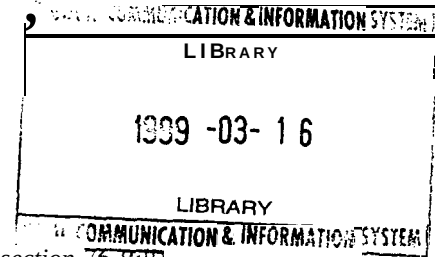


REPUBLIC OF SOUTH AFRICA

GAMBLING MATTERS AMENDMENT BILL



(As introduced in the National Assembly as a section 76 Bill)

(MINISTER OF TRADE AND INDUSTRY)

[B 33—99]

REPUBLIEK VAN SUID-AFRIKA

WYSIGINGSWETSONTWERP OP DOBBELARYAANGELEENTHEDE

(Soos ingedien in die Nasionale Vergadering as 'n artikel 76-wetsontwerp)

(MINISTER VAN HANDEL EN NYWERHEID)

[W 33—99]

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[1 Words in bold type in square brackets indicate omissions from existing enactments.

Words underlined with a solid line indicate insertions in existing enactments,

To amend the National Gambling Act, 1996, so as to empower the Minister of Trade and Industry to determine by notice in the *Gazette* the date from which the national sphere of government or any organisation which holds or administers any asset or right in respect of gambling activities for or on behalf of that sphere shall not have any financial interest in any gambling activity; and to repeal the Gambling Act, 1965; and to provide for matters connected therewith.

BE IT ENACTED by the Parliament of the Republic of South Africa, as follows:—

1. Section 13 of the National Gambling Act, 1996, is hereby amended by the substitution in paragraph (f) of subsection (1) for the words preceding the proviso of the 5 following words:

“the State or any organ of the State or any organisation with which the State is concerned shall **[from 10 May 1999]**, apart from taxes or levies, not have any financial interest in any gambling activity—

- (i) in the case of the national sphere of government or any organisation which holds or administers any asset or right in respect of gambling activities for or on behalf of that sphere, from a date determined by the Minister by notice in the Gazette; or
- (ii) in any other case, from 10 May 1999.”

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2. The Gambling Act, 1965 (Act No. 51 of 1965), is hereby repealed

3. This Act is called the Gambling Matters Amendment Act, 1999.

MEMORANDUM ON THE OBJECTS OF THE GAMBLING MATTERS AMENDMENT BILL, 1999

Purpose of Bill

The Wiehahn Commission of Enquiry investigating gambling *inter alia* recommended that the legislative framework in respect of all forms of gambling would reserve casino and other similar gambling activities for private sector operations, whereas lotteries would in principle be operated for the benefit of public sector initiatives and private initiatives operated for the public benefit, such as welfare organisations. This recommendation was accepted by the Government in 1995 and policy accordingly provided that the State and all organs of state would divest themselves of any financial interest in any gambling activity.

Some of the governments of the so-called homelands existing prior to 1994 held shares in gambling activities which were permitted in those homelands, whilst gambling was prohibited in the rest of the Republic. Upon the unification of South Africa in 1994, all assets, including shares in casinos and similar gambling operations, were transferred into the ownership of the Government of the Republic.

When the National Gambling Act, 1996 (Act No. 33 of 1996), "the Act" was drafted in 1995, it was accepted that it would be possible for the State to divest itself of all its financial interests in gambling activities, before 10 May 1999, which was five years after the inauguration of the first democratically elected Government, in such a way that would be most beneficial to the fiscus. At the time, it was also impossible to accurately fully determine the extent or nature of such financial interests, and section 13(1)(f) of the Act was therefore drafted so as to cast the net as widely as possible to include any form of financial interest. Due to a number of circumstances, it has been impossible to meet those requirements without harming the State's interests.

It is accordingly proposed in clause 1 of the Bill that section 13(1)(~) of the Act be amended to allow the Minister to determine the cut-off date by notice in the *Government Gazette*. In order to preserve the general prohibition in respect of holding a financial interest in gambling activities, that provision distinguishes between the national sphere of government and other spheres.

With the enactment of the Act and the Lotteries Act, 1997 (Act No. 57 of 1997), certain provisions of the Gambling Act, 1965 (Act No. 51 of 1965), were repealed, leaving sections of that Act providing for certain offences intact. The remaining provisions were to be removed from the statute book after all the provinces of the Republic had enacted gambling legislation which made the policing of gambling activities possible. Such legislation has now been enacted in all of the provinces, and in order to avoid confusion and duplication, it is proposed in clause 2 of the Bill that the remaining provisions of the 1965 Act now be repealed.

Consultation

The Ministry of Finance and the National Gambling Board were consulted on this Bill.

Parliamentary procedure

The Department of Trade and Industry and the State Law Advisers are of the opinion that the Bill should be dealt with by Parliament in accordance with section 76 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996).