

## WESTERN CAPE GAMBLING AND RACING BOARD

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### Cape Metropole Casino Development Project

Report on the achievement of undertakings in respect of Empowerment

by SunWest International (Pty) Ltd (“SunWest”) 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 Cape Metropole casino operator licence, SunWest, 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:**

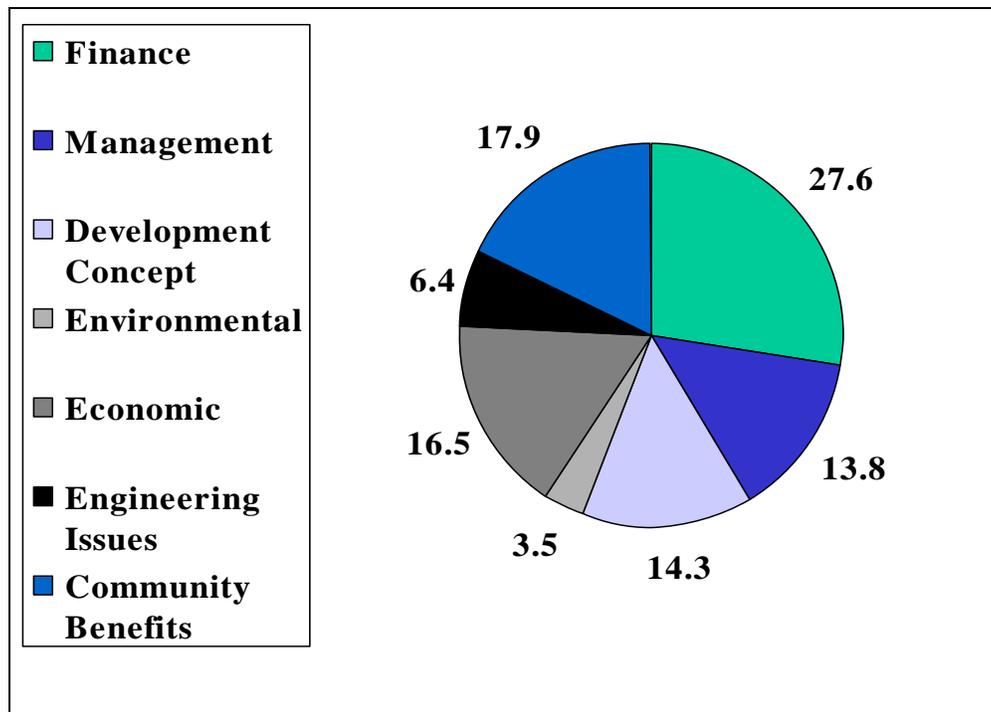
A number of the Policy Determinations developed by the Provincial Cabinet stress the pivotal importance of the goal of empowerment of previously disadvantaged persons (“PDI’s”) in the licensing process in this Province. Relevant extracts from the Policy Determinations read as follows:

“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, the relative importance of the empowerment proposals made by applicants, compared with other key criteria to be taken into account in selecting the best project, was reflected as follows:



The above graph shows that the criterion of community benefits was placed second in terms of relative importance only to that of finance. 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 comparative evaluation of the various applications 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 SUNWEST**

In accordance with the observations made above, Condition 24 of the casino operator licence issued to SunWest stipulates as follows:

**“24. 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, the Targeted Access Programme (“TAP”), 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. 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**

The Board established a Social Equity Committee, funded by the licence holder. 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 regular 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, progress regarding the public offer of shareholding in the Project to empowerment stakeholders and the degree to which empowerment has been achieved through training and related measures.

The above procedure enabled all parties to play a meaningful role in 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 functioning on 11 November 1999, before the final grant of the licence. 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, but now meets less frequently. Nevertheless, meetings continue to be held 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.

Representatives of the Board's office also regularly visit 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.

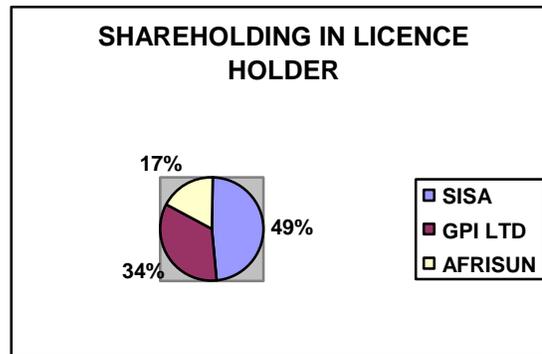
In addition, the Committee has also conducted site visits involving *inter alia* a physical inspection of the TAP ("Targeted Access Programme") Centre, an on-site facility at which accredited training in various disciplines was presented throughout the construction phase.

