



## **RESPONSE OF THE KWAZULU-NATAL GAMING AND BETTING BOARD TO REPRESENTATIONS RECEIVED FROM THE PUBLIC ON THE PROPOSED TRANSFORMATION GUIDELINES TO BE ADOPTED BY THE KZN GAMING AND BETTING BOARD**

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### **1. INTRODUCTION**

The KwaZulu-Natal Gaming and Betting Board ("the Board") held a public hearing on 26<sup>th</sup> September 2012 at the Protea Edward Hotel wherein the public was given an opportunity to make comments/representations; ask questions; and seek clarity directed to the Board's Transformation Discussion Document ("the discussion document").

Following the hearing, the Board decided to allow a further opportunity for the public to make any follow up representations and a period of nine days was granted for this exercise, that being 5<sup>th</sup> October 2012. The Board then undertook to consider all the submissions and representations made on the date of the hearing and provide its responses by Friday, 19<sup>th</sup> October 2012.

### **2. PURPOSE AND SCOPE OF THIS DOCUMENT**

The purpose of this document is to –

- 2.1 Acknowledge all representations, comments, messages of support, expressions of commitment, requests for clarity and all other forms of input made since the Board published the discussion document;
- 2.2 Express appreciation and gratitude to all stakeholders for their input and guidance on this important task of making sure that the imbalances created by the previous regime's unjust policies are completely eradicated;
- 2.3 Respond to each and every representation, comment, message of support, expression of commitment, request for clarity and other input made in response to the Board's invitation to engage on the Discussion Document; and

- 2.4 Outline the process towards finalization of a Transformation Minimum Standards Guideline that will guide the Board towards achieving its transformation objectives as set out in the Provincial Act, and to sufficiently inform all licensees and stakeholders of the Board's requirements on transformation.

### **3. BACKGROUND**

The KwaZulu-Natal Gaming and Betting Board was created in terms of Section 5 of the KwaZulu-Natal Gaming and Betting Act, 2010<sup>1</sup> ("the Provincial Act"). The objects of the Board as listed in section 6(1) of the Provincial Act are, *inter alia*, to

- promote opportunities for historically disadvantaged persons to participate in the horse racing and betting industries in the capacity of any of the persons required to be licensed or registered in terms of section 89, 94, 103, 110 or 111<sup>2</sup>;
- increase the ownership stakes of historically disadvantaged persons in the horse racing and betting industries<sup>3</sup>; and
- develop appreciation for and knowledge of horse racing amongst all communities, particularly those comprised of historically disadvantaged persons<sup>4</sup>.

With this discussion document, the Board intends working towards and achieving its legislative mandate. The Board believes that its goal will be achieved through the implementation of the transformation minimum standards that will form its ultimate guidelines after consideration of the representations made by the public, including our licensees and other stakeholders, who are interested in seeing transformation within the industry we regulate.

### **4. NOTES**

- 4.1 The Board notes the complaint raised by the KZN Bookmakers' Society that two of its members were unable to attend the public hearing because it was held on a Jewish holiday. The Board respects all religions and apologises for the inconvenience, however, this was only brought to the attention of the Board after the Notice of the Public Hearing had been published and all logistics related thereto finalised. The Board also took into account that the two members were represented by the Society and would be given a further opportunity after

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<sup>1</sup> Act No. 08 of 2010

<sup>2</sup> See section 6(1)(c) of the Provincial Act

<sup>3</sup> See section 6(1)(d) of the Provincial Act

<sup>4</sup> See section 6(1)(e) of the Provincial Act

the hearing to file any representations, if they so wish. We had also received confirmation from all sectors of the industry and their respective representative bodies that they would be in attendance.

- 4.2 The Board is aware that there are businesses that have gone ahead and started with the transformation process. We wish to acknowledge and appreciate the commitment and effort of these licensees and highlight that this proactive approach will assist them with future compliance requirements once the Board has adopted the final Transformation Minimum Standards Guidelines.
- 4.3 The Board will publish the contents of all input received save for those that were made in confidence. In that case and for the sake of completeness, the Board will only state the nature of the concern and/or comment made without divulging the confidential content of the document. A schedule of all inputs received is listed in Schedule A to this document. The documents received will be annexed to [Schedule A](#) and marked accordingly. The attendance register for the hearing held on 26 September 2012 will be made available on request.
- 4.4 The Board notes that some of the representations received merely criticize the discussion document tabled by the Board and do not in any way attempt to provide suggestions, solutions and/or proposals for the Board to take into account in its process of finalizing and ultimately adopting the Transformation Minimum Standards/Guidelines.
- 4.5 This response document together with all annexures thereto will be posted on our website, [www.kznngbb.org.za](http://www.kznngbb.org.za), and hard copies will be made available on request by any member of the public.
- 4.6 The Board has consolidated both the oral and written representations received as some were similar. In light of the fact that the Board will make the documents received available, we have summarized the contents for the purpose of our response.

