



Standing Committee on Finance, Economic Opportunities and
Tourism
Western Cape Provincial Parliament
(Attention: Ms Z Adams)
Email: zadams@wcpp.gov.za

EBrand our ref
29 May 2020 your ref
date

Dear Madam

Western Cape Nineteenth Gambling and Racing Amendment Bill

1. We act for Vukani Gaming Western Cape (Pty) Ltd (**'Vukani'**). Vukani is the holder of a limited gambling machine operator licence (also referred to as a 'route operator licence'), issued to it by the Western Cape Gambling and Racing Board (**'the Board'**).
2. The Nineteenth Western Cape Gambling and Racing Amendment Bill (**'the Amendment Bill'**) was published in the Western Cape Provincial Gazette on 24 April 2020. If enacted, the Amendment Bill will amend the Western Cape Gambling and Racing Act, 4 of 1996 (**'the Act'**) *inter alia* by:
 - 2.1. Amending Schedule II to the Act to significantly increase the limited payout machine (**'LPM'**) operator fees payable in terms of section 44C of the Act to between R3,905m to R5,858m (based on the size of the limited gambling machine operator and seeing that no route operator has less than 500 LPMs); and
 - 2.2. Inserting Section 44D into the Act to provide that the holders of casino licences are liable to pay "*casino operator fees*" in accordance with a new paragraph 5A to Schedule II to the Act of between R2,805m to R7,150m (depending on the original value of the casino development).
3. The Amendment Bill seeks to put in place a regime whereby the Board is in future to be funded apparently exclusively from revenue raised from holders of route operator licences and holders of casino operator licences. In order to make meaningful submissions, Vukani, through its attorneys, requested further information as well as a short extension to file its submissions following receipt of the information and documentation requested. This request is contained in correspondence dated 15 May 2020 a copy of which is attached marked **"A"**.
4. The request has been acknowledged (attached marked **"B"**) and Vukani awaits a response to the requested information and documents. In the meantime, Vukani makes these preliminary submissions in respect of the Amendment Bill under reservation of its rights to supplement same when it receives the requested information and documentation.

5. Before dealing with Vukani's submissions, it is necessary to point out that on 2 May 2019 an exact replica of the Amendment Bill was published (the '**2019 Amendment Bill**') for comment. At that time, Vukani had also requested information, but that request for information was not responded to. Nevertheless, Vukani made detailed submissions in respect of the 2019 Amendment Bill and a copy of its submissions are attached marked "**C**". In those submissions, and in summary, Vukani objected to the increased fees on *inter alia* the following bases:
 - 5.1. the proposed fees are *prima facie* not rationally connected to the objective of making the Board financially self-sufficient;
 - 5.2. the 2019 Amendment Bill is arbitrary and irrational in that it purports to make route operators and casino operators liable for the payment of fees to sustain the Board for the regulation of the gaming and betting industry, without other licensees making any contribution; and
 - 5.3. the 2019 Amendment Bill was a money Bill and had to follow the statutory procedures provided for the introduction of a money Bill.
6. Vukani requests that its aforementioned submissions made in respect of the 2019 Amendment Bill, as contained in Annexure "C", be read together with these submissions.
7. It is noteworthy that there are no discernable differences between the Amendment Bill and the 2019 Amendment Bill. This raises concerns about the meaningfulness of the previous consultation process in respect of the 2019 Amendment Bill. It does not appear that Vukani's previous submissions had been taken into account before this Amendment Bill had been published. As mentioned, Vukani persists with its previous submissions.
8. Nevertheless, Vukani remains hopeful for a productive engagement with the parliamentary portfolio committee, this time around. In this vein, while these engagements take place during a time when the gaming industry is at its knees and unable to trade, these submissions conclude with an alternative proposal which Vukani believes would assist the provincial parliament in its stated effort to raise revenue while at the same time rebuilding the gaming industry post lockdown.
9. The Amendment Bill is published against the background of the classification of the COVID-19 pandemic as a national disaster, on 15 March 2020, in terms of section 23(1)(b) of the Disaster Management Act 57 of 2002. As a result, Vukani and its site operators have not been operating for more than two and a half months and it is not apparent when the LPM industry and resume business. It is expected that many of Vukani's sites will have to close down or would take a long time to recover the losses suffered because of the national disaster. The inability of Vukani's sites to trade has caused and will continue to cause severe financial distress for Vukani and its site operators and the financial stress on the gaming industry will continue to resonate long after the lockdown has ended.
10. On 22 April 2020, the Consolidated Gaming Industry Forum, representing the association bodies of casino, bingo, LPM and bookmakers, addressed correspondence to the National Gambling Board, the

