

## WESTERN CAPE GAMBLING AND RACING BOARD

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### Overberg Casino Development Project

Report on the achievement of undertakings in respect of Empowerment

by Caledon Casino Bid Company (Pty) Ltd (“Bidco”) by the

Social Equity Committee of the Western Cape Gambling and Racing Board

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#### **AMBIT OF REPORT:**

This Report traces the measures adopted by the Social Equity Committee (“the Committee”) of the Western Cape Gambling and Racing Board (“the Board”) to monitor and ensure the delivery of all empowerment undertakings made by the holder of the Overberg casino operator licence, Bidco, in its bid documentation. As such, the report sketches the emphasis placed on empowerment initiatives and undertakings as a cornerstone of the licensing process in this Province, their articulation in the Policy Determinations developed by the Provincial Cabinet, their status as key criteria for the evaluation of licence applications in the Board’s Request for Proposal (“RFP”), the role played by such considerations in the evaluation of the various applications and their eventual incorporation into the conditions of the relevant licence.

In addition, this report focuses on the origins and constitution of the Committee, its functional parameters and approach and the nature of the investigations conducted at its instance, as well as the findings made by it at the conclusion of the construction phase of the casino component of the Project.

### **THE POLICY DETERMINATIONS:**

A number of the Policy Determinations developed by the Provincial Cabinet stress the pivotal importance of the goal of empowerment of previously disadvantaged persons (“PDI’s”) in the licensing process in this Province. Relevant extracts from the Policy Determinations read as follows:

“1.2 The Board shall, when considering applications for casino operator licences, have regard to the following:

- (a) ...
- (b) ...
- (c) ...
- (d) ...
- (e) the applicant's contribution to the empowerment of local disadvantaged groups in this Province through both employment and equity ownership;
- (f) the degree of employment by the applicant of local professional consultants, construction entities and contractors from the emergent sector in this Province;
- (g) the number of new casual and permanent jobs to be created on-site in the casino and all its ancillary facilities;
- (h) the envisaged degree of employment by the applicant of staff from this Province for all aspects of the operation;
- (i) the programmes envisaged by an applicant to train his or her staff to enable them to progress within the operation;
- (j) the location of the casino and the compatibility of the proposed site with the relevant planning and development policies for the area, with due regard to its accessibility to all sectors of the community, and
- (k) the extent to which sustainable community facilities and the provision of tourism infrastructure will be provided.”

## **THE RFP AND ADJUDICATION PROCESS**

The above criteria were in turn incorporated into the RFP, so that all applicants could be fully apprised of the degree to which empowerment considerations would play a role in the eventual allocation of the licence. In the Board's eventual adjudication of the various applications received, emphasis continued to be placed upon the importance of the extent to which proposals made by the applicant contributed towards the realisation of the community benefits sought by the Board.

The concept "community benefits" included the following key sub-criteria:

- Employment opportunities (opportunities for local employment, including direct and indirect, temporary and permanent, arising out of the development).
- Employment Mix (Projected composition of employees for whom provision is made, including provision for gender and the disabled).
- Social Impact (Mitigation of the negative potential social impacts of a casino development on neighbouring communities).
- SMME's (The degree of promotion of small, medium and micro businesses in the Region).
- Involvement of previously disadvantaged communities in the development through investment and ownership.
- Training (Training of employees, with due regard to employment mix, at various levels of employment).
- Problem Gambling (Awareness of and steps to be taken to mitigate the potential negative impact of the casino, such as education and rehabilitation).

The above criteria were taken into account by the Board in its evaluation of the application submitted. In consequence, it was acknowledged to be of great importance to ensure that all undertakings made in respect of empowerment, as in the case of other key areas of the project, would be honoured. This was achieved by way of the incorporation of these undertakings, by reference thereto, into the eventual licence conditions.

