister Chris Fisser said the national Gam-

bling Bill may only be passed by Easter.

The Bill was tabled shortly after the last session of Parliament closed, but gambling industry consultants said constitutional issues could dominate the first session of Parliament.

Although national legislation could take up to April to be promulgated, a number of provinces were expected to have implemented their own laws by then. Both Gauteng and Mpumalanga have already passed their legislation.

The draft lottery Bill could be available for comment this week, but the award of the national lottery licence was expected to take place next year at the earliest.

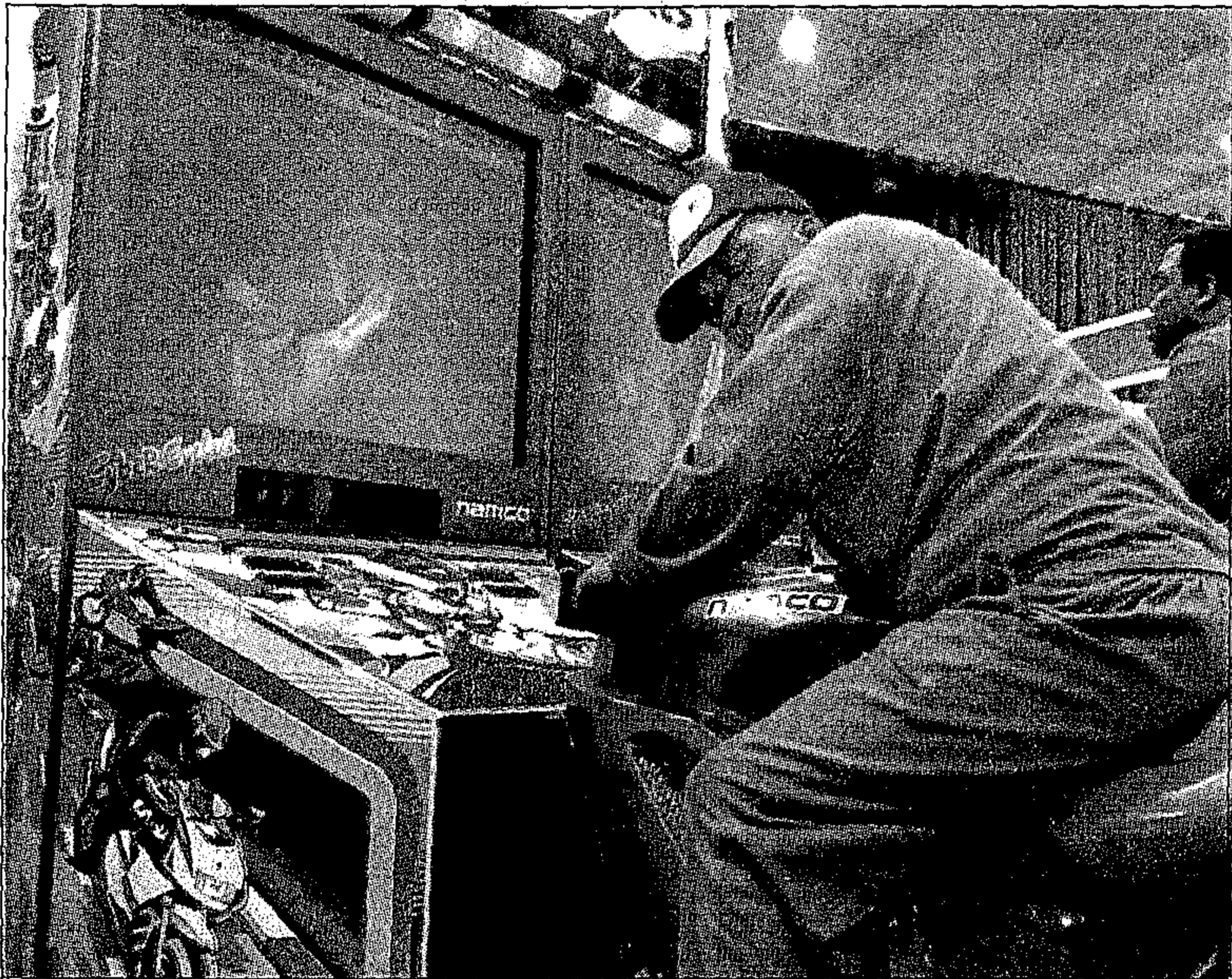
Wiehahn said that proposals had been submitted to Cabinet for the creation of a task force — funded by the gambling industry and not central government — to crack down on illegal casino operators and to act as a watchdog over licencees.

He said Cabinet had not responded. Sun International MD Peter Bacon said the gambling industry would support such an arrangement, as the police were under-resourced and faced pressures from other priorities, such as the escalating violence.

An inspectorate, along the lines proposed by Fisser in the national Gambling Bill, funded by the industry, would help eradicate those acting illegally, but Bacon said the cost had to be kept in proportion to the service rendered.

Attorney Grant Kaplan, who has acted on behalf of a number of the illegal casino operators, said it would probably be unconstitutional for the private sector to fund a government policing department. But a private consulting operation attached to the police force could be the best solution.

THEMBA HADEBE



Seriously at play ... gambling and amusement enthusiasts Jimmy Tsegas and Gareth Kaschula check out some of the games at the Gamex '95 exhibition in Midrand.

By PRISCILLA SINGH

The gambling and amusement industry is set to generate at least R13-billion in 1996 and R20-billion by 1997 after Parliament has given the go-ahead.

Professor Nic Wiehahn, who served on the Gaming Board which established and documented the recommendations on gambling legislation for the Government, revealed the figures at the official opening of Gamex '95 in Midrand yesterday.

The first annual gambling and amusement exhibition in South Africa, it runs until tomorrow at Gallagher Estate.

R13-b gambling industry ready to roll

(292) Star 7/11/95

row at Gallagher Estate.

Minister of General Services Chris Fisser said Gamex '95 had come at an appropriate time as it was the first exhibition of its kind after the recent tabling of the National Gambling Bill.

He said the now-defunct Lotteries and Gaming Board had provided the central and provincial governments with the basis for the future structure of a national gaming body, with a separate national lotteries board and

nine provincial gambling boards, one for each of the provinces.

Wiehahn said the licences would be allocated on the basis of one per million people in each of the provinces, and only 40 licences would be available for other applicants.

The licences would be allocated to provinces as follows: Gauteng (6), Western Cape (5), Eastern Cape (4), Northern Cape (3), KwaZulu Natal (5), North West Province (5), Northern Province

(2) and Mpumalanga (4).

"Gambling is an emotional issue right now and to keep it under control we have to implement stringent measures. One cannot hand out licences as a free-for-all because there are also moral and religious issues involved," said Wiehahn.

He said a national state lottery would be implemented first and then other forms of gambling such as the sports pools and bingo would follow.

Labour peace 'up to unions and business'

BD 8/11/95

Renee Grawitzky

THE new Labour Relations Act provides the necessary framework for the resolution of disputes, but the promotion of labour peace can only be achieved if both labour and business desire it.

Speaking at Andrew Levy & Associates' industrial relations seminar on "living with the Act", Andrew Levy said that one of the main strengths of the Act was the complete overhaul of dispute resolution procedures.

He said the Act did not represent radical changes, but was rather a blend of both the "old and the new", with the introduction of workplace forums being the most revolutionary inclusion.

He said one of the criticisms of the Act was that it was particularly labour-, or more precisely "union-friendly, just as the apartheid government was more white-friendly". He said that instead of dwelling on this aspect, industrial relations practitioners should rather direct their energies towards gaining a better understanding and interpretation of the Act.

Levy said reaction to the legislation had been based on emotive and very broad assumptions on how the world was meant to be. He said the legislation was for a new SA and reflected the values of government and the labour ministry.

Levy said the introduction of workplace forums was a bold attempt to enforce a more participative labour relationship on both parties involved in labour relations interaction. He said: "Whether or not this will succeed remains to be seen, and it is our view that the parties will move forward in a cautious manner rather than galloping forward into the unknown."

He said the real test would be whether less adversarial relationships would evolve "or will adversarialism spill over into these institutions not meant to be adversarial".

Levy said another controversial area was centralised bargaining. Labour Minister Tito Mboweni had provided an Act which gave neither party 100% of what they wanted. In the end the ability of unions to obtain centralised bargaining would depend on their will and their membership.

Performing arts council budgets cut to make grants (292) BD 8/11/95 Business Day Reporter

THE arts, culture, science and technology ministry has redeployed funds and awarded grants to 10 cultural organisations.

The organisations are the Congress of SA Writers, Newtown Film and Television School, African Cultural Heritage Trust, Fuba Academy, Cape Town Community Arts Project, the Arts and Culture Management Programme in Johannesburg, the National Literacy Project, Ikapa Arts Trust, the SA Film Festival and the SA International Film Festival.

The ministry said the grants had been made possible, in part, by 15% cuts in the performing arts councils' budgets.

The awards were made to ensure a more representative spectrum of arts and artists would benefit from available aid.

New applications could be considered only next April because this year's budget had been "exhausted", the ministry said.

The criteria for the funding of arts and culture projects had been redefined in accordance with the reconstruction and development programme.

The department's chief priority was to fund projects which would enable the ministry to achieve its mission of enhancing the quality of life of all South Africans.

Arts grants take RDP into account

ARG 8/11/95

THE Department of Arts, Culture, Science and Technology has awarded several grants to national cultural organisations, despite a restrictive budget.

Its funding of arts and culture now took into account the Reconstruction and Development Programme, a department statement said.

"The department has granted financial support to the African Cultural Heritage Trust, an organisation that has already gained a reputation for

preserving traditional performing art expressions."

Other recipients include the Congress of South African Writers; the Newtown Film and Television School; the Fuba Academy, originally the Federated Union of Black Arts; the Community Arts Project in Cape Town; the Arts and Management Programme presented by the Wits Graduate School; the SA Film Festival; and the SA International Film Festival.

— Sapa

(292)

(297)

Cultural organisations get government grants

(292) CT 8/11/95

PRETORIA: The Department of Arts, Culture, Science and Technology announced yesterday it had awarded a number of grants to national cultural organisations, despite a restricted budget.

It said in a statement its criteria for the funding of arts and culture projects had been redefined in accordance with the imperatives of the Reconstruction and Development Programme.

Grants awarded included the Congress of South African Writers, which had been involved in the development and promotion of literature since 1987.

"Several good film schools have for several years existed in Pretoria and Cape Town. Owing to its accessibility and the audience it serves, the department has this year decided to render financial support to the Newtown Film and Television School.

"The department has indicated that, unfortunately, the budget for the current year has been exhausted and no new applications can be considered at this stage," the statement said. — Sapa

Province switches bets on gaming board boss

(292) BD 10/11/95

Amanda Vermeulen

THE Mpumalanga government has replaced New Age Beverages CEO Khehla Mthembu as the nominated chairman of the province's new gaming board, amid an investigation into his possible links with new gaming consortium African Sun International.

The provincial government — which announced its gaming board appointees yesterday morning — replaced Mthembu in the afternoon with Kunene Brothers director Keith Kunene, and said it would investigate Mthembu's links to African Sun International, which is to bid for licences.

African Sun International's partners include Thebe Investments' subsidiary Moribo, and Mthembu sat on the board of Thebe's merchant bank, Msele. Mthembu said last night he had resigned as a Msele director in July.

But the Mpumalanga government said his Msele directorship had been included on the CV he presented for the post late last month — which was confirmed by Mthembu's office.

Provincial adviser Andre Wilsenach said the province would still investigate Mthembu's links with African Sun International.

African Sun International chairman Wendy Luhabe-Shilowa said

nominees had to comply with the requirements of the province's gaming Bill. "This onus remains the responsibility of the nominating committee."

Kunene emerged recently as director on Coca-Cola's \$400m joint venture with Port Elizabeth-based bottling company Sabco. Other nominees to the gaming board include SA Institute of Chartered Accountants CEO Ken Mockler, and several Mpumalanga government members. Economic affairs and tourism MEC Jacob Mabena said 49 people had been nominated for the board. Three had asked to be withdrawn and eight were disqualified under regulations governing eligibility.

Ster-Kinekor 'not stifling competition'

Amanda Vermeulen

LEISURE group Interleisure has dismissed suggestions that mainstay operation Ster-Kinekor inhibited competition because it was the market leader.

In the group's 1995 annual review, chairman Peet van der Walt said the current Competition Board probe into Ster-Kinekor was "ironic", given that the company's previous investment displayed faith in SA's economy.

Ster-Kinekor had invested in modern multiplex cinemas 10 years ago, well ahead of the global industry. "It is therefore ironic that these developments are now the subject of a Competition Board inquiry," he said.

BD 13/11/95
"Small and big business have important roles to play in the development of SA. But we will not accept that the capital commitment, free market efforts and competitiveness of Ster-Kinekor are jeopardised by unreasonable constraints arising from its position as market and brand leader."

Interleisure, which lifted earnings a share 18% to 23,1c on sales down 5% to R407m in the year to June, had spent R44,6m during the year, most on Ster-Kinekor. A joint venture between Ster-Kinekor and black-owned entertainment group Moribo was formed. The new company, Ster-Moribo, would focus on establishing new cinemas in townships.

Ster-Kinekor had largely com-

pleted its strategy, announced four years ago, to double its number of screens. Development in major shopping complexes would slow in the next few years, partly as regional shopping centre development would decline.

He said economic growth was expected to continue but it was imperative that South Africans felt safe to travel out of their homes. Fears about car-hijacking and violent attack were inhibiting the group's ability to provide away-from-home entertainment.

Van der Walt said he was relinquishing his position to Kersaf chairman Buddy Hawton, who announced recently he would replace Sol Kerzner as Sun International Bophuthatswana chairman.

Gauteng clamps down on govt ties

Gaming licence hitch for top groups

BD 13/11/95 (292)
Amanda Vermeulen

THE Gauteng provincial government could disqualify both Sun International and Southern Sun from gaining casino licences in the province's first new licence allocations because of the groups' links with government officials and former public servants.

Gauteng economic affairs standing committee chairman Andrew Feinstein — whose committee is responsible for drafting the province's gambling legislation — said at the weekend that any person or company who employed a government official or political office bearer in the 12 months prior to applying for a gambling licence was not eligible for a licence.

No official time frame has been given for granting the new licences, but gambling industry consultants believe Gauteng's call for licence applications will come early next year.

Feinstein said Sun International would be disqualified "as a result of its links to KwaZulu-Natal finance MEC Johnny Mhlungu". Mhlungu has an interest in African Sun International (ASI). ASI is the black empowerment gaming consortium unveiled by SI last month which plans to bid for gambling licences across the country.

Mhlungu has shares in Khulani Holdings, one of ASI's shareholders. His department is also responsible for

KwaZulu-Natal's gambling legislation.

Mhlungu has already made clear he would sell his shares if there was any conflict of interest between his political office and his ASI interest.

Sun International has declined to comment.

Feinstein said Southern Sun would lose out because it had recruited former Lotteries and Gambling member Jan de Lange, who had been an adviser to General Services Minister Chris Fismar. Southern Sun employed him in September to help the group's legal adviser ensure its application complied with the legislation's provisions.

Southern Sun MD Ron Stringfellow said at the weekend that De Lange's appointment had been cleared by former Lotteries and Gambling Board chairman Nic Wiehahn. Wiehahn said that De Lange's recruitment would not contravene the Act.

But Feinstein said Gauteng's Gambling and Betting Act, passed last month, stated that "no person or any person in control of such a person or any manager of the business concerned should be granted a casino licence at the relevant time if that person was or had been a public servant in the preceding 12 months".

Stringfellow said several other companies planning to bid for licences could be similarly affected by this interpretation of the legislation.

Cape Town looks to 'Hollytown' rating as film industry booms

Municipal Reporter

CALL it Capewood or Hollytown, this city is experiencing a boom in its film industry, according to a report by the Cape Film and Video Foundation.

The industry is netting R130 million in foreign exchange a year for the Cape alone after successful market-

ing and the arrival of the new political era. (292)

Four international feature films are to be shot in the Cape before June next year, and two European television dramas will be in production at the same time.

In the past three months, both a US feature film and a

British drama series also completed production in the Cape.

This information is contained in a report to Cape Town City Council's economic development committee.

The foundation, which was given a R100 000 grant by the city council this year, has been marketing the city through a

glossy publication called "The Cape of Films '95".

More than 4 000 copies of the publication were distributed free worldwide, some to the world's most influential producers and directors.

"The results achieved by the international marketing campaign have surpassed all expectations," the report says.

Black consortium targets govt's stake in casinos

BD 15/11/95

(292)

Amanda Vermeulen

AFRICAN Sun International, the black empowerment casino consortium recently formed by Sun International (SI), is likely to buy part of government's R1,4bn stake in SI and some of SI's casino resorts.

ASI chairman Wendy Luhabe said yesterday ASI would probably take up part of government's stake in SI's listed and unlisted companies — 33% of Sun International Bophuthatswana, 33% of Sun International Ciskei, 28,6% of Transkei Sun and 32,8% of Venda Sun. ASI's shareholders, which included Thebe Investments subsidiary Moribo, Khulani Holdings and Women Investment Portfolio, would pump money into the deals.

The state bought the stakes through the development bodies of the former TBVC countries when they were incorporated into SA.

General Services Minister Chris Fisser has recommended that govern-

ment dispose of its holdings in two years to comply with proposed gambling legislation.

ASI was also planning to buy some of SI's resorts. SI was expected to sell at least eight of its 17 operations to comply with the Gambling Act.

Luhabe said some resorts had been identified for take-over, but it was premature to outline ASI's strategy before legislation had been passed in every province. ASI planned to bid for licences in several provinces. The group would be a minority stakeholder in each venture, with community representatives drawn into consortiums. Luhabe said the move was designed to allow small entrepreneurs access to the industry.

Discussions were already under way in various provinces to form consortiums, she said.

Fisser said ASI's plans would have to be evaluated to see whether they would meet the proposed legislation's ruling on monopolies.

Black appointees to Pact

(292)

rowe 17/11/95

By Ntsikelelo Moya

THE APPOINTMENT of well-known art and culture proponents will go a long way to redressing the imbalances that the previous government left the discipline with.

This at least is the view of an appointee Maishe Maponya, who is deputy chairman of the Performing Arts Council of Transvaal. Maponya, along with veteran theatre practitioner John Kani and Sam Moss, was appointed to the council by Minister of Arts, Culture, Science and Technology Dr Ben Ngubane.

Multi award-winning Kani is the executive director of the Market Theatre and director of the Market

Laboratory, a workshop for developmental theatre.

His contribution to South African cultural ensemble has been widely recognised as he holds an honorary doctorate from the University of Durban-Westville.

Moss has been a member of the council since its inception in 1963. Besides having held various positions in the field, he was the mayor of Johannesburg from 1970 to 1971.

Maponya is a playwright, poet and lecturer at the school of drama at Wits University. He is outspoken about the politics of the arts, especially during the apartheid days. "To me it is important that art is not controlled from one position, that is

what politics of art means to me."

He said he viewed his appointment as a challenge in the quest to transform art centres like Hugh Masekela's State Theatre in Pretoria so that they reflect the artistic tastes of the South African population.

He is not particularly concerned that the new board consists of personalities from the previous era.

"I guess it gives it some sense of continuity," he said.

Maponya reckons that such members must, however, embrace democratic changes currently under way in the country.

Maponya said their appointments justifies their many years of struggle in the art fraternity.

Major setback for Sun International in N West

Star 17/11/95

(292)

'Bid will be made to obtain licences for three biggest casinos'

By PRISCILLA SINGH
Staff Reporter

Five of the seven Sun International casinos in North West province face closure in terms of gambling legislation passed last month, permitting a maximum of two licences for a single stakeholder in a province.

However, Sun International managing director Peter Bacon said the group would make a special effort in the province to retain three of its major gambling complexes, despite the legislation.

Bacon said the three biggest casinos in the province – The Carousel, Sun City and Morula Sun – would have to be "retained and a strong bid will be made to obtain licences".

"The unsuccessful casinos would have to be disposed of and we will apply for licences to set them up in

provinces where the group has no present holdings," said Bacon, adding these were KwaZulu Natal, Mpumalanga, Northern Cape and Northern Province.

The doomed casinos are in Tlhabane (Rustenburg), Mmabatho, Mopopo and Taung.

Earlier reports which stated Sun International and Southern Sun could be disqualified from obtaining gambling licences in Gauteng because of links with former public servants and government officials, were dismissed by Bacon.

"The matter has been resolved," he said, but would not give details.

In terms of the legislation passed in October by the Gauteng government, any company that had employed a government official in the year prior to applying for a licence would be ineligible.

Gauteng economic affairs stand-

ing committee chairman Andrew Feinstein said: "Some public servants ironically gave their input at the public hearings and a short while later joined forces with the big casino groups."

"They are acting in conflict with their evidence at the hearings and we would not buckle under pressure to grant licences to the big casino groups," he said.

He said Southern Sun would lose out as former Lotteries and Gambling member and personal adviser to General Affairs Minister Chris Fisser, Jan de Lange, had joined the group.

"Sun International will be disqualified for its links with KwaZulu Natal finance MEC Johnny Mhlungu, who has an interest in African Sun International, the black gaming consortium launched by Sun International last month," he said.

Casino licences for Cape likely by August — Kriel

ARG 21/11/95 (292)

Municipal Reporter

THE Cape's first casino licences could be awarded as early as August next year.

This is the word from Premier Hernus Kriel, who says casino licences will be high on the list of priorities early in the new year.

Tax from casinos will be an additional source of revenue for the province, and casinos are being regarded as a "development tool" which can stimulate development and job creation.

Draft legislation for a casino bill has already been circulated, and a refined version will be published early next year.

Mr Kriel said he hoped the legislation would be passed by the legislature by the end of February.

The legislation will provide for a special gambling board whose members will have the task of making the final decision when awarding the five licences the Western Cape has been given.

Mr Kriel said a special category

of casino zoning under provincial control would be created.

"It is a fairly unique situation," he said. "I don't think we can go through the normal process of rezoning if we want to get this thing off the ground."

The only decision the politicians would make with regard to awarding the licences would be which regions would qualify for them, Mr Kriel said.

The Western Cape wanted seven licences but had been given only five.

"I am extremely unhappy about it and am talking to the minister," he said. "I think we should have at least seven licences in the province."

If the province could secure seven licences, the following regions would be likely to qualify: the Cape Peninsula, West Coast, Overberg, Breede River Valley, Southern Cape, Little Karoo and Karoo.

With only five, at least two of these areas would be knocked out of the race.

Institute's director resigns due to links with illegal gambling

Amanda Vermeulen

80 22/11/95

(292)

THE new Gambling Training and Research Institute of SA got off to a shaky start this week after attorney Grant Kaplan, who is linked with the illegal gambling industry, resigned as director amid fears that his involvement could alienate major casino groups.

Kaplan, who is also joint chairman of the Gaming Association of SA, was a founder member of the institute alongside Hans Wiehahn, son of former Lotteries and Gambling Board chairman Nic Wiehahn.

Although Kaplan had resigned, he said yesterday he would continue to maintain his shares in the institute for the time being. He would hold further discussions with the other shareholders to decide whether his continued investment in the organisation would compromise them.

Last week General Services Minister Chris Fisser said the institute would not be endorsed by government. Fisser has waged a war against the illegal casino operators and sources close to him said Kaplan's involvement in the institute may have prompted his decision not to support the organisation.

Wiehahn said his position as former Lotteries and Gambling Board chairman, and his ambition to become the chairman of the proposed National Gaming and Wagering Board, could compromise the institute and prevent it from securing major training contracts from the industry.

However a statement from the institute following Kaplan's withdrawal said Wiehahn would supervise the institute's research programme. Hans Wiehahn would act as a caretaker until a new investor, not linked to the industry, could be identified.

Film to bring in millions for SA

(292) etan 11/12/95

South Africa stands to gain R16-m from the filming of *The Ghost and the Darkness* – the first major Hollywood studio motion picture to be filmed here, top American actor and producer Michael Douglas said yesterday.

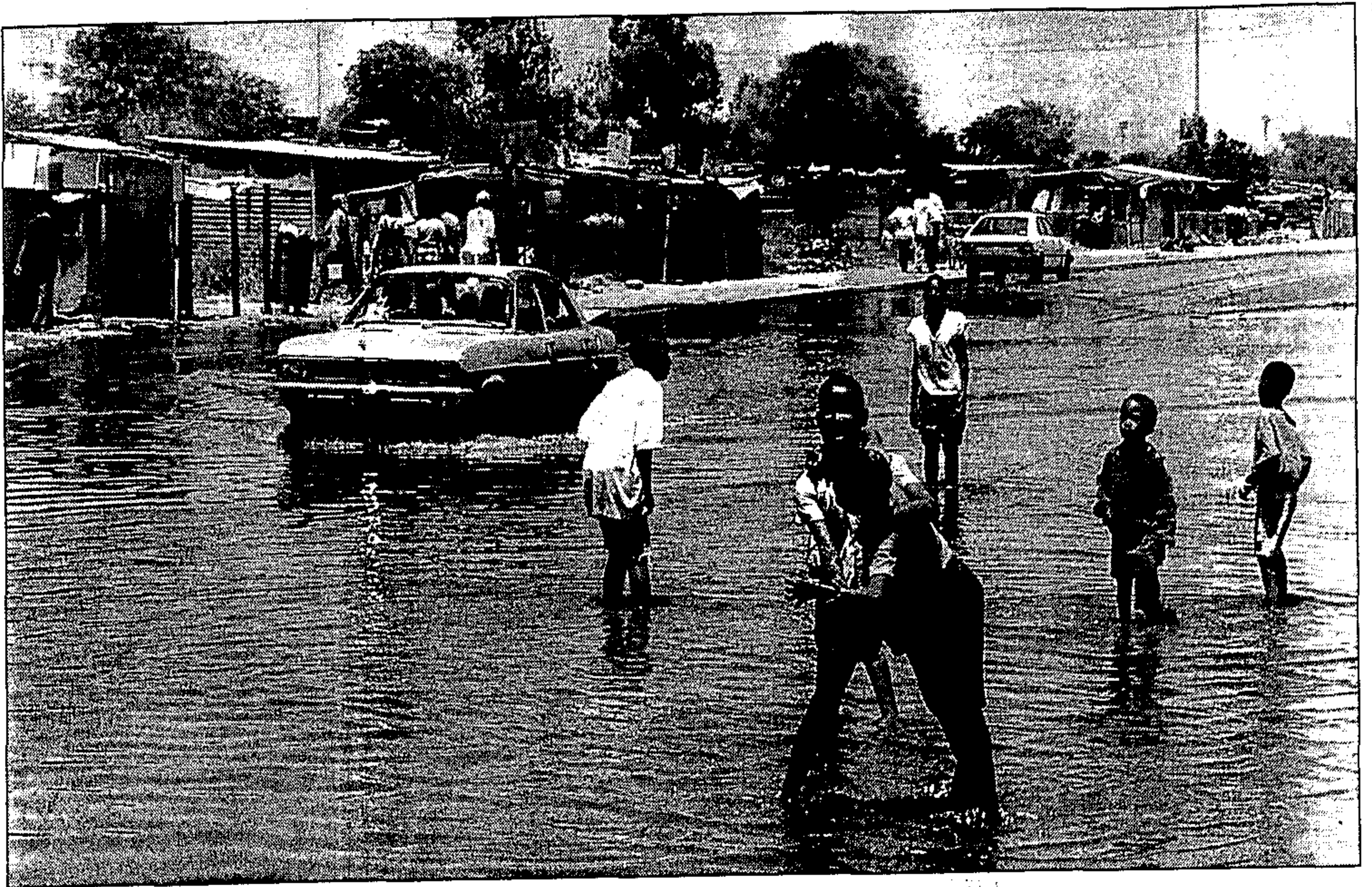
Douglas said the project at Songimvelo Game Reserve in Mpumalanga has already created 2 500 jobs for South Africans.

The Douglas/Reuther production has agreed with Environment Affairs Minister Dawie de Villiers and the KaNgwane Parks Corporation to film at the game reserve so local communities and the province benefit.

The film is based on a true story and recounts the efforts of a group of men led by a young engineer, played by Val Kilmer, to battle against two lions which killed 130 men during the construction of the East African railway at the turn of the century.

South African actor John Kani, described by Douglas as the best actor for the part of Samuel, said the story was "an exciting, gripping and terrifying". The film is directed by Stephen Hopkins from a screenplay by William Goldman. – Sapa

NEWS



FLOODED ROAD: Children play in a pool in Philippi Road, in the Brown's Farm area. Residents said the Christmas rain was not as much to blame for the flooding as was a constantly-used nearby tap and possibly a blocked drain. This rundown area is about to become part of the Cape Town municipality.

PICTURE: ALAN TAYLOR

Consortium to bid for SA lottery

(292) CT 27/12/95

OWN CORRESPONDENT

DURBAN: Littlewoods, the pools and retail group, has joined Dr Tony O'Reilly's Independent Newspapers of South Africa in a bid to run South Africa's planned lottery.

The consortium is likely to be competing against GTech, the controversial American shareholder in Camelot, operator of Britain's lottery, in a national game worth up to R5 billion a year.

Mr Ivan Fallon, Independent Newspapers' deputy chief executive, said: "We are potentially very

keen to bid for the lottery, though we are still waiting to carry out a full assessment."

Two draft bills have been drawn up and a framework for the national lottery is due to be issued in the first quarter of 1996.

The consortium, which will be controlled by two venture partners representing the black business community, will not draw up a formal bid until the legislation is produced.

A successful South African lottery bid would give Littlewoods a chance to bolster the performance of its football pools division, which has been savaged since the launch

of the national lottery.

Experts said revenue from Littlewoods' pools arm, the market leader, had slumped 30% over the past year.

Mr Christopher Baker, Littlewoods' strategy director, said the South African lottery was a "very attractive" prize for the company in its push to expand.

"At present we do not have gaming operations in other countries, but we are keen to change that — South Africa is one of several countries where we are looking."

Mr Fallon is a non-executive director of Sir David Alliance's

N Brown mail order group, which has just mounted R6,16bn bid for Littlewoods in a joint venture with Iceland, the frozen foods retailer.

Littlewoods and Independent Newspapers first struck an alliance this year when they formed a consortium to bid for a pools company in South Africa, but since plans for a lottery were revealed, this has been placed on the back-burner.

The liberalisation of gaming is likely to spawn a national lottery, regional lotteries, casinos in every province and other betting activities. Observers expect the lottery to be modelled on the British version.

National lottery and casino licences still a while away

Star 30/12/95

(292)

Punters keen to rake in millions in South Africa's first national lottery will have to wait at least another 18 months, writes

WILLEM STEENKAMP

Cape Town - South Africans will probably have to wait until late in 1997 before they will be able to take part in the country's first national lottery.

A spokesman for the Ministry of General Services, which is handling gambling and lotteries legislation, said Parliament would probably debate lotteries legislation only after March 1996.

Then, once legislation had been approved and promulgated, it would take another year or longer to call for tenders and to have structures in

place and people trained before the national lottery could be instituted.

Draft legislation on gambling and casinos was well advanced and it was estimated that the proposed legislation would be debated by Parliament during the first session of 1996.

Once the national legislation on gambling and casinos had been approved, regional legislation in the different provinces would have to be finalised.

The spokesman said he was aware that certain provinces were already well advanced with their own regional legislation and it was possible that temporary casino licences might be issued in certain regions before the end of 1996.

The temporary licences would allow big companies that were successful with licence applications to

run casinos in temporary venues while casinos or entertainment complexes were built.

Earlier, a spokesman for the Western Cape government said gambling plans and legislation were well advanced in the province.

He said that once national legislation was passed, the regional government would move fast to constitute a local gambling board which would consider licence applications.

The spokesman for the General Services Ministry said other lotteries such as Bop Bonds, Ithuba and Viva would fall away once a national lottery was in place.

"But we will negotiate with all role-players to find an equitable solution to ensure that the public does not lose money and that as few jobs as possible are lost."

SERVICES SECTOR — ENTERTAINMENT & RECREATION —
GENERAL

1996

JANUARY — JULY.

KwaZulu defies govt on gambling Bill

(292) 60 10 11 96
Amanda Vermeulen

THE KwaZulu-Natal government has given itself independent powers to decide on the number of casino licences in the province, ignoring allocations laid down in central government's draft national Bill.

The province's draft gambling Bill — opened for comment on December 29 — also allows relatives of elected officials to own up to 4.99% in a gambling operation in the province. Provincial finance MEC Johnny Mhlungu and his relatives own nearly 25% of Khulani Holdings, part of African Sun International, which plans to bid for KwaZulu-Natal gambling licences.

Both plans could bring the province into conflict with central government. Western Cape scrapped a similar 3% clause in its gambling legislation proposals after a public outcry.

The province said it could easily support eight large resorts and that it would not accept the five-licence allocation proposed by General Services Minister Chris Fisser.

A KwaZulu-Natal government spokesman said the province could determine its powers independently on the basis of provincial powers laid down in the constitution. Fisser's allocation was not based on "sound economic principles", the spokesman said.

According to the published proposals, Mhlungu could keep up to 4.99% of his stake in Khulani. Officials said the Bill would be reworded to ban any political office-bearer, but not his relatives, from holding a stake.

KwaZulu-Natal backs down on gambling Bill

Amanda Vermeulen

KWAZULU-Natal has backed down on draft gambling legislation proposals allowing finance MEC Johnny Mhlungu to retain his shareholding in a casino consortium.

Provincial gaming and betting chief director Ken Ladbroke said yesterday the draft legislation would be revisited to reword the clause allowing elected officials and their families stakes of up to 4,99% in casino licences.

Mhlungu and his relatives own about 25% of Khulani Holdings, part of a Sun International casino consortium.

The province would be guided by proposals at central government level — which currently forbid ownership of casinos by government officials — and the example set by other provinces.

Gauteng has taken a particularly strong position on the issue. Similar provisions in Western Cape's draft Bill were thrown out after a public outcry.

Ladbroke said the province's draft Bill was not in conflict with proposed national gambling legislation as it did not state how many licences the province intended to issue. However,

he admitted the proposals could leave the door open to the province to set the number of licences. In his draft Bill General Services Minister Chris Fisser recommended five.

Industry consultants said yesterday KwaZulu-Natal's plans set the stage for a conflict which could end up in the Constitutional Court.

Kessel Feinstein Consulting CE Delano Caras said other provinces could follow suit, stalling the industry with court battles. There was also the risk investors would not commit to developments until the issue was settled.

Sun International MD Peter Bacon said the outcome of the stand-off between national government could have serious ramifications for the industry. He hoped the Constitutional Court could be avoided.

Although Fisser said yesterday he was still examining the draft Bill and could not comment, it is understood his stance towards the rebellious province will be fairly rigid.

Ladbroke said the proposals were subject to change.

Comment: Page 6

Gauteng to probe gaming board nominees

BD 19/1/96 (292)

Amanda Vermeulen

THE National Intelligence Agency, the attorney-general's office and police have been called in to conduct probity checks on Gauteng lotteries and gambling board nominees.

Gauteng finance MEC Jabu Moleketi said yesterday the three government bodies would check whether any of the 60 nominees had criminal records or had been declared insolvent.

However, the Legal Resources Centre said that unless Moleketi had obtained permission from the candidates to run background checks, using the agency, police and the attorney-general's

office could be unconstitutional as it violated citizens' rights to privacy.

The Gauteng Gambling Act stipulates that no board member may have criminal or bankruptcy records.

Asked whether he had permission from nominees to conduct the investigations, Moleketi said they would not be "investigated", but checks would be run on their backgrounds. There would also be open hearings allowing the public to lodge objections to appointments.

Moleketi said that Gauteng's government had a duty to ensure the gambling industry was operated in accordance with the law. It was important that the officers in charge of regulating

it were free of any hint of corruption. He had already received confirmation from police that none of the nominees had records which would disqualify them from the board.

Moleketi has taken a tough stance on Gauteng's legislation to ensure the industry is transparent and legal.

The province's gambling laws explicitly disqualify companies from bidding for licences if they have employed a government official within 12 months of applying for a licence. This means Southern Sun, which employed lotteries and gambling board spokesman Jan de Lange last year, could be barred from bidding for a licence in Gauteng.

Provincial govt to pull lever again on slot machines

PETER DENNEHY
METRO WRITER

ET 22/1/96
MOVES are afoot to legalise gambling slot machines in venues other than casinos.

Having slot machines in venues other than casinos has been illegal since a crackdown on gambling just over two years ago.

But many slot machines are still being operated, mostly in private clubs or entertainment venues which charge entrance fees.

Provincial officials are now compiling a policy document which will be submitted to the Western Cape cabinet for approval within the next two months.

As part of their research, they have conducted a survey among individuals and groups interested in having a stake in the gambling industry in the province.

Now officials have sent out another questionnaire to local, metropolitan and regional authorities, chambers of commerce, tourism organisations, development organisations and academic institutions that have an interest in development.

Many results of the first survey are mentioned in the second.

One question asks whether slot machines should be allowed at venues other than casinos, saying that "56% of industry respondents believed that slot machines should be permitted outside of casinos, 36% were against this and 8% were neutral".

In the previous survey, the City Council's town planning branch and its development co-ordinator Mr Rod Young said, "Yes", commenting that slot machines should be allowed in private venues such as golf clubs and other liquor-

Finer details on casinos wanted

PROVINCIAL GOVERNMENT WRITER

APPLICANTS for casino licences in the Western Cape want to know the size of exclusive trading areas, how many "non-casino" competing slot machines will be allowed and what their tax rates will be, it emerged yesterday.

Mr Dawie le Roux, who is an adviser to Premier Hernus Kriel, who is politically responsible for gambling in the province, said at the weekend equal conditions had to be created before casino investors would commit themselves.

No decisions have been taken on these issues and provincial legal advisers were still refining the bill — published for public comment late last year — after contributions from lawyers representing the top casino licence contenders.

Some of the objections were the widely defined policing provisions which give the province unhindered access to the books of casino bosses and virtually unlimited search and entry rights to gambling premises.

The central government has awarded the Western Cape five casinos, but Le Roux said negotiations for two more were "ongoing".

He said the revised bill would be published "within six weeks" before going to the provincial standing committee in March or April. Regulations regarding, for example, the size, colours and shape of chips and the number of slot machines allowed per licence, would then take about a month to finalise.

licensed social clubs:

Another question relates to how many slot machines should be allowed at each venue.

The preamble to the question notes that 43% of industry respondents indicated there should be between four and seven machines at a venue, 20% wanted the limit to be over 10, and 13% were against a limit.

The council said there should be four slot machines per venue.

Regarding the maximum single bet allowed at a slot machine at a venue other than a casino, the industry was divided between those who suggested R2, R4 and R5 maximums. The council officials

opted for a R2 maximum.

On payouts, the council favoured a R500 maximum win from a single slot game played.

Of the industry respondents, 44% wanted a maximum payout of between R200 and R500 and 21% wanted to allow between R1 000 and R2 000.

Another 21% of industry respondents wanted over R2 000.

The questionnaire also wanted to know which areas municipalities thought were suitable for casinos, saying the industry suggested the Cape Metropolitan area, the Winelands, Overberg, Southern Cape, West Coast, Breede River Valley and Karoo.

Rough ride for Gambling Bill

(292)

ARG 20/1/96

CLIVE SAWYER

Political Correspondent

THE odds are against the Gambling Bill going through unscathed, with at least one province poised to oppose it in the Constitutional Court, says Luwellyn Landers, newly elected to the chair of the national assembly committee on gaming legislation.

While the multimillion rand gaming industry has largely welcomed the bill, KwaZulu-Natal has objected to being allocated only five casinos, giving notice that it will pass its own laws for 10 casinos.

Public hearings by the national assembly and senate committees are to start next month.

The hearings will start with a meeting with Minister for General Services Chris Fisser, the sponsor of the bill, who has had wide consultations with affected groups since the Gambling Board released its report recommending the legislation in March last year.

Provinces are to be asked to make written submissions to the parliamentary committees as a matter of urgency, and will be asked whether they want to give oral evidence.

Doug Gibson of the Democratic

Party, who earlier was defeated by Mr Landers in the election for committee chair, said the legislation was extremely important and should not be dealt with too hastily.

Mluleki George of the African National Congress said that while he appreciated the time problem, the bill had been delayed and should not be held up any further.

Interviewed after the meeting, Mr Landers said he expected members of the committee would raise certain technical and legal difficulties.

He was satisfied that the bill was constitutional.

A potential problem would be created by the "delicate issue" of provincial powers, because the interim constitution lists gambling and casinos as a provincial competence.

There has been speculation that the bill may imply that major private lotteries like Ithuba and Zama-Zama may have to close.

Mr Landers said he understood that the ministry was investigating the implications for private lotteries.

Asked whether he himself was a punter, Mr Landers said he did not bet on horses nor go to casinos.

The shape of arts policy to come

(292) MtG 22/12/95-4/1/96

The government will be publishing its White Paper on Arts and Culture in the new year. HAZEL FRIEDMAN finds out what's in store for us

It doesn't take soothsayer's skills to predict the contents of the government's White Paper on Arts and Culture, which will be released in the new year. Simply refer to the first draft proposal of the government-appointed Arts and Culture Task Group (Actag), released in May this year, and the second, published in August: apart from the blunting of some clauses and the sharpening of others, the spirit of the paper will remain the same — a total transformation of the ways in which arts and culture will be structured and funded.

Despite its shortcomings, Actag will be remembered as the most representative policy-making body ever convened on the arts in this country. As such, it has succeeded admirably in serving as a conduit for the White Paper in articulating an accessible cultural democracy, the likes of which South Africa has never seen.

Says Andries Oliphant, chairperson of the now-dissolved Actag, who is assisting the Ministry of Arts and Culture in co-ordinating and formulating its final policy: "The Actag report serves as an essential basis for the White Paper, but it needs to be translated into a manageable, co-ordinated system of integrated implementation, within the context of the country's limited resources."

Founded in the principles of openness, accountability and transparency, the White Paper will confirm the abolition of the old government's performing arts councils (PACs) — all of which benefited unfairly from the previous government's "white might" approach to culture, which saw a skewed centralisation of cultural resources within white sectors of society at the expense of the values, traditions and cultural expressions of the black majority.

But while the White Paper will hopefully not attempt to impose arbitrary racial and cultural distinctions between Western and African art, it will propose the establishment of structures geared towards addressing the needs of neglected and marginalised sectors. Chief among these will be the establishment of a National Arts Council to determine and administer arts funding; the creation of a statutory national film body which will regulate the industry; the allocation over the next five years of at least 50 percent of arts funding to the development of culture in historically disadvantaged communities; and the introduction of compulsory arts education up to Standard Eight.

Chapter and verse

The White Paper will deal with a policy and vision for South African culture, and the role of government in facilitating its development. It is divided into three chapters; the first section will deal with "arts and culture": fine arts, crafts, theatre, dance and music; the second with heritage (museums, monuments, place names, heraldry); and the separate, third chapter with the specific needs of the capital-intensive film industry.

Building blocks

With input from hotly debated submissions from nine provincial task teams, the White Paper represents a composite of three funding models used by most of the Commonwealth countries which embarked on a radical transformation of their arts sponsorship policies after World War II:

- the patron model implemented in the United Kingdom, which adopts an essentially *laissez-faire* attitude towards the arts, with government supplying the funds without stringent structures of accountability;

- the facilitative approach taken by Canada, whereby a legal framework has been secured for the private sector to enter the realm of arts sponsorship through tax concessions, trusts and endowments; and

- the architectural model implemented in social democracies such as The Netherlands, which have established integrated networks of support, with governments funding up to 90 percent of the arts, without the latter being exposed to the vagaries of the market as is often



Andries Oliphant: 'Of paramount importance is the principle of autonomy'

PHOTO: RUTH MOTAU

Players for the top jobs

THEMBA WAKASHE, chief director of the Ministry of Arts and Culture, is reluctant to identify possible candidates for the most powerful cultural positions in the land — members of the National Arts Council — "because the people will be doing the nominating". But a glance at the present make-up of the performing arts councils, the current status of various cultural players, not to mention the committees who drafted the Actag reports, gives a pretty clear indication of who will be who in the future cultural zoo.

The council of approximately 20 members will ideally reflect the demographics of the country, and will be made up of players with the necessary experience to judge the merits of funding proposals. Council members may

Union) whereby the state owns and controls all the means of artistic expression.

"Of paramount importance is the principle of autonomy," he explains, "but this also entails some form of responsibility on the part of government and the stakeholders."

But, while the White Paper will strongly advocate government involvement in funding, this will be implemented and administered at arm's length via the National Arts Council, whose members will be selected by a panel of independent judges chosen from public nomi-

not be government officials or office-bearers of any political party, and will represent the entire range of arts and culture-related activities.

Players include the Market Theatre's John Kani, who is also on the board of Pact; the Performing Arts Workers' Equity's Vanessa Cooke and Japan Mthembu; musician and Pact assistant CEO Hugh Masekela; Newtown Galleries owner Ricky Burnett; artists and arts administrators David Koloane and Bongli Dhlomo; independent filmmaker Jeremy Nathan and film policy-maker Martin Botha; the special adviser to Zwelakhe Sisulu, Melanie Chait; the National Arts Coalition's Mike van Graan; and the frontrunner in the formulation of the White Paper, Andries Oliphant himself.

appointments.

The nine provinces will be entitled to establish their own sub-committees and advisory boards to lobby for adequate slices of the funding pie.

No honey, no money

Cultural stakeholders will have to apply to the National Arts Council for financial support which will be awarded to them if they meet the following criteria: intrinsic artistic merit; financial and artistic viability; and

Bones of contention

Key cultural figures are concerned that the White Paper's arts policy will be prescribed in accordance with the principles of heritage and reconciliation. This, they suggest, could lead to the arts council ruling through a system of "censorship by consensus". They also stress that arts funding should be done completely independently of the government of the day.

In addition, they believe that the criteria for arts funding are too rigid. Certain cultural stakeholders, they argue, might need funding for projects of intrinsic artistic merit, but which might not make any palpable contribution to audience development or human resources training, for example. Conversely, a potentially beneficial educational project might have little artistic merit.

They also argue that while the National Arts Council will be stringently structured at national level, at regional levels administration could become disconcertingly opaque, resulting in the possible exclusion of small community-based cultural groups from the national funding pie.

There are also fears that urban centres will continue to receive a larger share than their rural counterparts, as was the case with the 1994/95 budget which allocated a piffling R2-million to the Northern Province and R71-million to Gauteng.

The chief director of the Ministry of Arts and Culture, Themba WaKashe, insists the council will be broadly representative, reflecting a diversity of viewpoints. "We are also trying to avoid a situation where there will be a conflict of interest between council members whose personal agendas might take top priority over the interests of democracy," he says. "But we will be dependent on the council make-up from public nominations. It is therefore not up to us to prescribe who should or should not be selected."

The dissolution of the PACs means that formerly protected cultural institutions such as the State Theatre in Pretoria will no longer receive block grants from government for core funding and projects. From now on they will have to join the queues waiting for cultural hand-outs from a cash-strapped government.

This, together with the proposed allocation of at least 50 percent of arts funding to the development of culture in historically disadvantaged communities, has generated an outcry from certain quarters — among them the office of Deputy President FW de Klerk — who fear that the high arts, like ballet, opera and classical music, will suffer as a result. But, in the light of the disparities inherited from the previous government, relegation of the PACs to a lower rung on the priority ladder through fund-slashing is one way of redressing the imbalances.

In addition to proposing fund-raising through tax incentives, lotteries and levies, the White Paper will probably seek radically to revise South Africa's hopelessly outdated copyright legislation. But these moves could incur the wrath of the private-sector giants such as the publishing houses and record companies who are comfortable with existing laws affecting intellectual property; not to mention distributors who might be loathe to part with even a tiny percentage of their takings in order to finance the local film industry.

No money, no honey

The White Paper on Arts will probably request at least one percent of the national Budget to be allocated to arts and culture, simultaneously suggesting that the government either increase its subsidy or provide incentives for private-sector sponsorship. But this is dependent on the Budget allocations, and to date the prognosis from government quarters is not encouraging. The previous government regarded the arts budget as an appendage of education. Currently it stands at a mere 0.01 percent of the entire Budget. Even if this amount were doubled, it would be minuscule in the grand scheme of things.

Says Oliphant: "We are not asking for a lot."

neglected and marginalised sectors. Chief among these will be the establishment of a National Arts Council to determine and administer arts funding; the creation of a statutory national film body which will regulate the industry; the allocation over the next five years of at least 50 percent of arts funding to the development of culture in historically disadvantaged communities; and the introduction of compulsory arts education up to Standard Eight.

Chapter and verse

The White Paper will deal with a policy and vision for South African culture, and the role of government in facilitating its development. It is divided into three chapters; the first section will deal with "arts and culture"; fine arts, crafts, theatre, dance and music; the second with heritage (museums, monuments, place names, heraldry); and the separate, third chapter with the specific needs of the capital-intensive film industry.

Building blocks

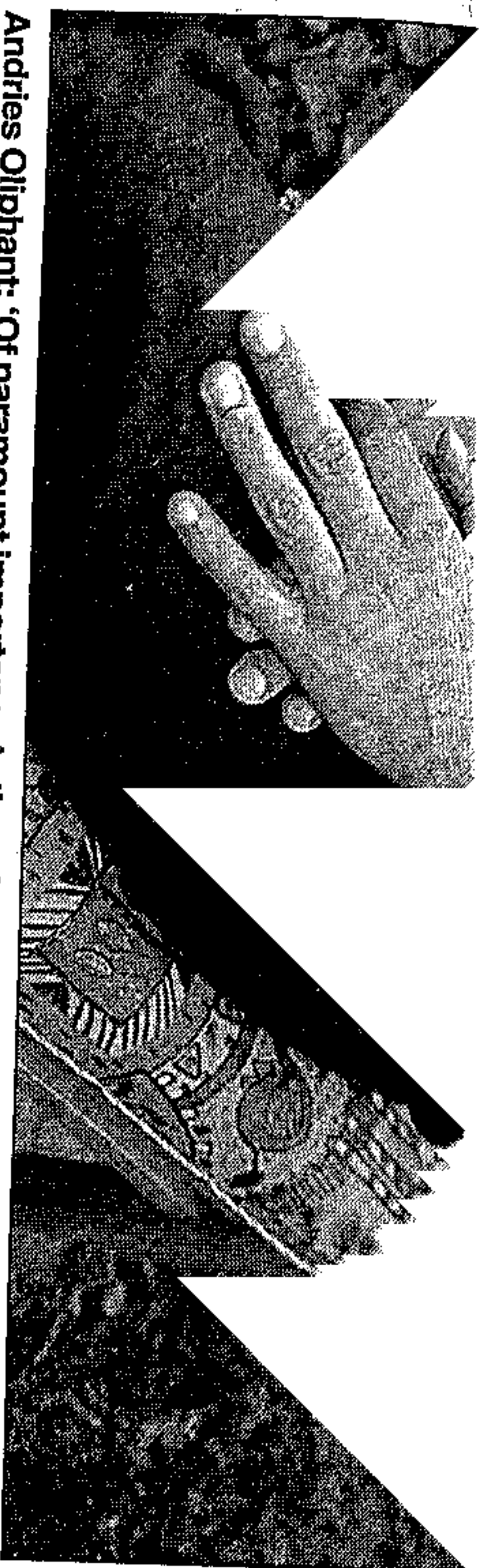
With input from hotly debated submissions from nine provincial task teams, the White Paper represents a composite of three funding models used by most of the Commonwealth countries which embarked on a radical transformation of their arts sponsorship policies after World War II:

- the patron model implemented in the United Kingdom, which adopts an essentially *laissez-faire* attitude towards the arts, with government supplying the funds without stringent structures of accountability;

- the facilitative approach taken by Canada, whereby a legal framework has been secured for the private sector to enter the realm of arts sponsorship through tax concessions, trusts and endorsements; and

- the architectural model implemented in social democracies such as The Netherlands, which have established integrated networks of support, with governments funding up to 90 percent of the arts, without the latter being exposed to the vagaries of the market as is often the case with the facilitative model.