## **5. SUMMARY OF ORAL AND WRITTEN REPRESENTATIONS RECEIVED BY THE BOARD AS AT 5 OCTOBER 2012**

The summary of such representations are as follows:

- The Board only has those powers given to it by legislation. There is no provision in either the Provincial Act or any other legislation giving the Board power to refuse new applications or applications for renewal of licenses merely on the basis that

the applicants are not 26% Black owned. The proposed requirements are therefore *ultra vires* the enabling legislation.

- In crafting the discussion document, the Board has drawn substantially on the November 2007 KZN B-BBEE Policy which is bereft of any real legal status. That policy stems from the national strategy framework on BEE which preceded the enactment of and was overtaken by the B-BBEE Act<sup>5</sup>. To the extent that they are not in harmony with the B-BBEE Act the provisions of the provincial policy are outdated.
- Does the Board intend to adopt a restricted definition of Historically Disadvantaged Persons, Previously Disadvantaged Individuals and/or Priority Population Group so as to exclude Indians, Coloureds, White Women, People with Disabilities and Black people who are not ordinarily resident in KZN from the beneficiaries of transformation?
  - The percentage for participation of women must be clearly defined to avoid a situation where they would be left out totally and purposely.
  - Could the Board also consider empowering White Women by including them in the list of beneficiaries of its transformation policies?
- The provisions of “the proposed Transformation Policy” are “impermissibly vague to operate as a set of requirements”.
- All licensees are required to attain the status of a level 2 B-BBEE contributor by 2012 according to a letter that came from the Office of the Premier some time ago. What will be the status this requirement once the Board adopts its own Guidelines? The following comments were made on this aspect –
  - “There are currently significant changes being proposed to the B-BBEE Act and its Codes of Good Practice, what is the standing of the Board regarding these. My view is that any discussions should include those changes as they serve to strengthen BBBEE”;
  - “The weightings and formulas of the BBBEE scorecard are such that a target of 26% in ownership and management control do not necessarily give you level 2 compliance. Level 2 is mathematically based on the assumption that you exceed targets”;
  - “The BBBEE pillars identified in section 3.4 do not all reconcile with the pillars in the current or proposed Codes of good practice. Although from a

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<sup>5</sup> B-BBEE Act of 2003

gambling Board perspective this may not be mandatory but this may be confusing for companies. If the intention is for licensed companies to achieve a level 2 (which is a good thing) then the Board's proposed pillars and specific measures must articulate with the pillars in the Codes";

- "In terms of the BBEEE scorecard methodology the ownership and management control targets do not exist as discreet entities that are implemented in isolation, performance may be variable on the different pillars as long as a level 2 is achieved. If the intention is to have a minimum threshold for ownership and management control that that is what must be clearly stated and discussed"; and
  - "The Board must be clearer on the legal standing of these proposals and the implications thereof on enforcement mechanisms".
- The requirement of Skills Transfer may tend to exclude those Black investors who are not qualified or not keen to operate the business at an executive level as companies may favour those who are more qualified and/or inclined to be executives.
  - Is it open for the small bookmaking businesses to rather make their BEE contributions through skills transfer only and not transfer of part ownership, e.g. opening a bookmaking school?
  - Does the discussion document affect other sectors of the gambling industry or is it intended to apply only to the horseracing and betting sector?
  - When is the intended policy going to apply?
  - What happened to the 20 bookmaker's licenses that were reserved for historically disadvantaged individuals?

