



National Gambling Board
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CURRENT STATUS OF TRANSFORMATION AND GROWTH IN THE SOUTH AFRICAN GAMBLING INDUSTRY

Since the inception of democracy in 1994, the main economic objectives of government have been job creation, the elimination of poverty and the reduction of inequality. In an effort to address these inequalities and to drive economic transformation, the South African government embarked on a comprehensive programme to provide a legislative framework for the transformation of South Africa's economy.

Broad-Based Black Economic Empowerment (B-BBEE) Act, No. 53 of 2003 was introduced to advance economic transformation and enhance the economic participation of Historically Disadvantaged Individuals (HDI's) and women in the South African economy. The drivers of a region/industry's economic transformation can be very diverse, and can include, amongst others, improved governance, strong economic growth, employment expansion (direct and indirect), strong local and foreign investment, and policy reforms undertaken in early stages of transformation.

The current status of transformation and inclusive growth within the South African Gambling Industry however is unknown. The main aim of this research was therefore to determine or reflect the current status in terms of economic growth, transformation and economic participation of Historically Disadvantaged Individuals (HDI's) and women in the South African gambling industry (excluding National Lottery) in order to understand the current situation within the South African Gambling Industry in terms of transformation.

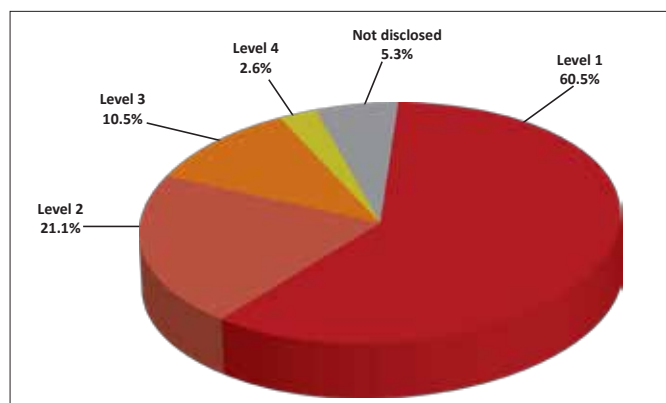
The policy rationale applicable and aligned to the growth and transformation of the gambling industry in South Africa is enshrined in national policies and legislation ranging from the

Constitution of the Republic of South Africa, 1996 (108 of 1996), the National Gambling Act, 2004 (Act 7 of 2004), the B-BBEE Act 53 of 2003 and Codes of Good Practice, the Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act 4 of 2000) as amended, the Competition Act, 1998 (Act 89 of 1998), the National Gambling Policy, 2016, National Gambling Amendment Bill, 2018 and the Employment Equity Act, 1998 (Act 55 of 1998). The National Gambling Act prescribes black economic empowerment as a consideration for regulators when issuing/transferring a license, but does not prescribe any targets/ minimum requirements.

The study breaks down transformation by gambling sector in terms of shareholding and ownership and employment equity.

Casino Sector: The controlling shareholders for the 39 operational casinos in South Africa are Tsogo Sun Holdings/ Hosken Consolidated Investments (14 casinos), Sun International (13 casinos), Peermont Resorts (8 casinos), London Clubs International (1 casino), Northern Cape Casino Consultants (1 casino), Billion Group (1 casino) and African Pioneer Gaming (Pty) Ltd (1 casino). The shareholding and ownership structures in the casino industry are extremely complex and shares are typically vested in companies and corporate structures. As such shareholding and ownership are analysed in terms of the B-BBEE Codes of Good Practice and Generic Scorecard, which provide composite indicators to measure transformation.

Figure 1: Casino Operators B-BBEE Levels



The National Gambling Board is committed to proper, fair and effective regulation of the industry



60.5% of casino operators hold a Level 1 B-BBEE Level, followed by 21.1% of operators holding Level 2 status. Despite the 5.3% of operators that did not disclose their B-BBEE level status, no other operators had a B-BBEE status less than Level 4.

Transformation was examined in terms of employment equity based on available information obtained through the Department of Labour's Employment Equity reports. The casino sector employment breakdown per occupational level¹ is represented in Table 1.