Department of Trade and Industry and all provincial gaming boards. A copy of the letter is attached marked "D". In the introductory paragraph, it is recorded that because of the economic impact of the declared state of disaster, the gaming industry is not facing a mere economic crisis, but a crisis of survival. This has prompted the correspondence to the authorities and the proposals contained therein, with the aim of seeking to work with Government to be part of the solution to ensure the survival of the gambling industry and to enable gaming licensees to again contribute to an industry that makes significant contributions to the provincial economy.

11. Thus far, no reprieve has been forthcoming. During the lockdown route and site operators have been required to continue to pay their annual licence renewal fees, despite their inability to trade on those licences.
12. Against the aforementioned background, the publication of the Amendment Bill which significantly raises route operator fees, during a declared state of National Disaster, brings about a justifiable skepticism about whether true appreciation is shown for the immense and unprecedented challenges facing the industry.
13. Vukani estimates that if the proposed LPM operator fees and casino operator fees are implemented as per the Amendment Bill, the Board will generate from already struggling licensees at least: (i) an additional approximately R9,763,000 per annum in LPM operator fees; and (ii) an additional approximately R22,715,000 per annum in respect of the five casino operator licensees
14. In other words, fees generated would exceed approximately R32,478,000 if the Amendment Bill comes into force.
15. When combined with annual licence fees of approximately R2,343,741, **this amounts to additional revenue to the Board of at least R34,821,741.** The Amendment Act, if enacted, would place significant and unwarranted economic hardship on route operators, and on the casino operators in the province, in an extremely challenging economic climate.
16. Vukani acknowledges the revenue-raising efforts of the Provincial Legislature and accepts that the rebuilding of the gambling industry requires reciprocity, adaptability and a combined effort by all involved in the industry to rebuild not only the gaming industry but the provincial economy. The industry's ability to rebuild itself successfully, and to continue to be a valued source of income for the provincial fiscus, depends on a number of external factors all outside of its control, but within the control of the provincial government. The process of rebuilding the industry will be significantly hampered if new forms of gambling are introduced at a time where the existing industry requires revival. Under a distressed market, where the existing operators are not able to operate at all (and would not be able to operate at full capacity for the foreseeable future), it would irresponsible and destabilize the industry to the brink of possible ruin if additional licences were to be granted in such a sensitive time. In the spirit of a joint effort to rebuild the industry after the state of disaster, the proposal is that, if the route operator fees are increased as

proposed in terms of the Amendment Act, the legislature and the Board assist the route operator industry to rebuild itself through:

- 16.1. a legislated undertaking not to issue new gaming licences (specifically Independent Site Operator licences) for a period of 3 years after the end of the national disaster; and
 - 16.2. the issuing of a Request for Applications for Type B licences with the intention of rolling out those licences by the end of the year.
17. Vukani welcomes an opportunity to engage with the Provincial Legislature in respect of a proposal that seeks to rebuild the existing gaming industry and is hopeful for fruitful engagement on this proposal.

Yours faithfully,

EDWARD NATHAN SONNENBERGS

Per:

ESTI BRAND

(transmitted electronically and therefore without signature)

Annexure A

ENSafrica

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The Standing Committee on Finance, Economic Opportunities
and Tourism, Western Cape Provincial Parliament

Attention: Ms Z Adams

Per Email: zadams@wcpp.gov.za

Cc: ClaireHorton@westerncape.gov.za

E Brand/bb/0459608

our ref

your ref

15 May 2020

date

Dear Madam

Western Cape Nineteenth Gambling and Racing Amendment Bill

We act for Vukani Gaming Western Cape (Pty) Ltd ("our client"). Our client is a route operator licensed by the Western Cape Gambling and Racing Board ("the Board").