## **6. BOARD'S RESPONSES**

### **6.1 THE BOARD DOES NOT HAVE THE POWER TO REFUSE APPLICATIONS FOR LICENCES MERELY ON ACCOUNT OF NON COMPLIANCE WITH TRANSFORMATION REQUIREMENTS.**

The Provincial Act enjoins the Board *inter alia* to –

- promote opportunities for historically disadvantaged persons to participate in the horseracing and betting industries in the capacity of any of the persons required to be licensed or registered in terms of section 89, 94, 103, 110 or 111;

- increase the ownership stakes of historically disadvantaged persons in the horse racing and betting industries; and
- develop appreciation for and knowledge of horse racing amongst all communities, particularly those comprised of historically disadvantaged persons.<sup>6</sup>

Section 7(2) of the Provincial Act provides that “the Board’s powers and functions, in respect of horse racing and betting, are to –

- undertake any investigation or inspection necessary to determine the suitability of an applicant for the granting of a licence or registration contemplated in section 89, 94, 103, 110 or 111;
- grant and issue, refuse to grant or issue, renew or refuse to renew a licence or registration contemplated in section 89, 94, 103, 110 or 111 ...”

This section grants unlimited powers to the Board to “grant and issue, refuse to grant or issue, renew or refuse to renew a licence or registration”. The Provincial Act does not provide a closed list of factors that must be taken into account in the exercise of this power. The Board is thus given discretion to determine, within the boundaries of fairness, what factors to consider when exercising this power. Certainly, those considerations must be in line with the objects of the Board.

It has been suggested that in the exercise of its power to “grant and issue, refuse to grant or issue, renew or refuse to renew a licence or registration” the Board is limited to the considerations stipulated in sections 30 to 37 of the Provincial Act. This suggestion is, with respect, devoid of any merit. None of the sections relied upon provides that the Board shall only have regard to a closed list of circumstances when exercising its powers to refuse or grant a licence application. Significantly, section 31 which deals with the grounds for refusal of licence begins with the following words,

*“31 (1) The Board, **without derogating from its powers to grant or refuse a licence application**, has the power to refuse a licence application under the following circumstances...”* (our emphasis)

The remaining sections deal with the application process<sup>7</sup>, disqualification for licence or registration<sup>8</sup>, representations by municipalities and interested persons<sup>9</sup>, the requirement that applications and representations must be open to public inspection<sup>10</sup>, the investigation of application and inspection of premises<sup>11</sup>, obtaining of further

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<sup>6</sup> See section 6(1)(c), (d) and (e)

<sup>7</sup> See section 30 of the Provincial Act

<sup>8</sup> See section 32 of the Provincial Act

<sup>9</sup> See section 33 of the Provincial Act

<sup>10</sup> See section 34 of the Provincial Act

<sup>11</sup> See section 35 of the Provincial Act

information<sup>12</sup> as well as the hearing of applications, investigation and summoning of witnesses<sup>13</sup>. None of these sections present a *numerus clausus* of circumstances that must be considered to grant or refuse applications for licenses.

Section 94 of the Provincial Act dealing with the application for, granting and renewal of bookmaker's licenses reads as follows –

*“94 (1) An application for a bookmaker's licence must be made to the Board in the manner prescribed by the Board and must be accompanied by the relevant application and investigation fees prescribed in Schedule 2, which fees are payable to the Board.*

*(2) The Board may, after it has satisfied itself that the applicant is not disqualified from holding such licence –*

*(a) grant such licence with or without conditions;*

*(b) refuse such licence; or*

*(c) refer the application back to the applicant for the submission of additional information.*

*(3) Where an application is refused, the Board must furnish the unsuccessful applicant with written reasons for the refusal of such application...”*

Nowhere in the chapter<sup>14</sup> dealing with Bookmakers in the Provincial Act is it stated that in exercising its powers to grant or refuse licenses or the renewal thereof the Board is restricted to a closed list of circumstances that it may consider. The section dealing with totalisator licenses<sup>15</sup> is couched in almost similar terms and there is again no closed list of circumstances to be taken into account when dealing with applications for totalisator licenses<sup>16</sup>.

The chapter dealing with Racecourse Operators<sup>17</sup> is somewhat more specific with regards to the achievement of the objects of the Board set out in section 6 of the Provincial Act. Section 89(3)(a)<sup>18</sup> provides that “the licence approved in terms of subsection (1), may not be issued unless the Board is satisfied that due provision will be made for the conduct and control of horse racing and betting on the said racecourse or racecourses in a manner which will facilitate the realisation of the objects of the Board contemplated in section 6(1)(a), (c), (d), (e) and (f)”.