As Oliphant points out, South Africa is in the privileged position of being able to take the best of these three models, without having to resort to the engineer model (used in the former Soviet



Andries Oliphant: 'Of paramount importance is the principle of autonomy'

PHOTO: RUTH MOTAU

Players for the top jobs

THEMBA WAKASHE, chief director of the Ministry of Arts and Culture, is reluctant to identify possible candidates for the most powerful cultural positions in the land — members of the National Arts Council — "because the people will be doing the nominating". But a glance at the present make-up of the performing arts councils, the current status of various cultural players, not to mention the committees who drafted the Acting reports, gives a pretty clear indication of who will be who in the future cultural zoo.

The council of approximately 20 members will ideally reflect the demographics of the country, and will be made up of players with the necessary experience to judge the merits of funding proposals. Council members may

not be government officials or office-bearers of any political party, and will represent the entire range of arts and culture-related activities.

Players include the Market Theatre's John Kani, who is also on the board of Pact; the Performing Arts Workers' Equity's Vanessa Cooke and Japan Mthembu; musician and Pact assistant CEO Hugh Masekela; Newtown Galleries owner Ricky Burnett; artists and arts administrators David Koloane and Bong'le Dhlomo; independent filmmaker Jeremy Nathan and film policy-maker Martin Botha; the special adviser to Zvelakhe Sisulu, Melanie Chait; the National Arts Coalition's Mike van Graan; and the frontrunner in the formulation of the White Paper, Andries Oliphant himself.

Union) whereby the state owns and controls all the means of artistic expression.

"Of paramount importance is the principle of autonomy," he explains, "but this also entails some form of responsibility on the part of government and the stakeholders."

But, while the White Paper will strongly advocate government involvement in funding, this will be implemented and administered at arm's length via the National Arts Council, whose members will be selected by a panel of independent judges chosen from public nominations. A shortlist will be prepared, public hearings arranged and the final selection rubber-stamped by the ministry. In other words, government will be required only to confirm the process without intervening directly in the

appointments.

The nine provinces will be entitled to establish their own sub-committees and advisory boards to lobby for adequate slices of the funding pie.

No honey, no money

Cultural stakeholders will have to apply to the National Arts Council for financial support which will be awarded to them if they meet the following criteria: intrinsic artistic merit; financial and artistic need; cost-effectiveness; contribution to community artistic development; human resources development and training; educational value; and audience development. Each funding proposal will have to report on all of the above criteria.

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Says Oliphant: "We are not asking for a lot. At the same time we don't want to be paralysed through lack of funding. In the past, we've had to get by on minimal means and we are determined to refine, restructure and reconstitute local culture with or without the resources."

Western Cape might also flout govt quota

Amanda Vermeulen

(292) BD 22/1/96
THE Western Cape is poised to follow KwaZulu-Natal's lead in deciding its gambling licence numbers, overriding central government's recommended allocations.

Western Cape provincial government sources said at the weekend it had still to determine the number of licences it wanted. Like KwaZulu-Natal, the province was unhappy with the five-licence allocation proposed by government.

The province hired Deloitte & Touche and Brey & Associates last year to run a feasibility survey on how many licences the province could support, and the number to be situated in the Peninsula.

Deloitte & Touche said the Peninsula could support two licences, but the provincial government may issue only one, with a guarantee of exclusivity stopping other operators from opening a casino within a certain radius. The rest of the province could support several other licences.

KwaZulu-Natal said in draft gambling legislation earlier this month that it would decide how many licences to issue, rather than follow the six proposed by central government.

Western Cape assistant director of betting Cobus Swart said "no firm position" had yet been taken on the number or location of licences.

Another source said exclusivity and other allocation conditions were still being considered. Final details are expected in about two months.

Some smaller casino companies are thought to be lobbying for two licences, but the major players recommended one licence for the area from Somerset West in the west, to Saldanha in the north.

The spokesman said the rationale for one licence was that the accompanying infrastructure, such as convention facilities, would be greater in only one resort than in two small resorts together.

General Services Minister Chris Fisser has still not commented on the apparent flouting of his licence recommendations. His administrative secretary Pieter Erasmus said that he was still studying both provinces' draft legislation.

Committee supports call for VAT to be charged on gambling

Tim Cohen

CAPE TOWN — Despite strong lobbying from the gambling industry, the parliamentary finance committee yesterday recommended that VAT be imposed on gambling activity, provided that the funds went to the provinces where they were raised.

The committee supported the Katz commission recommendation that the integrity of the tax system required that all gambling other than the national lottery should not be VAT-ex-

empt. In taking this decision, the committee partially rejected the arguments of the gambling industry that it was a special case because the constitution allowed provincial governments to impose a special tax on gambling.

In insisting that the VAT raised should go to the provinces where it was raised, the committee has effectively made imposing this special tax unnecessary, although provinces still have the power to impose it.

Amanda Vermeulen reports Kessel Feinstein Consulting CE, De-

lano Carras said the resultant higher tax rate — which could leap to between 20% and 30%, from the proposed 15% to 20%, would force investors to scale down their investment or refrain from participating in the industry. VAT should go directly to the provinces, as proposed last week by Gauteng finance MEC Jabu Moleketi to the finance joint standing committee. The provinces would then have a direct revenue source and would be unlikely to impose their own punitive levies.

Sun International MD Peter Bacon

He said the possibility of double taxation could result in downsizing the current casino and tourism industry, fewer new jobs created, and would significantly limit future local and foreign investment in these industries. Global Resorts CE Ernie Joubert said the aggregate tax payable on gross gaming revenue should not exceed 15%, whether it was VAT or provincial levy.

Greta Steyn reports commission chairman Michael Katz was delighted with the committee's speedy decision. He called on Finance Minister Chris

Gambling

(292)

Continued from Page 1

202/2/96

utive director Juries Wessels said: "Our most important request was that the recommendations of the Smith committee should not be ignored."

The finance committee said in its report that any changes in legislation would be further debated and discussed, including discussions on the Smith committee recommendations.

On the introduction of a tax on the build up of income in pension funds, Wessels said the LOA was "nervous,"

about the tax. "Until such a time as the final details of the tax have been debated and discussed it is difficult to judge what its ultimate impact will be."

Institute of Retirement Funds vice-president Chris Newell said he was concerned that the Katz commission had fallen short of its intended holistic approach to tax reform, "although the finance committee did say it would investigate further."

Institute of Life and Pension Advisors counselor Paul Robson warned that the taxation of income build-up would ultimately harm the low-income earner, who were likely to take home less.

Liebenberg to come to a decision quickly, saying there were many issues that required certainty. "Private sector planning depends on government's response." Certainty was needed most on the taxation of retirement funds, dividends and on gambling.

Samantha Sharpe reports life offices expressed concern about the committee's decision to support Katz's retirement fund recommendations.

Life Offices Association (LOA) exec-

Continued on Page 2

New arts association aims to put spotlight on art from townships

ARG 5/2/96 (292)
Staff Reporter

THE reconstruction and development programme has reached the arts world too, with the establishment by the South African Arts Association (SAAA) of its new branch, called Sisonke (togetherness).

Sisonke Arts Association is the brainchild of the national body of the SAAA, and its members meet in various venues in Langa, Mitchell's Plain, Nyanga and Guguletu to discuss the future of the new project.

The main aim of the project, according to SAAA national president Conrad Theys, was to give talented and disadvantaged artists, who have been excluded because of apartheid, the opportunity to thrive and exhibit their talents.

Mr Theys said it also hoped to take art into the townships and help the black community become art literate.

He said it was important to instill pride in these talented people, while empowering them to make decisions which had, in the past, been left to an exclusive few.

Sisonke had a predominantly black membership of either freelance artists or people with a great appreciation for art.

The programme hoped to make these artists recognisable locally, nationally and internationally by holding exhibitions.

Mr Theys said he believed it was for the world to see "these talented artists and their magnificent work", which for so long had no exposure.

Proposal on extra casinos could soften blow for Sun International

Tim Cohen

CAPE TOWN — General Affairs Minister Chris Fismar yesterday proposed changes to the National Gambling Bill which would temporarily outlaw slot machines outside casinos and allow current licence holders to maintain three casinos in each province instead of the two each mooted.

Fismar's suggestions would partially temper the negative consequences of the legislation on Sun International. Fismar also proposed to the parlia-

mentary ad-hoc committee on gambling that the period by which certain organisations would have to sell their interests in gambling activities should be lengthened from two years, until May 10 1999. This would allow provincial governments with interests in existing casinos about three-and-a-half years to sell them and would give Sun International more time to reduce the number of licences it holds in Northwest and Eastern Cape.

Fismar said provincial governments and Sun International had argued that they would be forced to sell at a discount because they would be selling against a deadline. The longer the period involved, the more market-related the asking price could be.

In effect, this provision would allow Sun International — the only existing licence holder — to maintain an extra casino in both Northwest and Eastern Cape, reducing its casinos from seven to three in each province.

Fismar said this was necessary because huge amounts had been invested and because some casinos were being used to finance others in certain areas. An example was Sun City which, was currently operating at a loss and being subsidised by the Carousel and Marula Sun. It would be devastating to this cross-financing procedure if one of this group had to be sold, he said.

There was a dispute about the effect that slot machines operated outside casinos would have on the profitability of casinos, with slot machine operators claiming that they had no effect and casino operators arguing the opposite. Fismar proposed that the provision

Gambling

Continued from Page 1

BD 6/2/96
said the proposals were reasonable, but not ideal. His group understood what government was trying to achieve, but needed time to restructure while adjusting to the new scenario. While he had asked for a five-year window to reduce the group's holdings, the 1999 date was "probably the best compromise", said Bacon.

Sun International's Northwest and Eastern Cape interests would be the most affected, since it operated a total of 14 casinos there employing 15 000 people. "Any shorter period and we definitely would have had to retrench staff. Now we can try to absorb them into our remaining operations."

Global Resorts CEO Ernie Joubert said although he wanted to see the market opened to competition, he did not think Sun International and its stakeholders should be unduly prejudiced because of historical and legislative circumstances. Stocks Hotels & Resorts MD Bruno Corte said the proposals seemed fair as long as they applied to everybody.

See Page 14

Continued on Page 2

allowing the granting of slot machine licences outside casinos ought to be held back until more research could be conducted on the issue.

The committee will draw up its report after two more days of hearings.

Paul Vecchiatto reports Fismar's proposals that the number of gambling licences be increased from two to three for each existing operator in each province drew positive response. Sun International MD Peter Bacon

Govt gambling plan is set to raise a storm

(292)

Star 6/2/96

Government has proposed that Sun International keeps its 'extra' casinos

REUTERS

Cape Town

The Government's proposal that Sun International be allowed to keep three, rather than two, of its existing casino licences in a single province is expected to raise indignant objections from companies planning to apply for a limited number of licences.

General Services Minister Chris Fisser has also proposed that the Government impose a levy on the 40 casino operators who will be granted licences. The money would be used to fund a national inspectorate with powers to control gambling, and also to help pay for the rehabilitation of gambling addicts.

Fisser told a parliamentary committee on gambling at the start of three-day hearings on his National Gambling Bill that he did not expect new casinos to open before early next year.

The Government estimates the current turnover of legal casinos and gambling machines at R1,5-R2-billion, with the potential to grow to about R3-billion a year.

Fisser said he had held extensive negotiations with Sun International, which holds all the country's 17 existing casino licences granted by homeland governments. He said he did not accept the group's argument that implementing the bill would be tantamount to liquidation of the hotel group but accepted that some amendments were necessary "in recognition of the historic circumstances in the Eastern Cape and North West provinces" during the apartheid era.

Sun International invested heavily in gambling operations in

the former Bophuthatswana, now part of North West province, and in two other homelands, Transkei and Ciskei, which are now part of the Eastern Cape.

Fisser recommended that the committee amend the maximum number of licences that can be held by a single operator in each of the nine provinces from two to three, while leaving the national ceiling at 16 for any single group.

This would oblige Sun International to dispose of eight casinos, four each in North West and the Eastern Cape.

Fisser proposed an extension of the transition period during which Sun International would have to reduce its holdings from two years from enactment of the law to May 10 1999.

"I thought it made sense that they now have about three years. It does not meet with their approval. They want longer."

Fisser also proposed that the committee accept amendments allowing the Gambling Board to impose levies to finance a national inspectorate with powers equivalent to the police.

The bill, which was tabled in October, proposes the legalisation of casinos, with a limit of 40 licences allocated to the nine provinces in relation to their economic need and population.

The bill recognises the legality of 17 licences granted in four nominally independent homelands during the apartheid era, but proposes limits that would force Sun International to sell about half its existing licences.

Inkatha Freedom Party MP Kisten Rajoo reacted angrily to the recommendations, saying the allocation of licences should be left to provincial governments.

February 8 1996

Casino quota will be harmful — Sun MD

BD 8/2/96

(292)

Wyndham Hartley

CAPE TOWN — Huge job losses and severe damage to communities and the economy would result if Sun International was forced to close down existing casino operations to comply with a two-a-province ruling, group MD Peter Bacon said yesterday.

Bacon was giving evidence to Parliament's committee on gambling legislation. He expressed gratitude for concessions offered earlier this week by General Affairs Minister Chris Fisser.

Bacon warned, however, that there were 120 000 people in Northwest Province alone who depended on Sun International and they could be significantly prejudiced.

Fisser told the committee on Monday that Sun International would have until 1999 to dispose of their excess gambling operations and he also increased the number a province they could retain from two to three.

Bacon asked the committee to consider allowing Sun International to retain four casino licences a province, instead of two, and to allow a full five years to sell off or close those which were surplus.

Bacon said that Sun City, one of SA's premier tourist destinations, was cross-subsidised by casino operations at the Carousel, Marula and Tlhabane centres. If Sun International was forced to dispose of these casinos, Sun City would not be able to operate.

He pointed out that almost 10% of Northwest Province's income came from Sun City and that 5 000 jobs, which supported 120 000 people, were at stake.

In the Eastern Cape, which had huge unemployment, tourist nodes had been developed by subsidisation from casinos.

Bacon also stressed that Sun International would pay more than R600m in wages and salaries and R400m in tax this year. More than 80% of the corporation's employees were from previously disadvantaged communities.

□ Amanda Vermeulen reports that casino companies have again lashed out at government inaction against an estimated 1 100 illegal casino operators nationwide.

Global Resorts CE Ernie Joubert told the committee government was being made a laughing stock by the illegals who were "ridiculing serious attempts to set up a legal dispensation".

By allowing the illegals to operate in "open defiance" of the law, government was losing at least R225m annually in taxes. Joubert said the draft national gambling bill should make provision not only for illegal operators to be jailed and fined, but also make it legal to prosecute players.

Bacon also slated the failure to stamp out illegal casino operations, saying the committee's work "will be a complete waste of time" if the illegal operations were not shut down.

Importer and reseller of slot machines, Peter White, told the committee that restrictions on the number of licences was "unacceptable, tantamount to monopoly and control of the industry, and unconstitutional".

He said Sun International would be further protected, and opportunities of new players in the industry retarded, if the group had more time to phase down its operations.

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Foot-dragging at the SABC?

(292) (250) M+G (18m) 9-15/2/96

Some film-makers feel the SABC is not being fair and equitable to both in-house and independent producers, reports

Jacque Golding-Duffy

WHILE the SABC is committed to independent production, some independent film-makers are frustrated and are accusing the corporation of foot-dragging its implementation of commissioning procedures.

A commissioning procedures task group, with representatives from the SABC and the independent production sector, met last year in a bid to ensure that commissioning took place within programme categories and that commissioning procedures were fair and equitable to both in-house and independent producers.

But independent producers feel the SABC is not implementing the proposed restructuring quickly enough.

The chairman of Marula Pictures, an independent production company, Mvundi Vundla said the aim of talking to the SABC was to engage them in a process of "professionalising" the acceptance of proposals by SABC editors.

"I think the SABC is opposed to local production as some people see local content as a burden slapped on to them by the Independent Broadcasting Authority. The decision to implement the agreed commissioning procedures lies with the head of television."

Vundla said that commissioning editors had to be highly specialised in their specific areas and that the SABC agreed to advertise posts for commissioning editors publicly but reneged on their agreement, he said.

"The posts were advertised internally instead and I have gathered that the entire process has been frozen. Unless you are an independent producer of stature, you are at a loss as to who to go to with your proposals at the SABC. Nothing has changed despite an agreement having been reached," Vundla said.

Some independents now feel the ball is in the SABC's court.

Head of Television News Production (TNP) and acting chief executive for television, Jill Chisholm, said she was as impatient as independents to have the relevant commissioning structures in place but because of the "relaunch and organisation" that had to be done, the SABC was strapped for time.

"It is not wilful that the commissioning procedures are not yet in place but, among other things, the decision rests with the three channel heads and due to the massive organising of the relaunch and reprogramming, most of our time has been taken up," Chisholm said.

She said as far as she knew some posts were advertised publicly, but that it was also SABC policy to "first advertise internally" before going public. "I am keen to have commissioning procedures in place and want to reassure independent producers that



Suburban Bliss: 104 episodes were commissioned before a single episode was screen tested

No bliss for independent film-makers

Hazel Friedman

THE SABC's drama department is filled with intrigue, but not of the scripted variety. The mystery revolves around the criteria used to commission scripts for drama series and sitcom programmes.

Independent film-makers claim they are being discriminated against as they are SABC outsiders, while the SABC drama department insists everything is being done to accommodate new and independent talent.

At the core of the conflict is the SABC's Commissioning Task Report which sets out guidelines for the commissioning of dramas and comedies to film-makers. According to commissioning task team members, the proposed document stipulates that new television series should not be given endless runs and the commissioning editors must promote the influx of scripts by independent film-makers.

But no one knows when the report will be released. According to SABC's

chief commissioning editor Jill Chisholm, "it will be in the near future", but task force members are less sure. And eyebrows are being raised over the commissioning of 104 episodes of family sitcom *Suburban Bliss*, even before a single episode was tested in front of television audiences.

By contrast, the popular sitcom *S'Gudi S'Nice* was commissioned for a mere 14 episodes when it was first shown in 1985. Three years later — after its ratings remained high — it was granted another 26 episodes and a third season three years later.

Even the successful *Going Up* was tested extensively before being allowed to be screened for 12 episodes in 1992. In 1994 it was commissioned for another 26 episodes and in 1996, it will screen 26 more.

Says independent film-maker Eddie Mbalo of Dynamic Images, who was a member of the commissioning task team: "We agreed on many principles which would change the existing com-

missioning processes and criteria but I am worried the report will not be implemented as there are so many structures at the SABC that no one really knows what decision to take. We are also worried that SABC insiders might have more say in getting their scripts accepted without having to go through the due process."

At present, all potential scripts for SABC1 and SABC2 are directed to executive script editor Clara Mzima in the form of a synopsis. If the synopsis is approved, the scriptwriter is contracted to write scripts for 13 episodes. However, 30% collateral of the cost of the episodes is required before the SABC gives the go-ahead. This makes it difficult for new scriptwriters to get their work into the production stage.

"There is so much talent out there," says Mbalo. "Yet until the SABC actively encourages new work and provides more financial assistance, the potential to elevate our local drama and sitcoms above their present mediocre levels will remain untapped."

nothing has been frozen. I am committed to independent production and it will be encouraged by the SABC. It is essential in ensuring diversity in the industry," Chisholm said.

Independent producer Jeremy Nathan said it was a "great pity" that eight months of negotiations, where a positive agreement was reached to the benefit of film-makers and audiences, has come to nought.

"It's a commonly held view throughout the world that independent film-makers are an important part of the television and film industry, and it is more cost-effective because if independents fail, they don't get more work," Nathan said.

He added that the cornerstone of the talks was an attempt by the SABC to usher in a new era of openness and transparency but "exactly the opposite" was happening.

On the one hand, one has to be fair to the SABC to allow them the time for restructuring, but we are looking for the new relaunch and new management to implement agreements that have already been reached," Nathan said.

"There's a great fear in the industry that the programme managers of the past will merely be replicated in the future. This will be detrimental to the audience which both the indepen-

dents and the broadcaster serves.

"Independents are negotiating for the improvement of programmes and their diversity and the continuous dragging of feet is ultimately in nobody's interest," Nathan said.

Former task group chairman and television magazine programme editor, Eric Nhlapho, said the SABC had the right to utilise its internal production to the full but it did recognise the right of independent film-makers to increase diversity in the industry.

"The SABC believes it can work well with independent producers and thus successfully concluded an agreement which it is fully committed to implementing," Nhlapho said.

Licensed to gamble, but who gets the spoils?

M+G (Ram) 9-15/2 1996 (292)

With the legalisation of gambling becoming a reality in South Africa, various problems are arising, reports **Simon Segal**

THIS week's parliamentary ad hoc committee debate on changes to the National Gambling Bill brings legalised gambling closer, and accentuates certain problems.

The enabling legislation provides for the granting of 40 licences, a National Gambling Board (NGB), a national inspectorate and determination of national norms and standards. The NGB will take over from the Lotteries and Gambling Board.

There are six major bidders in consortiums that all include black business groups. African Sun International, comprising Sun International, Thebe Investments, Khulani Holdings, Real Africa Holdings, Vela International, and the Women's Investment Portfolio, is the largest and only group with existing casino interests in South Africa.

The other groups are Tsogo Sun (Southern Sun and the Gaming Consortium each own 50%), Casinos Austria, Global Resorts, Karos and Stocks & Stocks.

All can be expected to get a slice of the 40-licence cake in a scenario that

could see African Sun International end up with 10 licences and the rest end up with four to eight each.

In projects ranging from R25-million to mega-resorts of R1.5-billion, Global Resorts estimates that a total R13-billion or so could be invested in casino resorts by the end of the century.

It estimates that casino revenue of R3.1-billion in 1995 (half earned by Sun International and the other half earned by illegal operators) will reach R12-billion by 2000 or R6.8-billion in today's money (adjusted to net present value at 12%).

Many problems have to be resolved before these projections can be met.

Most important, especially for Sun International which has seven licences in both the eastern Cape and North West, is the number of licences a group can have in the same province.

The draft bill restricts a single casino operator to two licences per province and forces them to comply within two years of the legislation's promulgation. After heavy lobbying, General Affairs Minister Chris Fiesher this week suggested this be raised to three licences, and the deadline to dispose of any excess licences be extended to May 1999.

This deadline also demands that provincial governments with casino interests dispose of them. Provincial governments are not allowed to own

a licence.

Then there is the growing discord between central and regional governments, essentially over who should get the spoils from gambling and how. Provinces have been allowed to proceed with their own gambling legislation before the national bill was passed. Now KwaZulu-Natal and Western Cape are indicating that they are not bound by the number of licences granted them. Gauteng is paying the way for VAT on gambling to go into its coffers.

Potential conflicts of interest where officials are linked to consortia also have to be cleared. The most noted example is KwaZulu-Natal finance MEC Johnny Mhlungu who has links with African Sun International.

While there is plenty of serious money to be made in operating casinos, it is not a bottomless pit.

Herein lies another fight between government and casino operators. Government wants to maximise revenue, black economic empowerment and regional development. Casino operators, which consider these to be effective taxes, aim to maximise profit.

The all-important issue to be clarified before proposed developments can be detailed and licence applications submitted is the licence fee and gambling levy.

While all this is taking place the illegal casino operators are continuing unregulated.



Cash slots: Casinos in Johannesburg attract gamblers with bright lights and the thrill of easy money

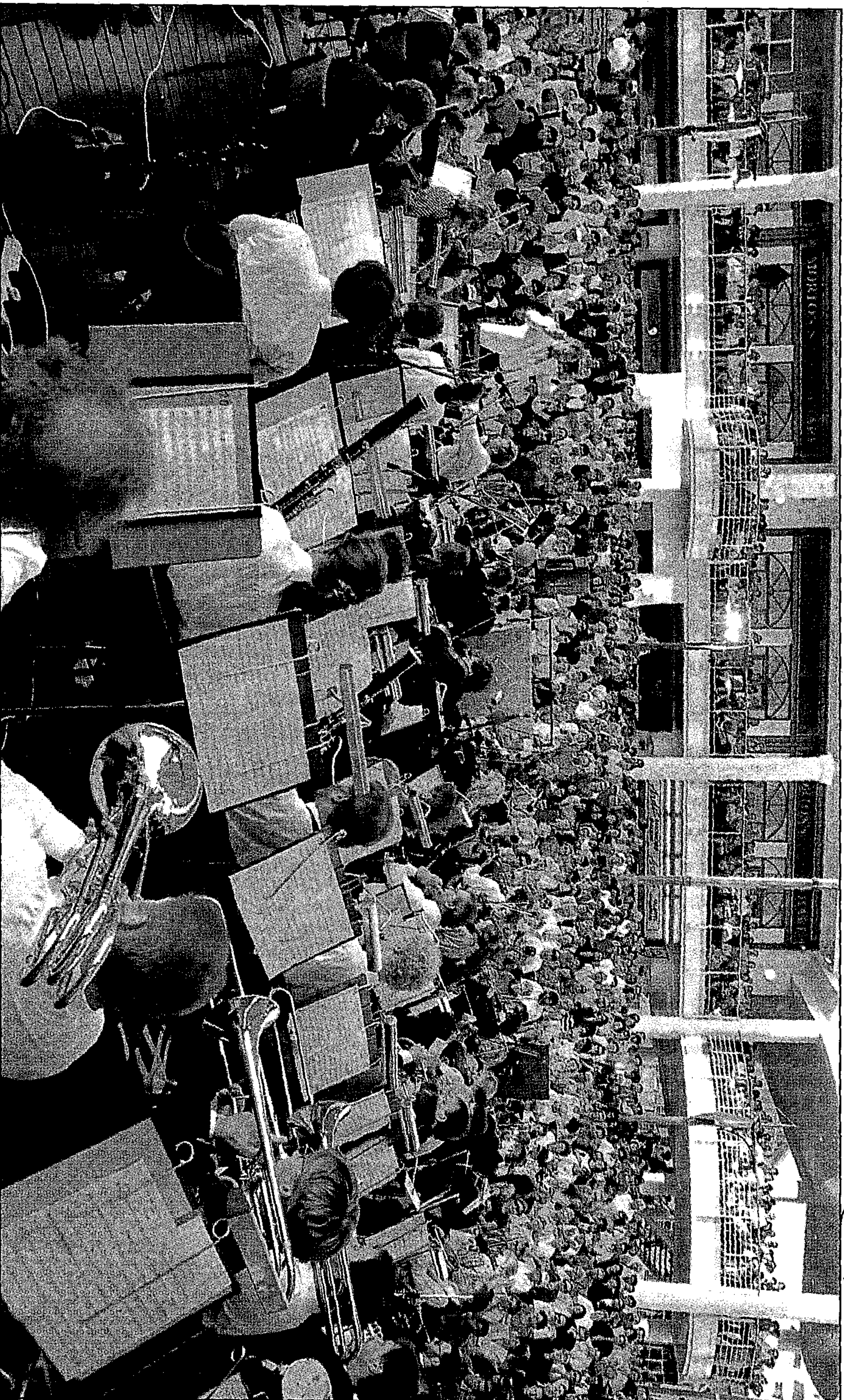
PHOTOGRAPH: HENNER FRANKENFELD

Dischord!

9/2/96.

(292) ARG

Lack of money may silence one or both of Mother City's orchestras



UNDER THREAT: The Cape Town Symphony Orchestra performs at the Waterfront as part of its policy to take the music to the people. Both CTSO and Capab's Cape Philharmonic Orchestra are facing a funding crisis which could lead to their closure.

ANDREA WEISS Municipal Reporter

CAPE TOWN is the only South African city to have two orchestras - but uncertainty around funding is threatening both their futures.

"Our immediate situation is that the clock is ticking and we cannot go on indefinitely," says Cape Town Symphony Orchestra's executive director Jacques de Vos Malan.

Cape Philharmonic Orchestra director Alastair Cockburn echoes this when he comments: "The future looks bleak ..."

The fortunes of the CPO, the accompanying pit orchestra for all Capab's ballet, opera and musical productions, are tied up with future funding of arts councils around the country.

On the other hand, the CTSO, founded in 1914 as the city's "performing" orchestra, is at risk because of restructuring within local government which has thrown open the question of who should fund municipal-level arts and culture.

The CTSO is under the more immediate threat, with the source of about half its income for the next financial year unknown at this stage because of local government restructuring.

Dr De Vos Malan says the orchestra needs about R7,5 million for its annual operating costs, with about 90 percent of that money spent on the salaries of its 78 members.

The orchestra is able to raise about R3,5 million itself, but is looking towards local and provincial government for the rest. The crunch has come because a 10-year agreement with Cape Town City Council, which privatised the orchestra in 1986, has come to an end making it necessary for the orchestra to seek money elsewhere.

Aside from having already received its last R4 million grant-in-aid from the city, the CTSO's lease at the Cape Town City Hall comes up for renewal in June when the next budgeting cycle for the orchestra gets underway.

Dr De Vos Malan says that unless it is clear that money will be forthcoming from the public sector, the orchestra will have to stop performing by the end of the year or else its board of directors will be driving the company into the ground and not be able to pay out severance packages to the musicians.

Ironically, the crunch has come

as the orchestra is doing better than ever before, having attracted 91 000 people to performances in six months this year, and exceeding its earnings for the whole of last year in that same period.

"Our mission is to provide music of instrumental excellence to all the people at the Cape. For that to be happening while there is incredible foot dragging at all levels of government is a terrible irony," Dr De Vos Malan remarks.

For the CPO, the scenario is somewhat different because it is closely linked with the debate around the role arts councils should play in the new South Africa. The CPO has a smaller

operating budget, around R4 million, although many of its costs are dealt with through the Capab administration.

According to its director Alastair Cockburn, the CPO has an approved strength of 65, but has had its numbers depleted because of a job freeze within Capab. However, there are certain key vacancies within the orchestra which have to be filled, and the posts for the principal second violin, viola and double bass positions as well as a horn and trumpet vacancy have been advertised.

Mr Cockburn says the latest announcement about further budget cuts might affect these jobs.

Unlike the CTSO, the CPO has enough money to take it through another financial year, but Mr Cockburn says the long term future looks "even bleaker".

In spite of this backdrop, the CPO has taken the initiative by taking on more performances outside its usual accompanying functions and by developing an outreach programme.

Central government has indicated that it is willing to subsidise only three orchestras in the country, and this on a diminishing basis which would ultimately mean the orchestras would have to find two-thirds of their own money.

There are five remaining pro-

fessional orchestras in South Africa - two in Gauteng, one in Durban and two in Cape Town. One idea which has been mooted to secure at least one orchestra is for Capab and the CTSO to merge, but neither management is over the moon about the prospect because of the difficulties this would create.

Mr Cockburn makes the point that a pit orchestra, such as the CPO, and a performing orchestra such as the CTSO are "two different animals".

He maintains that while it might be more politically correct to combine the orchestras, it would not necessarily result in any finan-

cial savings because 90 percent of the operating costs are attached to salaries, and a combined orchestra would have to have about 105 players to make it viable for both functions.

His view is borne out by Dr De Vos Malan who says that very different skills are needed for accompanying productions for a lengthy run, to those required for mastering several different symphonic works in a short time.

Dr De Vos Malan said there was an attempt in the former Transvaal to combine the National Symphony Orchestra, which belongs to the SABC, and Pact's philharmonic orchestra. The result was an

orchestra with 130 members with musicians having to commute between Pretoria and Johannesburg to perform on the stage and in the pit.

"Nobody lost their jobs, but everyone was very unhappy," Dr De Vos Malan says. "It was not a success."

In addition, merging the two would create something of an administrative headache in trying to balance the needs of symphony performances with those of ballet and opera, and would most certainly lead to a fall-off in performances.

But, while a merger may not be either man's first choice for his orchestra, there is a very real danger that both orchestras might fall through the proverbial cracks as the arts are restructured.

One of the consequences of such an eventuality would be a serious depletion in the number of musicians available to teach at music schools, colleges and universities throughout the Western Cape.

Mr Cockburn makes the point that the closure of an orchestra would have a ripple effect on music education, not only because there would be no teachers for orchestral instruments, but also because there would no longer be jobs on offer for graduates of music, ballet and opera schools.

Both orchestras have been actively engaged in outreach programmes offering performances at reduced rates and in schools to encourage children to become involved in music.

The other effect a closure would have would be to make redundant people, some of whom have devoted whole careers to music in Cape Town, who have specialised skills.

The uncertainty in itself has "played havoc" with the health and stress levels of the musicians. Dr De Vos Malan says that morale is surprisingly high, but when the musicians walk off the stage "the unease is there".

Mr Cockburn believes it is the wrong time to reduce the cultural life of the city, particularly in the light of its Olympic bid which has a cultural side to it.

"One of the problems in this city is we have a pretty lethargic public," he says. "The people of Cape Town have a very nice, laid-back attitude, but that can also be detrimental because they are not aware of what is happening."

"One day when the orchestra closes down, they will say: 'Where has it gone to?'"

Arg us.

9/21/96

Sun City gambles on being a big loser

By GILLIAN ANSTEY

SUN CITY, the country's most famous hotel and casino resort, is running at a loss.

Peter Bacon, managing director of Sun International, the resort's owners, confirmed on Friday that Sun City's lack of profitability had been cited as a reason for seeking an additional casino licence in the North West province.

The losses are being incurred despite an occupancy rate of more than 75 percent, substantially higher than the 45 percent average for South Africa's hotels, and room prices of up to R1 000 a night.

Sun International says that the resort is being subsidised by its three other resorts in North West province.

The Minister of General Affairs, Chris Fisser, proposed this week that the National Gambling Bill, currently being considered by the parliamentary ad hoc committee on gambling and lotteries legislation, be amended to allow Sun Interna-

tional to retain three rather than two casinos in the province.

Mr Bacon told the committee this week that there were "low returns on major tourism infrastructure developed at Sun City" and that the resort was being supported by the Carousel, Morula and Tloabane casinos. It also had outstanding loan facilities of R310-million.

"You have to understand that Sun City represents a very substantial investment in terms of tourism infrastructure," Mr Bacon told the Sunday Times.

"Its replacement value is R2,5-billion. The last phase of development cost in excess of R850-million and that excludes the R200-million spent in the last few years on refurbishing the three other hotels there."

Mr Bacon said that Sun City, Morula Sun and the Carousel were linked as part of the same investment programme, as agreed by Sun International and the government of Bophuthatswana.

The former homeland's authorities had granted Sun International

the gaming licence for the Carousel on condition it expanded tourist facilities, he said.

He added that money ploughed into facilities like concert venues did not make money and had to be subsidised.

Mr Bacon nevertheless conceded that Sun International had made "pretty outstanding" progress since 1975.

Referring to Sun City, he said its occupancy levels were good. "We are doing very well in the international market."

But he insisted this did not relate to profits in terms of return on investments, because of the high level of capital expenditure.

Attorney and gaming consultant Grant Kaplan said that while he could not comment on whether Sun City was making money, he did not think the issue provided grounds for penalising other candidates for casino licences.

"They had their ball game. Now it's opening to other players and they must deal with it," Mr Kaplan said.

Ministry screens film industry

(292)

ARG 12/2/96

TYRONE SEALE, Political Staff

THE ministry of arts, culture, science and technology is screening innovative ways to boost the South African film industry with help from the private sector.

The ministry is also investigating how to continue funding art forms such as ballet and opera without allowing the four performing arts councils, inherited from the old South Africa, to "guzzle up all the money available" for the performing arts.

But the ministry is considering funding either opera or ballet at each of the art councils — not both as in the past.

Minister of Arts, Culture, Science and Technology Ben Ngubane said today that he wanted to see the existing government subsidy of about R3.5 million a year to

the movie industry increase to between R12 million and R20 million.

Negotiations were under way with the finance ministry. The private sector would possibly be asked to make a similar contribution.

While the film industry was a costly one, it had the potential to create jobs, build careers and promote South Africa in the eyes of the world.

At a media briefing in Cape Town, Dr Ngubane said ministry programmes for this year included the establishment of a Feature Film Development Fund which would forge a partnership between his department and the private sector to strengthen both the quantity and quality of South African feature films.

New casino laws hit Sun International

(292)CT(BR)14/2/96

The new South Africa is hitting Sun International from all sides with dramatic changes in gambling licensing legislation and in the tax regime. In the coming months investors will be watching closely to see not only if management can cope with the less friendly environment but can turn it to account.

Chairman Buddy Hawton said the organisation is looking at reducing the number of gambling licences it holds to about 10. "Then we have the opportunity to apply for another six. These would include mega facilities as well as smaller ones."

Asked if he would make a pitch for a licence in Gauteng, Hawton said: "We would prefer to go south."

First prize for the organisation would be to get licences for mega operations in the Western Cape and KwaZulu Natal, and to block the establishment of mega casinos in Gauteng. A real winning stroke would be to persuade the government to clamp down on the estimated 75 000 illegal slot machines.

Mega casinos in Gauteng would severely damage the organisation's operations in the North West Province. Hawton referred to the need to ensure that the proposed regime "is regulated in such a way that existing facilities are not affected by destructive competition. We're lobbying hard to minimise the threat of destructive competition and are talking to the North West government as well as other provinces."

The interim constitution refers to the need to prevent one province's economy damaging another's, but it is difficult to see the Gauteng government giving up potential income from a mega casino to protect jobs in the North West Province.

Apart from the increase in tax rate, which is unavoidable and immediate, the impact of the new licensing legislation is unlikely to affect the organisation's profit in financial 1996 or 1997.

In the latest reporting period, the group's tax bill almost doubled because it lost the cover of the favourable homelands tax regime and felt the effects of South Africa's. In the six months ending last December the 86 percent hike in tax to R54,2 million from R29 million took Sun's rate to 21 percent, so there is a lot of scope for further increases. In addition, the government is looking at subjecting gambling activities to VAT.

The provincial governments are also looking for a cut from gambling profits. Hawton said they "are working hard to ensure that whatever VAT is collected will be passed on to provincial government", thereby satisfying their appetite for income from gambling.

On the tax front, things can only get worse for the organisation. Whatever investment incentives the government may introduce, there will be nothing like the 100 percent-plus allowances enjoyed in Sun Bop's heyday. From 1986 when its asset base was

R287,5 million, to 1995 when the asset base had increased to R2,1 billion, the highest effective rate of tax paid by Sun Bop was 34 percent in 1989. There was no tax charge in 1986; in 1987 the effective tax rate was 6,7 percent; in 1994 it was 12 percent; and in 1995, 10 percent. This tax regime not only boosted cash flow, it enhanced earnings and helped to support a very generous dividend policy.

Much of what the Bop government might have forfeited in tax income, shareholders — including the Bophuthatswana National Development Corporation — picked up in dividend income. Bophuthatswana's citizens also benefited through increased employment. The number of employees at Sun Bop more than doubled from 4 347 to 9 129 over the 10-year period.

There is little management can do about the new tax regime, but there is scope for it to ensure the new environment created by the proposed gambling legislation is as friendly as possible. This means influencing the detail of that legislation and then ensuring it is in a position to benefit from that legislation.

As Hawton explained: "We've got appropriate projects on the table to ensure we're in the running for new licences."

"We're not saying we'll get them but we're working hard to ensure our projects include all the elements government will be looking for in its allocation process."

One of those projects is the organisation's partnership with African Sun International Investments, which includes an array of black businesspeople.

It is also lobbying for changes to the proposed legislation. The key aspects of the legislation the organisation is keen to influence include the two-licence limit in each province and the one-year period in which provincial governments (North West and Eastern) have to sell their shareholdings in Sun International.

Chris Fismer, who was the general affairs minister until last week, has recommended that the organisation be allowed to keep three licences in both the North West and Eastern provinces and that the provincial governments be given until 1999 to dispose of their shares in the organisation.

Hawton says Sun would like to hold on to four of its operations in North West Province. "With regard to the balance of our operations, where we have to sell we think there should be an acceptable sunset period that would give us time to close or dispose of them at realistic values."

Sun International is sure to refer to the income its provincial partners might lose from a rushed sale and to the loss of jobs.

According to Hawton, management "has had discussions with the minister to see if during this sunset period we'd be allowed to continue to facilitate new management of operations that we are forced to sell."

'We are lobbying hard to minimise the threat of destructive competition'

(292) CT(BR) 16/2/96

State film initiative cost taxpayers R3bn

By JAMES LAMONT

Johannesburg — The government ploughed R3 billion of taxpayers' money into a failed state initiative to establish an independent film industry in South Africa, auditor-general Henri Kluever reported this week.

In a performance audit on state aid to the film industry, tabled in parliament on Wednesday, Kluever said the results of 40 years of state assistance towards the establishment of an indigenous film industry "could not be determined".

He said with the making of such

titles as *There is a Zulu on My Stoop*, the film subsidy scheme had not kept abreast of cultural developments in South Africa since its introduction in 1957. The system was wound up in March last year.

The auditor-general's report showed the number of films produced declined from 113 in 1989-90 to 21 in the four years to 1993-94.

During 1993-94 only two films registered for the state subsidy and both raised doubts as to whether they met the objectives of the film subsidy scheme.

Since 1957, more than 850 films have been produced, for which tax

concessions of R800 million were granted. "The scheme was probably funded at a far higher level than its actual priority deserved," the report said.

Since 1989, 60 percent, or R20 million, of the subsidy payments for 10 of the 21 films which qualified for subsidies were paid to a single group in the industry, the report said. Moreover, 14 joint productions of the same group were also financed.

Films not distributed by two designated distributors were automatically disqualified from receiving subsidies.

Gambling Bill takes the shine off Kersaf

(292) ST 18 [2] 96

By MARCIA KLEIN

KERSAF is expected to report earnings growth of at least 15% next week, but investors remain jittery about the effect of a new gambling Bill on the group's future.

Kersaf has interests in Sun International, leisure and entertainment group Interleisure, City Lodge and Douglas Green Bellingham. Its offshore interests are held through Royale Resorts.

Sun International faces numerous challenges over the next few years, when it will have to scale down casino operations and face competition in this market for the first time.

Results of Kersaf's listed interests were published over the past two weeks.

In the six months to December, Sun International increased earnings by 19% to 25.8c a share. Turnover was up 13% to just over R1-billion. Room and gaming revenues increased by 21% and 13% respectively.

According to the group, casino revenues continued to be affected by the activities of unregulated casinos, particularly as these became more involved in slots gaming, which was a major source of revenue for Sun International.

The directors spoke at length about the draft National Gambling Bill, which is likely to be passed before June 30.

They said they hoped restrictions on the group's activities would be imposed "in a reasonable manner" and that enough time be given for disposals or closures of the affected casino operations.

Sun International, together with partners, intends to apply for "a number" of casino licences.

The directors also said the recommendation that VAT be applied to gambling activities, which are already subject to provincial taxes, would be punitive and impair the industry's profitability, growth and investment.

City Lodge, the limited service hotel chain, reported a 47% rise in earnings to R15.2-million in the six

months to December as occupancies averaged 82% at its City Lodge, Town Lodge and Road Lodge and Courtyard hotels.

The company said demand for hotel accommodation was likely to remain high this year, and this would be reflected in its financial performance.

Interleisure, whose interests include Ster-Kinekor, cinema advertising division Cinemark, Computicket and production studios, increased attributable income 23% to R23.5-million in the period. Cinema attendances were up 12% following the introduction of a promotion in which Tuesdays are half-price days. Rainy weather took its toll on drive-in attendances.

Cinemark was affected by changes to cigarette advertising rules and delays in these adverts' return to cinema screens.

Interleisure said cinema attendances would probably continue to grow at a similar level to the period under review. Cinemark and Computicket would benefit from high levels of retail advertising and continued visits by entertainers and sporting teams.

The granting of new television licences should also benefit local production and facilities, where Interleisure is involved through Toron Studios.

Results from Kersaf's offshore interests are not yet known. Analysts say these interests may fuel growth over the next few years.

But the market remains particularly concerned over the future of Sun International.

"Everything boils down to gaming," said an analyst. "With so many new casinos, the excitement of going to its resorts will be dissipated. It will have to sell some of its resorts, and find the extra income by building new hotels, so there will be no net gain."

He expects Sun International "to underperform SA industry for some time".

Gaming legislation set back

BD 20/2/96 (292)

Wyndham Hartley

CAPE TOWN — Urgently needed legislation to regulate gambling in SA was set back yesterday when a meeting of the parliamentary committee was changed to an "informal briefing" because a quorum could not be achieved.

The meeting, designed to begin the process of dealing with legislation to regulate the gaming industry, was delayed for almost an hour.

While it is understood that the meeting was called at short notice, there was apparently little excuse for the poor attendance as only five committees met yesterday.

A consultant representing gambling interests who attended the meeting, said the attendance of only 11 members did not encourage the belief that the legislation would be dealt with as urgently as was necessary.

Committee chairman Luwellyn Lan-

ders said although the meeting would proceed, it would have to be on an informal basis.

Before the committee is a decision on whether or not it should embark on a new session of public hearings. Lack of a quorum halted any decision being taken.

It is understood that meetings are to be held before the next scheduled committee meeting in an attempt to inject some urgency into the proceedings.

There are fears that the ground covered yesterday by the state law advisor drafting the Bill might have to be recovered when the committee is better attended.

Sources close to the committee said they hoped the process would not be delayed.

They said the committee chairmen were well aware of the extreme urgency of the proposed Bill.

tive action in employment with due regard for the objectives of employment creation, fair remuneration, productivity enhancement and macro-economic stability.

- 1.5 An appropriate policy framework for dealing with access to the South African labour market by non-South African nationals with due regard for the supply of labour, availability of employment and the imperatives of regional economic co-operation and development.

The CLMC will produce a report at the end of June.

"Third force" in KwaZulu-Natal

*17. Mr J A MARAIS asked the Minister for Safety and Security:†

- (1) Whether his Department has made an investigation into the existence of a so-called "third force" in KwaZulu-Natal; if not, why not; if so (a) when, (b) who headed the investigation and (c) what were the findings of the investigation;

- (2) whether he will table the relevant report; if not, why not; if so, when;

- (3) whether he will make a statement on the matter? N21E

The MINISTER FOR SAFETY AND SECURITY:

- (1) No.

The Special Investigation Team, headed by the Attorney-General of the Transvaal, has, amongst other matters, been investigating allegations relating to "third force" activities. The Special Investigating Team commenced its investigations prior to the April 1994 election.

(a), (b) and (c) Not applicable.

- (2) Not applicable.

- (3) No.

*18. Mr H A SMIT—Safety and Security [Withdrawn.]

Ministerial vehicle: speed violation

*19. Mr H A SMIT asked the Minister for Safety and Security:†

Whether any Ministerial vehicle, accompanied by two white Opel Astra police vehicles, exceeded the speed limit on the highway between Pretoria and Johannesburg in the vicinity of the Johannesburg International Airport on or about 19 January 1996, at about 17:45; if not, what is the position in this regard; if so, (a) who were the passengers in the Ministerial vehicle and (b) what are the further relevant details? N23E

The MINISTER FOR SAFETY AND SECURITY:

Yes,

- (a) the passengers in the Ministerial vehicle were Deputy President Mbeki, Mrs Mbeki, Inspector Poti and Inspector Pule.

- (b) Deputy President and Mrs Mbeki were on their way to a function at the World Trade Centre at Kempton Park where the Deputy President was due to speak.

Toll road from Gauteng to Maputo

*20. Mr A WATSON asked the Minister of Transport:

- (1) Whether any feasibility study of a toll road directly linking Gauteng with Maputo via Komatipoort has been undertaken; if not, why not; if so, (a) what were the findings, (b) how will such a road affect the Kruger National Park and (c) what will be the total cost of such a road;

- (2) whether it is the intention to build such road; if not, why not; if so,

- (3) whether any amount will be contributed by the South African Government towards building such a road; if not, why not; if so, what amount? N24E

The MINISTER OF TRANSPORT:

- (1) (a) Two feasibility studies were done.

The first was done by a private concern as part of their motivation to the Department seeking a concession to toll the N4 Route in exchange for maintaining and upgrading the route. The second was commissioned by the Department of Transport as part of the Roads Project of the Maputo

Development Corridor initiative. Both these feasibility studies indicate that the project should be viable.

- (b) The development of tourism is identified as one of the key objectives of the Maputo Development Corridor and this initiative will have a positive influence on tourist usage of the Kruger National Park. Improving road access to the Park will enhance its status as the biggest tourist attraction in the corridor. In addition, the possible linking of the Park with Mozambique offers the prospect of making the combined Park one of the biggest and best-used in the World.

- (c) The initial cost for the upgrading on the South African side of the project is estimated to be R400 million, which will include the upgrading of the section between Machadodorp and Montrose at Waterval-Boven, and the sections between Kaapmuiden and Strathmore, and Malelane Gate and Hectorspruit east of Nelspruit. The upgrades on the South African side are part of an on-going programme of necessary improvements to the National Road Network. The rehabilitation and new construction on the Mozambican side is estimated at R150 million.

- (2) On the South African side, it is intended to improve the *existing* road by upgrading, rehabilitating or re-aligning as necessary. The new construction is mainly required in Mozambique.

- (3) The intention of the Government is to finance this project through private sector participation in the form of a Build, Operate and Transfer scheme (or one of its variations). At this stage it is envisaged that the Government would only contribute right of access to the existing road (National Route 4, sections 3 to 8) to a concessionaire for the duration of the contract, which could be in the region of 30 years.

A major objective of the Department is to minimise Government's financial exposure on this project. The final amount of any Government contribution will, how-

ever, only become fully clear after proposals have been received from the private sector indicating their willingness and ability to raise finance for this project.

Policy document for performing arts (292)

*21. Dr F J VAN HEERDEN asked the Minister of Arts, Culture, Science and Technology:†

- (1) Whether his Department has compiled a policy document relating to the performing arts; if not, what is the position in this regard; if so, (a) in regard to which performing arts, (b) from which interested parties were inputs received and (c) what is the purpose of the document;

- (2) whether he will make a statement on the matter? N25E

The MINISTER OF ARTS, CULTURE, SCIENCE AND TECHNOLOGY:

- (1) Yes, the Department of Arts, Culture, Science and Technology has formulated various policy documents relating to the performing arts. The central endeavour is to ensure that all communities have equal access and opportunity to participate in artistic activities. Policy suggestions have been formulated through extensive consultation with all stakeholders in the arts and culture sector.