### **CONDITIONS OF CASINO OPERATOR LICENCE AWARDED TO BIDCO**

In accordance with the observations made above, Condition 29 of the casino operator licence issued to Bidco stipulates as follows:

**“29. All commitments and undertakings made by the licence holder in respect of the empowerment of previously disadvantaged persons or communities, both in its bid documentation, and any amendments or supplementations thereto approved by the Board or agreed to between the licence holder and the Social Equity Committee of the Board (as ratified by the full Board) subsequent to the lodgement of its Proposal shall be adhered to by the licence holder and monitored through a regular people’s audit.”**

The purpose of the above condition was to ensure that compliance with empowerment undertakings made by the licence holder could be enforced. It was also recognised that, in view of the extensive and detailed nature of the undertakings made, it would be necessary to constitute a committee, the purpose of which would be to monitor the implementation of the relevant undertakings, to conduct audits designed to quantify levels of compliance and to deal with queries and concerns which might arise as well as all other matters germane to the delivery of the empowerment undertakings. In accordance with the above objectives, the following further conditions were inserted into the relevant casino operator licence:

- “25. The licence holder shall establish and fund monitoring committees between itself, the Board, the Municipality of Caledon, and such other entity as may be required by the Board, in order to monitor the implementation of the project and the developmental conditions. These committees shall meet on a monthly basis once the licence has been issued and shall function under the chairmanship of a person nominated by the Board.**
- 26. All costs incurred by the Board in evaluating and monitoring the progress and completion of the Project shall be for the account of the licence holder, pursuant to the provisions of section 12 (22) of the Law, provided that the Board shall consult with the licence holder on a regular basis with a view to ensuring that such costs are not excessive or inappropriate.”**

The above conditions ensured that meaningful monitoring of the delivery of empowerment undertakings could take place.

### **ESTABLISHMENT, COMPOSITION & FUNCTIONS OF THE COMMITTEE**

In accordance with the provisions of Condition 25 of the licence, the Board established a Social Equity Committee, funded by the licence holder pursuant to Condition 26. The functions of this Committee are to monitor and evaluate compliance with the empowerment undertakings of licence holders, bearing in mind the fact that it is of importance to ensure not only that the quantitative elements of the empowerment undertakings, such as the targets set, are met, but also that the qualitative aspects bear up to scrutiny. In this regard, for example, it is important to ensure that empowerment initiatives are meaningful in terms of nature and content, are accessible, are as broad-based as possible and in fact have the effect for which they were designed.

The Committee, which incorporates a number of Board members, certain staff members and representatives of the relevant licence holder, meets on a monthly basis and addresses itself to progress made in respect of a number of issues. Its agenda is largely generic in

nature with every meeting addressing the listed topics, and information being updated and discussed on a regular basis. Agenda items typically include an assessment of progress made in respect of key areas of concern. Attention is accordingly focused on, *inter alia*, the extent to which the development has created accessible employment opportunities for Affirmable Business Enterprises (“ABE’s”) and Small, Medium and Micro Business Enterprises (“SMME’s”), created structures enabling such opportunities to be maximised, the extent to which concession and other opportunities in the Project have been made accessible to Previously Disadvantaged Persons (“PDI’s) or Entities and the degree to which empowerment has been achieved through training and related measures.

The above procedure enabled all parties to remain focused on the realisation of the many empowerment benefits which the Project has to offer in a spirit of mutual co-operation.

## **MEETINGS OF THE COMMITTEE**

The Committee commenced its formal functioning on 11 November 1999, before the final grant of the licence issued in respect of the Cape Metropole. At this juncture, the Committee focused its energies on developing a protocol for its future functioning and seeking unanimity as to the parameters within which it would operate.

After a number of initial meetings, consensus was reached on the format for future meetings, the status and functioning of the Committee, the extent of its decision-making authority, its manner of reporting to the Board and, crucially, the manner in which compliance by the licence holder with empowerment deliverables could meaningfully and effectively be monitored by the Board.

Initially, the Committee conducted formal meetings at least once every month, and continues to meet regularly. However, contact between the licence holder and the office of the Board in respect of empowerment issues is not confined to such meetings. Ongoing interaction between the office of the Board and representatives of the licence holder is

required and maintained in order to ensure that the Board remains up to date with all developments affecting compliance with empowerment deliverables. Thus, in instances where the office of the Board receives feedback or queries from individuals regarding aspects of the licence holder's empowerment structure or its *modus operandi* in executing the policies ascribed to by it, these are immediately referred to the licence holder for its comment. All the relevant documentation is then placed before the Board component of the Committee for its consideration and decision. So, also, the licence holder is required to submit a monthly report following the format of the generic agenda in advance of each meeting to enable the Board component of the Committee to familiarise itself with the issues to be raised at the meeting and so to facilitate meaningful interaction between the parties. In addition, the Committee played an active role in the creation of a consultative forum to facilitate enhanced communication between the operator and its various empowerment partners.

