ENABLING &
PROMOTING
A RESPONSIBLE
LIQUOR INDUSTRY

EASTERN CAPE
LIQUOR BOARD

2025-2030
STRATEGIC PLAN

EASTERN CAPE LIQOUR BOARD STRATEGY MAP 2025 - 2030

IMPACT STATEMENT

A transformed responsible EC liquor industry that promotes sustainable economic growth while protecting communities through effective regulation.

STRATEGIC PILLARS

- Strengthen Compliance and Enforcement
- Enhance Anti-Alcohol Intervention Pograns
- Optimize Revenue Collection
- Promote Economic Growth

STRATEGIC OUTCOMES

- Audit Outcome
- Efficient liquor licensing Increased participation by the previously disadvantaged in both the retail and micro-manufacturing levels in the province
- Compliant liquor trading and regulated access to alcohol
- Reduction in alcohol abuse and behavioural change toward alcohol consumption
- Empowered communities through Social Responsibility/ CSI programmes of the ECLB

VISION

To be a leading liquor authority that drives economic transformation, promotes diversification and social cohesion.

MISSION

A responsible effective regulator that consciously drives transformation of the liquor industry by promoting compliance and responsiveness, whilst mitigating the adverse effects of excessive, irresponsible alcohol consumption and reducing social ills.

VALUES

The Eastern Cape Liquor Board subscribes to the fundamental guidelines of corporate governance and is also guided by the following values which are important to us as an organisation.

1 Value FAIRNESS

Behaviour
Behaviour without favouritism, bias or discrimination in all our dealings.

2 Value INTEGRITY

Behaviour
Ensuring uncompromised truth, demonstrating sound and moral principles. Demonstrate consistency and trustworthiness.

3 Value ACCOUNTABILITY

Behaviour
Obligated to demonstrate and take responsibility for our actions, decisions and policies and accountable to the public at large.

4 Value TRANSPARENCY

Behaviour
The decisions and actions taken are open to public scrutiny and the public has a right to access information.

5 Value CUSTOMER CENTRICITY

Behaviour
Demonstrating that our customers both internally and externally are at the centre of our business's philosophy, operations or decisions

EASTERN CAPE LIQUOR BOARD

STRATEGIC OUTCOMES, KEY OUTCOME INDICATORS AND FIVE-YEAR TARGETS FOR 2025 - 2030

No.	Strategic Outcome	Outcome/Output Indicator	Baseline	Five-year target
1	Good Corporate Governance	Approved and signed off AFS of ECLB	Unqualified Audit without findings (Clean Audit)	Unqualified Audit without findings (Clean Audit)
		HR Maturity Index	HR Maturity Level 4	HR Maturity Level 5
		Percentage spent on Eastern Cape SMME's	60%	70%
		ICT Governance Framework implemented	ICT Maturity Level 4	ICT Maturity Level 5
		Annual Performance Plan	Annual	5 Annual Performance Plan
		Annual Report	Performance Plan	5 Annual Report
		Quarterly Performance Report (QPR)	Annual Reports Quarterly Performance Reports	20 Quarterly Performance Report (QPR)
2	Efficient liquor licensing	% of fully compliant licence applications considered within legislated timeframes	51%fully compliant licence applications considered within legislated timeframes	80% fully compliant licence applications considered within legislated timeframes
		Number of new formal liquor traders' associations facilitated	8 liquor traders' associations facilitated	10 liquor traders' associations facilitated
3	Increased participation by the previously disadvantaged in both the retail and micro-manufacturing levels in the province	Number of Black liquor traders facilitated to participate at higher levels of the value chain	10 Black liquor traders facilitated to participate at higher levels of the value chain	10 Black liquor traders facilitated to participate at higher levels of the value chain
		Number of projects facilitated to contribute to local economic development	7 projects facilitated to contribute to local economic development	5 projects facilitated to contribute to local economic development
4	Compliant liquor trading and regulated access to alcohol	% pre-registration inspections conducted	87.8 pre-registration inspections conducted	90% of pre-registration inspections conducted
		Number of compliance inspections conducted to ensure compliance with liquor regulations	12 297 compliance inspections conducted	17 500 compliance inspections conducted
		Number of blitz operations conducted with law enforcement agencies to enforce liquor legislation	319 blitz operations conducted	400 blitz operations conducted
5	Reduction in alcohol abuse and behavioural change toward alcohol consumption	Number of thematic reports on the anti-alcohol abuse interventions conducted	4	4
		Number of people reached through education and awareness interventions and social responsibility initiatives	328 494	750 000
		Number of assessments and evaluation reports produced on the interventions conducted	1	5
6	Empowered communities through Social Responsibility/ CSI programmes of the ECLB	Number of social responsibility programmes conducted	58	100

Accounting Authority Statement

The Accounting Authority of the Board is responsible for providing strategic direction and oversight function as mandated in terms of Section 49 (1) (a) of the Public Finance Management Act (referred to as PFMA) Act No.1 of 1999. The Eastern Cape Liquor Board herein humbly submits the Strategic Plan for 2025 to 2030 in line with Chapter 5 of the Treasury Regulations issued in terms of the PFMA. The Strategic Plan is developed in accordance with the Eastern Cape Liquor Act, 2003.

The ECLB Strategic Plan is developed taking into consideration the priorities of the government as outlined in the Medium-Term Development Plan and the Provincial Priorities.

The amendment of the Eastern Cape Liquor Act, 2003 (ECLA) Regulations, along with the research studies conducted, will significantly enhance the Board's performance. These improvements are expected to:

- Strengthen Compliance and Enforcement: Implementing robust enforcement mechanisms to ensure adherence to regulations, thereby reducing illegal activities in the liquor trade.
- Promote Economic Growth: Supporting liquor traders through targeted initiatives and resources, fostering a vibrant and sustainable local economy.
- Enhance Anti-Alcohol Intervention Programs: Expanding and improving intervention programs aimed at reducing alcohol-related harm in communities.
- Optimize Revenue Collection: Streamlining processes and updating regulations to ensure more efficient an effective revenue collection from liquor licensing.

Overall, these measures will create a more efficient, compliant, and economically supportive environment for liquor traders while prioritizing public health and safety.

This plan complies with the requirements of Section 30 of the Treasury Regulation issued in terms of the PFMA.

The Board undertakes to ensure that in the execution of its duties, it complies with these and all other relevant pieces of legislation.

Mr M. Gobingca
Board Chairperson

Honourable N. Pieters
Member of Executive Council

Accounting Officer Statement

I am pleased to present the Eastern Cape Liquor Board's Strategic Plan for 2025–2030. This plan serves as a strategic roadmap for the Eastern Cape Liquor Board (ECLB) as we navigate the next five years, aligning closely with our mandate as outlined in the Eastern Cape Liquor Act No. 3 of 2003.

In this period, the Board is committed to enhance its licensing processes by leveraging advanced technology-based systems to streamline all aspects of the application process. Additionally, the entity aims to foster a conducive environment that encourages new entrants into the liquor industry in the Eastern Cape, thereby promoting growth and innovation within the sector. Together, these initiatives will not only improve efficiency but also support a vibrant and responsible liquor market that benefits our communities and the local economy.

ECLB and the liquor industry learned valuable lessons from recent events, including the COVID-19 pandemic and the tragic loss of 21 young lives at Enyobeni. As a result, commitments to enhancing the operational environment to better address the evolving challenges we face were made. Moving forward, we will continue to strengthen our relationships with various stakeholders, including government entities, the liquor industry, and civil society. Our goal is to maintain a balance between harnessing the economic benefits of the liquor sector while effectively managing and mitigating the abuse of alcohol. Through collaborations and proactive measures, the aim is to create a safer and more responsible drinking environment for all.

The implementation of the Eastern Cape Liquor Act, 2003 Regulations will ensure that the Board steps up its commitment to improving regulation of the liquor industry in the Province. We will leverage insights and recommendations from commissioned research studies to develop objectives that are both actionable and responsive to our evolving environment. Integration of the findings from the research studies undertaken aims to create a regulatory framework that not only addresses current challenges but also supports sustainable growth in the liquor sector while prioritizing public health and safety.

Facilitating the transformation of the liquor industry in the Province remains one of our key strategic commitments. While the liquor industry continues to contribute significantly to the economy, we are equally focused on enforcing compliance and strengthening harm reduction initiatives. To achieve this vital balance, we have partnered with various stakeholders dedicated to promoting responsible consumption and ethical trading practices. The Eastern Cape Liquor Board (ECLB) takes pride in the exemplary performance of different departments, which consistently contribute to effective regulation of the liquor industry in the Eastern Cape. Together, we aim to create a safer, more responsible environment that benefits both the economy and our communities.

In light of the challenging liquor regulatory environment, each division has identified strategic initiatives aimed at enhancing the regulation of the liquor industry in the Province. It is important to emphasize that the successful implementation of these initiatives is largely dependent on the availability of adequate funding and related resources.

As with all government entities, we recognize the necessity to optimize and maximize our limited resources to ensure that we serve the public with greater efficiency and effectiveness. By doing so, we aim to create a regulatory framework that not only addresses current challenges but also promotes a sustainable and responsible liquor industry.

The Eastern Cape Liquor Board (ECLB) and its staff are deeply committed to addressing these priorities and challenges. We are confident that the Board will successfully execute this plan through a team that consistently demonstrates flexibility, innovation, and dedication. It is essential that the regulation of the liquor industry, as outlined in this plan, is guided by core values such as fairness, integrity, accountability, and transparency. By upholding these principles, the ECLB will foster a regulatory environment that not only meets industry needs but also serves the best interests of the community.

Dr N. Makala
Chief Executive Officer

Official Sign-Off

It is hereby certified that this Strategic Plan:

- Was developed by the management of the Eastern Cape Liquor Board under the guidance of Members of the Board and Department of Economic Development Environmental Affairs and Tourism.
- Takes into account all the relevant policies, legislation and other mandates for which the Eastern Cape Liquor Board is responsible.
- Accurately reflects the impact statement, outcomes and outcome indicators that the Eastern Cape Liquor Board will endeavour to achieve over the period 2025 to 2030.

Ms N. Tshefu
Official Responsible for Strategic Planning

Mr P. Tyali
Senior Manager: Licensing

Mr Z. Tyikwe
Chief Inspector

Dr M. Msiya
Senior Manager: Social Accountability

Ms L.L. Tini
Senior Manager: Corporate Services

Mr Z. Zibi
Chief Financial Officer

Dr N. Makala
Chief Executive Officer

Approved

Mr M. Gobingca
Board Chairperson

CONTENTS

List of Abbreviations and Acronyms

AO	Accounting Officer
AG	Auditor-General
APP	Annual Performance Plan
BBBEE	Broad Based Black Economic Empowerment
BCMM	Buffalo City Metropolitan Municipality
CAMY	Centre on Alcohol Marketing and Youth
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIPC	Companies Intellectual Properties Commission
CoGTA	Cooperative Governance and Traditional Affairs
COVID-19	Coronavirus disease of 2019
DEDEAT	Department of Economic Development Environmental Affairs and Tourism
DTI	Department of Trade and Industry
EC	Eastern Cape
ECLA	Eastern Cape Liquor Act
ECLB	Eastern Cape Liquor Board
ECLAA	Eastern Cape Liquor Authority Act
ECPTA	Eastern Cape Parks and Tourism Agency
FAS	Foetal Alcohol Syndrome
GBV	Gender Based Violence
GDP	Gross Domestic Product

HIV	Human Immunodeficiency virus
ICT	Information Communication and Technology
LTDP	Liquor Traders Development Programme
MEC	Member of the Executive Council
MTEF	Medium Term Expenditure Framework
MTDF	Medium Term Development Framework
NGO	Non-Governmental Organisation
NPA	National Prosecuting Authority
NDP	National Development Plan
NLF	National Liquor Forum
PAIA	Promotion of Administrative Information Act
PAJA	Promotion of Administrative Justice Act
PFMA	Public Finance Management Act
P-MTDF	Provincial – Medium Term Development Plan
POE	Portfolio of Evidence
POPI	Protection of Personal Information Act
PPP	Public Private Partnership
SALGA	South African Local Government Association
SMME	Small Medium and Micro Enterprises
UN	United Nations
WHO	World Health Organisation

TABLES

FIGURES

GRAPH

ENABLING & PROMOTING

A RESPONSIBLE LIQUOR INDUSTRY

EASTERN CAPE LIQUOR BOARD

PART A:
OUR MANDATE

PART A: OUR MANDATE

1. Constitutional mandate

The mandate of the Eastern Cape Liquor Board is empowered by the provisions on Section 104 of the Constitution of the Republic of South Africa 1996, which gives exclusive provincial legislative competency on certain matters including those functional areas listed in Schedule 5 of the Constitution. Liquor licenses are listed in Schedule 5 which vests and confers on provincial government the mandate to regulate issuing of liquor licenses.

