



Business Plan

1. Executive Summary

The Western Cape Liquor Act was enacted to provide for the licensing for the retail sale and the micro-manufacture of liquor in the Western Cape Province and to provide for incidental matters.

The Western Cape Liquor Authority (hereinafter referred to as the WCLA) is a Provincial Entity established by sub section 2(1) of the Western Cape Liquor Act (4 / 2008) as amended and as referred to in section 5 of the National Liquor Act (27/1989) as amended. The WCLA is listed as a Provincial Public Entity in Schedule 3 of the PFMA.

The Governing Board, bestowed with the powers and functions to manage the business of the WCLA, adopted the following vision, mission and strategic objectives:

Vision

- Recognised by the Public as leading the reduction of alcohol related harms through effective regulation of the retail sale and micro-manufacture of liquor in the Western Cape.

Mission

- Lead and promote the role of the public to reduce the impact of alcohol related harms.
- Effective and sustainable utilisation of resources to reduce the burden on the fiscus.
- In the public interest optimally regulate the liquor industry.

Values

In the execution of our mandate and functions, the WCLA places great reliance on the following values:

- **Accountability**

We take responsibility.

- **Caring**

To care for those we serve and with whom we work.

- **Competence**

The ability and capacity to do the job we were employed to do.

- **Integrity**

To be honest and do the right thing.

- **Innovation**

To be open to new ideas and develop creative solutions to problems in a resourceful way.

- **Responsiveness**

To serve the needs of the residents of the Western Cape and employees.

Resources and the management thereof are required to ensure the mentioned outputs.

The Governing Board of the WCLA approved a budget allocation the Authority received from the Department of Community Safety. Section 26(6) of the Act provides that the Chief Executive Officer of the WCLA may enter into such financial transactions as may be required for the operation of a public entity, including but not limited to, entering into partnerships with other organs of state and engaging the services of contractors and service providers. Section 9 of the Act provides that the WCLA has the powers and functions to (a) administer liquor regulation in the Province, (e) open and maintain bank accounts, (i) receive, expend and generally administer funds, (n) determine minimum internal control systems for the Authority and for licensees, including accounting and reporting procedures and any other procedures or systems, whether computerised or not and (q) establish and administer funds for the proper administration of this Act.

The Authority, in terms of the Act, acts as an agent for revenue collection. Section 30 of the Act provides that the revenue from fees in respect of automatic renewals must be paid into the Provincial Revenue Fund. These fees are transferred to the Provincial Revenue Fund from the Authority via the Department.

The bulk of the revenue for the WCLA will be from fees in respect of automatic renewals. These will mostly flow to the WCLA from October to February annually.

The WCLA has its own independent bank account and has adopted and implemented financial policies that ensure effective internal controls are adhered to. All revenue in respect of the WCLA is paid directly into the bank account of the Authority and once the Authority allocates the individual payments a bulk transfer to the Provincial Revenue Fund is made via the Department. This independent bank account has been in place since the 1st November 2012.

In a memorandum of agreement (MoA) signed between the Authority and DoCS it is agreed that DoCS will make transfer payments, equal to the amount of the approved grant to the WCLA. This cash, not the revenue received in terms of section 30(1), will be utilised as part of operating budget.

2. Introduction and Background

Section 5 of the (National) Liquor Act, 1989 (Act 27 of 1989), was amended by the (national) Liquor Amendment Act, 1995 (Act 57 of 1995), to, amongst other things, make provision for provincial liquor authorities, instead of the single national Liquor Board which had been in existence until then. (Section 5 reads: "A separate Liquor Board is hereby instituted for each province of the Republic of South Africa.").

Consequently during 1997, as mandated by the Liquor Act, 1989, the Western Cape Province established the "Western Cape Liquor Board" duly listed as a Provincial Public Entity in Schedule 3 (Part C) of the Public Finance Management Act, 1999 (Act 1 of 1999).

The Western Cape Liquor Board was set up during 1997 in the Department of Economic Development and Tourism as the designated support department with its Head of Department as the Accounting Officer and the Minister as the designated Executive Authority.

The Western Cape Liquor Bill, 2008, was assented to by the former Premier of the Western Cape, on 25 November 2008 and published as the Western Cape Liquor Act, 2008 (Act 4 of 2008) ("the Act") on 27 November 2008.

In the interim, the following provisions of the Liquor Act, 2008 were brought into operation by way of two Proclamations being Proclamation 22 in Provincial Gazette 6593 dated 23 December 2008 and Proclamation 4 in Provincial Gazette 6758 dated 10 June 2010:

- I. Section 1 (definitions);
- II. Parts of section 76 (general offences);
- III. Section 80 (offences regarding motor vehicles); and
- IV. Parts of section 87 (penalties and forfeiture).