1. On 24 April 2020, the text of the Nineteenth Gambling and Racing Amendment Bill ("the Bill") was published by notice in the Provincial Gazette. The notice in the Provincial Gazette states that interested persons are invited to submit written comment on the Bill by 29 May 2020.
2. The Bill provides for the introduction of "*operator fees*" which shall be payable to the Board. The proposed fees are stated to be payable by the holders of casino operator and route operator licences. It appears from the memorandum on the object of the Bill that the "*operator fees*" are proposed to be levied in order to "*promote and facilitate the financial self-sufficiency of the Board*" and, as regards router operator licensees, to contribute to "*defraying the costs of the Board*".
3. As a holder of a route operator licence, our client has a direct and material interest in the Bill and is desirous of commenting thereon.
4. In order to make meaningful and informed submissions our client requires further information regarding the Bill, in particular, it requires clarity and responses in respect of the following issues:
 - 4.1. Has the Western Cape Government taken a decision that in future the Board will no longer receive any funds from the Provincial budget to cover its operating and capital costs?
 - 4.2. If not, what funding will the Board receive from the Western Cape Government in the next financial year?
 - 4.3. We note that the Board's own revenue source will be augmented through the proposed amendment of section 44(3). How much additional revenue is that expected to generate for the Board?

- 4.4. How have the amounts in section 3 of the Bill (which amends Schedule II to the Western Cape Gambling and Racing Act, 4 of 1996 ('the Act')) been determined?
- 4.5. Has the Board furnished your offices with a forecast of its budgeted expenditure for the coming financial year?
- 4.6. If so, we would be grateful to receive a copy thereof in order to understand the breakdown of the "*costs of the Board*" that the "operator fees" proposed to be introduced are intended to cover.
- 4.7. On what basis was it determined that casino and route operator licensees, as opposed to other categories of licensees, should be liable for fees to fund the Board's operating and/or capital expenditure?
5. We would be grateful to receive this information as soon as possible so as to enable our client to make meaningful submissions.
6. Given the impact of the Bill on our client's business, and the fact that our client is not presently in a position to make meaningful submissions without the information above, we would also be grateful to receive a short extension beyond 29 May 2020.
7. In this regard, we would be grateful to receive your confirmation that we may furnish our client's written submissions within three weeks from receipt of the requested information.
8. Finally, we place on record that the aforementioned information had previously been requested from the then Secretary (Mr M Sassman) Western Cape Provincial Parliament, when the same Bill was published in 2019. No response was received.
9. We look forward to a response as soon as possible, and at your earliest convenience.

Yours faithfully,

EDWARD NATHAN SONNENBERGS

Per:

E BRAND

(sent electronically, unsigned)

Esti Brand

From: Zaheedah Adams <zadams@WCPP.GOV.ZA>
Sent: 18 May 2020 08:40 AM
To: Esti Brand
Subject: RE: Request for information and extension in respect of the Western Cape Nineteenth Gambling and Racing Amendment Bill

Good day Ms Brand,

Thank you for the input in respect of Tsogo Sun and Vukani Gaming. I have asked Ms Claire Horton to respond to your requests for information. In terms of the extension for submission of comments, that should be fine. The Standing Committee on Finance, Economic Opportunities and Tourism will also be embarking on a public participation process, in as far as COVID-19 regulations will allow, where we will also be requesting submissions.

Kind regards,

Zaheedah Adams
 Procedural Officer

zadams@WCPP.GOV.ZA

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Wes-Kaapse Provinsiale Parlement
 Western Cape Provincial Parliament
 IPalamente yePhondo leNtshona Koloni



From: Esti Brand [mailto:ebrand@ensafrica.com]

Sent: Friday, 15 May 2020 13:31

To: Zaheedah Adams <zadams@WCPP.GOV.ZA>

Subject: Request for information and extension in respect of the Western Cape Nineteenth Gambling and Racing Amendment Bill

Dear Ms Adams,

Please find attached a letter for your urgent attention.

Yours sincerely,

Esti Brand



Esti Brand

Senior Associate

Dispute Resolution



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Edward Nathan Sonnenbergs Incorporated | registration number 2006/018200/21
level 1 BBBEE rating

Coronavirus (COVID-19) in these times of uncertainty it is good to know you are not alone
be well | be safe

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Consolidated Gaming Industry Forum

Represented by

CASA (Casino Association of South Africa)
BASA (Bingo Association of South Africa)
LPM SA (LPM Route Association of South Africa)
SABA (SA Bookmakers Association)
GOBA (Gauteng Off-Course Bookmakers Association)
WCBA (Western Cape Bookmakers Association)

22 April 2020

For the attention of: National Gambling Board
Department of Trade and Industry
All Provincial Gambling Boards

Dear Caroline

RE: MEMORANDUM TO NATIONAL GAMBLING BOARD (“NGB”) - DEPARTMENT OF TRADE AND INDUSTRY (“DTI”) – ALL PROVINCIAL GAMBLING BOARDS (“PLA”)

1. Introduction

As the economic impact of the COVID-19 virus rapidly becomes clearer, it is evident that businesses, and even entire industries, especially those that provide non-essential services like the gambling industry, are not facing a mere economic crisis. The Industry is facing a crisis of survival. With this in mind, all the significant players in the gambling industry have come together for the common purpose of ensuring the survival of the gambling industry.