Further, section 92(2) provides that “Application for the renewal of a licence issued in terms of section 89(1) for a further 12 month period must be made in the manner prescribed by the Board and be accompanied by the relevant fee specified in Schedule 2: Provided that the Board may only grant an application if it is satisfied that

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<sup>12</sup> See section 36 of the Provincial Act

<sup>13</sup> See section 37 of the Provincial Act

<sup>14</sup> Chapter 14 of the Provincial Act

<sup>15</sup> See section 110 of the Provincial Act

<sup>16</sup> Chapter 16 of the Provincial Act

<sup>17</sup> Chapter 13 of the Provincial Act

<sup>18</sup> See section 89 (3) (a) of the Provincial Act

the racecourse operator has made adequate progress in facilitating the realisation of the objects of the Board contemplated in section 6(1)(a), (c), (d), (e) and (f)."

The Board therefore has the power and is enjoined by the Provincial Act to take into consideration if any requirements approved by the Board have been complied with on application. It therefore follows that once the Board has set minimum standards for transformation, these will become a requirement for both new and existing applicants to comply with. The Board will then exercise its powers whether to "grant and issue, refuse to grant or issue, renew or refuse to renew a licence or registration". The discussion document and the consultative process that followed it are aimed at developing those minimum standards and requirements.

## **6.2 THE KZN B-BBEE POLICY IS OUTDATED AND WAS OVERRIDDEN BY THE B-BBEE ACT**

The KZN B-BBEE Policy<sup>19</sup> was developed and adopted in November 2007 long after the B-BBEE Act came into operation. The claim therefore that it was overridden by the B-BBEE Act is not well founded. It is worth mentioning that the B-BBEE Codes of Good Practice<sup>20</sup> came into being in February 2007, prior to the KZN B-BBEE Policy being developed. Although it may be argued that the KZN B-BBEE Policy does not have the force of a legislative enactment, this does not however make the document irrelevant. In our view, the KZN B-BBEE Policy provides a guide on the Province's strategy to achieve Broad-Based Black Economic Empowerment within the framework of the B-BBEE Act and taking into consideration the Province's unique demographics set-up and needs.

At this stage, it is important to highlight what the KZN Provincial Government has identified as its strategic goals towards B-BBEE. Such strategy sets the following goals:

- *Goal 1: Substantial increase in the number of Black people who have ownership and control of existing and new enterprises, particularly in the provincial government's priority sectors.*
- *Goal 2: Significant increase in the number of new Black enterprises, Black-empowered enterprises, and Black-engendered enterprises.*
- *Goal 3: Significant increase in the number of Black people who hold senior management and executive positions in enterprises.*
- *Goal 4: Significant increase in the proportion of the ownership and management of economic activities vested in community-based and*

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<sup>19</sup> KZN Broad-Based Black Economic Empowerment Policy

<sup>20</sup> B-BBEE Codes of Good Practice, 2007

*broad-based associations and enterprises, collective enterprises such as cooperatives, trade unions, and employee trusts.*

- *Goal 5: Significant increase in the number of Black young people, particularly rural young people, who acquire skills.*
- *Goal 6: Significant increase in the number of Black people who own land and other productive assets.*

It goes without saying that the Board's recommendations are in line, and/or take into account the above Provincial Government's view which is informed by the National Government's Black Economic Empowerment Strategy. There is, in our view, no contradiction or overlap in what the Board is trying to achieve with what is intended by Government's policy.

### **6.3 DOES THE BOARD INTEND TO ADOPT A RESTRICTED DEFINITION OF HISTORICALLY DISADVANTAGED PERSONS, PREVIOUSLY DISADVANTAGED INDIVIDUALS AND/OR PRIORITY POPULATION GROUP?**

The Board is bound by the provisions of Section 6(2) of the Provincial Act which defines a historically disadvantaged person as follows –

*“(2) For purposes of this section, a person is historically disadvantaged if that person is –*

*(a) a natural person, who before the Constitution of the Republic of South Africa Act, 1993 (Act 200 of 1993), came into operation, was disadvantaged by unfair discrimination on the basis of race, gender, disability, sexual orientation or religion; or*

*(b) a juristic person or association, and individuals referred to in paragraph (a) own and control a majority of its issued share capital or members' interest and are able to control a majority of its votes.*

The Board does not intend to exclude Indians, Coloureds, Women, People with Disabilities or any other group that may have been disadvantaged by unfair discrimination on the basis of race, gender, disability, sexual orientation or religion before the Constitution of the Republic of South Africa Act<sup>21</sup> (“the Constitution”). What this means is that all people who fall within the above definition of Historically Disadvantaged Persons, shall benefit from the Board's intended policy on transformation.

