



Western Cape  
Government



**Strategic Plan 2015/20**  
Western Cape Liquor Authority



# WESTERN CAPE LIQUOR AUTHORITY

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## Strategic Plan

for the fiscal years  
2015 - 2020

[5 years beginning with 2015]

# FOREWORD

As a regulator for the retail sale and micro-manufacturing of liquor in the province, the Western Cape Liquor Authority plays a vital role in ensuring that the industry is both well run, and responsible. In the year ahead, the work of the organisation will be guided by this dual imperative.

With the aforementioned in mind, the Western Cape Liquor Authority will aim to facilitate transformation of the liquor industry in the Western Cape through two high level strategic aims. The first will be to promote the entry of new licence holders into the system. We will encourage licencing in part to drive the conversion of illegal establishments into the legal environment so that they may be better regulated.

Secondly, we will introduce interventions to encourage the responsible use of liquor. This will be achieved by encouraging the public to play an active role in the licencing process and in ensuring that licenced establishments are compliant with the rules. We will also attempt to minimise the negative effects of alcohol through increased awareness, and improve law enforcement by working with a range of partners.

The Authority will drive the above programme of work through five strategic objectives:

1. **To regulate the liquor industry in the Western Cape** – System improvements to ensure ease of entry for applicants into the regulated liquor environment and a less onerous process to revoke licences of non-compliant traders. Vigorous enforcement is also critical.
2. **To be responsive to the needs of the liquor industry and the community** – a commitment to serve the industry and the public interest.
3. **To establish a stakeholder inclusive model that informs key interventions** - Create positive relationships with stakeholders through appropriate interventions and management of their expectations.
4. **To be sustainable, independent, effective, accountable and transparent** – a self-sufficient and autonomous Authority.
5. **To be an efficient and productive entity** - to be the most productive and efficient liquor regulating entity in the world.

In addition to pursuing the above strategic objectives, it must be noted that we are currently processing a second amendment to the Western Cape Liquor Act (Act 4 of 2008) through Provincial Parliament. This amendment seeks to improve the legislation in order for the Authority to become more efficient, and to deal with some of the unintended consequences of the primary act.

Over the coming months, our staff will tackle the above priorities with professionalism, and I thank them for their dedication and commitment and wish them a successful journey for the next five years. It gives me great pleasure to present the Western Cape Liquor Authority's Five Year Strategic Plan.



**Alan Winde**  
**Executive Authority: The Western Cape Liquor Authority**

# OFFICIAL SIGN-OFF

It is hereby certified that this Strategic Plan:

- was developed by the management of the Western Cape Liquor Authority under the guidance of MEC Alan Winde;
- takes into account all the relevant policies, legislation and other mandates for which the Western Cape Liquor Authority is responsible; and
- accurately reflects the strategic outcome oriented goals and objectives which the Western Cape Liquor Authority will endeavor to achieve over the period 2015/16 to 2019/2020.

**Adv Thys Giliomee**  
Chief Executive Officer  
WCLA

Signature:



**Mr Mervyn Burton**  
Chairperson of the Governing Board  
WCLA

Signature:



**Minister Alan Winde**  
Minister for Economic Opportunities  
Western Cape

Signature:



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# PART A: STRATEGIC OVERVIEW

## 1. Vision

- To be the leading liquor regulator in the world by endorsing compliance within the liquor industry and work towards the eradication of liquor's social ills to ensure responsible consumption and trade in liquor in the Western Cape.

## 2. Mission

- Creating an enabling environment for the efficient and effective regulation of the liquor industry in the Western Cape to further a resilient, sustainable, quality and inclusive living environment.
- Facilitate the entry of new liquor licence holders in the Western Cape to reduce illegal liquor trading and to create opportunities for growth and jobs.
- Maintaining sustainable partnerships with all relevant stakeholders to assist in the fight against the irresponsible use of, and trade in, liquor whilst increasing community wellness, safety and tackling the negative social ills of liquor abuse in the Western Cape.

## 3. Values

In the execution of their collective functions, the Authority places the highest value on:

- **Integrity**  
The quality of possessing and steadfastly adhering to a moral or ethical code and high professional standards.
- **Honesty**  
The quality, condition or characteristic of being fair, truthful, and morally upright in conduct and adherence to the facts.
- **Incorruptibility**  
Moral uprightness and selfless service of public servants.
- **Transparency**  
The principle that the organisation (WCLA) will conduct its business in an accessible, clear and visible manner and that its activities are open to examination by its stakeholders.
- **Responsibility**  
Having the authority to make decisions and following through on the expectation to make those decisions and take necessary action.
- **Accountability**  
The principle that the organisation is obligated to demonstrate and take responsibility for its actions, decisions and policies and that it is accountable to the public at large.



- **Human Resource Development**  
Encouraging and assisting human resources to acquire new skills and/or to advance skills, knowledge, and viewpoints, by providing opportunities for development.
- **Mutual respect**  
Encouraging a culture of mutual respect by treating every person with dignity and equal worth.

## 4. Legislative and other mandates

### 4.1 Constitutional mandates

The Regulation of liquor licencing is a provincial competency in terms of Schedule 5 of the Constitution. For this reason the Western Cape Liquor Authority was established in terms of Section 2(1) of the Western Cape Liquor Act, Act 4 of 2008.

### 4.2 Legislative mandates

Significant changes have been made to the Western Cape Liquor Legislation. In December 2010, the Western Cape Provincial Parliament passed the Western Cape Liquor Amendment Act, 2010 (Act 10 of 2010) (“the Amendment Act”) to be read in conjunction with the Western Cape Liquor Act No. 4 of 2008. On 21 December 2011 the Western Cape Liquor Regulations were passed containing the new price schedules.

*Other Legislation includes:*

#### **Magistrate Court Act, 1944 (32 of 1944)**

The Magistrate Court Act, 1944 (32 of 1944) provides for the procedure and processes to be followed in the approximate 350 South African District Magistrate’s Courts. These courts can hear civil cases where the value of the claim is no more than R100,000. In criminal cases they can impose a sentence of up to three years imprisonment and a fine of up to R100 000. The magistrate’s districts are arranged into regions, each region having a Regional Magistrate’s Court, which handles more serious criminal cases and can impose a sentence of up to 15 years imprisonment and a fine of up to R300 000. As of 2010 Regional Magistrates Courts can also handle civil cases where the value of the claim is no more than R300 000.

This act also provides for the Magistrate Court Rules. These rules govern how a lawsuit or case may be commenced, and what kind of service of process is required. These rules include the types of pleadings or statements of case, motions or applications, and orders allowed in civil cases, the timing and manner of depositions and discovery or disclosure, the conduct of trials, the process for judgment, various available remedies, and how the courts and clerks are to function.

#### **Supreme Court Act, 1959 (59 of 1959)**

The Supreme Court Act, 1959 (59 of 1959) provides for the divisions of the Supreme Court’s appointment of judges, appeals and high court procedure and processes.

This act also provides for the High Court Rules. These rules govern how a lawsuit or case may be commenced and what kind of service of process is required. These rules include the types of



pleadings or statements of case, motions or applications, and orders allowed in civil cases, the timing and manner of depositions and discovery or disclosure, the conduct of trials, the process for judgment, various available remedies, and how the courts and clerks are to function.

### **Customs and Excise Act, 1964 (91 of 1964)**

The Customs and Excise Act, 1964 (91 of 1964) provides for the levying of customs and excise duties and surcharges, a fuel levy, a Road Accident Fund levy, an air passenger tax and an environmental levy and for the prohibition and control of the importation, export, manufacture or use of certain goods.

### **Criminal Procedures Act, 1977 (51 of 1977)**

This act governs criminal procedure in South Africa's legal system. It details the procedure for the whole system of criminal law, including search and seizure, arrest, the filing of charges, bail, the plea, the testimony of witnesses and the law of evidence, the verdict and sentence and the appeal.