### **THE TARGETED ACCESS PROGRAMME ("TAP")**

The empowerment objectives set and undertakings made by the licence holder in its bid are comprehensively set out in the TAP Document. Specific, detailed 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 TAP Document, but it must be stressed that the document itself is extremely detailed and that, as such, the areas covered by this report are not exhaustive.

In respect of shareholders, the TAP Document commits to an equity investment structure designed to assist historically disadvantaged shareholders to procure equity with the minimum of financial exposure. Thus, for instance SISA will finance the purchase of the empowerment shareholders' ordinary voting shares and warehouse these for them. In addition, employees of SunWest of at least six months' standing will be able to participate in a share participation scheme, by way of which employees will be offered options in respect of 5% of the total equity of the licence holder.

It should also be mentioned that 51% of the existing shareholding in the licence holder is in empowerment hands. SunWest is held as to 34% by Grand Parade Investments Limited (“GPI”) while 17% of the existing equity in the company is in the hands of AfriSun Leisure Investments (Pty) Ltd (“Afrisun”). The balance of 49% in SunWest is held by Sun International (South Africa) Limited. The current shareholding in SunWest can be graphically portrayed as follows:



In respect of employees, the TAP Document outlines and commits to the licence holder’s human resource policies in respect of:

- job creation and the recruitment of PDI’s in the Western Cape (with an undertaking that on the opening of the casino, 54% of jobs will go to PDI’s with this figure rising to 77% within five years),
- training of staff, specifying the training to be presented and the number of persons to benefit from the different categories thereof, as well as development programmes to be put in place to accelerate the fast tracking of PDI’s, and employee assistance schemes,
- the creation of the TAP Development Centre (with a commitment to funding of an initial sum of R500 000,00 and subsequent annual payments of R250 000,00) to cater for participation by business owned and controlled by ABE’s, women and other disadvantaged people, in the planning, development and operational phases of the gaming and related industries,
- the setting of employment targets, and

- the appointment of a Community Liaison Officer to facilitate the involvement of the local community in the life of the development through various structures.

In respect of suppliers, the TAP Document makes specific undertakings in the following terms:

- the setting of individual targets in respect of affirmative procurement for all phases of the project, as follows:
  - construction: 30%
  - concessionaires: 50%
  - service providers: 50%
  - suppliers – year 1: 20%
    - year 2: 30%
    - year 3: 40%
    - year4: 50%, and
- the establishment of a Procurement & Empowerment Committee to monitor the implementation of the objectives set.

The TAP Document also makes a number of concrete undertakings in respect of the manner in which the Project will generate broad-based community empowerment. This is expected to be achieved in the following ways:

- by the performance of his liaison function by the Community Liaison Officer,
- by the implementation of the National Responsible Gambling Programme, in respect of which an annual budget of R750 000,00 has been set; and
- by means of corporate social investment, in respect of which fixed targets have been set.

## **MONITORING THE IMPLEMENTATION OF THE TAP DELIVERABLES**

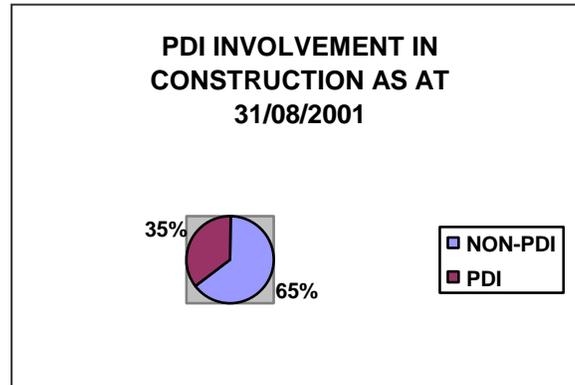
The specifics contained in the TAP Document, such as targets (whether numerical or percentile) and budgetary commitments are quantitative elements of the empowerment undertakings made in the original bid of the licence holder which the Committee is able to monitor on an ongoing basis. Thus, the Committee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

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.