Table 1: Casino sector employment breakdown per occupational level

Occupational levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	15.22%	8.70%	6.52%	47.83%	4.35%	4.35%	2.17%	2.17%	8.70%	0.00%	100.0%
Senior management	12.32%	4.87%	10.60%	31.23%	10.03%	5.16%	6.02%	16.33%	3.15%	0.29%	100.0%
Professionally qualified & experienced specialists & mid-management	24.14%	6.71%	8.05%	17.69%	19.95%	5.78%	4.44%	10.65%	1.42%	1.17%	100.0%
Skilled technical & academically qualified workers, junior management, supervisors, foremen & superintendents	34.11%	6.52%	4.80%	5.83%	32.34%	7.12%	3.30%	5.04%	0.76%	0.18%	100.0%
Semi-skilled & discretionary decision making	34.30%	3.51%	1.73%	0.95%	52.14%	4.32%	1.48%	1.01%	0.44%	0.13%	100.0%
Unskilled & defined decision making	43.18%	0.25%	0.00%	0.76%	54.29%	0.76%	0.00%	0.51%	0.00%	0.25%	100.0%
TOTAL PERMANENT	33.1%	4.5%	3.2%	4.5%	43.2%	5.1%	2.3%	3.2%	0.7%	0.2%	100.0%
Temporary employees	37.48%	3.93%	0.98%	4.42%	44.19%	4.58%	1.31%	2.13%	0.98%	0.00%	100.0%
GRAND TOTAL	33.2%	4.5%	3.1%	4.5%	43.3%	5.1%	2.2%	3.2%	0.7%	0.2%	0.0%

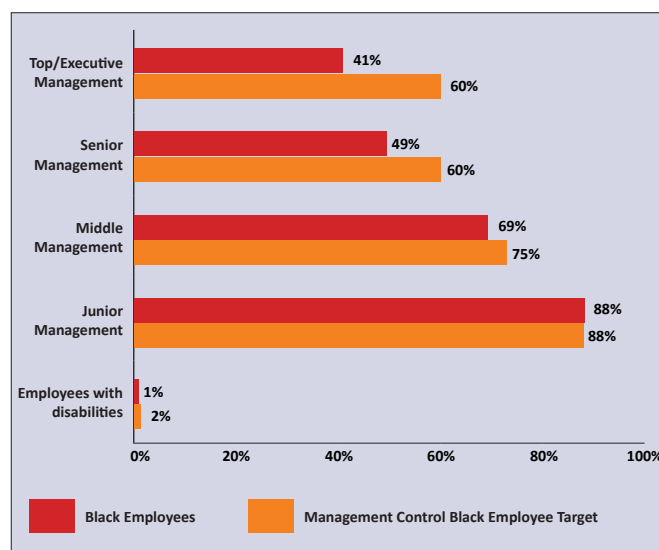
Source: Department of Labour EE Reports –refer to Annexure A for detailed list of statistics used

From the data in Table 1 it is clear that 47.8% of top managerial positions and 31.2% of senior managerial position in the casino industry are filled by white male people (as defined by the B-BBEE Act). The majority of people employed at the skilled technical and junior management level in the casino sector are African males and females.

Figure 2 and Figure 3 present the casino sector's current status in terms of reaching the management control targets as set out in the 2013 B-BEE Codes of Good Practice issued under Section 9(1) of the B-BBEE Act, 2003 (Act No 53 of 2003).

From the data presented in Figure 2 it is clear that there is still some scope for sustained and ongoing transformation in the casino sector in the Top/Executive and Senior Managerial levels, with deficits of 18.70% and 11.00% respectively. The casino sector is nearing the transformation targets set for the middle management and employees with disabilities occupational levels, with deficits of 6.93% and 0.86% respectively. The casino sector has successfully reached the transformation target on a junior managerial level with 88.18% Black employee participation on that level, exceeding the target by 0.18%.

**Figure 2: Casino Sector Management Control Scorecard
Status Quo: Black Employee Participation**



Source: Department of Labour EE Reports – refer to Annexure A for detailed list of statistics used

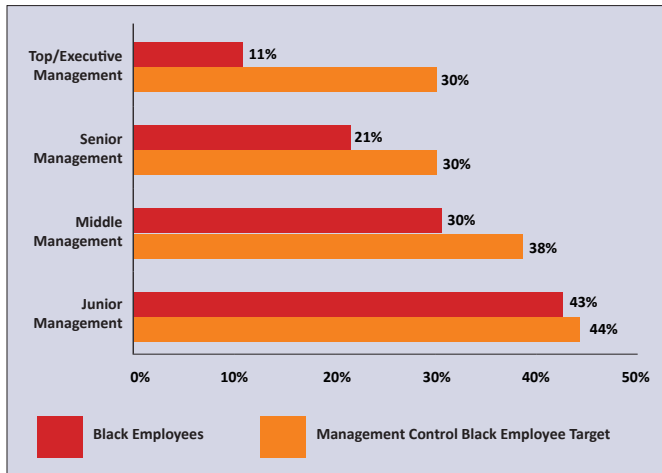
¹ The statistics reflected in this subsection is based on the employment equity reports from 22 companies, comprising a total workforce of 14 503 permanent employees and 611 temporary employees.



