

WESTERN CAPE GAMBLING AND RACING LAW, 1996
(LAW 4 OF 1996)

The Western Cape Gambling and Racing Policy Determinations are hereby published for general information:

WESTERN CAPE GAMBLING AND RACING POLICY DETERMINATIONS

1. The following policy determinations shall be adhered to by the Western Cape Gambling and Racing Board:
 - 1.1 With the introduction of the gambling industry to the Province, the Board shall take cognisance of the objectives contained in the National Gambling Act, 1996 (Act 33 of 1996), and the preamble to the Western Cape Gambling and Racing Law, 1996 (Law 4 of 1996), i.e. to minimise the possible negative impact of gambling, to prevent overstimulation of the latent demand for gambling and to optimise the objectives of economic development, job creation and revenue generation. To this end -
 - (a) applications for casino operator licences and, where practicable, all other operator licences shall be dealt with on a competitive proposal/call basis. (Casino operator licences shall be considered first, after which applications for limited gambling machine (LGM) operator and bingo licences shall be called for);
 - (b) the five casino operator licences allocated to Western Cape shall be distributed, one each to five regions, in order to stimulate and encourage development throughout the Province, inter alia by the empowerment of local disadvantaged groups through both employment and equity ownership;
 - (c) a casino operator licence allocated to each of the regions shall be exclusive for a period of 10 years, based on the required exclusivity fees determined by the Law;
 - (d) notwithstanding the provisions of paragraph (b), the exclusivity zone for the Cape Metropolitan casino, in relation to the other casinos, shall have a 7-kilometre radius, calculated from the City Hall of Cape Town;
 - (e) the exclusivity zone for the other casinos shall be determined by the Board and shall be such as not to overstimulate gambling in any part of the Province and to encourage development and the creation of job opportunities throughout the Province;

- (f) a financial contribution of R135 million for a world-class convention centre, or any other use the Western Cape Provincial Cabinet may consider necessary, shall be a requirement for the casino operator licence in the Cape Metropolitan region. This amount shall be paid to the Western Cape Government for the purpose of negotiating the erection of such a facility or for any other purpose. The provisions of sub-paragraph (i) shall likewise be applicable to this subparagraph;
- (g) a contribution by applicants for a casino operator licence other than the Cape Metropolitan casino operator licence for a tourism or sustainable community project in that area shall be a requirement;
- (h) applicants for casino operator licences shall be allowed to propose their own casino sites;
- (i) all proposed financial commitments in respect of the total proposed capital investment of the successful applicant shall be underwritten by irrevocable bank or other financial institution securities acceptable to the Board, and shall be lodged prior to the issue of a licence and within thirty days of the announcement by the Board of the successful applicant, whereupon such securities shall form part of the successful applicant's bid;
- (j) at least two route operators shall be allowed in the Province in respect of LGMs, to ensure a competitive market;
- (k) a criterion to be considered when awarding LGM premises licences is the empowerment of local disadvantaged groups through both employment and equity ownership;
- (l) no jackpots or accumulative prizes on more than one linked LGM shall be allowed;
- (m) LGMs should not necessarily be restricted to liquor licensed premises. Restrictions in respect of premises for LGMs should rather be based on minimum social impact criteria, e.g. proximity to schools and places of worship, and LGMs should only be placed on business premises;
- (n) bingo licences, as foreseen in the Law, should preferably be granted to charitable organisations;
- (o) the tax regime on the horse racing and betting industry should be revised as soon as possible with a view to levelling the playing field for the existing and new industries;

- (p) research should be done, including consultation with the relevant role players in the industry, to arrive at an acceptable norm for the issuing of new bookmaker and totalisator premises licences, and
- (q) the Board should as soon as possible become financially self-sufficient.

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

- (a) the positive and negative social, economic and environmental impact of the development and operation of a casino on the immediate surroundings and the region;
- (b) the financial standing and resources of the applicant to ensure the successful development and long-term operation of the proposed casino and its integral ancillary facilities;
- (c) the amount of the total capital investment to be made in respect of the development of the casino and its integral ancillary facilities;
- (d) the proven experience and integrity of the operator in successfully managing a comparable gambling operation;
- (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.