### **Liquor Act, 1989 (27 of 1989)**

It governs the control over the sale of liquor and for matters connected therewith.

### **Liquor Products Act, 1989, (60 of 1989)**

The Liquor Products Act, 1989 (60 of 1989) provides for:

- the control over the sale and production for sale of certain alcoholic products;
- the composition and properties of such products;
- the use of certain particulars in connection with the sale of such products;
- the establishment of schemes; and
- control over the import and export of certain alcoholic products.

### **Businesses Act, 1991 (71 of 1991)**

The Businesses Act, 1991 (Act 71 of 1991) is assigned national legislation that provides for the administration and regulation of informal trading by municipalities, subject to monitoring of the relevant bylaws by the Provincial Minister. It further provides that the Provincial Minister may act as an appeal authority in instances where municipalities refuse applications by certain types of businesses for licences to trade.

### **Tobacco Products Control Act, 1993 (83 of 1993)**

The Tobacco Products Control Act, 1993 (Act No. 83 of 1993) prohibits or restricts smoking in public places, regulates the sale and advertising of tobacco products in certain respects and prescribes what is to be reflected on packages.

## **Occupational Health and Safety Act, 1993 (85 of 1995)**

The Occupational Health and Safety Act, 1993 (85 of 1995) provides for:

- the health and safety of persons at work;
- the health and safety of persons in connection with the use of plant and machinery;
- the protection of persons other than persons at work;
- measure against hazards to health and safety arising out of or in connection with the activities of persons at work; and
- establishing an advisory council for occupational health and safety.

## **Labour Relations Act, 1995 (66 of 1995)**

The Labour Relations Act, 1995 (66 of 1995) governs labour relations in South Africa and to that effect:

- gives effect to section 27 of the Constitution;
- regulates the organisational rights of trade unions;
- promotes and facilitates collective bargaining at the workplace and at sectorial level;
- regulates the right to strike and the recourse to lockout in conformity with the Constitution;
- promotes employee participation in decision-making through the establishment of workplace forums;
- provides simple procedures for the resolution of labour disputes through statutory conciliation, mediation and arbitration (for which purpose the Commission for Conciliation, Mediation and Arbitration is established), and through independent alternative dispute resolution services accredited for that purpose;
- establishes the Labour Court and Labour Appeal Court as superior courts, with exclusive jurisdiction to decide matters arising from the Act;
- provides for a simplified procedure for the registration of trade unions and employers' organisations, and to provides for their regulation to ensure democratic practices and proper financial control; and
- gives effect to the public international law obligations of the Republic relating to labour relations.

## **South African Police Service Act, 1995 (68 of 1995)**

To provide for the establishment, organisation, regulation and control of the South African establishment, organisation, regulation and control of the South African Police Service; and to provide for matters in connection therewith.

## **Basic Conditions of Employment Act, 1997 (75 of 1997)**

The Basic Conditions of Employment Act, 1997 (75 of 1997) gives effect to the right to fair labour practices referred to in section 23(1) of the Constitution. It does this by establishing and making provision for the regulation of basic conditions of employment and states how to comply with the obligations and connected matters of the Republic as a member state of the International Labour Organisation.

## **Employment Equity Act, 1998 (55 of 1998)**

The Employment Equity Act, 1998 (55 of 1998) promotes the constitutional right of equality and the exercise of true democracy. It eliminates unfair discrimination in employment; ensures the implementation of employment equity to redress the effects of discrimination; achieves a diverse workforce broadly representative of our people; promotes economic development and efficiency in the workforce; and gives effect to the obligations of the Republic as a member of the International Labour Organisation.

## **Competition Act, 1998 (89 of 1998)**

The Competition Act, 1998 (89 of 1998) provides for the establishment of a Competition Commission responsible for the investigation, control and evaluation of restrictive practices. It includes the abuse of dominant position and mergers; the establishment of a Competition Tribunal responsible to adjudicate such matters; and for the establishment of a Competition Appeal Court by:

- providing all South Africans equal opportunity to participate fairly in the national economy;
- achieving a more effective and efficient economy in South Africa;
- providing for markets in which consumers have access to and can freely select the quality and variety of goods and services they desire;
- creating greater capability and an environment for South Africans to compete effectively in international markets;
- restraining particular trade practices which undermine a competitive economy;
- regulating the transfer of economic ownership in keeping with the public interest;
- establishing independent institutions to monitor economic competition; and
- giving effect to the international law obligations of the Republic.

## **Local Government: Municipal Structures Act, 1998 (117 of 1998)**

The Local Government: Municipal Structures Act, 1998 (117 of 1998) provides for:

- the establishment of municipalities in accordance with the requirements relating to categories and types of municipalities;
- the establishment of criteria for determining the category of municipality to be established in an area;
- defining the types of municipality that may be established within each category;
- an appropriate division of functions and powers between categories of municipalities;
- regulation of the internal systems, structures and office bearers of municipalities; and
- the appropriate electoral systems.

## **Refugee Act, 1998 (130 of 1998)**

The Refugee Act, 1998 (130 of 1998) gives effect within the Republic of South Africa to the relevant international legal instruments, principles and standards relating to refugees, provides for the reception into South Africa of asylum seekers, regulates applications for and recognition of refugee status and provide for the rights and obligations flowing from such status.

## **Public Finance Management Act, 1999 (1 of 1999)**

The Public Finance Management Act, 1999 (1 of 1999) regulates financial management in the public sector and therefore in respect of the Western Cape Liquor Authority by ensuring that all revenue, expenditure, assets and liabilities are managed efficiently and effectively as well as to provide the responsibilities and authority to persons entrusted with financial management.

## **Promotion of Access to Information Act, 2000 (2 of 2000)**

The Promotion of Access to Information Act, 2000 (2 of 2000) was promulgated to give effect to the constitutional right of access to any information held by the State and any information that is held by another person and that is required for the exercise or protection of any rights.

The aims of the Promotion of Access to Information Act, 2000 (2 of 2000) is to foster a culture of transparency and accountability in public and private bodies by giving effect to the right of access to information and to actively promote a society in which the people of South Africa have effective access to information to enable them to exercise and protect their rights.

## **Promotion of Administrative Justice Act, 2000 (3 of 2000)**

The Promotion of Administrative Justice Act, 2000 (3 of 2000) gives effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to written reasons for administrative action as contemplated in section 33 of the Constitution of the Republic of South Africa by:

- promoting an efficient administration and good governance; and
- creating a culture of accountability, openness and transparency in the public administration or in the exercise of a public power or the performance of a public function, by giving effect to the right to just administrative action.

## **Local Government: Municipal Systems Act, 2000 (32 of 2000)**

The Local Government: Municipal Systems Act, 2000 (32 of 2000) provides for:

- the core principles, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities, and to ensure universal access to essential services that are affordable to all;
- the definition of the legal nature of a municipality as including the local community within the municipal area, working in partnership with the municipality's political and administrative structures;
- the manner in which municipal powers and functions are exercised and performed;
- community participation;
- the establishment of a simple and enabling framework for the core processes of planning, performance management, resource mobilisation and organisational change which underpin the notion of developmental local government;
- a framework for local public administration and human resource development;
- the empowerment of the poor and to ensure that municipalities put in place service tariffs and credit control policies that take their needs into account by providing a framework for

the provision of services, service delivery agreements and municipal service districts; to provide for credit control and debt collection;

- establishment of a framework for support, monitoring and standard setting by other spheres of government in order to progressively build local government into an efficient, frontline development agency capable of integrating the activities of all spheres of government for the overall social and economic upliftment of communities in harmony with their local natural environment; and
- legal matters pertaining to local government.

### **Immigration Act, 2002 (15 of 2002)**

The Immigration Act, 2002 (15 of 2002) provides for the regulation of admission of persons to their residence in, and their departure from, the Republic.