*Did you know that gambling is a game of chance?
Sometimes you win, sometimes you don't.*

Figure 3 presents the casino sector's current status of transformation in terms of Black Female Employee participation in managerial control.

Figure 3: Casino Sector Management Control Scorecard
Status Quo: Black Female Participation

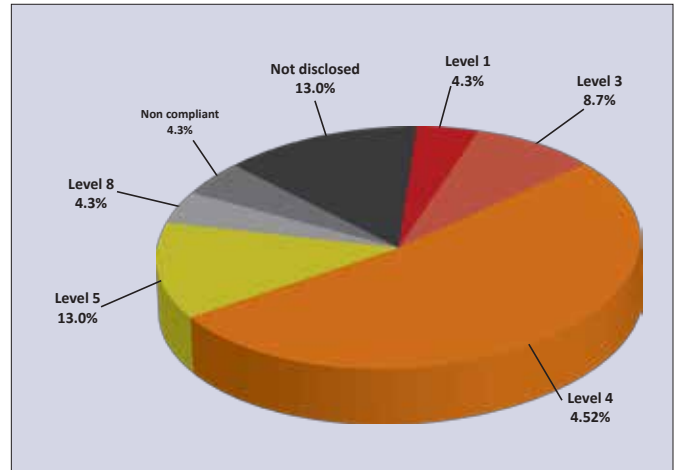


Source: Department of Labour EE Reports – refer to Annexure A for detailed list of statistics used

The data from the above figure suggests that there is scope for ongoing transformation in the Top/Executive Managerial Occupation level in terms of Black Female participation recording a deficit of 20.13% to reach the transformation target set out by the Codes of Good Practice. The casino sector in terms of Black Female participation in managerial positions are nearing the transformation targets set for Senior, Middle and Junior management levels, with 8.80%, 7.82% and 1.24% required respectively to reach the transformation target.

Betting Sector: Phumelela Gaming and Leisure Limited is a JSE-listed, Level 4 B-BBEE business; and the biggest role-player in the Betting on Horse Racing sector, licensed to operate horseracing and totalisator betting in seven of South Africa's nine provinces.

Figure 4: Betting Operators B-BBEE Levels



Source: Provincial Licensing Authorities' Industry B-BBEE reports, as at 31 March 2018

Figure 4 indicates that less than 5% of the betting operators holds a B-BBEE Level 1 status, with the majority of operators (52.2%) holding a Level 4 status. There is still a lot to be done in the Betting sector to reach the targets set out by the Generic Scorecard, with the only element that scored relatively well being the socio-economic development element.

Table 2: Betting sector employment breakdown per occupational level

Occupational levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	14.06%	6.25%	17.19%	35.94%	1.56%	0.00%	9.38%	14.06%	1.56%	0.00%	100.0%
Senior management	21.49%	3.31%	10.74%	27.27%	15.70%	3.31%	6.61%	6.61%	4.13%	0.83%	100.0%
Professionally qualified & experienced specialists & mid-management	18.36%	1.45%	13.53%	28.74%	13.29%	4.11%	7.25%	8.21%	3.14%	1.93%	100.0%
Skilled technical & academically qualified workers, junior management, supervisors, foremen & superintendents	26.20%	0.80%	1.67%	1.57%	60.61%	1.83%	1.95%	1.44%	1.49%	2.45%	100.0%
Semi-skilled & discretionary decision making	22.78%	0.83%	2.22%	0.64%	64.41%	3.63%	2.59%	0.97%	0.71%	1.22%	100.0%
Unskilled & defined decision making	31.71%	0.43%	0.26%	0.43%	61.21%	1.79%	0.00%	0.43%	2.39%	1.36%	100.0%
TOTAL PERMANENT	24.7%	0.8%	2.3%	2.2%	60.5%	2.7%	2.3%	1.4%	1.3%	1.8%	100.0%
Temporary employees	27.84%	0.34%	2.41%	0.00%	65.29%	0.69%	2.06%	0.00%	0.34%	1.03%	100.0%
GRAND TOTAL	24.8%	0.8%	2.3%	2.1%	60.6%	2.7%	2.3%	1.4%	1.2%	1.7%	0.0%

Source: Department of Labour EE Reports –refer to Annexure A for detailed list of statistics used