The gambling industry contributes in the excess of R9bn in direct taxes to the national and provincial fiscus annually with 35,000 direct employees. As an industry we believe we can work with Government to be part of the solution to this Pandemic. With this in mind, we present the following proposals:

2. Employment and Taxes

Prior to the COVID-19 Pandemic (“Pandemic”), the unemployment rate in South Africa stood at an alarming 29%. The World Bank projected that it would be approximately 35% by December 2020. In the wake of the economic aftermath of the Pandemic, experts estimate that the unemployment rate in South Africa will increase significantly. The issue of unemployment was a crisis prior to the Pandemic but it will undoubtedly be a catastrophe after it.

The industry is a defining part of the solution to our country's most significant problem. On the converse side, the decimation of the industry by the economic effects of the pandemic will impact the livelihood of more than a 150,000 people and their families directly.

Notwithstanding the defining contributions made by the industry to the economy, the fiscus (all 9 Provinces and national) and to the livelihoods of hundreds of thousands of people, there is a notable absence of relief offered or made available to the industry in response to the Pandemic.

The Temporary Employee/Employer Relief Scheme ("TERS") will go some way to helping the industries employees, however, the gaming and hospitality industries will be one of the most impacted and will take a long time to recover. We kindly request the creation of a fund geared specifically to supporting the employees in the gambling industry through this crisis which should can be funded out of gaming levies or VAT collected on gaming revenue. It is our view that the benefits of the industry survival would far outweigh the cost of relief channelled into the gambling industry It is critical that such a fund is established to ensure the industry avoids large scale retrenchments and closure of operations.

3. Ease of lockdown

3.1 Timing for gaming industry

We request that consideration be given to opening the gambling industry to trade as early as possible in the month of May 2020. Our engagement with DTI will highlight the safety measures we have in place and contributions the industry can make in the containment of this pandemic to support the opening dates. The industry fully supports the initiatives taken by the Government to protect the people of South Africa. As such, each Association that participated in the preparation of this submission has prepared a brief summary of the measures that it will put in place in order to give effect to the Government's intention to put the health of the South African people first. Please find the same attached as Annexures hereto.

Accompanying the safety measures set out in the Annexures will be screening and contact tracing mechanisms that the industry will have in force in all operational locations. The industry (due to its size and geographic presence) can be of significant assistance in the fight to eradicate this Pandemic.

The industry will increase the capacity to screen and contact trace individuals affected by the virus by allowing at risk members of the public to access its centralised online screening portal. A broad process flow document showing how employees and customers will be assisted is attached as Annexure E.

3.2 Summary of Safety measures to be put in place (and expanded per industry in annexures)

- Contact screening for all at risk members of the public;
- Removal of chairs from every second gaming machine and turning off/locking every second machine;
- Limitation of seating at tables games to ensure adequate social distancing;
- Every alternate betting cashier to be opened with social distancing in queues;
- Only holders of loyalty cards will be permitted onto the casino floor to allow for traceability of visitors;
- All on-site crèches will remain closed;
- Increasing cleaning and sanitisation of frequently touched objects and surfaces; and
- The provision of masks to all employees.

4. Summary of Post-Lockdown assistance to Industry (and expanded per industry in Annexures)

- **Regulations and new licences**

All things being equal, the impact of the lockdown and any subsequent social distancing is such that the industry will need significant time to recover and stabilise meaningfully once the economy reopens to allow unrestricted trade. Should new licensees or new regulations be introduced during the period of recovery, all things will certainly not be equal. In fact, the scales will inevitably tip in the direction of a much slower, and perhaps even stalled, recovery at the expense of all the industry's stakeholders. As such, we submit that any changes to the regulatory framework be placed on hold until the wake of the Pandemic settles and industry once again begins to perform as recorded in the "Gambling Sector Performance Summary 2018/9" issued by the National Gambling Board. This includes an undertaking not to issue new gaming licences for a period of 3 years after the Lockdown except for the roll-out of LPM machines under existing route licenses. The moratorium on betting licences will last for 18 months.