In December 2010, the Western Cape Provincial Parliament passed the Western Cape Liquor Amendment Act, 2010 (Act 10 of 2010) ("the Amendment Act"). Further amendments to the Act were passed in 2015.

The Western Cape Liquor Regulations were signed off by the Provincial Minister of Finance, Economic Development and Tourism on 30 September 2011 and were gazetted. The revised Regulations in line with the amendments to the Act were promulgated and came into effect on 1 July 2017.

The entity has been reporting to DoCS from 1 April 2016.

In terms of the provincial legislation, provision is made for a Western Cape Liquor Authority that consists of:

- A Governing Board;
- A Western Cape Liquor Licensing Tribunal;
- A Liquor Appeal Tribunal; and
- An organisational structure that includes a Chief Executive Officer, with a staff complement to execute the requisite functions such as licensing administration and enforcement and compliance and advocacy and stakeholder relations.

The Governing Board of the Authority has been effectively established and put in place the necessary framework and corporate structure that has allowed for the operationalization of the Liquor Authority. This included governance and compliance frameworks such as HR policies, Supply Chain Management policies as well as the appointment of the Liquor Licensing Tribunal and the Appeal Tribunal.

The WCLA is committed to regulate the retail sale and micro-manufacturing of liquor in the province, facilitate transformation of the liquor industry in the Western Cape by promoting the entry of new licence holders, and partner with organisations to ensure the responsible use of liquor. In addition, the institution has made provision for activities aligned to the strategy of the Western Cape Government's Alcohol Harms Reduction Game Changer initiative (AHRGC).

The Authority has stepped up its commitment to regulating the retail-sale and micro-manufacturing of liquor in the province, and to facilitating the transformation of the liquor industry in the Western Cape, by promoting the entry of new license holders, and balancing this with a very stringent enforcement of a compliance regime, in line with the Alcohol Harms Reduction Game Changer and the Alcohol Harms Reduction policy initiative of the Western Cape Provincial Government. This has been further boosted by the revision of the Regulations and provisions of the Act that deal with harm. Further, the Authority has partnered with organizations that promote responsible consumption.

3. Self-sustainability

Self-sustainability will be achieved by improving the ability of the WCLA to mobilise resources as own revenue and on behalf of the Provincial Revenue Fund. The main objective is to ensure the WCLA collects and pays over more resources to the Provincial Revenue Fund than it receives in allocations from the fiscus. This will be achieved by ensuring that the fees charged by the WCLA are cost reflective through progressive annual fee increases over the Medium Term Expenditure Framework (MTEF). The WCLA will also work towards the implementation of a differentiated pricing model, through further legislative amendments that will introduce differentiated categories of licenses. It is envisaged that these further legislative amendments are likely to come into effect over the Strategic Framework. The differentiated pricing model, once implemented, will provide some relief to smaller players while ensuring that the liquor industry sustainably contributes towards the costs of regulating the industry and the reduction of alcohol related harms.

We will continue to work with the custodial department to improve efficiency and ensure that the cost of regulation is not an additional burden on the fiscus.

4. Challenges

Challenges facing the Authority to effectively operate within this environment include the limited financial and human resources that impact on the Authority delivering a service that satisfies the greater community. For example the establishment of the much needed regional offices and the deployment of sufficient inspectors in the field is not possible yet. In an attempt to remedy this challenge, the Authority, together with the assistance of their oversight Department, has embarked on a process of reviewing the current fee structure as a possible means of addressing some of the financial constraints.

The abuse of liquor has engendered social ills that cost the Western Cape economy large sums of money annually which brought about severe negative social-economic effects on the population. The WCLA created a Social and Education Fund (SEF) to create awareness and to educate the general public on the industry with regards to the responsible sale and consumption of liquor as well as on liquor-related harms.

The Authority is in the process of increasing community participation by taking their comments into consideration with regards to the issuing of liquor licencing within a specific area. This will regulate liquor licencing in the community and promote the allocation of licences in accordance with community sentiment. It will also reduce the above-mentioned negative socio-economic effects and contribute to the wealth and economic growth of the people and the Province as the economic burden of liquor abuse is reduced. The Authority strives to find a balanced approach between maximising the economic benefits and minimising the negative social effects of the irresponsible trade in and consumption of liquor.

The formulation of strategic partners with key stakeholders such as Municipalities, Provincial Government Departments, South African Police Services (SAPS), and National Liquor Authority will ensure that key priorities in terms of the combating of the socio-economic effects will be achieved consistently.

The WCLA and its staff are still committed to dealing with all these new priorities with professionalism and enthusiasm.

5. Summary of outputs

The liquor industry is an extremely important economic driver and supplier of employment. The employment opportunities in the Western Cape provided by the wine and liquor industry are enormous. These opportunities are with manufacturing, controlling, bottling, storage, transportation, distribution, retail and management.