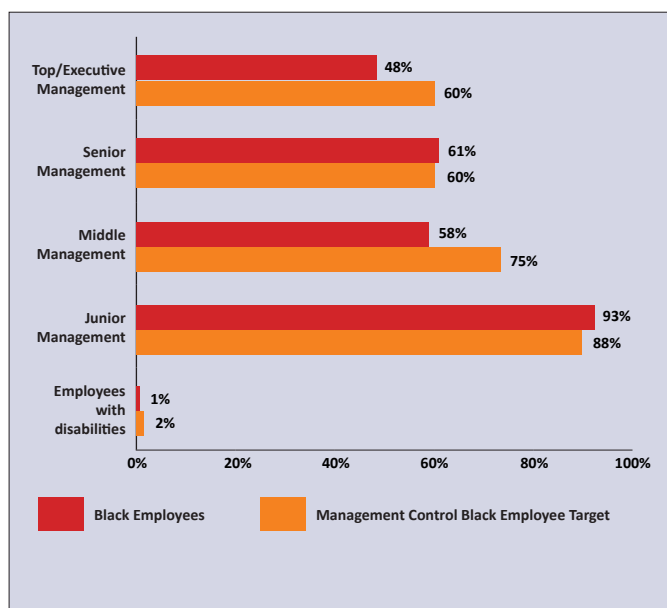




In terms of employment equity, the betting sector² shows a similar trend to that of the casino sector with the majority of employees falling in the skilled and semi-skilled occupation levels. The majority in Top management and Senior Management positions are white males whilst the majority of those in skilled and semi- skilled positions are Africans.

The betting sector was also measured in terms of current status in reaching the management control targets as set out in the 2013 B-BEE Codes of Good Practice issued under Section 9(1) of the B-BBEE Act, 2003 (Act No 53 of 2003). It is clear from the data in Figure 5 that there is still scope for ongoing transformation in betting sector in terms of Black Employee participation on a Middle Management Level, recording a 18.30% deficit in reaching the transformation target. The sector is nearing the transformation targets set for Top/Executive Management and Employees with Disabilities, with these occupational levels respectively recording deficits of 11.56% and 1.17%. The betting sector has however exceeded the transformation targets set for Senior and Junior management levels, exceeding the targets by 1.16% and 5.05% respectively.

Figure 5: Betting Sector Management Control Scorecard
Status Quo: Black Employee Participation



Source: Department of Labour EE Reports – refer to Annexure A for detailed list of statistics used

Figure 6 presents the betting sector’s current status of transformation in terms of Black Female participation in managerial control.

Figure 6: Betting Sector Management Control Scorecard
Status Quo: Black Female Participation



Source: Department of Labour EE Reports – refer to Annexure A for detailed list of statistics used

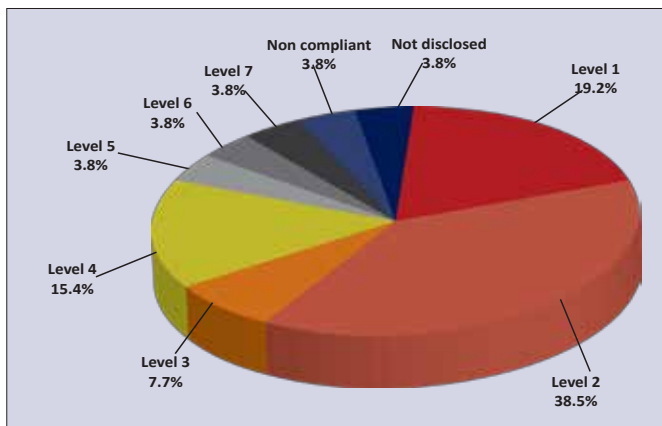
From the data presented in the figure it is clear that scope exists in the betting sector for ongoing transformation on Top/Executive and Middle Managerial Levels, respectively recording deficits of 20.06% and 14.38%. This sector is nearing the transformation targets set for Black Female Participation in Senior Management level with 4.38% required to reach the target set. The betting sector has convincingly reached the target set for Black Female Participation on Junior Management Level, exceeding the target by 20.38%.

LPM Sector: The most prominent role player in the Limited Payout Machine Sector, as per the table below, is Vukani Gaming Corporation (Pty) Ltd, also known as V-slots. Vukani is a wholly owned subsidiary of Hosken Consolidated Investments Ltd (HCI). HCI also wholly owns Niveus Investments, controlling shareholder of Galaxy Gaming.

² The statistics reflected in this subsection is based on the employment equity reports from 44 companies, comprising a total workforce of 14 914 permanent employees and 291 temporary employees.



Figure 7: LPM Operators B-BBEE Levels



Source: Provincial Licensing Authorities' Industry B-BBEE reports, as at 31 March 2018

The data from Figure 7 indicates that the LPM sector also has made appreciable progress in terms of transformation with more than 55% of operators having obtained a Level 1 or Level 2 B-BBEE status. The employment equity reports of the LPM³ industry reveal that the LPM sector has a larger percentage junior management and skilled employees and a smaller percentage semi-skilled employees than the casino or betting sectors. Table 3 presents the employment breakdown per occupational level in the LPM sector. In this sector African males hold the majority of top management and senior management occupational levels.