### **Liquor Act, 2003 (59 of 2003)**

This act provides for the establishment of:

- national norms and standards in order to maintain economic unity within the liquor industry;
- regulations concerning the manufacturing and distribution within the liquor industry;
- essential national standards and minimum standards required for the rendering of services;
- the devolution of functions relating to retail sale and micro manufacturing to the Provincial Minister; and
- measures to promote co-operative government in the area of liquor regulation.

### **National Credit Act, 2005 (34 of 2005)**

The National Credit Act, 2005 (Act 34 of 2005) is national legislation that provides for the regulation of a fair, transparent, competitive, sustainable, responsible, efficient, effective and accessible credit market and industry.

### **Western Cape Liquor Act, 2008 (4 of 2008)**

The Western Cape Liquor Act, 2008 (4 of 2008) came into full effect on 1 April 2012. In respect of the Western Cape this act provides for the licencing of the retail sale and the micro-manufacture of liquor and this act provides for a number of matters incidental to liquor licencing in the Western Cape Province.

The Western Cape Liquor Act, 2008 (4 of 2008) provides for the establishment of an independent juristic person, to be known as the Western Cape Liquor Authority, a Governing Board for the Western Cape Liquor Authority to be appointed by the Minister, a Liquor Licencing Tribunal to be appointed by the Governing Board and which must perform the judicial function in respect of applications for liquor licences and related matters, an Appeal Tribunal to be appointed by the Minister and an administration with a Chief Executive Officer which reports to the Governing Board.

## **Consumer Protection Act, 2008 (68 of 2008)**

The Consumer Protection Act, 2008 (68 of 2008) promotes a fair, accessible and sustainable marketplace for consumer products and services, establishing national norms and standards relating to consumer protection, providing improved standards of consumer information, prohibiting certain unfair marketing and business practices, promoting responsible consumer behaviour, promoting a consistent legislative and the enforcement of a framework relating to consumer transactions and agreements and establish the National Consumer Commission.

## **Western Cape Liquor Amendment Act, 2010 (10 of 2010)**

The Western Cape Liquor Amendment Act, 2010 (10 of 2010) amended the Western Cape Liquor Act, 2008 substantially before last mentioned came into operation.

## **Preferential Procurement Policy Framework Act, 2000 (5 of 2000)**

This act gives effect to section 217(3) of the 1996 Constitution by providing a framework for the implementation of the procurement policies contemplated in section 217(2) of the 1996 Constitution and to provide for matters connected therewith.

## **Broad-Based Black Economic Empowerment Act, 2003 (53 of 2003)**

This act establishes a legislative framework for the promotion of broad-based black economic empowerment. It furthermore empowers the Minister to issue Codes of Good Practice, to publish transformation charters, to establish the Black Economic Empowerment Advisory Council and to provide for matters connected therewith. The unit Economic Empowerment uses the Act as the basis for its existence.

## **4.3 Policy mandates**

### **The Western Cape Liquor Policy, 2005**

This policy, commonly referred to as the Liquor White Paper, was the result of a process of intensive and extensive public participation based on the Liquor Green Paper of 2004. It was drafted by a Policy Drafting Panel consisting of DEDAT officials, legal experts and health professionals specialising in the research and treatment of alcohol-related diseases.

The policy had five objectives, namely:

- to make it possible for *bona fide* unlicensed traders in the historically disadvantaged communities to legitimise their businesses without encountering unnecessary barriers when applying for a liquor licence and to create an environment that would encourage them to do so;
- to consider land use planning issues as determined by the municipal planning authorities;
- to provide for the involvement of communities in determining the location of licensed liquor outlets;
- to involve the municipalities in the Western Cape; and

- to reduce the social cost of liquor abuse to society in general, and to the people of the Western Cape in particular.

The policy formed the basis on which the initial Western Cape Liquor Bill of 2006 was drafted. On completion of a comprehensive baseline study this policy will be revisited and reconsidered to align it with current and future trends and developments in the liquor industry.

## 4.4 Relevant court rulings

The Constitutional Court matter known as *Ex Parte* the President of the Republic of South Africa in re: Constitutionality of the Liquor Bill, heard as case CCT 12/99 by the Constitutional Court of South Africa on 31 August 1999 and decided on 11 November 1999 with the judgment delivered by Cameron AJ refers. The State President, at the time, took the unprecedented step to utilise section 79(4)(b) of the 1996 Constitution to refer a bill to the Constitutional Court to have the constitutionality thereof tested after the bill has been approved by the National Assembly. The State President stated his reasons to include that the bill clearly intends to deal with the registration for the manufacture, wholesale distribution and retail-sale of liquor and that according to his understanding it might be in conflict with the “liquor licencing” a provincial competency in terms of Part A of Schedule 5 of the Constitution, 1996.

The Constitutional Court found that if the exclusive provincial legislative competence regarding “liquor licences” in Schedule 5 applies to all liquor licences, the national government has made out a case in terms of Section 44(2) justifying its intervention in creating a national system of registration for manufacturers and wholesale distributors of liquor and in prohibiting cross-holdings between the three tiers in the liquor trade. No case has however been made in regard to retail sales of liquor, whether by retailers or by manufacturers, nor for micro-manufacturers whose operations are essentially provincial. The Minister has to this extent failed to establish that Parliament had the competence to enact the Liquor Bill and it is therefore unconstitutional.

This finding is of utmost importance in establishing the legislative and functional powers and responsibilities of the national and the provincial governments regarding liquor licencing.

## 4.5 Planned policy initiatives

The Western Cape Liquor Authority is in the process of engaging on various policy initiatives. These policy initiatives include but will not be limited to:

- the contribution of the WCLA in the reduction of irresponsible and illegal liquor trading;  
and
- liquor at sporting events.

The Department of Economic Development and Tourism in conjunction with the Western Cape Liquor Authority is currently working on an amendment Bill. These amendments have been identified as being critical changes required by the Western Cape Liquor Act (4/2008).

The National Liquor Authority has issued the national norms and standards. It is expected of the provinces to align with these norms and standards.

Alcohol *game changer* is in the planning stages and might result in a provincial liquor policy.



## 5. Situational analysis

### 5.1 Performance environment

According to a study done by Econometrix the South African liquor industry presents a complex problem for policy makers, as it does in many other countries of the world. The industry makes a large contribution to employment, domestic output (GDP), taxation and export earnings and should be regarded as an important component of the domestic economy. However, the abuse of alcohol results in an enormous economic, social and emotional cost to the economy. Further hereto, according to the South African Police Service, 80% of all crime is related to liquor abuse. The liquor industry in the Western Cape poses many enforcement challenges. Some of the key challenges include the sale and supply of liquor to minors, the illegal sale and or distribution of liquor to unlicensed premises and crime occurring on or emanating from licensed premises.

Currently the Western Cape Liquor Authority has approximately 8 100 valid liquor licences. Research conducted by Sustainable Livelihoods Foundation has shown that there are approximately 25 000 unlicensed liquor outlets (commonly referred to as shebeens) in the Western Cape. These unlicensed premises are primarily situated in residential areas of poorer communities. The research has further revealed that only 8 500 shebeens out of the approximately 25 000 unlicensed premises, were sufficiently established or sophisticated to fulfill licensing requirements.

Liquor is seen as a potentially harmful and addictive substance. In 2012 a research study conducted at Western Cape schools, grades 8 to 12, showed that of learners who consumed alcohol, almost  $\frac{1}{3}$  reported initiation of alcohol use before the age of 13; at least 10% reported using alcohol on a weekly basis; and a small proportion reported being drunk on a daily (2%) or weekly (10%) basis. Foetal alcohol syndrome is further ravaging Western Cape farming communities with hundreds of children affected and research done in 2011 found a prevalence of foetal alcohol syndrome of between 61 and 94 per 1000 children in the Wellington area. Medical Research Council (MRC) calculations put the cost of liquor-related violence, drunk driving and other alcohol related injury and illness at around R6 billion per annum in this province (covering medical costs, emergency services, legal services, and infrastructure damage) (Parry, 2009).