The Department's policy is based on the recommendations coming out of the Arts and Culture Task Group, a group representing the arts community, that I constituted last year. The public was invited to comment on these recommendations through written submissions and in a number of regional and national workshops. All these responses are included in the final Acting Report. This report can be considered as constituting my Department's "Green Paper" on Arts and Culture policy, and as forming the basis for our White Paper.

The White Paper is in the process of being finalised and will be tabled in Cabinet during the course of this year. One of its areas of focus will be to propose a new funding dispensation for the performing arts. The White Paper process involves the costing of proposals made by the ACTAG

report, and the formulating of concrete policies for transforming the ACTAG recommendations into feasible scenarios. We are also taking further inputs from people involved in the arts and cultural sectors.

(a) Policy will go beyond previous definitions of what constitutes the performing arts, and will include the full range of South African performing arts, including: theatre and drama, oral performance, popular performance, youth theatre, contemporary music, opera, musical theatre and dance, as well as the performing arts that are focused on development, such as Theatre-in-education programmes, art and music therapy.

(b) As I have already said, our policy-making process has been democratic and inclusive. Consultation has occurred and inputs been received from every major stakeholder. This includes community based cultural organisations, cultural unions, theatre managements, the existing Performing Arts Councils, journalists and individual members of the public.

(c) The Ministry is about to finalise plans for future restructuring. In the interim, however, I am happy to inform Parliament of the broad policy direction that is emerging. It is recognised that our policy on the arts: must ensure equality of access. This means, firstly, that all art forms must have access to funding, resources and infrastructure; and secondly, that all audiences should have access to these art forms. Plans to achieve this will include the scaling down of funds to the PACs over a period of three years, giving them time to find alternative funding sources, for example, from the private sector and local government. The money that is freed-up will be redirected to a National Arts and Culture Council that will fund the full range of art forms, giving priority to the work of previously disadvantaged organisations working in the communities. Plans are also underway to direct funding to community arts development units across the country. These

units will provide people with skills training and create opportunities for entrepreneurship in the arts.

To afford these initiatives, the Ministry will be moving to a situation, over the next three years, in which we are funding only one company in each of the expensive genres, such as opera and ballet. This will function as a way of ensuring that minimum standards are fulfilled, while releasing money for other art forms, artists and communities.

(2) The above constitutes a statement on the matter.

Transnet: pension fund deficit

*22. Mr D M STREICHER asked the Minister for Public Enterprises:†

(1) Whether Transnet is experiencing a deficit in its pension fund; if so, what is the extent of this deficit;

(2) whether future pension disbursements to Transnet employees are being jeopardised by the deficit; if not, what is the position in this regard; if so, what are the relevant details;

(3) whether Transnet intends taking any steps in regard to this deficit; if not, why not; if so, what steps?

N26E

The MINISTER FOR PUBLIC ENTERPRISES:

The Managing Director of Transnet Limited furnished the following reply to the hon member's question:

(1) Yes.

The deficit as at 31 March 1995 amounted to R4 209 million.

(2) No.

Transnet became liable in terms of section 3(2) of the Legal Succession to the South African Transport Services Act, 1989 (Act No 9 of 1989), for the funding of the deficit of approximately R17,1 billion (it being the deficit immediately prior to the transfer of the business of the South African Transport Services to Transnet). This obligation is in turn guaranteed by the State in

terms of section 16 of the aforementioned Act, read in conjunction with section 12 of the Transnet Pension Fund Act, 1990 (Act No 62 of 1990).

(3) Yes.

At company formation on 1 April 1990, the deficit in the Pension Fund was R17 180 million. Transnet issued bond to the value of R10 394 million to settle a portion of the deficit and also increased its contribution rate from 11% to 15,525%. The Rules of the Pension Fund were also amended to make provision for the Fund to invest in growth assets, for example shares and property, compared to exclusively bonds in the past. In further addressing the deficit, the Board of Trustees of the Pension Fund also reduced the benefits of the members of the Fund.

Agreement between management and employees of mine

*23. Mr G C OOSTHUIZEN asked the Minister of Mineral and Energy Affairs:†

(1) Whether his Department was involved in the agreement recently entered into between the management and employees of a certain mine, the name of which has been furnished to his Department for the purpose of his reply; if not, what is the position in this regard; if so, what are the relevant details of the agreement;

(2) whether he will make a statement on the matter?

N27E

The MINISTER OF MINERAL AND ENERGY AFFAIRS:

Reply bound in Annexures of House—see M110.

Constitution for KwaZulu-Natal

*24. Mr D W MAKHANYA asked the Minister for Provincial Affairs and Constitutional Development:†

(1) What are the latest developments in regard to a constitution for the Province of KwaZulu-Natal;

(2) whether he will make a statement on the matter? N30E

The MINISTER FOR PROVINCIAL AND CONSTITUTIONAL DEVELOPMENT.

(1) According to the Office of the Premier of the KwaZulu-Natal province, the draft constitution for the province has been, together with certain options, published in the Provincial Gazette for public comment (Provincial Gazette 5104 dated 7 February 1996). The abovementioned was as a result of a resolution taken by the KwaZulu-Natal Legislature on 1 February 1996.

(2) No.

Telkom: protest march

*25. Mr M C J VAN SCHALKWYK asked the Minister for Posts, Telecommunications and Broadcasting:†

(1) Whether any employees of Telkom recently held a protest march at the company's headquarters in Krugersdorp; if so, (a) what were the primary causes for the protest and (b) how many persons were involved;

(2) whether the employees in question made any demands on the company; if so, what was the nature of these demands;

(3) whether these demands were or will be met; if not, why not; if so, what are the relevant details?

N32E

The MINISTER FOR POSTS, TELECOMMUNICATIONS AND BROADCASTING:

The Managing Director of Telkom SA Limited has informed me as follows:

(1) Confirm that a protest march was held on 26 January 1996. A correction that Krugersdorp is not the Company's headquarters but an Area Office.

(a) The protest march was held by Mine Workers Union regarding the safety of their members on Telkom property during industrial action.

This was a sequel to industrial action embarked upon by POTWA on 20/12/95 where upon POTWA members occupied the Krugersdorp Area office which caused disruption to Mine workers Union members as well as Telkom customers.

Officials ignore workers' gripes

22/2/96
Sowetan
By Pamela Dube
Political Reporter

292

THE North West government is "turning a blind eye" to corruption and mismanagement at the North West Arts Council, workers allege.

Sowetan investigations of the Arts Council has revealed that calls by workers to investigate the council's top management have gone unheeded.

In correspondence with top management and the government since 1994, the workers consistently complained about corrupt management, nepotism, financial abuse, missing property, racism and continuous dismissal of workers at the acting executive director's whim.

The workers feel aggrieved by the "unprocedural" appointment of the acting executive director, Mr Walter Mosetlhi.

Mosetlhi, who was part of the old board that served the Bophuthatswana bantustan, was ignorant of the operations of the Arts Council, workers allege. The majority of these influential people are foreigners, they add.

In a letter dated November 15, 1995 to the MEC for Health, Dr Molefi Sefularo, black musicians in the orchestra complained that the line management is composed only of whites.

The workers also complained that most black performers remain trainees for many years in the ballroom and orchestra departments.

Former ballroom cadet, Mr Peace Mokotedi, joined the Arts Council in 1990 and his contract was terminated in December 1995 without even a month's notice.

"Last week the corporation's choir, comprising 30 members, was fired despite the fact that Sefularo and Mr (Job) Mokgoro, North West director general, stated that there should be a moratorium on hiring and firing of workers," Mokotedi said.

On July 7 1995, Mokgoro wrote to the Council that the management should not terminate any contracts or make new appointments until a directive is given by this office.

Despite this, the government did not attend to the cases of the employees fired, workers allege.

"What is more frustrating is that we have no idea of who is in charge of the Arts Council affairs," an employee Mr France Seema said.

Late last year, the Council management instituted a committee of enquiry into the allegations made by the employees.

Major hotel and casino chains poised to enter SA

Star 22/2/96

(292)

Film star Omar Sharif and an international hotel group sign deal to embark on joint venture

By SHIRLEY WOODGATE

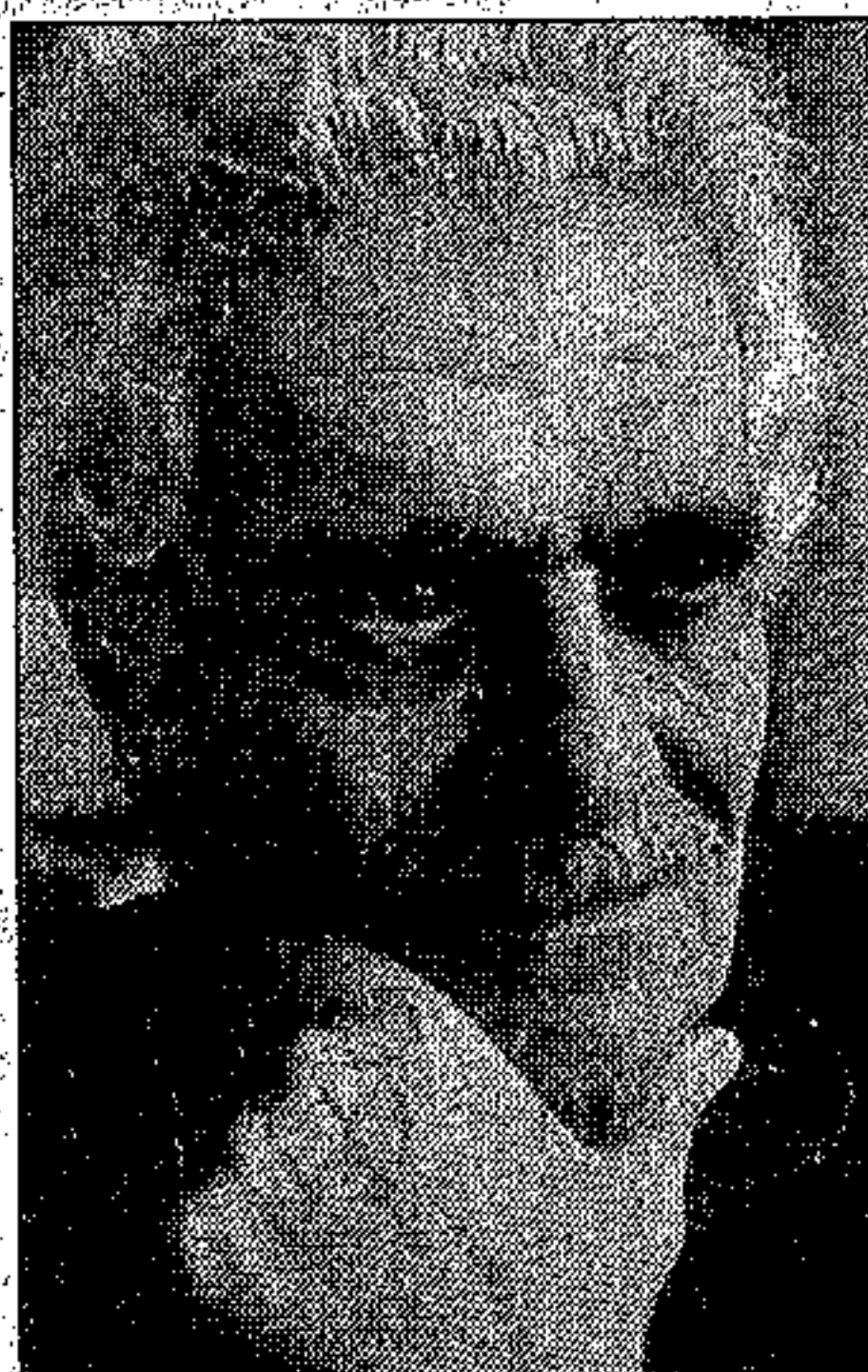
Film star Omar Sharif's casino operation has signed a deal with top American company, Days Inn Hotels of Southern Africa, aiming to launch 16 gaming outlets in the region, most of them in South Africa.

Announcing the joint venture, Charles Holland, spokesman for Days Inn's parent company, Hospitality Franchise Systems Inc (HFS), said the chain had entered the country's hospitality industry in light of the growing number of tourists, and in anticipation of gaming licences which are expected to be issued from December.

Holland said they were "fairly confident" of getting several of the limited number of licences available in each province. He singled out Durban as one of the most probable centres.

HFS is the biggest franchiser of hotels in the world and is listed on the New York Stock Exchange.

The Central Statistical Service's latest figures show that



Omar Sharif... second try for business deal in SA.

tourism is booming, with the number of foreign visitors counted at SA's three international airports breaking the 1 million mark last year for the first time.

"Days Inn, the largest single hotel brand in the HFS portfolio, are speeding up their entry into

southern Africa. In doing so, they have joined Omar Sharif Southern Africa (Pty) Ltd to develop, own, operate and franchise Days Inn hotels in conjunction with gaming and casino operations in South Africa," said Holland.

Sharif's MD, Mannie Hirsch, said: "We are a casino, not a hotel operation, and were approached by Days Inn who, in looking to enter southern Africa, had been told of our philosophy of creating new money channels to redistribute profits to disadvantaged communities."

Both companies would welcome and encourage local involvement in the development, ownership and training of hotel and casino staff if they were granted licences, he added.

Last year, former ANC Women's League president Winnie Mandela and Sharif announced a joint multimillion-rand Road to Freedom tourism project which led to the resignation of 11 of the league's national executive members.

R1-m 'relief fund' for artists

(292)

Sowetan 23/12/96

By Mojalefa Mashego

Bid to keep arts bodies on their feet



Happy days ... Johnny Mekoa's Gauteng Music Academy were among the beneficiaries of the Gauteng government's relief funding.

IN a bid to keep arts and culture organisations on their feet, the Gauteng department of sport and recreation, arts and culture last week allocated more than R1 million to 52 bodies in the province.

Appropriately described as "relief funds", the money came in handy for various beneficiaries who were almost all in "dire straits".

The funds of many of them – ranging from music, theatre and dance groups to publishers, film schools and visual art schools – had been frozen because the country was in transition.

Speaking during the ceremonial cheque presentation at the Market Theatre, Newtown, the department's director, Mr Victor Modise, said an ad hoc emergency fund committee was formulated because there was a great need for funds.

In an interview with *Sowetan* this week, the department's chief director, Ms Pimla Madiba, said organisations had to be "sustainable" to get funding.

She said: "We could not, for instance, afford to give money to kick off a (non-existing) organisation. We have a commitment to help organisations to strengthen themselves."

Conditions in the department's funding plans include that the applicant should "in principle be a non-profit-making body"; should be a "viable arts and culture structure" and

should be "fit to properly manage the funds it receives".

Madiba said in addition to the funds, the department will provide technical assistance where needed. The biggest chunk went to Skotaville Publishers, who received R100 000.

Johnny Mekoa's Gauteng Music Academy got R60 000, Congress of South African Writers R50 000, Soweto Dance Theatre R30 000, Sibikwa Community Theatre R20 000 and Pretoria Youth Choir R10 000.

Modise said "about 90" organisations were put aside because they needed to be assisted in other ways and "some just did not have the capacity to manage funds".

What mechanisms will the department employ to ensure that the beneficiaries use the funds properly?

"When we handed out the cheques, one condition was that we required a progress report about projects for which the organisations had requested assistance," said Madiba.

"The report must include an audited statement and this must be submitted within a specified time (depending on the duration of the project)."

● The Gauteng department of sport and recreation, arts and culture is the only one of its kind in South Africa. Other provinces left these areas under their departments of education.

What is the Gauteng department's vision? "We want to enhance unity in the diversity of the multicultural people of Gauteng," said Madiba. "This means we want people to practise their culture as they please."

"We are saying we are a people – the diversity can remain and, at the same time, there can be unity."

The department has three directorates: sports and recreation; arts and culture; and libraries and information services. The role of the last is to provide library services for communities around Gauteng.

"We will play a facilitating role as government. The department will help to upgrade libraries where they exist and set up some in communities that are without them," she said.

Here the department is working in partnership with local government authorities. Whatever resources we have to develop libraries, we will transfer to the authorities to put up the structures."

Although charged with "out-of-school" sports, recreation, arts and culture, said Madiba, that does not mean "the department won't have a relationship with in-school activities."

"We try to get representatives from the community and local authorities."

Arts funding proposals may hit opera and ballet lovers

ST 25/2/96

(292)

By GILLIAN ANSTEE

CAPE TOWN and Pretoria audiences will soon be denied the luxury of both ballet and opera — unless local governments and private enterprise step in with funding.

Within a maximum period of three years, but possibly much sooner, the state will fund only one ballet and one opera company — neither of which will tour.

The choice of which city gets which company is being debated by Pact and

Capab, the only two arts councils which still stage these costly art forms.

These proposals, which will revolutionise the performing arts councils as we know them, form the basis of the Arts and Culture White Paper to be presented to Parliament late in March.

The changes, however, are not restricted to high art. All the music, drama and musicals departments as well as contemporary dance companies currently attached to the arts councils will fall away.

If companies like Ca-

pab's Jazzart and the Pact Dance Company want government funding, they will have to join the queue at a National Arts and Culture Council which will distribute funds to specific projects, along the lines of the British Arts Council.

The state, however, will continue to support the buildings which the arts councils have at their disposal: Cape Town's Nico Malan, Pretoria's State Theatre, Bloemfontein's Sand du Plessis and Durban's Playhouse. Added to this list, will be Johannesburg's Market and Windy-

brow theatres and Cape Town's Baxter.

This financial support of the seven theatres includes facilities such as wardrobe, decor and technical services.

Instead of the councils' four orchestras, only two will continue to be state funded, the choice dependent on which cities host ballet and opera. In effect, this strips the arts councils of most of their existing activities.

In their place there will be Community Arts Development units which will be linked to existing non-gov-

ernmental organisations like Johannesburg's Fuba Academy and Cape Town's Community Arts Project.

These changes are based on the proposals of the Arts and Culture Task Group as well as audited costing of specific performing arts activities.

Roger Jardine, director general of the Department of Arts, Culture, Science and Technology, said: "This is what the national government can afford, but it doesn't preclude the provinces from funding the arts of their choices, in terms of schedule six of the

Capab ballet director slams cuts

By GILLIAN ANSTEE

THERE was mixed reaction last night from arts personalities to the new funding proposals.

Veronica Paepet, artistic director and resident choreographer of Capab ballet, slammed the move as "iniquitous". She said her department was the only one in all the arts councils which used the government's money "correctly" by following democratic principles.

"We have cultivated South African artists, not only performers but also choreographers and composers; employed dancers of all cultures long before any one else

did; have the largest repertoire of indigenous works in southern Africa and have schools out in the townships," she said.

Her colleague, Professor Angelo Gobhato, director of Capab opera, said he admired the government for what it was trying to do.

"We must remain philosophical and optimistic. These are difficult times of transition where the government has to balance artistic requirements with political expediency and economic reality. We must be grateful that one opera company will still be maintained.

"But what is the point of commenting if we don't know which city

will get which? And even if we give recommendations, we have no guarantee they will be listened to. In the end it's fine for the performers. They can just pack their bags and go somewhere else, but it's a major problem for the opera-going public," he said.

Murray McGibbon, director of drama for Durban's Playhouse, said: "The model needs to be re-looked at. I don't think it's going to work. We need to spend more money on developing South African arts and culture, not less."

Alan Joseph, who becomes Pact's chief executive officer on Friday, said he thought it was a

move in the right direction, "a workable solution for the amount of money they can afford. But I want both opera and ballet to be performed at the State Theatre and we're going to find out how that will be possible".

Janice Honeyman, artistic director of the Johannesburg Civic Theatre, said: "This makes ballet and opera even more elitist art forms. Only the very wealthy will be able to see them.

"But if we can't afford opera in the grand style and ballet with 17 000 sequins, it's not the death of these arts. We could turn them into very South African mediums."

interim constitution." He said the principles underlying these changes were good governance and feasibility.

"We need to manage the arts and culture system in such a way that maximises the benefits to the arts community and the taxpayers since, after all, it's their money."

"At present 46 percent of our budget is spent on four performing arts councils and we have to prioritise so we can unlock money and spend it on new areas," Mr Jardine said.

The arts councils are also not profitable. Box office brings in only 18 percent of their income, with their state grants providing 70 percent and other grants and donations the balance.

Cuts to the state grant are imminent, with the amount to be determined at a meeting of the MECs scheduled for Tuesday.

Applicable from April 1, they are expected to be in the region of 22 to 30 percent of the current combined arts councils' grant of R121-million.

While Pact and Capab battle over who will host the ballet and opera companies, the government is addressing the problem of tax incentives, until now granted only to sports and not arts events.

The Ministry of Arts and Culture will meet Chris Liebenberg, the Minister of Finance, on March 4 to address this issue.

If no solution is found to encourage private investment of additional companies and orchestras, ballet and opera lovers may have to travel distances of 1 000km to see their favourite art forms.

Schucks, no more profitable film subsidies

MtG 1-7/3/96
(292)

While the government considers more equitable ways of aiding the film industry, **Justin Pearce** reports that a single producer scooped more than half the subsidy money in recent years

FILMS, including *Oh, Schucks*, it's *Schuster* and *There's a Zulu on my Stoop*, earned more than R20-million in government subsidies for film production giant, Toron, over a period of four years.

A single production, *Sweet and Short*, brought Toron more than R5-million in terms of a scheme which paid subsidies to films in proportion to their box-office takings.

Auditor-general Henri Kleuver recently slammed the previous government's subsidy scheme for allowing such a large amount of taxpayers' money to be paid out to a single player in the industry.

Kleuver also added his voice to the widespread criticism that the subsidy scheme, administered by the Department of Home Affairs, took no account of creative merit in awarding subsidies to films.

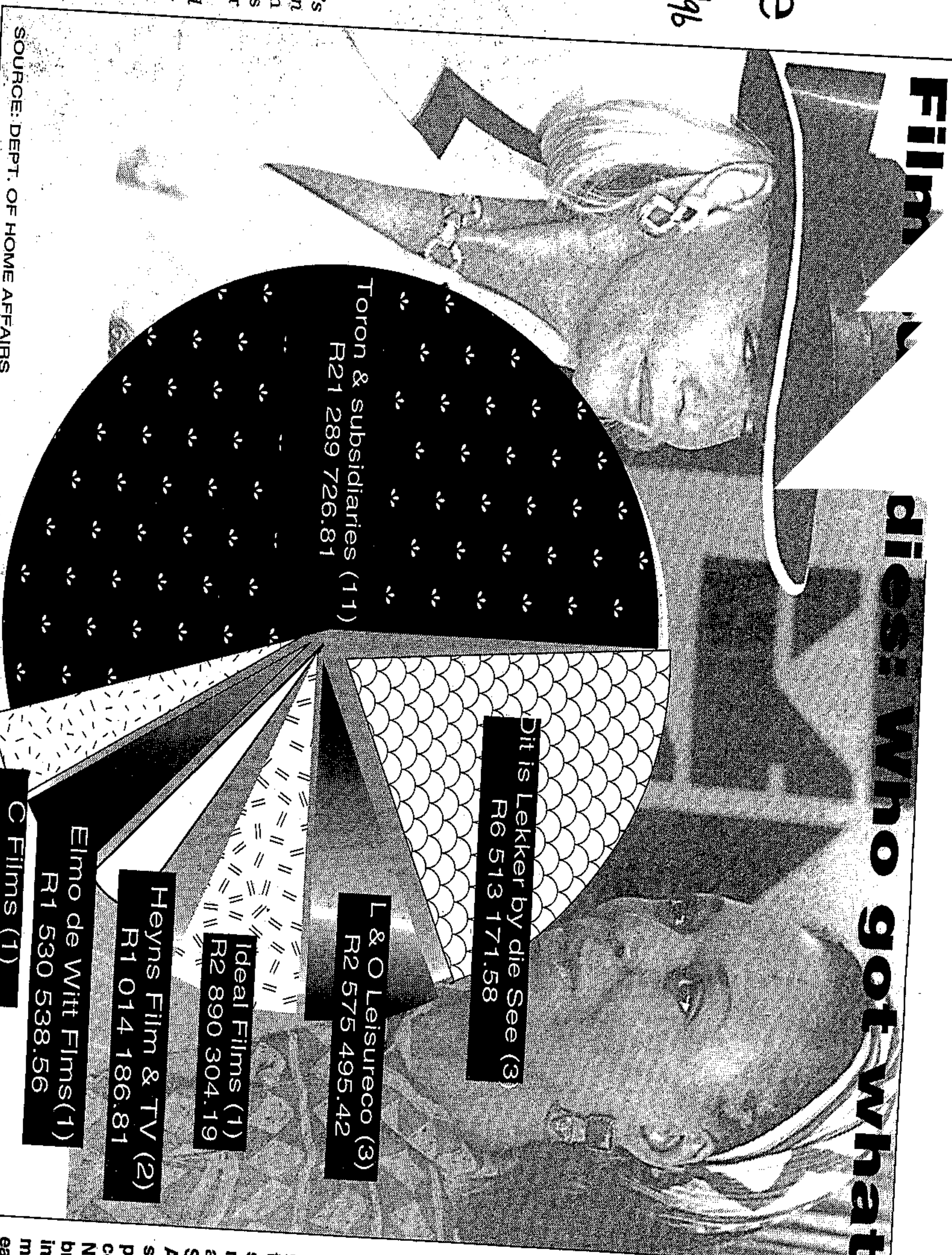
Of the 25 subsidies, totalling nearly R40-million and awarded between 1990 and 1994, 11 went to films produced by Toron Screen Corporation and its subsidiaries, Koukus Productions, Koukus Troika and Independent Film Centre.

In the two years between March 1990 and March 1992, Toron was responsible for eight of the 11 films which received subsidies.

South Africa's film subsidy scheme was founded in 1957 in an attempt to stimulate the local industry. While the formula has varied over the years, since 1989 films earning over R200 000 at local box offices have

Film

dies: Who got what



A bigger slice: This graph shows the film subsidy money awarded to South Africa's seven biggest production companies. Numbers in brackets indicate how many films each company made to earn its subsidy

received a subsidy proportionate to ticket sales. Until 1993, producers received 70 cents of subsidy money for each rand earned at the box office — this increased to 75 cents in the rand, but at the same time a ceiling level of R2-million was imposed.

Carl Fisher, managing director of Toron's Independent Television Centre, emphasised the subsidy money was not a handout, but had only been given after capital investment in the films, which had then turned a profit. The total budget for Toron's subsidised films was almost R50-million.

Toron is owned by the Interleisure group, which also controls Ster-Kinekor and Computicket. Interleisure is controlled by Sabel Investment Holdings, which in turn is owned half by Servgro, a company in the Sanlam stable, and half by Kersaf

which is in the Old Mutual stable. Kersaf — with a "Ker" as in Sol Kerzner — also owns the Sun International hotel group.

Government involvement in the film industry is now under review. There is a wide consensus that some kind of government involvement is necessary, as in France, Canada and Australia, to nurture a local industry in the face of dominance by the Hollywood giant.

The new Ministry of Arts, Culture, Science and Technology has taken over responsibility for the industry, and has drafted a separate White Paper on film which is now awaiting ministerial approval.

Future government policy is likely to include the establishment of a film foundation similar to those which exist in countries such as France and Australia, which will look after the

interests of the local film industry. The foundation will take a holistic look at the film industry, combining a developmental and educational role with a financial one. A film bank is likely to be established as a channel for loans, subsidies and financial incentives to the industry, though various different financial models are still under consideration.

The foundation will offer incentives for foreign filmmakers using South Africa as a location to co-operate with the South African industry as far as possible, in order to develop local skills. It will also facilitate co-operation between the film industry and television which will be necessary for the industry to become self-sustaining.

While the previous subsidy scheme was geared to feature-length movies which could be guaranteed to turn a

profit at the box office, the foundation's brief will be to provide incentives for a much wider range of films. Films of artistic merit, short films, educational films will be encouraged by the new scheme, as well as work by new filmmakers and films made outside of the industry's present Gauteng heartland.

While the old scheme provided subsidy money only after the film had been made and marketed, the film foundation will probably have money available before production, to fund the development of scripts, for example.

The foundation is also likely to negotiate the distribution of South African films, which are presently neglected by a system geared to the distribution of feature-length American films, with only the exclusive "art circuit" providing an alternative.

Museums, galleries warned of '10% budget cut'

THE budgets of art galleries and museums funded by his department would be cut, Arts and Culture Minister Dr Ben Ngubane said yesterday.

His ministry had decided that the nominal amount of funding that

associated art galleries and museums were receiving would remain the same for the 1996/97 financial year, he said in reply to a question from Senator Attie Jooste (NP).

In real terms, this zero increase

represented a reduction of about 10%, as it was impossible to sustain the present pattern of funding for existing museums and galleries. A restructured funding model could be expected soon. — Sapa

(292)

CT 8/3/96

Gaming industry slams tax proposals

Amanda Vermeulen

THE gaming industry has slammed the Western Cape's proposal to levy up to 26% tax on gaming revenue, warning that at least two major foreign investors may have been scared off by the punitive proposals.

The proposed tax, which on turnover of about R600m a year would be in the region of 24,7%, increasing to a maximum of about 26%, was way over the 15% being lobbied by the industry.

Global Resorts CE Ernie Joubert said the tax, which would consist of VAT, on top of which the region would levy its own provincial tax, would stifle investment and turn foreign investors away. Price Waterhouse gaming consul-

tant John Awbrey said even a 20% tax would be harsh on the industry, making the possibility of up to 26% "crazy".

The firm is currently making proposals to the Western Cape legislature to levy a total tax of 15%, of which 1% would go directly to the province and the balance to central government.

However, there were moves in negotiations between central government and the provinces to channel the VAT revenues directly back to the provinces, giving them a total 15% in tax revenue, and thereby avoiding the need for additional taxes.

Sun International MD Peter Bacon, who also supported a maximum 15% tax rate — the current percentage being paid by the

group's operations — said higher taxes would not only reduce the level of investment in individual resorts but would also slash budgets to develop unprofitable tourism infrastructure.

Meanwhile, Mpumalanga — likely to be the first province to issue licences — has called on interested parties to make informal presentations to the region's gaming board on March 18 and 19.

The province, which would probably have four licences once national legislation was passed, should see proposals for casino resorts from Sun International, Southern Sun and Global Resorts.

Joubert said he expected the tenders to be called for by June, with the first licence issued by year-end.

KwaZulu, Eastern Cape oppose gambling Bill

Wyndham Hartley

CAPE TOWN — The KwaZulu-Natal and Eastern Cape provincial governments have expressed opposition to the National Gambling Bill which is before a parliamentary committee at present.

The acting MD of a major gaming machines manufacturer — International Game Technology of Reno Nevada — Scott Scherer, said more certainty was needed for foreign companies to make clear investment decisions.

KwaZulu-Natal finance MEC Senzele Mhlungu said, in a memorandum to the ad hoc committee dealing with the National Gambling Bill, that the suggested moratorium on gambling machines outside of established casinos would undermine the province's gambling strategy.

He explained to the committee that KwaZulu-Natal was looking at four different gaming licences for casinos, bingo halls, route operators and site operators. Route operators who, in terms of the strategy would be entitled to operate a limited number of gaming machines, "would be totally out of the picture". This would cause a revision of the province's strategy.

"The province's commitment to providing direct entry into the gambling industry to its historically disadvantaged citizens would be non-existent with the 'fat cat' developers again be-

(292) BD 12/3/96
ing seen as the favoured few."

Eastern Cape economic affairs MEC Smuts Ngonyama also expressed dissatisfaction with section 13 of the Bill. He said Sun International already held more licences than were allocated to the whole of the province. This would mean that no new licences could be issued by the province before May 1999. If the province was not able to issue new licences it would lose investment.

Scherer said his firm was the largest maker of gaming machines in the world and it would want to establish a manufacturing outlet in SA, but legislation should provide more certainty.

A moratorium on gaming machines outside casinos would be harmful to the development of entrepreneurs in the industry from previously disadvantaged communities, he said.

"The number of gaming machines outside casinos should be determined by the market and not by regulation. Any attempt to limit the market is anti-competitive, tends to hurt smaller operators, limits potential for empowerment and creates the opportunity for unlicensed operators to supply the unmet demand in the market place."

Sapa reports Scherer said the division of authority between the minister, the National Gambling Board and the provinces should be more specific.

Comment: Page 14

Police prevent private tutors from reaching Afrikaans schoolchildren

Kevin O'Grady

A STRONG police presence outside the Northern Province's Laerskool Potgietersrus prevented private tutors teaching Afrikaans children separately on school premises yesterday, after trespassing charges were drawn up earlier in the week against those who did so.

Provincial government spokesman Jack Mokobi said a hostel in which segregated teaching had taken place was closed and guarded.

Parents who did not want their children to receive racially mixed schooling had withdrawn them to an unknown location.

A Northern Province safety and security department spokesman said none of the "so-called private teachers" against whom charges had been drawn up on Tuesday had been arrested yet.

Police were still investigating the case.

Lessons at the school, which was taken over by the provincial education department after resistance to integration by the school's governing body, had continued peacefully yesterday without the presence of the children of protesting parents, Mokobi said.

Meanwhile, Sapa reports the Conservative Party said yesterday that government's takeover of the school proved the ANC was intent on wiping out Afrikaans schools.

"The move was evidence of blind hatred," CP leader Ferdi Hartzenberg said. He accused the province of trying to destroy the Afrikaans character of the school.

"Its actions underline the ANC's determination to wipe out Afrikaans schools and to strip Afrikaners of their right to educate their children in Afrikaans in Afrikaner institutions."

Bill referred to committee

BLOEMFONTEIN

The Free State Gambling and Racing Bill, tabled in the Free State legislature yesterday, has been referred to the finance committee.

The Bill provides for the establishment of a Free State gambling and racing board and its powers and functions.

It also provides for the repeal of existing laws that deal with casinos in the province, horse racing and betting.

An innovation is that any gambling debt lawfully incurred in the course of legal gambling

will be enforceable in a court, notwithstanding the provisions of any law or the common law.

The definition of a race meeting effectively confines race meetings to horse racing and excludes other animal races such as dog races.

It is proposed that gaming machine site licences should not be granted for more than five machines at one site.

The maximum charge to play on any such machine and the prize for any one game may not exceed a prescribed amount. — Sapa.

Policeman 'a racketeer'

JOHANNESBURG — A policeman from Benoni on the East Rand had been charged with corruption and two other men charged in connection with the theft of vehicle parts from the Van Rhyn Deep storage depot in Benoni on Tuesday night this week, police said yesterday.

Members of the police tracing unit, who had been assigned to keep the depot under observation, arrested a man who emerged from the property at about 9.30pm, said North Rand police spokesman, Insp Tommy Thompson.

BERNARD VUKIC

Gambling tax should generate R150m

Linda Ensor

CAPE TOWN — Gambling operations in the former TBVC states would be subject to the standard rate of VAT as from October 1, Finance Minister Chris Liebenberg said yesterday.

Liebenberg said he expected the tax to generate an additional R150m in revenue. He said an implementation date of October 1 would give provincial authorities time to make adjustments.

Government had accepted the Katz commission's recommendations on

taxation of gambling, namely that present income tax rules should apply to all gambling other than the envisaged national lottery; that the present policy of imposing VAT on gambling, excluding the lottery, be continued; and provinces could also impose betting or other taxes for their own accounts.

Amanda Vermeulen reports Kessel Feinstein Consulting CE Delano Caras said aspirant casino players would be in an uncertain position as they could not finalise plans until they knew the extent of the tax burden.

Gambling Bill bid hobbled

Wynham Hartley
20/3/96
CAPE TOWN — An urgent appeal from the Cabinet and the minister responsible for gambling, Chris Fisser, to speed up the processing of the National Gambling Bill ran into trouble yesterday when the Senate committee initially failed to achieve a quorum.

Chairman of the Senate ad hoc committee for gambling Lawrence Mushwana told four members of the committee, who were outnumbered by officials, that Fisser had called him and passed on a message from Cabinet calling for the Bill to be finalised as soon as possible. The reason, he said, was its major economic implications for the country.

"I want to create certainty on how we are going to proceed with the Bill but I can't decide on my own and now there are no members," Mushwana said. Two of the members were then called away to make up a quorum for purposes of voting in the Senate justice committee, which was experiencing similar attendance problems.

Mushwana also told the committee that there had been requests from KwaZulu-Natal and Western Cape that the finalisation of the Bill should be only after the local government elections in those two provinces. It was planned to finalise the Bill on May 29, the date of elections.

It is understood that some senators were "rounded up" and that this allowed the state law advisers to continue briefing the committee on the Bill.

Revamp close for public service unit

BD 20/3/96 **(253)**

David Greybe

CAPE TOWN — The radical restructuring of the much criticised Public Service Commission — including the shedding of an estimated 480 employees and a name change — would be completed by the end of the month, top officials said yesterday.

They said the new name proposed for the commission was the Office of the Commission for Effective Governance and Efficiency.

Newly appointed commission chairman Prof Stan Sangweni said yesterday that based on the restructuring plans, the commission's R112m budget for 1996/97 would be cut about two-thirds to R37m.

The commission's estimated 720 staff contingent would also be cut two-thirds, to about 240, as part of a "complex unbundling programme".

However, Sangweni emphasised that none of the 480 employees to be transferred would be retrenched because such action would fall foul of agreed labour practices.

He said he "did not anticipate" the commission's restructuring would result in additional financial costs to the state.

The surplus staff would be transferred to the newly beefed up public service department under Minister Zola Skweyiya and other government departments in line with government's decision to strip the commission of executive powers and give them to departments.

Sangweni said cutbacks among the surplus staff — predicted by

some government officials — could take place only under the overall rationalisation plans for the public service. Government planned to cut the 1,2-million-strong public service by 100 000 posts.

Public service director-general Paseka Ncholo said once the commission's "structural restructuring" was completed by end-March, it would take another three to four years for the total transformation of the commission in terms of the rationalisation of the public service as a whole.

Cabinet recently gave Skweyiya's department control over the setting of all "broad policy frameworks". It devolved day-to-day executive functions to line ministers and the heads of departments so as "to enhance departmental management autonomy and responsibility".

The Public Service Commission would in future monitor and research only certain aspects of public administration. Ncholo predicted the commission's restructuring would mean "more effective government because decisions will be taken at the operational level". It would signal the end of much red tape.

Key amendments to the Public Service Act and Public Service Commission Act, to provide for a legal framework for the restructuring, were expected to be put to Parliament in mid-April.

A second legislative phase, which entailed the overhaul of the Public Service Act, was expected to be completed by the year's end, in time for the 1997 parliamentary session.

POLITICS



Gauteng finance MEC Jabu Moleketi presents the province's budget in the legislature yesterday.

Picture: GARTH LUMLEY

When not watching movies about Zulus and drag queens, Ben Ngunane has been plotting revolutions, both cultural and technological. He speaks to RAY HARTLEY

WHILE his Inkatha colleagues boycotted last year's Inauguration Day celebrations in protest, Dr Ben Ngubane, the Minister of Arts, Culture, Science and Technology, basked in praise for the way he had organised the event.

The praise came from none other than President Nelson Mandela, who singled him out for special mention as he sat among a gaggle of ANC ministers in the VIP area.

It was confirmation that Dr Ngubane had somehow successfully managed to bridge the great divide between the ANC and Inkatha, even on a day earmarked by his party for high-profile protest.

Reflecting on how he managed to walk the Inauguration Day tightrope, Dr Ngunjiri points out that he had obtained the permission of his party to organise the celebrations.

“Chief Mangosuthu Buthe-
lezi stated very bluntly at the
ITP national council that I
had to go on with organising
those celebrations — that it
was my duty as a minister,”
he says.

Dr Neunhane has brushed aside ideological differences with his ANC colleagues, as he calls "the national interest" or "the global picture".

AS it transpires, the ANC and Inkatha share a lot of common ground when it comes to Dr Ngubane's portfolio — both believe that spending on the arts and sciences, which has traditionally been skewed in favour of whites, needs to be altered.

Aiming to correct this, Dr Ngubane cut the budgets of the performing arts councils last year and decided to invest in a National Arts Council to oversee spending on "community arts centres".

Like the family doctor he was before he turned to politics, Dr Ngunane pauses as if pressing an imaginary



**The minister
of lights,
action and
laughter**

ST 24/3/96

stethoscope onto the heart of the cultural problems in South Africa.

Putting his fingertips together, he pronounces that South Africa must get away from building the "soulless concrete communities" that have been constructed in the past.

"We need homes, not houses, we need neighbourhoods, not streets," he says.

His vision is part family doctor and part cultural revolutionary. He sees commu-

nities which have a centre with space for the holding of

concerts, shows, dance and theatre rehearsals — even space for crafts to be produced and sold.

Ideally these should border on a park "where people can sit and talk in a nice, leisurely way," he says.

But, unlike many of his fellow government ministers, who insist that their projects pass the test of "sustainability" by paying for themselves in the long run, Dr

Ngubane admits that the state will have to subsidise the arts for years to come.

In an age of fiscal discipline, Dr Ngubane had to settle for an allocation of R539-million a year for his budget.

million in last week's budget. This has driven him to a position where he has to plead for money for the arts from a dwindling pool.

dwindling pool. "I'm really hoping that the government will allocate another R100-million for the National Arts Council," Dr Ngubane says.

Despite budget constraints, he has managed to increase his department's

contribution to him, an area of the arts that has been receiving increasing attention from the government as an

The government has already invested R7-million in a film foundation, with hopes of creating a further R5-million in the future.

Dr Ngubane has secured assurances from the private sector that his spending will

be matched, rand for rand, doubling the money available for film considerably. What Dr Ngubane has in

mind is the Australian model, where a Film Bank became self-financing after initial government support, with

government support, with profits from successful international productions being ploughed back, swelling the amount available for future

To help get South Africa's own mini-Hollywood off the ground, the government is

BUT such rare excursions are hard for Dr. Ngubane to fit into his schedule. "I'd love to go to more shows, but I hope it will happen after we finish the white paper," he says. The document in question is the "White Paper on the Arts and the Cultural Sector," which is being drafted by the Department of Arts and Culture. Ngubane is one of the members of the panel of experts that is helping to write it. He says he is "not sure" whether the paper will be published before the end of the year. But he says he is "optimistic" that it will be. "I think it's important to have a white paper on the arts and the cultural sector," he says. "It's a way of saying to the world that we are serious about the arts and the cultural sector." Ngubane says he is "not sure" whether the paper will be published before the end of the year. But he says he is "optimistic" that it will be. "I think it's important to have a white paper on the arts and the cultural sector," he says. "It's a way of saying to the world that we are serious about the arts and the cultural sector."

relates to the announced
more serious "science and
technology" side of Dr.
Ngubane's portfolio.

For a federalist, his role has been unusual — one of centralising a fragmented science fraternity to focus it on common objectives.

"This country has to maintain a growth rate of six per cent and more if it is going to

trying to secure a commitment from the SABC, M-Net and film distributors to screen at least six South African films a year.

“This will create a sufficient base for our efforts to be sustainable,” he says. Although Dr Ngubane has taken time out to see the local comedy, *There’s a Zulu on my Stoep* (“a very good entertainment piece”), he sees films such as *Cry, The Beloved Country* as the type of production best suited to South Africa.

"It combined great names plus South African actors, it exposed our beautiful, scenic endowment and then, I think, it carried a message of reconciliation," he says.

What is the last movie he went to see? "That thing with the drag queens, what was it again? . . . you know, the one starring Patrick Swayze and Wesley Snipes?"

OTHER areas include the creation of a jewellery industry to allow South Africa to exploit its natural resource of diamonds. The value-added products will be marketed in world markets as well as agriculturally and technologically advanced manufacturing sectors.

Again Dr Ngweni found himself squeezed against the tide of government fiscal policy.

"Tax holidays are incentives in research and development are even if you don't have other sectors of the economy," he says. "You must be able to encourage that investment in firms to invest in technology and development."

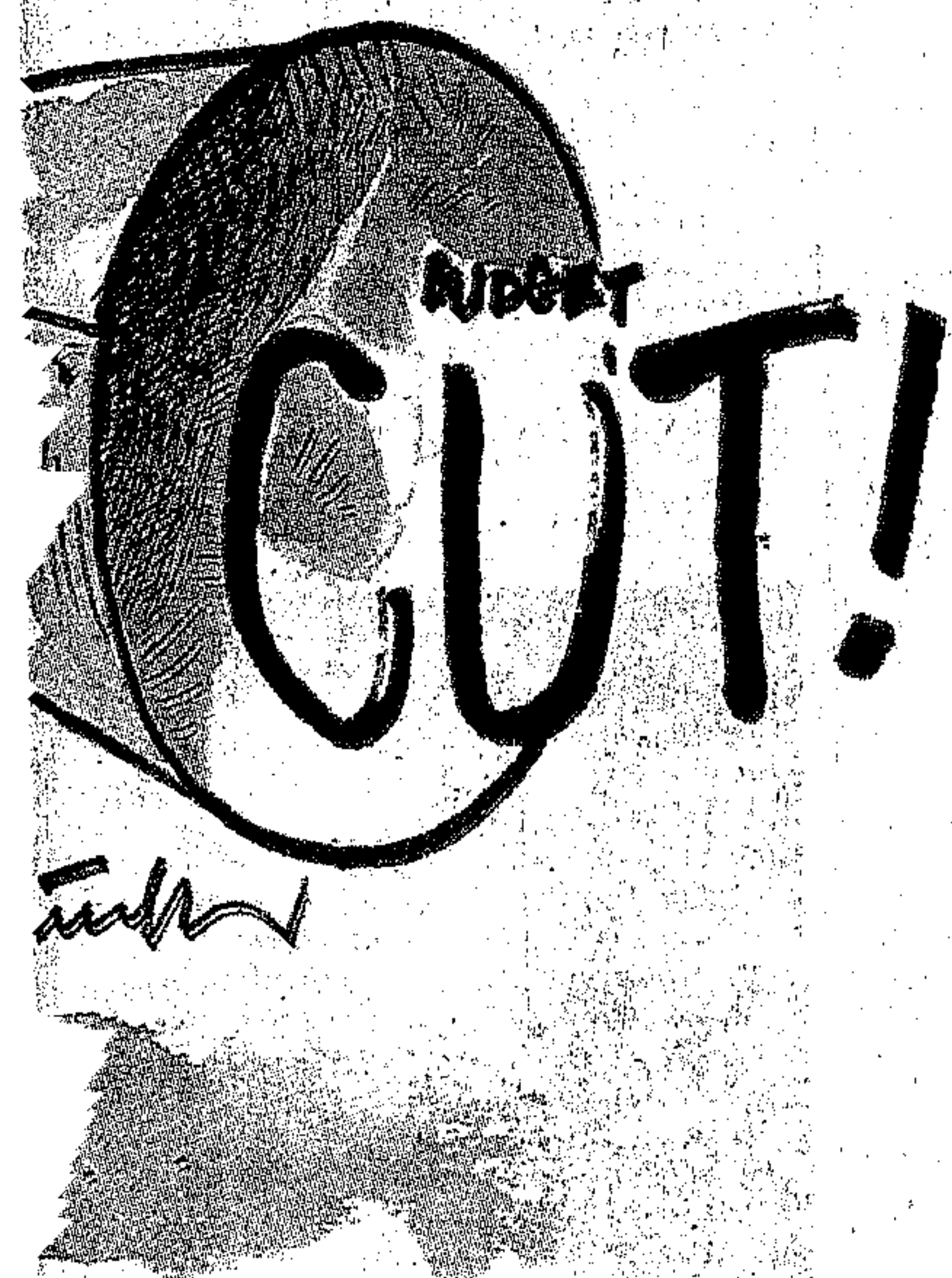
And again he is for more money: "We are getting for what we are getting for miserable. We are lacking the ability to use technology and to make this a dynamic nation."

For a man who has been at the vanguard of constitutional change at ANC, Dr Ngweni is, even relaxing, a role player in the drama of South Africa.

The secret may

The secret in philosophy, Dr. Stoep and "that the drag, queue Africans, he says to laugh at them

re minister of lights, action and laughter



pite budget constraints, he has managed to secure his department's contribution to film, an area that has been receiving increasing attention from the government as an area of foreign exchange. The government has also invested R7-million in a film foundation, with hopes of creating a further R5-million in the future, he says. Ngubane has secured funding from the private sector that his spending will

be matched, rand for rand, doubling the money available for film considerably. What Dr Ngubane has in mind is the Australian model, where a Film Bank became self-financing after initial government support, with profits from successful international productions being ploughed back, swelling the amount available for future productions. To help get South Africa's own mini-Hollywood off the ground, the government is

trying to secure a commitment from the SABC, M-Net and film distributors to screen at least six South African films a year.

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BUT such rare excursions are hard for Dr Ngubane to fit into his schedule. "I'd love to go to more shows, but I hope it will happen after we finish the white paper," he says.

The document in question relates to the altogether more serious "science and technology" side of Dr Ngubane's portfolio.

For a federalist, his role has been unusual — one of centralising a fragmented science fraternity to focus it on common objectives.

"This country has to maintain a growth rate of six per cent and more if it is going to

meet all the challenges that our new democracy faces.

"You cannot achieve that unless the science and technology policy supports that vision," he says.

Like with so much of the governmental mess inherited by the new South Africa, he has been trying to find out "what is out there", conducting an audit of the country's research and technology capacity.

Already an inter-ministerial committee has been put in place to eliminate duplication between research councils that report to different ministers.

His department is now working on an ambitious 25-year forecast of the critical technologies for South African industry.

He points out that South Africa is one of 23 countries capable of manufacturing its own silicon wafers, essential to the telecommunications industry.

"We are about the only country in Africa that has this capability.

"We have to invest far more money in this type of technology because then we can be of service to the whole region and in fact, to the continent in a way," he says.

OTHER areas of focus include the creation of a jewellery industry to allow South Africa to turn its natural resources into value-added products for sale in world markets, as well as agricultural and manufacturing technology.

Again Dr Ngubane has found himself swimming against the tide of government fiscal policy.

"Tax holidays and tax incentives in research and development are essential, even if you don't have them in other sectors of the economy. You must be able to create that encouragement for firms to invest in research and development," he says.

And again he is pleading for more money: "The money we are getting for research is miserable. We are not leveraging the ability of science and technology to really make this a dynamic trading nation."

For a man whose party is at constitutional war with the ANC, Dr Ngubane is comfortable, even relaxed, with his role in the new South Africa.

The secret may lie in a philosophy Dr Ngubane picked up between viewings of *There's a Zulu on my Stoep* and "that film about the drag queens". South Africans, he says, must learn to laugh at themselves.

- (2) whether he or the South African Police Service has investigated the report in order to establish whether it was correct; if not, why not; if so, what are the relevant details;
- (3) whether he is in a position to furnish any details about this syndicate; if not, why not; if so, (a) who are the foreign and/or South African members of the syndicate and (b) where are the syndicate's headquarters;
- (4) whether there is any co-operation with other countries in investigating the syndicate's activities; if not, why not; if so, with which countries?

N319E

THE MINISTER FOR SAFETY AND SECURITY:

- (1) Yes.
- (2) Yes.