Table 3: LPM sector employment breakdown per occupational level

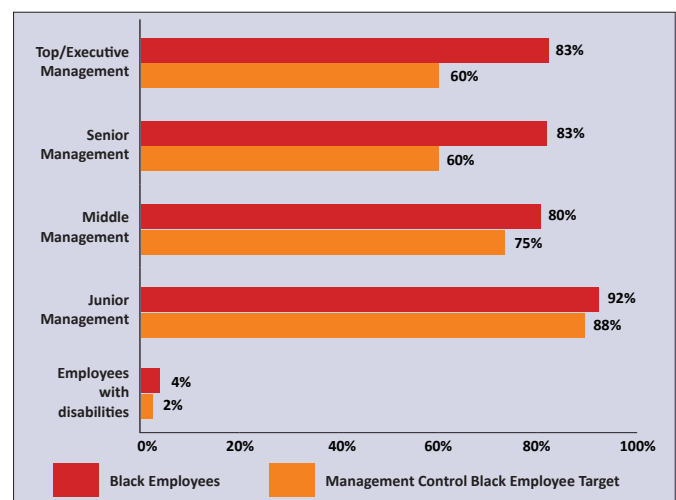
Occupational levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	25.00%	8.33%	16.67%	16.67%	16.67%	8.33%	8.33%	0.00%	0.00%	0.00%	100.0%
Senior management	26.92%	11.54%	13.46%	7.69%	19.23%	5.77%	5.77%	9.62%	0.00%	0.00%	100.0%
Professionally qualified & experienced specialists & mid-management	21.43%	14.29%	10.71%	10.71%	23.21%	5.36%	5.36%	8.93%	0.00%	0.00%	100.0%
Skilled technical & academically qualified workers, junior management, supervisors, foremen & superintendents	42.68%	11.59%	4.27%	3.05%	21.95%	9.45%	1.83%	4.57%	0.61%	0.00%	100.0%
Semi-skilled & discretionary decision making	28.36%	5.97%	2.99%	1.49%	43.28%	11.94%	2.99%	2.99%	0.00%	0.00%	100.0%
Unskilled & defined decision making	36.00%	4.00%	0.00%	0.00%	52.00%	8.00%	0.00%	0.00%	0.00%	0.00%	100.0%
TOTAL PERMANENT	36.5%	10.7%	5.7%	4.3%	25.7%	8.9%	2.8%	5.0%	0.4%	0.0%	100.0%
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL	36.5%	10.7%	5.7%	4.3%	25.7%	8.9%	2.8%	5.0%	0.4%	0.0%	0.0%

Source: Department of Labour EE Reports – refer to Annexure A for detailed list of statistics used

Figure 8 and Figure 9 presents the LPM sector's current status in terms of reaching the management control targets as set out in the 2013 B-BEE Codes of Good Practice issued under Section 9(1) of the B-BBEE Act, 2003 (Act No 53 of 2003).

From the data presented in Figure 8 it is clear that the LPM sector performed very well in its efforts to reach the targets in terms of Black employee participation as set out in the Codes of Good Practice, with the transformation targets being exceeded on all managerial levels. The target on Top/Executive Management Level is exceeded by 23.33%, the target on Senior Management level is exceeded by 22.69%, Middle Management is exceeded by 5.36%, Junior management target is exceeded by 3.77% and the Employees with Disabilities target is exceeded by 1.52%.

Figure 8: LPM Sector Management Control Scorecard
Status Quo: Black Employee Participation



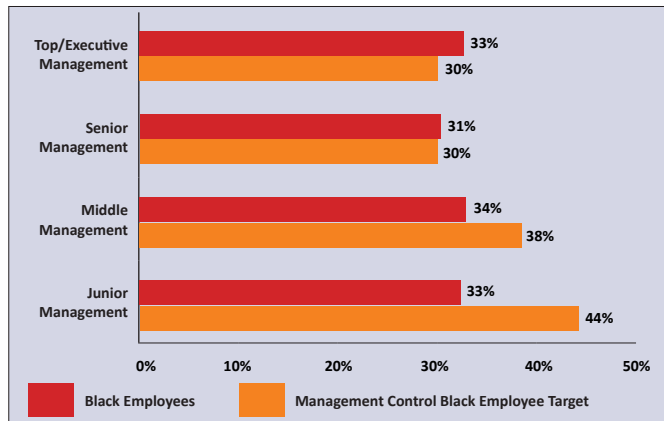
Source: Department of Labour EE Reports – refer to Annexure A for detailed list of statistics used

³ The statistics reflected in this subsection is based on the employment equity reports from 21 companies, comprising a total workforce of 540 permanent employees and 0 temporary employees.