- **Draft Control of Tobacco Products & Electronic Delivery Systems Bill, 2018.**

One of the pending regulatory changes is the Draft Control of Tobacco Products and Electronic Delivery Systems Bill, 2018. Prior to the Pandemic, the Gaming industry made submissions highlighting the unintended detrimental and negative economic impact the Bill in its current format would cause to the industry. Should the Bill be passed during this time, this impact will only be amplified.

A key focus of the Bill is the prevention of under 18's to the exposure of smoking. All gaming establishments are restricted to over 18's only. We have the ability to protect the industry from the economic impact of the Bill while still adhering to its key focus area by allowing an exemption for gaming establishments and allowing designated smoking areas.

- **Illegal Gambling**

It goes without saying that illegal gambling activity thrives when legal gambling is restricted. As such, we appeal to the Provincial Licensing Authorities (“PLAs”) and the DTI to purposefully and decisively clamp down/eliminate on illegal gambling during this time. This would go a long way towards limiting the exploitation of an already struggling industry during this difficult time and to ensuring an efficient restoration of the industry’s economic value. The illegal gambling industry is currently costing government and industry player Billions of Rands annually in lost taxes and revenue.

- **Other Forms of Financial Support**

It is further submitted that significant financial support could also take the form of a temporary suspension of financial obligations prescribed by the PLAs in the various licence conditions issued to its licensees for the duration of the period of restriction (either lockdown or social distancing). These would include licence conditions relating to corporate social investment and similar. Economic survival and maximum job retention must be the priority areas for at least the next 12 months and therefore a request is made to reduce provincial gaming taxes by 50% (Including NCEMS monitoring fees) and zero-rate gambling revenue for VAT purposes for a period of 12 months or longer I should the pandemic persists.

5. Communication from NGB and DTI

The Pandemic is a direct threat to both established and to the new players in industry because its effect could ultimately lead to the demise of the industry as a whole. This means the need for current and accurate information is of vital importance to the decision-makers responsible for each Licensee who will then be able to communicate with its employees and stakeholders timeously and to make any relevant plans. As such, we kindly request regular communication from NGB and DTI regarding any changes that may impact the industry.

6. Conclusion

COVID-19 has presented the world with an extraordinary and unprecedented situation for which ordinary solutions cannot be applied. We appeal to you for the well-being of our people and for the future of an entire industry to consider the above and to engage with us on ways in which the same may be refined and applied as urgently as possible. We stand ready to join hands with you to do exactly what the President has called us all to do, namely, to protect the people of South Africa in extraordinary ways.

7. We trust that you find the above in order. Kindly refer to Annexures for amplified representations from industry associations.

Kind regards,



Signature: _____

Association: CASA

Name of Signatory: Anthony Leeming



Signature: _____

Association: BASA

Name of Signatory: Mergan Naidoo



Signature: _____

Association: LPMSA

Name of Signatory: Bandile Mogiba



Signature: _____

Association: SABA

Name of Signatory: Sean Coleman



Signature: _____

Association: GOBA

Name of Signatory: Keith Ho



Signature: _____

Association: WCBA

Name of Signatory: Tyrone Dobbin

ANNEXURE “A” – CASA REPRESENTATIONS

CASA is committed to protecting the health and safety of its employees, business partners and visitors (“our people”). We have assessed our people’s risk of exposure to COVID-19 and will be implementing the following control measures to ensure that the risks are mitigated and controlled as far as reasonably practicable.

The control measures contemplated below relate to the gaming areas within CASA member operations. Accordingly, all theatres, night clubs and cinemas, and child-minding facilities will be kept closed until social distancing measures are relaxed or can be controlled and aligned to prescribed regulations in place at the time.