2. Legislative mandate

The ECLB is governed by the following pieces of legislation:

2.1 Liquor Act No.59 of 2003

This national Act seeks to establish national norms and standards to maintain economic unity within the liquor industry; to provide for the essential national standards and minimum standards required for the rendering of services; to provide for measures that promote co-operative governance in the area of liquor regulation; and to provide for matters connected therewith.

2.2 Eastern Cape Liquor Act No.10 of 2003

The Eastern Cape Liquor Board is established in terms of the Eastern Cape Liquor Act (Act 10 of 2003) to:

- Make provision for the registration of retail sales and micro-manufacturing of liquor in the Province.
- Encourage and support the liquor industry.
- Manage and reduce the socio-economic and other costs of excessive alcohol consumption by creating an environment in which:
  - The entry of new participants into the liquor industry is facilitated.
  - Appropriate steps are taken against those selling liquor outside the regulatory framework.
  - Ensure that those involved in the liquor industry attain and maintain adequate standards of service delivery.
  - Community considerations on the registration of retail premises are taken into account; and
  - The particular realities confronting the liquor industry in the Province can be addressed.

2.3 Amended Regulations to the Eastern Cape Liquor Act No.10 of 2003

- The amended Regulations to the Eastern Cape Liquor Act, 2003 were published on 29 November 2024 and will be operational as at 1 March 2025.
- The amendments include vital changes to better capacitate the ECLB in giving effect to its mandate and in enhancing the ability of communities to provide input into the licensing process.
- Key changes include: -
  - Provision of definitions for the terms “educational institutions and “places of worship”.
  - Detailing what is required to be included in an application to satisfy the requirements as set out in the Act. A key inclusion is a requirement for proof of requisite zoning or municipal consent for the intended use of the premises.
  - Extension of the area for service of notices to places of worship and educational institutions from 100m to 500m from the proposed outlet.
  - Given the scourge of renting out of liquor licenses, clear provisions have been included to ensure that this is addressed through means of criminal prosecution if found to be occurring.
  - Inclusion of new fee items such as application for change of plan and managers appointment.
  - Structured and expanded procedures for the submission of objections or written representations by the public.

2.4 Other legislation

- Public Finance Management Act No. 1 of 1999 as amended by Act No. 29 of 1999,
- Promotion of Access to Information Act No. 2 of 2000,
- Promotion of Administrative Justice Act No. 3 of 2000,
- Protection of Personal Information Act NO. 4 of 2013,
- Preferential Procurement Policy Framework Act No. 5 of 2000,
- Broad-Based Black Economic Empowerment Act No. 46 of 2013 as amended by Act No. 46 of 2013,
- Labour Relations Amendment Act No. 6 of 2014,
- Basic Conditions of Employment Amendment Act No. 20 of 2013,
- National Treasury Regulations,
- Liquor Products Act No. 6 of 1989,
- Companies Act No. 71 of 2008,
- National Disaster Management Act No. and its regulations, and
- Spatial Planning and Land Use Management Act No.16 of 2013 and its regulations and municipal by-laws

3. Policy Mandate

3.1 National Liquor Policy

The norms and standards provide guidelines within which provincial liquor authorities should establish their provincial legislations. The ECLB is charged with interpreting and implementing this policy at a Provincial level. The new legislation has taken into effect the guidelines of the Norms and Standards as published by the Department of Trade and Industry (DTI).

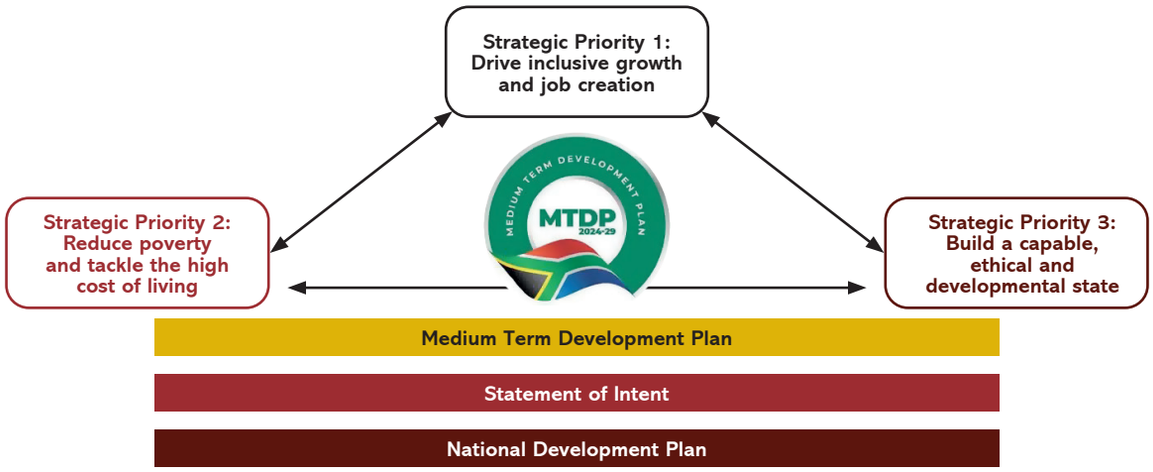
3.2 National Liquor Norms and Standards

- The National Liquor Norms and Standards, established under the Liquor Act 59 of 2003, provide guidelines for responsible alcohol trade and consumption in SA.
- These standards outline conditions for licensing, location of outlets, and advertising practices.
- They address the need to safeguard vulnerable groups, such as minors, by restricting access to alcohol and encouraging adherence to zoning laws to avoid proximity to schools and health facilities.
- They aimed at reducing social and community harm. The norms promote responsible practices within the liquor industry, supporting public health and safety alongside economic growth.

3.3 ECLB's Alignment with National, Provincial and DEDEAT priorities

The President of the seventh (7th) administration announced three government priorities to drive the National Development Plan (see figure below), the Sustainable Development Goals (SDGs). The provincial government further developed the P-MTDP inline with the MTDP and the PDP. The development of the provincial goals and priorities is also informed by the global and national geo-political changes, fiscal constraints, and increased demand for improved implementation of government programmes towards shifting quality of life for citizens.

Figure 1: MDTP Strategic Approach (2025-2030)



The provincial government adopted three (3) strategic priorities, namely: Drive Inclusive Economic Growth and Job Creation; Reduce poverty and Tackle the high cost of living; A capable, Ethical and Developmental state. The Province also identified five (5) growth frontiers that are critical for economic growth and job creation, namely, manufacturing, agriculture, ocean economy, tourism, and digital economy.

The table below shows the priorities at both the National and Provincial levels to which the ECLB will strive to contribute with its resources.

Table 1: National and Provincial Priorities

NDP	MTDP	P-MTDP	Provincial Priority Areas	Key Integration Areas	ECLB's contribution
• Ch3. Economy and Employment • Ch6. An integrated and inclusive rural economy	• Drive inclusive Economic Growth and Job Creation	• Drive inclusive Economic Growth and Job Creation	• Job Creation • Service Delivery (Social and Economic Infrastructure Development) • Food Security, Land Reform & Agriculture Commercialisation	• Transformation programmes, youth development, skills development & training • Infrastructure, human settlements & broadband	• Facilitate the implementation of programmes geared towards the empowerment of marginalised liquor traders to: - acquire business skills and knowledge, and diversify their businesses - form liquor traders' cooperatives and association - register as liquor distributors - register as liquor micro-manufacturers in order to move up the value chain in the liquor industry and trade responsibly - register their businesses from natural to juristic persons.
• Ch11. Social protection • Ch15. Transforming society and uniting the country • Ch9. Improving education, training and innovation • Ch12. Building safer communities	• Reduce poverty and tackle the high cost of living	• Reduce poverty and tackle the high cost of living	• Social Cohesion • Social Security • Education & Health • Job Creation	• Social cohesion, moral regeneration, community safety & GBVF • Non-Communicable Diseases, mental health & social determinants of health • Transformation programmes, youth development, skills development & training	• To work with law enforcement/security cluster partners to enforce compliance in the liquor industry and to clamp down on inconsiderate and illegal trading • Educate communities on the adverse effects of alcohol abuse.
• Ch13. Building a capable and developmental state	• Build a capable, ethical and developmental state	• Build a capable, ethical and developmental state	• Capable and developmental state	• Governance	• To ensure the ECLB conducts its business in a manner that is consistant will all principles of good corporate governance.

3.4 Updates to institutional policies and strategies

All the organisational policies were reviewed to ensure alignment with changes in legislation and practices in the operating environment. All the institutional policies have been updated in line with the requirements of the POPI Act as well as other operational requirements and subsequently approved by the Board.

4. Relevant court rulings

The Entity operates in a litigious environment as its decisions may be challenged and/or reviewed by Applicants and or any interested persons. Outlined below are relevant court rulings (both criminal and civil) and investigative reports that may have influence on the mandate of the organisation or hold significant legal precedent.

(a) Shoprite Checkers (Pty) Limited v Member of the Executive Council for Economic Development, Environmental Affairs and Tourism, Eastern Cape and Others (CCT 216/14) [2015] ZACC 23

The applicant in this matter challenged the provisions of section 71 (2) and 71 (5) of the Eastern Cape Liquor Act which provides for the lapse of the grocer's wine licence stating that the provisions should be declared unconstitutional.

The High Court held that the grocer's wine licence issued under the 1989 Liquor Act constitutes property as contemplated by section 25 (1) of the Constitution and that the termination of the applicant's grocer licence will result in permanent deprivation of the applicant's property rights. It held that the impugned provisions of the Act arbitrarily deprived the Applicant of this property and found the provisions of the Eastern Cape Liquor Act to be constitutionally invalid.

The High Court's decision regarding the unconstitutionality of the Eastern Cape Liquor Act was placed before the Constitutional Court for confirmation. The majority judgment held that the wine licence constitutes property. This is of significant legal importance as it confirmed that a liquor licence constitutes property and provides furtherance of other constitutional rights such as the right to trade.

However, the deprivation of this property by the Eastern Cape Liquor Act was not total as the grocer had the opportunity to convert that right to a registration to sell all kinds of liquor, albeit not on the same premises as a grocery business. Finally, the main judgment held that because the change in regulatory regime brought about by the Eastern Cape Liquor Act did not extinguish any other fundamental rights of holders of grocer's wine licenses or fundamental constitutional values, rationality would be sufficient reason to avoid a finding of arbitrariness. It held that it was rational to change the regulatory regime of liquor sales to provide for simplification in the licensing processes and courts should not easily interfere with the intention of the legislature. In conclusion, the Court did not confirm the unconstitutionality of the legislative provision.