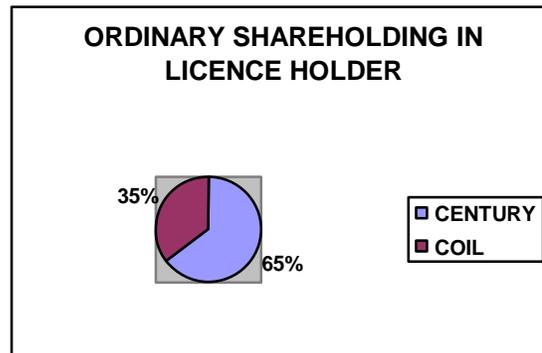
A representative of the Board's office has also regularly visited the offices at which statistics and records in respect of the evaluation, selection and appointment of empowerment sub-contractors and suppliers, the work performed by them, the value thereof and their payment are maintained, for the purpose of conducting audits aimed at verifying the monthly statistics furnished to the Committee by the licence holder. These are physical audits entailing a thorough examination of all records kept, invoices submitted and payments made to PDI's and ABE's. This approach enables the Committee to quantify the licence holder's compliance with the targets set by it on an ongoing basis, while the perusal of records relating to the manner of evaluation and selection of suppliers and sub-contractors enables the Board, through the Committee, to monitor the extent to which the empowerment undertakings of the licence holder are being achieved on a qualitative level. The cumulative statistics gathered by way of this process, and thus the licence holder's compliance with the targets set, will be addressed and analysed in detail at a later juncture in this report.

In addition, the Board has also conducted site visits involving physical inspections of all relevant facilities.

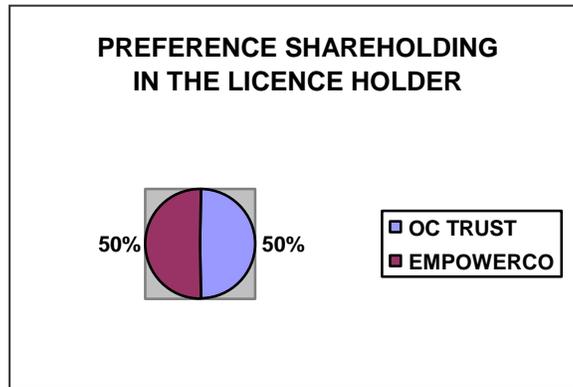
## EMPOWERMENT UNDERTAKINGS MADE BY THE LICENCE HOLDER

The empowerment objectives set and undertakings made by the licence holder are comprehensively set out in its bid documentation. Specific undertakings are made in respect of shareholders, employees and suppliers of the licence holder on the one hand and members of the community on the other. This report will briefly outline the key deliverables identified in the bid, but it must be stressed that the areas covered by this report are not exhaustive.

In respect of shareholders, the licence holder has committed to an equity investment structure designed to assist historically disadvantaged shareholders to procure equity with the minimum of financial exposure. Thus, 100% of the existing preference shareholding in the licence holder is in empowerment hands. In respect of its ordinary shares, Bidco is held as to 65% by its casino operator, Century Casinos Africa (Pty) Ltd (“Century”) and 35% by Caledon Overberg Investments (Pty) Ltd (“COIL”). The current shareholding in the company can be graphically portrayed as follows:



However, as has been indicated, 100% of the preference shares issued in the licence holder is in empowerment hands. In this regard, 100 preference shares each have been allocated to the Overberg Community Trust (“the Trust”) and the Overberg Empowerment Company Limited (“Empowerco”), as indicated in the graph below:



The above preference shareholding, which was issued to Empowerco and the Trust at no cost, entitles the two empowerment stakeholders to 10% each of the after tax profits of the casino operation, after the deduction of rentals and other expenses directly attributable to the casino operation.

The Trust has been set a broad mandate, embracing the following objectives *“to develop and fund the following: job creation programmes; encourage small business development; promote and fund RFP-defined infrastructural projects; provide community facilities at the resort and tourist-related services and assist with fund-raising, entertainment and cultural exchanges. The Trust will also perform a social awareness role in fund-raising organizations involved in compulsive gambling rehabilitation and monitoring the social contract between the casino developers, the town council and the community.”* The trustees broadly represent all the major towns within the Overberg region, ensuring that the objective of local community involvement and participation in the Project may be meaningfully implemented.