Figure 9 presents the LPM sector's current status of transformation in terms of Black Female participation in managerial control.

**Figure 9: LPM Sector Management Control Scorecard
Status Quo: Black Female Participation**

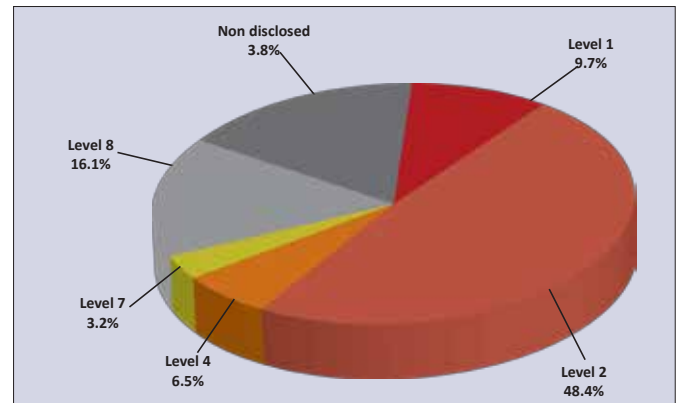


Source: Department of Labour EE Reports – refer to Annexure A for detailed list of statistics used

From the data presented in the figure it is clear that the LPM sector has managed to reach the prescribed Black Female participation targets on a top and senior managerial level, with these targets being exceeded by 3.33% and 0.77% respectively. The LPM sector is also nearing the transformation targets for Black Female Participation in both middle and junior management levels, with deficits of 4.07% and 11.77% required respectively to reach these targets.

Bingo Sector: Goldrush Bingo and Galaxy Bingo are the two most prominent licensed bingo operators within the bingo industry, with both operators being active in the six provinces that has rolled-out bingo licenses. Goldrush Bingo is owned by RECM and Calibre Limited, while Galaxy Bingo is owned by Niveus Investments, a wholly owned subsidiary of Hosken Consolidated Investments Ltd (HCI).

Figure 10: Bingo Operators B-BBEE Levels



Source: Provincial Licensing Authorities' Industry B-BBEE reports, as at 31 March 2018

Although gaps exist within the data, the data from the above figure indicates that the Bingo sector also has made appreciable progress in terms of transformation with more than 50% of operators having obtained a Level 1 or Level 2 B-BBEE status. Table 4 presents the employment breakdown per occupational level in the Bingo sector⁴.

Table 4: Bingo sector employment breakdown per occupational level

Occupational levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0.00%	0.00%	0.00%	0.00%	50.00%	0.00%	50.00%	0.00%	0.00%	0.00%	100.0%
Senior management	29.51%	0.00%	0.00%	6.56%	54.10%	4.92%	3.28%	1.64%	0.00%	0.00%	100.0%
Professionally qualified & experienced specialists & mid-management	20.24%	2.02%	4.86%	3.24%	55.87%	5.26%	4.05%	4.05%	0.40%	0.00%	100.0%
Skilled technical & academically qualified workers, junior management, supervisors, foremen & superintendents	37.80%	2.64%	0.66%	0.00%	52.31%	6.15%	0.00%	0.44%	0.00%	0.00%	100.0%
Semi-skilled & discretionary decision making	26.65%	2.31%	0.63%	0.21%	64.01%	5.77%	0.10%	0.21%	0.10%	0.00%	100.0%
Unskilled & defined decision making	13.25%	0.00%	0.00%	0.00%	80.34%	5.98%	0.43%	0.00%	0.00%	0.00%	100.0%
TOTAL PERMANENT	26.9%	2.0%	1.1%	0.7%	61.9%	5.8%	0.8%	0.8%	0.1%	0.0%	100.0%
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL	26.9%	2.0%	1.1%	0.7%	61.9%	5.8%	0.8%	0.8%	0.1%	0.0%	0.0%

Source: Department of Labour EE Reports – refer to Annexure A for detailed list of statistics used

50% of Top Management is occupied by African Females and the other 50% by Indian Females. Female Africans also dominate Senior Management Occupational levels. From the table above, it is clear that the bingo sector is also well represented by African people across all occupational levels.

Figure 11 and Figure 12 presents the Bingo sector's current status in terms of reaching the management control targets as set out in the 2013 B-BEE Codes of Good Practice issued under Section 9(1) of the B-BBEE Act, 2003 (Act No 53 of 2003).