### Khayelitsha Commission of Enquiry

The Khayelitsha Commission of Enquiry Report has highlighted areas that are not only a concern for the SAPS but for the WCLA as well. Visible policing including compliance inspections are neglected in areas that are not accessible by vehicle. The Commission suggests that there are 1 400 illegal liquor outlets in Khayelitsha alone. The Commission also suggests that there is a strong correlation between alcohol abuse and violent contact crime. Part of the Commission's recommendation on addressing these areas of concern is that the WCLA, in conjunction with the SAPS and Metro Police, conduct research into identifying the exact number of illegal outlets in Khayelitsha. This however, should not only be the case for Khayelitsha but should be researched within the broader Western Cape Province. This will allow the SAPS and Metro police and the WCLA to develop plausible plans based on specific statistical information that will assist the different agencies target resources where it will have the greatest impact. Recommendation six of the Commission's Report makes specific reference to the fact that the human resource implications of routine patrols of informal neighbourhoods should be taken into account. This will apply to the WCLA, once the Authority engages with SAPS in conducting more visible enforcement by means of joint operations.

## Planned initiatives

As part of the WCLA's medium and long term plans the Authority will be embarking on the following:

- organisational re-design to address the capacity constraints experienced by the Authority;
- the establishment of district offices that will enable the Authority to improve service delivery to all communities across the Western Cape;
- facilitating the entry into the regulated liquor sphere thus reducing illegal liquor trading;
- broadening the communication platform with all relevant stakeholders by tapping into the social media space; and
- providing an on-line application facility to the public to streamline the application process.

The WCLA is required by the Western Cape Liquor Act, 4 of 2008 (as amended) to regulate the retail sale and micro manufacturing of liquor in the Western Cape. This means that the Authority has to enforce compliance, create awareness around the negative social ills of liquor abuse and educate licence holders and communities on the provisions of the Act within the Cape Town Metro to as far as Bitterfontein on the N7, Beaufort West on the N1, Plettenberg Bay on the N2, Vredendal on the West Coast and other rural areas that are not easily accessible.

Currently the fact that the Western Cape Liquor Authority does not have district offices as well as sufficient staffing capacity seriously hampers its ability to execute its mandate effectively throughout the Western Cape.

The Western Cape Government has identified alcohol as one of its *game changers*. The Western Cape Liquor Authority is a stakeholder in the *game changer* initiative and will align future interventions and workflows to achieve the outcomes of the *game changer*.

The vision of the Western Cape Government is:

- A highly skilled, innovation driven, resource-efficient, connected, high opportunity society for all.

The Western Cape Liquor Authority, as part of its mandate and commitments, will endeavour to assist the Western Cape Government as far as possible to achieve its vision and in so doing make significant strides in achieving its own vision. The WCLA supports the vision of the Province and will play its part in making the vision of the Province a reality.

As part of its corporate identity and buy in to the Western Cape Government's vision the Western Cape Liquor Authority endeavors to assist in the achievement of the Province's objectives. Objective 2 and 3 of the Province have assisted the Western Cape Liquor Authority in drafting its own objectives and these objectives are to:

- improve education outcomes and opportunities for youth development; and
- increase wellness, safety and tackle social ills.

The WCLA will make every effort in playing its part in achieving the vision of the Western Cape Province.

## 5.2 Organisational environment

The Governing Board is responsible for providing strategic direction to the Authority and is also the Accounting Authority. The Board has the powers and functions conferred or imposed on it by the Act.

The Chief Executive Officer (CEO) is the head official of the administration and is responsible to implement its strategic direction and provide leadership. The CEO must ensure compliance with governance principles and financial reporting standards.

Currently, the WCLA conducts its business out of offices situated within the Cape Town CBD. This provides many obstacles to the Authority in effectively achieving on its mandate of regulating the retail sale and micro-manufacturing of liquor in the Western Cape. These obstacles include but are not limited to:

- Seven liquor inspectors tasked with monitoring and enforcing compliance with the provisions of the Act at over 8000 licenced liquor outlets across the Western Cape by doing:
  - routine compliance inspections;
  - formal inspections;
  - investigations;
  - enforcement operations; and
  - prosecution of non-compliant licence holders.
- One inspector who currently performs the function of a prosecutor;
- One awareness and education officer who has to provide education sessions and awareness interventions to the licence holders and communities across the Western Cape as well as educations sessions to all prospective licence holders;
- One call centre agent who has to attend to approximately 250 liquor complaints and queries per month;
- One licence administrator who is responsible for processing and issuing the almost 200 special event licence applications per month;
- Two Licence administrators who have to attend to the nearly 60 new liquor applications on a monthly basis;
- One licence administrator to issue the more than 50 licences and certificates per month; and
- Limited budget in order to implement key initiatives.

From the above it is clear that the Authority has to achieve much with the limited resources available to it. Steps have been taken to help address the obstacles faced by the Authority. These steps include and may further be amended to better address the current situation faced by the Authority:

- an organisational redesign;
- the establishment of district offices;
- IT Infrastructure; and
- regular meetings with the Authority's parent department regarding the correct budget allocation.

There are currently 40 permanent positions within the organisational structure of the Authority. The Authority is in need of additional posts and will hopefully have addressed this concern with the organisational re-design process which commenced in October 2014.

The administration has five main components, namely:

- Communication, Education and Stakeholder Relations;
- Compliance and Enforcement;
- Liquor Licencing Administration;
- Liquor Licencing Tribunal; and
- Corporate Services.

## Staff breakdown per component

Components	Number
Communication, Education and Stakeholder Relations	4
Compliance and Enforcement	9
Liquor Licencing Administration	11
Liquor Licencing Tribunal (consultants)	6
Corporate Services	16
<b>Total</b>	<b>46</b>

The Communication, Education and Stakeholder Relations component has implemented stakeholder inclusive interventions with all relevant stakeholders. Regular communications on key decisions are communicated to the industry via circulars. Education sessions are conducted with all potential licence holders. Awareness campaigns in the form of industrial theatre (drama) are held with communities and in schools to create awareness of the negative social ills of liquor abuse. Notwithstanding all of these efforts, there is no guarantee that behavioural change will be effected in these stakeholders.

The Compliance and Enforcement component has put into operation an integrated enforcement strategy in conjunction with relevant enforcement agencies. This allows the Compliance and Enforcement component to conduct regular joint enforcement operations to address non-compliance issues. In terms of prosecutions the said component has seen a significant increase in the number of non-compliant licence holders appearing before the Liquor Licencing Tribunal for contraventions of the Western Cape Liquor Act, 4 of 2008 (as amended). The inspectors of this component have successfully been appointed as Peace Officers which infers on them the same powers and functions as the SAPS in terms of the Criminal Procedures Act, 51 of 1977, specifically related to offences committed in terms of the Western Cape Liquor Act, 4 of 2008 (as amended). In spite of all of these advances this component cannot guarantee compliance with the Western Cape Liquor Act, 4 of 2008 (as amended) due to the complexity of liquor enforcement.

The Liquor Licencing Administration component processes have been documented in terms of standard operating procedures and checklists which ensure a more streamlined application process. These documents have been made available to applicants as well as liquor licencing consultants to better assist them in submitting quality applications. With specific reference to special event and temporary licence applications the Liquor Licencing Administration has made significant strides in ensuring turnaround times are kept to a minimum by effective communication with all relevant stakeholders and adherence to the aforementioned standard operating procedures and checklist. Despite all of these efforts by the Licencing Administration component the Authority still experiences many challenges with the quality and standard of the applications submitted as well as the timeframes within which these applications are received.