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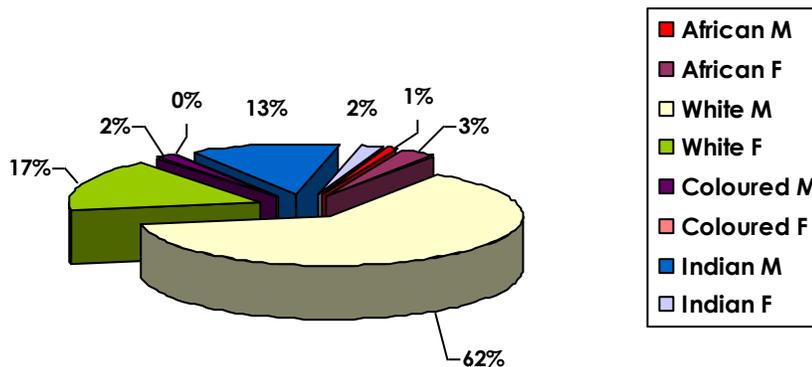
<sup>21</sup> Act 200 of 1993

The Board has noted that there is a gross imbalance in equity ownership of licensed businesses in this sector. In order to level the playing field, the Board intends to adopt a policy that seeks to promote the acceleration and increase in ownership by those individuals who fall within the definition of “Historically Disadvantaged Persons” and who have generally been excluded from equity ownership and skills development in this Industry (i.e. Black Africans).

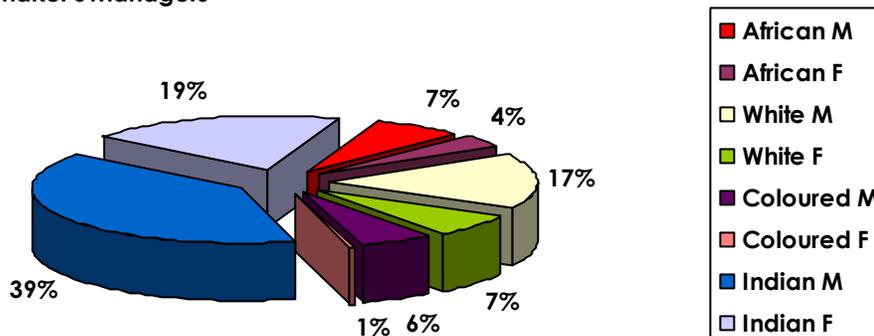
This in no way means that those individuals who fall within the definition of Historically Disadvantaged Persons, but belong to a group which has benefited or benefits generally from equity ownership in this industry, shall be excluded. In fact, the Board acknowledges that there are existing businesses that do comply currently (i.e. are owned by HDI groups). However, the Board strongly recommends that the businesses that are yet to transform, must take into account the demographics of the Province and thus accommodate the HDI groups which have been excluded from this industry (i.e. Black Africans).

The tables below outline the ownership by licensees within the Bookmaking Sector.