Similarly, Empowerco is a private company providing local previously disadvantaged members of the region with direct participation in the Project through preference shareholding, as well as representation, together with the Trust, on the Board of the licence holder.

Over and above its equity structuring, the licence holder has committed to a series of measures aimed at community empowerment through a well-documented human

resources policy, and one of the conditions of the licence is that a minimum of 80% of the employment opportunities in the Project (both in respect of the construction and the operational phase) be assigned to persons from the Overberg Region or the Western Cape.

Furthermore, in respect of procurement, it was agreed between the Board and the licence holder that a minimum of 30% of the work performed during the construction phase of the Project would be allocated to PDI's and ABE's.

In fashioning its policy in respect of empowerment during the operational phase of the Project, the licence holder has focused on the development of small businesses in the Region, through the provision of trading facilities. This has been accomplished through the creation of the Village Emporium, a community-based trading centre which is located within the development, exposing visitors to the casino and the area access to a craft market offering locally manufactured products. The Trust has been given the responsibility of implementing a programme providing both financial assistance and advice to small businesses participating in this initiative. Details as to the manner of functioning of the Trust and its approach in the execution of its mandate have been made available to the Board. The Trust is also represented on the Committee and monthly feedback is therefore provided as to the ongoing activities of the Trust. Noteworthy amongst these activities is the creation and ongoing administration of the Overberg Community Trust Resource Centre, housed in a building on site. The Resource Centre premises were provided to the Trust at no cost, and were renovated to house the offices of the Trust as well as a number of diverse training facilities, including a kitchen, a workshop for the use of crafters, a nursery and a herb garden. In addition, the renovation of the premises was undertaken as an empowerment project, having been used as a vehicle for training in building skills.

## **MONITORING IMPLEMENTATION OF EMPOWERMENT DELIVERABLES**

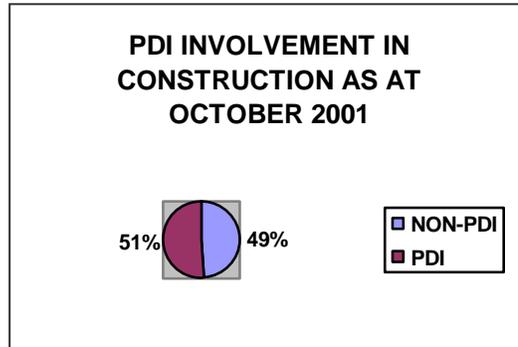
The specifics contained in the bid documentation and the licence conditions, such as targets (whether numerical or percentile) and budgetary commitments are quantitative elements of the empowerment undertakings made in the original bid of the licence holder which the Committee is able to monitor on an ongoing basis. Thus, the Committee has, for example, throughout the construction phase of the development, closely monitored the licence holder's compliance with the affirmative procurement target of 30%.

Apart from the monthly reports which the licence holder is required to furnish in this regard, representatives of the Board have made physical visits to the premises on which all relevant documentation is kept. The credentials of the business entities or persons to whom work has been allocated have been examined to determine whether they qualify as empowerment entities or individuals. Audits have been performed to ensure that the amounts reported to have been expended on affirmative procurement are accurate, that invoices matching such amounts have been presented to the licence holder by the relevant persons or entities, and that such amounts have been paid over within a reasonable time.

The tables furnished below provide statistics in terms of certain (although not all) key deliverables of the Bidco empowerment undertakings which have been monitored on an ongoing basis by representatives of the Committee. The figures actually achieved are measured against the targets set in the bid or stipulated in the licence document itself to determine the level of compliance with the empowerment objectives set by the licence holder and, correspondingly, compliance with the conditions of the casino operator licence issued to the company.