Objective 5 of the Western Cape Government reads as follows:

- Embed good governance and integrated service delivery through partnerships and spatial alignment.

It is a prerogative of the Western Cape Liquor Authority to ensure that it practices good governance and in so doing provides assurance to its stakeholders and the broader public that the Authority is committed to efficient service delivery. The Authority in planning its projects and initiatives strives to create lasting partnerships and working relationships to ensure that the needs of the communities of the Western Cape Province at large is effectively catered to.

### 5.3 Description of the strategic planning process

Strategic planning is an on-going process and the development thereof will continue over the next five years realising even further enhancement and will be based on the measurement of performance at quarterly and annual intervals. Each performance indicator has to be substantiated for feedback and approval by the Accounting Authority and the responsible Minister. In turn, this information will be subjected to both internal and external audits.

The new Strategic Plan (SP) and Annual Performance Plan (APP) compiled by the Western Cape Liquor Authority is in line with National Treasury's latest prescripts applicable to provincial departments and entities for the new five-year planning period. The Authority's SP and APP processes commenced in its first year of existence and were the outcome of a culmination of a great deal of methodical work and the joint effort of managers and their components to recompile their strategic goals, strategic objectives and performance indicators from a new base.

The following table represents the process in respect of the finalisation of the existing Strategic Plan:

Date	Item
01 to 02 July 2013	Management first preparation discussion on the 5 Year Strat Plan
03 July 2013	Present first draft 5 Year Strat Plan to Governing Board
10 September 2013	One day session to review draft 5 Year Strat Plan
22 to 24 October 2013	Management finalisation of final draft 5 Year Start Plan
01 November 2013	Presentation of draft 5 Year Strat Plan to the Minister Winde
29 November 2013	Management presentation to Governing Board on final draft 5 Year Strat Plan
05 December 2013	Presentation of the final draft 5 Year Strat Plan to the WCLA staff
15 May 2014	Presentation of 5 Year Strat Plan to the DEDAT
11 to 15 August 2014	Finalisation of first draft of 5 Year Strat Plan with Provincial Treasury before submission to Provincial Treasury
29 August 2014	Submit first draft of Strat Plan to Provincial Treasury
	Presentation to Governing Board and DEDAT on 5 Year Strat Plan approval
20 November 2014	Submit second draft to Provincial Treasury
19 February 2015	Final submission of 5 Year Strat Plan to Provincial Treasury
	Submit 5 Year Strat Plan to Minister Winde for signature
4 March 2015	Submit printed copies of the Strategic Plan document to Parliament, Provincial Treasury

## 6. Strategic outcome oriented goal of the WCLA

<b>Strategic Outcome Oriented Goal 1</b>	Optimal regulation of the retail sale and micro-manufacturing of liquor and a reduction in the negative social ills of liquor abuse in the Western Cape.
<b>Goal statement</b>	Promotion of an enabling environment that allows for the ease of entry into the regulated liquor trading space, meanwhile ensuring that all liquor licence holders stringently comply with the Western Cape Liquor Act 4 of 2008, whilst educating and creating awareness surrounding the negative social impact of liquor abuse as well as informing the community about the liquor licencing application public participation process.

# PART B: STRATEGIC OBJECTIVES

## 7. Programmes/Components

### 7.1 Programme/Component 1: Communication, Education and Stakeholder Relations

#### Programme/Component purpose

The purpose of this component is to provide a communication, marketing, education and awareness service for and on behalf of the Western Cape Liquor Authority.

#### Programme/Component description

The Communication, Education and Stakeholder Relations Component will inform the industry and stakeholders by active, efficient and effective communication and intervention. Actions will include, but are not limited to, an up to date website, an in-house call center, workshops with industry specific stakeholders, information sessions with stakeholders, on-going electronic communication with the major players in the industry and targeted specific interventions.

#### Programme/Component situational analysis

There exists a vast body of evidence that indicates the massive negative impact of liquor on the Western Cape economy and population. While the liquor industry is a major contributor to the regional economy, especially the agricultural, hospitality and tourism sectors, much of this is offset by the toll of liquor abuse that continues to exist.

This component currently has four permanent and filled posts to roll out their functions. Some of these functions include training sessions to schools, communities and liquor licence holders; call center administration; development and the management of the website with future enhancements; media function; managing the Social and Education fund; as well as the day to day running of the component.

At the beginning of each financial year a set budget is allocated to the component and the component plans all its interventions within the allocated budget.

#### Programme/Component Interventions

The Component's strategic intervention for addressing this problem, which costs the economy billions of rands in the areas where the costs are quantifiable, consists of the following:

- **Intervention 1: General Awareness through mass-media initiatives**

This will be done through newspaper advertisements, commuter-targeted notices on trains and taxis and at terminals for these transport services (train stations and terminuses), fliers, pre-recorded radio insert and TV public service programmes e.g. youth programmes. By implementing the aforementioned we aim to create extensive knowledge of the aspect of alcohol-related harms.



- **Intervention 2: Creating knowledge and inculcating behaviour-change**

This will be done through targeted specific interventions that will include industrial theatre at schools and in communities; radio discussions on university radio stations; television talk programmes covering specific topics on liquor abuse; and newspaper articles. A wide range of topics will be covered through the aforementioned interventions.

## Strategic objectives

<b>Strategic Objective 1.1</b>	To provide an external and internal communication service as well as to co-ordinate education and awareness services to the liquor industry and the citizens of the Western Cape.
<b>Objective statement</b>	To ensure a consistent application of the communication strategy and corporate brand of the Western Cape Liquor Authority and to co-ordinate education and awareness sessions to the liquor authority employees, liquor industry and the citizens of the Western Cape.  600 targeted specific interventions to create awareness of the harms related to liquor abuse and educate liquor licence holders and reaching 20 000 people through these interventions.
<b>Baseline</b>	The Western Cape Liquor Act and regulations came into operation as of 1 April 2012. The processes and procedures are new to the licence holders, consultants, SAPS and other industry players.
<b>Justification</b>	Liquor is a potentially harmful substance that is said to cost the Western Cape economy more than R6bn annually and brings to bear severe negative socio-economic effects on the population of the Province. It is therefore imperative that public participation in the regulation of the product is maximised to curtail these negative effects. The process of communication is a two way process that involves consultation with the recipients of information and to provide adequate answers to their queries. Province-wide engagements are conducted with liquor licence holders to educate them about the Western Cape Liquor Act, 4 of 2008 (as amended) whilst all new entrants are taken through an educational programme on the liquor legislation.
<b>Links</b>	This goal is directly linked to the Provincial Strategic Goal 3 of the Provincial Government of the Western Cape.

## Resource considerations

Programme / Component R'000	Outcome			Revised estimate 2014/15	Medium-term estimates		
	Audited 2011/12	Audited 2012/13	Audited 2013/14		2015/16	2016/17	2017/18
Communication, Education and Stakeholder Relations	-	-	2 441	3 999	3 136	3 554	4 733
<b>Total payments and estimates</b>	-	-	<b>2 441</b>	<b>3 999</b>	<b>3 136</b>	<b>3 554</b>	<b>4 733</b>

Previously the WCLA had a link on the Department of Economic Development and Tourism’s website. Recently the WCLA has finalised the first phase of its own website. A second phase will be developed that will include on-line liquor applications, social media platforms as well as being a relevant information hub that can be visited to obtain updated information. It is foreseen that the aforementioned initiatives will bring about a significant reduction in general liquor related enquiries. The WCLA made use of the outsourced government call centre (118 Contact); however this service has subsequently been discontinued. An internal call centre will be established that will deal with relevant liquor related enquiries. The reason for the WCLA establishing its own call centre is to alleviate queries being left unresolved and to provide first-hand information to enquirers. This in-house call centre service will address walk-in enquiries, telephonic enquiries as well as e-mail enquiries.