(b) Skilful 1059 (Pty) Ltd v Eastern Cape Liquor Board and Another (2851/2017) [2018] ZAECPEHC 38

The applicant sought an order declaring that s 22 (11) of the Eastern Cape Liquor Act does not apply to the conversion of a close corporation to a company pursuant to Schedule 2 of the Companies Act 71 of 2008. In summary, the applicant converted as a close corporation to a company as provided in the Companies Act, it then unsuccessfully requested the ECLB to amend its records. The ECLB cited that its enabling Act made no provision for the amendment of the applicant's certificate of registration authorizing the sale of liquor, save by way of transferring said. It therefore contended that the envisaged request would be ultra vires the provisions of the Liquor Act. The Court found in favour of the applicant and ordered the ECLB to amend its records accordingly. The Court's decision highlights the significance of contextual statutory interpretation: -

Legislative provisions must be interpreted sensibly and in manner which does not undermine the purpose of the legislation. In this instance, effect must be given to the purpose of both the Companies Act and the Liquor Act. To hold that the first respondent is precluded from giving effect to a provision of the Companies Act because the Liquor Act, enacted prior thereto, does not refer to the amendment of the certificate of registration in circumstances such as the present, would lead to an insensible and un-businesslike interpretation of the legislation. To hold, on the contrary, that the first respondent is entitled in the exercise of its administrative functions which do not engage its adjudicative or regulatory powers, to amend the certificate of registration by issuing a certificate in the name of the converted Entity would give effect to the purposes of both the Companies Act and the Liquor Act.

(c) Eastern Cape Liquor Board v Tseliso Naketsana and Phedisa Tavern (Eastern Cape Local Division, Mthatha) 460/2022.

The ECLB successfully sought the review of the issuance of a licence to the Respondent on the basis that the community consultation report provided to it, was subsequently found to hold misrepresentations. Accordingly, the Court ordered that the liquor licence be immediately cancelled and set aside. This matter is significant, as its evidentiary of ECLB's stance that will not tolerate instances wherein it is found after the issuance of the liquor licence that the documents provided to it in fulfillment of legislative requirements hold misrepresentations.

(d) The State v Siyakhangela Ndevu and Vuyokazi Ndevu

In consequence of the Enyobeni Tragedy, the ECLB instituted charges against the employees, the registered Manager, Siyakhangela Ndevu and the register person, Vuyokazi Ndevu for the contravention of the Eastern Cape Liquor Act No. 10 of 2003 and associated Regulations. The two employees paid admission of guilt fines for supplying alcohol to underage persons (contravention of section 38 of the Act). The criminal trial of Vuyokazi and Siyakhangela Ndevu (accused persons) commenced on the 25th of April 2023, wherein ECLB as the Complainant in the criminal prosecution provided key testimony in favour of the prosecution.

The accused persons were found guilty and fined R 5000 each or 100 days imprisonment. Both of the accused effected payment of the assigned fines.

The criminal prosecution of the accused and the payment of fines by the two employees also prompted the review of the determination of fines by the relevant Chief Magistrates in terms of the Criminal Procedure Act 51 of 1977 wherein the sale of liquor to minor children was amended to proceed to docket without admission to guilt fines being offered. .

(e) The South African Human Rights Commission (SAHRC) investigative report on the Enyobeni Tavern tragedy

The report examines the challenges faced by various entities, including the ECLB. The incident, which tragically resulted in the deaths of 21 young individuals, highlighted certain areas where improvements in regulatory enforcement and oversight could be made, particularly regarding liquor sales and the prevention of underage drinking.

The investigation pointed to areas where the ECLB's role in monitoring compliance with liquor laws could be strengthened. Although the ECLB carried out its mandate to issue licences and conduct inspections, there were opportunities to enhance collaboration with local authorities and law enforcement in addressing community concerns and ensuring adherence to liquor regulations. The inspectors employed by the ECLB, while fulfilling their duties, faced limitations in enforcement powers, which could be addressed through legislative reforms to enable more effective oversight of liquor outlets.

The report suggests that the ECLB, along with other stakeholders, could benefit from enhanced resources and authority to better respond to complaints and enforce compliance. Additionally, it directs a temporary suspension on the issuance of new liquor licenses until the Board's monitoring capacity is further developed. Strengthening these measures, in alignment with national reforms, would support broader efforts to address the societal impacts of alcohol consumption, particularly in safeguarding the rights and well-being of children, as reflected in Section 28 of the South African Constitution. The SAHRC's recommendations aim to foster a more coordinated and effective approach to liquor regulation.

ENABLING & PROMOTING

A RESPONSIBLE LIQUOR INDUSTRY

EASTERN CAPE LIQUOR BOARD

PART B:
OUR STRATEGIC FOCUS

PART B: OUR STRATEGIC FOCUS

VISION	To be a leading liquor authority that drives economic transformation, promotes diversification and social cohesion.
MISSION	A responsible, effective regulator that consciously drives transformation of the liquor industry by promoting compliance and responsiveness, whilst mitigating the adverse effects of excessive, irresponsible alcohol consumption and reducing social ills.

VALUES

The Eastern Cape Liquor Board subscribes to the fundamental guidelines of corporate governance and is also guided by the following values which are important to us as an organisation.

Fairness
Behaviour without favouritism, bias or discrimination in all our dealings.

Integrity
Ensuring uncompromised truth, demonstrating sound and moral principles. Demonstrate consistency and trustworthiness.

Accountability
Obligated to demonstrate and take responsibility for our actions, decisions and policies and accountable to the public at large

Transparency
The decisions and actions taken are open to public scrutiny and the public has a right to access information.

Customer Centricity
Demonstrating that our customers both internally and externally are at the centre of our business's philosophy, operations or decisions.

1. Situational Analysis

The situational analysis which informed the development of the ECLB Strategy, consists of an external and internal environmental analysis, which will be individually discussed below.

The development of this five-year plan considers the previous five years' performance, emerging trends, government policy directions, and digital transformations.

1.1 External Environment Analysis

When assessing the operational context of the ECLB, it is crucial to consider the environment in which the organization functions. Key global factors that will persistently impact the liquor industry include rising rates of alcohol abuse, particularly underage drinking, which have been exacerbated by the COVID-19 pandemic, as well as ongoing technological advancements. On a broader scale, unemployment continues to be a significant issue contributing to alcohol abuse.

The alcohol industry is also facing significant challenges due to high inflation rates, elevated interest rates, and increased fuel costs. These economic factors are impacting operational costs and consumer spending within the sector.

South Africa, including the Eastern Cape, boasts a distinctive drinking culture characterized by a strong tradition of socializing and celebrating with alcoholic beverages. This culture is influenced by a growing urban population, shifting demographics, and an expanding middle class with increased disposable income and discretionary spending, including government relief grants. These factors have driven the demand for premium and craft alcoholic beverages. Despite economic challenges, the demand for alcohol has remained robust, as these products are viewed as affordable luxuries, and consumers continue to invest in them even amid economic uncertainty.

However, the harmful use of alcohol impacts population health, the lives its harmful use claims, the diseases it triggers, the violence and injuries it causes, and the pain and suffering endured as a result. One of the realities as highlighted in the UN (2018) is the harm from a given amount of drinking is higher for poorer drinkers and their families than for richer drinkers.

These issues are also influenced by various external factors, making it a complex challenge to address alcohol abuse, as it is deeply rooted in family environments and social contexts. South African communities face numerous social challenges, and the Entity, along with the broader liquor industry, has been affected by serious incidents at some registered liquor outlets. The rise in illegal liquor trading and the manufacturing and distribution of illicit and harmful alcohol present significant risks to the Entity. To tackle these problems effectively, the Entity is committed to finding viable solutions. Addressing these issues necessitates a collaborative approach involving the government, the private sector, civil society, and local communities.

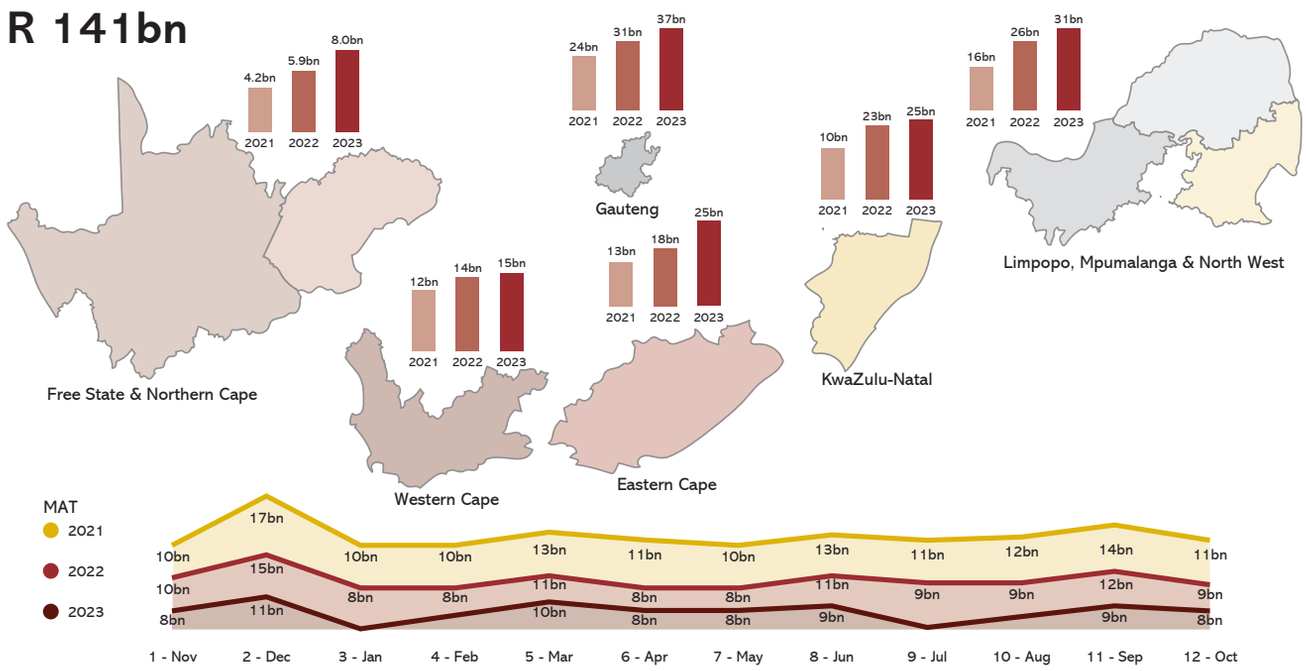
1.1.1 Economic Outlook of the Liquor Industry

The "Contribution of the Alcohol Beverage Industry to the Economy of South Africa[1]" report indicates that the alcohol industry contributed R226.3 billion, accounting for 3.6% of South Africa's GDP. This sector supports 498,999 jobs.

Furthermore, according to the 2023 Nielson Report, the Province of the Eastern Cape is experiencing rapid growth, outpacing other regions in the country in alcohol consumption. The growth in sales is mainly due to increased volume, suggesting a rising demand for products and services. This is a positive sign for the region's long-term growth prospects.

The growth is driven by growth in volumes, indicating a growing demand as well as increased prices. Figure 1 below illustrates that South African liquor sales exceeded R141 billion in value in 2023, and the Eastern Cape is the second biggest contributor at 17% following Gauteng and KZN. In terms of volume, the Eastern Cape contributed over R 25 million in sales and 502 million litres in volume while Gauteng contributed R 37 million in sales and 791 million litres in volume. Eastern Cape grew to 41% in 2023 compared to 10% trade share in 2022 (2023 Nelson Report).