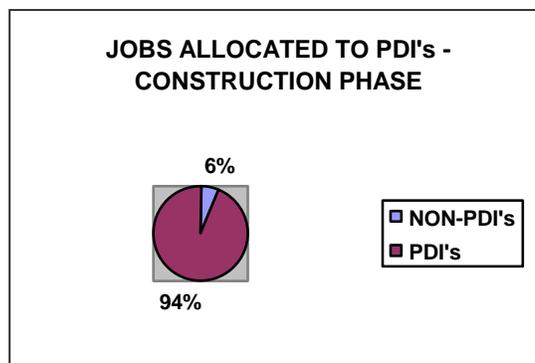
In respect of the level of involvement of PDI's and ABE's in the construction performed to date, of an initially estimated total construction cost of R19 986 573,00, the costs actually incurred escalated to R24 957 510,68, of which PDI's have performed work to the value of R12 771 314,61, which, as is indicated by the table below, amounts to 51,17% of the total work performed. It must be borne in mind that the above costs are

costs incurred as at October 2001, taking into account also that the casino opened during 2000, and that therefore the bulk of the construction had by then been completed.

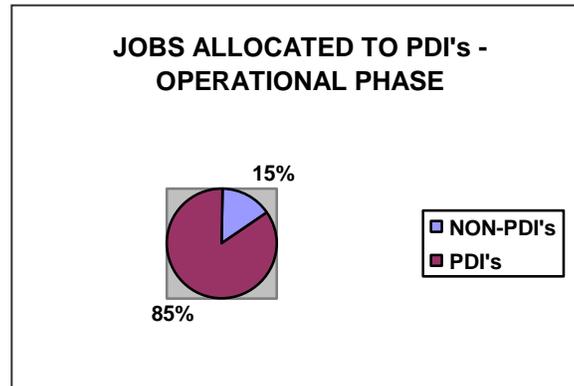


It must also be taken into account that certain other contracts other than the joint venture construction contracts referred to above have been entered into. Thus, in the allocation of civil works, electrical installations and landscaping, a further sum of R8 668 863,00 has been expended by the licence holder in respect of the development. Of this further sum, work to the value of R4 373 179,00 was allocated to empowerment persons or entities. If these figures are added to those reflected in the table above, the empowerment breakout total (R 17 144 493,61), expressed as a percentage of the total value of work allocated by the licence holder (R 33 626 373,68), amounts to 50,98%, well in excess of the overall target of 30%.

The table shown below further illustrates the fact that, of 70 jobs created during the construction phase to date, 66 have been allocated to PDI's, signifying that 94% of the total jobs created during the construction phase have been taken up by PDI's.



An analysis of the job-creation statistics in respect of the operational phase of the Project reveals that of a total of 454 jobs created by the development to date, 387 have been allocated to PDI's, amounting to 85% of the employment opportunities created, as is shown below:



It is important to note that the above statistics not only reveal compliance by the licence holder with the conditions of the casino operator licence awarded to it, but performance over and above the objectives originally identified in its bid. For example, in respect of the allocation of work opportunities to ABE's and PDI's during the construction period, it will be noted that the target percentage of 30% was exceeded by 20,98%, signifying that the percentage of the target achieved (in terms of actual empowerment value reached) amounts to 169,95%.

It is therefore clear that it can be concluded beyond any doubt that the licence holder has by far exceeded its targets and commitments in respect of empowerment breakout during the construction phase.

In respect of training undertaken in relation to the operational phase, a total of 197 persons were trained as dealers (39), inspectors (15), cashiers (22), surveillance operators (9), security officers (37), waitrons (40), slots technicians (22), count clerks (3), count

assistants (5) and guest relations officers (5). In addition, during the period of closure of the hotel all existing and new hotel employees had received training.

Over and above the above training, business skills training was and will continue to be provided to all outsourcing project awardees and their employees, with life skills training having been presented to members of the Trust and Empowerco on the initiative of the Board.

In addition to the above, the Committee monitored the allocation of concession opportunities in the Project to individuals or entities having PDI representation. In this regard, concession opportunities have been awarded in respect of a fast food facility, the crèche and the amusement centre. All the opportunities awarded provide for the involvement of previously disadvantaged persons or entities. At present, the Trust is administering the crèche, the amusement centre and the retail outlet located on the licensed premises, while the fast-food outlet has been taken up by an empowerment-controlled entity.

The outsourcing of a number of further opportunities in respect of the development such as further fast food and retail outlets, housekeeping, transport and parking are being considered and negotiated and the allocation of all such opportunities will be monitored by the Board.