This component is also responsible for education and creating awareness on the liquor legislation and the social ills of liquor abuse. Interventions are conducted with new entrants into the liquor industry, current liquor licence holders, communities, schools, liquor consultants as well as other relevant stakeholders. The following media is used to convey the various messages:

- industrial theatre (drama);
- powerpoint presentations;
- training manuals;
- application handbooks;
- liquor brochures;
- television and radio; and
- printed media (e.g. Taxi branding, newspaper advertisements)

In order to effectively address and implement the relevant interventions and programmes, additional staffing capacity is required. Provision for additional staffing capacity has been made in light of the expected organisational process which has commenced; however will only be completed during the 15/16 financial year. This additional staffing capacity has been identified within the critical areas of the component such as social media and website management, media liaison/ communication officer.

**Risk management:**

Risks inherent to Communication, Education and Stakeholder Relations that could hinder the realisation of the strategic objective inter alia include:

Risks	This risk is mitigated by:
Inadequate co-ordination of internal and external communication activities.	Implement a communications strategy to improve communication interventions.
Untimely response to media queries result in negative publicity for the WCLA.	All media queries are routed to the responsible head of communication. All major media houses also have his direct contact details including cellphone number, e-mail address and office number. Alternative contact details of the ASD are also provided to journalists to assist in the absence of the DD.

Non co-operation of stakeholders (licencees, objectors, industry) due to wrong perception of the value added by the services rendered by the WCLA.	Targeted communication and marketing initiatives to stakeholders. Work with other relevant organisations, especially when engaging with communities e.g. Community Development Workers (CDW's). Develop a stakeholder inclusive approach for interventions.
The Social & Education Fund established under the WCL Act is not administered appropriately.	The Social sub-committee of the Governing Board (GB) will give approval for projects to be funded under this fund and will present all projects under the Social and Education Fund to the GB for noting. When the Social sub-committee gives their approval, the projects will be implemented. The Social Sub Committee of the GB exercises the oversight function of the SEF.
The under achievement of planned targets.	The prioritisation of limited resources.

## 7.2 Programme/Component 2: Compliance and Enforcement

### Programme/Component purpose

The purpose of this component is to provide an enforcement and compliance service to the Western Cape Liquor Authority.

### Programme/Component description

The Compliance and Enforcement component will monitor and enforce compliance of licenced liquor outlets with the provisions of the Act. Routine compliance inspections, formal inspections, the issuing of compliance notices, enforcement operations, the investigation of complaints against licenced liquor outlets and the prosecution of the breaches of the Act and licence or licence conditions will be conducted.

### Programme/Component situational analysis

This component currently has eight permanent and filled liquor licence inspector posts. One inspector functions in the capacity of a prosecutor. The functions attached to this component include conducting inspections, issuing compliance notices, investigation of complaints, attending joint enforcement operations and the prosecution of non-compliant licence holders.

At the beginning of each financial year a set budget is allocated to the component. The component plans all its interventions within the allocated budget.

### Programme/Component interventions

- routine compliance inspections;
- formal inspections;
- issue compliance notices;
- enforcement operations;
- investigation of complaints; and
- prosecution for breaches of the Act and / or licence conditions.

## Strategic objectives

<b>Strategic Objective 2.1</b>	To monitor and enforce compliance of licenced liquor outlets with the provisions of the Act.
<b>Objective statement</b>	To monitor and enforce compliance of licenced liquor outlets with the provisions of the Act. This includes conducting inspections, the issuing of compliance notices, enforcement operations, the investigation of complaints against licenced liquor outlets and the prosecution of the breaches of the Act and licence conditions.  Ensuring that approximately 16 250 licenced liquor outlets are inspected. Approximately 125 non-compliant licence holders are prosecuted.
<b>Baseline</b>	In excess of 8 000 liquor licence holders in the Western Cape.
<b>Justification</b>	There are currently more than 8000 licenced liquor outlets and this component provides an enforcement and compliance function. This component also handles prosecutions of all licence holders that do not adhere to the conditions as set out in the relevant liquor legislation.
<b>Links</b>	This goal is directly linked to the Provincial Strategic Goal 3 of the Provincial Government of the Western Cape.

## Resource considerations

Programme / Component R'000	Outcome			Revised estimate 2014/15	Medium-term estimates		
	Audited 2011/12	Audited 2012/13	Audited 2013/14		2015/16	2016/17	2017/18
Compliance and Enforcement	-	-	5 806	4 380	5 911	6 293	6 787
<b>Total payments and estimates</b>	-	-	<b>5 806</b>	<b>4 380</b>	<b>5 911</b>	<b>6 293</b>	<b>6 787</b>

The operational environment of the Compliance and Enforcement component comprises a variety of different functions. Included in these functions are routine compliance inspections, formal inspections, investigations, enforcement operations and the prosecution of non-compliant licence holders. In addition to these functions the inspectors are also empowered to execute a peace officer function for all offences in terms of the Western Cape Liquor Act, 4 of 2008 (as amended). As a result of the different spheres of government involved in the liquor regulation inspectors are frequently required to integrate operations with other law enforcement agencies. A cumbersome paper based inspections process linked with the absence of district offices makes the inspectors task an ungainly one. This also impedes on service delivery to both licence holders and the broader community.

To enable this component to execute its mandate effectively each inspector will be provided with an electronic inspection device that will allow the inspector to verify the authenticity, validity, latest licence conditions and approved plan of the liquor licence as well as GIS location of the premises. This device will also allow the inspector to obtain the signature of the licence holder being inspected electronically, increasing productivity. The establishment of district offices will assist the inspectors to increase turnaround times in response to complaints thus improving service delivery. These district offices will further increase the enforcement footprint of the WCLA throughout the Western Cape.

Provision for additional staffing capacity has also been made in light of the expected organisational process which has commenced; however will only be completed during the 15/16 financial year. This additional staffing capacity has been identified within the critical areas of the component and includes inspectors and prosecutors.

### Risk management:

Risks inherent to Compliance and Enforcement that could hinder the realisation of the strategic objective *inter alia* include:

Risks	This risk is mitigated by:
Safety of inspectors.	The DLO and / or other SAPS members will normally accompany the inspectors on blitzes. The DD is aware of all inspections being conducted. Training will be conducted for the inspectors.
Violation of licence conditions by licence holders.	Regular inspections and enforcement operations to monitor compliance with the Act and licence conditions.
Licence holders are not aware of their responsibilities in terms of the Act.	We continue to educate licence holders during routine inspections. The Communication, Education and Stakeholder Relations Component is specifically tasked with training and educating all stakeholders. The Liquor Forums are attended.
Overlap of roles and responsibility of the SAPS and inspectors in enforcing the provisions of the Act.	Close working relationship with the SAPS and training on the Act.
Confusion of roles and responsibilities in enforcing Municipal by-laws at liquor outlets.	Regular engagement with municipalities on their roles and responsibilities in respect of enforcing municipal by-laws at liquor outlets.

## 7.3 Programme/Component 3: Liquor Licencing Administration

### Programme/Component purpose

The purpose of the Liquor Licencing Administration component is to administer all liquor licence applications in the Western Cape for consideration by the Liquor Licencing Tribunal.

### Programme/Component description

To provide an administrative support function to the Liquor Licencing Tribunal. To accept and process all liquor licence applications for consideration by the LLT.

### Programme/Component situational analysis

This component is structured according to the following functions:

## **Reception**

The Reception function is responsible for the receipt and electronic capturing of all newly lodged liquor licence applications. This unit also has the task of attending to all walk in clients who report to the reception desk and serves as the main point of receipt for all incoming correspondence (via hard copy when hand delivered as well as via a centralised e-mail account).