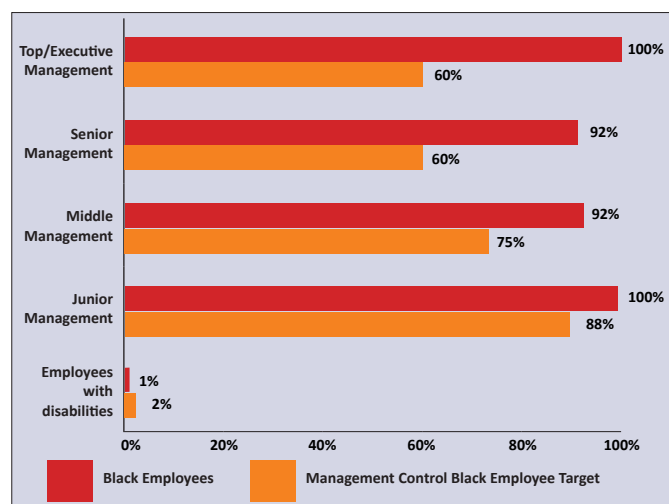
⁴ The statistics reflected in this subsection is based on the employment equity reports from 34 companies, comprising a total workforce of 1 952 permanent employees and 0 temporary employees.





The data in Figure 11 reveals that the bingo sector has managed to reach targets in terms of Black Employee participation in top, senior, middle and junior management levels, exceeding these targets by 40.0%, 31.80%, 17.31% and 11.56% respectively. The sector is also approaching the target set for employees with disabilities with 1.49% required to reach the target set.

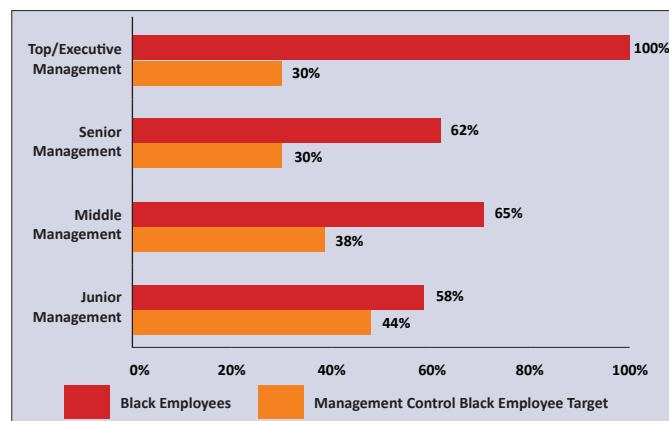
Figure 11: Bingo Sector Management Control Scorecard Status Quo: Black Employee Participation



Source: Department of Labour EE Reports – refer to Annexure A for detailed list of statistics used

Figure 12 presents the bingo sector’s current status of transformation in terms of Black Female Employee participation in managerial control. From the figure it is also clear that the bingo sector has over-exceeded expectations in reaching the targets as set out by the Codes of Good Practice. The target for Black Female Employee Participation in Top/Executive Management is exceeded by 60%, Senior Management exceeded by 32.30%, Middle Management exceeded by 27.18% and Junior Management exceeded by 14.46%.

Figure 12: Bingo Sector Management Control Scorecard Status Quo: Black Female Participation



Source: Department of Labour EE Reports – refer to Annexure A for detailed list of statistics used

From a holistic point of view and quantitatively, the gambling industry has made strides in transformation and it would appear that significant advances have been made in transforming the gambling industry over past two decades. There is still scope for ongoing transformation in the gambling industry in terms of Black Female Employee Participation in Top/Executive Management level. The sectors where a gap between the target and current status can be observed include the casino sector, and to a lesser extent the betting sector where, a further 10-20% transformation is still required in order to meet the target. The Bingo and LPM gambling subsectors continue to play an important role in transformation and can be considered powerful transformation vehicles. Transformation in the casino sector has therefore taken place progressively albeit at a slower pace when compared to LPM and bingo sectors.

The qualitative analysis sought to establish the key factors driving or constraining transformation in the gambling industry, through the lens of provincial licensing authorities. Provincial Licensing Authorities generally do not have any formal transformation strategies or plans, but rather enforce transformation through licensing conditions and RFAs based on the B-BBEE Act. This was furthermore confirmed in that little difference was observed in terms of the licensing conditions imposed in the different provinces. Licensing conditions are mostly generic and differed very little for the respective modes, except for the ownership conditions for casinos, which differed from those set out for the bingo, LPM and betting sectors.