Given that our properties vary significantly in size, restrictions on guest numbers is not appropriate, particularly in large casinos. Consequently, we will ensure strict crowd control and limit casinos to 50% of normal capacity, in addition to the following control measures:

- Strict access control protocols:
 - Only holders of loyalty cards will be permitted onto the casino floor to allow for traceability of visitors. This will assist in identifying at which machines or tables an individual has played and who may have been in contact with such person.
- Implementation of various social distancing measures, including but not limited to:
 - Encouraging remote work where possible
 - Limiting face-to-face contact through virtual meetings
 - Restricting all non-essential travel
 - Monitoring and management of the number of people on gaming floors;
 - Removal of chairs from every second slot machine and turning off/locking every second machine
 - Limitation of seating at tables games to ensure adequate social distancing
 - Food will be made available on the gaming floor where adequate social distancing will be in place
 - All on-site crèches will remain closed.
 - Rotation of staff to ensure staffing level on site is limited and social distancing maintained.
 - Not holding any promotional activity that results in a draw or gathering of a crowd.

- Placing all at risk workers in alternative positions temporarily to lower their exposure risk
- Installing physical barriers at all counters where guest interaction takes place
- Ensure the maintenance of a 1-meter gap at any queues which may arise.
- Ensure a space of 2 meters between work stations for office employees who need to be at the casino;
- Increasing cleaning and sanitisation of frequently touched objects and surfaces
- Installation of hand sanitizer dispensers at all high traffic areas
- Enhanced access control and queuing systems to ensure social distancing of 1 to 2 meters
- Provision of employee hygiene resources to ensure handwashing and surface cleaning take place
- Employee awareness and training on COVID-19 related risks and control measures
- Implementation of Standard Operating Procedures (SOP's) to enforce additional hygiene and cleaning protocols
- Updating of contractor Safety Files with COVID-19 related Risk assessments and SOP's
- Provision of suitable PPE where required to manage employee exposure

ANNEXURE “B” – BASA REPRESENTATIONS

The Bingo Association of South Africa (BASA) is an association that represents the interests of the South African licenced Bingo industry.

Along with all the other sectors of the South African Gaming industry, BASA fully supports this submission. In addition, BASA strongly supports the partial and phased opening of gambling premises in a controlled and responsible manner as part of the effort to contain the Pandemic. On the other hand, prolonged closure of the Bingo industry will result in large-scale retrenchment and the closure of some Bingo licensees' businesses.

In order to give effect to the intention to control the Pandemic while also preserving the Bingo industry, BASA proposes that Bingo operators be allowed to open during the phased-opening-period subject to the implementation of the following measures/procedures:

- The maintenance of a central tracking and tracing register to keep track of all people who enter the premises on any given day;
- Management to confirm that each staff member has no symptoms of the COVID-19 virus before every shift.
- Installation of hand sanitizer dispensers at all high traffic areas of the premises.
- Posters on general Covid-19 preventative measures and that provide helpline information *etc.* are to be strategically placed around the premises.
- Regular employee awareness and training on COVID-19 related risks and control measures will also be undertaken.
- Provision of employee hygiene material to ensure handwashing and surface cleaning take place and Increasing regular cleaning and sanitisation of frequently touched objects and surfaces.
- All staff to wear face masks or face shields.
- To maintain social distancing, alternate gaming machines is to be disabled
- Any other preventative measures as prescribed by the SA Governmental Departments/National Corona Virus Command Council.

1. Illegal Gambling / Illegal Gambling internet Cafes.

This is not something new and something that has been allowed to continue for the past 10 years. Despite the efforts of the PLAs and the NGB in consultation with the South African Police Services, these unlicensed and illegal businesses continue to mushroom and prosper at great expense to the legal and licenced industry. The licensed gambling industry submits again that more than ever, now is the time to permanently close these illegal operations. We request a concerted effort from all spheres of government to do whatever is necessary to close these operations down as an urgent matter.

2. Draft National Gambling Bill & NCEMS.

The industry has made several representations objecting to the proposal of extending the national central electronic monitoring system (NCEMS) to all sectors of the industry. This requirement duplicates the existing approved systems that are already available to regulators. Any additional costs will be unsustainable, and we propose that the industry and regulators engage further on the matter.

3. Provincial licensing.

The industry is concerned regarding the oversaturation of the market. We propose in conjunction with the NGB and the PLAs that a moratorium is placed on the issue of any new licences for a period of 3 years excluding LPM's under route licenses.

4. Draft control of tobacco products & electronic delivery systems bill 2018.

One of the pending regulatory changes is the Draft Control of Tobacco Products and Electronic Delivery Systems Bill, 2018. Prior to the Pandemic, the Gaming industry made submissions highlighting the unintended detrimental and negative economic impact the Bill in its current format would cause to the industry. Should the Bill be passed during this time, this impact will only be amplified.