The relevant details cannot be divulged, due to the sensitivity of current drug investigations by the South African Narcotics Bureau. It can, however, be reported that there are no international connections or foreign countries involved, as purported by the media.

- (3) (a) and (b) No (as mentioned above).
- (4) No.

There are no ties to international drug syndicates that necessitate the involvement of any foreign drug enforcement agency.

Portnet: problems in handling of cargo

*30. Mr J CHIOLE asked the Minister for Public Enterprises:

- (1) Whether any delays and/or other problems in the handling of cargo from ships were experienced in December 1995, January 1996 and February 1996, respectively, at any of South Africa's ports serviced by Portnet; if so, what (a) was the nature, (b) was the extent and (c) were the causes of such delays and/or other problems at these ports;
- (2) whether such delays and/or other problems had any financial implications; if not, what

is the position in this regard; if so, what are the relevant details;

- (3) whether any steps have been or are to be taken to prevent similar problems in future; if not, why not; if so, what steps?

N320E

THE MINISTER FOR PUBLIC ENTERPRISES:

The Managing Director of Transnet Limited furnished the following reply to the hon member's question:

- (1) Yes.

At the Port of Richards Bay and Durban and Cape Town Container Terminals.

- (a) Delays can be ascribed to:

Port of Richards Bay

A combination of capacity constraints and bunching of vessels. During February 1996 inclement weather exacerbated the delay situation.

Durban and Cape Town Container Terminals

High container volumes being handled against the background of capacity constraints.

- (b)

Port/Terminal	Average delays per vessel (hours)		
	December 1995	January 1996	February 1996
Port of Richards Bay	20,3	24,3	54,8
Durban Container Terminal	24,9	21,2	11,8
Cape Town Container Terminal	25,5	33,2	21,8

- (c) A combination of high cargo volumes and capacity constraints.

- (2) Yes.

The delays had financial implications for the ships in terms of demurrage and for the cargo owners in terms of delayed through-

put of the cargo. Such costs are difficult to quantify because of the many variables such as ship size, type of vessel and cargo, etc. These delays are not out of trend with the situation at overseas ports.

- (3) Yes.

Regarding the Port of Richards Bay, improved productivity and availability/reliability of equipment are being addressed in the short term. Two additional quay-walls are presently being constructed which will alleviate present berth capacity constraints.

The Durban Container Terminal is in a continual process of being upgraded from a stacking area, terminal equipment and manning level perspective.

The Cape Town Container Terminal is also being upgraded on a similar basis to Durban. Two new container cranes will be delivered during April 1996.

PACT: severance pay to heads of department

*31. Mr M T MAFOLO asked the Minister of Arts, Culture, Science and Technology:

- (1) Whether he approved an amount of R14,2 million given to PACT's 11 heads of department as severance pay after they voluntarily resigned from PACT in 1995; if not, what is the position in this regard; if so, what are the relevant details;

- (2) whether (a) four of these recipients of severance pay are still employed by PACT and/or (b) two of the recipients still remain in management positions; if not, what is the position in this regard; if so, why in each case?

N321E

THE MINISTER OF ARTS, CULTURE, SCIENCE AND TECHNOLOGY:

- (1) No, I did not approve any severance pay packages for PACT employees. The funds were negotiated between the management, unions and the Board of PACT. The funds were therefore set up in-house as legal entities. As such there was no necessity for me to approve the funds.

According to information provided by PACT's independent auditors, PACT established a Special Reserve Fund in

1987/88 for the purpose of setting aside funds for anticipated cash-flow problems arising from budget cuts. The fund grew from an amount of R1,7m as of 31 March 1989 to R18m as of 31 March 1995. Based on the Audit Certificates of the Special Reserves, the bulk of the contributions were made to this fund by PACT between 1990 and 1994.

In 1994, negotiations took place between PACT management and the employees' unions to establish a trust fund for the purpose of providing funds for potential employee retrenchments due to the uncertainty of the performing arts.

In April 1995, two trust funds and a five-year investment were set up utilising the Special Reserve Fund established in 1987/88. Approximately R13m was allocated to the employees' trust fund, R1,7m to the senior management trust fund and R3,5m to a five-year investment plan at Old Mutual owned by PACT (not restricted). This was approved by PACT Board of Directors.

PACT Employees' Funds stand at R14,275m. The Senior Management Fund stands at R714 333. Both became effective on 3 April 1995. The purpose of both is to arrange financial security for PACT employees and senior management where the services of such employees are terminated under certain circumstances. Parties involved are, in respect of the Employees Fund, PACT management and the unions, namely the Paper, Printing and Allied Workers Union (affiliated to COSATU) and the Performing Arts Staff Association, on behalf of PACT employees. Parties involved in the Senior Management Fund are PACT's Board and senior management.

Both trusts expire on 30 April 1997, upon which the funds are returned to PACT or its successor. The trust is managed by DDL and a Board of Trustees. The terms of the trust cannot be altered without collective negotiations.

- (2) No. (a) and (b) Two of these recipients are in fact still employed by PACT and remain in management positions. Five of the 10 Department heads resigned and received

severance packages on 25 August 1995. At my request two stayed on with PACT until 30 November 1995 and the two who are still with PACT are there on a contract basis until the end of April. This request was necessary in the wake of several resignations. Had more senior managers resigned the stability of PACT would have been threatened. I should add, however, that I was unaware that these individuals had taken their severance packages when I asked them to stay on.

Last year the Council of Culture Ministers placed a moratorium on retrenchments at PACT until their new democratic Boards were in place. This was an attempt to ensure that retrenchments did not take place in an improper manner.

Notwithstanding these details, I have launched an investigation into the purpose and management of the funds in question to ascertain whether inappropriate payments may have occurred. This investigation is being assisted by a team of advisers who, at this stage, are consolidating all information relating to the funds. This consolidation will serve as a basis for deciding on the most appropriate steps to be taken. This may entail a forensic audit investigation of the funds to evaluate their legitimacy as it relates to the new Board at CEO.

As you are no doubt aware, I have appointed a new Board of Directors and CEO of PACT to govern the organisation in accordance with a revised mandate. In addition, this will initiate a process which will ensure that the requirements of the Department of State Expenditure are met for the 1997/98 budget cycle.

Provincial rugby/cricket teams

*32. Mr M T MAFOLO asked the Minister of Sport and Recreation:

- (1) Whether he or his Department has requested any rugby and cricket bodies to change the names of provincial teams to correspond with the new names of the provinces; if not, why not; if so, what was the response in each case;
- (2) whether any such bodies have indicated that they will comply with the request; if

not, why not; if so, as from what date will each team be known by its new name?

N322E

The MINISTER OF SPORT AND RECREATION:

- (1) No. The sports bodies have their own boundaries that differ from sport to sport. In the draft White Paper a suggestion to change is being mooted, but due to tradition such change will take a long time.
- (2) We will have to formally canvass sport's agreement on the matter and agree on acceptable timeframes.

Mpumalanga: farm tenants evicted

*33. Mr J S MGIDI asked the Minister of Land Affairs:

- (1) Whether it has been brought to his or his Department's attention that some farmers in the Province of Mpumalanga are continuing to evict farm tenants; if so,
- (2) whether he or his Department has investigated the matter; if not, why not; if so,
- (3) whether he or his Department intends taking any steps aimed at stopping such evictions; if not, why not; if so, what steps?

N323E

The MINISTER OF LAND AFFAIRS:

- (1) Yes.
- (2) Yes.
- (3) Yes.
- (1) Information sessions were held during which farm workers, labour tenants and land owners were informed about the provisions of the Land Reform (Labour Tenants) Bill and the implementation thereof. Information on, *inter alia*, protection under common law and labour legislation was also communicated.
- (2) Repeated calls were made to farm owners not to evict labour tenants. Both farm owners and labour tenants have been encouraged to act with constraint in dealing with conflictual situations and to make use of the

channels available to settle their disputes.

Attention has also been given to the functioning of the Mpumalanga Land and Labour Committee (MLLC). A mediation service is available through the Department to resolve disputes.

- (3) The Labour Tenant (Land Reform) Act has been signed by the President. The Department of Land Affairs also has a Settlement/Land Acquisition Grant available to assist farm tenants to acquire the land which they presently occupy, or alternative land. This grant also applies to farmworkers, and other people in need of land. The details of this grant are contained in the Green Paper on Land Policy, which is available.

Floods: reconstruction of roads/bridges/public buildings

*34. Mr J S MGIDI asked the Minister of Public Works:

Whether, in view of the damage caused by the recent floods, his Department intends adapting its programmes in order to assist in the reconstruction of damaged roads, bridges and public buildings; if not, why not; if so, what are the relevant details?

N324E

The MINISTER OF PUBLIC WORKS:

The scope for redirecting the existing Department's National Public Works Programme to address the damages caused by the recent floods, is very limited.

The Community Based Public Works Programme received R250 million from the RDP fund. This amount has been directed to small-scale, community based rural infrastructure projects throughout the country. A further R100 million has been allocated to medium sized pilot projects in all the provinces.

As of March 1996, almost all the funds (R350 million) have been committed to projects. Where commitment has not been completed, provinces are finalising project appraisal. The Department has always and is still requesting more funds for the programme as the demands for rural infrastructure and job creation are obvious for everyone to see.

However, the Provincial Works Departments, under whose jurisdiction roads and bridges fall, are trying their level best to contain the damage caused by recent floods.

Paying out social pensions in Western Cape: tender

*35. Ms S C VAN DER MERWE asked the Minister for Welfare and Population Development:

- (1) Whether a certain company, the name of which has been furnished to his Department for the purpose of his reply, has been awarded the tender for paying out social pensions in the Western Cape; if so,
- (2) whether the said company has commenced the payment of such pensions; if not, why not; if so, where are the pay points;
- (3) whether the said company has tendered for similar contracts in any other provinces; if so, in which specified provinces;
- (4) whether any contracts in the said provinces have been awarded to this company; if so, in which specified provinces;
- (5) whether he or his Department is taking any steps to have the said company disqualified from tendering for pension payment contracts pending the outcome of the investigation by the Office for Serious Economic Offences into allegations of corruption and allegations of the payment of bribes to officials of the Department and public representatives; if not, why not; if so, what steps?

N326E

The MINISTER FOR WELFARE AND POPULATION AND DEVELOPMENT:

- (1) Yes, the tender for paying out pensions has been awarded to NISEC by the Western Cape Provincial Government. The scope of the tender is limited to the payout of cash at paypoints and does not include other methods of payment such as bank payments and Post Office payments;
- (2) yes, at paypoints in George, Lawaiaikamp, Mossel Bay, Knysna, Sedgefield, Plettenberg Bay, Riversdale, Albertinia, Heidelberg, Oudstroom, Beaufort West, Muraysburg, Guguletu, Langa, Nyanga, Khayelitsha, Lingsletu, Mfuleni,

The PRESIDENT OF THE SENATE: Order! I did not understand it as being aimed against the deceased. I think what happened is that members in fact were conveying their amazement at that moment about Senator Lebona's being so sharp as to make the technical correction. I think it would be a viable point, but I did not interpret it as such, and I do not think that members agree with it. In any event, I think that all of us ought to convey our sympathy in that regard and leave it at that.

Questions standing over from Thursday, 14 March 1996:

Performing arts: funds allocated

*4. Sen A E VAN NIEKERK asked the Minister of Arts, Culture, Science and Technology:†

- (1) Whether his Department has allocated any funds to any groups or bodies for the performing arts, excluding the Regional Councils for Performing Arts; if so, (a) which groups or bodies, (b) what amount was allocated to each such group or body and (c) why, in each case;
- (2) (a) how is application for such funds made and (b) what norms are used in allocating these funds?

S112E

The DEPUTY MINISTER OF ARTS, CULTURE, SCIENCE AND TECHNOLOGY: Mr President, the reply to the question is long. I propose that it be tabled.

Senator A E VAN NIEKERK: Mr President, I have no problem with that. I am merely keen to receive an answer. I have a follow-up question which I should like tabled as well.

The PRESIDENT OF THE SENATE: Order! The Minister has one privilege under the Rules to table the reply to a question if it is longer than three minutes. I think the hon senator will have to study the response and then arrange for another occasion at which to put his question. That is in terms of the Rules. [Interjections.]

The DEPUTY MINISTER OF ARTS, CULTURE, SCIENCE AND TECHNOLOGY (*Reply laid upon Table with leave of House*):

- (1) Yes, the Department of Arts, Culture, Science and Technology has allocated funds to various groups for the performing arts other than the Regional Councils. In

many cases this has been emergency funding for community based organisations that have until now relied on foreign funding. Some of these organisations would have collapsed had they not received funding from this Department. It is these non-governmental and community-based arts organisations that have been and will continue to be the mainstay in the cultural and artistic expression of the country. Their continued existence and development are therefore essential. The Department has also funded a variety of one-off projects deemed to have a positive, national impact and meeting the appropriate funding criteria.

- (a) and (b) I will answer questions (a) and (b) as they relate to each organisation and project. Firstly, in terms of infrastructural funding, the Department has awarded infrastructural funding to the following groups:

- The Arts and Culture Management Programme (ACMP) at Wits University, in the amount of R25 000. [Trains managers of, inter alia, performing arts institutions.]
- The Dorkay House Trust, the amount of R67 000 [music].
- The FUBA Academy, the amount of R200 000 [multi-disciplinary].
- The Community Arts Project (CAP), the amount of R200 000 [multi-disciplinary].

The projects that have received funding from the Department are as follows:

- The Culture and Working Life Project received R235 000 for its Workshoping of RDP plays in KwaZulu-Natal.
- The National Literacy Project received R50 000 for its *Travelling Theatre Project*, aimed at raising awareness and mobilising resources for a national Adult Basic Education (ABE) campaign.
- The 1996 *Unisa Transnet International Music Competition*, Received R10 000.

- The *Klein Karoo Kunstfees* received an amount of R75 000.
- Making Music Productions received R15 000 for its *Positive Black Soul* project.
- Our Music received R50 000 for its *Guide to the industry* project.
- The Music Network Inc. received R75 000 for the SA/British Jazz Exchange.
- The SA Cultural Renaissance Trust received R100 000 for its *Festival of the Drum*.

- (c) Each of these organisations and projects was awarded funds because promoting the work of each body was considered important in strengthening the vibrancy, equity and diversity of South Africa's artistic and cultural milieu. In addition, each met with the extensive criteria which the Department uses when assessing organisations and projects for funding at a national level.

- (2) (a) In applying for funds, an organisation is required to fill in a standardised application form and to submit a comprehensive business plan. These are then submitted to a departmental selection panel for consideration.

- (b) The Department of Arts, Culture, Science and Technology has worked out a thorough set of funding criteria which organisations must meet. The criteria have been determined by the aims and objectives of the Department. The set of criteria for the infrastructural funding of groups and bodies can be divided into organisational criteria and criteria based on the national imperatives of reconstruction and development. A group or body is judged on the following organisational criteria:

- Its organisational bona fides
- Its record of financial accountability (where applicable — audited financial statements for the previous two years.)

- The effectiveness of its overseeing/ accounting structure; board of trustees/ steering committee.
- The skills and experience of its management/leadership.
- Its exemplariness.
- Its record of undertaking successful projects in the previous two years, where this is applicable.
- Its national representativeness/impact.
- Its contribution, past or potential, to arts and culture nationally.
- Its sustainability and viability as an organisation for at least the next year.
- Its commitment and endeavours to become self-sufficient.

• contribution to the aims of the RDP. A group or body is also evaluated in terms of its commitment to, or evidence of its desire for, the following reconstruction and development criteria:

- Affirmative Action i.e. the advancement of people from historically disadvantaged communities.
- Gender equality, i.e. its advancement of women and the involvement of women in senior positions.
- Non-racialism in its membership, governing boards and management.
- Independence from party politics as far as the particular project is concerned.
- Empowerment of young people.
- Involvement of rural communities in as much as they have access to national projects.
- Development programmes which impart skills, knowledge and experience to individuals previously discriminated against.
- General consistency with/promotion of the Bill of Rights.
- Democratic values and practices.

- The extent to which the organisation contributes to culture as a force of reconciliation, contributing towards national unity.

If an organisation wishes to receive funding for a particular project than it must meet the following, additional, criteria; the project will be judged on:

- Its national impact, i.e. if the project will have concrete national impact or influence.
- Its clear, careful and detailed planning.
- Its creative, organisational and technical excellence, or the extent to which the project pursues these.
- Its cost-effectiveness.

- Its multiplier/catalytic effect i.e. the extent to which the project will impact positively on the development of arts and culture in the country.
- Its sustainability and viability.
- Its legacy, i.e. the extent to which something concrete, constructive and quantifiable will be left behind after the project.
- Its prestige i.e. the extent to which it will bring honour to the country/ the Department.
- Its innovation, originality or uniqueness.
- Its necessity, i.e. the extent to which the country, and more specifically arts and culture will be richer for it.

We have found these sets of criteria to be extremely effective in judging both organisations and projects. This enables the Department to direct its funding to the most worthwhile recipients, in order to fulfil its objectives of promoting a vibrant, diverse and equitable arts and culture milieu in South Africa.

Destabilisation policies during apartheid era

*5. Sen H J P LEBONA asked the Minister of Foreign Affairs:

- (1) Whether he or his Department has taken any steps towards improving relations with countries bordering the Republic in regard to atrocities allegedly committed as a result of the application of destabilisation policies during the apartheid era; if not, why not; if so, what steps;

- (2) whether he or his Department has taken any steps aimed at assisting provinces sharing a border with South Africa's neighbouring countries to enable such provinces to cope with problems emanating from their daily interaction on socio-economic issues; if not, why not; if so, what steps?

S113E

The DEPUTY MINISTER OF FOREIGN AFFAIRS:

- (1) Since the inception of the first democratically elected government in April 1994 the Government of National Unity has made it abundantly clear that the stability, social and economic development of the Southern African region as a whole is a top priority. Our relations with the Southern African region in fact form the centrepiece of our foreign policy. This is borne out of the recognition that South Africa is an integral part of the region, that our economies are interdependent and that South Africa cannot be an island of prosperity surrounded by a sea of poverty.

Apartheid by its very nature had a destabilising influence on the region. There can be no doubt that a democratic South Africa has brought considerable stability to the region. We have over the past two years consolidated relations with all of our neighbours. We now have full diplomatic relations with all of our neighbours. Relations are healthy, good and growing steadily.

Our commitment to the socio-economic development of the region is demonstrated through our active participation in the Southern African Development Community. South Africa became the eleventh member of SADC in August 1994. We have over the past few months been party to agreements, memorandums of understanding and protocols that have amongst others brought into existence the establish-

ment of the Southern African Power Pool, the Shared Watercourse Systems, the Protocol on Illicit Drug Trafficking, to name but a few. South African technology, research and expertise is continuously being shared with the region. South Africa hosted the 1995 SADC Heads of State Summit, as well as the 1996 Consultative Conference of Ministers. South Africa, along with the SADC Ministers responsible for Foreign Affairs, Defence and Security adopted a decision earlier this year in Gabarone to recommend to the next SADC Organ for Peace, Democracy and Security. Currently all SADC Member States are working on the detail of the proposed structure and operational procedures of the Organ. South Africa is particularly committed to this 'political and security' arm of SADC because we have seen proof of how preventive diplomacy initiatives at the highest levels can prevent potential areas of disagreement which could erupt into fullscale conflict. Our experiences in Mozambique, Lesotho and Angola have guided us how best to strengthen and formalise SADC's capacity in this regard. This is a development that has been long overdue and South Africa is proud to be associated with it.

It is our conviction that the Southern African region has the human and natural resources to enable it to become a major African success story. We believe in an African renaissance. We are approaching regional issues in a collective and coordinated manner and on the basis that we are an equal partner in the development of the Southern African region.

- (2) Seven of South Africa's nine Provinces share a border with a neighbouring country. Close cooperation between the Provinces and the Department of Foreign Affairs is essential. The Department of Foreign Affairs has created a new Directorate (called Provincial Liaison) within its new rationalised structure to work closely with the Provinces and to coordinate activities of mutual interest and concern. A lot of good work has already been done in this regard. The Department has over the past few months undertaken visits to the Eastern Cape, Free State, North West and Northern Cape to discuss these and other

issues, including issues of cross-border cooperation with the respective provincial governments.

It should be mentioned that various structures were in place before the 1994 elections facilitating cross-border cooperation. While some of these structures, such as the Intergovernmental Liaison Committees (IGLC) between South Africa, Lesotho and Swaziland continue to operate, there is growing consensus amongst the Provinces that they should be restructured to reflect new realities and to allow scope for greater participation by the Provinces. It has also been proposed that it would be more cost effective for those Provinces which share a common border with a neighbouring country to jointly form an IGLC.

The Department of Foreign Affairs has furthermore submitted proposals to the four Provinces already visited, encouraging them to become more involved in the various SADC Sector activities. Contact and coordination with SADC should, however, be done through the Department of Foreign Affairs, which is responsible for coordinating South Africa's involvement in SADC activities.

New questions:

Salmonella bacteria in frozen chicken

*1. Sen E K MOORCROFT asked the Minister of Agriculture:

Whether any consignments of frozen chicken containing salmonella bacteria were imported into South Africa during the past year; if so, (a) in what quantities; (b) from which countries and (c) how have these consignments been disposed of?

S143E

The DEPUTY MINISTER OF AGRICULTURE:

Yes. (a) From 1 April 1995 to date a total of 1 697 metric tons of imported poultry meat have been declared unfit for human consumption because of the presence of salmonella enteritidis and typhimurium. (b) France, Canada, USA, UK, Hong Kong, Thailand and Belgium. (c) The importers were given the choice to: (i) export the contaminated meat to the country of origin; (ii) use the contaminated meat for the manufacturing of pet food at an

Professor warns of casino bankruptcy

Linda Ensor

CAPE TOWN — Major casino bankruptcies would occur if provinces adopted the Sun City model of casinos with their large development costs, UCT economics professor Brian Kantor told a Western Cape provincial committee on gambling yesterday.

He warned that provincial governments and potential casino licencees were being "too optimistic about casino revenues" and advised greater caution.

There was a danger of huge casino developments going broke because of insufficient revenue to pay off the development costs.

The key factor that enabled Sun International to generate excessively high revenues from its casinos, namely restrictions on entry, would no longer exist as a spate of new licences would be awarded over a very short period of time. "It is instructive to learn just how unprofitable the casino operations of Sun City have become. The model no longer applies. Casino profits in SA will not be able to subsidise resorts except perhaps under very ideal circumstances where competition from alternative casinos and other gambling is not important."

The key variables for the success of

302/4/96 (292)
a casino were the amount of capital invested in buildings and gaming machines; how intensively they were used; and the win ratio for punters.

Kantor and his colleagues from the UCT school of economics, Prof Graham Barr and Barry Standish, have devised an innovative model of casino profitability — possibly the first in the world — which examined where they had gone wrong and why.

They were given full access to confidential financial data of Sun International, which sponsored their research, and had investigated casinos in other parts of the world.

The team noted that the displacement and social costs of large casinos in terms of job losses and the closure of other leisure centres could in some cases outweigh the revenues which derived from them. The positive effects could be negligible.

Kantor estimated that the size of the potential gambling market in the Western Cape was about R500m a year, or 1% of total personal disposable income of about R52bn, which would however be boosted by tourist custom. The gambling committee estimated that the Western Cape would derive R66m a year from the taxation of the industry.

Cape Flats in line for R300-m casino plan

(292)
ARG 3/4/96

ESTELLE RANDALL
Labour Reporter

MOVIE star and gambler Omar Sharif wants to open a R300 million casino complex between Mitchell's Plain and Khayelitsha, aimed at generating employment for local people.

The choice of the 21 hectare site, between Baden Powell Drive and the shoreline, was deliberate, said Omar Sharif Worldwide Games (OSWG) managing director Mannie Hirsch.

He said OSWG believed the law regarding casinos should not only benefit shareholders, but should help local communities with upliftment programmes.

"It is part of our stated policy that the community surrounding a casino benefits from its presence."

Mr Hirsch said the Western Cape's revenue from casinos would be about R500 million a year and at the suggested 15 per cent levy this would earn the province about R75 million.

OSWG wanted to create "motivated, trained and hungry emerging entrepreneurs" from communities where the casino was based.

If its licence was approved, OSWG said, it would create satellite businesses around the complex and a variety of attractions to position the complex as a family entertainment and recreation centre. Possible facilities included:

- An Olympic-size swimming pool which could be used for training for the Olympics if Cape Town's Games bid succeeds.

- A six-cinema entertainment centre with an action bar, a wax museum, fortune tellers and a hall of mirrors.

- A basketball stadium, which communities have specially requested.

Preliminary estimates put the cost of the complex at R300 million.

A South African finance institution was expected to help finance the complex, OSWG said, and maximum local participation would be invited for its financing and operation.

- In January this year, the Southern Sun Group and Tsogo Investments gave their support to the R2.4 billion Ilco Homes Century City hotel, casino and entertainment centre, which was to be based in Milnerton. Tsogo investments is made up of black business groups.

How much did Ngubane know about secret funds?

Hazel Friedman

PACT employees are adamant that Arts and Culture Minister Dr Ben Ngubane was fully aware that staff members who had received generous "severance pay packages" were still employed by Pact. But the minister denies it.

The Mail & Guardian revealed the "slush fund" scandal last week. Responds



took office in November last year. They were told by acting director Eghard van der Hoven that it had been a small investment made in the late 1980s by Pact management and the unions from Pact's existing fund-pool as a retrenchment payout, or in the event that there were no available funds to pay staff salaries.

A confidential document detailing Pact's special and trust funds, sent to

The Senior Fund was established for "heads of department who resigned after more than 10 years' service". But until recently, few of the intended recipients of the funds were aware of its existence, except for 11 department heads whose contracts were amended in accordance with the provisions made by the fund.

In August 1995, the director of

would not be unbundled and that a national opera company would be maintained.

The minister also met with Bezuidenhout and Cook. Cook claims that Ngubane knew that both Kok and Laurent had been paid their severance packages from the two special funds. In September Ngubane placed a moratorium on all retrenchments at Pact.

'The facts about Pact's pensions'

(292) M+G 4-11/4/96



Arts and Culture Minister **Ben Ngubane** responds to allegations in last week's M&G that he knew about a secret 'slush fund'

HAZEL FRIEDMAN'S article, "How much did Ngubane know about secret funds?" (M&G March 29 to April 3) raises two issues of concern regarding my relations with Pact (Performing Arts Council of Transvaal). The first is the extent of my knowledge of the Pact trust funds, the second is whether I had made private policy agreements with individuals within Pact. I will address the two issues separately.

There is some degree of confusion about the extent of the Ministry of Arts, Culture, Science and Technology's structural involvement in the running of the performing arts councils. The councils are associated institutions that receive a large portion of their funding from the Department of Arts, Culture, Science and Technology. They are therefore answerable, finally, to this department in terms of how they account for these funds.

The councils are, however, registered as Section 21 companies. Each has its own board of directors and its own CEO. The affairs of the councils are therefore run, not by the ministry, but by each company's own board.

It is for this reason that I have stated that the existence of the Pact trust funds did not require my approval, as they were a matter internal to Pact. As a Section 21 company, Pact is not required to seek approval from me or anyone else for its management practices and decisions.

Friedman is correct in stating that I was aware of the existence of these funds. Deputy President FW de Klerk and I were both made aware of the funds in a meeting held with Pact on November 28 1994.

The meeting informed us of the motivation for these funds as a mechanism for dealing with financial implications of retrenchments if and when they occurred. The funds' designation as such was made consistent with negotiations between Pact management and Pact employees' unions and with fair labour practices. In the light of this, the funds were positioned as legitimate vehicles.

When it was formed, the ministry began a process of restructuring the performing arts councils through insisting that new boards be elected. The CEO of Pact, Louis Bezuidenhout, resigned on September 4 1995. Had more senior managers resigned at this time, the stability of Pact would have been threatened. As minister of arts and culture, I had the responsibility of ensuring that Pact, an associated institution funded with public funds through the Department of Arts and Culture, continue to run smoothly.

At my request, key personnel were asked to stay on at Pact. Two employees stayed on until November 30 1995. Another two are still with Pact and are there on a contract basis until the end of April. I was unaware that these individuals had taken their severance packages when I asked them to stay on. Had I known that these individuals had received pay packages in addition to remaining at Pact, I would never have agreed to their continued employment.

The possible irregularities in the management of the Pact funds is something which I take extremely seriously. Indeed, action was taken immediately after this matter was brought to the ministry's attention.

I have launched an investigation into the

purpose and management of the funds in question, whether inappropriate payments may have occurred. When all available information has been consolidated, we will be able to decide on the most appropriate steps to be taken. This may entail a forensic audit of the funds, to evaluate their legitimacy as it relates to the new board and CEO. Alan Joseph, the new CEO of Pact, and John Kani, the new chair of the board, are as eager as I am to see that this issue is sorted out as soon as possible.

Friedman also suggests in her report that I reached an agreement with the opera department of Pact towards the end of last year regarding the future of the Pact Opera Company. The suggestion is that I secured the future of the company. I want to clarify my position in this regard.

I have consistently assured Pact, the other performing arts councils and the public at large that, firstly, the physical and human resources of the councils are regarded as national assets that will be maintained in the future; and secondly, that opera and ballet, along with all other art forms in South Africa, will be promoted and developed.

I am acutely aware of the Arts and Culture Task Action Group (Actag) recommendations regarding the performing arts councils. I have not entered into any private policy agreements that undermine the Actag process.

There is a strong sentiment in the arts community that opera companies should, rather than receive direct funding from national government, apply to the proposed National Arts and Culture Council for funding. These policy options are currently under consideration and will be clarified in the White Paper. In making these decisions, let me assure you that I have the best interests of the arts in South Africa at heart.

Gay culture loses to 'Voortrekker' funding

(292) BD 10/4/96

Tim Cohen

CAPE TOWN — Afrikaner monuments feature prominently in a list of cultural institutions and activities sponsored by the arts and culture department, eclipsing almost completely the meagre amounts used to sponsor gay and lesbian culture.

Answering a parliamentary question from IFP MP Kisten Rajoo, Arts and Culture Minister Ben Ngubane said R1,2m was spent on the Voortrekker Museum and R1,5m on the "Oorlogsmuseum van die Boere-republiek" last year.

A further R801 000 was spent on

the Afrikaans Language Museum, although this amount was significantly less than the R1,3m spent on the National English Literature Museum.

Of all the institutions financed, the National Zoological Gardens received the most at R8,3m, closely followed by the SA Museum at R8m, the National Cultural History Museum at R7,6m and the National Museum at R7,2m.

In the film category, the department spent most on the SA Film Festival and the SA International Film Festival, which received R50 000 each, while the African Film Festival received R37 500. The Gay and Lesbian Film Festival was forced to make do

with R15 000.

Of the infrastructure expenditure, the Market Theatre Foundation was by far the biggest recipient with a grant of R4m, while organisations like the Fuba Academy, the Johannesburg Dance Foundation and the District Six Museum received R200 000 each.

Of the music projects supported, the Mangwa Music Production received the most at R140 000, and the Unisa Transnet Music Competitions and Festival of the Drum R100 000 each.

Ngubane said the department recognised that many indigenous art forms had been neglected and that past imbalances needed to be redressed.



TABLES TURNED: Narcotic squad officers remove gambling tables from the 777 Club in Cape Town.

ARG 19/4/96 (292)

Police clamp down on Cape Town casinos

JOHAN SCHRONEN
Crime Reporter

POLICE have begun a "total onslaught" on Cape Town's casinos, with a surprise raid on one of its biggest gambling establishments.

A senior narcotics squad officer said after the raid that all allegedly illegal casinos would be shut down soon.

The spokesman said gambling dens across the Peninsula would share the same fate as the 777 Casino in Buitengracht Street, which was raided yesterday.

Meanwhile a court battle is looming, with an urgent interdict in the Supreme Court this week sought by the casino's owner.

The owner, who was not arrested in the swoop, but will

be charged today, said more than 250 jobs were on the line.

The police spokesman said detectives were investigating illegal gambling at other casinos and smaller operations.

He warned casino owners and patrons to adhere to the law and to ignore a test case against a casino in Bloemfontein where the action was referred to the Constitutional Court.

KNELING

Pact in bribery claim

ST 21/4/96

By IVOR POWELL

DRAMATIC claims of bribery have been added to the list of alleged improprieties committed by former managers of the Performing Arts Council of the Transvaal.

Pact's old regime is already the subject of an internal audit ordered by the new administration.

The Sunday Times has a copy of a R15 000 cheque paid out by lawyers acting for Pact to one of two Paper, Printing and Allied Workers' Union representatives responsible for negotiating settlement packages on behalf of workers.

A second cheque, for R25 000, was sent to the union anonymously, and subsequently disappeared.

Shortly before the cheques were issued in 1994 by legal firm Nel and Le Grange, the union's two negotiators had agreed to a deal which lost their members more than R2-million which a court had ordered to be paid after an industrial dispute.

Union branch organiser Gabriel Twala said the cheques had come to light after the union resolved to challenge the settlement package. However, when confronted by Mr Twala, Pact's former chief executive officer, Louis Bezuidenhout, allegedly warned that he had a cheque which could "hurt" one of the union representatives if the matter was not dropped.

Jan Nel, a partner in the firm Nel and Le Grange, who signed one of the cheques, could not be contacted. However, his partner, Johan la Grange, denied any knowledge of the cheque having been issued.

Despite repeated attempts for two weeks, Mr Bezuidenhout could not be contacted for comment.

WEDNESDAY
APRIL 24, 1996 ★

WHO WILL DECIDE ON CASINO SITES?

Provincial row over gambling proposals

NEITHER THE Gambling Board nor the local authorities are qualified to decide on the best sites for casinos — if opposing views on the dispute are to be believed, writes **CHRIS BATEMAN**.

A ROW over a proposal that the Western Cape Gambling Board has the final say on the siting of gambling casinos in the province is expected today when the legislature's Standing Committee on General Provincial Services resumes sittings.

Cape Town's city planner, Mr Dave Daniels, yesterday described the proposal as "problematic and unhealthy", and said it would give decision-making power to a group with no planning expertise.

"This has major implications for traffic, land use and the environment and I would advise the city council against it," he warned.

Sun International propose investing R1,1 billion in building casinos at Goodwood and George — provided they get "exclusivity" — a 100km

competitor-free radius — and long-term security of tenure.

Their competitors include Southern Sun and Tsogo Sun, who propose a R1bn gambling complex called "Century City" at Ysterplaat.

The province favours having one major casino in the Cape Metropole and six others spread across the province — although this is two more than allocated to the province by the government.

Daniels said he could not understand why the province's law drafters wanted to "make an exception" to the existing Land Use Planning Ordinance, adding that this would set "an undesirable precedent".

However, the province's taxes and levies chief, Mr Chris Lötter, said the casino would be a regional facility

(292) CT 24/4/96 which demanded centralised decision-making to avoid clashes between bordering local authorities over its siting.

"You cannot separate the licensing of a casino from the rezoning of property — it will just complicate matters if left to local authorities," Lötter said.

He emphasised that he was "appreciative of the concerns of local authorities", and said the province had no intention of "rough-riding over them". There would be extensive consultation, he said.

However, the "bottom line" was that a single authority (the Gambling Board) would take the final decision with extensive participation by local communities.

The province's standing committee is fine-tuning the draft bill on gambling and racing, which is expected to be tabled for debate in the Western Cape provincial legislature on Monday.

Disadvantaged set to profit from gambling

CT 25/4/96 (292)
CHRIS BATEMAN

THE principle of casino shareholdings and profits going to disadvantaged local groups as a condition for granting casino licences was firmly included yesterday in the Western Cape's draft gambling legislation, due for tabling in the provincial legislature on Monday.

While a proposal by NP MPL Mr Anwar Ismail to allocate shares or profits on racial lines was rejected after his party hurriedly caucused, no percentage of profit-sharing was set for the proposed partnership.

Sun International managing director Mr Peter Bacon told the same Provincial Services Committee earlier this month that his company would retain no more than a 20% interest in their investment, bringing in Western Cape shareholders at "50% or higher".

Bacon's incentive resulted in a marked increase in public attendance at committee sittings.

Some MPLs are known to share strong reservations with Cape Town's city planner Mr Dave Daniels over the draft bill's intention to grant the Gambling Board final say over the rezoning of land use when it comes to siting casinos.

The board will override provincial planning MEC Mr Lampie Fick, who has the final say (on appeals) for land use, and create a precedent by taking responsibility out of the hands of elected politicians.

Mr Arnold de Jager (NP), chairman of the province's Standing Committee for Finance and Public Accounts — who was invited for his views — said casino licence applicants would "shed accountability" with profit-sharing and warned of the dangers of large shareholders.

He urged the committee to get clarity on whether licence applicants were "talking about accommodating local business people or the tokenism of offering a small share on a basis which will represent the community".

Gambling
goes on after
court ruling

DENNIS CAVERNELIS
Supreme Court Reporter

IT'S business as usual for Cape Town's 777 Casino, raided and shut down by police last week. The casino was granted an order in the Cape Supreme Court allowing it to continue operating.

Mr Justice J G Foxcroft granted the interim order yesterday and ordered police to return equipment confiscated in last Thursday's police raid.

The application asked that the authorities be prevented from prosecuting the casino or removing equipment, and that the casino to be allowed to operate.

Judge Foxcroft said he would not grant an interdict which would protect the casino from prosecution. A date for the full application hearing will be decided today.

Mr Justice J G Foxcroft presided. Advocate J Kaplan appeared for the applicants, and advocates R Hiemstra and J Slabbert for the respondents.

ANC rumpus on casino bill

ANC 26/4/96

Cape's draft law 'impinges on civil liberties'

ANDREA WEISS
Metro Reporter

THE ANC is threatening to go to the Constitutional Court over draft legislation to control gambling in the Western Cape.

This follows a decision by members of the National Party to vote through the draft legislation at a meeting of the provincial services standing committee on Wednesday, even though ANC chairman Johnny Issel had adjourned the meeting.

The provincial legislature is due to debate the bill next week.

The ANC said it would be handing in a petition to the Speaker when the bill is tabled.

Provincial legislature member Yusuf Gabru said the bill in

its current form would override local councils, impinge on civil liberties and give the police extraordinary powers.

The constitutionality of the bill revolves around several "presumption" clauses, one of which assumes a person present in an illegal gambling house is actively gambling unless he or she "proves the contrary".

Another bone of contention is the removal of the right of local authorities to decide on the zoning for casinos.

The ANC says this clause would, for instance, "allow a casino to be built in Constantia or Platteklief without the councils being able to stop this".

"We believe this is a fundamental infringement of the rights of local government as an

autonomous third tier of government. It is widely known that areas such as the Garden Route and the winelands are potential sites for casinos," an ANC statement said.

A third area of dispute is a clause which gives a police officer or any other authorised officer the power to enter any premises without a warrant if he or she suspects gambling is taking place.

"This provision is potentially in conflict with the constitution and we believe that such powers should be circumscribed in very clear terms," the statement said.

"We have worked very hard to produce good legislation on gambling that would by and large protect settled communities and the poor."

ANC fights Western Cape gambling Bill

Linda Ensor

BD 26/4/96 (292)
CAPE TOWN — The ANC's provincial caucus has threatened to take the Western Cape Gambling and Racing Bill to the Constitutional Court, arguing that it gives the police draconian powers of search and arrest and excludes local authorities from decision making on the location of casinos.

The Bill is to be discussed by the legislature next week. If it was passed in its present form, the ANC would refer it to the Constitutional Court, ANC provincial MP Johnny Issel said at a news conference yesterday.

The Bill was approved by NP members of the standing general services committee on Wednesday night, in the absence of the ANC and despite its strong objections to key clauses. The ANC withdrew from the committee after the NP refused it an opportunity to consult its caucus. It accused the NP of reneging on agreements.

In approving the Bill the NP had ignored the constitution, the role of local

Continued on Page 2

Gambling

(292)
Continued from Page 1

BD 26/4/96
government, civil liberties and objections of the Cape Town city council, Issel said.

The ANC opposed giving the provincial gambling board and the premier the power to decide on the location of casinos irrespective of the views of local government or affected communities. There would be no right of appeal against the decisions.

"We believe that this is a fundamental infringement on the rights of local government as an autonomous third

tier of government," Issel said.

"It is widely known that areas such as the Garden Route and the Winelands are potential sites for casinos. These communities are greatly concerned at the manner in which such development occurs."

Other clauses overturned the presumption of innocence and gave the police wide powers to enter any premises without a warrant, to seize documents and to question people if they suspected gambling was taking place.

Premier Hernus Kriel last night described the ANC's threat to go to the Constitutional Court as "totally unacceptable". He said the NP was still willing to negotiate.

Gambling: ANC 'to go to court'

CHRIS BATEMAN

CT 26/4/96 (292)

THE ANC said yesterday it would constitutionally challenge proposed laws enabling the Western Cape Gambling Board to have the final say over the siting of casinos and giving police powers to enter any premises where they suspect people might be gambling.

This followed a walk-out from the standing committee on general provincial services by its ANC chairman, Mr Johnny Issel, and his party colleagues after the NP insisted on a vote to table the bill as it stood on Monday.

The ANC caucus said it would refer the bill to the Constitutional Court under a constitutional provision requiring one-third of the members of a legislature to agree to this move.

It accused the NP of "steamrolling" legislation through at any cost and undermining the spirit of provincial unity.

Premier Hernus Kriel — who is the MEC responsible for gambling in the province — rejected as "a blatant lie" an ANC claim that the bill gave both him and the board the power to decide on casino siting.

The ANC said that as the law stood a casino could be built in Constantia or Platteklief without the local councils being able to stop it — which it labelled a "fundamental infringement on the rights of local government as an autonomous third tier of government".

The bill gives final say on land rezoning to the Gambling Board and major regulatory powers to Kriel, but insists on comprehensive notification of all local stakeholders from the time casino licence applications are made.

It also gives Kriel the power to regulate any gambling board matter, licence applications and the management and control of licensed premises, plus all gambling, betting and racing.

Investors ready to pour billions into casinos

Deborah Fine

AT LEAST 20 potential investors are standing ready to pump more than R1bn each into new casino resorts in Gauteng once Parliament has finalised the National Gambling Bill, Gauteng economic affairs and finance MEC Jabu Moleketi has disclosed.

However, in representations to the province's government, all the investors have made it clear they will not make any significant investments unless illegal casinos are eliminated. Some have proposed developments of more than R2bn.

This was confirmed in an affidavit

from Moleketi in a Rand Supreme Court matter on Friday.

The court was hearing an unlicensed Krugersdorp casino's request for a referral to the Constitutional Court to argue the validity of the 1965 Gambling Act prohibiting gambling.

Under current legislation, all gambling clubs are illegal bar operations which secured licences prior to the homelands' incorporation into SA.

Club Dunes casino owner Marthinus du Toit said the Act violated section 26 of the constitution, which guaranteed the right to engage freely in economic activity.

The casino was raided by the West

Rand narcotics bureau in February. Slot machines were confiscated and employees arrested on charges of contravening the Gambling Act.

Du Toit said that should he fail to secure the referral, he was entitled to interim relief authorising him to continue his operation and interdicting police from instituting criminal proceedings against the club pending the outcome of a similar application in the Constitutional Court in September.

His application was opposed by the safety and security, justice, and provincial affairs and constitutional

Continued on Page 2

Casinos

Continued from Page 1

development ministries, as well as the Gauteng government.

Moleketi said investors had expressed "grave concern" about the number of illegal casinos. The presence of these operations threatened the viability of large new developments. The investors included local corporations, foreign concerns and joint ventures.

Opposing Du Toit's claim, Moleketi said the national and provincial governments' objectives in regulating gambling and casinos could be jeopardised in that some or all investors

could withdraw and the provincial government would find it extremely difficult to re-establish control over gambling if illegal operators such as Club Dune were allowed to continue. Moreover, if gambling was not strictly controlled, such operations could have detrimental social implications and become a focal point for crime syndicates.

Judge JP Roux dismissed Du Toit's application on the grounds that it had a slim chance of succeeding in the Constitutional Court. Granting it would mean "prostitutes, drug smugglers and poachers" would also be entitled to argue that current laws prohibiting their activities violated their economic rights, he said.

Club Dune is expected to appeal.

How much did Ngubane know about secret funds?

Hazel Friedman

PACT employees are adamant that Arts and Culture Minister Dr Ben Ngubane was fully aware that staff members who had received generous "severance packages" were still employed by Pact. But the minister denies it.

The *Mail & Guardian* revealed the "slush fund" scandal on March 1. Ngubane responded by saying he was first aware of the secret fund when he received a letter from the Arts and Culture Alliance (ACA) accusing Pact of giving "golden handshakes" to senior staff. He then said that he was made aware of the existence of these funds in November 1994, but that he was completely unaware that the "retrenchment payouts" were paid to employees who remained on Pact's staff.

Two mysterious trust funds — one called Pact Employer's Fund, worth



Ngubane: Caught in a slushy scandal

R14 275-million and established in May 1995, and a Pact Senior Fund worth R714 333, set up in August 1993 — were uncovered by members of Pact's new board soon after they

took office in November last year. They were told by acting director Egward van der Hoven that it had been a small investment made in the late 1980s by Pact management and the unions from Pact's existing fund-pool as a retrenchment payout, or in the event that there were no available funds to pay staff salaries.

A confidential document detailing Pact's special and trust funds, sent to the M&G, reveals the Employer's Fund and the Senior Fund were signed by Pact's then-CEO, Louis Bezuidenhout, representatives from the Performing Arts Staff Association of South Africa (Pasasa) and the Paper, Printing and Allied Workers Union (Ppawu), as well as by Pact heads of department and a board of trustees composed of Michael Cook (former chairman of the Pact Board), Bezuidenhout, Gabu Twala (Secretary of Ppawu) and Sandra laubscher (chairperson of Pasasa).

The Senior Fund was established for "heads of department who resigned after more than 10 years' service". But until recently, few of the intended recipients of the funds were aware of its existence, except for 11 department heads whose contracts were amended in accordance with the provisions made by the fund.

In August 1995, artistic director of opera George Kok, and Jean Claude Laurent, head of the Pretoria State Theatre, resigned and received substantial severance packages.

But Kok and Laurent remained on Pact's staff at Ngubane's request, they say. Kok, who resigned from Pact opera after receiving a "grim picture" of the future of opera, says: "The minister phoned me in August 1995 and asked me to remain with Pact. I agreed on three conditions: that no-one would be retrenched from Pact, the council

would not be unbundled and that a national opera company would be maintained."

The minister also met with Bezuidenhout and Cook. Cook claims that Ngubane knew that both Kok and Laurent had been paid their severance packages from the two special funds. In September Ngubane placed a moratorium on all retrenchments at Pact.

Both Kok, who has worked at Pact for 30 years, and Laurent insist that prior to their resignations they did not know about the severance packages.

They also deny receiving about R240 000 each in severance benefits, as alleged by the ACA, and have offered to make public the details of their packages. Newly-appointed Pact CEO Alan Joseph has agreed to release the amounts once Pact auditors have investigated the origin of the funds. As a public company, Pact is obliged to account for and disclose the source of all its funds.

CTSO debate hits a crescendo

ANDREA WEISS
Metro Reporter

(292)

ARG

30/4/96

Communists want orchestra to stay

THE Cape Town City Council's penultimate meeting ended in disarray as it lost a quorum before voting on a crucial arts-and-culture policy which could save the Cape Town Symphony Orchestra.

The council previously had approved an amendment calling for its executive committee to return next month with a proposal on a request for R2 million in bridging finance to keep the orchestra afloat until local government restructuring was settled.

But, when it came to voting on the main motion - which dealt with the formation of an arts-and-culture sub-committee to decide on a future policy - the council was one short of a quorum.

The failure to pass the main motion could see the issue of the orchestra's funding put on

the back burner until after the election and in so doing put the orchestra in jeopardy because an urgent decision is needed if it is to continue operating after December.

Earlier, councillor Clive Keegan had successfully argued that a separate report on the orchestra was needed because he believed that it was the responsibility of the existing council to secure its future.

Mr Keegan said it was clear that unless the council intervened, the orchestra would not survive, making it the third institution the council had "sought to kill".

The other two examples he cited were the pressure put on Captour - which saw it close an office and lose staff - and the demise of the Cape Town Film Foundation, which had attracted foreign investment to Cape Town

through the film industry.

"When an institution of that age and complexity dies, you will not revive it again," he warned.

Mr Keegan found support among the members of the SA Communist Party, notably Mzukisi Gaba and Fred Carneson, who argued that the orchestra was an important part of the city's culture which should not be lost.

Mr Gaba said that the responsibility for saving the orchestra rested with the present council, and its demise could not be blamed on any future council.

He said while the orchestra might in the past have been seen to serve only one sector of the community, it had more recently gone out of its way to reach out to all communities. He appealed to councillors not to take the

parochial view, but to embrace the orchestra in a spirit of reconciliation, nation building and new patriotism.

"To kill this orchestra will be a grave danger.

"It won't be a plus, but a minus in overall cultural advancement."

By contrast, African National Congress members, Danile Landingwe and Saleem Mowzer argued against retention of the orchestra saying that other forms of culture had been deprived in the past.

Mr Landingwe said other groups such as the "Kaapse Klopse" and choirs had been neglected and that the orchestra was not the top priority.

But, Mr Carneson said that equating the "klopse" with the orchestra was to indulge in cultural racism which set "black" culture against "white" culture.

"I reject that concept entirely," he said.

Pact boss's secret R500 000 payout

MtG 3-9/5/96

(292)

Developments in the Pact slush fund story reveal former Pact CEO received a handsome severance package, write **Hazel Friedman** and **Janet MacPherson**

FORMER Pact CEO Louis Bezuidenhout was given a secret "severance package" before being immediately re-employed on contract by Pact. And the amount — estimated at around R500 000 — was never reflected in Pact's financial records.

These are the findings of an investigation into the existence of a secret trust fund set up for senior Pact managers. And the slush funds are only the tip of the iceberg.