## **Processing (processing of applications)**

The Processing function is responsible for the processing of all newly lodged liquor licence applications once received from the reception unit. This unit is comprised of various administrators, each tasked with the function of processing a specific type of application (section 36, secondary, minor and special and temporary event applications) from date of lodgement up until the application is considered by the LLT or Presiding Officer. The administrators must also follow up on any outstanding documentation according to a specified checklist, draft correspondence to applicants and operate according to a specific standard operating procedure. This function is also responsible for issuing renewal notices to all valid liquor licence holders.

## **Issuing (issuing of licences and certificates)**

The Issuing function is responsible for the issuing of all licences and certificates for all applications which have been approved by the LLT or Presiding Officer. This function is comprised of one administrator tasked with the function of issuing notices and certificates for all applications approved by the LLT and Presiding officer, following up on any outstanding documentation before the licence or certificate can be issued and also operating according to a standard operating procedure.

## **LLT Support**

Various support functions are also provided to the LLT by means of the LLT Secretariat as well as one office administrator. The functions performed by these staff members include, but are not limited to the following: developing case rolls for the consideration of applications, drafting of minutes from LLT sittings, scheduling of applications and inspectorate hearings, logistical arrangements and recordings of hearings and all other ancillary matters pertaining to the LLT.

## **Programme/Component interventions**

This component currently has a staff complement of 11 permanent staff. These staff members are responsible for, amongst others, the following:

- reception duties for the Western Cape Liquor Authority;
- receiving, capturing and processing applications lodged with the Authority;
- following up on outstanding information from applicants and liquor consultants in respect of applications lodged;
- tending to telephonic and walk in queries from clients;
- issuing correspondence to clients communicating the outcomes of applications considered by the Liquor Licencing Tribunal;
- issuing licences and certificates for all fully approved applications; and
- issuing renewal notices to all valid liquor licence holders.

## Strategic objectives

<b>Strategic Objective 3.1</b>	To administer all liquor licence applications in accordance with the provisions of the WCL Act (Act 4 of 2008, as amended).
<b>Objective statement</b>	To administer all liquor licence applications in accordance with the provisions of the WCL Act (Act 4 of 2008) by receiving and processing all new, secondary, special event and temporary liquor licence applications and the issuing of licences (straight and conditional, transfer and removal certificates as well as special event and temporary liquor licences).  Processing an estimated 10 000 liquor licence applications.
<b>Baseline</b>	Number of applications lodged with the WCLA.
<b>Justification</b>	Applications are lodged at the offices of the WCLA on a daily basis. The Liquor Licencing Administration component thus needs to ensure that all application processes are streamlined to facilitate the entry of new liquor licence holders into the regulated liquor sphere.
<b>Links</b>	This goal is directly linked to the Provincial Strategic Goal 3 of the Provincial Government of the Western Cape.

## Resource considerations

Programme / Component R'000	Outcome			Revised estimate 2014/15	Medium-term estimates		
	Audited 2011/12	Audited 2012/13	Audited 2013/14		2015/16	2016/17	2017/18
Liquor Licencing Administration	-	-	8 246	7 913	9 726	10 450	11 219
<b>Total payments and estimates</b>	-	-	<b>8 246</b>	<b>7 913</b>	<b>9 726</b>	<b>10 450</b>	<b>11 219</b>

The need for an advanced and user friendly system has prompted the WCLA to move away and phase out its current Liquor Licencing System (commonly referred to as Clipper). In its place developing and implementing an integrated Licence Managing and Tracking System (commonly referred to as LMaTS). This improved system allows for better integration between the financial, administrative and correspondence management of all new applications lodged with the WCLA. Although the development and implementation of this LMaTS system has begun the Authority envisions further enhancements to the LMaTS system that will eventually result in a more efficient licencing system. Aligned to this is also the aspiration of the WCLA to have an on-line application portal. This service will enable future applicants to apply for liquor licences more effortlessly. In order to facilitate the speedier consideration of applications the WCLA envisages embarking on a project which will allow for the scanning of applications that will assist in addressing the time constraints of the Liquor Licencing Tribunal in considering applications.

Provision for additional staffing capacity has also been made in light of the expected organisational process which has started; however will only be completed during the 15/16 financial year. This additional staffing capacity has been identified within the critical areas of the component such as licence issuing and temporary and special event licence applications.



## Risk management:

Risks inherent to Liquor Licencing Administration that could hinder the realisation of the strategic objective inter alia include:

Risks	This risk is mitigated by:
The application process not followed accurately and completely by applicants.	Reception only accepts all documents. The admin staff has a checklist and missing documentation is followed up.
Conditional licence conditions not accurately and completely resolved before licence is issued.	Standard operating procedure for meeting conditions. The presiding officer for the LLT has to sign-off that conditions have been met, before the licence will be issued.
Renewals not issued for all valid licencees in a timely manner	Liquor system would identify which valid licences are eligible for renewal. Notices will be posted to these licence holders via normal post.
Collusion between officials, applicants and licence holders.	Annually updated declaration of interest by administration staff members including well-defined delegations of authority.
The under achievement of planned targets.	The prioritisation of limited resources.

## 7.4 Programme/Component 4: Liquor Licencing Tribunal

### Programme/Component purpose

The Liquor Licencing Tribunal is responsible for the adjudication of liquor licence applications.

### Programme/Component description

The Liquor Licencing Tribunal has been established to consider and make a final decision regarding:

- any application for a licence referred to in section 33(1) of the Act;
- any application for the transfer of a licence in terms of section 65(9) of the Act;
- representations for or against the granting of applications;
- any report lodged with the Tribunal by a designated liquor officer, an inspector or a municipal official;
- any complaint lodged with the Tribunal concerning the conduct of a licenced business;
- representations by a licensee or other interested person concerning the rescission of the suspension of a licence or the removal or amendment of any condition imposed upon a licence; or
- any other matter referred to the Tribunal by the Chief Executive Officer or which it may or must consider in terms of this Act.

### Programme/Component situational analysis

The Liquor Licencing Tribunal is made up as follows:

- Presiding Officer;
- Deputy Presiding Officer;

- SAPS representative;
- SALGA representative and
- Representatives from the broader public.

The Liquor Licencing Tribunal component is composed of six members. These members are responsible for performing functions as prescribed for in terms of section 20 of the Western Cape Liquor Act 4 of 2008, as amended which include the following:

- consideration of all liquor licence applications lodged with the Western Cape Liquor Authority; and
- conducting application and inspectorate hearings.

## Programme/Component intervention

This component currently has a staff complement of six members. These members are responsible for, amongst others, the following:

- To perform judicial functions concerning any application for liquor licenses as prescribed in section 20 of the WCL Act (Act 4 of 2008 as amended) regarding:
  - any application for a license referred to in section 33(1) of the Act;
  - any application for renewal in terms of section 64;
  - any application for the transfer of a license in terms of section 65;
  - any application for the removal of a license in terms of section 66;
  - representations for or against the granting of applications;
  - any report lodged with it by a designated liquor officer, an inspector or municipal official;
  - any complaint lodged with it regarding the conduct of a licensed business;
  - any complaint lodged with it regarding the conduct of a licensee or the section 52 manager at a liquor outlet;
  - any other matter the liquor licensing tribunal may consider in terms of the Act;
  - any other matter referred to it by the Chief Executive Officer or which it may or must consider in terms of this Act; and
  - any matter referred to it by the Presiding Officer of the Liquor Licensing tribunal.

## Strategic objectives

<b>Strategic Objective 4.1</b>	To perform the judicial function regarding any application in terms of the Act.
<b>Objective statement</b>	To perform judicial functions regarding any application for liquor licences as provided for in section 20 of the WCL Act (Act 4 of 2008 as amended)  Consider an estimated 12 000 liquor licence applications.
<b>Baseline</b>	Number of applications prepared by the LLA and presented to the LLT.
<b>Justification</b>	The Liquor Licencing Tribunal is an independent juristic body which is responsible to consider all applications lodged at the WCLA.
<b>Links</b>	This goal is directly linked to the Provincial Strategic Goal 3 of the Provincial Government of the Western Cape.