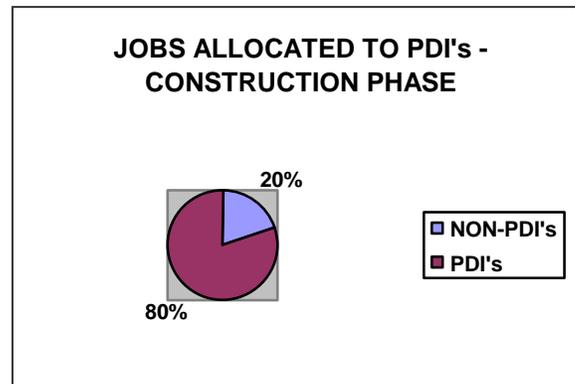
The tables furnished below provide statistics in terms of certain (although not all) key deliverables of the SunWest empowerment undertakings which have been monitored on an ongoing basis by representatives of the Committee. The figures actually achieved are measured against the targets set in the TAP Document 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 (in this regard it must be taken into account that the construction in respect of the off-site components of the Project, namely the Roggebaai Canal and Convention Centre, which will also have to achieve the targets set, has not been completed), of an initially

estimated total construction cost of R437 179 452,00, actual construction costs incurred as audited until 31 August 2001 have amounted to R600 077 340,00, of which ABE's and PDI's have performed work to the value of R210 705 836,00, which, as is indicated by the table below, amounts to 35,11% of the total work performed, equating to a percentage of target empowerment value achieved of 160,66%.

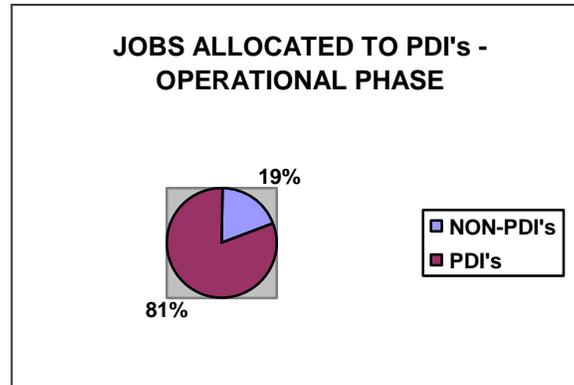


The table shown below further illustrates the fact that, of 6947 jobs created during the construction phase, 5590 have been allocated to PDI's, signifying that 80% of the total jobs created in the construction phase have been taken up by PDI's.



An analysis of the job-creation statistics in respect of the operational phase of the Project reveals that, as at the date of reporting, of a total of 2826 jobs created by the development

to date, 2283 have been allocated to PDI's, amounting to 81% 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 in fact reflect performance over and above the objectives originally identified in the TAP Document. 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% based on the initial estimates as to the costs of construction was exceeded by 5.54%. In addition, employment opportunities have been created for a total of 475 SMME's and ABE's to date.

In addition, the training provided during the construction phase was well in excess of that originally budgeted for to the following extent:

TYPE OF TRAINING:	BUDGETED	PROVIDED	% OF BUDGET
➤ Wet trades	- 1373	2103	153%
➤ Selected sub-contractors	- 1081	2743	254%
➤ Emerging & Management	- 110	117	106%

With a view to equipping employees for the operational phase, the licence holder has also provided pre-opening and other related training in a variety of disciplines at costs over and above those originally budgeted for, as indicated below:

TYPE OF TRAINING:	BUDGETED [COST '000]	PROVIDED [EXPENDED '000]	% OF BUDGET [% EXCESS]
Induction (Staff + Service Providers)	375	417	111%
Computer Training	10	32	320%
Management Training	472	473	100,2%

Staff employed at GrandWest as well as its various facilities and those of the service providers (including concessionaires appointed by it) have been trained in various disciplines. A total of 5419 persons have received training in this manner to date. It will, however, be appreciated that training represents an ongoing investment in its human resources by the licence holder, and that several courses, which have been budgeted and planned for, have not yet been implemented. The Committee will thus continue to monitor the nature and extent of training presented by the licence holder, to ensure that all commitments made in this regard are complied with.

The Committee also actively monitored the process by means of which historically disenfranchised members of the Western Cape community were made a public offer to subscribe for shareholding in Grand Parade Investments Ltd, which, as has already been said, is an empowerment entity holding 34% of the equity in SunWest. This included a monthly report-back on progress made in respect of the offer and a critical examination of the allocation process and the prospectus issued in respect of the offer. Contributions to the prospectus, designed to ensure that the offer would in fact achieve its aim of concrete, broad-based empowerment, were also made. The process was concluded on 18 August 2000, the date on which the public offer closed. The offer was over-subscribed by a considerable margin.