Figure 2: Eastern Cape Liquor growth in value and volume



1 Economic Research Report, Drinks Federation of South Africa (DF-SA), 2022

South Africa is a net exporter of alcoholic beverages, largely driven by its significant wine exports. In 2022, total alcohol beverage exports amounted to R20.6 billion, with wine constituting 55% of this figure.

The 2023 Nelson Report further reported that the beer sector is the most valuable liquor segment in the Eastern Cape at R 7,4 billion, followed by unfortified wines at R 3,6 billion. The Beer Association of South Africa (BASA) in 2023 stated that the beer industry is a major contributor to the South African economy as it roughly contributes 1.3% of the country's GDP as well with one in every 66 jobs being sustained by the sector.

In the fifth installment of the South Africa Investment Conference in April 2023, HEINEKEN South Africa and South African Breweries (SAB) committed to investing R15.5 billion and R5.8 billion, respectively, in new projects over the next five years. These investments are anticipated to create numerous jobs for South Africans and stimulate economic sectors, including agriculture and hospitality. The following trends are expected to shape the future operations of the liquor industry.

Accessibility of liquor

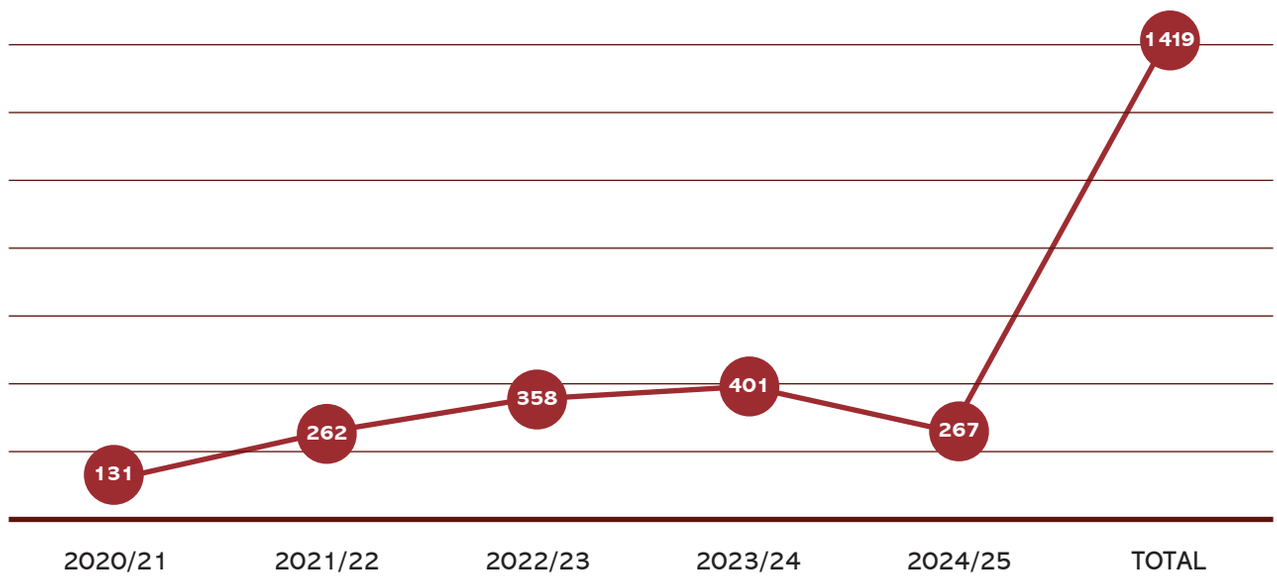
The convenience of online purchasing and the increase in liquor outlets close to grocery shops have increased the accessibility and ability for consumers to purchase liquor. This has also created space for illicit alcohol, there have been many reports on the sale of illicit alcohol. While the legal alcohol industry is critical to the South African economy, the illicit alcohol market has strengthened substantially since its early gains during COVID-19. The illicit trade has a massive negative impact socially and economically in the country. The illicit trade comprised over 22% of trade pre-COVID-19 and it has become a far bigger problem now. Almost 50% of alcohol sold is now illicit.

The alcohol ban exacerbated the problem, as prices rose, and the illicit market flourished, with traders controlling both supply and pricing. Once the ban was lifted, illicit traders undercut legal prices by more than 40%, further eroding government revenue. The increased homebrewing and counterfeit alcohol caused significant health risks, with methanol-derived products a particular concern to the industry.

Non-adherence to liquor regulations

The rate of complaints reported by the public and interested parties against the conduct of liquor outlets is increasing at an alarming rate. This is also compounded by the illegal traders that continue to trade without registration and following the rules including selling liquor to underage pupils. The graph below illustrates the year-on-year increase in the number of illegal activities identified.

Graph 1: Number of illegals identified (2020-2025)



Trends in the liquor market

The demand for craft products, celebrated for their unique flavors and locally sourced ingredients, is beginning to plateau among consumers. The sector has experienced significant growth, with an increasing number of microbreweries and brewpubs emerging across the country. The Eastern Cape alone boasts over 20 craft brewing and distilling micro-manufacturers.

There is a trend of consumers shifting from spirits to craft products at global and local level. While the country, including the Eastern Cape, is seeing a growth in micro-manufacturing, this shows that there is a need to put more effort to support this area. The craft beer, gin and wine segments have also benefited from the rise in wine tourism, with more tourists visiting the country's wine regions and purchasing local wines. The ECLB partners with ECPTA to promote the craft beer, gin and wine segments.

Another noteworthy trend is the rising popularity of non-alcoholic and alcohol-free beverages. These products contain alcohol that is below the threshold in the Liquor Act. Although the Liquor Act defines an alcoholic beverage as a product that contains more than 1% alcohol by volume, it does not mean there are no traces of alcohol.

1.1.2 The socio-economic impact of alcohol abuse

Alcohol abuse in the Province, like in the rest of South Africa, has a detrimental impact on individuals, families, and communities. The harm caused by alcohol use is a priority issue for the provincial government.

The Eastern Cape Liquor Act No. 10 of 2003 mandates the Entity to address the harmful effects of excessive alcohol consumption in communities. The World Health Organization (WHO) report indicates that over 3 million individuals die annually due to the hazardous consumption of alcohol globally. Additionally, the Global Alcohol Policy Alliance (2022) identifies alcohol consumption as one of the top ten contributors to death, illness, and injury, resulting in significant social and economic repercussions. Notably, many adverse effects associated with alcohol use disproportionately impact young adults. Furthermore, the Southern African Catholic Bishops Conference (SACBC), Justice and Peace Commission, and DG Murray Trust (2020) report highlights that alcohol abuse is the second leading cause of death and disability, following sexually transmitted diseases and interpersonal violence. The report further suggests that alcohol is implicated in 80% of fatalities among young men.

Furthermore, surveys from various countries indicate that the COVID-19 pandemic has exacerbated alcohol consumption, and South Africa is no exception. During this period, gender-based violence (GBV) became more prevalent and was frequently linked to increased alcohol use. In response, the Eastern Cape Liquor Board (ECLB) has intensified its commitment to fostering strategic collaborations aimed at combating GBV and femicide. To address the pandemic's repercussions, the ECLB has heavily utilized multimedia platforms to disseminate messages related to GBV and other pressing issues within communities. In executing its mandate, the ECLB is placing renewed emphasis on advocacy campaigns that educate communities about the harmful consequences of alcohol abuse.

The rising consumption of alcohol is attributed to the affordability, availability, and promotion of alcohol through multimedia advertising, including social acceptance of excessive alcohol consumption and tolerance of inebriation. The growth of on-off consumption liquor outlets in the Province has contributed to the rise in the availability of alcohol. This raises a dilemma as to whether continuous issuance of licences may contribute to the increased accessibility of alcohol.

A study conducted by the Centre on Alcohol Marketing and Youth (CAMY) found that young people exposed to television alcohol advertisements are more likely to consume alcohol compared to their peers who are not exposed. Underage drinking is a significant social issue affecting many school-going and out-of-school youth. Research indicates that young people typically begin experimenting with alcohol at around 13 years of age. A survey by HDI Youth Marketers revealed that, on average, one in every two teenagers in South African homes is an active drinker, with 49% of students reporting that they have consumed alcohol at some point during their schooling. Additionally, a study by Mathibe, Cele, and Modjadji (2022) noted that 54% of respondents reported the presence of alcohol outlets near schools, with 65% of learners indicating easy access to taverns and bottle stores.

Alarmingly, 70% of respondents reported being able to purchase alcohol without presenting proof of identity. Motivations for alcohol consumption among youth included self-pleasure (36%), coping with stress (24%), and enhancing self-esteem (19%). Recent tragedies in taverns, such as the Enyobeni and Razzmataz incidents, starkly illustrate the severity of underage drinking in the Eastern Cape, underscoring the urgent need for a more coordinated and multisectoral intervention approach. Figure 3 below further highlights the challenges the country faces concerning underage drinking.

Figure 3: The levels of alcohol drinking in South Africa

Source: Aware.org

There has been a notable increase in the number of liquor outlets situated near schools that permit students on their premises, contributing to the rise in underage drinking. This issue is exacerbated by the proliferation of illegal outlets in these areas. Additionally, there has been a lack of substantial community efforts to educate young people about the dangers of underage drinking. Alarmingly, many adults in these communities inadvertently perpetuate this problem by allowing minors to consume alcohol and, in some cases, even encouraging them to purchase it. Furthermore, the breakdown of family structures has left many young people without a moral compass, leading them to excessive alcohol consumption as a means of escaping the social challenges they face at home.

Given the serious challenges posed by alcohol abuse, it is imperative that comprehensive measures be implemented to combat this issue on all fronts. Government and key stakeholders should consider introducing an educational curriculum that addresses alcohol abuse and its associated social challenges. The Eastern Cape Liquor Board (ECLB) is committed to mitigating the irresponsible use of alcohol, particularly among underage individuals. To this end, the ECLB has launched several initiatives aimed at reducing alcohol abuse and underage drinking, including the Institutions of Higher Learning Alcohol Harm Reduction Programme, the Schools Ambassador Program, and Anti-Pens Down initiatives. While these initiatives represent important steps forward, they may not fully address the extensive socio-economic impact of harmful alcohol use. A concerted effort involving multiple stakeholders is essential for achieving sustained impact. The ECLB continues to foster partnerships and strengthen relationships with various entities, including sector departments, municipalities, law enforcement agencies, community organizations, traditional leaders, the liquor industry, NGOs, civil society, and institutions of higher learning.

4.1.3 Transformation of the Liquor Industry

In terms of the transformation of the liquor industry, the ECLB's study on the Economic Profile of the Eastern Cape Liquor Industry indicated a very limited degree of transformation in the liquor industry, in particular, the manufacturing sub-sector of the liquor industry in the Eastern Cape in terms of ownership, management control and employment of previously disadvantaged individuals. Similarly, what came out quite robustly at the Provincial Liquor Summit that was held in March 2017 is an urgent need to address the transformation of the liquor industry.

The following are some of the challenges that continue to face the industry in relation to transformation: -

- There are very few Black participants in the higher levels of the liquor industry value chain. Even those participating are insignificant in terms of the market value share they have in it.
- The liquor industry structure is very monopolistic and is dominated by international companies that get licenced at the national level by the National Liquor Authority (NLA) to operate in the country.
- There is a perception and reality in many instances of little evidence of practical compliance monitoring by the NLA on the business practices of these big companies.
- Distribution companies are also licenced by the NLA and the same abovementioned trends exist.
- There is no Black micro-manufacturing company in the Eastern Cape.