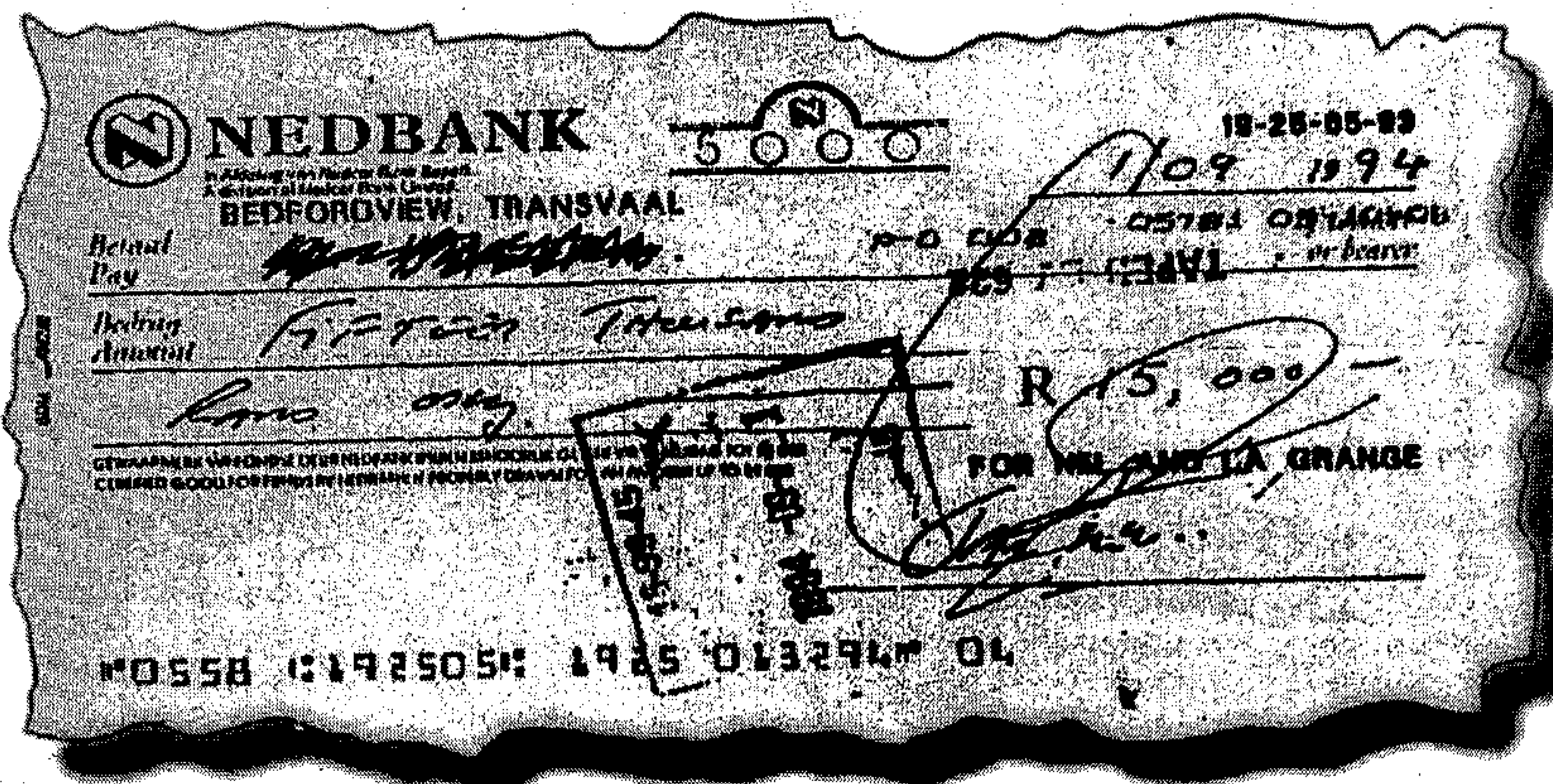
The M&G has had access to confidential minutes from an earlier Pact board meeting which record a mandate given to former board chairperson Michael Cook to negotiate — in consultation with Bezuidenhout — a severance package for the Pact CEO. The decision was taken after meetings during 1993 made it clear that Bezuidenhout would lose his job and a new CEO be appointed when a post-elections arts ministry was formed. Bezuidenhout denies being party to any special deal but admits receiving a "severance package" and believes he "deserves credit" for establishing the funds.

Two secret trust funds — one called Pact Employees' Fund of R14.275-million, established in May 1995, and a Pact Senior Managers' Fund which was set up in August 1993 and valued at R714 333 in January 1996 — were uncovered by members of Pact's new board soon after they took office in November 1995.

Formally ratified in April and May 1995, the Employees' Fund — according to confidential documents in the M&G's possession — were purported to have been set up to provide some measure of security for general employees whose jobs were threatened by the takeover of the new government's management.

As such it was signed by Bezuidenhout for Pact and by representatives of Pact's two employees' unions — Sandra Laubscher for the (mainly white) Performing Arts Staff Association of South Africa (Pasasa) and Jabu Ngwenya for the Paper, Printing and Allied Workers Union (Ppawu).

Both neglected to inform their membership of the package that was in theory available. It was only after



The cheque: The name of the payee has been deleted

Mystery cheque given to unionists

Hazel Friedman and Janet MacPherson

PACT unions have produced evidence suggesting that two of their representatives were involved in a sweetheart deal with Pact management to sell their comrades down the river.

The *Mail & Guardian* is in possession of a cheque for R15 000 made out by Pact's legal advisors to one of two union negotiations from the Paper, Printing and Allied Workers Union (Ppawu) who agreed to a deal which lost their membership R2-million in court-ordered backpay.

The names of both unionists are known to the M&G, but for ethical reasons their names are being withheld until Ppawu has completed its investigations into the matter.

The deal in question brought to an end a protracted labour dispute which had raged since late 1990, when Pact

summarily dismissed 299 workers after Ppawu declared a dispute with management.

The following year the dispute was taken to the Industrial Court, which ordered the unconditional reinstatement of the entire workforce with backpay amounting to R4 661 481.

Dissatisfied with the outcome, Pact management — under the leadership of then CEO Louis Bezuidenhout — took the case to the Supreme Court, the Appeal Court and the Judge President, where the original judgment was duly upheld.

But after "negotiations" with Pact's legal representatives, labour lawyers Jan Nel and Johan La Grange, two union representatives agreed to forfeit just under R2-million on behalf of their members — supposedly to offset earnings during the period of the dispute.

But on September 1 1994, one of them cashed a cheque for R15 000 signed by Jan Nel on behalf of the law

firm Nel and La Grange. According to Twala, this was one of two similar cheques which came into the possession of the union. The other — for R25 000 — subsequently disappeared.

According to Twala the existence of the cheques was revealed after he and other unionists, including the recipient of the cheque, approached Bezuidenhout to protest the settlement deal that had been struck.

"We were angry because instead of being fully compensated for wrongful dismissal in terms of the court ruling, we had been tricked into paying Pact instead," recalls Twala. "But Bezuidenhout said one of our members had better be careful, because he had something that could damage him. At first he wouldn't say what it was, but, finally, we learnt about the cheques, and a short while later, they were faxed to us anonymously." Bezuidenhout denies knowledge of any bribe.

elections at Pasasa returned a new committee in November last year (by which time the original deadline for claiming against the fund had already passed) that incumbent chairperson Monty Schippers began asking questions. Subsequently the cutoff date for application to the fund was extended to April 1997.

Confidential minutes faxed anonymously to the M&G confirm that around the time that talks on the transformation of Pact were imminent the special Senior Managers' Fund was es-

tablished under a cloak of secrecy for 10 heads of department who have had more than 10 years' service at Pact and who resign on similar grounds.

Although he is not named as one of the beneficiaries of this controversial trust fund for Pact's management, Bezuidenhout in fact took a similar package when his contract with Pact ended on March 31 1994.

Bezuidenhout's special deal included one year's salary (around R200 000) along with Pact's pension contributions, housing subsidy and

medical aid. In addition, Pact would foot the bill for outstanding payments on Bezuidenhout's Mercedes Benz — which was less than a year old at the time. Added together the package comes to around R500 000. Bezuidenhout was immediately re-employed — on a contract basis — calculated according to his old salary, but with all the perks added in. In fact he remained with Pact as CEO well into 1995.

Similar packages were later offered to the 10 top employees who were par-

ty to the Special Managers' Fund and who subsequently resigned from Pact. Artistic director of opera, George Kok, and head of the Pretoria State Theatre, Jean Claude Laurent, who had received substantial severance packages, were immediately re-employed by Pact at the request of Arts and Culture Minister Ben Ngubane. They did not return their packages.

Apart from the 10 department heads whose contracts were amended in accordance with the provisions made by the fund, few other Pact staffers knew anything about the controversial funds. A first audit has failed to establish where the money for the two special trust funds came from. It was never reflected in Pact's financial records.

Like the existence of the trust funds, the payout to Bezuidenhout was never reported in Pact's financial records — and had therefore remained unknown to the new management until a full audit was called last month. This was apparently justified by designating the moneys as constituting "reserve funds" and thus separate from the budgetary turnover.

It has since emerged that the document for the Employees' Trust Fund may not be legal in the first place. It is signed by PK (Jabu) Ngwenya as Ppawu "secretary", a position he never held, having been no more than an alternate member of the Ppawu delegation to management.

According to Gabriel Twala, the union's branch organiser, Ngwenya had no authority to sign on behalf of the union. Twala himself was the proper representative, yet he was unaware that Ngwenya had signed the document until Bezuidenhout allegedly asked him to attend a standing committee meeting concerning the fund.

When Twala raised objections about clauses in the Trust Fund document he was then informed that Ngwenya had in fact signed the document in April. Ngwenya has subsequently left both Pact and Ppawu.

Bezuidenhout insists that he dealt with the legitimate representatives of Ppawu and that Twala attended one or two Standing Committee Meetings "without questioning Ngwenya's authority". But Twala disagrees: "We hadn't even received the document when it was supposedly signed by Ngwenya," recalls Twala. "Anyway, we had real problems giving our approval to a fund set up to protect the interests of the white old guard against the much needed transformation of Pact."

The Ministry of Arts, Culture, Science and Technology has confirmed that the matter is under investigation.



New gambling legislation in Gauteng has created a number of new crimes and stiffened penalties for offenders. This should make it easier to control the industry and weed out illegal operators

PHOTO: JODI BIEBER

Loading the dice

CT (BR) 8/5/96 (292)

Ann Crotty

CONSUMER INDUSTRIES EDITOR

The new amendments proposed for the Gauteng Gambling and Betting Act considerably extend the list of potential offenders under the law. In so doing, they will help to clamp down on the thousands of illegal casino and gambling operators who have sprung up throughout the province.

Many of the amendments have been proposed by the attorney-general's office with an eye to the difficulties it has had in its attempts to control or close down illegal operators. The new legislation will be much tighter than the 1965 act. That act was based on a blanket prohibition of gambling and was thus open to very loose legal interpretation.

A number of illegal operators have turned to the Constitutional Court for relief, so far unsuccessfully.

In a recent hearing, the owner of Club Dunes requested a referral to the Constitutional Court on the grounds that the 1965 Act violated section 26 of the constitution, which guarantees the right to engage freely in economic activity.

The judge dismissed the application on the grounds that it had a slim chance of succeeding in the Constitutional Court. If the application was granted, it would mean "prostitutes, drug smugglers and poachers" would also be entitled to argue that the current law violated their constitutional rights.

Other attempts to bring the issue to the court are based on police action that presumes a person in an illegal casino is indulging in illegal activity. This is contrary to the principle that a person is innocent until proven guilty.

The proposed amendments not only tighten last October's Gambling Act, but also appear to minimise possible charges of unconstitutionality.

It has made core definitions — such as for "gamble", "casino", "gaming machine" — and other premises more explicit. The bill has created additional offences under which individuals can be charged and has set much stiffer penalties.

Potential offenders include people who rent their premises to illegal operators as well as employers and employees in illegal operations. The responsibility for establishing the legality of the establishment and its operator rests with the property owner and the employees.

At the core of this much tougher stance is the view that a legal gambling environment will not be able to get off the ground unless the authorities are able to rein in the illegal operators.

When it released its results for the six months to the end of last year, Sun International made much of the damage that was being wreaked on the group's gambling revenues by the existence of thousands of illegal operators.

Many people may not have much sympathy for the hotel group because of the monopoly it enjoyed for so long, but the critical issue for the future is protecting the profit generated by the industry for the investors who will be ploughing in hundreds of millions, if not billions, of rands.

The Gauteng government has said six mega-licences will be granted. These will not be granted all at once, but are likely to be staggered in lots of two. This will give the government and potential participants an opportunity to see how the new environment is shaping up.

The first two mega-operations are expected to be located in Midrand and on the Vaal.

In the Western Cape, five mega-licences will be granted, KwaZulu Natal will issue five, as will North West Province and the Eastern Cape. The Free State is issuing four licences and Northern Cape will issue three.

Industry sources estimate that the development of a mega-licence operation could require an investment of between R500 million and R2 billion.

In most instances, this investment will be directed at areas that have no previous experience of large gambling facilities. This makes it a risky proposition. The presence of a plethora of illegal operators with negligible overhead and running costs, and little if any tax exposure, is certain to cause reluctance among most potential legal investors.

According to the Gauteng government, at least 20 potential investors have said they would not make any significant investments unless illegal casinos were eliminated.

Hendrik Brand, the legal director for Sun International, said the group was encouraged by the proposed amendments, which "would certainly assist in tightening the loopholes".

He expressed concern, however, about the ability of illegal operators to come up with more devious methods of getting around the tighter legislation.

A spokesman for some of the illegal operators said they would continue with their plans to make submissions to the Gauteng premier and President Mandela.

Given the interaction that has existed so far in the legislation-making process of the provinces, it is certain that the other provincial governments will be watching the developments in Gauteng closely.

NP gives way on Cape gambling Bill clauses

DD 9/5/96

(292)

Linda Ensor

CAPE TOWN — The NP yesterday backed down on key clauses in the controversial provincial gambling Bill about which the ANC had threatened to go to the Constitutional Court.

However, it appeared that the ANC was not entirely happy with the concessions announced by premier Hernus Kriel and indicated that the party might still petition the speaker to submit the Bill to the Court.

Kriel, in introducing the Western Cape Bill on Gambling and Horseracing in the legislature, proposed that draconian powers given to police to search and seize without a warrant should be curbed.

He proposed that instead police would only have this right if they had "reasonable grounds" for believing that the required warrant would be issued and believed that the delay caused by applying for it in the normal way would defeat their objectives.

Kriel also proposed the deletion of clauses which overturned the constitutionally enshrined presumption of innocence.

While he could not accede to demands for the disadvantaged to hold shares in casino and slot machine operations, he agreed to

include such considerations in the criteria for evaluating licence applications lodged with the provincial gambling board.

Kriel also agreed to allow the relevant standing committee to screen the candidates for the board.

He explained that in terms of the Bill the board alone would have the power to finally approve casino zonings and licences, though local authorities and communities were entitled to participate in the decision-making process.

The ANC indicated, however, that this did not go far enough to meet its objection that local authorities be empowered to decide the location of casinos.

Kriel believed that local authorities would be vying for casinos to be sited in their areas, and therefore could not be given the final power to make such decisions.

In terms of the Bill, casino licences would be issued on a regional basis to ensure development was spread throughout the province and was not restricted to the densely populated peninsula.

The premier also warned the industry would be strictly controlled to keep out criminal and Mafia-type organisations. Offenders would be given heavy sentences.

(2) whether the matter has been negotiated with Transnet trade unions; if not, why not; if so, what are the relevant details;

(3) whether any recommendation on the matter has been made to Cabinet; if not, what is the position in this regard; if so, what are the relevant details;

(4) whether the matter has already been discussed by Cabinet; if not, what is the position in this regard; if so, when?

S164E

The MINISTER FOR PUBLIC ENTERPRISES:

(1) The whole issue of free medical benefits is being investigated and also the restructuring proposals from the Sectoral Task Teams will influence future decision-making.

(2) No. The restructuring proposals as put out by Government are still to be subject to future negotiations.

(3) No recommendations have been made or accepted by Cabinet and only preliminary proposals have been made by the Sectoral Task Team on Transport to date.

(4) Refer to (3) above.

Pact: funds for retirement packages

100. Sen B J VAN DER WALT asked the Minister of Arts, Culture, Science and Technology:—

(1) Whether the Performing Arts Council of the Transvaal (Pact) has two funds for paying out retirement packages to staff members; if so, what are the relevant details;

(2) whether any irregularities occurred when retirement packages were paid out; if so, what irregularities;

(3) whether he or his Department envisages any investigations into the control and administration of these funds; if not, why not; if so, what are the relevant details;

(4) whether all Pact staff members are aware of the existence of these funds; if not, why not; if so,

(5) whether such staff members will still be afforded the opportunity to make use of these funds; if not, why not; if so, what are the relevant details? S166E

The MINISTER OF ARTS, CULTURE, SCIENCE AND TECHNOLOGY:

(1) Yes Pact does have two funds for paying out retirement packages to staff members. These funds were motivated as a mechanism for dealing with the financial implications of retrenchments if and when they occurred. The funds' designation as such was made consistent with negotiations between Pact management and Pact employees' unions and with fair labour practices. In the light of this, the funds were positioned as legitimate vehicles.

According to information provided by Pact's independent auditors, Pact established a Special Reserve Fund in 1987/88 for the purpose of setting aside funds for anticipated cash-flow problems arising from budget cuts. The fund grew from an amount of R1,7m as of 31 March 1989 to R17m as of 31 March 1995. Based on the Audit Certificates of the Special Reserves, the bulk of the contributions were made to this fund by Pact between 1990 and 1994.

In 1994, negotiations took place between Pact management and the employees' unions to establish a trust fund for the purpose of providing funds for potential employee retrenchments due to the uncertainty of the performing arts.

In April 1995, two trust funds and a five-year investment were set up utilising the Special Reserve Fund established in 1987/88. Approximately R13m was allocated to the employees' trust fund, R1,7m to the senior management trust fund and R3,5m to a five-year investment plan at Old Mutual owned by Pact (not restricted). This was approved by Pact Board of Directors.

Pact Employees' Fund stands at R14,275m. The Senior Management Fund stands at R714 333. Both became effective on 3 April 1995. The purpose of both is to arrange financial security for Pact employees and senior management where the services of such employees are terminated under certain circumstances. Parties involved are, in respect of the Employees' Fund, Pact management and the unions, namely the Paper, Printing and Allied Workers Union (affiliated to COSATU)

and the Performing Arts Staff Association, on behalf of Pact employees. Parties involved in the Senior Management Fund are Pact's senior management.

Both Trusts expire on 30 April 1997, upon which the funds are returned to Pact or its successor. The trust is managed by DDL and a Board of Trustees. The terms of the trust cannot be altered without collective negotiations.

(2) These funds were motivated as a mechanism for dealing with the financial implications of retrenchments if and when they occurred. The funds' designation as such was made consistent with negotiations between Pact management and Pact employees' unions and fair labour practices. In the light of this the funds were positioned as legitimate vehicles.

Notwithstanding this, the Ministry has launched an investigation into the purpose and management of the funds in question, whether inappropriate payments may have occurred.

One aspect of the management of the funds give leave for concern: The fact that severance packages were paid out to Pact senior managers who are in fact still holding office. Other irregularities are currently being investigated by independent auditors.

Two recipients of severance packages are still employed by Pact and remain in their positions on a month to month basis. At my request the two stayed on with Pact until 30 November 1995 and the two who are still with Pact are there on a contract basis until the end of April. This request was necessary to maintain the effective operations of Pact. Had more senior managers resigned along with the CEO, Mr Bezuidenhout on 4 September 1995, the stability of Pact would have been threatened. I should add, however, that I was unaware that these individuals had taken their severance packages when I asked them to stay on. Five of the 10 Department heads resigned and received severance packages on 25 August 1995.

Last year the Council of Culture Ministers placed a moratorium on retrenchments at the PACs until their new democratic

Boards were in place. This was an attempt to ensure that retrenchments did not take place in an improper manner.

(3) As I have stated, the Ministry has already launched an investigation into the purpose and management of the funds in question, whether inappropriate payments may have occurred. This investigation is being assisted by a team of advisers who, at this stage, are consolidating all information relating to the funds. This consolidation will serve as a basis for deciding on the most appropriate steps to be taken, which may entail a forensic audit investigation of the funds, to evaluate their legitimacy as it relates to the new Board and CEO.

(4) Pact staff members are now all aware of the existence of the funds. This is occurring through the unions representing Pact staff and employees, namely the Paper, Printing and Allied Workers Union (affiliated to COSATU) and the Performing Arts Staff Association.

(5) Staff members will still be afforded the opportunity to make use of these funds. This is until the trust fund expires on 30 April 1997, upon which the funds are returned to Pact or its successor in title. As the issue stands, all reserve funds, employees' funds and senior employees' fund for senior and ordinary staff are at the Board's control provided the Board can meet retrenchment packages as agreed upon. This then means that the money set aside for senior staff retrenchment packages is part of the general fund for the general use of Pact.

As you are no doubt aware, I have appointed a new Board of Directors and CEO of Pact to govern the organisation in accordance with a revised mandate. In addition, this will initiate a process which will ensure that the requirements of the Department of State Expenditure are met for the 1997/1998 budget cycle.

Prison hospitals in provinces

104. Sen C R REDCLIFFE asked the Minister of Correctional Services:—

(1) (a) How many prison hospitals are there in each of the provinces at present and (b) what are the names of these hospitals;

Gambling licencing to be free of politics, says Kriel

292

CR 9/5/96

MELANIE GOSLING

STAFF WRITER

CASINO and other gambling licences will be granted by the Gambling and Racing Board only, which will be independent from political influences, Western Cape Premier Hernus Kriel said yesterday.

The board would also have the power for final approval of rezoning land for casinos.

Introducing the Gambling and Racing Bill in the provincial legislature yesterday, Kriel said: "One of the most important characteristics of the bill is the total independence of the Gambling Board from political influences in the awarding of licences for gambling institutions."

He said constitutionally, the powers to rezone land lay with the provinces. However, it had been decided, in terms of casinos only, to assign these powers to the Gambling

and Racing Board.

"The result is that the premier and Cabinet will have no power to influence the final approval of casino zonings and licences.

"The independent Gambling Board will be the only body with such powers," Kriel said.

The bill also provides for public participation whereby local authorities and communities can give their input into where proposed casinos are located.

Licences would be issued on a regional basis so that development was not restricted to the densely populated Peninsula only.

Applications for casino licences would be assessed on the development proposal, probity and financial aspects.

The board will be able to appoint consultants to provide the expertise needed to select the best casino sites.

The bill will be debated today.

Parties pass gambling Act in Western Cape

Linda Ensor

CAPE TOWN — The Western Cape Gambling and Horse Racing Act was adopted by the provincial legislature yesterday after a stormy debate in which both the NP and ANC made significant concessions.

The passage included several months of deliberations, walkouts and threats by the ANC to take several controversial clauses to the Constitutional Court, but the legislation finally passed its final third reading last night.

ANC proposals for a substantial increase in the provincial tax rate on casinos were quashed by the NP and DP, while NP amendments to give the police limited powers of seizure and arrest without a warrant were dropped entirely.

Premier Hernus Kriel undertook to include considerations for the participation of disadvantaged communities as shareholders in casino operations in the criteria for evaluating licence applications.

While not giving in entirely to ANC demands for local authorities to exercise the power to rezone areas for casino operations, Kriel agreed to incorporate a measure of local authority input into decision-making by the gambling board.

The Cape Independent Alliance's Clive Keegan said the vesting of this rezoning power with a nominated board was "totally unacceptable".

W Cape approves gambling bill

CT 10/5/96

(292)

STAFF WRITER

THE Western Cape came a step closer to getting legal casinos yesterday when the provincial legislature passed the Western Cape Gambling and Racing Bill.

This followed a rowdy debate yesterday.

The National Party agreed with a proposal by the ANC to scrap the clause in the bill which would give police the right to search premises without a warrant if they suspected gambling was taking place.

The legislature also agreed that the views of local governments would be taken into consideration by the Gambling and Racing Board when coming to a decision about issuing licences.

The Speaker ruled against a request by ACDP member Mr Michael Louis that the voting be by secret ballot to enable members to vote according to their "personal consciences".

The Speaker said members were public representatives and should be prepared to make their viewpoints known.

The rules did not allow secret voting, he added.

The ANC's Mr Cameron Dugmore then proposed that the rule in question be suspended to allow a secret ballot, but his proposal was outvoted.

The bill was opposed by the Freedom Front and the ACDP on Christian principles.

Dugmore said afterwards that the ANC welcomed the decision by the NP to amend certain clauses they had objected to.

"These amendments made

it possible for us to support the bill," he said.

"We're disappointed that the NP voted against all the other parties on the issue of a secret ballot.

"We believe that there were members within their own caucus that had reservations about the bill," Dugmore said.

● A Gambling and Racing Board will now be constituted. It will issue gambling licences and be responsible for giving final approval for the rezoning of land for casinos.

Keegan slams Kriel on zoning of casinos

ANDREA WEISS
Metro Reporter

CLIVE Keegan, of the Cape Independent Alliance, has slammed the Western Cape's gambling legislation for dealing a "devastating assault" on the autonomy of local authorities to make town planning decisions.

The Western Cape legislature this week passed gambling legislation which heralds the advent of legalised casinos in the province, but which also places the power to rezone land for casino purposes with the Gambling and Racing Board appointed by the cabinet.

Mr Keegan said the decision to give this power to the board constituted a "radical and dangerous departure from the long-established principle whereby the elected representatives of local communities, after consultation with potentially affected neighbourhoods, determine appropriate land use in urban areas".

"Given the province's notorious record of overturning local council decisions regarding rezonings, departures from the zoning scheme, and other controversial planning applications, we are totally unconvinced by Premier Kriel's assurance that public participation will be taken seriously in the assessment of rezoning submissions by commercially driven casino operators," he said.



Clive Keegan

"If Mr Kriel is so utterly determined that the public and their local authorities will genuinely be consulted about the location of casinos, why does he in the same sentence demand that the final decision regarding this socially, religious and environmentally sensitive matter should be taken out of their hands?"

Mr Keegan said it was nonsense to say that local authorities should not have right to determine casino

zoning because of rivalry over the granting of licences.

Local authorities knew the right to grant licences rested with the national or provincial body. There was no justification for denying the right to local authorities to assess appropriate land use applications on the grounds of social desirability, traffic impact and potential local nuisance.

"It is an intolerable prospect that the Fernwood Sports Club, for example, an underutilised estate in need of alternative and more suitable usage, should be granted a casino licence by a committee of nominated functionaries who bear no electoral responsibility for their decision."

He added that if this "possible tragedy" were regarded as alarmist, the Cape Independent Alliance reminded the public of the province's use of "independent assessors" to decide on the matters of the Disa Towers on Table Mountain and the industrialisation of Saldanha Bay.

He said his grouping would continue to insist that the location of casinos should fall within the authority of democratically elected councils and ratepayers' associations.

"The provisions of the provincial legislation are in every way hostile to and contemptuous of the rights of local communities and their delegated spokesmen."

CTSO needs R2-m from council

ARGUS 11/5/96
292
GLYNNIS UNDERHILL
Staff Reporter

THE Cape Town Symphony Orchestra will have to cancel its popular free concerts and development work if it is not given the R2 million support it has requested from the Cape Town City Council.

"This is not a threat. It is a fact of life.

"If they turn us down, they are putting the CTSO in a position where it is no longer able to continue development work and it will be forced to give only income-generated concerts," said Jacques de Vos Malan, executive director of the Cape Town Symphony Orchestra.

The appeal for the interim grant-in-aid was to enable the CTSO to continue with its con-

certs for the broader community, said Dr De Vos Malan.

"We told them the future of the CTSO is uncertain but we can stay in business until the end of the year.

"We are not sure what happens beyond that," he said.

Free open-air concerts at the Waterfront are packed to capacity and concerts at schools form part of the development work by the CTSO.

Bridging finance from the City Council will allow this work to continue until local government restructuring is settled.

Dr De Vos Malan feels passionately about saving the Cape Town Symphony Orchestra, which is threatened with closure due to a lack of funds.

So when discussion on its future was postponed for the

second time in a row after a Cape Town City Council meeting failed to obtain a quorum this week, he was suitably unimpressed.

With back-to-back meetings on the future of the CTSO scheduled at his own office, Dr De Vos Malan feels there is time to waste.

And after spending a whole afternoon waiting in vain to hear an Executive Committee debate on the issue, he felt frustrated, Dr de Vos Malan said yesterday.

Another meeting has been set up on Monday to discuss the R2 million injection it is hoped the Council will make available to the CTSO.

Discussions about a possible merger with Capab's accompanying pit orchestra, Cape Philharmonic Orches-

tra, would continue, said Dr De Vos Malan.

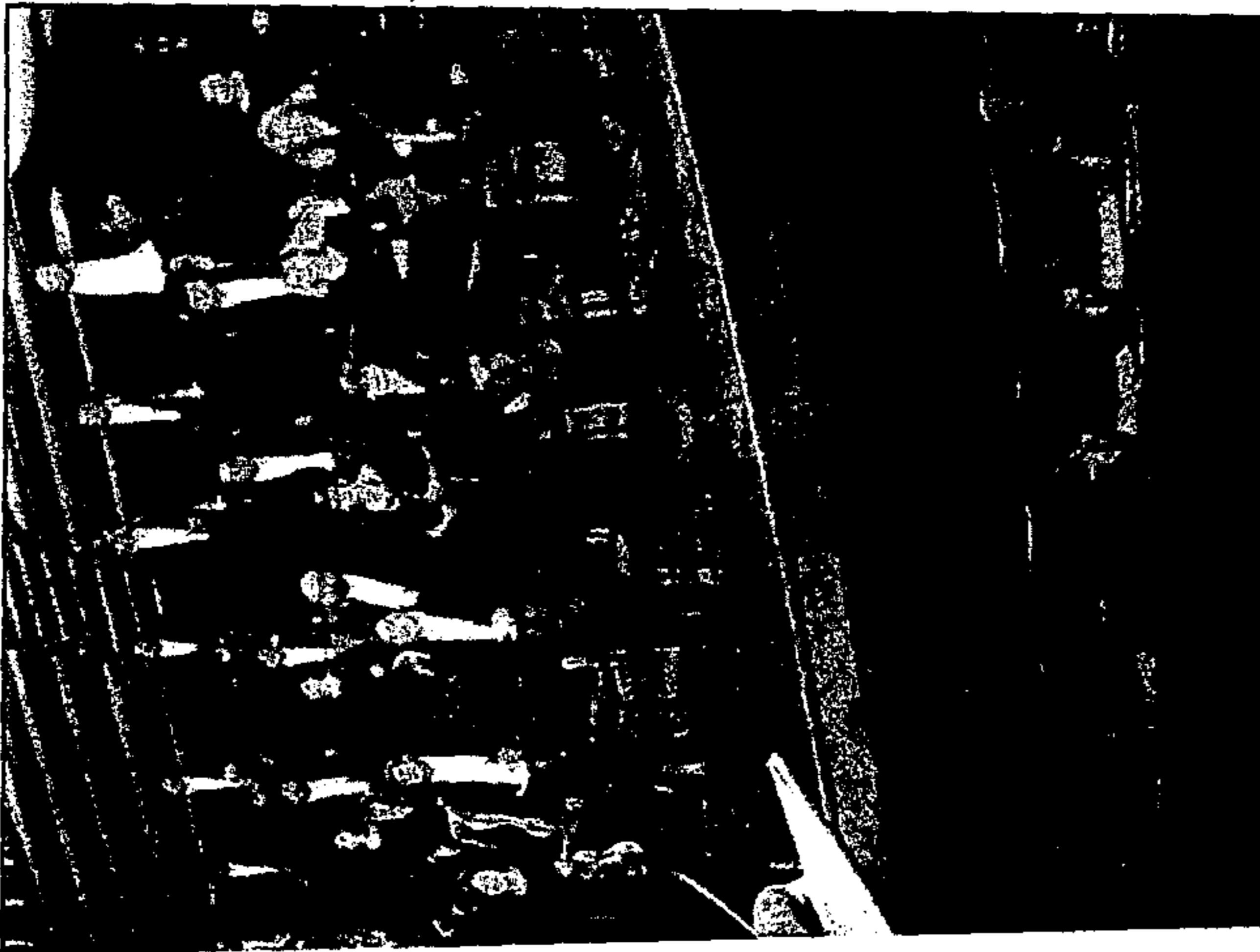
"There was doubt whether discussions were to continue or not but we are going ahead with discussions," he said.

What is exciting him at present is a drive which is about to be launched to attract investment from corporations and individuals.

Financial consultants had been brought in to assist with the investment drive and details would be released shortly, he said.

A trained composer, Dr De Vos Malan said the question whether the CTSO was a public service or a private enterprise was a valid one.

If it was a public service, then the CTSO needed government support, Dr De Vos Malan said.



Picture: DOUG PITHEY, Staff Photographer
lan feels passionately about saving the Cape Town t is not given R2 million by the city council.

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"WE HAVE EVERYTHING"

Gambling to receive no VAT favours, says Katz

CT (BR) 15/5/96 (292) (292)

By Ann Crotty

Johannesburg — The legalised gambling industry would receive no favourable VAT treatment even when it was being used to support tourism, Michael Katz, the chairman of the Katz commission, said yesterday.

He told a gambling conference in Johannesburg that the Katz commission's tax recommendations to the government included the need to protect the integrity of the VAT base.

"We are firm in the view that the VAT base should not be undermined. Apart from some very basic foodstuffs, we want to stick with the principle that no zero rating be allowed."

Other speakers pointed out that apart from major administrative difficulties, it would be politically unacceptable for the government to allow a zero rating on gambling when they had rejected a number of trade union approaches to reduce VAT on certain foodstuffs.

Delegates and speakers said the

uncertainty concerning the tax situation was having a negative effect on investor sentiment.

Stan Matsebula, the chief director of finance in Gauteng, said it would not be possible to determine what the applicable gambling tax was until an agreement had been reached between the national government and the provinces.

In terms of the constitution, provinces have the right to generate revenue from gambling.

The national government would levy income tax on operators as well as collecting VAT.

Industry sources said provincial governments were concerned that there would be little additional scope to levy provincial taxes or licensing fees on top of the national taxes.

A number of provinces have approached the government about channelling VAT receipts back to the provinces.

Provincial executives have said the government would be unlikely to return more than 50 percent of the tax collected.

R2m lifeline for orchestra

(292)
PETER DENNEHY

CT 15/5/96

MOST Cape Town city councillors voted yesterday to grant the struggling Cape Town Symphony Orchestra a lifeline.

At what was the final meeting of the nominated transitional council, councillors voted by 38 votes to 13 to grant the orchestra an interest-free R2 million loan, to be repaid on June 1 next year. The consent of Western Cape Premier Hernus Kriel is needed for the loan.

The orchestra had come to the council hoping for a non-repayable grant of R2m to see it through the transitional period and enable it to get funds from the Metropoli-

tan Council and perhaps from other municipalities.

Councillor Mr Chris Joubert, a friend of the orchestra who said "a city without an orchestra is not a city", proposed the amendment that the council should provide a loan rather than a grant.

He knew that, in the existing political climate, anything more generous would not have survived.

ANC councillor Mr Hanief Tiseker said his organisation was "not convinced" that R2m should be made available specifically for the orchestra.

Instead it wanted to decide to set aside an unspecified amount — to be determined by the new council — for arts and culture in general.

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COMPANIES

Unit-trust scheme to finance symphony orchestra

By Marc Hasenfuss

Cape Town — Simpson McKie James Capel launched a unit trust scheme yesterday that would set aside proceeds to fund the needs of the cash-strapped Cape Town Symphony Orchestra.

The orchestra aims to raise R50 million by September through the CTSO InvestorPlan.

Investors' capital will be invested in a portfolio of high growth unit trusts to generate capital growth.

It will provide funding of R4 million a year for the orchestra's needs over the next five years.

Peter Klatzow, a member of the orchestra's board, said that units of R10 000 would be invested for five years. This period would enable the orchestra to consolidate its financial position and allow investors' capital to appreciate.

Most of the income in dividends and interest from the unit trust will be used to fund the orchestra's running costs, with the investor scoring on the long-term capital growth.

Klatzow estimated that each unit should grow to at least R18 000, tax free. He based his

estimate on the past five years' tax investment returns.

Klatzow said individual directors of Simpson McKie James Capel and the orchestra had already pledged R10 000 toward the fund.

He emphasised that the CTSO InvestorPlan was a very sound financial scheme.

"We want to assure potential investors that... we will not be involved in any flighty investments."

Klatzow said that the orchestra was not asking for money now. But pledges were being taken and these already totalled R100 000.

"If we reach our target of R50 million by mid-September, we will call in the pledges. The more money we raise, the greater will be the return to the individual because the orchestra's needs are not open ended."

Klatzow said that he realised that a R10 000 pledge could be a bit steep for the individual investor, but syndications could be formed with a minimum pledge of R500.

After five years, the investor can claim back the investment or reinvest the money in the orchestra's next development phase.



PLAYING TO THE MARKET Peter Klatzow, a member of the Cape Town Symphony Orchestra board, and Farieda Bachmanova, violinist, and James Capel, flautist, of Simpson McKie James Capel, flank violinist Farieda Bachmanova.

PHOTO: ANDREW BROWN

Film-friendly Cape gets an RDP boost

R2-m allocated for new projects

JOSEPH ARANES
Municipal Staff

THE Western Cape economy is to get a boost and the province will be promoted internationally as a film-friendly environment with the approval of a number of reconstruction and development programme (RDP) projects.

Provincial Economic Affairs Minister Chris Nissen said that following the approval in January of RDP projects for Ikapa Trust, Future World pre-school in Eerste River and the Gansbaai housing project, totalling R412 000, new projects amounting to almost R2 million had been approved.

The projects include R1,7 million for rural development and agriculture, and an allocation of R180 000 to the Cape Film and Video Foundation to promote the Cape nationally and internationally as a film-friendly destination.

Mr Nissen said the approval of the projects represented a significant step in the process of delivery of RDP projects in the province, as all the projects met the key criteria of job creation, economic viability and sustainability.

"The total allocation from the RDP funds for projects for 1996 now stands at more than R2,3 million and will definitely boost the province's economy and help rural development."

He said R300 000 had been allocated

to the Suurbraak irrigation scheme to enable the community to improve its production cycle from one planting season a year to two or more.

The Kranshoek rural community got R45 000 for the construction of an irrigation scheme and R37 500 for production inputs of seeds and herbicides to assist small scale farmers in kickstarting their first production cycle.

Slangriver was allocated R100 000 for sowing of winter cereals and for soil preparation.

An allocation of R300 000 was made to the Haarlem community for an irrigation system and fencing. In addition to job creation opportunities, it is aimed at uplifting the community.

The historic town of Wupperthal, known for its manufacturing of hand-made leather shoes since 1830, has been boosted by the allocation of R300 000 for the shoe factory. The funds will be used to provide opportunities for self-development and much-needed jobs to the community.

A training centre in Montagu, used for the training of rural business and farmers' associations, will be given R150 000. This will directly service 34 rural towns and will increase their capacity to initiate and manage their entrepreneurial projects. This initiative holds tremendous potential for the economic development of these areas.

A very 'sound' investment

Cash-strapped symphony orchestra in R50 million bid to secure its future
ART 17/5/96 (292)

ANDREA WEISS
 Metro Reporter

THE Cape Town Symphony Orchestra has launched a unit trust scheme which it hopes will secure its long-term future and free it from its dependence on increasingly uncertain public funding.

The orchestra aims to raise R50 million in pledges from investors by mid-September - an amount which will give the orchestra R4 million a year towards its operating costs - while simultaneously generating capital growth for the investors. The orchestra is able to earn the rest of its operating needs itself.

The scheme is the brain-child of Glynn O'Leary of Fine Music Radio, which is closely linked to the orchestra.

Mr O'Leary was optimistic that music lovers would do their bit to save the orchestra and said members of the orchestra themselves also aimed to raise money towards the scheme through concerts.

The CTSO is hoping that Cape businesses and even people who have left the country, but who still have money in South Africa, will participate in the investment scheme. The scheme will keep the orchestra alive and allow it to plan for the future.

The orchestra, which was formed in 1914, is in a financial crisis due to local government restructuring and the end of a 10-year privatisation agreement

with the Cape Town City Council. The orchestra received its last grant of R4 million a year ago.

If sufficient money is not raised by mid-September, members of the orchestra will be given three months' notice and the CTSO will close in December.

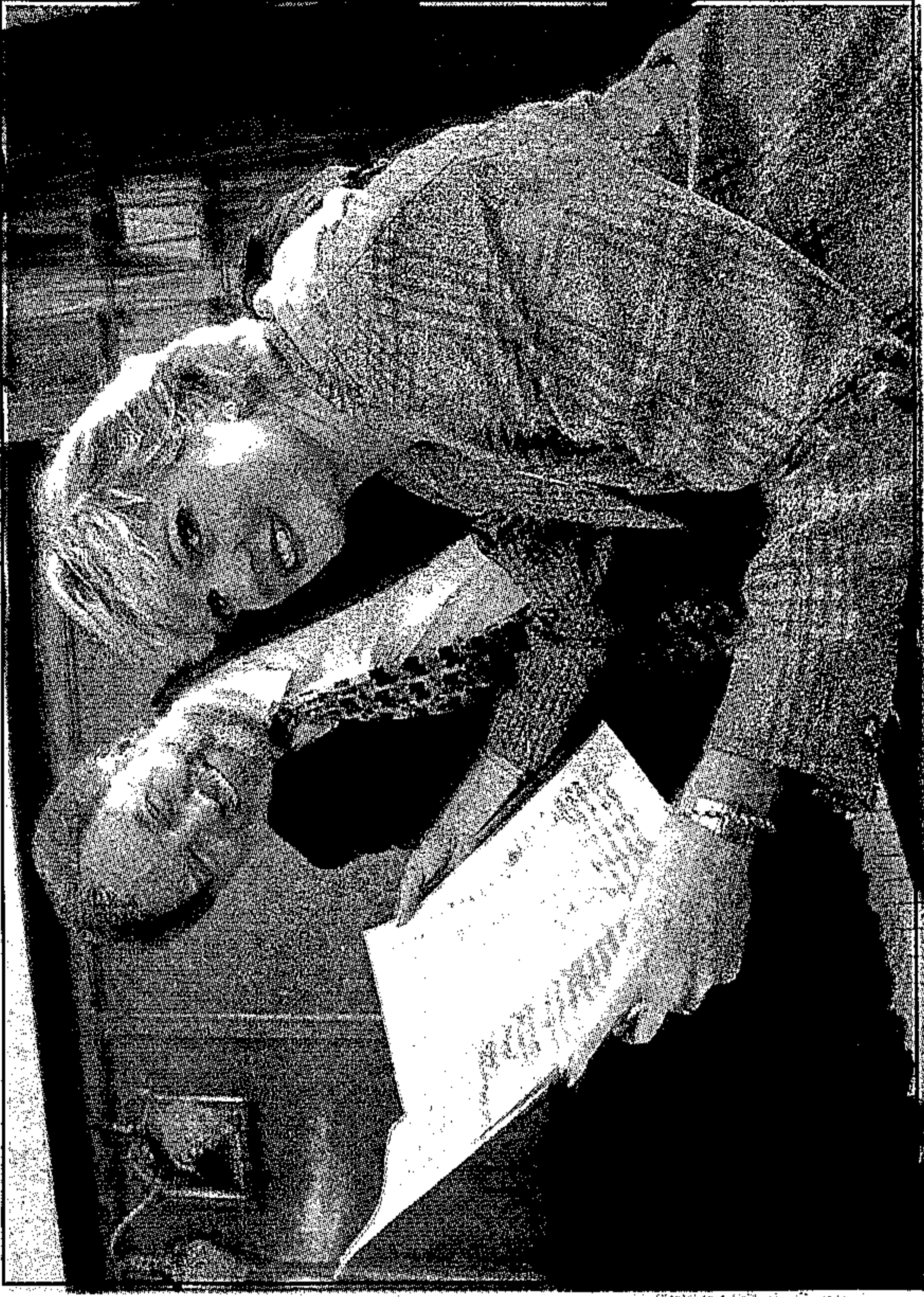
Peter Klatzow, a member of the CTSO board, stressed the scheme was not based on donations, but rather on sound financial principles. The CTSO Investor Plan will be administered by Simpson McKie James Capel and will operate in units of R10 000 each, which will be invested over five years. This will help the orchestra consolidate its financial position, while giving investors an estimated return of 17,5 percent a year.

Mr Klatzow stressed that the scheme would not indulge in "flighty investments", but would choose a balance between high growth and blue chip unit trusts so that the money would be safe.

People who do not have R10 000 to invest can become involved in syndicates operating on a minimum pledge of R500 each.

The administrators of the scheme are also willing to find partners for people who are unable to form their own syndicates.

Mr Klatzow said the orchestra did not wish people to give the money now, but first wished to establish whether it had suf-



Picture: DOUG PITNEY, The Argus.

INVEST IN MUSIC: Glynn O'Leary, left, of Fine Music Radio, with Caryl Carter, of Simpson McKie James Capel, are optimistic that music lovers will do their bit to save the orchestra.

ficient pledges to reach the R50 million target by September 15, after which the pledges would be called in.

"The more money we raise, the greater will be the return to the individual because the CTSO's needs are not open ended."

ernment," he said.

Mr Klatzow said the orchestra also had plans to find a new home in the form of a conference centre, provided it was able to secure its future during the next five years.



Picture: OBED ZILWA, Staff Photographer

CULTURAL WEAPON: A member of the Cape Town Symphony Orchestra carries her "cultural weapon", a violin case, during yesterday's artist march to parliament.

Entertainers sing and dance in protest outside parliament

Staff Reporter

ABOUT 100 disgruntled actors, musicians and dancers protested outside parliament yesterday for the right to use their cultural weapons — their instruments, plays and dances.

The protesters, who sang and danced to the beat of drums outside the parliamentary gates, included members of the Cape Town Symphony Orchestra, Friends of the Opera, the Cape Performing Arts Board (Capab), dance teachers and students.

They were protesting at the lack of funds for arts in the Western Cape.

They handed a memorandum to a representative of Arts and Culture Minister Ben Ngubane. In the document they demand more money for arts in the Western Cape.

The dance teachers, who handed a memorandum to an Education Department official, said they were protesting against their "unconstitutional employment conditions".

Some of the teachers had been employed by the Education Department for more than 15 years and still had only "part-time status", one protester said.

They worked for an hourly rate of R55.57 and had no unemployment benefits, sick leave, medical aid or pension benefits. They were not paid for public or school holidays.

Some dance teachers were working more than 10 hours a week extra without remuneration, said the protester.

Dancing was now considered an extra-curricular subject at schools and pupils paid R40 a term for lessons.

"How can they afford R40 for dance lessons if they do not have R40 for food? Why should our children pay for dancing lessons?" asked a female dance teacher.

Earlier Capab marketing director Rudi Basson said the protests were initially organised to focus on the plight of dance but had become a general demonstration against the plight of the complete spectrum of the performing arts financial position.

Basson said the protests were initially organised to focus on the plight of dance but had become a general demonstration against the plight of the complete spectrum of the performing arts financial position.

position

292

ARC

18/5/96

Culture budget holds shocks, says Arts Minister

By WILLIAM-MERVIN GUMEDE

Changes planned for culture in South Africa this year were bound to unsettle many, Arts, Culture, Science and Technology Minister Ben Ntshane warned in his Budget vote this week.

"The changes we will be implementing during this financial year are large in scale and far-reaching in their impact," he told the National Assembly.

Performing arts councils budgets had been cut by 22%.

Funds had been pumped into other projects. Of these he regarded formation of a national arts council as the most important. The council would receive a grant "to enable it to bring equity to arts and culture through distributing public funds to a diverse range of artists, cultural institutions and non-governmental organisations."

An arts council operating at "arm's length" from government was recognised internationally as essential for building a demo-

cratic arts dispensation, he said. With similar systems in Australia, Canada and Britain, peer assessment ensured that policy decisions were made by artists and specialists with the expertise to assess needs.

South Africa's national heritage institutions, 18 funded by the department, were singled out for radical transformation. New directors would be appointed to their boards to make them more representative.

National archives were next

in line, with a Bill under debate to get archives "in alignment with democratic thinking."

The Market Theatre, which Ntshane lauded for its role in developing theatre and projecting South Africa abroad, would receive funding of R6-million.

The film industry also received a shot in the arm, with its budget allocation raised from R3,4-million to R10-million. About half the allocation would be used for script development, education and training.

Staw 18/5/96 (292)

Gambling licence delays cost industry R8bn

DAN SIMON
TOURISM WRITER

REVENUE generated by more than 200 illegal casinos scattered throughout South Africa is expected to exceed the proceeds of legal casinos by about R900 million this year, a top industry spokesman has revealed.

Global Resorts managing director Mr Ernie Joubert said a "conservative estimate" of the current annual size of the combined legal and illegal gambling industry in South Africa was about R4,3 billion. He was addressing a seminar in the city on investment in the tourism and hospitality industry.

He said that if 40 legal casino resorts had been operating by now, the poten-

tial gaming revenue for the industry would have been about R8bn this year.

Global Resorts, Sun International and Stocks Leisure are the three main contenders vying for a share of the 40 casino licences which the government plans to allocate once legislation is in place to properly regulate the industry.

Joubert said there was a "popular belief" in the gambling industry that gaming-related revenue from Sun International's 17 casinos, which are situated far from population concentrations, would amount to about R1,7bn this year.

Illegal casinos on the other hand — comprising about 250 gaming venues — were conservatively expected to generate about R2,6bn in gaming revenues.

Joubert said the major stumbling

blocks hindering a viable casino industry in South Africa were the "tolerance" accorded to illegal casinos and the "incredibly slow pace" of legislative, regulatory and licensing procedures.

Joubert also said that paybacks in illegal casinos were "much worse" than legal casinos.

Studies, he said, showed that gamblers playing slot machines in illegal casinos got approximately R50 back for every R100 played, and legal casinos generally paid out R94 for every R100 played.

● The Nico Malan Theatre is to double as an international convention centre next year because of an acute shortage of world-class facilities in the city capable of hosting 2 000 delegates.

This was said by Dr L.J. Van der Linde,

whose company, the Livingstone Group, is organising next year's convention of the International Community of Dentistry in Cape Town.

About 2 000 international delegates are to attend the four-day congress which is expected to generate about R8m for the city.

Van der Linde said that a condition set down when South Africa was chosen to host the convention was that it be held in Cape Town. A search for suitable venues found none large enough.

"We considered the Good Hope Centre, but the cost of conversion would have been about R400 000 which is just too enormous." His company will hire two auditoriums at the Nico Malan to host the convention.