## **MONITORING OF QUALITATIVE ASPECTS OF EMPOWERMENT**

By far the greatest challenge facing the Committee was the formulation of an approach designed to ensure that the qualitative aspects of the implementation of empowerment undertakings were satisfactory. In this regard, it must be acknowledged that the overriding aim was to mould an approach which maintained the correct balance between ensuring formal compliance with licence conditions, on the one hand, and ensuring that the *manner* in which compliance was achieved passed muster.

The Committee was alive to the fact that, while it had a responsibility to the community to ensure that empowerment of the broad-based nature promised took place, it could not unduly interfere in internal decisions made by the licence holder which *prima facie* fulfilled the conditions spelled out in the licence.

However, the Committee investigated and critically evaluated the process by which the licence holder allocated opportunities in the Project, paying particular attention to the mechanisms put in place in order to ensure that the empowerment credentials of competing entities would be fairly taken into account in determining to which entity any particular opportunity should be granted.

Having satisfied itself as to the approach of the licence holder in evaluating the credentials of tenderers and allocating opportunities, the Committee was able to deal with instances where queries as to the qualitative achievement of empowerment undertakings were raised. These were approached on the basis that, provided the above procedures, fairly and objectively applied, yielded a result which did not entail any breach of the conditions of the licence, it would not be within the province of the Committee to second-guess the decisions of the licence holder in allocating opportunities.

The above approach was used by the Committee in responding to queries which arose as to aspects of the implementation by the licence holder of its empowerment undertakings. The procedure developed in respect of complaints or queries was that these would, upon receipt thereof, be forwarded to the licence holder for its comment, after which the original complaint or query, together with the feedback received from the licence holder, would be placed before the Board component of the Committee for its consideration and decision.

It was found that the principal sources of unease with the implementation of empowerment opportunities in respect of the Project originated in the following unavoidable facts:

- the project did not offer limitless empowerment opportunities,
- inevitably certain empowerment role-players would benefit from the opportunities available while others would not,
- empowerment persons or entities therefore effectively competed with one another for individual opportunities, and
- not all empowerment entities had access to the funding and/or resources which would be required, for example, to comply with the standards set by the licence holder for the allocation of concession opportunities in the Project.

The Committee dealt with each query or complaint on its individual merits. There were no instances in which non-compliance with the conditions of the licence, as spelled out above, were identified, either independently or in consequence of a query or complaint.

The most regular feature of feedback received in respect of the allocation of empowerment opportunities in the Project was that dissatisfaction would be expressed by one empowerment entity concerning the credentials of another empowerment entity to which an opportunity had been granted. Questions were raised as to issues such as the legitimacy of the entitlement of the winning entity, the nature of its structure and shareholding, individual aspects of the evaluation by the licence holder of the claims of competing entities and similar matters. In respect of each issue raised, the Committee critically analysed the feedback received from the licence holder against the backdrop of the query or complaint. Each query or complaint was personally responded to and details were given of the decision reached by the Committee and the findings upon which that decision had been based. All relevant complaints appear to have been satisfactorily addressed.

It should be mentioned that, although the Project has created a number of empowerment opportunities, the benefits expected to be forthcoming from the utilisation of these opportunities have not always been realised. In this regard, the Board has noted with some disappointment that, owing to what seems to be poor communication between the various role-players, certain initiatives which were to have been pursued by empowerment partners have not been followed up on. Thus, in respect of the Overberg Community Trust, it has been noted that the Trust is not yet fully functional. The relevant Trust Deed has not yet been finalised, and a full complement of Trustees has not yet been appointed. The projects to be embarked upon by the Trust have also not been completed. In this regard, for example, the Trust originally appointed IDC Lord to manage the Emporium on its behalf. However, the relationship between the Trust and IDC Lord was terminated and the Trust now seeks another partner for this purpose, while itself running the retail outlet on a temporary basis. Similarly, the Overberg Empowerment Company undertook to broaden its base of shareholders, with a view to spreading the benefits across a wider spectrum than is presently the case. However, little progress has been made in this regard. This general lack of progress is exacerbated by the fact that the preference shares held by the empowerment partners have not yielded any dividends to date. Despite a number of discussions having been held, the attempts of the Committee to keep the channels of communication between the licence holder, the Board and the empowerment partners open and to assist the empowerment partners, where appropriate, have generally met with limited, if any response from the empowerment role-players.