- There is no evidence of Black participation in the supply value chain of these big companies.
- The majority of Black participants operate at retail level.
- This challenge is further compounded by the absence of an industry-wide charter and other instruments to guide transformation. In essence the absence of a charter encourages reluctance from big players in the industry to transform.

The more than 215 craft breweries accounted for less than 1% of the local beer market. The beer segment continues to dominate the market compared to wine and spirits. Currently, the Eastern Cape has over 24 micro-manufacturers that are craft breweries.

There are limitations on upward movement in the value chain by black entrepreneurs at the retail level which is still dominated by White-owned companies, predominantly chain stores and franchises. The limitations are structural in that the Black participants are poorly organised and do not exploit their buying power leverage which can be used as a meaningful force at this level. Instead, they get exploited by foreign nationals to enter this space and use exactly their buying power to negotiate better deals from the big manufacturers by renting their licenced premises. In response, ECLB initiated the following programmes:

- ECLB introduced a programme to encourage black entrepreneurs up the liquor value chain, by supporting liquor traders to apply as liquor wholesalers/distributors.
- Organise the liquor traders in a municipal area to establish Liquor Traders' Associations
- Facilitate business development programmes
- Furthermore, the MEC: DEDEAT approved subsidizing liquor traders wanting to register as juristic persons.

Lack of access to finance is a further problem, in that most, if not all, business development finance institutions preclude financing of liquor outlets and the commercial banks are very conservative in providing finance to Black liquor traders despite the fact that all of them are their clients, and they have been for many years.

4.1.4 Status of liquor licences

The ECLB contributes to the economy's GDP through the registrants' licensing fees. As the liquor regulator in the Province, the Entity works hard to ensure that it fulfills the mandate of promoting a responsible liquor industry through a rigorous process of issuing liquor licenses. As at the end of December 2025, the Entity had a total of 7 400 active licenses in the Province that are comprised of different types, such as on-off consumption, on-consumption, off-consumption, and micro-manufacturing. The figure below provides the detailed categorization of licenses.

Figure 2: Active licenses by categories

DISTRICT SPLIT PER CATEGORY AS AT 31 DECEMBER 2024					
DISTRICT	ON & OFF	OFF	ON	MICRO-MANUFACTURING	TOTAL
Alfred Nzo District Municipality	565	77	31	0	673
Amathole District Municipality	744	140	76	3	963
Buffalo City Metropolitan Municipality	593	172	221	2	988
Chris Hani District Municipality	681	157	100	0	938
Joe Gqabi District Municipality	362	112	51	0	525
Nelson Mandela Metropolitan Municipality	698	367	458	8	1531
OR Tambo District Municipality	955	118	66	0	1139
Sarah Baartman District Municipality	396	200	333	11	940
TOTAL	4994	1343	1336	24	7697

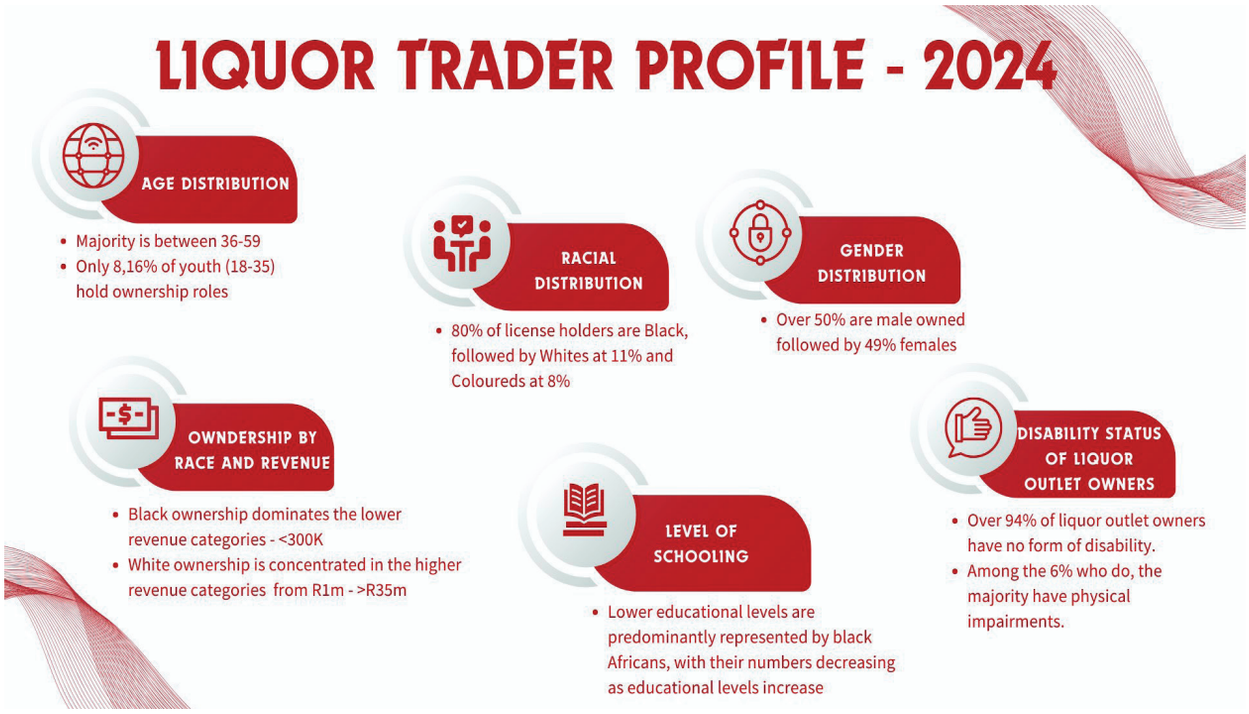
* **ON & OFF (Tavern):** Retail sale of liquor for on and off consumption.
* **OFF (Retail Liquor Stores/Bottle Stores):** Retail sale of liquor for off consumption.
* **ON (Restaurants/Hotels):** Retail sale of liquor for on consumption.
* **MICRO-MANUFACTURING (Small breweries/Distillers):** Small manufacturers of liquor.

Registered Liquor Trader Profile

In the 2024/25 period, the Eastern Cape Liquor Board (ECLB) undertook a comprehensive study titled the Demographic Profile Research. This investigation aimed to gain insights into the demographic composition of licensed liquor trading outlets, which ECLB deemed essential for informing its strategic initiatives related to industry transformation and development.

Figure 5, presented below, delineates the key findings from the study. Notably, ownership among Black Africans is predominantly observed in lower revenue segments, specifically those generating less than R300,000 per annum, where their representation stands at 84.36%. Conversely, ownership in higher revenue categories is predominantly held by White individuals, particularly in segments exceeding R5 million annually. Additionally, over 90% of registered liquor outlets are reported to employ between five and six staff members.

Figure 4: Summary of the Liquor Trader Demographic Profile, 2024



Liquor Traders Development

Since 2011, the Eastern Cape Liquor Board (ECLB) has been actively facilitating a development program aimed at liquor traders. This initiative was established in response to the necessity of equipping liquor traders with essential business skills to enhance their management capabilities. The ECLB has coordinated training and educational programs focused on various aspects of business operations, including business registration, cooperative formation, bookkeeping, stock control, personnel management, and tax compliance for liquor traders throughout the province.

These programs have been implemented in collaboration with several partners, including the Small Enterprise Development Agency (SEDA), the South African Revenue Service (SARS), the Companies and Intellectual Property Commission (CIPC), the National Liquor Authority, First National Bank (FNB), as well as the Buffalo City and Nelson Mandela Bay Municipalities, and the Wholesale and Retail Sector Education and Training Authority (SETA).

4.1.5 Legislative framework

Liquor licensing is a provincial competency in terms of Schedule 5 of the Constitution of the Republic of South Africa. Both the National Liquor Act No. 59 of 2003 and Eastern Cape Liquor Act No.10 of 2003 seek to promote new entrants into the liquor industry as big manufacturers/distributors and micro-manufacturers/retail sales respectively. That said, there are noticeable gaps and challenges in the implementation of the current legislation. Significantly, the Eastern Cape Liquor Authority Act, No 4 of 2018 has not been promulgated.

The ECLB is considered a "creature of statute" and is currently tasked to act within the parameters of its enabling statute, the Eastern Cape Liquor Act No10 of 2003 and associated Regulations. To better equip the ECLB to regulate the retail sale of liquor in the Eastern Cape Province and to rectify the difficulties with the Act, the Eastern Cape Liquor Authority Act No. 4 of 2018 (new Act) was gazetted on the 11th of March 2019. In preparation for the proclamation of the new Act into effect and to publish the draft Regulations for comments, material legal concerns were noted in the new Act and resulted in an amendment to ensure that it is fit for purpose when proclaimed into effect.

Furthermore, the Regulations of the current Act No. 10 of 2003 have been amended to bolster the ECLB's legislative footing and to increase its revenue generation.

To bolster transformation within the sector in order for liquor traders to access funding opportunities including harnessing the opportunity to move up the value chain, the Entity successfully sought the waiver of transfer fees for persons holding licences in their personal capacities to enable the transfer of the licences to juristic entities which they have established.

The Entity has also sought approval from the Honourable Minister of Justice and Correctional Services to have its Inspectors declared Peace Officers in terms of the Criminal Procedure Act. Once declared Peace Officers, the Entity's Inspectors will be empowered to give effect to greater monitoring and compliance in relation to the provisions of the Eastern Cape Liquor Act.

The new technological advancements have exposed a huge gap in the legislation due to the new ways of buying and supplying alcoholic beverages e.g. use of apps and online sales. There is therefore a gap in the current legislation in relation to licensing as well as compliance monitoring and enforcement to regulate such virtual establishments. In view of these rapid developments in the regulatory environment, the lack of funding to implement the new legislation will be a challenge for the regulator.

The Entity is working closely with municipalities as the Act provides for participation by ward committees and communities in the consideration of licence applications for registration as well as enforcement of by-laws. The challenge has been the absence of by-laws in some municipalities and lack of enforcement of existing by-laws. To address this, the Entity is continuously engaging COGTA, SALGA and the municipalities to ensure alignment of municipal by-laws, liquor regulations and liquor licensing conditions in order to ease the regulatory burden.

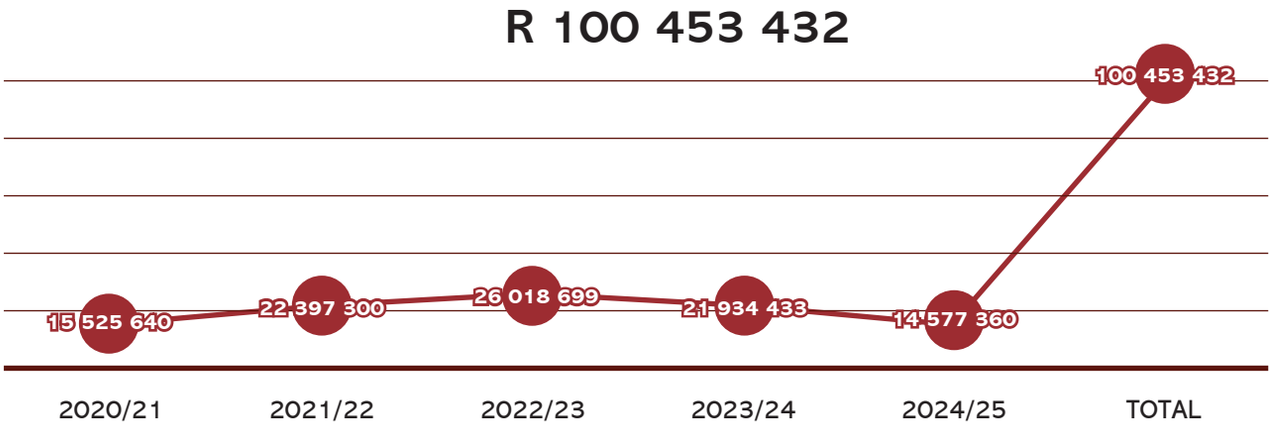
The Eastern Cape Province developed a five-point plan for the economic recovery of the Province. The five-point plan is built on the objective of economic growth and job creation through infrastructure development; industrialisation and sector development; equitable, inclusive transformation through SMMEs, township economies, the informal sector and social economy; digital transformation and public finance.

