

PRESS RELEASE BY ALBERT FRITZ
WESTERN CAPE MINISTER OF COMMUNITY SAFETY
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WCLA Update: Minister Fritz welcomes increase in licensing fees to reduce alcohol related harms

The Minister of Community Safety, Albert Fritz, notes that the Western Cape Liquor Authority (WCLA) has conducted 209 investigations into liquor vendors who were reportedly contravening the Western Cape Liquor Act (the Act) and the National Disaster Risk Management Act's Regulations, between 27 March 2020 and 6 November 2020.

Minister Fritz further welcomes the increase of the Western Cape liquor license tariffs which will assist in reducing alcohol related harms and improving the self-sustainability of the WCLA.

Of the 209 investigations, 83 Section 71 matters were placed on the Liquor Licensing Tribunal's (LLT) case roll, of which:

- 49 licences were suspended;
- 23 applications were dismissed; and
- 11 applications were referred to the Prosecutor.

Of the 49 licences that were suspended, 49 Section 71(4) return hearings took place, in which:

- One licence was revoked after finalisation of a section 20 consideration;
- 46 suspensions were lifted by the LLT;
 - Two suspensions were lifted, one in the High Court and one as part of internal appeal tribunal proceeding; and
- There are no return hearings pending.

Minister Fritz said, "In total, 67 COVID-19 related section 20 matters were forwarded to the LLT, of which one licence was revoked, five applications dismissed and in three matters the licensee was issued with stricter conditions. Three licences were suspended while one licence was cancelled. One application was referred to the Prosecutor. In 21 matters, fines to the amount of R2.156 million were issued, of which an amount of R1.181 million was suspended for a period of 24 months on condition

that the licence holder does not contravene the Act and licence conditions again during the period under review. Overall, 32 matters are pending."

Western Cape Liquor License Tariffs increase

Minister Fritz said, "The Western Cape liquor license tariffs will increase by the Cost Price Index (CPI), which is approximately 3.1%, plus one percent for implementation in the 2020/21 financial year, with future self-sustainability increases staggered over the MTEF period to avoid compromising an already distressed sector and economic recovery in the Western Cape."

Minister Fritz added, "It is further proposed that funding be set aside for promoting safety and reducing alcohol harms. This increase will support the WCLA in becoming a more self-sustainable entity, less reliant on the fiscus and able to reduce alcohol related harms as it will bolster the enforcement capacity of the WCLA."

Engagements on a differentiated model on pricing of liquor fees are ongoing to ensure that licensing fees are calculated on an affordable basis for the licensee.

Minister Fritz said, "During the course of the lockdown, the WCLA played an exemplary role in preventing alcohol related harms by ensuring that that liquor vendors complied with both the Act and regulations. By improving their capacity, I have every confidence that they will play a larger role still. Their ability to do so is further demonstrated by the clean audit they received in the 2019/20 financial year."

Minister Fritz added, "Currently, the WCLA receives more money from the fiscus than it collects on behalf of the Provincial Revenue Fund. This means the fiscus is currently subsidizing the liquor industry and the industry is not equitably contributing towards reducing alcohol related harms. It is therefore necessary to increase the fees to ensure that the WCLA is fully capacitated to respond to and prevent harms."

Minister Fritz continued, "The increase is born from section 88 of the Western Cape Liquor Act which requires the Provincial Minister responsible for Community Safety, in consultation with the Minister responsible for Finance for the Province, to make regulations in respect of fees or money to be paid in terms of the Act. These regulations are reviewed on an annual basis in order to provide for annual increases."

Minister Fritz continued further, "As part of the smart interventions to reduce alcohol related harms, the enforcement unit of the WCLA will be appropriately capacitated to pro-actively prevent alcohol related harms. Currently the WCLA is required to rely on designated liquor officers appointed by the SAPS to perform this task, placing greater pressure on SAPS. The fee increase will result in additional revenue for strengthening the enforcement capacity of the WCLA."

Attention broadcasters, please see English audio clip attached.

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