DEX

ARTS & ENTERTAINMENT 12

CLASSIFIED 8

BRIDGE 12

COMICS 4

SPORT 21

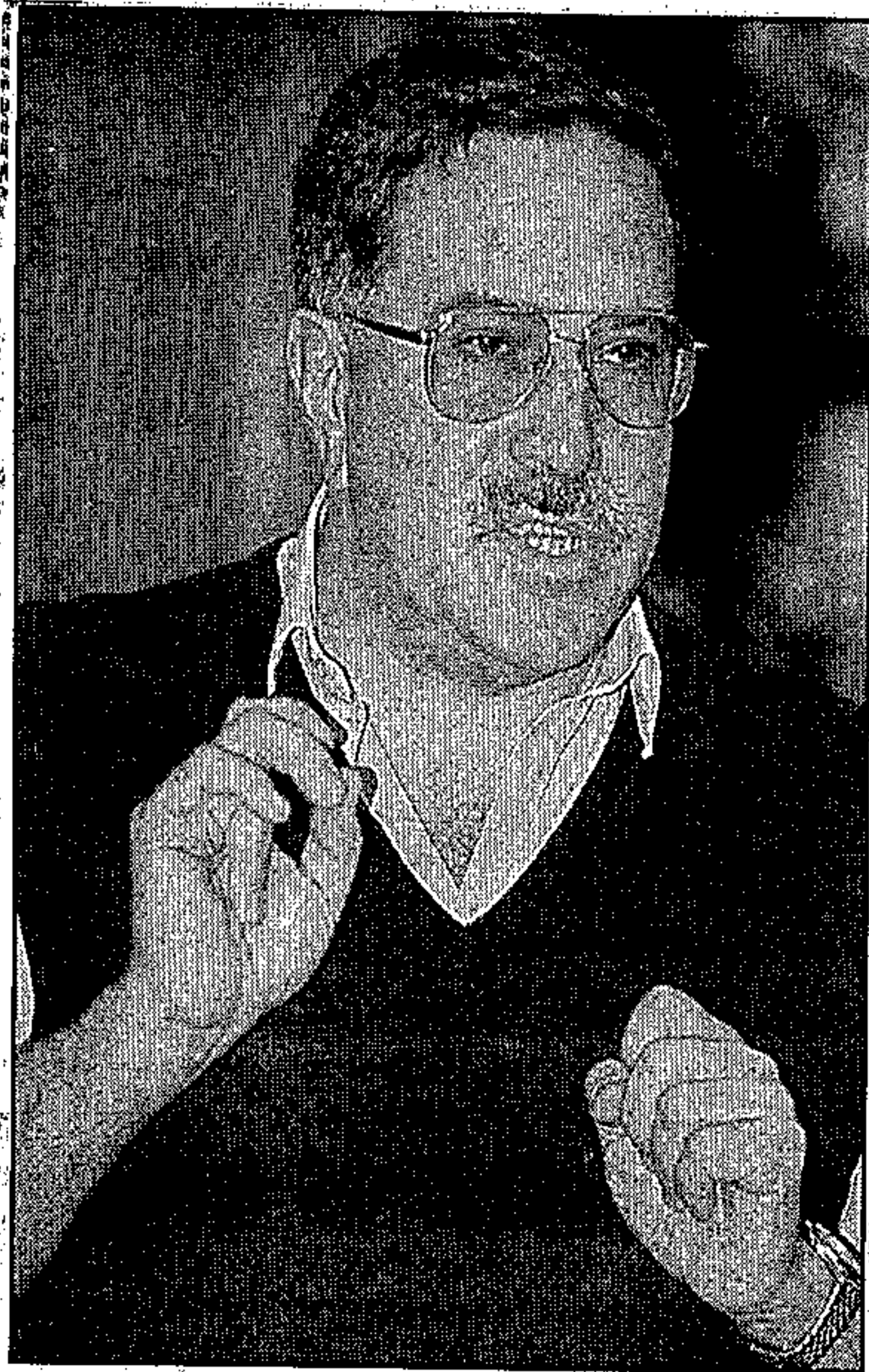
LEISURE 4

INTERNATIONAL 7

COURTROLL 12

TV GUIDE 12

CROSSWORD 4



Cape Town orchestra to accept R2-m loan

ARG 22/5/96 (292)

Metro Reporter

THE Cape Town Symphony Orchestra will accept the R2-million interest-free loan offered to it by the Cape Town City Council, but would like to persuade the city to put it forward for investment in the unit trust scheme launched to save the orchestra.

This idea was put forward at a meeting of the CTSO's association this week when members gathered to discuss the financial plight of the orchestra.

The unit trust scheme aims to persuade people to put up R50 million to be invested over a period of five years, with the orchestra keeping R4 mil-

lion of the capital growth for its operating costs, while the rest is to go back to the investor tax-free.

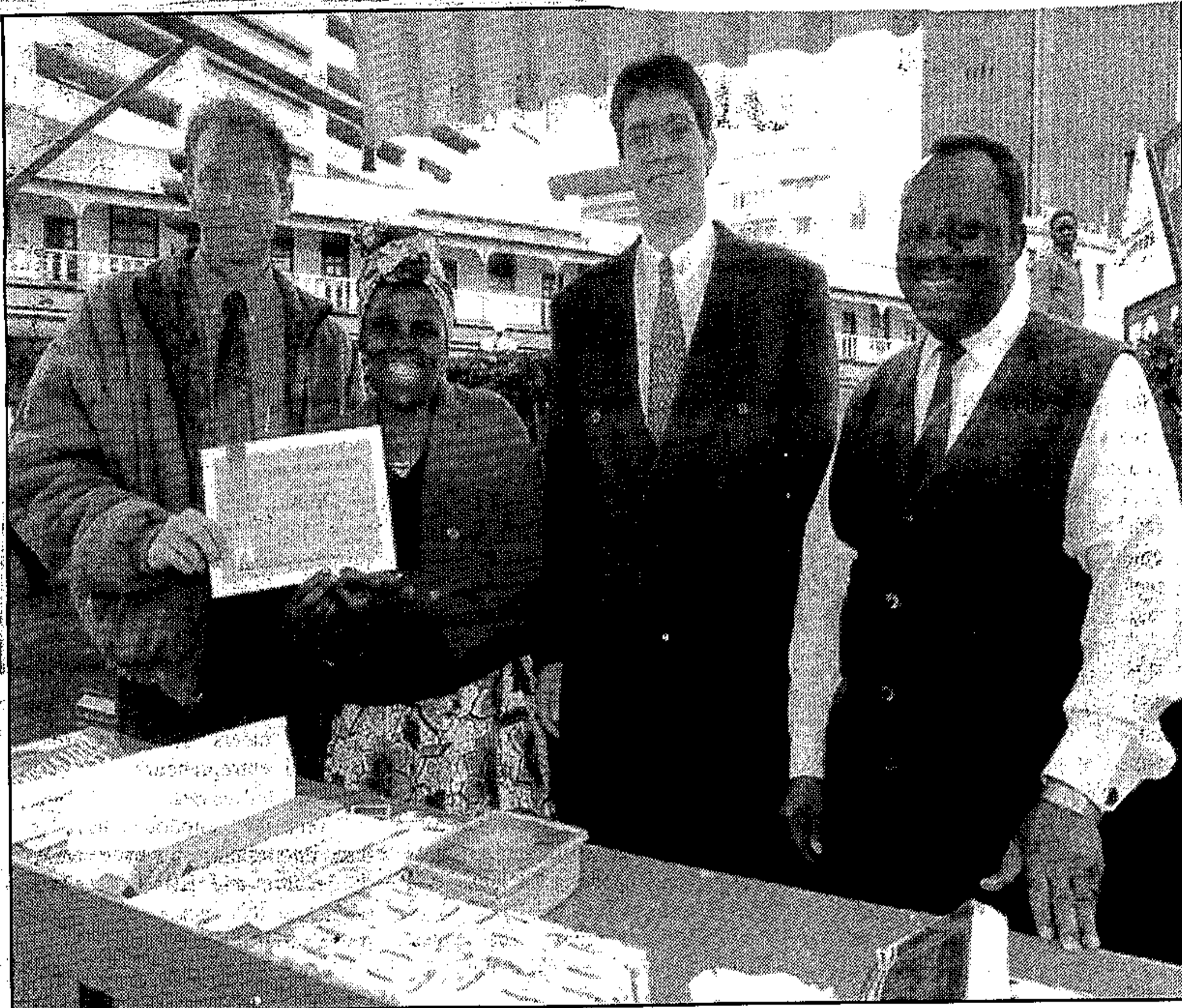
Many people attending the meeting made a strong pitch for the retention of two orchestras in the city because the CTSO is a performing orchestra, while the Cape Philharmonic Orchestra is an accompanying orchestra for ballet and opera.

John Sonnenberg, chairman of the board, said of the council loan: "You must never look a gift horse in the mouth."

If insufficient funds are pledged by mid-September, the orchestra faces closure at the end of the year.

Picture: ROY WIGLEY, The Argus.

TROUBLED ORCHESTRA: Peter Klatzow, left, who serves on the board of the Cape Town Symphony Orchestra, addresses a special meeting of the CTSO's association to explain the financial crisis facing the orchestra.



Operation keep clean ... Hilda Zondi receives a cleanliness certificate from Anglo American Property Services representative Hennie Peens (left). Also pictured are Saul Hertzikowitz and Nelson Mthembu of Ampros. Each month Ampros gives a recognition certificate to the cleanest street vendor trading near its properties.

'Illegal industry' worried

(292) Sowetan 27/5/96

By Shadrack Mashalaba

THE Gaming Association of South Africa (Gasa) has expressed concern over the way the current draft Bill on gambling is being handled.

Gasa - with a national membership of about 600 and representing the interests of the so-called "illegal industry" - has called on the Government to make a "realistic" check on the situation that exists in the gambling industry today. The "illegal industry" employs some 30 000 people nationally.

The National Gambling Bill is to be passed into an Act of Parliament possibly later this year and 40 licences expected to be issued nationally. Gasa general secretary Peter White says in its current form, the Bill is already biased towards major players in the industry.

"We are strongly in support of a regulated gaming industry but do not agree with the monopolistic and unfair compe-

tition scenario of the current draft Bill, which will negate the independent operator and cater only for "blue chip" concerns," says White.

"While Gasa is not opposed to the traditional major concerns retaining their licences, it feels it is grossly unfair that participation in this industry is going to be limited to a few of the groups and a monopolistic trading environment be allowed to continue," he adds.

An active role

Every Gasa member is willing to become regulated and play an active role in the economy, argues White.

The ad hoc select committee on gambling and lotteries held discussions last week concerning the draft legislation and proposed amendments to the National Gambling Bill.

During the discussions, according to White, the status of "illegal operators" in South Africa was completely over-

looked and manipulated by parties with vested interests.

A thorny point in the Bill, he says, is a clause that restricts the total number of licences due to be allocated across the nine provinces to 40.

Committee chairman Senator Mushwana of the ANC is said to have hinted that the Government could raise the number of licences to be issued "at a later date."

But Gasa's members are not prepared to talk about possibilities that are still lingering in the air, saying lawmakers should focus on drafting laws that allow a fair treatment to everyone in applying for casino licences.

White argues that the Government seems intent to ignoring current realities of the casino industry.

Ignoring such realities, he argues, could result in wiping out the livelihood of over 2 000 operators and that of 30 000 employee.

Over-eager taxman could hobble Cape's fledgling gambling industry

By Ann Croft

CONSUMER INDUSTRIES EDITOR

Johannesburg — An onerous tax regime in the Western Cape's new Gambling and Racing Law is expected significantly to reduce the industry's investment in the province.

The law governing gambling in the province was published in the government gazette released on Monday afternoon.

Some industry sources said it

made any reasonably sized investment in the industry unviable.

The law refers to a gambling tax payable by the holder of a casino licence, which is calculated to increase from 6 percent on taxable revenue up to R10 million, to 17 percent on taxable revenue above R50 million.

Taxable revenue is defined as "adjusted gross revenue less admissible deductions as determined under this law." It is essentially the revenue received by the

casino less the winnings paid out.

A casino that has taxable revenue of more than R50 million will have to pay a gambling tax of R5,35 million for the revenue below R50 million and 17 percent of the amount by which the taxable revenue exceeds R50 million. It is also faced with VAT of 14 percent.

An operator of a sizable casino is looking at a tax charge of 31 percent on income. In addition, the normal company tax has to be paid on profit.

Some of the VAT payments could be reclaimed, but industry sources said the input credits necessary to make the claims would not be significant.

Mark Olty, who heads the Ernst & Young Gaming Group, described the tax as severe.

"There is likely to be a down-scaling of planned investment", he said that in countries with similar tax regimes, casino operations had tended to be comparatively small.

Industry sources were surprised that the tax provisions of the

law reflected no changes to the draft proposal that was published in February, despite the extensive representations that were made.

"In the public hearings that followed the release of the draft there was much criticism of this proposed tax regime. It is obvious that the provincial government chose to ignore this criticism," one adviser remarked.

The reason the Cape provincial government seemed prepared to take a harder line than other

provinces on the issue of tax was thought to be the extent of lobbying that it had faced in recent months.

"There's been a lot of competition for the two casino licences that will be issued in this province. Obviously the government thought it could be tough," one source said.

Also of concern is that any gambling licence would be issued for only 12 months and would then have to be renewed annually.

See Business Watch, Page 22

Casino groups slate Cape's tax regime

Amanda Vermeulen

BD 30/5/96

(292)

A PUNITIVE sliding-scale tax regime for casino revenues in the Western Cape will see at least two of the major bidders for the lucrative provincial gaming licence scale back their investment plans.

The Western Cape this week published details of tax on casinos which will see the largest operations paying up to 26% tax — VAT of 14% and a sliding scale which could add a further 12% tax on gross revenues.

Global Resorts CE Ernie Joubert said yesterday his company would reduce its planned investment by 20%, if successful in bidding for a licence, implying at least a R100m cut-back in the first phase of proposed development.

This could translate into abandoning plans for golf courses, non-gaming facilities, and reducing the number of hotel rooms, or even the size of the casino operation. He said the company would forego capacity in favour of higher utilisation of facilities, but warned that the downsizing of resorts could impede any development's revenue generating potential.

Joubert said other factors would also have a direct effect on the level of investment, including the recent interest rate hikes, a general slow-down in the economy, reductions in disposable income and low business confidence.

He warned that the national industry, which originally would have seen at least five R1bn-plus resorts, could shrink to accommodate only two such developments.

Several casino groups are planning

to bid in the Western Cape, including African Sun International, Southern Sun and Omar Sharif Southern Africa (OSSA). It is not clear whether there will be one or two licences in the region.

OSSA said yesterday it had little problem with the tax regime, but it was concerned that there was no guarantee that VAT — set by central government — would not be increased next year. It was concerned also that the introduction of a national lottery would have a further negative effect on the casino market, making it more difficult to achieve good returns.

Sun International regional director Ian Douglas said the group would have to adjust its plans — still under wraps — to cope with the tax implications and to be competitive.

Douglas said that the province's tax rate, which topped Mpumalanga's 17% ceiling by 9%, had probably been based on the province's need for tax revenues, but this could see tourism infrastructure sacrificed.

Sun International and Global Resorts have said they will focus heavily on offshore developments, largely because of the high level of tax in SA and the slow progress in the industry.

Global was looking at Las Vegas, and those states in the US which had casino industries, because of their high growth prospects and low taxation. Joubert said the company would look at joint ventures, saying that Malaysian group Mycom and another, as yet unidentified, partner, could co-finance projects.

Ron Stringfellow, Southern Sun MD, was not available for comment.

Arts and culture for everyone

Tonight Staff

(292)

ARG 30/5/96

THE Cape Town City Council is looking at developing an arts and culture policy for the city, and is calling a public meeting to discuss various aspects of its intentions.

At a Press conference to announce the policy, outgoing mayor William Bantom said this decision was indicative of the council's commitment to redress imbalances of the past and to support and encourage the flowering of

cultural and arts initiatives in all communities.

"A consultative group consisting of about 40 organisations recommended that a process of consultation take place.

"We want to give the people of Cape Town a chance to voice their opinions on what should be included in the policy document," he said.

The public meeting will be held on Saturday, June 1, at 9 am.

The venue will be the Joseph Stone Auditorium, Athlone.

I haven't

Arts and culture for everyone

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New questions:

Sudan: slavery

*1. Dr R T RHODA asked the Minister of Foreign Affairs:†

- (1) Whether Sudan is a signatory to the *African Charter on Human and People's Rights*; if so, what are the relevant details;
- (2) whether any allegations of slavery being practised in Sudan have been brought to his attention; if so, what are the relevant details;
- (3) whether he intends informing the Organisation for African Unity of these allegations; if not, why not; if so, what are the relevant details?

N569E

The DEPUTY MINISTER OF FOREIGN AFFAIRS:

- (1) Yes. Sudan signed the African Charter on Human and People's Rights on 3 September 1982, ratified the Charter on 18 February 1986 and deposited the instrument on 11 March 1986.

- (2) Yes. The United Nations Human Rights Commission in Geneva published a report in April 1996, alleging that large numbers of men, women and children are being abducted from strife-torn southern Sudan and turned into slaves.

According to the report, abuses are concentrated in the south. The report referred to torture, rape, arbitrary detention and disappearances.

- (3) The OAU is fully aware of the UN's and other reports alleging violations of human rights in the Sudan and elsewhere in the world. South Africa voted for the resolution at the 49th Session of the United Nations General Assembly on the question of human rights violations in Sudan. The Secretary-General of the OAU is seized with these matters and we will keep Parliament informed of any further developments at the United Nations, the OAU and other multilateral fora.

Dr R T RHODA: Madam Speaker, arising out of the reply of the hon the Deputy Minister, it was not clear to me whether he said that he had actually indicated to the African commission the

fact that provision was made for measures of safeguard in the charter. Does he intend referring the matter directly to the Organisation of African Unity's Commission on People's Rights by addressing the commission, namely the chairman of the commission, the Secretary-General of the OAU and the state concerned, which is, of course, Sudan, as provided for in article 49 of the African Charter?

Furthermore, in contrast to the campaign against apartheid in South Africa, there has been no worldwide protest against slavery in Sudan. Can the Deputy Minister perhaps tell us why that is the case? [interjections.]

The DEPUTY MINISTER OF FOREIGN AFFAIRS: Madam Speaker, as I have indicated, the Secretary-General of the OAU is seized with this matter. It is being discussed with him and with other members of the OAU.

As to why there has been no major worldwide campaign against what is taking place in Sudan, I cannot answer on behalf of the world community. I can only say that we, like many other countries at the United Nations, supported the resolution condemning the activities in Sudan. We will attempt, in every possible way, to assist in normalising the situation in Sudan. [Interjections.]

Regulation of Gatherings Act: coming into operation

*2. Ms M SMUTS asked the Minister for Safety and Security:

Whether the Regulations of Gatherings Act, 1993 (Act No 205 of 1993), has come into operation; if so, when; if not, (a) why not and (b) when is it the intention to put the said Act into operation?

N602E

The DEPUTY MINISTER FOR SAFETY AND SECURITY:

No. (a) The implementation of the Act was delayed as a result of certain problems of a technical nature which probably will have to be addressed by means of amendments, particularly with regard to certain definitions contained in section 1 of the Act. (b) It is the intention to put the said Act into operation once these amendments of a technical nature have been addressed by means of amendments to the Act.

*3. Mr M F CASSIM—Transport. [Question standing over.]

Establishing of SA arts/culture industry

*4. Mr M F CASSIM asked the Minister of Arts, Culture, Science and Technology:

- (1) Whether any plans have been formulated with a view to establishing a South African arts and culture industry; if not, what is the position in this regard; if so, what plans;
- (2) whether such plans will also entail the rendering of assistance to talented persons to enable them to be economically productive; if not, why not; if so, what are the relevant details;
- (3) whether he will make a statement on the matter?

N618E

The MINISTER OF ARTS, CULTURE, SCIENCE AND TECHNOLOGY:

- (1) Yes, plans have indeed been formulated with a view to establishing and developing South Africa's arts and culture industries. In the department's Cabinet memorandum of 15 January 1996, the Cabinet was informed of, and asked to endorse, and eventually finance, the department's new policy approach to the arts and culture.

The arts and cultural industries have a considerable contribution to make in economic development and job creation and in earning foreign exchange through exports and tourism. In the United States the arts and entertainment are the largest growth industry of the decade. In Australia the arts and culture constitute a \$6,2 billion industry that is the third largest contributor to the GDP, experiencing real growth and becoming one of the country's major employers. In India, Indonesia and Mexico, the crafts industry and cultural tourism make a significant contribution to the GDP.

South Africa is ideally placed to capitalise on our unique indigenous art forms and cultural practices. As the growing international demand for South African music, art, design, literature and crafts shows, the world is hungry for our arts and culture. What is exportable is that which is distinctly South African. Investing in the

development of our indigenous art forms is, therefore, investment in culture as industry.

Not only do South Africa's arts and culture represent a major area of, as yet untapped, economic growth, they are also labour-intensive and are therefore well positioned to create jobs and stimulate income generation in the underdeveloped and impoverished areas of the country. It is therefore correct to say that a well-developed, vibrant arts sector will benefit all South Africans.

The Ministry is prioritising the development of the cultural industries so as to maximise their potential in job-creating growth, stimulating income generation, contributing to the GDP and earning foreign exchange through exports and tourism. This new approach was endorsed by the Cabinet.

The department has proposed a Cultural Industries Growth Strategy (CIGS) which will develop sector-specific growth strategies for each of the cultural industries and offer cost-benefit analyses of proposed Government investment. The industries that will be focused on will be cultural tourism, crafts, music, performing arts, film and book industries.

Provision has been made in the department's budget for the 1996-97 financial year for initial research into each of the cultural industries. Development of the cultural industries will also form part of the mandate of the proposed National Arts Council.

- (2) Yes, plans to develop the cultural industries will entail a human resource development strategy to enable people to become economically productive. Research into each of the cultural industries will include research into the situation of training within the industry, what training opportunities already exist, how they can be improved, and where new training opportunities need to be provided.

Our department is involved in various initiatives to introduce arts education into all school curricula. Among other things, arts education will focus on vocational training for students wishing to take up

careers in the arts. The department has also prioritised training programmes in the informal sector, to provide people with necessary skills in the various art forms.

- (3) At this early stage I do not plan to make any additional statements on this matter.

"Concilio Lubano": arrest of members

*5. Dr B L GELDENHUYS asked the Minister of Foreign Affairs:†

Whether South Africa's representative in Cuba has received any instruction to object officially to the arrest of members of "Concilio Lubano"; if not, why not; if so, what are the relevant details?

N619E

The DEPUTY MINISTER OF FOREIGN AFFAIRS:

Our embassy in Havana is aware of the arrest of some members of Concilio Cubano and is monitoring the situation.

We have been informed that the majority of people arrested have been released.

We did not protest officially because the situation did not necessitate a protest.

Dr B L GELDENHUYS: Madam Speaker, arising out of the hon the Deputy Minister's reply, is he in fact saying that the imprisonment of political prisoners does not actually merit raising the issue with the Cuban government?

The DEPUTY MINISTER OF FOREIGN AFFAIRS: Madam Speaker, I did not say that. I said the gravity of the situation in this specific case did not warrant a protest.

Dr B L GELDENHUYS: Madam Speaker, further arising out of the hon the Deputy Minister's reply, is he not of the opinion that the Government is in any case under a moral obligation to raise such issues with the Cuban government, given the fact that the promotion of democracy and human rights is a main pillar of the present Government's policy? [Interjections.]

The DEPUTY MINISTER: Madam Speaker, the promotion of human rights and democracy is a pillar of our Government, and we assess every international situation on that basis. It is our considered opinion that the incident that Dr Geldenhuys is referring to did not warrant an official intervention from us. [Interjections.]

Prof B TUROK: Madam Speaker, further arising out of the Deputy Minister's reply, is the Deputy Minister aware of the fact that Cuba has a long record of promoting human rights in Africa? [Interjections.] [Applause.]

The SPEAKER: Order! Hon Minister, do you wish to respond? This is a question directed at you.

The DEPUTY MINISTER: Madam Speaker, it would seem that I am being educated in many areas today. I wish to thank hon members for that education.

SAPS: reservist force

*6. Mr J J DOWRY asked the Minister for Safety and Security:†

- (1) How many persons belonged to the reservist force of the South African Police Service as at the latest specified date for which information is available;

- (2) whether this force has been or is to be disbanded; if not, what is the position in this regard; if so, for what reasons;

- (3) whether he will make a statement on the matter? N620E

The DEPUTY MINISTER FOR SAFETY AND SECURITY:

- (1) 26 236 (latest specified date: 1996-05-16)

- (2) No

It is seen as part of community policing, which means that the Reserve Police Service may expand in the near future.

- (3) No

Local government: representatives

*7. Mr A J LEON asked the Minister for Provincial Affairs and Constitutional Development:

- (a) What will be the total number of local government representatives on completion of the local government elections in May 1996 and (b) what will be the total monthly cost of salaries and other benefits for these representatives? N621E

The MINISTER FOR PROVINCIAL AFFAIRS AND CONSTITUTIONAL DEVELOPMENT:

The information is not readily available in the department. In an attempt to be of assistance to

the hon member, the respective provinces have been approached for the information, and where it could not be obtained from the provinces, the information was received from the Secretariat of the National Election Task Group.

- (a) It should firstly be mentioned that local government elections will only be completed by the end of June 1996, with specific reference to the postponement of the election date in KwaZulu-Natal to 26 June 1996.

The following number of councillors will serve in local councils after completion of the elections:

Eastern Cape	1 680
Free State	1 160
Gauteng	990
Mpumalanga	988
Northern Cape	649
Northern Province	553
North West	624
Western Cape	1 708
KwaZulu-Natal	2 379

seats (ex officio traditional leaders excluded)

TOTAL 10 731

- (b) With regard to the total monthly cost of salaries and other benefits for these representatives, the following information was supplied:

Eastern Cape: No information received.

Free State: R1 167 769 million per month (councillors receive an allowance only, no other benefits).

Gauteng: No information received.

Mpumalanga: R1 283 126 million per month (due to time constraints, additional information with regard to benefits other than allowances could not be obtained).

Northern Cape: No information received.

Northern Province: R1 063 642 million per month.

North West: No information received.

Western Cape: At this point in time it is not possible to supply an average amount for the province as a whole. However, the MEC for local government has determined a maximum allowance for transitional councils by proclamation. This figure amounts to R2 601,00 per month per councillor, taking into consideration that this amount increases in the case of members of executive committees and mayors. Allowances for district councils and rural councils have not yet been determined.

KwaZulu-Natal: The approval of councillors' remuneration is still under investigation and to date no recommendations have been made.

*8. Mr A J LEON—Public Works. [Question standing over.]

Bugging of telephones

*9. Mr D H M GIBSON asked the Minister of Justice:

Whether any progress has been made with the appointment of a judicial commission of enquiry into the alleged bugging of telephones of senior Police officials; if not, why not; if so, (a) what progress, (b) which judge has been appointed and (c) when will the commission sit? N623E

The MINISTER OF JUSTICE:

The President has for the present decided not to proceed with the setting up of a judicial commission of enquiry. Should circumstances warrant, he will reconsider the matter.

The reason is that from all the investigations conducted and from all reports, there was no indication whatsoever that any State intelli-

Pay dispute threatens opening of top musical



LOCAL MUSICIANS are in the middle of a pay dispute between the musicians' union and the producers of an overseas musical. Arts and Entertainment Editor **FIONA CHISHOLM** reports.

A PAY dispute between local musicians and the promoters of the top musical *Les Misérables* is threatening the opening of the overseas production at the Nico Opera House in August.

In a move to force the hand of the promoters to increase the rate of pay to 15 musicians, the WP branch of the Musicians' Union of South Africa (Musa) has asked the Ministry of Home Affairs not to issue work permits for the overseas performers of the musical until the dispute is resolved.

Musa vice-chairman Mr Trevor Wells said the union wanted the 10 members of Capab's Cape Philharmonic Orchestra (CPO) and the five ad hoc musicians who will play in the orchestra for the musical to receive a "fair and equitable" remuneration in keeping with

recognised union rates.

He said: "Our intention is not to jeopardise the production, but our musicians must be properly paid. The big international cast are being paid in Australian dollars, but the 10 Capab musicians are being asked to play for their basic pay plus a small remuneration, and the five ad hoc players have been offered a flat rate per session below that set by the Musicians' Union. A waitress at the Brass Bell is earning more."

The union rate for rank and file players for long-term employment (more than two weeks) was R275 per three-hour session, but the ad hoc players have been offered only R200 per 3½ hour session.

"We want a minimum of R275 and a pro rata for the extra half hour which is R45. In other words, R325."

CT 3/7/96

The situation, he said, with the 10 full-time CPO players was more complex because the players were on different salary notches on account of their seniority and experience.

"However, we are asking for the difference between the salary they earn and the rate which the Musicians' Union requires per session. There is a formula for working this out."

Wells said he was hopeful the dispute will be amicably resolved.

"There was deadlock at the end of last week, but there have been many meetings over the weekend and the signs are we will come to an agreement."

However, when asked to give their side of the dispute, neither Capab chief director Mr George Loopuyt, nor Mr Pieter Toerien, who is one of those involved in bringing *Les Misérables* to Cape Town, were prepared to comment.

A Cape Town member of the union described the pay offer as "disgusting money" and pointed out that musicians selected were first auditioned by Mr Martin Koch from England, to prove they were up to standard.

"For far too long members of

(292)
the Cape Philharmonic Orchestra have been undervalued and underpaid.

"They earn far less than their counterparts in the CTSO or SABC orchestras, many earning as little as between R3 000 and R4 000 a month as they have not received salary adjustments for years.

"Capab was asked to quote Sir Cameron Mackintosh, the producer of musical, for the use of the orchestra and the hire of the opera house for 10 weeks.

"He is getting the hire of the Nico at a discount and we feel he is not being asked to pay a fair price for the musicians.

"There's another issue. You cannot take 10 members out of an orchestra and expect the remainder to be in a position to do any work elsewhere. So we feel he should be paying for the hire of the whole orchestra for the 10 week period, otherwise he is getting it at a discount and the difference between the discount and the actual cost is being met by the taxpayer.

"We don't think a profit-making company should receive this preferential treatment.

"The honorarium offered to musicians is R150 a week. We feel that it should be at least R1 000."

Sun International gets relief in gambling bill

(292) CT(BR) 3/6/96

By Ann Crotty

Johannesburg — The ad hoc parliamentary committee on gambling has accepted recommendations by Chris Fisser, the provincial affairs and constitutional development minister, that the provincial governments be given until May 1999 to dispose of their financial interests in Sun International South Africa (Sisa).

The committee has made provision for this in the amended national gambling bill being discussed in the Senate today.

The bill provides relief for Sisa, because it extends the period it has to sell its excess gambling licences in the North West and Eastern Cape provinces from two to three years. It also makes provision for Sisa to hold three rather than two licences in each of those provinces.

Sisa appears to have been granted relief to protect jobs in those provinces. Another critical issue was the pressure to force the provinces to dispose off their stakes in Sisa in a short period.

Each of the three provincial governments have inherited a substantial stake in Sisa from the previous homelands. Their combined stake in Sisa is about 30 percent. On a share price of R5,20, their holdings are worth about R1,2 billion.

The North West and the Eastern

Cape provinces hold the largest stakes. The Northern Province has a smaller stake.

The issue of what happens to the four licences that Sisa would be forced to dispose off in the Eastern Cape and North West appears to have been clarified by one of the bill's amendments.

Industry sources were concerned that new players in the provinces might have been obliged to pick up Sisa's infrastructure with their gambling licences instead of being free to start up greenfields projects.

This would have protected the provincial government's investment in Sisa's operations. But the bill states that any provincial licensing authority considering an application before May 1999 "shall disregard any such financial interest held by the state".

The bill is expected to be put before the national assembly on June 17, about the time Fisser leaves office. If the legislative process is not completed by then, there is uncertainty about which portfolio it would fall into and that a new minister would be tempted to look again into some of the issues and delay the process.

The bill takes a tough stance on the possibility of applicants being used as fronts for unidentified partners in their quest for licences.

Responsibility for arts may shift

(292) 20 4/6/96
 THE restructuring of SA's four performing arts councils would be completed by 2000 in terms of the draft white paper on arts, culture and heritage released in Pretoria yesterday. This would result in the councils becoming playhouses, with the government no longer being primarily responsible for their funding.

Central to the proposed new dispensation was the formation of a national arts council as a statutory body, which would receive a parliamentary grant. The council's main task will be to distribute public funds to artists, cultural institutions and non-government institutions, the paper says.

The draft proposed that 5% of funds raised through a proposed national lottery should be used to promote arts and culture. The ministry was also considering widening tax benefits as SA had no arts-related tax incentives for the private sector. — Sapa.

Cultural scene likely to change with new arts vision (292)

CT 4/6/96

PRETORIA: South Africa's cultural landscape will change dramatically in the next three years if the Draft White Paper on arts, culture and heritage — released at the Union Buildings today — is accepted in its present form.

The four Performing Arts Councils, primary recipients of national public funding, will disappear in their present form. But a National Arts Council, which will decide on the allocation of funds, will be established.

A strong appeal will also be made for greater funding of the arts from the private sector.

An optimistic Dr Ben Ngubane, Minister of Arts, Culture, Science and Technology, believes South Africa is on the brink of a cultural renaissance.

Every sector of the community was facing change, he said. This might be unsettling for some, but

for many it brought hope that their needs, views and aspirations would now also become part of the mainstream.

He emphasised that the document was to promote arts, culture, heritage and literature in their own right and that it spelled out the institutional arrangements required to implement a new vision and it indicated the changes required of existing institutions to assist this.

Probably the most revolutionary and yet widely expected and welcomed change is the establishment of a National Arts Council (NAC), which will receive a parliamentary grant and seek to bring equity to the arts and culture dispensation.

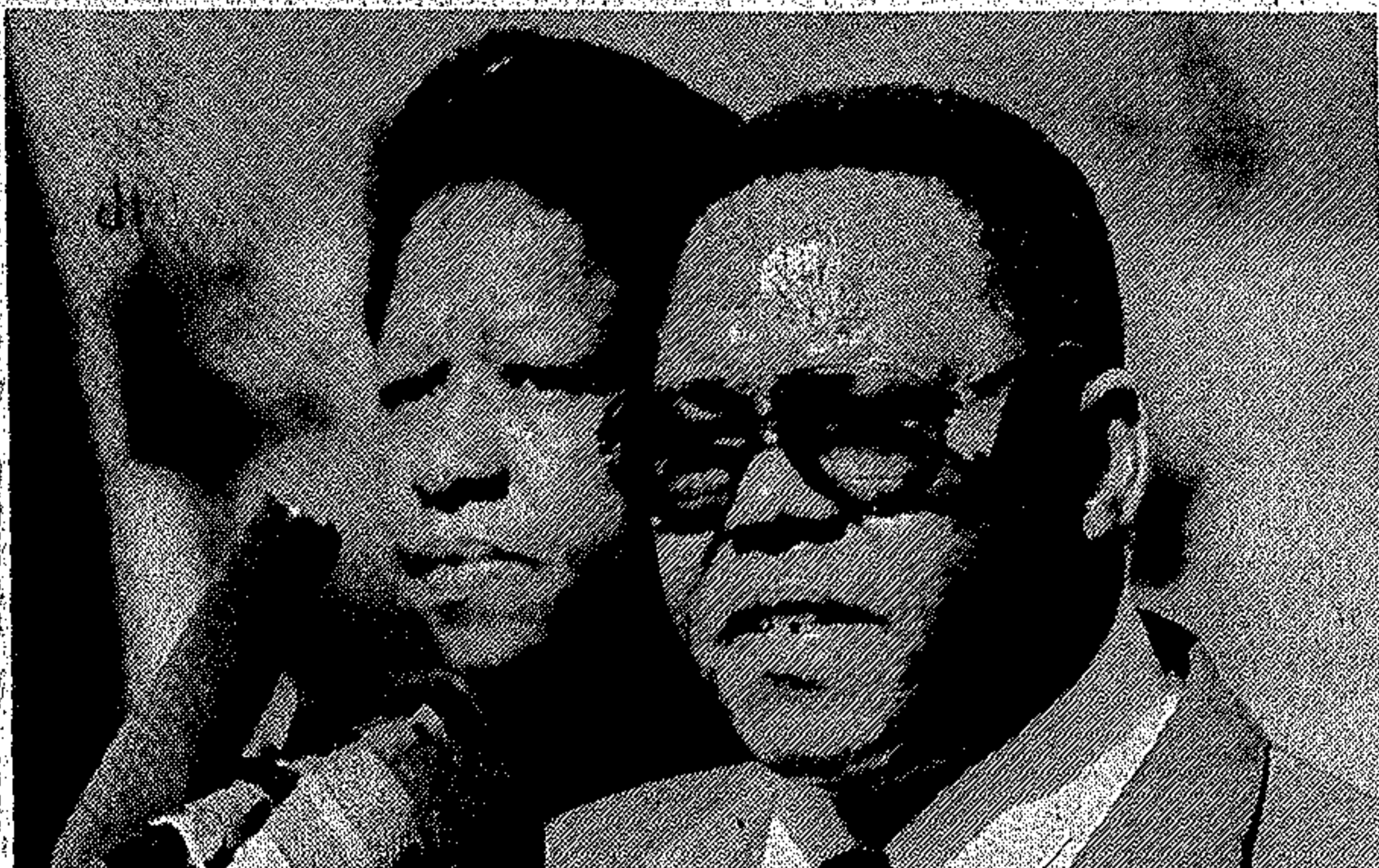
Their principal task will be to distribute public funds to artists, cultural groups, NGOs and Community Based Institutions (CBOs).

The NAC which will be broadly representative of all South Africans. Each province will select an individual to represent its interests and a public selection procedure will culminate in the appointment by the minister of nine to 14 members representing arts and culture.

The Foundation of the Arts, established in 1989 to provide for those arts not supported through the Performing Arts Councils (PACs) will be deregistered and its infrastructure and resources incorporated into the NAC.

At present the largest portion of public funds for the arts goes directly to the four PACs and while transformation of these bodies has already begun, further restructuring has to occur to free and reallocate public resources to other disciplines and areas in need of redress.

— Own Correspondent



Arts, Culture, Science and Technology Minister Ben Ngubane and his deputy Brigitte Mabandla at yesterday's launch of the arts, culture and heritage white paper in Pretoria. Entertainment was provided by the Rashile gumboot dancers and the Cellissimo string sextet.

Pictures: ROBERT BOTHA

New umbrella body mooted for arts

Nomavenda Mathiane

A NEW statutory body — a national arts council — whose principal task would be to distribute public funds to artists, cultural institutions, non-governmental organisations and community-based organisations, has been proposed by the Arts, Culture and Technology draft white paper.

Speaking at the paper's launch, Arts, Culture, Science and Technology Minister Ben Ngubane said that the council would be autonomous, operating at arm's length from government.

The 41-page document, to be debated in Parliament, sets out government policy for creating funding arrangements and institutional frameworks for the creation, promotion and protection of SA arts, culture, and heritage.

The white paper takes a critical look

at the four existing performing arts councils — those of the Cape, Free State and Transvaal, and KwaZulu-Natal's Playhouse Company (formerly the Natal Performing Arts Council).

They will get declining subsidies from central government, as transfer payments, during the next three years.

On the rights and status of the artist, the paper encourages creation of optimum conditions in which artists may practice their art and enjoy the same protection as other workers.

On heritage, institutions like museums and zoos, the department is to review declared cultural institutions as one of its most immediate tasks.

The work of the current war graves division will be widened to include upkeep of graves of victims of SA conflict.

See Page 14

BEN NGUBANE is a gentle, civilised man whose aesthetic sensibilities seem to qualify him ideally for the position of arts and culture minister. However, whether he has either the stomach or the spleen to confront the inevitable discomfort of his position as one of the few IFP ministers in an ANC Cabinet has been in question for some time.

And if the portfolio seems in terms of bread-and-butter welfare issues and state financing a relatively unimportant one, the multi-cultural creative community which it represents has a strongly individual sense of its significance as a primary icon of both individual and collective SA intellectual, psychic and emotional well-being.

Passions run high when it comes to questions of cultural identity and heritage, and, while practitioners in the field are well aware of the extraordinary complexities of the SA situation, they naturally want to see their own particular interests acknowledged and safeguarded.

Rumours regarding the contents of the white paper on which the arts and culture department has been working since 1994 have undetermined, and at times even paralysed, various sectors of the arts community, particularly those associated with elitist aesthetic forms such as ballet and opera.

Among the more radical of last year's recommendations by the task group set up by Ngubane's department was the total abolition of the four provincial arts councils.

More recently, it was hinted that Ngubane was considering Solomon's Cape Town would keep opera and Pretoria ballet.

In the event, the draft white paper on arts, culture and heritage, released yesterday, recommends nothing as drastic, either surgically or via any other form of either medical or psychotherapeutic intervention.

It is a document that prescribes by omission rather than commission: if there is any suggestion of ac-

Will Ngubane get his portfolio down to a fine art?

(292)

MARY RÖRICH

BD 5/6/96

In fact, they are even expected to take on the added burden of contributing to the huge costs of building maintenance and those other ongoing infrastructure expenses that have crippled some of the most famous theatres and opera houses in the world.

The performing arts councils are the legacy of a conscienceless apartheid government.

They were structured to accommodate the leisure-time preferences of the white elite; they used up public money with as cavalier and indulgent an abandon as a modern AIDS play.

They still bear stigmata unacceptable to not only the black but a large section of the white population. Their transformation is a matter of urgency and there are few members of the ballet- and opera-going public who do not welcome sharing Pretoria and the other provincial capitals' world-class facilities with the preferred expressions of a multicultural public.

But without clear policy directives and more practical solutions to the problems of funding, the arts councils will remain hamstrung.

In his capacity as guest speaker at the recent Nederburg Opera and Ballet Awards, Allan Joseph spoke opaquely of the possibility of a "disappointing" white paper, one which would not bring the arts councils resolution. Joseph's speech may not have been compelling, but it certainly was either prophetic or based on inside information.

What must have seemed a challenge to him when he was appointed CEO of Pact must now seem like a prison sentence.

He faces an immediate 22% cut in his budget. How can he plan for next year? Or the remainder of this year? Where will he find funding after September when the cuts are implemented? What will he tell his employees? What will he tell his audiences? Or will he just hang in until another draft paper sets off another set of rumours and crises? He may. But will his artists?

any other bureaucratic monolith. But it does at least offer tax incentives promoting arts/business alliances in the private sector. Not so the planned SA arts council: or, at least, not in this particular draft.

Ngubane assures his constituents that the ministry (what exactly, one wonders, will its relationship be with the new council?) intends to "maintain an 'arm's length' relationship with the arts".

But, on closer reading, at least of the meagre paragraphs devoted to the performing arts councils, it would appear that all roads nevertheless lead to the national arts council, be they those of cultural institutions, performing arts bodies or creative individuals.

By the year 2000, the national arts council will make all decisions regarding funding and hence every aspect of the administration and practice of the arts.

And what of the performing arts councils? Although Ngubane assures us that the new national council will in the long term "subsidise their core infrastructure, core staff and essential activities", in the meantime they are expected to continue functioning while receiving diminishing state subsidies over the next three years.

tional arts councils symbolising the last word in democratic arts legislation — theoretically at least. In fact, the British council has incurred prohibitive expenses, provoked undreamed of crises in arts administration and proved itself as open to "gravy-train" morality as



NGUBANE

tion to be taken it is in the form of a metaphorical but prolonged "bed rest" for the arts, their administrators and practitioners, during which time the physician and his team will doubtless retire for further consultation and the patients may well die, if not of lack of care, then of bedsores or boredom.

The paper is, quite simply, a feeble, compromised piece of verbiage — a phase-one draft mission statement couched in comforting but meaningless clichés.

It promises equity and freedom of expression but provides none of the structures or directives to guarantee them. It is elusive about funding, and still perplexed regarding the differences between culture in general, the entertainment industry and individual creative aspiration and endeavour.

It is no exaggeration to say that it manages with astonishing adroitness to evade every issue relevant to the practical administration and structuring of arts and cultural institutions in SA today.

No doubt the authors of the paper claim the establishment of a national arts council as a bold move, one intended to eliminate the anomalies of the four provincial arts councils.

Britain and Australia have na-

Future of the performing arts 'uncertain' after White Paper

Staff Reporter

(292)

ART 6/6/96

THE launching of the draft White Paper on Arts and Culture has left the future of the performing arts very uncertain.

George Loopuyt, director of Capab, said the White Paper seemed to have raised more questions rather than providing answers.

He said the performing arts had hoped the White Paper would clarify many issues, but that it had done the complete opposite.

The paper was carefully worded but it didn't seem to say much more than what central government was not going to do.

One of these things they would not do was to fund the performing arts directly. Central government would maintain the buildings only.

Mr Loopuyt said provincial government and the local authorities had instead been given the responsibility for funding these groups, which was a major problem because both authorities were not forced to fund any performing arts group.

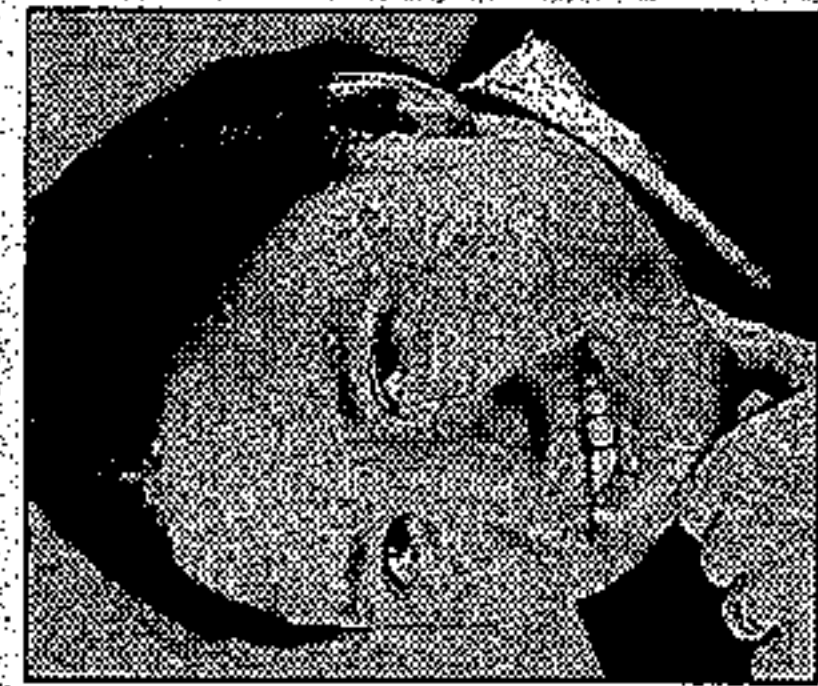
A good example of this was when the Cape Town City Council stopped funding the Cape Town Symphony Orchestra and put its future in the balance.

He feared the same thing could happen to many other performing arts groups. The White Paper stated that a new national council for grants would be established and that performing arts groups could apply to this council. This would allow for performing arts groups to compete on an equal basis.

Mr Loopuyt said Capab consisted of very professional people who had spent their entire lives trying to get where they were.

On this basis, professional companies could not be expected to compete with companies that were not professional.

Mr Loopuyt said the White Paper also made reference to restructuring and that no-one had a clue what that meant. He said that for the past four years the performing arts had been very uncertain about their future, and that this White Paper had not done anything to ease those uncertainties.



A celebration of cultural realities and

Star

The white paper on arts, culture and heritage represents a major paradigm shift,

As mission statements go, this week's draft white paper on arts, culture and heritage is bracing, comprehensive and holistic. In drawing together its three components, it offers the prospect of a greatly enlarged and enriched South African culture — one that hitherto has not been recognised.

It is this paradigm shift that the paper sets out and argues with some sophistication. In its purview, culture is a living relationship between past and present, between depictions and considerations of life (arts) and the reality on which those are based (culture and heritage).

Some definitions may help here. By arts, the paper refers to performing and visual arts and written and oral literature. Culture is the mores of individual communities.

Heritage is the preservation and custodianship of the history, science, art, literature and music of the past. There is nothing inherently startling in the paper making these connections, especially if you abstract them from the South African context.

Remember, however, that in the past culture has often been defined only in terms of the arts — and then the high arts to boot. And also, access to arts and heritage has been severely limited. Therein lies the core intent of the paper: to broaden the parameters and to make what results from that readily available.

This is no lip-service to political correctness, but a celebration of the cultural realities and diversity that the country has to offer. As significantly, there is in the paper an abiding concern that with the acknowledged

ment and promotion of the new, much of the established will be retained. Loss cannot be avoided altogether, however: inevitably, the process will entail a reduction in certain art forms — most likely opera, ballet and symphonic music. But it will not mean their destruction, as has been argued by implacable proponents of the thesis that only the high arts constitute culture.

To reject a wealth of creative possibility because of a diminution of some arts seems to be a doomsday approach. In contrast, the paper seeks to preserve existing arts while striving for the inclusion of others. That is no easy task and its execution depends on the tail buttressing the lofty intentions of the paper and on the hard-nosed acknowledgment that money lies at the root of all possibilities. To that end, the paper proposes establishing a National Arts Council (NAC) as a statutory body that would dispense

money to artists, community-based organisations and NGOs.

Funded by parliamentary grant via the department of arts, culture, science and technology, the NAC will comprise nine nominated provincial representatives and a further nine to 14 members appointed by the minister after public selection. Thankfully, arts and culture specialists will be sought to sit on the council.

It is to the NAC that the performing arts councils (PACs) will turn for grants, now that their annual subsidies are set to end by 2000. The white paper is open on NAC assistance, as well as hinting that corporate sponsorship be actively sought and that the councils might receive aid from provincial, municipal and metropolitan structures. But to become bogged down in the intricacies of

the PACs is to lose sight of the whole picture that the white paper paints.

Tellingly, it locates arts, culture and heritage within the engine room and spirit of the RDP, as a generator of work, opportunity and income as well as a force for cultural rebirth. And by according considerable status to heritage, it highlights its potential contribution to the resolution of such volatile matters as land restitution. Among many other things, heritage will promote "cultural mapping", enjoining communities to "locate and mark the heritage sites important to their identity".

Ahead of us lies a time of waiting, first for responses to and refinement of the white paper. After that will come the time for delivery. If its considered and quietly ardent intentions are matched by their execution, arts, culture and heritage can achieve what the physical RDP has not.

(292)
diversities
7/6/96
writes Darryl Accone

Paper paves way for better things in arts

(292) *Lawson*
7/6/96

By Eddie Mokoena

THE DRAFT WHITE PAPER on Arts, Culture and Heritage released this week was a significant event. For the first time in the history of South Africa, the Government showed that real work has begun in transforming these fields.

Now the Department of Arts, Culture, Science and Technology will engage in a long process of consultation with communities.

All arts and culture practitioners will now have the right to participate in creating policy and structures that directly affect their lives and livelihood, as well as the quality of life of the community at large.

The Council of Culture Ministers will serve as the point of contact between the ministry and provincial interests, and will be supported by a technical committee comprising directors of culture.

The draft White Paper follows Minister of Arts, Culture, Science and Technology Dr Ben Ngubane's appointment of the Arts and Culture Task Group (Actag) in November 1994.

This task group – comprising artists, arts educators and cultural administrators – was mandated to consult widely in formulating recommendations for a new arts and culture dispensation.

This body therefore represented the voice of practitioners, expressing their views and concerns.

After extensive consultations, including written and verbal submissions, regional conferences, public hearings and a broadly representative national conference, Actag submitted its report to Ngubane in July 1995.

Further investigations

He considered the Actag report and subsequently conducted further investigations, including activity-based costing, to determine the viability of the various policy options proposed.

The result is this week's draft White Paper. It deals with one of the most emotive matters facing the new Government: cultural expression and identity stand next to language rights and access to land in importance.

And the dominant issues that characterise all these fields are finance and access.

In the past, the provision and maintenance of arts infrastructure favoured the urban areas in the previous four provinces: the Cape, Natal, Transvaal and the Orange Free State.

As a result black areas, especially rural areas, generally lack even the most basic arts infrastructure.