Although there was a general belief that transformation in the gambling industry had taken place, it was unanimous that more could be done. It is our considered opinion that the lack of detailed statistics and reporting measures is the biggest concern, as none of the PLAs can truly measure the extent of transformation and it is believed that these provincial regulators base their findings on B-BBEE levels, which is based on various factors and not exclusively on transformation in terms of shareholder/ownership and employment equity. The lack of uniformity in terms of targets and reporting was a key concern raised by the PLAs. Representatives from various PLAs indicated that there is no minimum or prescribed standard of what the B-BBEE levels should be, which creates confusion, especially amongst the licensees.

The major challenges that impede industry growth through transformation, as identified by the various PLAs, relate to the lack of funding and the lack of skills development and transfer. Various PLAs revealed that the lack of funding of local Historically Disadvantaged Individuals (HDIs) to procure shares, results in licensees offering shares at no cost, but with certain conditions regarding dividend-payments (like for instance, only receiving dividends after the repayment of a business loan or after a certain time period), in an effort to comply to licence



conditions. It was stated that some companies would indicate that they would get more value if they had HDI shareholders that could contribute financially, enabling them to expand/improve facilities and thereby creating more revenue, more jobs, etc.

In February 2007, **the dtic** gazetted the Black Economic Empowerment (BEE) Codes of Good Practice, in terms of which a number of Transformation Sector Charters (also referred to as Sector Charters) were introduced, vetted and analysed for compliance, as per the stipulations of either **Section 9** or **12** of the B-BBEE Act, No. 53 of 2003. The study sought the Mining Charter and Tourism Charter for analysis and guidance towards what a possible South African Gambling Industry charter would consist of. In a presentation done by the South African National Accreditation System (SANAS) during workshops related to the newly amended Generic Codes of Good Practice, it was highlighted that the purpose of sector specific charters is:

- To enhance transformation using unique knowledge and characteristics of the sector to deepen meaningful participation in the main stream of the SA economy.
- To actively promote transformed, vibrant and globally competitive sectors that reflects the demographics of SA & contributes to the establishment of an equitable society,

The following aspects have been highlighted by the Mining and Tourism Charters in support of transformation, are not covered by the Generic Codes, but could be considered by the Gambling Industry:

- Skills Development/Human Resource Development:
 - o The Mining Charter includes an element that requires mining companies to contribute to South African Historically Black Academic Institutions – contributing to the skills shortages amongst black people.
 - o The Tourism Charter provides for bonus points should black people be absorbed by the measured and/or industry entity at the end of the Learnerships/ internship or Apprenticeship programme
- Enterprise and Supplier Development
 - o The Tourism Charter has set the target for supplier development at 3% NPAT which is higher than the 2% of the Generic Codes – the increased contribution to supplier development in the sector will lead to job creation and overall growth in the sector
- Employment Equity:
 - o The Mining Charter included an Employment Equity element over and above the Management Control

element (this element was also included in the previous Codes of Good Practice) to promote the inclusion of black people in core and critical skills.

- Compliance:
 - o The Tourism Charter deviates from the Exempted Micro Enterprises, Qualifying Small Enterprises and Large Enterprise thresholds as set out in the Amended Generic Codes of Good Practice, to address the unique feature of the sector. A Large Enterprise (Total revenue of over R45 million) is required to comply with all the Priority elements; while a Qualifying Small Enterprise (Total Revenue between R5 million and R45 million) is required to comply with Ownership as a compulsory element, and either Skills Development or Enterprise and Supplier Development.

Government's radical socio-economic transformation objectives are ultimately about economic inclusiveness, historical redress and redistribution (income, wealth and asset redistribution). The preceding analyses it is evident that certain subsectors of the industry are, for a number of reasons, better positioned to give effect to transformation objectives. Transformation entails giving effect to structural changes within an industry.

Transformation in the gambling industry, for the purposes of this study, is measured on (a) the inclusion of black people in ownership/shareholding structures of entities; and (b) on the participation of black people in managerial occupation levels. As such the study finds that in the absence of an industry-specific charter and scorecard and the most effective and legally acceptable tool for transformation being the B-BBEE Scorecard measuring various aspects related to Ownership, Managerial Control, Skills Development, Enterprise and Supplier Development and Socio-Economic Development, certain sectors of the gambling industry have made appreciable advances over other sectors in transformation,

However, strategically, there is a need for the development of a charter for the industry. There is a need for the creation and implementation of a uniform scorecard that specifically caters to the gambling sector and different gambling modes. This will streamline the monitoring and compliance of licensees. The PLAs have to formulate and adhere to a uniform set of transformation targets and criteria to report on.

The industry also needs to also support and enable new entrants by encouraging industry role-players and potential investors to access funds available through various government initiatives to actively participate in industry activity.