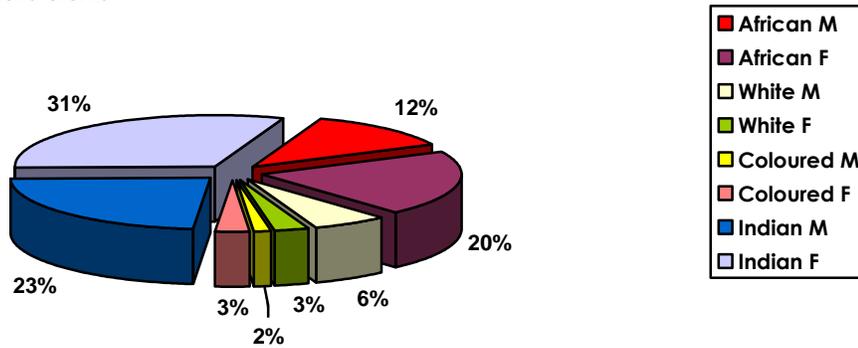
**Bookmaking Licensees**



**Bookmaker's Managers**

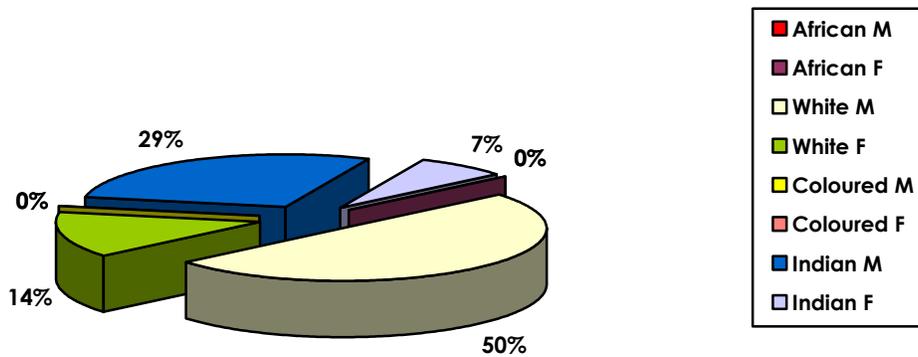


**Bookmaker's Clerks**

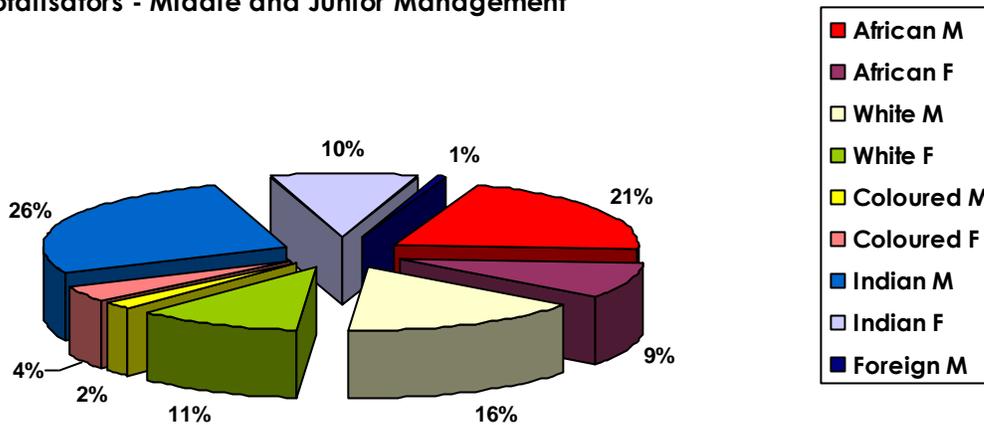


The tables below outline the current ownership by licensees within the Totalisator Sector. As at 31 January 2012, the Totalisator employed 1566 staff members. The demographics per level are set out below:

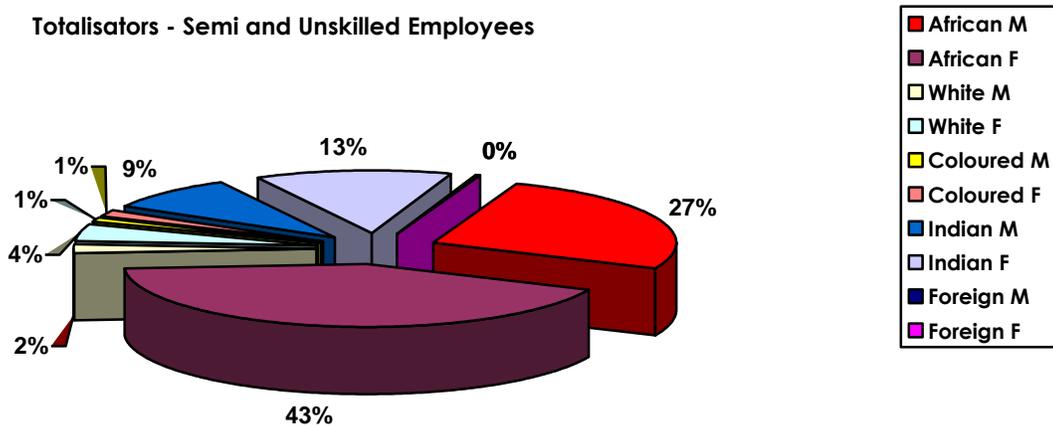
**Totalisators - Executive and Senior Management**