4.1.6 Revenue Collection from Liquor Licenses

The table below illustrates the financial implications detailed above, taking into consideration the relief to liquor traders provided by the MEC for DEDEAT which positively impacted 2022/23 financial year revenue collection. The year-on-year comparison in rand value, of liquor licensing revenue accruing to the provincial revenue fund indicates a year-to-date increase in revenue collection.

The graph below depicts the total revenue collected for the period 2020-2025

Graph 2: Liquor Licence Revenue Collected



Furthermore, the table below shows a comparison between the protected and actual revenue collected. During 2020/21 and 2021/22 revenue projections were reduced in line with COVID-19 restrictions as liquor traders could not trade and, therefore generate income. However, the approval by the former MEC: DEDEAT to extend the renewal period deadline from 2021/22 to 2023/24 financial years, resulted in an increase in the revenue collected.

Table 3: Year on Year Revenue Comparison (2020 -2024)

YEAR	2020/21	2021/22	2022/23	2023/24	2024/25	TOTAL
PROJECTED	9 934 000	11 539 000	18 600 000	20 500 000	6 893 000	67 466 000
ACTUAL	15 828 000	22 354 357	26 018 700	21 934 430	14 577 360	100 712 847
DIFFERENCE	**-5 894 000**	**-10 815 357**	**-7 418 700**	**-1 434 430**	**-7 684 360**	**-33 246 847**

Discussions between the department and the provincial treasury for the 2020–21 fiscal year led to a drop in estimates due to the global COVID-19 pandemic, with a slight increase on a sliding scale in subsequent years.

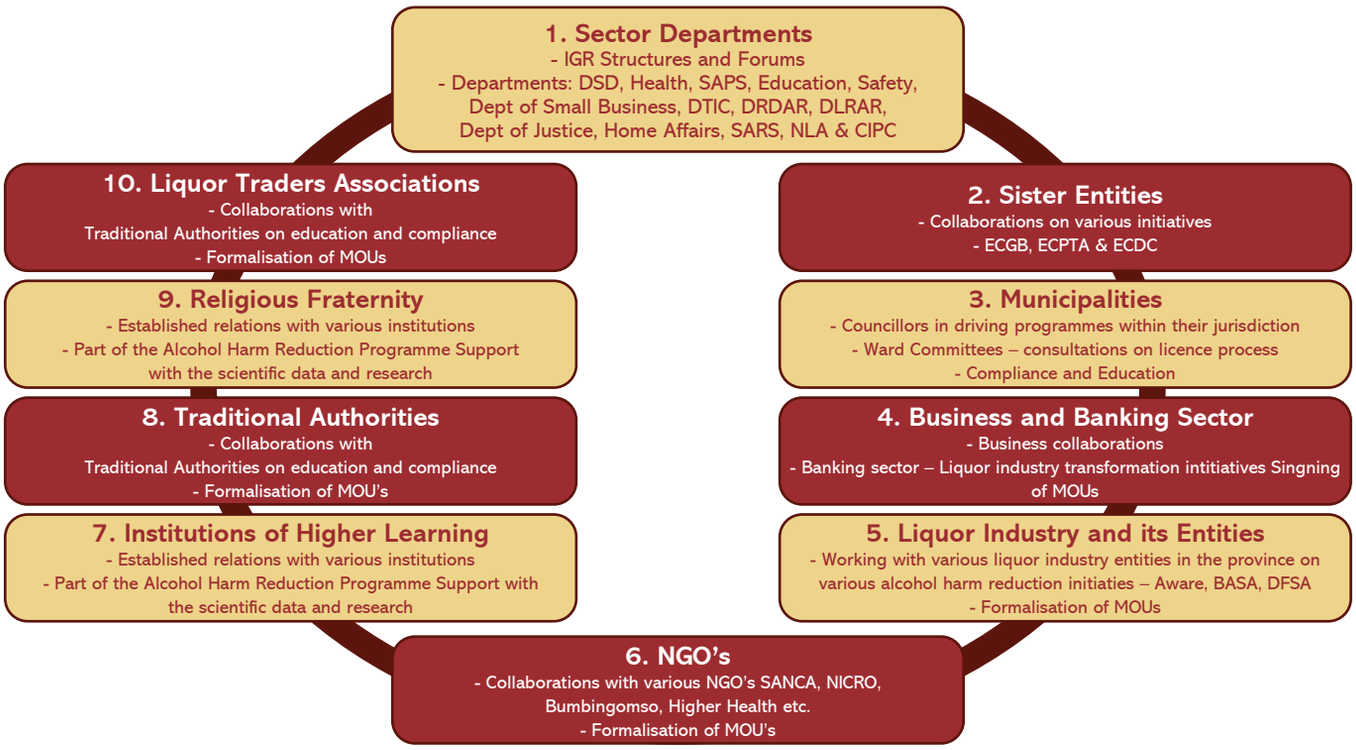
4.1.7 Emerging risk in the liquor industry

- The increase in the manufacturing and distribution of illicit and deadly alcohol.
- Liquor outlets that allow young/underage children to purchase and consume alcohol.
- Renting out of licenses to foreign nationals
- Increasing criminal cases relating to alcohol-related activities.
- Encroachment of traditional market for liquor traders by big retail chain stores.
- Preclusion of liquor trading in funding policies of government development finance institutions.
- Delayed conclusion of the revised liquor policy and legislation.
- The absence of a transformation charter in the industry. However, this is the competency of the Department of Trade, Industry and Competition.
- Lack of supervision of uncompetitive behaviour by the manufacturers and wholesalers.

4.1.8 Stakeholders Relations

Below is the stakeholder matrix that the entity utilizes to effectively achieve its mandate. This matrix outlines the key stakeholders and helps to ensure alignment with the entity's strategic objectives. This structured approach enables the entity to address stakeholder needs, manage expectations, and ensure the successful implementation of initiatives in line with its overall goals.

Figure 5: ECLB Stakeholder Matrix



4.2. Internal Environment Analysis

In line with the mandate of the organisation the efforts and resources of the Entity will contribute to the following outcomes over the five-year period:

- Reduction in alcohol abuse and behavioural change towards alcohol consumption.
- Compliant liquor trading and regulated access to alcohol.
- Efficient licensing.
- Empowered communities through Social Responsibility and Corporate Social Investment (CS programmes of the ECLB.
- Increased participation by the previously disadvantaged in both the retail and micro-manufacturing levels
- in the Province; and
- Good Corporate Governance.

4.2.1 Focus areas for the MTEF

This plan is developed having considered and reviewed the relevance of the Entity's strategies to support Government's priorities as well as the statutory obligations set out in the Eastern Cape Liquor Act.

The Entity will see the full implementation of the amended Eastern Cape Liquor Act Regulations. The amendments of the Regulations will strengthen the issuance and monitoring of compliance of licenses conditions, especially in light of the recent liquor outlet incidents, bolster the ECLB's legislative footing and increase its revenue generation.

The additional budget allocation of R22 million during the 2023/24 financial year has assisted the Entity to improve its operations through increased human capital, upgrading of ICT systems as well as strengthening the harm-reduction initiatives.

While the liquor industry continues to boost the economy of the Province, we, however, seek to balance with stringent enforcement. In order to strike this significant balance, the Entity has partnered with various stakeholders that promote responsible consumption and trading.

The Board of Directors further identified strategic initiatives that will enhance the regulation of the liquor industry in the Province. However, it is essential to state that the strategic initiatives detailed in this document and the APP are largely contingent on the availability of adequate funding and other related resources. The reality is that the Entity, as with all other government entities, will need to optimise and maximise the limited resources at its disposal to ensure that the public is served with a greater sense of efficiency and effectiveness.

ECLB's Board of Directors is committed to driving and enhancing improvement in the following areas of operation:

- Forming strategic partnerships to drive the transformation with (farmers, manufacturers, communities, other departments etc)
- Impacting on the socioeconomics of the Province through the empowerment of small entrepreneurs and liquor traders and thus also job creation.
- Identification and facilitation of projects that could contribute towards local economic development and economic recovery.
- Fundraising which is of critical importance as there is concern about institutional viability in the light of a shrinking budget. There is a need to identify strategic projects in order to leverage funding from the liquor industry and beyond.
- Enforcement of compliance with liquor regulations.
- Coupled with the above the Entity's will further focus on -
  - Digital transformation and systems improvement;
  - Improving operational efficiencies by streamlining processes;
  - Cost-effective ways of working;
  - Improving organisational culture.

4.2.2 Governance

The Entity is governed by a Board appointed by the Member of the Executive Council (MEC) for the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT). According to the Eastern Cape Liquor Act No. 10 of 2003, the Board should consist of five members. Currently, four of these positions are filled, including three independent members and one representative from the Department.

The Board has an active and fully operational Audit and Risk Committee. Over the past six years, the Entity has consistently received unqualified audit opinions, demonstrating its commitment to maintaining high standards. Additionally, the Entity is continuously enhancing its systems, processes, and structures to improve overall governance.

A merger process is currently underway between the Eastern Cape Liquor Board (ECLB) and the Eastern Cape Gambling Board (ECGB). The merger process is anticipated to be finalized by March 2025. The objective of the merger is to streamline operations and enhance regulatory effectiveness in the Province.

4.2.3 Fiscal resources and funding initiatives

The Entity's mandate encompasses several critical areas, including the enhancement of research capacity, support for enterprise development initiatives, compliance and enforcement and social accountability efforts. To effectively fulfil this mandate, adequate human and financial resources are essential. Additionally, there is a pressing need to provide incentives for compliance, in collaboration with the industry, to recognize and reward excellent performance. Achieving optimal operational effectiveness is challenging without sufficient resources.

As previously noted, the Entity is continuously engaging with the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) and the Treasury to review its funding baseline. Further collaboration with relevant stakeholders is also necessary to secure funding and foster partnerships in areas of mutual interest.

To support these efforts, there was an additional allocation of R22 million to support various initiatives, including social responsibility programs, the evaluation of harm reduction strategies, the appointment of five inspectors, and a demographic profile study of license holders.

However, ongoing budget cuts within the Medium-Term Expenditure Framework (MTEF) pose significant challenges to the organization's operations. These reductions may hinder the Entity's ability to effectively implement its initiatives and fulfil its mandate.

4.2.4 Digitalisation and improve operational efficiencies

In light of rapid technological advancements, the Entity recognizes the need for a revised operational approach. The COVID-19 pandemic highlighted the underutilization of technology while also presenting an opportunity to innovate and maximize its potential. As a result, the Entity is actively digitalizing its systems to enhance operational efficiency, streamline processes, and identify cost-effective solutions.

Additionally, the Entity has successfully acquired systems that support hybrid work models and automate existing manual processes, further improving overall productivity and adaptability.

4.2.5 Human Capital Advancement

To align with the entity's corporate strategy, the ECLB has established several strategic human capital pillars aimed at optimizing the workforce. These pillars include:

- Talent Attraction and Retention
- High-Performance Culture
- Competitive Reward Strategy
- Performance Management and Development
- Learning and Development Environment
- Latest Human Capital Technology
- Labour Legislative Compliance
- Human Resource Development
- Staffing Updates

The recent restructuring of the organogram has increased the number of permanent positions from 76 to 91. Positions will be filled as budget allows over the Medium-Term Expenditure Framework (MTEF). In the 2023/24 financial year, the entity appointed five additional inspectors to enhance capacity for compliance and enforcement. Additionally, a Senior Manager for Social Accountability and a Personal Assistant have been added to the team.