The Board has acknowledged that it cannot compel the empowerment partners to make use of the opportunities provided by the Project in a certain manner or within defined time limits. However, it is noted that the delays in realising the benefits inherent in the Project do not advance the interests of its intended beneficiaries. The Board has, however, consistently assured all role-players and wishes to emphasise once more that its door remains open and that it will assist in any manner possible in order to ensure the full implementation of all empowerment opportunities arising from the project.

## **PROBLEM GAMBLING**

Condition 27 of the licence issued to Bidco reads as follows:

**“27. The licence holder shall adhere to the programme submitted as part of its bid in respect of the measures to be adopted by it to address the issue of problem gambling and such other measures as may be stipulated by the Board from time to time.”**

This condition ensures not only that Bidco is obliged to implement all of the undertakings made in its bid in respect of measures directed towards addressing problem gambling, but also that, should the Board see fit, it may call for the implementation of other measures.

The holder of the casino operator licence issued in respect of the Cape Metropole, SunWest International (Pty) Ltd, (and, on a broader scale, its largest shareholder, Sun International South Africa) has developed a national Responsible Gambling Programme, to which it has committed itself, and which, in the view of the Board, presents the most complete and extensive set of measures designed to react meaningfully and purposively to the issue of problem gambling. These measures, for which extensive provision has been made in the programme, include the following:

- Education (of staff, patrons and the general public) & training
- Counselling & Treatment
- Sponsoring of Research
- Provision of collateral material, e.g brochures, posters, notices on cash desks and on gaming tables
- Programme and Help line on all gambling-related advertisements
- National Help Line
  - 24 hours per day, 7 days per week

- Toll free
- Hosted at the Kenilworth Place Addiction Treatment Centre
- Answered by specially trained counsellors
- Referral for initial comprehensive assessment by clinical psychologist
- Costs borne by Casino Operator
- Out-patient Counselling
  - Clinical psychologists in 5 major centres
  - Psychologists trained at Kenilworth Place
  - Customised 6-session treatment programme paid by Casino Operator
- In-patient treatment
  - Severe cases
  - 3 centres
  - Costs covered by most medical aid schemes and also subsidised by the Casino Operator, if necessary
- Self-exclusion policy

Since these measures must be, and have been, implemented on a large scale in this Province pursuant to the relevant licence conditions, and because the Board is of the view that both the interests of the industry and those of the general public would be best served by the uniform application of the same programme throughout the Western Cape, the Board has spearheaded an initiative to make provision for a provincially co-ordinated approach, requiring all holders of casino operator licences in this Province to make a financial contribution towards the Programme, thus preventing the unnecessary duplication of resources available to the public and presenting a unified front in respect of the issue. Accordingly, the Caledon Casino Bid Company actively participates in the Programme and makes a financial contribution in respect thereof. This programme now runs under the auspices of the National Responsible Gambling Programme, rather than under the banner of any single operator. It is noteworthy that considerable interest has subsequently been expressed, on a national and inter-provincial level, in securing the involvement of all gambling industry role-players – not merely the various holders of casino operator licences - in the Programme throughout the country.

**CONCLUSION**

The Committee is satisfied that, as at the date of this report, Bidco has thus far complied with all the conditions of the casino operator licence issued to it in respect of the implementation of the empowerment undertakings contained in its bid. The Committee's views in this regard have been ratified by the full Board. Notwithstanding the above, it is readily acknowledged that some of the empowerment undertakings made in the bid will be realised only over the medium to long-term, and the Board will monitor this process to ensure that it conforms in all respects, with the undertakings made in its bid by the licence holder and with the conditions of the licence.

As such, the Committee will remain in place and continue to exercise its monitoring function, albeit on less intensive and regular a basis. Further reports will be issued tracking the results of this ongoing process.

SIGNED by the members of the Social Equity Committee of the Board on this ..... day of ....., 2002.

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DR J HAMILTON  
CHAIRPERSON

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PROF. L DE VRIES  
COMMITTEE MEMBER

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MR D BURTON  
COMMITTEE MEMBER

RATIFIED by the Western Cape Gambling and Racing Board on this ..... day of  
....., 2002.

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D W AURET  
CHAIRPERSON  
WESTERN CAPE GAMBLING AND RACING BOARD