The WCLA will regulate micro-manufacturing and the retail sale of liquor in the province. It will also facilitate transformation of the liquor industry in the Western Cape by promoting the entry of new licence holders and ensure the responsible use of liquor.

The WCLA, as the custodian of the Western Cape Liquor Act 4 of 2008 (as amended), is legislatively mandated to regulate the liquor industry in the Western Cape. This will be done through regulating the liquor trade in the Western Cape by constantly monitoring the licensed and unlicensed premises in the Province. The Liquor Licensing Administration unit administers all liquor applications in the Western Cape for consideration by the Liquor Licensing Tribunal. The Liquor Licensing Tribunal adjudicates all liquor licence applications. The Appeal Tribunal adjudicates appeals for the review of decisions by the Liquor Licensing Tribunal. The Liquor Compliance and Enforcement unit ensures compliance of liquor licence legislation and regulation. The Communication, Education and Stakeholder Relations unit provides advocacy, communication and stakeholder relation services.

Strategic outcome oriented goals

Measuring the impact

Impact Statement	Optimal regulation of the retail sale and micro-manufacturing of liquor in the context of reducing the impact of alcohol related harms.
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Measuring Outcomes

Outcome	Outcome Indicator	Baseline	Five year target
1. Applications processed by the Liquor Licencing Administration within prescribed timeframes	1. Timeous processing of applications to be referred to the Liquor Licensing Tribunal	New	100% of applications processed by the Liquor Licensing Administration within prescribed timeframes
2. Matters considered by the Liquor Licencing Tribunal within prescribed timeframes	2. Timeous consideration of all matters referred to the Liquor Licensing Tribunal	New	100% of matters considered by the Liquor Licensing Tribunal within the prescribed timeframes
3. Community participation in the application and complaints processes	3. Year on year increase in community participation during the application and complaints processes	New	Increased community participation in the application and complaints processes
4. Compliance with the Act and licence conditions by licence holders	4. Focus on compliance with the Act and licence conditions by licence holders	New	Year-on-year increase in compliance levels
5. Compliance with relevant legislation and National and Provincial Treasury Instructions	5. Focus on compliance with relevant legislation and National and Provincial Treasury Instructions	New	Audit opinion from Auditor-General of South Africa
6. Alignment with the provincial government's strategic priorities, within a prescribed strategic framework	6. Manage the performance monitoring and reporting processes for the WCLA	New	Publication of an audited Annual Report

Liquor Licencing Administration

Output Indicators		Reporting period	Annual target 2020/21	Quarterly targets			
				1st	2nd	3rd	4th
1.1.1	Percentage of permanent and secondary license applications received by the Liquor Licensing Administration processed within prescribed timeframes	Quarterly	80%	80%	80%	80%	80%

Liquor Licencing Tribunal

Output Indicators		Reporting period	Annual target 2020/21	Quarterly targets			
				1st	2nd	3rd	4th
2.1.	Percentage of permanent and secondary license applications considered by the Liquor Licensing Tribunal within the prescribed time frames	Quarterly	80%	80%	80%	80%	80%
2.2	Percentage of all enforcement matters finalized by the Liquor Licensing Tribunal within 60 days of referral	Quarterly	80%	80%	80%	80%	80%

Communication, Education and Stakeholder Relations

Output Indicators		Reporting period	Annual target 2020/21	Quarterly targets			
				1st	2nd	3rd	4th
3.1	Number of engagements with local authorities	Quarterly	26	6	7	7	6
3.2	Number of public participation interventions attended with stakeholders	Quarterly	36	9	9	9	9
3.3	Report on public participation in the applications processes	Quarterly	4	1	1	1	1
3.4	Report on public participation in the enforcement processes	Quarterly	4	1	1	1	1
3.5	Number of awareness sessions with license holders directed at priority groupings of women and youth	Quarterly	10	3	3	2	2

Compliance and Enforcement

Output Indicators		Reporting period	Annual target 2020/21	Quarterly targets			
				1st	2nd	3rd	4th
4.1	Number of applications granted inspected within 12 months after date of issue	Quarterly	500	125	125	125	125
4.2	Number of enforcement operations with other agencies conducted	Quarterly	80	20	20	20	20
4.3	Percentage of complaints received investigated within 30 days	Quarterly	80%	80%	80%	80%	80%
4.4	Number of inspections conducted focused on under-age drinking and access to restricted areas	Quarterly	500	125	125	125	125

Finance

Output Indicators		Reporting period	Annual target 2020/21	Quarterly targets			
				1st	2nd	3rd	4th
5.1	Percentage expenditure in relation to the allocated budget	Quarterly	98%	98%	98%	98%	98%
5.2	Percentage of invoices paid within 30 days after receipt of invoice	Quarterly	100%	100%	100%	100%	100%