A key focus of the bill is the prevention of under 18's to the exposure of smoking. All gaming establishments are restricted to over 18's only. We have the ability to protect the industry from the economic impact of the bill while still adhering to its key focus area by allowing an exemption for gaming establishments and allowing designated smoking areas

ANNEXURE “C” – LPM ROUTE ASSOCIATION

Safety Measures

1. Only essential site visits will be conducted by Route Operator staff;
2. All employees that visit sites will wear masks or face shields at all times and will sanitise their hands before they enter and once again when leave the site;
3. Technicians working on machines during operating hours will ensure that they request everyone closer to the machines to move away to ensure social distancing;
4. All Preventative maintenance on machines will be conducted outside of normal business operating hours of the site;
5. All our RO office staff will be required to wear masks or face shields at all times and social distances will be maintained at all times;
6. The number of patrons to be allowed inside every site will be as determined by the Disaster Management Regulations
7. All machines at 5 machine sites will be divided with either hard boards or Perspex glass or punter to utilise face masks.

Operating Hours

1. The trading hours for LPM's should be the normal trading hours of the sites the relevant facility where the machines are placed;
2. Operation of LPM's should not be linked to the selling of liquor at sites;
3. In the case where liquor sales are restricted by the Disaster Management Regulations, LPM's should be allowed to operate even after liquor sales have stopped for any trading day;

ANNEXURE D – CONSOLIDATED BOOKMAKER REPRESENTATIONS

Should sports betting shops be allowed to open during the phased-reopening-period, the bookmakers will commit to strict compliance with the prescribed rules. To demonstrate commitment to compliance, the Bookmakers will submit to the jurisdiction of general law enforcement to enforce these rules. Furthermore, any failure to comply, would mean that the PLA is entitled to order the instant closure of the particular shop.

The proposed requirements would be:

- A notice at the entrance to the shop indicating the precautionary measures that the patrons can expect. (If this is in place then there would be a level of community 'policing' in the outlet);
- Sanitizing the hands of customers as they enter and leave;
- Sanitizing all surfaces at regular times and intervals (doors, counters, handrails)
- Limitation of the number of people allowed in store at any time – this would be a set number of people per square meter of the shop;
- The provision of masks to all employees;
- Hand washing facilities etc;
- Limited or no seating in shops;
- Only alternate cashiers open;
- Spacing of queue lines; and
- Hand sanitizers or gloves for cashiers as a measure to minimise the risk associated with handling cash/cards.

Over and above the factors raised in the covering letter, the bookmakers request that consideration be given to the following areas:

- Regulators to give bookmakers relief/deferments on tax payments. This would effectively be a moratorium on betting taxes for approximately 4-6 months as bookmakers try to rebuild their businesses. Regulators often talk about partnering with their licensees. This is the perfect time to demonstrate and promote that partnership.
- Regulators to put a 4-6-month suspension on all license conditions that require CSI, NRGP and BBBEE skills spends.

-

- Regulators to issue no more RFPs for further licences/determine any further bookmaking rights for at least a period of 18-months/2 years to allow existing licensees a full recovery period from the impact of the Pandemic.
- Regulators to consider a short-term release of a portion of guarantees held with a view to restoring them after the industry recovers.
- Regulators to fast-track the approval of new contingencies.
- Regulators to speed up the approval of marketing promotions.
- Regulators to review their interpretations of the rules and regulations to approve simulated and virtual sports.