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 it will be recalled that the target percentage specified in the TAP Document was 50%. At the date of reporting, a total of 833 concession employment opportunities have been awarded in respect of the project, of which 81% have been awarded to previously disadvantaged persons or entities. Of a total of 56 opportunities awarded to date, 32 (or 56% of concession opportunities) have been taken up by entities having empowerment credentials. It is therefore clear that the undertaking made in the TAP Document, and incorporated by reference in the conditions of the licence, has been duly complied with by the licence holder.

### **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. It was noted that the process followed was divided into a number of distinct phases. It should be mentioned that, in respect of one of the earlier phases, an initial sifting process was performed in preparing a list of tenderers for the relevant opportunity. Depending upon the work to be performed, this generally involved exclusion from the list of entities not having empowerment representation or which were not Western Cape-based.

During another phase, separate documentation in respect of the tenders was prepared by the Quantity Surveyors, who made a recommendation, the client, which made a recommendation, the procurement manager, who made a recommendation and, if the work was of a technical nature, a technical consultant, who also made a recommendation. The project manager would consolidate all the above information and reduce it to a single recommendation. It should be noted, for example, that the recommendations in respect of the empowerment component were drawn up by a specially appointed empowerment consultant and made use of a formula which allocated points in such a manner as to achieve a balance between the price tendered and the percentage of empowerment representation in the tendering entity. The key components of this formula will be alluded to in greater detail at a later juncture.

The consolidated recommendation would then be submitted to the Empowerment & Procurement Committee Chairman and another Committee member(s) for approval. Once the approval had been given (which would not be a foregone conclusion) a letter of intent was transmitted to the successful contractor.

What emerged from the above is that it would have been extremely difficult for any individual to manipulate the tender process to his or her advantage, bearing in mind the many individual recommendations of which account was required to be taken when allocating the contract. A full audit was performed in respect of the allocation of tenders to a number of entities, which revealed a complete paper trail and the adherence to satisfactory procedures in the allocation of the contracts.

As regards the formula used to calculate the weighting to be accorded to tenders, taking into account both price and empowerment representation, key components of this formula were the following:

- The number of tender adjudication points awarded for price and Economic Empowerment Goal.
- The price of the lowest responsive tender adjusted to a common base, if applicable.
- The price of the responsive tender under consideration adjusted to a common base, if applicable.
- The tendered Economic Empowerment Goal Percentage.
- The specific minimum Economic Empowerment Goal Percentage.

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, of which there were six in total, 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,
- 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.

## **PROBLEM GAMBLING**

Inasmuch as the TAP Document commits itself to the implementation of measures designed to address the issue of problem gambling, it should be mentioned that Condition 22 of the casino operator licence issued to SunWest International (Pty) Ltd (“SunWest”) reads as follows”

**“22. The licence holder shall adhere to the detailed programme submitted as part of its bid in respect of the measures to be adopted by it to address the issue of problem gambling.”**

This condition ensures that SunWest is obliged to implement all of the undertakings made in its bid in respect of measures directed towards addressing problem gambling.

SunWest (and, on a broader scale, Sun International) has developed a national Responsible Gambling Programme, to which it has committed itself, and to which the Board is fully entitled to hold it. The 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 Sun International
- Out-patient Counselling
  - Clinical psychologists in 5 major centres
  - Psychologists trained at Kenilworth Place
  - Customised 6-session treatment programme paid by Sun International
- In-patient treatment
  - Severe cases
  - 3 centres
  - Costs covered by most medical aid schemes and also subsidised by Sun International if necessary
- Self-exclusion policy

It is readily apparent that there are a host of measures for which provision has been made by the licence holder in an attempt to address the issue of problem gambling. Since these measures must be implemented as part of the conditions under which the licence was issued and will remain in force, it is in the interests of the licence holder to implement them without deviation or exception. This has already occurred to a large extent in this Province, with an initiative being spearheaded by the Board 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.

## **CONCLUSION**

The Committee is satisfied that, as at the date of this report, SunWest 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 many of the empowerment undertakings made

in the TAP Document will be realised only over the medium to long-term. As has been previously mentioned, construction of the off-site components of the Project, namely the Roggebaai Canal and the Convention Centre is yet to be completed, and the Board will monitor this process to ensure that it complies 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