Cultural diversity

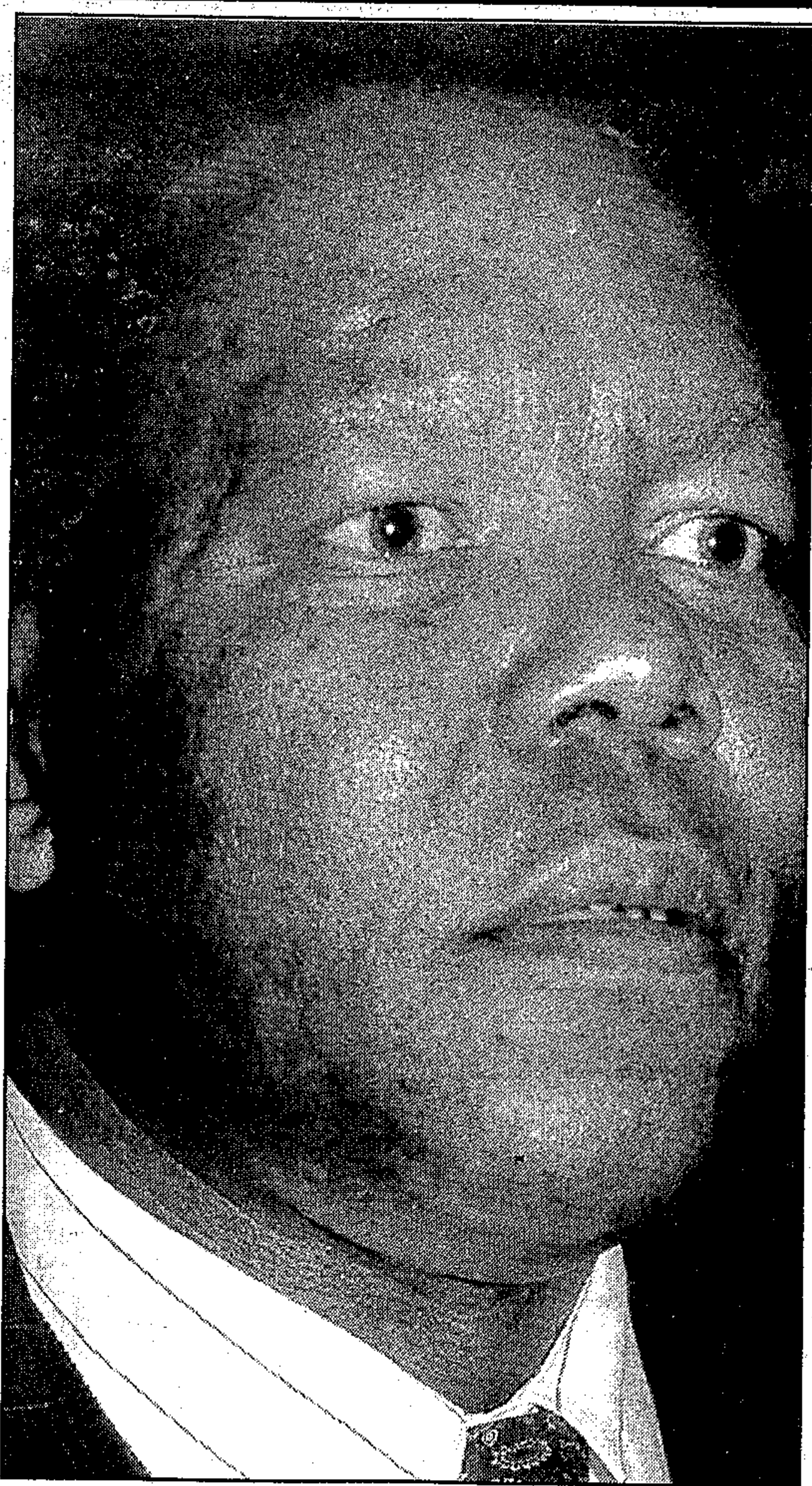
The draft White Paper proposes that the national and provincial governments develop a policy that ensures the survival and development of all art forms, cultural diversity, heritage recognition, arts and culture education and funding.

At present the largest portion of public funding for the arts goes directly to the four Performing Arts Councils (PACs), which are registered under Section 21 of the Companies Act of 1973.

There are few opportunities for artists – other than those offered by these state-subsidised institutions – to gain access to public funds to support the creation and dissemination of their work.

The four PACs have been the main

Government shows that real work has started in transformation process



Dr Ben Ngubane ... his draft White Paper is a significant milestone in developing a new arts and culture dispensation.

‘In the past the provision and maintenance of arts infrastructure favoured the urban areas in the previous four provinces’

recipients of public funding for the performing arts, absorbing 46 percent of the department's arts and culture budget.

With the new political dispensation, this can no longer be the case as there are now nine provinces. The same resources now have to be distributed more widely.

However, in their present form the PACs – given that they are urban-based resource-consuming structures – will be unable to significantly assist in realising the RDP's goals of access and redress.

According to the 1995-96 budget, the PACs received R112 million from the state. However, box office returns, which accounted for 18 percent of their income, did not even cover administration costs.

The Government is therefore currently subsidising expensive art forms and infrastructure for a small audience.

The draft White Paper proposes that the PACs will disappear and will be replaced by a National Arts Council, which will decide on the future allocation of funds.

This body will seek to bring about equity in the arts and culture fields. The PACs will now be transformed from virtually free-standing production houses and become accessible to all playhouses.

Cultural identity

The Draft White Paper also proposes the redressing of imbalances with regard to national monuments. Communities will be encouraged to locate and mark the heritage sites important to their cultural identity.

Like other sectors of our society, arts, culture and heritage have been fundamentally affected by our past.

The distribution of funds to support such activities, the location of infrastructure and the dissemination of skills will therefore have to change accordingly.

The Government has a key role to play in this regard – even though recognising the wish expressed by arts practitioners that government maintain an arms-length relationship with the arts.

Busking at the minister's door

The White Paper on Arts, Culture and Heritage has been hailed as a 'cultural revolution'. But, HAZEL FRIEDMAN discovers, not everyone is convinced

(292) M+G 7-13/6/96

THE government's long-awaited White Paper on Arts, Culture and Heritage has been hailed by some as a cure-all for the cultural ills of the past — the road leading to a cultural Xanadu. Yet many interested parties fear it is in danger of becoming the Pamela Anderson Lee of South African culture: peroxided and pretty to look at, but top-heavy and with a latent inability to act. They welcome its release but believe that unless it transcends the realm of rhetoric and articulates the nuts and bolts of practical use, it will remain full of sound and fury, signifying ... toothlessness.

Now in its final draft stage, the White Paper (actually it is a Green Paper) advocates the following key points:

- The transformation — as opposed to shutting down — of the four performing arts councils (Pact, Capab, Pacofs and the Natal Playhouse) from fully funded, elitist cultural bodies to partially funded "community theatres".

- The establishment of a government-funded but independent national arts council (NAC) to serve as a law-making body for the allocation of funds to deserving projects.

- The implementation of compulsory national arts education in schools.

- The laying of groundwork for an investigation into and development of South Africa's previously neglected cultural history.

But while the White Paper is hot on what its mission is, it becomes vague on how it hopes to achieve it. And as for putting its money where its mouth is, well, it's not saying what amount will be required to transform South African culture.

Minister of Arts, Culture, Science and Technology Ben Ngubane is more than happy to pay homage to the role played by the Arts and Culture Task Action Group (Actag) in laying the foundation for the complete restructuring of arts and culture. In 1994, Actag was created by his ministry for this very reason. He should be pleased: the group deserves to be immortalised not only as the first organisation to find method in the madness of South Africa's cultural schizophrenia, but also as the most diverse and representative body ever brought together for this purpose.

First released in May 1995, then again in September, Actag's proposals for the rebirth of South African culture included: the abolition of the performing arts councils, the channelling of half of all arts and culture funding into areas formerly sidelined under apartheid, and the establishment of a national arts council whose members would be elected from the provinces and from individual interest groups. But the point that no one seems to want to dwell on is that the finer details of these suggestions are glaringly absent from the White Paper.

In his speech at the launch, Ngubane stressed that the White Paper had no option but to be less detailed than the recommendations outlined by Actag for it to make sense to the public.

One of the most outspoken critics of aspects of the new White Paper is the Arts and Culture Alliance (ACA). Created in 1995 by independent cultural workers, it has set itself the task of monitoring the cultural excesses of government. And this broad-based cultural NGO — a "non gravy-train organisation", as it calls itself — this week declared the draft paper to be "vague and generalised, providing little concrete strategy for implementation. This cannot assure the arts and culture constituency that our needs, especially in terms of redress and redistribution, will be met."

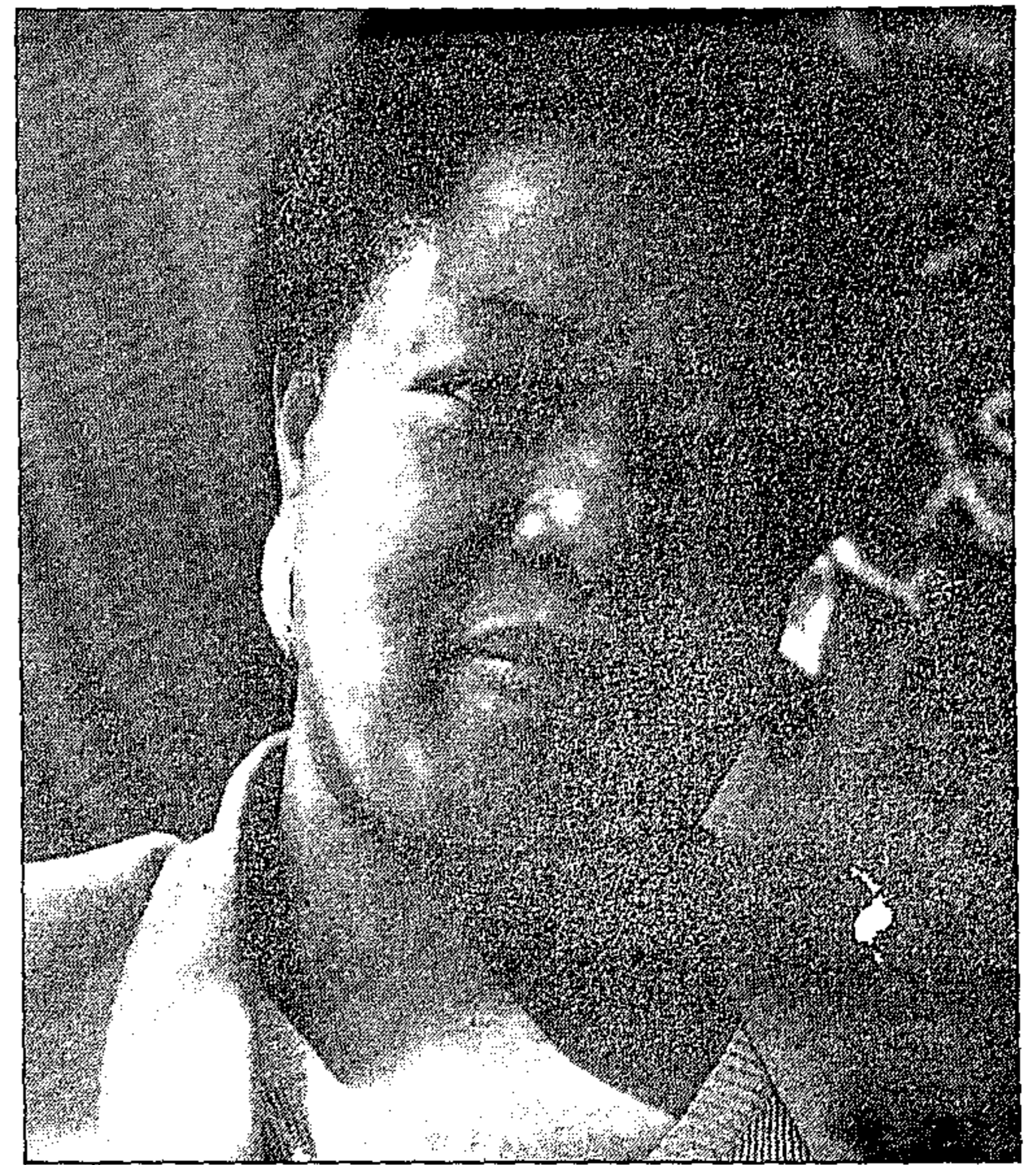
Andries Oliphant, former chairman of Actag, disagrees: "It's astounding how much to the letter the White Paper has followed the Actag proposals." He adds: "A White Paper is not supposed to provide details of everything. A Bill outlining the details of the NAC, its composition, role and responsibilities, will soon be passed by the Cabinet."

Another bone of contention among cultural workers is the future of the "not-quite-old, not-quite-new" performing arts councils. There are



'The ballerina minister': Ben Ngubane

PHOTO: ELLEN ELMENDORP



'Babe in the woods': Brigitte Mabandla

PHOTO: HENNER FRANKENFELD

The Ben and Brigitte shuffle

Hazel Friedman

THEY'RE a merger made in multi-party heaven. Ex-KwaZulu minister of health with the face of a friendly pugilist and the charm of a diplomat meets chain-smoking, back-slapping ANC lawyer who made the issues of women's rights a personal crusade.

No doubt about it, Ben Ngubane and Brigitte Mabandla were destined for high office — he as the moderate IFP outsider who favoured election participation (long before it was cool to do so); she as the ex-South African Students' Organisation activist turned ANC stalwart renowned as much for her amicability as her brilliant legal brain. Yep, they were both eminently suited for a position in the departments of health, welfare, education, justice or even foreign affairs. But commanders-in-chief on the cultural battlefield?

Blame it on Madiba. Their devotion to him provides the only rationale for two decidedly

non-cultural commissars agreeing to take on a portfolio better suited to a mercenary. No one told them that becoming heads of Arts, Culture, Science and Technology would also require a crash course in unarmed combat.

Maybe that's why the cultural community's response to the two has been, well, confused. The good ministers were totally unprepared — he with his systematic work method, she with her no-nonsense legal mind — for ruling a constituency whose vagaries are incomprehensible even to life-long denizens of the culture kingdom. "A great man — kindly, intelligent and full of integrity" is how most people describe Ben on a personal level. "A great woman, kindly, intelligent and full of integrity" is how they describe Brigitte. Their public performance inspires more ambiguous epithets.

Ben, it should be remembered, took on the seemingly indomitable Winnie — and won (not many are left alive to tell that tale). His less spectacular — but no less beneficial — accom-

plishments include burying the Afrocentric vs Eurocentric bunfight; and, of course, the White Paper. But some culture-mongers call Ben 'the ballerina minister' — because of his supposed bias towards elitist art forms, an accusation he hotly denies. They also accuse him of playing footsie with the old guard — from Pact to the ex-deputy president himself. And that he says what people want to hear.

As for Brigitte, she doesn't say much. Actually, she hasn't said anything at all, apart from some murmurings at the start of her career about scrumming with arts and culture while Ben tackled science and technology. Since then she's composed well-intentioned treatises on the lofty ideals of art and culture. Not to mention a lacklustre speech at the recent South African Music Awards. Perhaps she was having a bad charisma day. But to be fair, it is early days for both. Brigitte, in particular, is still a babe in the woods. Who can blame her for being terrified to step where even Ben fears to shuffle?

fears that, although the signatures of the councils' board members are new, they will be written in old ink and rendered powerless by conservatives within them.

"There was virtual unanimity during the Actag process that the performing arts councils needed to be abolished," says Judy Seidman, former chairperson of the arts and culture ministry's strategic management team, and an enthusiastic participant in Actag. "But the performing arts councils will continue to receive government funding, albeit on a reduced scale. This means that although they will have to apply — like the rest of the cultural organisations — for funding via the NAC, they will have core money which keeps them in a privileged position."

She adds: "We still have no idea how the ministry will provide funds to alleviate the crisis within community-based organisations, nor how these will be represented on the NAC."

Seidman also questions the White Paper's statements that a National Heritage Council will be formed in order to address the issue of monuments and museums dedicated to South Africa's previously unsung liberation heroes. Again she accuses it of being rhetorical and

vague, providing no mechanisms for ensuring "accountability, community representation and constituency input".

Even more obscure is the future of the Foundation for the Creative Arts — created by FW de Klerk in 1988 as an alternative to the arts councils and still perceived by many as a covert intelligence wing of the cultural old-guard. Then there's also murkiness around the part to be played by provincial and local government structures in the cultural future of South Africa.

In 1992, with the establishment of the National Arts Coalition (not to be confused with the National Arts Council established by the White Paper) as an authentic, independent cultural advisory, the Foundation for the Creative Arts (FCA) was destined — alongside Bophuthatswana's Mmabana Cultural Centre — to join the arts councils on the scrapheap of history. That's until Christopher Till, director of culture for Johannesburg and the man who runs the FCA, brokered a deal with the National Arts Coalition whereby the FCA — like Pact — would simply be transformed instead.

But at an Actag conference in early 1995, a unanimous resolution was passed to unbundle

all former government-created cultural organisations — particularly Pact and the FCA. Yet the White Paper makes only vague reference to the FCA's infrastructure being absorbed into the new National Arts Council. And what that means for the launch of a good, clean and fresh council is anyone's guess.

Equally unclear is the fact that at provincial level, arts and culture will be absorbed into the education portfolio. "There are no structures in the provinces to determine that culture's interests will be looked after, ensuring it gets an equitable slice of the pie. In fact, there is no interaction with culture except when dancers, musicians and actors are required to entertain at official functions," says Japan Mthembu, general secretary of the Performing Arts Workers Equity (Pawe).

"MEC for Gauteng Mary Metcalfe has organised a conference to address these issues on June 22, and we support her, but we hope that we will be invited to and consulted on the process ... We welcome public hearings on the White Paper but we have submitted so many written recommendations and debated the same issues so often that we are beginning to feel that the term consultation — bandied about so freely in the White Paper — carries no weight. At this rate we'll all be reduced to buskers, waving our tin cans at the door of the ministry."

'We still have no idea how the ministry will provide funds to alleviate the crisis within community-based organisations'

Do not kill the golden goose, casino boss warns regulators

(292) CT (Bar) 7/16/96

By Audrey d'Angelo

Cape Town — Companies intending to invest in licensed casinos will withdraw if the government fails to crack down on illegal competitors who are not paying taxes or providing worthwhile employment, Peter Bacon, the managing director of Sun International, said yesterday.

He told delegates to the SA Chamber of Business Western Cape regional conference that destructive inter-provincial competition for gaming rands could wreck the rapidly growing tourism industry. He said that allowing a large urban casino in Gauteng, particularly in the already wealthy and developed area north of Johannesburg, would make destination and resort casinos in neighbouring provinces unviable.

"This will cause us to miss a once-off opportunity to create new wealth, investment and employment in rural areas where it is most needed."

"Pointing out that casinos could cross-subsidise hotel development in other places, as had happened with the Lost City, he suggested a co-operative agreement between provinces in the north to plan casino locations where tax revenues could be shared.

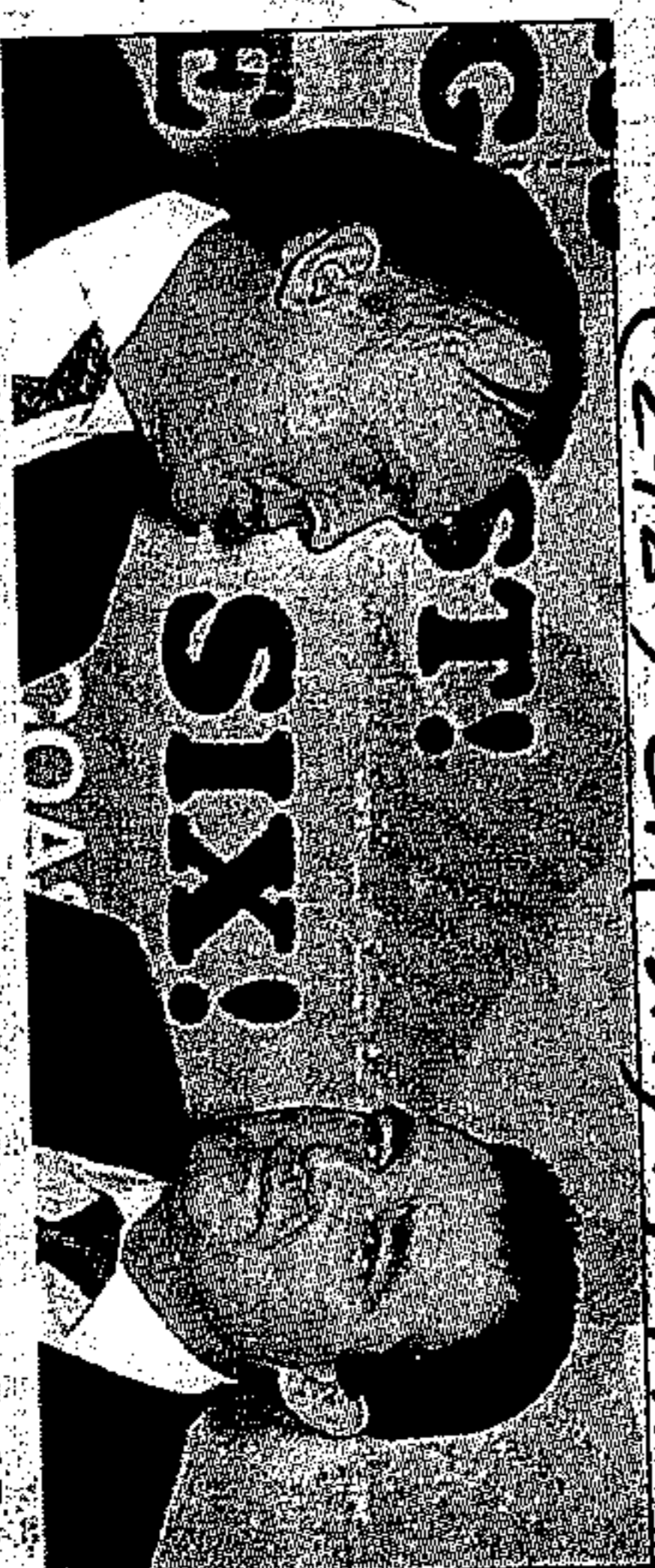
But industry sources said Bacon's views smacked of self-interest and were aimed at trying to entrench Sun International's dominance in the gambling industry. Bacon said that in Cape Town an urban casino that was not part of a lavish resort would be the best solution. "Cape Town is already the country's favourite tourist destination and has no need for a man-

made casino tourist attraction that would serve only to siphon off tourist dollars from other sections of the tourism industry.

"Rather, this casino should be a facility that contributes to economic development through the provision of tax revenue, enhanced by its proximity to a high concentration of local people.

"It seems to me that the R2 billion schemes of which we have heard mention in Cape Town and northern Johannesburg, are overcapitalised to the point where they will have to attack the tourism market in order to survive."

The Western Cape provincial government had adopted a far-sighted solution in which casinos would be spread throughout five areas, encouraging the develop-



EXCHANGING VIEWS Christo Wiese, Pepkor's chairman, and Peter Bacon, the managing director of Sun International, at the SA Chamber of Business Western Cape conference yesterday

PHOTO: ANDREW BROWN

ment of resort areas. Bacon emphasised the need for an aggressive overseas marketing campaign to meet a target of 3 million overseas tourists a year by the turn of the century. He criticised the government for slashing the SA

Tourism Organisation's budget to a level that made such marketing impossible.

He also emphasised the need to improve standards of service and provide more jobs to help bring down the crime rate.

The dice is on for gambling's 40 licences as Bill comes up

(292) ST(BT) 9/6/96

By THABO KOBOKOANE

AFTER months of delay, the National Gambling Bill finally came out of the starting blocks this week following approval by the Senate.

The Bill, which provides the legal framework for the regulation of gambling and lotteries, now goes before the National Assembly on June 17.

If passed, it should speed up the issuing of 40 licences. The process has been hit by snags owing to legislative delays, and it seems unlikely any licenses will be issued before the end of the year.

A lot of work lies ahead, in particular on issues such as VAT, levies and the problem of "illegal" gaming casinos.

The Western Cape provincial government passed legislation which will see operators paying not only 14% VAT and 35% effective corporate tax rates, but also a steep 6-12% levy on gross revenue below R50-million and 17% on figures over R50-million.

The province remains convinced it took the right decision. "Unlike other provinces, we have no competition and so can afford to go for a higher tax regime," says Chris Lotter, director of taxes, levies and duties in the Cape. Gauteng's Economic Affairs Standing Committee, as well as the Intergovernmental Committee, are looking at a set levy for all provinces and at the percentage of VAT due to provinces. Andrew Feinstein, chairman of both bodies, says the Western

Cape decision could be overturned by the Intergovernmental Committee.

The body could well decide what levy the provinces should apply. "In terms of the new constitution, tax is a national issue. Gaming levies are going to have to balance the need for provincial revenue with a viable business environment for casinos," Mr Feinstein says.

Though draft legislation has been considered, none of the other provinces has yet passed gaming legislation. Jan Brazzelle, outgoing MEC for finance in the Northern Province, says "passing provincial legislation before the national Bill may create a conflict".

In the next few weeks provinces will call for applications for members of the gaming boards, which will consider applications for licences.

Their challenge will be to sift through what analysts view as grossly overcap-

italised casino developments and investments figures by potential licensees. Casino developers have estimated capital expenditure of about R20-billion for projects in the pipeline, but recent studies by Ernst and Young and Kessel Feinstein put this figure at R3-billion-R8-billion.

The state seems uncertain what to do with the estimated 3 000 illegal casinos. International operators have been discouraged from investing because of the existence of illegal casinos, which are not regulated and often do not pay taxes. Gauteng has taken a tough stand, warning that it will shut them down.

The Gaming Association of South Africa, a body representing the interests of illegal casinos, says closure is not the solution. They want to be regulated and pay their dues, yet the national Bill does not allow for this.

Gasa criticised the National Gambling Bill for not recognising the body's efforts towards self-regulation. "We will challenge the government on the terms of the Bill through legal and mass action," says Peter White, Gasa's general secretary.

The Bill breaks down the 40 licences as follows: Gauteng six, Northern Cape three, Western Cape five, KwaZulu Natal five, North West five, Free State four and Mpuma-

langa four, Northern Province three and Eastern Cape five.

Meanwhile, Johnnies Industrial Corporation this week announced it had teamed up in a joint venture with US-based Conrad International Hotels Corporation, a subsidiary of one of the largest hotel and gaming companies in the world, to pursue a casino licence application for a new R1.5-billion gaming complex planned on 19ha adjacent to Gallagher Estate.

Russel Jackson, general manager of Johnnie's commercial property division, says the company has negotiated an option to buy 51% of Riccia Property Holdings, owners of Gallagher Estate, conditional on obtaining a licence.

"In partnership with black business interests and Conrad International, we plan to establish an international hotel, entertainment and exhibition complex on the enlarged site," he says.



ANDREW FEINSTEIN

Lean spell for cinemas

(292) Sowetan 12/6/96

By Isaac Moleli

THE FUTURE OF cinema franchise project Maxi Movies hangs in the balance following threats from some franchisees to shut down their outlets due to lack of profits.

Since its inception more than two years ago, the company has sold its cinema franchise to six black entrepreneurs in Gauteng, North West and Northern Province. There are also two franchises in Swaziland.

Two of the cinema franchises, in Carltonville and Mabopane, were shut down by the company early this year due to a lack of profit. But Maxi Movies say the Carltonville outlet has since been re-opened.

Maxi-Movies has confirmed this week that the cinema franchise is facing some difficulties but the problems are being addressed. It denies that the franchise was not viable or profitable.

The company says it had to close its Carltonville and Mabopane businesses because the owners of the franchises lacked a marketing strategy.

Problem

Another problem that the Maxi Movies says it has identified is that some of the struggling franchisees are "stand-alone cinemas", meaning that they are not built near shopping centres to back them up.

Most of the franchisees say they are yet to make money out of their businesses. The cinema outlets have put their owners in a "perpetual debt" situation.

Maxi Movies, a low-cost cinema concept launched to provide emerging entrepreneurs, particularly blacks, with an opportunity to own a stake in the entertainment industry, was relaunched as a joint venture company after Ster Moribo bought a 60 percent stake in a R1,6 million deal in September last year.

Franchisees say business is poor

told *Sowetan Business* that they do not want to reveal the ill-performance of their businesses as that could jeopardise their chances of selling the franchises.

But others, although they prefer to remain anonymous, say they no longer want to run the Maxi Movies franchise as it has become clear that the venture is not profitable.

Sowetan Business sources say the franchisees in Swaziland have also threatened to go on their own.

"In many instances, you find that we are showing some films which are outdated - brought to us three months or even more after they were shown at other cinemas," says the source.

But a Vosloorus franchisee Jerry Phadima, whose cinema "is doing well", differs with other franchisees, saying his business is flourishing.

"I have a 100 percent customer support behind me and my cinema is always fully booked, especially at weekends. As long as I have schools as my support base, I will never be broke," he says.

Problematic areas

Maxi Movies franchising chairman Moss Mashishi says he is aware of the difficulties the franchise project is facing but the company is addressing them.

"We have identified a number of problematic areas and the company is looking into that," he says.

He says Maxi Movies is refining its approach to selecting the franchisees and it is developing a stricter approach as the main problem of the company is that many entrepreneurs who bought the franchise are "not business minded".

"We are also looking into the selection of sites. The company has come



The phoenix rises from the ashes ... Makro's managing director Joe Owens says the chainstore has recovered from the fire that destroyed one of its outlets in 1994.

PIC VELL NHPAPO

292

12/6/96

Sowetan

In terms of the agreement, all businesses owned by Maxi Movies were transferred to the new joint venture company.

Partnership

For Ster Moribo, which is a partnership formed between Thebe Investments' controlled Moribo Investments and Ster Kinekor in 1994, the new venture company was to be a stepping stone to provide cinema development, particularly in areas that are under-served by the entertainment industry.

Some franchisees whose businesses are not performing well have

out of its way to market the cinemas and I don't understand some of the franchisees complaining that the franchise is not marketed," he says, adding that the Carltonville cinema flourished immediately after the company took it over from the original owner.

Mashishi says his company has negotiated a new deal where their films will be shown before video owners can show them in their establishments.

"I think we are going through a stiff learning curve. The company has now appointed a marketing manager who will impart marketing skills to those who need them."

Although Maxi Movies managing

director Sven Nothard says he is not aware that there are franchisees that want to close their cinemas down or intend selling, he, however, blames the franchisees for not adhering to the company rules.

"We have a situation where we are dealing with people who have never been in the business before and some of the franchisees have never attended our meetings where we discussed our marketing strategies," he says.

He blames some of the franchisees for thinking of making a lot of profit in spite of the business being new and demanding a long-term view.

ARTS & CULTURE

292

GUMBOOTS AND SLIPPERS

FM/14/6/96

A third wave of cultural transformation is about to hit SA. First came radio, then television. Now the arts in the broadest sense — music, plays, ballet, even literature — are to be enlisted in the creation of a new national identity.

In overall terms, the draft White Paper on Arts, Culture & Heritage — released last week by the Department of Arts, Culture, Science & Technology — is determinedly anti-Eurocentric. It takes as its premises the following:

- That previous State funding of the arts has not been cost-effective and has discriminated against those marginalised by apartheid; and
- That arts, culture and heritage education must right past wrongs and stereotypes and significantly "assist in realising the RDP's goals of access and redress," not least in rural areas.

The key to such a transformation is, of course, funding. For 1996-1997, the department received R539,5m — a 17,1% increase on the previous year's R522,4m. The four performing arts councils of the previous provinces have been, in the White Paper's words, "absorbing 46% of the department's arts and culture budget. Within the new dispensation, this can no longer be the case.

"In 1995-1996, the (councils') operating income was R160m, of which box office receipts accounted for 18%.

R112m was granted by the State... the inescapable conclusion is that government is subsidising expensive art forms and infrastructure for a small audience at an unaffordable level."

Ballet and opera are singled out for consuming 30% of total expenditure.

The immediate proposal is a 22% subsidy cut to the performing arts councils. They will receive declining subsidies for the next three years, after which government will subsidise core infrastructure and staff but the councils will have to "diversify their funding base and restructure ticketing policies" (in other words, prices will go up — if the councils survive).

The axe will be wielded by a new National Arts Council. Its main function will be to "distribute public funds to artists,

cultural institutions, nongovernmental organisations and community bodies.

"The criteria for distribution, consistent with the goals of the RDP, will be developed to promote the creation, teaching and dissemination of literature, oral history and storytelling, music, dance, theatre, musical theatre, opera, photography, design and visual arts and crafts which will fully reflect our diversity."

Says Deputy Minister Brigitte Mabandla: "When we embrace ballet alongside gumboot dancing as equally valid South African art forms, our multicultural society will start to take shape."

Board representation of the council will be regional — including, say, a member of a provincial arts council — and "art-specific." So one must expect a number of claimants for seats on such a powerful arts funding body.

Writers' groups such as Cosaw — which provokes arguments about "standards" in literature — might have to compete with a gumboot dancers' union for cash from the department.

Certain cultural institutions are already seeking ways to survive in the kind of Ruritanian climate the White Paper foreshadows.

Cape Town Symphony Orchestra has turned to the private sector — which has launched a unit trust investment scheme for the orchestra, regarded as world-class. It may not be enough and the orchestra is under pressure to survive. Should Cape Town host the 2004 Olympics, it might have to do so without its own city

orchestra.

By placing work songs and toyi-toyi shuffles on the same level as sonnets and ballet, the White Paper is deliberately asserting its own value system against what might be called the Western Canon. This is its intention and where in the past there has been an unjust financial bias towards elitism, the White Paper is not being dishonest in its aim of seeking a new kind of equitable synthesis. Some of the most vibrant theatre of the Eighties came out of the townships.

However, the great faultline that runs through the new policy is not the funding issue — there will be fewer funds than many hope — but a political one. This is apparent in a chapter called "All Our Futures" where it states: "Like all other as-

pects of our society, arts, culture and heritage must undergo a fundamental transformation if they are to achieve the vision embodied in our commitment to human dignity, the achievement of equality, and advancement of human rights and freedoms."

These are noble aims but linking them to arts and culture — where individual creativity has always been paramount — is spurious. All multicultural societies have contributed to the Western Canon by confronting it and responding with enduring work. It cannot be wished away, least of all by a bureaucracy of cultural commissars who, however, can be counted on to damage excellence where it exists at present. ■

ECONOMIC DEVELOPMENT

A NEO-MARXIST VIEW

Jabu Moleketi (38) is an unusual if not unorthodox communist. He believes in the existence of a "patriotic bourgeoisie" as a subclass of the workers' historic enemy, the bourgeoisie. He believes, too, in the need for a degree of privatisation.

The MEC for Finance, Economic Affairs and Agriculture in Tokyo Sexwale's Gauteng government, Moleketi is the provincial leader of the SA Communist Party, having been re-elected as party general secretary last month.

A former guerrilla — he was an operative in Johannesburg between 1977 and 1981 — Moleketi is concerned to promote economic development in Gauteng. The newly launched Gauteng Development Agency (Geda) falls under his aegis. Its primary role is to attract investors to the province and to offer advice and help ensure that they stay.

Development agencies, however, often project negative images. Swollen bureaucracies and rampant corruption come to mind as readily as dedicated, honest officials driven by the notion of service to the community.

Moleketi smiles when the risk of Geda being blighted by these malignancies is put to him in his new office in central Johannesburg. Geda is different from the development corporations which operated in the defunct tribal homelands under the old regime, he insists.

Geda, a co-operative venture between the provincial government, business and labour, has a clear and limited objective: to promote industrial development by

Continued on page 54



Brigitte Mabandla

- (2) whether he or his Department has taken or intends taking any steps in this regard; if not, why not; if so, what steps?

N990E

The MINISTER OF AGRICULTURE:

This question lies within the line function of the particular Provincial Department of Agriculture and the hon member is advised to direct his question to the Provincial Legislature.

The following information, was however obtained:

- (1) Yes, there is a general shortage of tractors in the developing areas of South Africa.
 - (a) About 95% of rural emerging farmers do not own tractors.
 - (b) Apparent implications of shortages are:
 - Insufficient utilisation of our already scarce resources.
- (2) Yes, the following steps have already been taken:
 - Through Agricultural Credit Board loans, over 100 new tractors and 30 used tractors have been accessed by emerging African farmers across the country.
 - Policies have been changed to allow farmers to access tractors on the ability to repay.
 - Lastly, the Department is currently reviewing the government machinery policy tractor scheme.

Eastern Cape: shortage of dipping tanks

*24. Mr Z I NCINANE asked the Minister of Agriculture:

- (1) Whether a shortage of dipping tanks is being experienced in the Eastern Cape; if not, what is the position in this regard; if so, what are the relevant details;
- (2) whether his attention has been drawn to concerns that an insufficient number of farmers in the Eastern Cape are dipping their cattle; if so, what are the implications thereof?
- (3) whether he or his Department has taken or intends taking any steps in this regard; if not, why not; if so, what steps?

N991E

The MINISTER OF AGRICULTURE:

This question lies within the line function of the Eastern Cape Provincial Department of Agriculture and Land Affairs and the hon member is advised to direct his question to the Provincial Legislature.

The following information, was however obtained from that Department.

- (1) Yes, a shortage of dipping tanks still exist in the Eastern Cape and the Department has received numerous applications for the construction of new dipping tanks.
- (2) Yes, serious disease outbreaks might occur.
- (3) Communities will be educated on proper dipping procedure and dip tank management.

Certain judge: official appointments held

*25. Mr D H M GIBSON asked the Minister of Justice:

- (a) What official appointments are held in South Africa by a certain judge, whose name has been furnished to his Department for the purpose of his reply, (b) which of these appointments are remunerable by (i) the South African Government and (ii) governments of foreign countries and (c) what is the total monthly remuneration received by the said judge in respect of these appointments?

N993E

The MINISTER OF JUSTICE:

- (a) Chief Justice of Namibia (temporary appointment)
Deputy President of the Constitutional Court
Chairperson of South African Law Commission
- (b) (i) Deputy President of the Constitutional Court
(ii) Service as Chief Justice of Namibia is effectively voluntary. He has refused the statutory monthly salary but honorariums and allowances are received from time to time.
- (c) R26 037,49 per month as Deputy President of the Constitutional Court.

The total of the honorariums and allowances referred to in (b)(ii) made to him from 1 January 1996 to 30 June 1996 will be R3 321,92. This amount is also the total which will be accepted by him from this source for the whole of 1996.

No remuneration as chairperson of the South African Law Commission is received.

Doctors from European countries

*26. Mr M J ELLIS asked the Minister of Health:

Whether any doctors from European countries are to be recruited for two-year work contracts at provincial hospitals in South Africa; if not, what is the position in this regard; if so, (a) how many, (b) from which countries does the Department intend recruiting such doctors and (c) when is it intended that the contracts will commence?

N994E

The MINISTER OF HEALTH:

Yes, a memorandum of understanding was signed with the Centrum für internationale Migration und Entwicklung (CIM) for the provision of medical practitioners to South Africa on 17 April 1996.

- (a) After the process of evaluation at the end of June 1996 as a pilot scheme about 20 doctors;
- (b) initially from Germany with an option to include other countries of the European Union;
- (c) the first doctors are expected to arrive before the end of the year.

SABC television service to schools

*27. Mr T D LEE asked the Minister of Education:

Whether his Department has done any costing in respect of the cost of a full-time SABC television service to schools with secondary classes; if not, why not; if so, what will be the estimated cost of such service?

N995E

The MINISTER OF EDUCATION:

No. The Department of Education has entered into a partnership agreement with the SABC to broadcast education programmes for all learners.

ers. A full-time television service for secondary schools only has not been considered. Although no costing of such a service has been done, there is no doubt, based on both local cost factors and international experience, that the cost of a full-time TV channel for secondary schools only would be completely prohibitive.

*28. Mr L D CHUENYANE—Transport. [Question standing over.]

*29. Mr Z D MNGUNI—Transport.† [Question standing over.]

Public Works: White Paper

*30. Mr A G MOHAMED asked the Minister of Public Works:†

Whether his Department is drafting a White Paper at present; if not, why not; if so, when will it be published?

N998E

The MINISTER OF PUBLIC WORKS:

- (a) The Department is in the process of compiling a Green Paper on "Public Works towards the 21st Century";
- (b) the launch of the Green Paper will take place on 22 August 1996.

Arts, Culture, Science and Technology: White Paper

*31. Mrs D GOVENDER asked the Minister of Arts, Culture, Science and Technology:†

Whether his Department is drafting a White Paper at present; if not, why not; if so, when will it be published?

N999E

The MINISTER OF ARTS, CULTURE, SCIENCE AND TECHNOLOGY:

- (1) Yes.
- (2) The Department has three White Papers currently at draft stages: The Draft White Paper on Arts, Culture and Heritage, the closing date for commencement is on 5 July 1996; the Draft White Paper on Science and Technology, closing date for comment is on 15 June 1996 and the Draft White Paper on the Film Industry has been circulated to the provincial MEC for comments.

The precise dates when the White Papers will be presented to Cabinet will be determined by the time necessary to process the comments received and by the cycle of scheduled Cabinet meetings. The Department will take into account the comments received, revise the Draft White Paper as necessary and then submit them to Cabinet during August or September. Subsequent to this, these White Papers will be presented to Parliament.

Trade and Industry: White Paper
*32. Mr I D VAN ZYL asked the Minister of Trade and Industry:†

Whether his Department is drafting a White Paper at present; if not, why not; if so, when will it be published? N1000E

The MINISTER OF TRADE AND INDUSTRY:

The Department published a "White Paper on National Strategy for the Development and Promotion of Small Business in South Africa" in March 1995. Based on this White Paper, a National Small Business Bill was presented to Cabinet.

A "Green Paper on Customs Tariff Policy with Regard to Agricultural Products" was jointly published for comments by the Department of Trade and Industry and Agriculture. The comments received are at present being studied. The "White Paper on Customs Tariff Policy with Regard to Agricultural Products" is expected to be completed by August 1996.

Mineral and Energy Affairs: White Paper

*33. Mr M VAN S HAMMAN asked the Minister of Mineral and Energy Affairs:†

Whether his Department is drafting a White Paper at present; if not, why not; if so, when will it be published? N1001E

The MINISTER OF MINERAL AND ENERGY AFFAIRS:

Yes. The Department of Mineral and Energy Affairs are currently in the process of drafting White Papers on Energy Policy and on Mineral and Mining Policy.

White Paper on Energy Policy

A 200 page detailed and technical Energy Policy Discussion Document was written and

released for analysis and comment in August 1995. More than 100 written responses totaling more than 1 500 pages were received including detailed comments from the United States Department of Energy, International Energy Agency, Danish Government, International Institute for Energy Conservation and a number of international commercial energy organisations. In addition five structured consultative workshops were organised and attended by about 900 persons. Fifteen issue reports summarised all the results, followed by active consultation with major stakeholders and the Parliamentary Portfolio Committee on Mineral and Energy Affairs. An editing committee compiled all the components and developed additional sections. The draft White Paper will be published by August 1996 and submitted to Cabinet and Parliament toward the end of the year. The final White Paper is expected to be published by February 1997.

White Paper on Minerals and Mining Policy

After extensive consultations, workshops and public meetings, a Discussion Document on a Minerals and Mining Policy was published in November 1995. Since then a tripartite Working Group have been consulting with the Mineral and Energy Affairs Portfolio Committee, various mining companies, the Chamber of Mines, organised labour, the Provinces and other interested and affected parties. By the end of July 1996 a Green Paper will be published for submission to Cabinet and Parliament. The final White Paper is expected to be published by October 1996.

Public Enterprises: White Paper

*34. Mr P W COETZER asked the Minister for Public Enterprises:†

Whether her Department is drafting a White Paper at present; if not, why not; if so, when will it be published? N1002E

The MINISTER FOR PUBLIC ENTERPRISES:

No, we have realised that the implementation of the options of the restructuring process may not be effectively implementable without the backing of the legislative process. In this regard, once the sectoral task teams have developed proposals on the option for restructuring, a policy document will have to be developed

which we envisage will result in a draft piece of legislation to be submitted to Cabinet.

Supply of uranium to France

*35. Mr W A HOFFMEYER asked the Minister of Mineral and Energy Affairs:

(1) Whether South Africa has supplied any uranium to France since 1975; if not, what is the position in this regard; if so, what are the relevant details;

(2) whether any such sales were subject to restrictions regarding the use of uranium for military purposes; if not, why not; if so, what are the relevant details;

(3) whether it has been determined whether any South African uranium was used by the French government in the recent series of nuclear tests in the Pacific Ocean; if not, what is the position in this regard; if so, what are the relevant details;

(4) whether the Government has taken or intends taking any steps to prevent the use of South African uranium in nuclear tests or for other military purposes; if not, why not; if so, what steps?

N1003E
The MINISTER OF MINERAL AND ENERGY AFFAIRS:

(1) Yes, uranium is exported to France in two forms—as ore concentrates (the so-called yellowcake), and uranium hexafluorides (UF₆).

Yellowcake exports to France amounted to:

1977:	655 t (metric tons)
1978:	227 t
1979:	2 404 t
1980:	3 057 t
1981:	2 927 t
1982:	1 487 t
1983:	2 231 t
1987:	900 t
1988:	450 t
1989:	300 t
1990:	100 t
1991:	133 t
1992:	133 t
1993:	134 t
1994:	691 t
Total:	15 829 t

Uranium hexafluoride exports amounted to:

1995:	337 t
1996:	115 t (up to present, June 1996)

The total quantity therefore amounted to 16 321 t since 1975.

The quantities quoted above were obtained from the Atomic Energy Corporation's (AEC) existing records as reflected in export permits granted.

(2) In terms of the Nuclear Non-Proliferation Treaty (NPT), France is one of five nuclear weapon States (NWS). The NPT does not lay down any restrictions for the supply of uranium to NWSs.

Although SA concluded specific contracts with the UK and the USA for the supply of uranium for military purposes in the 1950s, these contracts expired in the late 1960s and early 1970s. South Africa has never had a similar contract with France.

In spite of the fact that the NPT does not lay down any requirements for NWSs, conditions of supply were gradually introduced over the years and made more restrictive. In 1982, with the creation of the present Atomic Energy Corporation of SA, Ltd, it became policy to require recipient NWSs to give an assurance of exclusive peaceful use and to subject nuclear material to international (IAEA) safeguards. In the present Nuclear Energy Act (1993) the export of nuclear material to NWSs for non-peaceful uses is strictly forbidden. Exports must be authorised by the Minister of Mineral and Energy Affairs.

(3) France has publicly stated that its civil and military nuclear cycles are operated separately and that for the latter it uses uranium, only for powering nuclear submarines, from its own uranium mines in France.

France is a large user of uranium for the production of electricity for civil use—more than 70% of the electricity in France is produced by uranium fuelled power reactors. France imports uranium from many supplier countries, especially through French companies with activities in Niger and Gabon.

Gambling law faces challenge

ARC 19/6/96 (292)

Casino chiefs eye Constitutional Court

LINDSAY BARNES and ESANN de KOCK
Staff Reporters

CASINO operators facing closure after parliament passed the National Gambling Bill are threatening to challenge the Bill in the Constitutional Court.

The new law, which only needs President Mandela's signature before it is gazetted, makes allowance for only 40 casinos - closing the door on hundreds of illegal casino operations.

The Gaming Association of South Africa (Gasa), representing small casino operators, has attacked the passage of the Bill through its final reading in the National Assembly and threatened Constitutional Court action.

However, the casino giant Sun International, which dominates the big-time casino industry in the former homelands, welcomed the passing of the Bill as a critical step to a "well-ordered, appropriately regulated and successful gaming industry" in South Africa.

Gasa called on the government to end its "apparent alliance" with the big gaming groups.

When the Ad-hoc Committee on Gambling and Lotteries Legislation met in Cape Town, it could not reach consensus on Section 13(k) of the Bill about the number of slot machines allowed in each province, according to Gasa.

Gasa said National Party MP David Graaff argued that it was incorrect in a free market economy for the government to dictate who could be financially empowered by the added economic benefits of having slot machine operations on their business premises while denying others the same opportunity.

Gasa said that if the Bill was enacted in its present state, making no provision whatsoever for slot machines, it would file an interdict for relief and proceed to the Constitutional Court.

Gasa Gauteng and its employees association have applied to court for interim relief against the ministries of safety and security and provincial affairs and consti-

titutional development, the Premier of Gauteng, Tokyo Sexwale, and the region's attorney-general.

The application is being heard in the Rand Supreme Court.

The Freedom Front, Pan Africanist Congress and African Christian Democratic Party have also lodged objections to the Bill.

Peter Bacon, managing director of Sun International, described the passing of the Bill as the culmination of a process which had been characterised by widespread consultation and complete transparency, "which reflected well on government".

The Bill would give impetus to the licence-awarding process in the provinces, many of which had already resolved their own legislation.

"While the Bill does not make explicit provision to bring the illegals to heel, it establishes the statutory principle that a regulated environment, with licensing limited to a total of 40 casinos, is in the best economic and social interest of our society," Mr Bacon said.

In doing so the Bill had "given notice" to thousands of illegal casinos that their activities were not only undesirable, but also unlawful.

Earlier, Provincial Affairs and Constitutional Development Minister Chris Fisser said in reply to the debate in parliament that the new legislation would not please all parties.

The legislation made a distinction between central government and provincial powers in gambling, which would help to keep corruption under control.

A ceiling had been placed on the number of licences to be allocated because limiting the number of casinos would bring about better development and allow for economic advancement, and the government would also be able to control gambling more effectively.

The government had to adopt a conservative approach to the number of licences because of the negative social aspects attached to gambling, he said.

All illegal

casinos

have had their chips

Hundreds in Gauteng expected
to close within two months

BY TARYN LAMBERTI
TROYE LUND
AND KARIN SCHIMKE

Illegal gambling operators in Gauteng have been given two months to close or face prosecution following the passing of the National Gambling Act in Parliament this week.

At the same time, Gauteng has announced that a new category of gambling licence for medium-sized enterprises will be introduced in the province when its Gaming and Betting Amendment Bill becomes law this week or next week.

Big players in the industry have welcomed the parliamentary Bill, saying it will help get rid of illegal operators. But smaller casino owners said the law could force them out of business and cost thousands of jobs.

The small operators' Gaming Association of South Africa (Gasa) has announced its intention to challenge the national Bill because it only allows for 40 casinos nationwide.

Gasa Gauteng and its employees' associations have applied to the Rand Supreme Court for interim relief.

But police have said the industry's regulation is necessary to prevent the spread of money laundering, prostitution and the drug trade often associated with

illegal gambling.

The new casino licence under Gauteng's bill will bring to five the categories of casinos allowed in the province. They are:

- Two types of mini-licences for operators with a maximum of five gaming machines.
- People who own more than one establishment with a maximum of five machines.
- Medium-size casinos with between 50 and 100 machines.
- Big casinos like the Carousel.

People will be able to apply for licences from the province's Gaming and Betting Board once it is operational, but this is expected to happen only by September.

Gauteng chief director of economic affairs, Stan Matsebula, said yesterday: "Before the board starts considering applications, prosecutions resulting from the clampdown will have started."