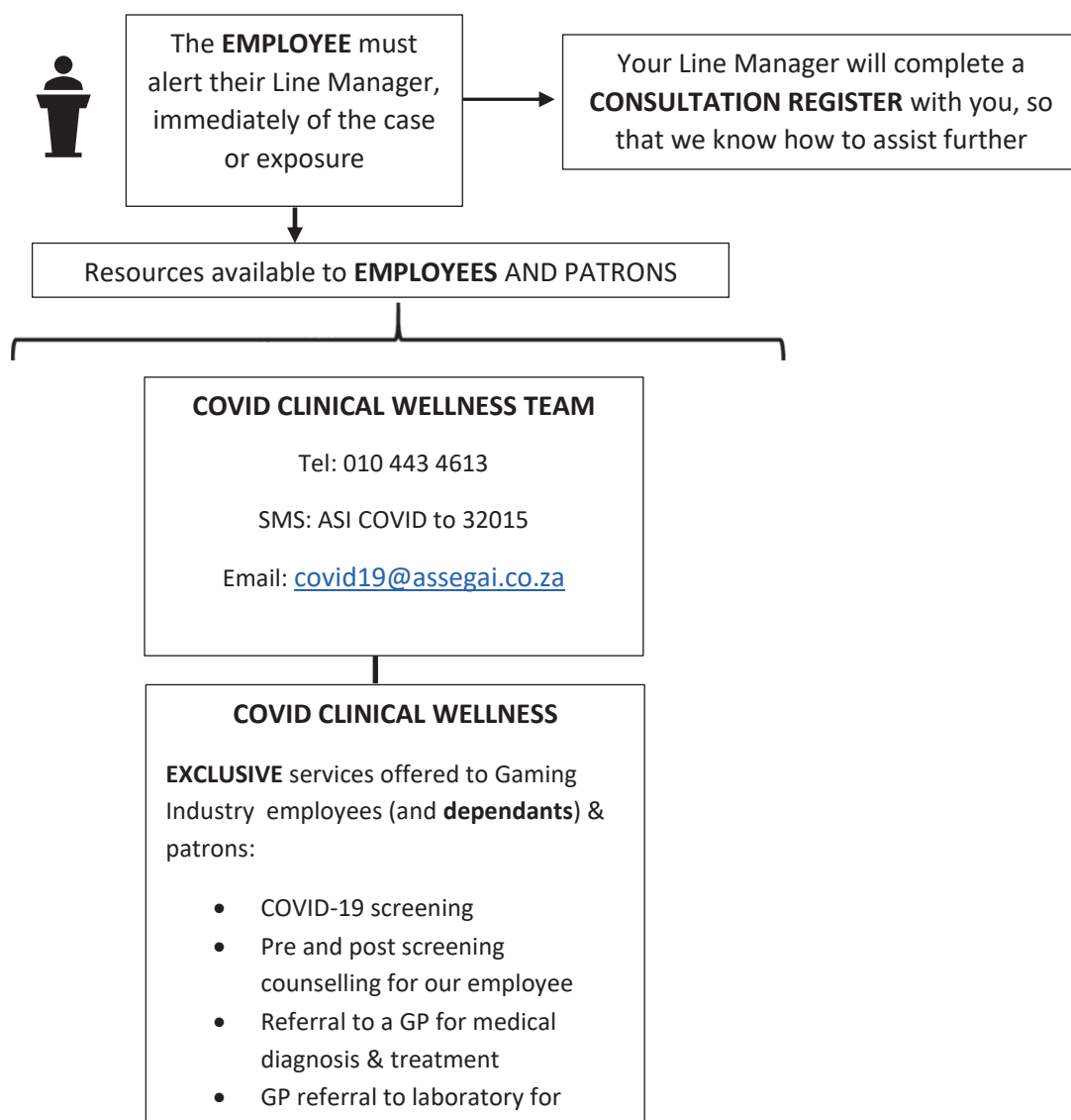
All of these requests are within the power of the respective PLAs and/or the Provincial Treasuries.

ANNEXURE “E”: - CONTACT TRACING AND TESTING

TOOLKIT AMIDST COVID-19

The purpose of the following toolkit is to provide practical guidance to our EMPLOYEES & PATRONS within our organisations on the protocol to be followed, should they encounter either a suspected or confirmed case of COVID-19 within their business unit or household

SCENARIO: SUSPECTED COVID-19 EXPOSURE or CONFIRMED CASE EXPOSURE



STEPS TO FOLLOW FOR EMPLOYEES or PATRONS:

- Begin self-quarantine, record a list of your family, friends & co-workers you have been in contact with
- Complete COVID online questionnaire or contact the COVID hotline for assistance
- Please **NOTE** the use of the COVID CLINICAL WELLNESS centre services for counselling services, is at no additional cost to employees (and dependants) and patron's, however the following services will be billed to you or your medical scheme:
 - The use of their **GP** (available Mon-Fri, from 08h00 – 17h00)
 - The **COVID-19 test**, done at a private laboratory
 - **For medical scheme members**, the Council for Medical Schemes published that should an employee or dependant test positive for COVID-19, both the consultation and test must then be reprocessed and paid from hospital benefits for all medical schemes in South Africa.