5. KEY CHALLENGES

CHALLENGES	MITIGATING MEASURES
• Underage drinking	• Enforce stricter measures for the liquor traders that allow underage people (offences).
	• Measures restricting youth access to alcohol in both commercial and non-commercial settings
	• Design screening, counselling, and treatment programs to assist underage drinkers who have developed alcohol problems at school (ECLB to add these with the educational programmes) • The liquor industry must design adverts that discourage underage liquor drinking, the Not under 18 is not sufficient
• Compliance and Enforcement Capacity: The ratio of inspectors to 7 475 registered liquor outlets is 1: 356	• Training SAPS Officers and Municipal Police on the Liquor Act and designating them as DLO's to augment the ECLB capacity.
• Ward Councillor performance regarding community consultation • Capacity of municipalities to enforce their liquor trading by-laws	• Training of Councillors on their legislative role in the regulation of the retail sale of liquor • Training of Municipal Law Enforcement units and assisting them to develop effective liquor trading by-laws in line with the Provincial Liquor Trading By-laws Framework
• Untenable socio-economic conditions of our communities resulting to alcohol abuse. • Growing cases of liquor abuse, including liquor outlets that allow learners into their premises	• A comprehensive anti-alcohol abuse program that has been developed which includes the facilitation of community social activities such as sport tournaments
• Increasing cases of inconsiderate and illegal trading	• Collaboration with other law enforcement agencies • Follow-up on the matters reported to the Board • Effective imposition of the determination of fines • Opening criminal cases • Appointment of ECLB Inspectors as Peace Officers in terms of the Criminal Procedure Act.
• Limited capacity to monitor the compliance of the National Registered Outlets (e.g. Big Daddy, Ultra, etc) by National Liquor Authority	• Engaging with the relevant licenses authority (NLA) to resolve the issue
• Slow transformation of the liquor industry	• BBBEE compliance provisions in the new act • Engagements with the big liquor manufacturers and the National Liquor Authority
• Inability to measure the impact of the interventions conducted	• Assistance is being sought from DEDEAT to resource the research • Institutions of higher learning are being approached to support the research requirements of the Entity
• Weak enforcement and lenient penalties to illicit alcohol trade	• Weak enforcement and lenient penalties to illicit alcohol trade

6. SWOT ANALYSIS

In reviewing the operational environment and considering the impact of the pandemic and its effect on the immediate and future operations of the Entity the following are the key SWOT factors were identified.

Table 4: ECLB SWOT Analysis

STRENGTHS	WEAKNESS	OPPORTUNITIES	THREATS
• Leveraging on corporates • Effective use of partnerships • Enforcement of applicable prescripts (compliance notices) • Invest in technology • Renewal of licenses • Culture of performance	• Coordinating with other spheres • Lack of other funding streams • Limited human resources • Research capacity • Limited footprint in the Province • Reliance on manual systems (also due to clientele)	• Leveraging on corporates • Building efficiencies and reprioritising time • Effective use of partnerships • Access to new technological advances • Strengthen coordination of government programmes (IGR) • Implementation of the new Act • Access to new technological advances	• Increase in illegal trading • Growing cases of alcohol abuse • Lack of cooperation by key stakeholders e.g. National Liquor Authority. • Limited understanding of the liquor industry by government institutions • Reduced funding and economic challenges • Limited funding streams and continued budget cuts • Overreliance on the shareholder with limited funds • Industry faced with negative perceptions: socio-economic Impact • Lack of clarity on the rationalisation of SOC in the Province • Lack of transformation of the industry • Delays in the implementation of the new Act • Digitalisation and Automation • Safety and security of officials

ENABLING & PROMOTING

A RESPONSIBLE LIQUOR INDUSTRY

EASTERN CAPE LIQUOR BOARD

PART C: MEASURING OUR PERFORMANCE

PART C: MEASURING OUR PERFORMANCE

1. INSTITUTIONAL PERFORMANCE INFORMATION

1.1 Impact

Impact Statement	A transformed responsible EC liquor industry that promotes sustainable economic growth while protecting communities through effective regulation.

The impact statement is informed by the theory of change and other tools used to develop a results-based plan. The intended impact and outcomes identified will contribute towards the achievement of relevant priority areas in the National Development Plan 2030, Provincial Development Plan, the MTSF and the priorities of the Province and the Department.

1.2 Measuring Our Performance

MTDP P-MTDP	• Inclusive Economic Growth and Job Creation • Reduce Poverty and Tackle the High Cost of Living • A Capable, Ethical and Developmental State
Integration Areas:	• Transformation programs, youth development, skills development & training • Infrastructure, human settlements & broadband • Social cohesion, moral regeneration, community safety & GBVF • Non-Communicable Diseases, mental health & social determinants of health • Transformation programs, youth development, skills development & training • Governance
Impact	• Transformed and responsible EC liquor trading at retail and micro-manufacturing levels that promotes a safer South Africa.

No.	Impact	Strategic Outcome	Outcome indicator	Baseline	Five-year target
1.	Good Corporate Governance	Audit Outcome	Unqualified Audit without findings (Clean Audit)	Unqualified Audit without findings (Clean Audit)	Unqualified Audit without findings (Clean Audit)
2.	Legislative Compliance	Efficient liquor licensing	% of fully compliant licence applications considered within legislated timeframes	51%	80%
3.	Increased participation of the PDI's in the liquor full value chain	Increased participation by the previously disadvantaged in both the retail and micro-manufacturing levels in the Province,	Number of PDI's participating in the liquor full value chain	25	25
4.	Increased compliance to liquor regulations by liquor traders	Compliant liquor trading and regulated access to alcohol	% of compliant liquor outlets compliant to liquor regulations and trading conditions.	80%	90%
5.	Reduction in alcohol abuse and behavioural change toward alcohol consumption	Reduction in alcohol abuse and behavioural change toward alcohol consumption	Number of impact assessments conducted on the anti-alcohol abuse interventions implemented.	1	5
6.	Empowered communities through Social Responsibility/ CSI programmes of the ECLB	Empowered communities through Social Responsibility/ CSI programmes of the ECLB	Number of social responsibility programmes conducted	58	100

2025-2030 THEORY OF CHANGE

INPUTS	ACTIVITIES	OUTPUTS	OUTCOMES	IMPACT
• Human Resources • IT Systems • Policies and SOPs • Tools of Trade • Budget • Research and Development • Legislation and Regulations • Training	• Unqualified Audit without findings (Clean Audit) • HR Maturity Level 5 • 70% spent on Eastern Cape SMME's • ICT Maturity Level 5	Unqualified Audit without findings (Clean Audit)	Audit Outcome	Transformed and responsible EC liquor trading at retail and micro-manufacturing levels that promotes a safer South Africa
	• 80% fully compliant licence applications considered within legislated timeframes	% of fully compliant licence applications considered within legislated timeframes	Efficient liquor licensing	
	• 10 liquor traders' associations facilitated • 10 Black liquor traders facilitated to participate at higher levels of the value chain • 5 projects facilitated to contribute to local economic development	Number of PDI's participating in the liquor full value chain	Increased participation by the previously disadvantaged in both the retail and micro-manufacturing levels in the province	
	• 90% of pre-registration inspections conducted • 17 500 compliance inspections conducted • 400 blitz operations conducted	% of compliant liquor outlets compliant to liquor regulations and trading conditions	Compliant liquor trading and regulated access to alcohol	
	• 4 thematic reports on the anti-alcohol abuse interventions conducted • 750 000 people reached through education and awareness intervantions and social responsibility initiatives • 5 assessments and evaluation reports produced on the interventions conducted	Number of impact assessments conducted on the anti-alcohol abuse interventions implemented	Reduction in alcohol abuse and behavioural change toward alcohol consumption	
	• 100 social responsibility programmes conducted	Number of social responsibility programmes conducted	Empowered communities through Social Responsibility / CSI programmes of the ECLB	
ASSUMPTIONS • A conducive work environment will enhance productivity • Automated IT systems to support the business	*ASSUMPTIONS* • Education and awareness initiatives to communicate messages of the dangers of alcohol abuse	*ASSUMPTIONS* • Adherence to legislated timeframes will enhance public trust	*ASSUMPTIONS* • Updated legislation • Unqualified audit opinion will demonstrate good corporate governance • Increased compliance to liquor regulations	*ASSUMPTIONS* • A transformed liquor sector • Funding received from the Department to support the achievement of the objectives

2. MEASURING OUTCOMES BY PROGRAMME

2.1 PROGRAMME 1: GOOD CORPORATE GOVERNANCE

No.	Impact	Strategic Outcome	Outcome/Output Indicator	Baseline	Five-year target
1.	Good Corporate Governance	Good Corporate Governance	Audit Outcome	Unqualified Audit without findings (Clean Audit)	Unqualified Audit without findings (Clean Audit)
			HR Maturity Index	HR Maturity Level 4	HR Maturity Level 5
			Percentage spent on Eastern Cape SMME's	60%	70%
			ICT Governance Framework implemented	ICT Maturity Level 4	ICT Maturity Level 5
			Annual Performance Plan	Annual Performance Plans	5 Annual Performance Plans
			Annual Report	Annual Reports	5 Annual Reports
			Quarterly Performance Report (QPR)	Quarterly Performance Reports	20 Quarterly Performance Reports (QPR)

2.1.2 Explanation of planned performance over the five-year planning period

The organization is committed to enhancing its systems and processes to foster good governance and support organizational development. By embracing technological advancements in the coming years, this initiative aims to improve operational efficiency and adaptability. These improvements will enable the organization to better serve its stakeholders and respond to the changing demands of the environment.

2.2 PROGRAMME 2: LICENSING

No.	Impact	Strategic Outcome	Outcome/Output indicator	Baseline	Five-year target
2.	Legislative Compliance	Efficient liquor licensing	% of fully compliant licence applications considered within 60-day legislated timeframes	51% fully compliant licence applications considered within legislated timeframes	80% fully compliant licence applications considered within legislated timeframes
3.	Increased participation of the PDI's in the liquor full value chain	Increased participation by the previously disadvantaged in both the retail and micro-manufacturing levels in the Province	Number of new formal liquor traders' associations facilitated	8 liquor traders' associations facilitated	10 liquor traders' associations facilitated
			Number of Black liquor traders facilitated to participate at higher levels of the value chain	10 Black liquor traders facilitated to participate at higher levels of the value chain	10 Black liquor traders facilitated to participate at higher levels of the value chain
			Number of projects facilitated to contribute to local economic development	7 projects facilitated to contribute to local economic development	5 projects facilitated to contribute to local economic development

2.2.2 Explanation of planned performance over the five-year planning period

The focus is to ensure the timely approval of liquor applications within the legally mandated 60-day timeframe. Adhering to these timeframes is crucial for effective licensing processes. The implementation of a new licensing system and the amended Eastern Cape Liquor Act, 2003 Regulations is designed to enhance the efficiency of application processing, which will help achieve set targets more quickly.

ECLB will support the participation of the previously disadvantaged in both the production, retail and micro-manufacturing levels.