**Totalisators - Middle and Junior Management**



**Totalisators - Semi and Unskilled Employees**



It is clear from the foregoing that any policy that is adopted by the Board will need to address the clear imbalances presented above. It must be appreciated though, that whilst clarity and certainty is essential it may not be possible and/or prudent to set hard and fast and inflexible principles/requirements for all business models. Therefore, whilst the intended guideline needs to set out its principles and/or minimum requirements clearly and with a degree of precision, it must allow some flexibility so that each application is assessed on its own merit taking into account its proposed or existing business model and how it can meet the set minimum requirements.

**6.4 THE PROVISIONS OF “THE PROPOSED TRANSFORMATION POLICY” ARE “IMPERMISSIBLY VAGUE TO OPERATE AS A SET OF REQUIREMENTS”**

The discussion document contains certain proposals on how the Board can best achieve its transformation objectives but it is not the intention of this document to set out hard and fast requirements. This will then inform the formulation and adoption of guidelines which will contain minimum standards to be complied with by our licensees and/or applicants.

**6.5 WHAT IS THE RELATIONSHIP BETWEEN THE REQUIREMENT THAT LICENCEES MUST ATTAIN BEE LEVEL 2 STATUS BY 2015 AND THE INTENDED MINIMUM REQUIREMENTS?**

The Board does not seek to replace the B-BBEE Codes of Good Practice or any other requirements of the B-BBEE Act with the intended transformation minimum standards/guidelines. The requirements of the B-BBEE Act and the Codes are binding on licensees and the Board does not have authority to waive compliance with those requirements. The question is whether the directive issued at National level, that licensees must have attained B-BBEE level 2 contributor status by 2015, will in any way be affected by the intended transformation guidelines and if it will, what will be the relationship between the two sets of requirements.

It is noteworthy that the requirements which the Board proposes to make to achieve transformation in the horseracing and betting industry are all to be found in the seven pillars constituting the Codes of Good Practice. This can only mean that compliance with the Board's requirements will enhance the contributor status of a licensed business entity. The two sets of requirements under consideration are therefore not mutually exclusive but are on the contrary complementary of each other. All that the Board's proposed requirements do is to focus on certain priority pillars in accordance with the objectives of the Board.

When developing the proposed transformation requirements consideration was had to the B-BBEE Codes of Good Practice, 2012<sup>22</sup>. Cabinet has noted the B-BBEE Codes of Good Practice, 2012 and these have been published for public comment. The revised codes facilitate and accelerate the implementation of B-BBEE. The draft codes introduce priority elements being ownership, skills development and supplier development. These adjusted B- BBEE elements are adjusted in accordance with Government's key priorities. The Board's proposed requirements incorporate the priority principles of ownership and skills development/transfer but do not require the completion of a score card.

It must be noted that the Board is in the process of aligning licensees' requirements in terms of CSI compliance. All these elements fall under the B-BBEE requirements and therefore none of the Board's initiatives are in contravention with National Government's policy.

A recommendation was made that the discussion document aligns aspects of transformation to the B-BBEE codes so as not to create confusion. The transformation requirements that the Board intends to adopt are not a sector code in terms of Section 9 of the B-BBEE Act.

#### **6.6 THE REQUIREMENT OF SKILLS TRANSFER MAY TEND TO EXCLUDE THOSE BLACK INVESTORS WHO ARE NOT QUALIFIED OR NOT KEEN TO OPERATE THE BUSINESS AT AN EXECUTIVE LEVEL**

The Board does not intend to be too prescriptive on this requirement as each business may have its own unique and different circumstances and imperatives. It is therefore not the intention to make a hard and fast requirement that the 26% BEE shareholder should in person actively participate in the management and control of the licensed of the licensed business. The Board does recommend that a requirement is made that each licensee must have a skills transfer programme which seeks to train and to transfer skills to Historically Disadvantaged Individuals. What the Board seeks to avoid with this requirement is attempts of window dressing by businesses. Once transformation minimum standards are adopted and implemented, the Board will monitor any such attempts.