## Resource considerations

Programme / Component R'000	Outcome			Revised estimate 2014/15	Medium-term estimates		
	Audited 2011/12	Audited 2012/13	Audited 2013/14		2015/16	2016/17	2017/18
Liquor Licencing Tribunal	-	-	1 768	2 009	2 973	3 130	3 318
<b>Total payments and estimates</b>	-	-	<b>1 768</b>	<b>2 009</b>	<b>2 973</b>	<b>3 130</b>	<b>3 318</b>

Capacity and time constraints within the Liquor Licencing tribunal have necessitated legislative amendments to the Western Cape Liquor Act, 4 of 2008 (as amended). These amendments will make provision for the establishment of section 24 committees as well as additional Deputy Presiding officers. These additions will effectively assist the Liquor Licencing Tribunal in effectively addressing the large number of applications that require consideration.

### Risk management:

Risks inherent to Liquor Licencing Tribunal that could hinder the realisation of the strategic objective inter alia include:

Risks	This risk is mitigated by:
Not all applications considered by the LLT in a timely manner.	Inherited backlog. New project in place to address backlog.
LLT makes incorrect decisions, resulting in the requirements of the Act not being met.	They make sound decisions. Very thorough process followed.
An application presented to the LLT contains incorrect information.	DLO has to vouch for certain information, as well as the municipalities. Certified copies of IDs and proof of address are in the files. Admin makes sure that the information is complete, not accurate. LLT has to make that decision. Regulation 9 puts onus on applicant to ensure correctness of information.
LLT does not consider all pertinent information while making decisions.	They make sound decisions. Very thorough process followed.
Time constraints of LLT members could possibly create a new backlog of applications and hearings.	Legislative amendments to the Act addressing the current restraints of the LLT.

## 7.5 Programme/Component 5: Corporate Services

### Programme/Component purpose

Provide strategic direction and ensure quality financial and other operational support services to the Governing Board and Authority.

### Programme/Component description

The Corporate Services component provides strategic and administrative support to the components of the WCLA to ensure that the Authority achieves its performance targets. This component strives to ensure compliance with all relevant rules and legislation that govern public sector financial management.

### Programme/Component situational analysis

This component renders the following services:

- Board Secretariat;
- Human Resource Management; and
- Financial Management.

#### Board Secretariat

This function provides secretarial and administrative services to assist the Governing Board with the performance of their legislative responsibilities as Accounting Authority of the Western Cape Liquor Authority.

#### Human Resource Management

The HRM section is responsible for the following functions, but are not limited to, fair and unbiased recruitment and selection, employment equity, sound labour relations, employee wellness and leave management, proper performance management, training and development and creating a safe and healthy working environment (occupational health and safety).

#### Financial Management

This function is spread across five competencies.

The Management Accounting function is responsible for the compilation of annual and adjusted budgets, quarterly and annual performance reports, and the monitoring and control of expenditure.

The Financial Accounting function is responsible for maintaining an effective payments system, for compiling the annual financial statements and maintaining the ledger accounts of the Authority.

The Supply Chain Management function (SCM) is responsible for providing and developing the SCM policies and procedures, maintaining and safeguarding assets and providing administrative support in respect of the acquisition of goods and services.

The Internal Control function must ensure that effective internal control measures are in place throughout the Authority, particularly in high-risk areas and also ensure the prevention of adverse internal and external audits.

Currently the Auxiliary Services function includes the registry, government motor vehicles, telephone services, and messenger services.

Sustainability is the capacity of an individual entity, community, or global population to continue to survive successfully by meeting its intended outcomes while living within its resource limits. The long-term nature and impact of many of the public sector’s responsibilities mean that in defining its outcomes, through a political process or otherwise, the entity must ensure they can be delivered on a sustainable basis. This also emphasises the importance of managing the capacity of entities in order to ensure the delivery of services is sustainable. In this respect, it is essential that future obligations to citizens are fully reflected in the long-term budget and that all future liabilities are completely transparent.

Human capital is arguably the most important capital for many public sector entities. Recruiting, motivating, and retaining staff are, therefore, vital issues if public sector entities are to be successful. The entity needs to provide an environment in which staff can perform well and deliver effective services by creating a positive culture that, for example, welcomes ideas and suggestions, responds to staff views and explains decisions. It is important that staff have realistic job descriptions to ensure that their core responsibilities can be performed effectively.

Effective governance in the public sector encourages better decision making and the efficient use of resources and strengthens accountability for the stewardship of those resources. Effective governance is characterised by robust scrutiny, which provides important pressures for improving public sector performance and tackling corruption. Effective governance can improve management, leading to more effective implementation of the chosen interventions, better service delivery, and, ultimately, better outcomes. People’s lives are thereby improved.

## Strategic objectives

<b>Strategic Objective 5.1</b>	To provide an effective, efficient, compliant and transparent financial management, human resource management and auxiliary support service to the Authority.
<b>Objective statement</b>	Deliver a fully effective accounting, supply chain management, human resource management and auxiliary support service to the Authority to achieve an unqualified audit.
<b>Baseline</b>	Unqualified Audit.
<b>Justification</b>	Financial transactions in ledgers reflect a healthy status of an entity that is auditable.
<b>Links</b>	This objective is linked to the Constitution of South Africa, PFMA, NTRs and PTIs.

## Resource considerations

Programme / Component R'000	Outcome			Revised estimate 2014/15	Medium-term estimates		
	Audited 2011/12	Audited 2012/13	Audited 2013/14		2015/16	2016/17	2017/18
Corporate Services	-	-	6 113	22 647	19 638	18 554	18 509
<b>Total payments and estimates</b>	-	-	<b>6 113</b>	<b>22 647</b>	<b>19 638</b>	<b>18 554</b>	<b>18 509</b>

Changes over time reflect a variety of policy adoptions, ultimately resulting in placing greater responsibility on the WCLA for staff development and those costs that can be directly attributed to the operational activities of the entity. Cases of the latter relate to printing, both internal and external audit and staff related costs. The rise in compensation of employee costs relates to the anticipated increase in staffing capacity as a direct result of the organisational design process embarked on by the WCLA. This process is intended to improve overall financial, strategic and operational management of the WCLA as well as to meet regulatory requirements.

Provision has also been made for predetermined IT Infrastructure systems and associated enhancements to meet the data and information management requirements of the WCLA. Initiatives to introduce e-filing, on-line applications and the introduction of social media will take place in due course

### Risk management:

Risks inherent to the Corporate Services that could hinder the realisation of the strategic objective inter alia include:

Risks	This risk is mitigated by:
Non-achievement of an unqualified report in terms of financial statements submitted by the Authority tabled by the due date.	Development of standard operating procedures associated with good practice guidelines and assistance with the preparation of comprehensive audit files, well in advance of the year-end.
Lack of capacity to implement accounting reforms (GRAP Standards).	To continuously obtain clarification of the practical implication of current and new accounting standards.
A budget that is unsustainable, operationally insufficient.	Structured assessments of the budget and in-year financial performance monitoring against a range of financial management and budget performance criteria, including appropriate feedback to the Governing Board and Provincial Treasury.
The efficient management of Supply Chain Management Function in order to adhere to applicable rules and legislation.	The development and implementation of a Financial Manual which will become operative during the first year of the next five-year cycle. In general, external factors will also have to be guided by both the Provincial and National Treasury to ensure that the SCM unit receives guidance and support over the next five years.
Conflict of interest by employees.	A system of clear and well defined segregation of duties.
Non-compliance with employment equity targets.	An employment equity policy and an employment equity committee to ensure compliance with the employment equity targets.







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**Western Cape  
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