Corporate Services

Output Indicators		Reporting period	Annual target 2020/21	Quarterly targets			
				1st	2nd	3rd	4th
6.1	Number of Annual Performance Plans (APP) published	Annually	1				1
6.2	Number of quarterly performance reports submitted to DoP	Quarterly	4	1	1	1	1
6.3	Number of quarterly performance reports submitted to Parent department	Quarterly	4	1	1	1	1

6. Priorities for 2020/21

The strategic and objective statements remain legislative goals within the Western Cape Liquor Authority, but the primary focus for the 2020/21 financial year includes the following:

- a) Capacitation of the WCLA to deliver on its mandate in a self-sustainable manner:
 - i. Law enforcement is an integral part of a comprehensive approach to reduce alcohol related harms
 - ii. Capacitate and strengthen liquor enforcement units further through increased resources
- b) Various opportunities exist to increase the efficiency and effectiveness of enforcement to serve society :
 - i. Strengthen unity to harness available resources strategically
 - ii. Providing greater powers and numbers of liquor law enforcement officials
- c) WCG has already funded additional 3 liquor inspectors dedicated to the Game Changer areas:
 - i. Increase in compliance of liquor outlets in those areas with fines of R828 000 issued between February 2017 and December 2018
 - ii. Sense of safety increased by 21% in Khayelitsha as result of Alcohol Harms Reduction interventions
 - iii. SAPS has also reported on the positive impact the initiative has had on the relevant areas
- d) WCLA aims to gain access to the resources supporting WCG's prioritization of safety
- e) Automation of the various aspects of the liquor license application process and renewals
- f) Ensure accurate and seamless settlement of fees
- g) Prevent the unintended lapsing of licenses (renewals)
- h) Government and private sector collaboration for solutions to optimize revenue collection and ease of business
- i) Broadening our communication and education footprint to better respond to realities of alcohol harms

7. Risks and Mitigations

Outcome	Key Risk	Risk Mitigation
Applications processed by the Liquor Licencing Administration within prescribed timeframes	Applications submitted substantially non-compliant with the requirements of the Act.	Checklist and procedures provided to potential applicants and available on the WCLA website.
Matters considered by the Liquor Licencing Tribunal within prescribed timeframes	Incomplete and lack of sufficient information provided in the application process.	Increased level of community participation in the applications and enforcement processes.

Outcome	Key Risk	Risk Mitigation
	Capacity constraints regarding the consideration of enforcement matters.	Amendment of the current legislation to include enforcement powers to the Section 24 committees creating a dedicated enforcement stream in the Tribunal
Community participation in the application and complaints processes	The ability to access and influence all platforms managed by other spheres of government involving and affecting communities, women, youth and children	Facilitate engagements between the WCLA and potential partners to incorporate the interest of the public, women, youth and children. Develop a comprehensive media, training and education awareness campaigns through various mediums and platforms involving all identified stakeholders.
Compliance with the Act and licence conditions by licence holders	Capacity constraints in terms of the number of inspectors versus the number of licenced premises dispersed over an area covering 129 462 km ² .	Joint planned operations, collaboration with other law enforcement agencies, the automation of the inspections through the use of electronic devices and a revisit the organisational structure to increase the enforcement footprint. The WCLA will make a formal proposal to gain access on the boots on the ground project to improve its law enforcement capacity.
Compliance with relevant legislation and National and Provincial Treasury Instructions	Negative audit outcome due to non-compliance to the PFMA, GRAP, NTR and internal policies.	Training interventions identified and addressed
Alignment with the provincial government's strategic priorities, within a prescribed strategic framework	Capacity constraints in terms of successfully making an impact on the provincial strategic priority VIP1	Bi-lateral quarterly meetings with the HOD of DoCS will be initiated to ensure continued strategic alignment with the provincial government's strategic priorities. Review the structure of the WCLA to ensure that it supports the implementation of its strategic responsibilities. The review of the structure will also enable the WCLA to attract and retain the right level of skills and competence for key positions.
Lead and promote the role of the public to reduce the impact of alcohol related harms.	The WCLA not able to deliver on its mandate mission and objectives due to the impact of COVID 19 pandemic	The WCLA will perform a comprehensive assessment of the impact COVID-19 on its operations, strategy and financial sustainability and develop a plan to

Outcome	Key Risk	Risk Mitigation
<p>Effective and sustainable utilisation of resources to reduce the burden on the fiscus.</p> <p>In the public interest optimally regulate the liquor industry.</p>		<p>address the impact in a sustainable manner.</p>

8. Budget 2020/21

Please see attached Annexure A

9. Western Cape Liquor Authority Organogram

Please see attached Annexure B



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Date: 21/05/2020