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<sup>22</sup> Revised Broad-Based Black Economic Empowerment Codes of Good Practice 2012, for public comment (Notice 800 of 2012)

The Board's understanding of operational involvement, skills development and skills transfer is as defined in the Provincial Government's B-BBEE Strategy:

- *“Operational Involvement: Operational involvement entails Black people being involved in the CORE operations (not just as security, cleaners, messengers and filing clerks) of a company at senior, middle and lower management levels as well as at line function level.*
- *Skills Development: The process of engaging in activities that advances the knowledge, experience, attitude, and general ability needed in the work place.*
- *Skills Transfer: The process of conveying requisite knowledge, experience, attitude and general abilities needed in the work place to persons or group who previously may not have had such work place knowledge, experience, attitude and general abilities.”*

#### **6.7 IS IT OPEN FOR THE SMALL BOOKMAKING BUSINESSES TO RATHER MAKE THEIR BEE CONTRIBUTIONS THROUGH SKILLS TRANSFER ONLY AND NOT TRANSFER OF PART OWNERSHIP?**

The requirement of ownership transfer is central to the Board's intended policy and cannot therefore be compromised, replaced or substituted with or by any other requirement. As stated above, the aim is to make skills transfer a requirement on its own. The Board intends to make it a requirement that each licensee must have a skills transfer programme which seeks to train and transfer skills to Historically Disadvantaged Individuals. It shall therefore not be open to licensees to choose to comply with only one of the two requirements. The Board's view/proposal is that any Qualifying Small Enterprise (QSE) with an annual turnover of more than R5 million should comply without exception. The Board recognises the nature of the Bookmaking industry and although it would appear that some bookmakers appear to be small businesses, they will be classified as Qualifying Small Enterprises and are therefore subject to B-BBEE compliance where annual turnover is more than R5 million.

#### **6.8 DOES THE DISCUSSION DOCUMENT AFFECT OTHER SECTORS OF THE GAMBLING INDUSTRY OR IS IT INTENDED TO APPLY ONLY TO THE HORSERACING AND BETTING SECTOR?**

The discussion document is intended only for the horseracing and betting sector in line with the objectives set out in section 6(1) (c), (d) and (e). The Board will from time to time evaluate and review the transformation requirements applicable to all sectors in the gambling industry to achieve alignment with legislation, national and provincial

standards and strategies, as well as to achieve some uniformity in the industry where practicable.

These transformation minimum standards will also apply to the LPM industry. The Board is mindful of the fact that there has been minimum compliance requirements (i.e. two out of ten site operator applications should be HDI). Now the Board's proposal is for three out of ten. This is in line with what the Board has proposed for the totalisator, which is that 30% of their agents should be HDI.

#### **6.9 WHAT HAPPENED TO THE 20 BOOKMAKER'S LICENCES THAT WERE RESERVED FOR HISTORICALLY DISADVANTAGED PERSONS?**

The Board is well aware of the bookmaker licenses that were earmarked by the Office of the Premier in 2005 which were targeted for Historically Disadvantaged Persons. The intention was to dispose of 15 licenses by way of public tender. Of these 15 licenses, only five are fully operational. It can never be argued that this measure taken by the Provincial Government did not fully achieve the intended objectives of socio-economic development and black economic empowerment.

The Board has not completely discarded this measure of empowering HDIs but is also exploring other means to expedite the achievement of its legislative mandate to transform the industry it regulates.

The Board is of the view that one of the best measures to achieve Government's objectives is to encourage further participation by HDIs in the existing successful businesses that have not yet transformed. .

#### **6.10 OUTLINE OF PROCESS TOWARDS FINALISATION OF THE GUIDELINE AND WHEN IS THE INTENDED POLICY GOING TO APPLY**

The Board, after taking into account all comments, questions and submissions made, will deliberate on this document and hold a workshop with Management so that final input is made from an implementation perspective. The final document which will also spell out the timelines will thereafter be adopted by the Board.

- This document and all comments and input made will be published on our website on or before 19 October 2012;
- The Board will then develop and adopt Transformation Minimum Standards Guidelines based on its mandate and taking into account the representations made by the industry and members of the public;

- The Transformation Minimum Standards Guideline will be published and brought to the attention of all licensees, stakeholders and the general public; and
- The Board will then determine the date of application of the Guideline.

**Send Enquiries to:** **Mthandeni Mthiyane**  
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