Gambling attorney and consultant Grant Kaplan, who has opposed the national bill on behalf of clients, said: "We believe in a controlled and regulated industry, but it's the extent of the control that comes into dispute."

However, Sun International managing director Peter Bacon welcomed the move as one which would regulate the industry.

NSO is threatened with closure by September

MD 21/6/96

(292)

Robert Perry

THE National Symphony Orchestra is threatened with closure. The worst-case scenario is that it will be gone by the end of September, which implies that the present season might be the last. At best, it does not look probable that the NSO will survive into 1997.

The reasoning behind the threatened closure of the orchestra is the SABC privatisation schemes, which will see the sale of the radio stations under the public broadcast services arm of the corporation to the private sector. The NSO is funded by the public broadcast services — major income earners for the SABC — and the sales mean there will be no money available for the orchestra.

The NSO operates on a measly budget of R10m a year — with which it has to pay its musicians, its management team, its transport costs, venue hire, music rights and so on.

The organisation is already seriously stretched — there is a desperate need for additional players and the management team is among the smallest administrative bodies behind any orchestra anywhere.

The NSO still pursues the most active schedule of SA's orchestras: two weekly concerts in Johannesburg, regular national tours, broadcast recordings, pops and fireworks concerts, outreach programmes and training are among its activities.

Stars such as Luciano Pavarotti and Kiri te Kanawa rely on the NSO for their musical support while in SA and Marco Polo, a fast-growing international recording label, has several NSO discs in its catalogue.

Despite all this, one can only wonder at the almost total absence of the NSO from our television screens, and the complete ignorance of its existence among a large sector of corporate SABC power-mongers. The organisation foots the bill for the NSO, yet fails to utilise it with a disregard that is awesome.

Rumour has it that there is a lobby of support among the SABC hierarchy, including radio boss Govan Reddy, which does not want to see the NSO go. But, at the end of the day, it will be the financial string-pullers who make the decision and it is not likely that they will meet much opposition from the office of their chairman.

Johannesburg, Africa's financial hothouse, is already a place of cultural desolation. The city's litter-strewn streets are symptomatic of its residents' apparent lack of concern beyond the need to make ever more money. Without reopening the debate as to the whys and wherefores of this situation, one has to acknowledge that nothing seems able to shake Johannesburgers from their cultural apathy.

Which brings us to the point: if the

NSO is to go, should we be concerned? Do the residents of Johannesburg care much? Since the NSO is the official orchestra of the SABC, does national opinion count in the issue?

Those of us who live in, or near, Gauteng are able to attend the NSO's twice-weekly concerts and to enjoy the benefits of live music. The NSO does thriving business in this regard — demand for season subscriptions is high, and at this point it is the only orchestra in the country able to motivate two concerts a week.

Attendance is good, discussion lively and the NSO provides intense and much sought-after musical relief to some 2 000 people a week.

All well and good, but two concerts a week do not provide anything like the minimum income required for the orchestra to survive.

What of the national audience? What of the thousands who tune in to SAfm (there are a few left) for their weekly ration of orchestral music? Will the demise of the NSO affect them, or will they be better catered for with selections from the vast recording library at the SABC? From a purely musical point of view, probably they would be better served — the NSO, for all its merits, is not competition for the Berlin Philharmonic, after all.

Arrogant

The loss to concertgoers and listeners lies in the tossing aside of an important part of our cultural heritage, with not so much as a backward glance.

The loss lies in the arrogant disposal of the most visible voice in SA of one of the great world performance traditions, and in the increased musical isolation that it will bring. Once the NSO is gone, that will be the end.

The only means of existence for the NSO will be through corporate sponsorship, an arena which calls for tough tactics and determined fighting.

The recent release of the white paper on arts and culture, which spells out the demise of the arts councils among other things, means that the NSO will be pitching its case in an increasingly competitive market, where the few cultural sponsors we now have will have to decide where their money will be most effective.

Corporate sponsorship of the NSO has grown steadily over the past few years, but not by any means to the level required to maintain it.

The NSO is mounting a campaign to persuade the SABC of the level of public support for the NSO.

It is handing out letters addressed to SABC chairman Dr Ivy Matsepe-Casaburri, which require only a signature. To obtain one, call Carla Constantinescu on (011) 714-5538.

See Page 15

Supreme Court asked to stop raids

Deborah Fine

THE Gaming Association of SA has asked the Rand Supreme Court to interdict police and the Gauteng government from raiding and closing down its members' small casino operations pending a decision by the Constitutional Court on the validity of the former Gambling Act.

Attorney Hennie de Klerk said yesterday that while the National Gambling Act had been passed by Parliament earlier this week, the new Act would not become operational until it had been approved by President Nelson Mandela and published in the Government Gazette.

This meant that until the new Act was approved, gambling was still regulated by the Gambling Act of 1965, which prohibited any form of gambling in SA.

It was thus under this Act that police were cracking down on casinos.

The association had asked the Supreme Court for an interdict against the safety and security and the provincial and constitutional development ministries, the Gauteng government as well as the offices of the Transvaal and Witwatersrand attorneys-general pending the hearing on September 5.

The association is also expected to challenge the new Act because it allows for only 40 casinos nationwide.

(292)

BO 21/6/96

LOGTEK

ek Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number 87/01807/06)

("Log-Tek")

Cautionary announcement

Log-Tek Holdings Limited is authorised to announce that there are currently in progress which, if successfully completed, could have an effect on the share price of Log-Tek.

Shareholders of Log-Tek are advised to exercise caution in their shares.

A further announcement will be made in due course.

nk

Legal advisor



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27/06

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JONSSONS

Sheep disease scare in Cape

Linda Ensor

CAPE TOWN — A highly contagious ovine disease had led to the slaughter of almost 4 000 sheep in the Caledon and Ceres districts of Western Cape, agriculture MEC Lampie Fick said yesterday.

He warned that a crisis loomed if measures were not adopted urgently to prevent the outbreak of Johnes disease from spreading.

The disease was regarded worldwide as one of the greatest threats in the sheep industry, having ravaged flocks in New Zealand and Australia, where it caused annual losses of about A\$200m.

Large-scale imports of live sheep to SA from Australia last year were prevented because of an uproar over the disease.

Fick said there was no effective immunisation against the disease and if it was not strictly controlled, about 10% of an infected flock would die.

The department was hampered in its attempts to contain the outbreak as the disease was currently a notifiable, rather than controlled, disease. If controlled, the department would be able to place farms under quarantine and slaughter all animals testing positive.

The Animal Diseases Act was being devolved to provinces. Meanwhile, Fick had asked the national agriculture department to change the rules in Western Cape.

Arts groups under microscope

Nomavenda Mathiane

AMONG recommendations put forward to determine policy for the proposed Gauteng arts and culture council at the weekend were that performing arts councils should be transparent and that a working relationship needed to be established between arts, culture and education.

Campaigners for various arts in Gauteng met education and arts MEC Mary Metcalfe yesterday to formulate recommendations for forming the province's arts and culture policy.

The meeting aimed to ensure also that the process of allocating public funding for arts development was not unduly influenced by political considerations, but led by arts and culture interest groups.

The meeting was divided into a number of commissions — arts, libraries, heritage and performing arts — which discussed the problems facing the various arts and formulated their recommendations.

The primary concern of the commission mandated to look into the Performing Arts Council of Transvaal (Pact) was the lack of transparency and accountability of funds allocated to

Pact. While commending the national government's decision to phase out funding for such councils, the meeting called for the money to be given to provincial arts councils for the development of local communities, rather than have the national arts council retain the funds.

In three years' time, when government subsidies had been phased out, Pact would have to apply for funding like any other arts company, the commission recommended.

It said government was responsible for ensuring that Pact served the larger community, with theatres being accessible to local communities.

The libraries commission said libraries were not given sufficient funds. Gauteng's libraries budget for 1995/96 was R12m, whereas R26m was needed.

The commission complained about libraries' ambivalent status with some falling under the education ministry and others under the science and technology portfolio.

Structures should be put in place with a clear line of command as to who was responsible for redistribution of resources, of transformation, of development and of research and documents, the commission recommended.

Gambling industry can boost growth of infrastructure, says White Paper

The Argus Correspondent

ARG 28/6/96

PRETORIA. - The White Paper on tourism development and promotion sees casinos as an indirect incentive for creation of new tourism infrastructure.

If managed correctly, casinos can significantly contribute to meeting demands with regard to tourism capacity, the paper states.

Although gambling as such may not be of primary interest to tourists, the availability of casinos can in many ways facilitate the creation of other tourism-related infrastructure.

But the potential of the gambling industry in relation to tourism will be realised only if introduced within a specific framework of sound principles, says the White Paper.

Capab groups plan survival

ARG 28/6/96

(292)

GARTH VERDAL
Tonight Reporter

CAPAB's performing arts companies are making plans to survive in the new South Africa after the tough recommendations of the government White Paper on arts and culture, which contain serious implications for their future viability.

The directors of the opera, ballet, drama, music and Jazzart companies met at the Nico Malan last night to air their views.

Alastair Cockburn, director of the music department, aligned himself with the views of opera company director Angelo Gobbato.

"It's a concern to all that there are no guarantees for art forms for opera, ballet and the orchestra. Apart from that we will have to stand in a queue and ask for money."

Mr Cockburn said an orchestra could not be run on a project basis because people had to be employed on a salary basis, and long-term planning was necessary.

He was also concerned about the future of the city orchestras.

"I don't believe the city can support two, and the CTSO (Cape Town Symphony Orchestra) has not really succeeded as an independent one. There's not enough private sector money around, or sufficient funding from the authorities."

Talks of a merger between the orchestras should continue.

Alfred Hinkel of Jazzart said there was "no way" the company could continue its educational programme without funding.

Capab Ballet's Veronica Paepers said she was optimistic that an aggressive bid for money from the private sector would succeed.

"It's going to be hell and diffi-

cult, but one can't just lie down."

Capab opera department's Angelo Gobbato said there was "no such thing" as a Capab Opera Company and the department "will just disappear."

There would probably be fewer productions, on a one-a-year basis or at festivals, but could survive "if it gets funding from other sources."

Marthinus Basson of Capab Drama said that it was "sinful and shameful for Cape Town not to have a permanent drama company."

He said more than ever society needed the performing arts, rather than sports and politicians.

Mr Basson said that there was no future for Capab drama after the end of the year and that it was crucial to find ways to establish a large regular repertory company in Cape Town if drama as an art form was to survive.

SABC viewership stabilises in June

Ingrid Salgado

WEEKLY viewership levels for the SABC's three television channels stabilised towards the end of June while average daily viewing time for SABC1 and SABC2 increased marginally, audience ratings released by the SABC yesterday shows.

SABC1's average daily viewing time increased from 40 to 41 minutes and SABC2's rose from 46 to 47 minutes for the period June 17-23. SABC3 levels were unchanged at 17 minutes.

The ratings indicated strong support for African language programmes. Among Nguni and Sotho speakers, indigenous language programming dominated the top 10 programmes, led by the SABC1 drama Uthando Lwami.

Performance of news bulletins varied from channel to channel. There had been a marked viewership improvement of Afrikaans news bulletins with increases among English, Nguni and Sotho viewers.

IBA processing 12 private radio licence applications

Ingrid Salgado

THE Independent Broadcasting Authority has received 12 private radio licence applications for three new frequencies in Cape Town and one new Durban frequency, the broadcast regulator said yesterday.

Applications closed on Tuesday and applicants' details would be made available only once the IBA had gazetted the applications. One FM and two MW frequencies are up for grabs in Cape Town.

One Durban FM frequency is available. Applications for one Gauteng MW frequency and three Johannesburg FM frequencies close on August 16.

IBA spokesman Amos Vilakazi said the authority had not yet had time to scrutinise the Durban and Cape Town applications. It was still analysing licence bids for six SABC re-

gional radio stations.

The authority expected to have licensed the first batch of applicants by November while public hearings to consider bids for the SABC stations would start in September, at latest.

The authority could not speed up the process, Vilakazi said. The IBA Act required the regulator to wait a month for objections to gazetted applications while applicants had another month to respond to objections. The IBA's decision on which applicant to licence would follow public hearings.

Vilakazi said time taken for the IBA to grant licences would depend on the volume of evidence submitted.

Posts, Telecommunications and Broadcasting Minister Jay Naidoo's proposal to speed up licensing by changing the IBA Act had been put on hold, as Parliament was in recess.

Provinces to get a voice in lotteries

Linda Ensor

CAPE TOWN — Provincial governments have been given a significant role in governing the national lottery, in terms of the Lotteries Bill tabled in Parliament yesterday.

The Bill provides for each province to be represented on the National Lotteries Board, while provincial premiers will have to be consulted over the way lottery funds earmarked for the RDP are spent. The Bill stipulates that money raised by the lottery will have to be equitably distributed among the provinces.

Sports pools, where punters forecast the result of a sporting event to win a prize, are given the green light by the Bill, opening the way for operators such as Littlewoods to enter the SA market.

The Bill proposes the establishment of a National Lotteries Board made up of a maximum of 19 members, with two representatives from central government,

one from each of the provinces, a lawyer, an accountant and not more than four with specialised knowledge of lotteries.

The board's functions include awarding a licence to a company to run the lottery, monitoring the way it is run and administering a National Lottery Distribution Trust which will receive the licence fees and funds raised.

The Bill stipulates that a licence will only be awarded to a company that shows "a clear commitment to the advancement, upliftment and economic empowerment of persons or groups or categories of persons disadvantaged by unfair discrimination".

With the concurrence of the relevant minister, the trust fund will distribute the funds raised to the RDP and to support charities, sport, recreation, the arts, culture and the national heritage.

Prescribed percentages of the funds in the trust will be allocated to each of these earmarked recipients, though the Bill does not de-

tail these percentages.

The Bill proposes that bodies receiving lottery funds should be nationally representative and active in all provinces.

Provincial and local interests, including the number of lottery tickets sold in each province, and the population and financial requirements of each province, will have to be taken into account when grants are made.

A condition for the granting of a licence is that no political party or political office bearer has any direct or indirect financial interest in the applicant company. The licence could be granted for a maximum of only five years.

The Bill recommends that small, private and society lotteries be allowed under certain conditions, but that competitions not based on a degree of skill, and newspaper and broadcasting competitions be outlawed where they offer prizes for forecasting a future event or a past event where the result is not generally known.

WVW 911

Casino operators see red over new legislation

Star 5/7/96 (292)

Ulundi - A Gambling Act passed by the KwaZulu Natal legislature in Ulundi has sparked outrage among casino operators in Durban, who claim thousands of employees will lose their jobs.

The act will be fully enforced within about three months, by which time all illegal operators will have to have closed down or face prosecution. During the three-month period, illegal operators will be given 30 days' notice to close down.

Casino owners said they would challenge the act in the Constitutional Court. Gaming Association of SA treasurer Gary Citron said the act would force the closure of about 500 casinos, leaving about 10,000 people in the province jobless.

In a speech prepared for delivery in the legislature, finance MEC Senzele Mhlungu conceded the act would result in job losses, but added he was confident more jobs would be created after the industry had been legalised.

In terms of the act, licences would be granted for five major casinos. Other licences, such as for bingo, site and route operators, could also be applied for.

The act proposed illegal operators be given up to 10 years in prison without the option of a fine

or a R2-million fine, or both, for contravening the act.

Citron condemned the penalties, arguing that murderers and rapists faced far more lenient sentences. Businessmen who created jobs would be penalised.

Mhlungu conceded the penalties were "deliberately severe because of our desire to attract blue-chip operators and also because of the overriding need to be conscious of maintaining the industry's integrity and our responsibility to protect society."

He said the act would ensure the gaming industry was strictly regulated which would secure gaming revenues for the province, aid development, job creation and the advancement of previously disadvantaged communities.

Casino owner Ish Maharaj said he would have to dismiss 50 employees if he was forced to close his casino in central Durban.

The gaming board, which had yet to be established, would consider applications for five casino licences, as well as where gaming venues would be sited, Mhlungu said.

Citron said the Gaming Association would take the matter to the Constitutional Court if the Gambling Act did not cater for smaller businessmen. - Sapa

Gaming tax scares off hotel group

(288) (292)
By JEREMY WOODS
ST (CM)

7/7/96

HIGH gaming taxes in the Western Cape have led Southern Sun and its black partnership company, Tsogo Sun, to withdraw their support for key elements of the R2,4-billion Century City development.

Tsogo Sun has paid R30-million for land in the development, which lies alongside the N1 north of Cape Town.

Their intention was to jointly develop the tourism part of the project — one of the biggest tourism infrastructure spends planned for the Cape — jointly with the developers of Century City.

The plan was to include hotels, an international theme park, a world-class theatre and a "showplex" for major rock concerts.

But these vital tourism facilities, which would have created hundreds of jobs and generated millions of rands in foreign exchange, will now not be provided by Tsogo Sun.

It blames high taxes, pegged at 26 percent by the Western Cape provincial government, for its pull-out.

"The casino initiative was an ideal opportunity for Cape Town to benefit from some cross-subsidising with that money going into tourism projects like a new conference centre, which the city badly needs in the quiet winter months," said Ron Stringfellow, the managing director of Southern Sun.

"These opportunities have now been lost to Cape Town, so far as we are concerned, and our whole plan has been put in jeopardy. If you only have to pay 16 percent in other provinces, why bid in a province where you have to pay 26 percent?"

Stringfellow said his group was seriously debating whether they would now bid.

"It's Cape Town's loss. A great opportunity to develop the city's tourism infrastructure has passed by," he said.

The rest of Century City will go ahead as planned.

Martin Wragge, the chief executive responsible for the development, said the threatened venture with Tsogo Sun did not affect other projects.

Cabinet adopts 5 bills aimed at transforming culture (292)

Mar 9/7/96

By JOVIAL RANTAO
Political Correspondent

The process of transforming arts and culture in South Africa has been taken a step further by the Cabinet with the adoption of five pieces of legislation.

The National Arts Council Bill, the National Advisory Council on Innovation Bill, the National Lexicography Units Bill, the Legal Deposit Bill, and the National Film and Video Foundation Bill have been approved.

"This is a process to speed up delivery to the people of South Africa. This new legislation will ensure that equity and access are addressed and put into operation in a concrete fashion. It also signifies the Government's commitment to these sectors," said Arts, Culture, Science and Technology Minister Dr Ben Ngubane.

In their respective fields, the bills either significantly transform an existing act, or address and create legislation in areas that have previously been neglected.

The National Arts Council Bill will establish a statutory body which will be responsible for the development and promotion of the full range of South African art forms, as well as developing its support services.

It encourages arms-length funding, thereby ensuring independence, but also encouraging accountability.

The National Advisory Council on Innovation Bill provides for the constitution of a body which would advise the Government on the role of innovation, science and technology, while also focusing on commercialising these sectors for the practical benefit of the country.

The National Lexicography Units Bill provides for the establishment and management of monolingual dictionaries for all official languages. The documentation of indigenous languages would be guaranteed.

The Legal Deposit Bill provides for the deposit of books and other media (for instance audio-visual and electronic publications) published or produced in South Africa, as well as those produced abroad and intended for distribution nationally. It aims to ensure the preservation of South Africa's intellectual heritage.

The National Film and Video Foundation Bill provides for the establishment of a representative 14-member council which will finance, collect research information and map out development and education with the view to promoting film.

The bill will also incorporate the establishment of a film and video initiative and a film development fund.

This piece of legislation represents the ministry's ongoing efforts to transform this sector.

Arts councils face final curtain over cash crisis

Tim Cohen

SA's four performing arts councils would face their final curtain call unless they were able to transform themselves into profitable institutions, legislation approved by the Cabinet yesterday indicated.

Arts and Culture Minister Ben Ngubane said the National Arts Council Bill had been approved. It gave the four old councils three years to adjust to drastically decreased state funding.

Pact, Napac, Capab and Pacovs currently receive 46% of government's arts budget. In the 1995/96 financial year they will receive R112m, even though they generate only 18% of their income through the box office.

Ngubane has argued that this is untenable, given the need for a more diverse spread of arts funding.

At the end of the three-year period of declining subsidies, government would subsidise only the councils' core infrastructure. They would have to

BD 9/7/96 (292)
apply along with other institutions to the proposed national arts council for extra funding.

The National Arts Council Bill would establish a statutory body responsible for the development and promotion of the full range of art forms, as well as developing its support services, in a manner that ensured independence "but encouraged accountability".

Ngubane announced that the Cabinet had approved four other pieces of legislation intended to ensure equity in the provision for arts and culture.

The Bills and provisions are the National Advisory Council on Innovation Bill (a body to advise on innovation, science and technology); the National Lexicography Units Bill (the establishment of national dictionaries in all official languages); the Legal Deposit Bill (ensuring the deposit of books and information to preserve SA's intellectual heritage); and the National Film and Video Foundation Bill (a 14-member council to help promote film).

Gambling association challenges Gauteng Act

Deborah Fine

THE Gambling Association of SA has lodged an urgent application in the Rand Supreme Court attacking the enforceability and constitutionality of the Gauteng government's newly legislated Gambling and Betting Act.

The association, which applied to amend its existing notice of motion, submitted that the new Act was not enforceable until the provincial authorities had set up mechanisms for small casino operators to acquire gambling licences. Alternatively, the Act was unconstitutional because it infringed operators' fundamental right to economic freedom.

The association originally lodged court action in June seeking an order to restrain the national safety and security ministry from prosecuting small operators pending a decision by the Constitutional Court on the validity of the 1965 Gambling Act, which prohibited gambling in SA.

Advocate Aaron Mendelow asked the court yesterday to allow the association to amend its notice of motion to include an attack on the Gauteng Gambling and Betting Act of 1995, which prohibited gambling in the province except where a licence had been obtained from provincial authorities. Because the Gauteng government had legislative powers concurrent with those of Parliament, the 1965 Act — in terms of which police continued to shut

BD 17/7/96 (292)
down small operations — had been superseded by the 1995 Act, he said.

This meant gambling in the province was no longer an offence, but operating a casino without a licence was. Police could thus no longer prosecute operators under the 1965 Act. However, they could also not prosecute small casinos without licences in terms of the 1995 Act because the province had not yet set up machinery for these operators to obtain licences.

Mendelow asked the court for an order declaring both Acts unenforceable, alternatively an order declaring both void because they infringed on rights to economic freedom. An alternative was to refer the question of the acts' validity to the Constitutional Court.

He also asked that the court make an order permitting small casinos to continue operating and restraining police from prosecuting them pending the outcome of the association's application, and the setting up of mechanisms whereby they could obtain licences or alternatively pending a decision by the Constitutional Court.

The association's application for the amendment was opposed by the safety and security ministry on the grounds that the association was seeking to introduce fresh relief which had not been made out in its founding papers.

Judge Basil Wunsch will decide today whether to accept the amendment and allow the association to continue with the amended application.

Sun International likely to monopolise casino stakes

(292) CT (PR) 18/7/96

By Ann Crotty

CONSUMER INDUSTRIES EDITOR

Nelspruit — Sun International South Africa could be the only local operator allowed to operate a casino in South Africa for the first five years of the new legislative regime, industry sources said yesterday.

This follows the news that the first legal gambling licences will be announced by the Mpumalanga government in March next year.

The Mpumalanga Gambling Board (MGB) last night issued a request for proposals for the development of casino operations in the province.

This began a process that will include the submission of proposals, the hearing of objections to those proposals and the complete detailed investigation of the preferred finalists.

Industry sources said the most controversial aspect of the MGB regulations was that it was "a prerequisite for the operators to have been licensed for at least five years in other comparable gaming jurisdictions".

This means that Sun International South Africa (SISA) is the only South African company able to apply to operate a license in Mpumalanga.

Given the likelihood that other provinces will follow the Mpumalanga lead, it is possible that SISA will be the only local operator allowed to operate a casino in South Africa for the first five years of the new legislative regime.

Andre Wilsenach, MGB's chief executive, said it was important to have experienced operators in the industry. "There is no way we could have granted a licence to someone with no experience. This highly sophisticated industry requires proper and efficient management," he said.

Wilsenach pointed out that most of the potential applicants were talking to international operators. "It is possible to obtain the necessary experience through a management contract," he said.

MGB has four casino licenses to allocate and it has divided the province into four zones, each of which will receive a license. The four zones are northern highveld, southern highveld, lowveld and the escarpment.

The northern highveld and the lowveld are expected to receive proposals for the most ambitious operations. Sources estimate the larger proposals could involve initial investment of as much as R350 million.

Govt rejects gambling association argument

BD 18/7/96 (292)

Deborah Fine

THE Gauteng government and the safety and security ministry yesterday rejected argument by the Gambling Association of SA that a "vacuum" in existing gambling legislation meant that small casino operators were no longer prohibited by law from operating in the province.

The Rand Supreme Court yesterday granted the association leave to amend its original notice of motion to include submissions that the 1965 Gambling Act — which prohibited gambling in SA and authorised police to shut down small casinos — had been superseded by the Gauteng Gambling and Betting Act of 1995, which allowed gambling in the province under licence.

But police could also not prosecute small casinos for not having licences in terms of the new Act because the province had not yet set up machinery whereby these operations could obtain the necessary licences.

The association has asked the court to declare both Acts unenforceable or alternatively void because they infringed on individual rights to freely engage in economic activity. Adv Pierre Rossouw, appearing for the State, submitted that according to principles set out in the Constitution, the 1965 Act would remain enforceable until it was either struck down by the Constitutional Court or was re-

pealed by Parliament or by the Gauteng legislature.

Moreover, ruling in the association's favour would create a "chaotic, free-for-all situation" in which "any person could open a casino anywhere without any restriction or control", he said.

Rossouw also submitted that the right to economic freedom was not an absolute right, but rather was heavily constrained by society's framework. As such, the pickpocket's freedom to pursue his livelihood was thus limited by his victim's rights to property.

Society demanded the regulation of the gambling industry to avoid the negative social consequences that could be associated with an unregulated industry, and the court had to weigh up the interests of the association's members against society's interests and the greater good.

The association's counsel, Adv Aaron Mendelow QC, argued that gambling had never been unlawful in terms of the common law but had been prohibited only by the 1965 statute in response to "social mores 30 years ago".

Because social attitudes towards gambling had changed — the gambling industry had even been given a "national blessing" by government — the reason for the promulgation of the 1965 Act had fallen away, rendering the Act a relic of the "days of the dinosaurs and Jurassic Park".

Argument continues today.

Mpumalanga to issue first licences

Amanda Vermeulen

NELSPRUIT — Mpumalanga would issue the first casino licences in SA's history in March next year, offering potential casino owners the option of an exclusive licence for 10 years, the province's Gaming Board chairman Keith Kunene announced yesterday.

Four licences would be issued, and the board expected 15 to 20 applications from local and international operators.

The value of casino developments was expected to range between R150m to R350m.

The board also received pro-

posals for developments valued at about R500m.

Kunene said successful applicants would be granted temporary licences allowing them to start operating immediately to raise cash to finance projects.

Applicants would also have the option to pay for an exclusivity fee in a secret bidding process. The option would secure guarantees from the board not to grant new licences for 10 years in any of the four regions where casinos would be located.

Board CEO Andre Wilsenach said the exclusivity fee would reflect the value the individual operator placed on the licence.

Govt must unite a fragmented art community

PD 18/9/96

(292)

BUSINESS Day's editorial of July 10 questions the establishment of the National Arts Council for what it sees as the misguided prioritisation of SA's diverse art forms over classical art such as opera, ballet, classical music and drama.

The editorial is correct when it states that "(P)reserving a classical art tradition does not seem to be a priority" for the arts, culture, science and technology department.

Continuing to privilege one set of art forms over another is certainly not a priority for the department. The reason d'être of government is to overcome narrow interests and broaden out to include the interests of the majority of South Africans.

The editorial reiterates an earlier article by Mary Rörich (Business Day June 5) when it describes the recently released draft white paper on arts and culture as "notable for its vagueness on issues of practical administration and the structuring of future arts institutions".

This argument arises from a narrow interest in the so-called classical arts traditionally promoted by the four performing arts councils.

The white paper is faced with a complex task. It must set out a framework to ensure that the arts, culture and heritage of all South Africans are, for the first time, protected, promoted and developed. It must do this while ensuring that existing cultural formations are retained and their functions maximised. This means that the same

budget that catered for a narrow set of art forms must now be reprioritised and stretched to include all art forms and cultural practices.

This is an urgent priority as the existence of so many of the previously neglected art forms and cultural institutions in this country is threatened. Organisations that once relied on foreign donor funding are now on the brink of collapse; and with each day that passes a little more of our intangible heritage is forgotten or lost.

I believe that the draft white paper manages to achieve the necessary balance between the old and the new. For instance, the document spells out the phasing out of the performing arts councils over a period of three years. This is to ensure that transformation occurs but does not lead to the destruction and loss of public assets or art forms such as opera and ballet.

Substantial funding will still be allocated to the performing arts councils to enable them to continue running. To begin the process of transformation, their reliance on public funds was reduced with immediate effect by 22%.

This was a signal to the performing arts councils and to the public in general that it could no longer be business as usual in the management of the performing arts. The councils are having to apply themselves to the challenge of raising their income at the box office and to diversify their funding sources.

BRIGITTE MABANDLA

This policy decision demonstrates our commitment to reprioritising our budget in order to promote arts and culture in a broad and inclusive way.

Whereas previous policy allocated the bulk of funds to the councils, funds will now be spread out among different art forms and institutions through the National Arts Council. After three years, the performing arts councils will function as playhouses.

It is our belief that the introduction of a competitive environment will encourage the blossoming of the nation's arts and culture.

The National Arts Council will be set up as a statutory body operating at arm's length from government. Through peer assessment across a widely representative range of discipline panels, the council will ensure universal access to funding for all SA's art forms, institutions and individual artists. The council will therefore be an important feature of our democratic society.

In her article, Rörich suggested that the council will be yet another "bureaucratic monolith" that will devour scarce resources. The draft white paper states clearly, however, that the council will make use of the infrastructure of an existing organisation: the Foundation of the Creative Arts. Council members will be non-salaried and honorary. It will

be a legitimate and accountable statutory structure which will put to better use existing resources.

Many commentators on the arts have seen the draft paper as symbolising a bold paradigm shift for the arts in SA.

Funding through the council will put an end to the tradition of political patronage and state interference in artistic and cultural matters. In their place will be a structure which guarantees democracy in arts and culture. The national council will seek actively to redress the imbalances that have mitigated against the development in this country of a vibrant and strong arts and culture dispensation.

The bold institutional shifts that the paper suggests have the power to usher in a cultural renaissance in this country. Through funding diversity, we will ensure dynamism, experimentation and excellence.

These developments will be further enhanced by the arts, culture, science and technology department's plan to develop the cultural industries into a potent growth sector of the economy.

SA's cultural sectors have the potential to become multibillion-rand industries that contribute significantly to gross domestic product, job creation and foreign investment. Cultural industries like film, crafts, cultural tourism, music, books and publishing, theatre and the performing arts, and the visual arts and design, can make a significant

contribution to employment and wealth creation.

Analysts have estimated that, together, these industries already account for more than 2% of GDP.

The book publishing industry alone is estimated to generate a turnover of more than R1,2bn a year. The net value for music sales last year exceeded R500m, while the value of the craft industry has been conservatively valued at about R3,6bn a year.

The department is set to begin work on "cluster studies" for each of these industries as part of a cultural industries growth strategy.

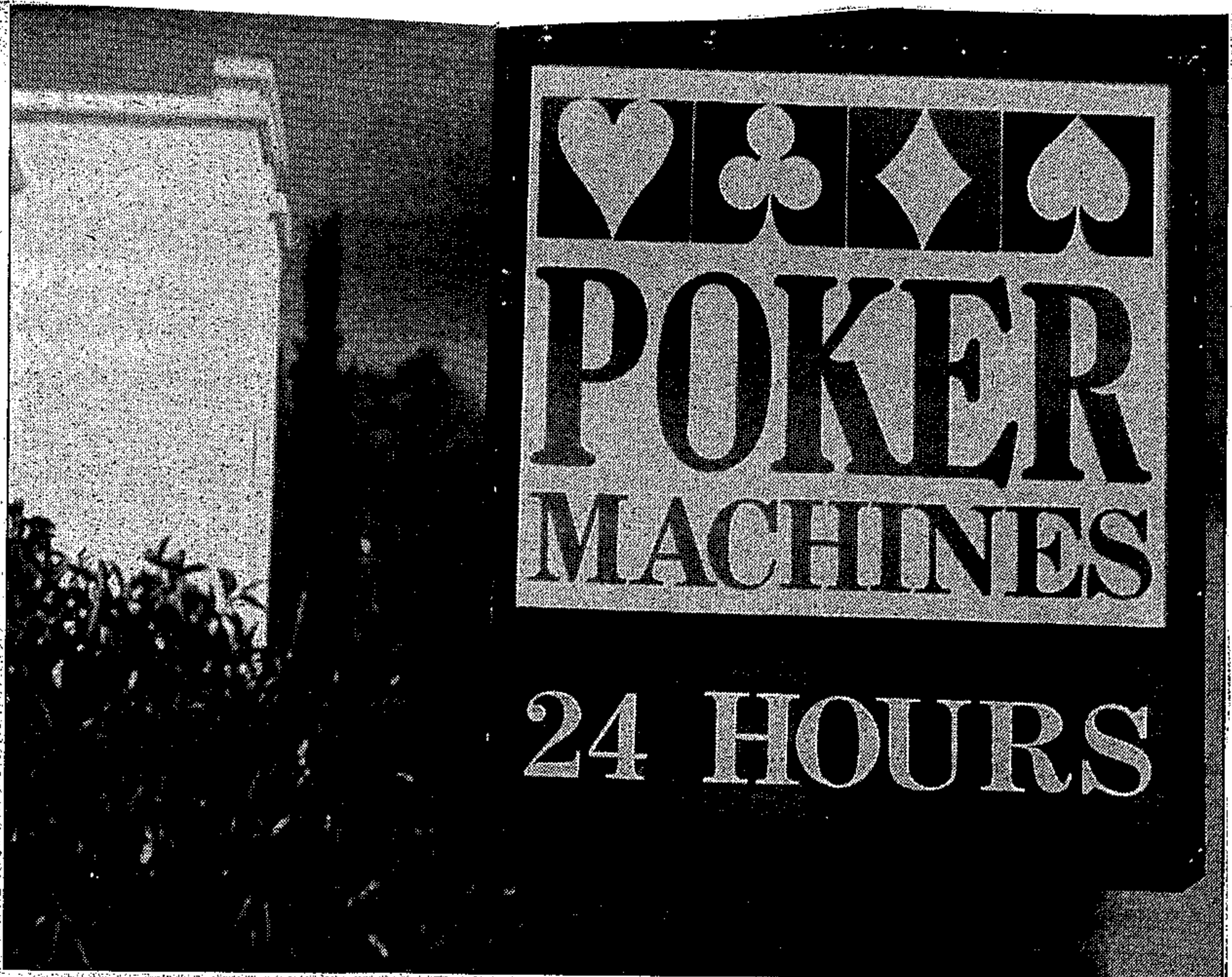
This will enable us to identify blockages and develop growth strategies for each of the industries. Policies arising from these studies will be presented later this year.

I am extremely proud of the draft white paper, of the process that went into formulating it, and of the overwhelming support that it has received. It has managed to unite an extremely fragmented arts community and gained extensive and wide-ranging support. It is gratifying that this document is owned and accepted by so many.

The white paper does not solve every single problem facing arts and culture in this country.

It does, however, succeed in reconciling public policies for arts, culture and heritage.

□ Mabandla is arts, culture, science and technology deputy minister.



Facing the axe: Gambling legislation to be passed by the provinces is to take a tough stand against unlicensed casinos

PHOTOGRAPH: HENNER FRANKENFELD

Sun keeps its place in the sun

M+G 19-25/7/96 (292)

Justin Pearce

SUN INTERNATIONAL is likely to end up with the lion's share of South African gambling licences despite being forced to cut back operations in some provinces. Southern Sun, a company once closely associated with Sun International, is also expected to be a major player, and a third operator is headed by a former Sun International executive.

Sun International is to remain in the gaming game as part of a consortium called African Sun International, which also includes Thebe Investments, Khulani Holdings, Real Africa Holdings, Vela International and the Women's Investment Portfolio.

According to a prediction in the latest edition of *The RDP Quarterly Report*, African Sun International will secure at least 10 of the 40 licences to be allocated nationally in terms of the National Gambling Bill, recently passed by Parliament.

A further 10 licences are likely to go to Tsogo Sun, a group which is owned in equal measure by Southern Sun and The Gaming Consortium. The Gaming Consortium includes black business groups Nafcoc and Fabcos, the National Council of Trade Unions, the South African Clothing and Textile Workers' Union and a community trust, the Ixopo Trust. The consortiums have been formed

in line with the Act's requirement that gambling operations not be dominated by white-owned corporations.

Another major bidder is Global Resorts, founded by Ernie Joubert who was formerly Sun International's marketing director, with the backing of Rand Merchant Bank. Global resorts is expected to pick up about five licences.

Vienna-based Casinos Austria, which operates casinos in 15 countries, is next month to launch a consortium called Casino SA Consortium which could receive eight licences. Local partners in the consortium include businessman Reuel Khoza, chairman of Co-ordinated Network Investments and Innovative Resorts, and merchant bank FirstCorp.

Hendrik Brand, Sun International's legal affairs director, said the company was satisfied with the provisions of the Bill.

While the bill does not permit any operator to run more than two casinos in any one province, this has been stretched to three in the case of Sun International. In the Eastern Cape and North West, where most of Sun International's casinos survive from homeland days, the company has until May 1999 to trim its operations to the prescribed number. The Eastern Cape and North West have each been granted five licences in terms of the national

plan, while Sun International currently operates seven casinos in each province. There are no legislative requirements on how quickly the group gets rid of its licences, provided it has fallen into line with the law by 1999.

Brand said the company would pay attention to "empowerment opportunities" in disposing of its licences, with a view to bringing in new investors and ensuring jobs would not be lost.

The loss of the casinos in those two provinces would leave Sun International with fewer than 16 casinos nationwide, 16 being the limit prescribed by the Bill. This would allow the company to start casinos in other provinces, Brand said. Sun International is already looking at opportunities in the Western Cape and KwaZulu-Natal.

The Bill has been sharply criticised by illegal casino operators, who face immediate closure, while Sun International has until 1999 to close down operations where required.

Brand dismissed these concerns: "The individual entrepreneur cannot be ruled out. They can come on board through the consortiums."

Brand added the Bill's provision for premises which could operate a limited number of gambling machines was an ideal opportunity for small investors.

10 SOUTH AFRICA

Cities a sure bet for casino profits

Local is lekker for casino operators as they concentrate on making their money in the cities, writes **Justin Pearce**

FORGET the tourists — it's local money we're after. That's the prevailing view among prospective casino operators, with the result that no one is going to try and build another Sun City. A report by consultants Ernst and Young estimates the potential value of South Africa's gaming industry at R3,5-billion to R4-billion, with as little as R25-million coming from tourists.

If South Africa's first wave of casinos, built in the former homelands,

were based on the plan of a large hotel and leisure complex with a casino among the attractions, the casinos to be built after the legalisation of gambling are going to be close to the cities. The typical customer will not be a weekend tripper but someone looking for a night on the town or a pastime more interesting than the afternoon soap operas.

Internationally, casinos make only 2% of their earnings from tourists.

Even Mpumalanga, a province which prides itself on its scenery and subtropical climate, is under no illusions about hordes of visitors filling its casinos.

"The majority of casino revenue comes from locals — that's accepted worldwide," says Andre Wilsenach, chief executive of the Mpumalanga Gaming Board. "We are fortunate to

get tourists from elsewhere, but that won't make or break the project."

Lazelle Krog, director of policy and legislative development in gaming and betting for the KwaZulu-Natal government, agrees: "Tourists won't drive our casinos. They need to be situated for access by day trippers. It's pointless to put a casino in the middle of nowhere."

Alan Hirsch, representative of Omar Sharif International which already has an option on a site near Soweto for a casino, names Cape Town, Johannesburg and Durban as the "three key centres" for setting up casinos. He also mentions smaller urban centres, Bloemfontein, Welkom, and Pietersburg — hardly the sort of places to attract tourists.

Casinos Austria representative Christian Neuburger says his com-

pany will be looking at a mix of city-based and resort casinos, but acknowledges the majority of customers will be local.

The current enthusiasm for city-based casinos puts a question mark over how long the Sun International operations in the North West and Eastern Cape — which owe their existence to the anomaly of homeland legislation rather than to market forces — can survive, once their clients have casinos a short drive away.

"We are not worried about continued viability," says Brand, "but that will depend on the actual positioning of the casinos."

He uses the example of Sun International's Wild Coast Sun, which currently draws much of its clientele from Durban, and which would be

seriously affected if a casino resort were to open closer to Durban on the KwaZulu-Natal south coast. A casino in Durban itself, which is almost a certainty, would be less likely to affect the Wild Coast Sun since weekend resorts will not be in direct competition with urban casinos, Brand believes.

Brand admits "Sun City has had its heyday. We must change the direction in which that resort is developed," he said.

Sun International is eagerly eyeing a licence for a Cape Town casino, Cape Town having the dual advantage of being both a major city and one of South Africa's favourite destinations for big-spending tourists. Sun International is also looking at Durban as the site for a future operation.

M+C 19-25 / 7 / 96

(292)

Mpumalanga gets on board first

M+G 19-25/7/96

(292)

Justin Pearce

MPUMALANGA launched its provincial gaming board on Wednesday, putting itself months ahead of the other provinces.

The result is Mpumalanga expects to issue its first casino licences by March next year, says Andre Wilsenach, the board's chief executive.

Most other provinces are talking of issuing licences in the first half of next year, but are going to have to move fast to catch up with Mpumalanga.

Wilsenach outlined the province's plan which is likely to be the blueprint for how other provinces set about issuing casino licences: from this week, the board will invite proposals from prospective investors. Investors are certain to be consortiums which will be able to show experience in the gambling business as well as a measure of black South African investment and a commitment to community development above plain profiteering, in line with the national act.

The provincial board will assess the first round of proposals on the basis of financial viability and the experience of the investors, eliminating some and asking others to submit more detailed proposals. From this shortlist will be chosen the preferred investors, who will be subjected to a thorough probity investigation before being granted the licences.

Wilsenach says the province will let the market determine where the province's four casinos are to be sited. To ensure a spread of casinos around Mpumalanga, the province has been divided into four zones, and one licence will be issued in each.

In addition to large casinos, the national act provides for licences to be issued to smaller operators, for example someone who wants to have a few gaming machines in a bar. Mpumalanga is to deal with these licences only after the licencing process for casinos is well under way.

The Constitution puts control over gambling in the hands of the provinces. Central government legislation provides a framework in which the provinces may operate, allocating 40 gambling licences to the various provinces. It is up to each province to pass legislation on how the industry will be regulated within its borders.

The original worthy recommendation of the Wiehahn report on the casino industry, that the bulk of the licences be granted to the poorer

provinces, has given way to hard economics, with wealthy Gauteng getting six licences, more than any other province. The Western and Eastern Cape, KwaZulu-Natal and the North West have five each; the Free State and Mpumalanga four; and the Northern Cape and Northern Province three licences each.

But according to a report by researchers at Ernst and Young, casino revenue is still going to be much more thinly spread in the poorer provinces. For instance, the Northern Cape, with three out of 40 casinos, is likely to account for only 1% of South Africa's gambling revenue, while Gauteng with its six casinos will account for 47% of revenue.

The regulated environment for gambling in South Africa has been welcomed by foreign investors. Christian Neuberger of Casinos Austria said "the solid legal framework in South Africa" with its checks against corruption provided confidence for investors which was often lacking in African countries. The need to bring local investors on board was not a deterrent, Neuberger said, since it is normal for foreign investors in the gaming industry to form local partnerships.

He warned though that "the closing down of illegal casinos is a basic requirement" for the success of the legal casino industry. Up to now the police in the various provinces have taken an inconsistent approach to illegal casinos. There are estimated to be 70 000 gaming machines in illegal casinos nationwide, concentrated mostly in the large cities. One problem has been the doubtful constitutional status of provisions in the old Gambling and Lotteries Act, which grants sweeping powers of arrest and prosecution against anyone found on premises where gambling is taking place.

In the Witwatersrand Supreme Court this week, the Gaming Association of South Africa, which represents the illegal casino operators, argued Gauteng casinos should be allowed to continue operating until the passing of provincial gambling laws will give them a chance to go legal.

As the provinces pass their legislation, the war on illegals is likely to become a priority. KwaZulu-Natal's act already provides for a 10-year prison sentence without the option of a fine for an unlicensed casino operator who does not shut up shop after a 30-day warning.

There are estimated to be 70 000 gaming machines in illegal casinos nationwide

MEC accused of stacking cards in his own favour

Ann Eveleth

MINORITY Front leader Ann Ekekele said the mushrooming of unlicensed casino operators in the province.

Rajbansi believes the legislation, under which existing operators will be forced to close in the next three months, will benefit large consortiums — including one in which Mlungu has an interest — bidding for the province's five casino licences.

August coincided with the adoption of provincial gaming legislation to end the mushrooming of unlicensed casino operators in the province.

Rajbansi believes the legislation, under which existing operators will be forced to close in the next three months, will benefit large consortiums — including one in which Mlungu has an interest — bidding for the province's five casino licences.

(244) (292) M + C 19-25/7/96

"The draconian measures tabled by Mlungu's department lay the rules in favour of the big boys," said Rajbansi, who said he intends introducing legislation which would prevent any minister involved in drafting gaming legislation from applying for a casino licence for three years after they resign.

Mlungu is the largest shareholder in Khulani Holdings, which last October launched a gaming consortium —

latter involved in drafting gaming legislation from applying for a casino licence for three years after they resign.

Mlungu is the largest shareholder in Khulani Holdings, which last October launched a gaming consortium —

tary Shaun Emslie confirmed the MEC's continued interests in the consortium, but denied these would benefit from his role in drafting legislation on the gaming industry: "I think the process outlined in the legislation would prevent any favouritism in the granting of licences. I don't think there has been any conflict at this stage, although if he stayed on until the licences are granted there could be," said Emslie.

A sure bet for casinos PAGE 10

Alleged Transkei bribe threatens Kerzner's Connecticut casino plans

Simon Barber

WASHINGTON — Sol Kerzner's alleged R2m bribe to former Transkei prime minister George Matanzima has emerged as a stumbling block in his attempts to build and manage a \$275m casino on the Mohegan native Americans' homeland in Connecticut.

The federal regulator responsible for approving the deal has been accused of blocking background checks into Kerzner's role in the bribe, and of tipping off one of Kerzner's partners

that the partner was the subject of a federal fraud investigation.

National Indian Gaming Commission chairman Harold Montean is also being criticised for dismissing staff protests that the 40% cut of net casino revenue the Mohegans have agreed to give Kerzner is far higher than normally permitted under federal law, and should be reduced.

The controversy, reported on the front page of yesterday's Wall Street Journal, erupted as the state of Connecticut, which had done its own back-

ground checks, was debating whether to join federal authorities in licensing Kerzner and Trading Cove Associates, his local partners, to operate the casino. A negative state finding could kill the project. Recognised native American tribes have a right to open full-scale casinos on their territory if the surrounding state so much as allows slot machines.

In the early 1990s the Mohegans teamed up with Trading Cove and Kerzner, who spent several million dollars on lawyers and anthropologists to

verify the Mohegan claims and obtain a few hectares of ancestral land from the state on which to build their casino.

The deal had to be approved by the three-member gaming commission whose chairman, Montean, is an advocate of Indian gambling. Montean, who has veto power over the commission, accepted the management agreement between the Mohegans and the Kerzner group last July over strong objections of the other two commissioners, who insisted that checks be completed. The chairman also outraged federal

prosecutors by disclosing to Trading Cove that one of its major shareholders, hotelier Richard Hertz, was under investigation for illegally disposing of assets shortly before a 1992 bankruptcy filing, the journal reported.

The paper said Montean had not been candid with Connecticut governor John Rowland when the latter demanded to know whether Kerzner had been fully checked out. Montean wrote to the governor suggesting checks had been completed. He now admits this was not so, according to the journal.



STAKING HIS CLAIM Joseph Morgan will defend his five gambling licences granted by the homeland government of KwaNdebele

PHOTO: JOHN WOODROOF

Gambling board may face court action

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By Ann Crotty

CONSUMER INDUSTRIES EDITOR

Cape Town — The Mpumalanga Gaming Board may find its efforts to establish a legal gaming environment hampered by court action unless a dispute over the legal status of five existing gambling licences is resolved.

A crucial element of the dispute is that the Mpumalanga government has accepted payments relating to these gaming activities. This acceptance would tend to acknowledge the legal standing of the casinos. But disagreement exists whether the KwaNdebele government had the power to grant a gambling licence.

The KwaNdebele government service granted Joseph Morgan a licence in respect of "a place of entertainment, gaming, betting and wagering" in September 1990. KwaNdebele is now part of Mpumalanga.

The licence was renewed in 1992. In September that year Vel

Mahlangu, KwaNdebele's minister of finance and economic affairs and Solly Mahlangu, the acting chief minister, supported a cabinet decision to allow Morgan to carry out gaming, wagering and betting activities.

Morgan was granted permission to proceed with his projects in KwaNdebele. Based on this, Morgan set up five casino operations and estimates that he has invested about R10 million. The casinos are Admiral Casino, located in Siyabuswa; the Novo Star Casino in Kwaggafontein; the Eka Star Casino in Ekangala; the Desert Star Casino in Badplaas; and the Zithabiseni Resort Club in Zithabiseni.

In accordance with the licence's terms, Morgan paid tax and levies on the income from his business, including a 5 percent levy on gaming revenue. These payments were accepted by representatives of the KwaNdebele Development Corporation and later by the Mpumalanga

Development Corporation.

If the casinos were legal then the provincial government was in a difficult position. In terms of the National Gambling Act, the province has the authority to issue only four casino licences. It is unclear whether Morgan's operations would be regarded as five distinct licences or consolidated to one.

Either way, if the operations were legal it reduced the number of licences that Mpumalanga had to offer. Industry sources said that any legal battle would hinge on whether the KwaNdebele government had the power to grant such a licence.

There is considerable disagreement on this score. André Wilsenach, the chief executive of the Mpumalanga Gaming Board, argues that in terms of the Self-Governing Territories Act of 1971 KwaNdebele did not have the competence to grant gaming licences.

He also said that Morgan had

not yet approached the gaming board about the problem.

Morgan's lawyers say that the KwaNdebele government "had the power to legislate in regard to sports pools and certain aspects of the operations of casinos".

Other legal opinion argues that as the casinos have been in operation for some time, the authorities "should have regard to the factual situation as matters of policy and fair dealing and not necessarily as matters of law".

Of lesser importance, from a legal perspective, is that Morgan's claim is strengthened by the fact that the Mpumalanga government accepted his payments related to gaming activities. Such acceptance would tend to acknowledge the legal standing of the casinos.

If Morgan does have a case, industry sources say he must be treated in the same way as Sun International. Wilsenach says that Morgan must come forward and apply for a licence.