- Increased participation by the previously disadvantaged will change the transformation profile of the industry at both retail and micro-manufacturing levels. Despite efforts by the ECLB in this regard, the biggest challenge remains the introduction of black entrepreneurs into the micro manufacturing sector as potential development finance institutions demonstrate a lack of appetite for the liquor industry. DEDEAT has been approached to consider the following:
  - Support initiatives geared towards the transformation of the industry, most notably around micro manufacturing and wholesaling.
  - Approaching the big liquor industry to set up a special purpose vehicle (Development Fund) to support Black retailers who aspire to graduate from retail to wholesale /distribution level.
- In contributing to the economic regeneration of the Province and contributing to prioritising township economy development, the Entity has developed a new indicator that will facilitate and promote locally produced products and full value creation thereof.

Programme 3: Compliance and Enforcement

No.	Impact	Strategic Outcome	Outcome/Output Indicator	Baseline	Five-year target
4.	Increased compliance to liquor regulations by liquor traders	Compliant liquor trading and regulated access to alcohol	% pre-registration inspections conducted	87.8 pre-registration inspections conducted	90% of pre-registration inspections conducted
			Number of compliance inspections conducted to ensure compliance with liquor regulations	12 297 compliance inspections conducted	17 500 compliance inspections conducted
			Number of blitz operations conducted with law enforcement agencies to enforce compliance with liquor legislation	319 blitz operations conducted	400 blitz operations conducted

2.5.1 Explanation of planned performance over the five-year planning period

Improving compliance and enforcement in liquor trading remains a challenge for the entity, largely due to the vastness of the Province and the limited capacity of inspectors. To address this, we have collaborated with law enforcement agencies and are working closely with municipalities to establish and enforce local bylaws. The implementation of the amended Eastern Cape Liquor Act, 2003 Regulations will enhance the regulatory framework for liquor in the Province, promoting responsible trading and significantly contributing to community safety.

To reduce the number of reported cases of non-compliance with liquor regulations, it is essential to strengthen liquor trading bylaws at the local municipal level. This is critical because regulating liquor trading hours and managing public nuisance fall under the exclusive jurisdiction of local government. Therefore, fostering close collaboration with SAPS, municipal law enforcement agencies, and the National Prosecuting Authority is vital for effective enforcement and compliance.

Programme 4: Social Accountability

No.	Impact	Outcome	Outcome/Output indicator	Baseline	Five-year target
5.	Increased awareness of the harmful effects of alcohol by communities	Reduction in alcohol abuse and behavioural change toward alcohol consumption	Number of thematic reports on the anti-alcohol abuse interventions conducted	4	4
			Number of people reached through education and awareness interventions and social responsibility initiatives	328 494	750 000
			Number of assessments and evaluation reports produced on the interventions conducted	1	5
6.		Empowered communities through Social Responsibility/ CSI programmes of the ECLB	Number of social responsibility programmes conducted	58	100

2.5.1 Explanation of planned performance over the five-year planning period

The organization is dedicated to educating communities in the Eastern Cape about the risks associated with excessive alcohol consumption and its negative impacts on well-being. To fulfill this goal, the organisation has designed a comprehensive education and awareness program that seeks to encourage positive behavioral changes among community members.

Furthermore, to advocate for responsible alcohol use, we are collaborating with various stakeholders to strengthen the capabilities of the Eastern Cape Liquor Board (ECLB). Our joint efforts aim to transform communities and promote a culture of responsible drinking.

3. ORGANIZATIONAL STRATEGIC RISKS

The table below provides a summary of the Organizational Strategic Risk Register, highlighting key risks associated with the organization's strategic outcomes over the next five years. It identifies potential threats that may impact the achievement of objectives and presents risk-mitigation strategies designed to manage and minimize these risks effectively. These mitigation plans aim to enhance compliance, strengthen governance, and ensure the sustainability of operations, ultimately supporting the organization's long-term strategic goals.

RISKS AND MITIGATION ASSOCIATED WITH STRATEGIC OUTCOMES

#	Outcome	Key Risk	Risk Mitigation
1.	Compliant liquor trading and regulated access to alcohol	1. Increase in illegal trading ECLB is inadequately resourced by the provincial government to carry out empowerment programmes as planned, inspections and attendance to complaints.	1. Resource mobilization from the private and public sectors. 2. Collaborate with other government departments and parastatals (National, Provincial and Local) 3. Review of the organizational structure. 4. Re-allocation of available budget 5. Develop a plan to attain alternative revenue sources
2.	Reduction in alcohol abuse and behavioural changes towards alcohol consumption	2. Inappropriate conduct by the industry, consumer, and the society 2.1. Persistent flouting of trading conditions by both traders and consumers undermines the work of the Regulator 2.2. Reputational risk (Industry faced with negative perceptions- socio-economic impact, underage drinking, and renting out of licences, Illegal trading)	1. Partnering with liquor traders to implement local CSR programmes 2. Continue Public Education and Awareness through multimedia 3. Resource mobilization, strengthening of stakeholder collaboration and rigorous implementation and monitoring of communication strategy. 4. Seeking research through partnerships which will lead to evidence/data which may be relied upon (Minutes of engagement meetings and Research Report (after research has been conducted)). 5. Conduct awareness (ECLB to change the mindset of communities to see the opportunities linked with liquor licencing) 6. Facilitate Professionalisation of the liquor industry (encourage the liquor sellers to be registered as SMME's) 7. Monitoring of MOU implementation 8. Continue rolling out trainings on the code of conduct 9. Monitor compliance with the registered liquor traders within the terms and conditions of the licence (Strict compliance monitoring of liquor licences) 10. Criminal charges instituted by the ECLB against transgressors 11. Continuous monitoring of the implementation of communication strategy.
3.	Increased participation by previously disadvantaged persons in both retail and micro-manufacturing levels	3. Lack of transformation for the liquor industry	1. Lobbying government and big businesses to be receptive and support transformation initiatives. 2. Resource mobilization from the government and private sector to support projects related to transformation of the industry. 3. Escalate to the MEC's who participate in the inter-ministerial council forum convened by the minister of DTIC
4.	Efficient liquor licencing	4. Regulatory compliance misalignment Incompatibility between expectations and legal prescripts.	1. Monitor adherence to standard operating procedures and effect consequence management (pipeline management) every quarter 2. Alignment of the legislative framework 3. Public Education and awareness in line with Identifying target group through communication strategy by the CEO and the Board annually 4. Develop an implementation plan for the new Act and report the progress of the plan to the oversight board on a quarterly basis. 5. Resource mobilization, strengthening of stakeholder collaboration and rigorous implementation and monitoring of communication strategy 6. Consult with local municipalities to make them understand the mandate of ECLB. 7. Review MOU with each institution that ECLB works with (SARS, SAPS, CIPC, Home Affairs, Deeds office, Municipalities) 8. Robust mobilization of stakeholders and formalization of relations. 9. Targeted lobbying of relevant stakeholders for cooperation and support

#	Outcome	Key Risk	Risk Mitigation
5.	Good corporate governance	5. Disruption of ICT systems Possible data loss due to cyber-attacks, unauthorized access and system vulnerability	1. Review of organizational structure and source funding 2. Research, development and implementation of maintenance and support applications 3. Collaboration with relevant stakeholders 4. Incorporate the review of performance of service providers within the SLA 5. ICT to track and report on the performance of systems provided by service providers. 6. Quarterly ICT awareness campaigns
6.		6. Fraud risk (institution exposed to fraud and corruption due to weak controls and inadequate consequence management)	1. Automation and integration of compatible organizational systems 2. Enforce security measures in all processes 3. Develop an ethics management plan 4. Roll out awareness programs on the code of ethics
7.		7. Inadequate information to make informed policy decisions due to limited research capacity	1. Continue to identify other potential research partners to leverage on existing research capacity (mobilization of partnerships with relevant research institutions) 2. Mobilising funding for internal research capacity 3. Continuous monitoring of the implementation of the research and development strategy
8.		8. Inability of the Institution to continue with business operations (Business continuity)	1. Regular and timely communication with relevant stakeholders 2. Continued monitoring of relevant policies 3. Continued communication and empowerment of staff around disaster management 4. Development of a comprehensive disaster response plan and monitor implementation 5. Review and update the succession plan 6. Affiliation or coordination with the provincial disaster management structure (Joint Operation Centre)
9.		9. Changes in legislation as a result of possible merger	1. The matter is raised in the quarterly report to the shareholder 2. Continues engaging the committees that are set-up to manage the merger. 3. Appoint a task team that will consider regulations to address legislative short-cuts.

#	Outcome	Key Risk	Risk Mitigation
10.	Good corporate governance	10. Inability to maintain an elevated governance profile	1. Continuous improvement and monitoring of admin staff (to improve on customer relations) (HR plans) 2. Breakdown the SOP so that it is easier to understand for staff (include on training above) 3. Communication of strategy and APP across employees 4. Conduct annual satisfaction surveys (internal and external) 5. Proper management of the implementation of ethics 6. Integration of systems (manual and digitized) 7. Mobilisation of resources (Including funds towards contribution to the skills development levy) 8. Review and monitor the implementation of the skills development plan 9. Review of organizational structure and source funding 10. Continuous Review Performance Management 11. Continuous monitoring of leave in line with the Leave Management Policy 12. Implementation of financial controls 13. Provide continuous training to staff on the requirements of the enabling laws and regulations 14. Continuous monitoring of the compliance assessment tool or checklist and make it available to every employee. 15. Each unit should prepare a report quarterly that details any incidents of non-compliance with the Act. 16. Enforce consequence management on employees found to be non-compliant. 17. Keep up to date with National Treasury regulations and amend policies accordingly.
11.		11. Financial sustainability a) Percentage employee cost vs overall budget (shrinking b) Underfunding.	1. Strengthen/review the funding model - leverage on the MoA's to source the funding 2. CSI Leveraging on existing relationships 3. Alignment of programmes between CSI and our social accountability 4. Increased designation of municipal and SAPS as designated Liquor Officers 5. Lobbying for funding
12.	Compliant liquor trading and regulated access to alcohol	12. Ineffective legislation and lack of synergy amongst key legislative stakeholders	1. Lobbying for the enactment of the amendment to the ECL Act 4 of 2018.

4. PUBLIC ENTITIES

Name of Public Entity	Mandate	Outcomes	Current Annual Budget
N/A	N/A	N/A	N/A

ENABLING & PROMOTING

A RESPONSIBLE LIQUOR INDUSTRY

EASTERN CAPE LIQUOR BOARD

PART D: TECHNICAL INDICATOR DESCRIPTIONS (TIDs)

PART D: TECHNICAL INDICATOR DESCRIPTIONS (TIDS)

1.	Indicator Title	Audit Outcome
	Definition	This refers to the audit outcome given by the AG after auditing the financial information of the organisation. The purpose is to ascertain if the organisation is managing its finances responsibly, effectively and line with the prescripts of legislation.
	Source of data	AG report
	Method of Calculation / Assessment	Audit opinion issued
	Indicator Method	Non-Cumulative
	Assumptions	Adherence to prescripts, internal controls in place
	Disaggregation of Beneficiaries (where applicable)	N/A
	Reporting Cycle	Annually
	Desired performance	Clean audit outcome
	Indicator Responsibility	CFO

2.	Indicator Title	HR Maturity Index
	Definition	The target refers to the measuring of effectiveness, and efficiency of HR services within the organisation. The target will be measured against the performance management on effectiveness and efficiency on recruitment and employment equity plan implementation, labour relations, management of employee performance, development of employees and existence of systems.
	Source of data	HR Plan, Skills Development Plan, Employee Wellness Plan, Employment Equity Plan
	Method of Calculation / Assessment	A matrix of the factors to be assessed which include targets set in HR plan/recruitment, skills development plan, health and wellness plan, employment equity plan. The matrix tool will be used to determine maturity level. Levels range from 1 as lowest to 5 as highest.
	Indicator Method	Cumulative Year-to-Date
	Assumptions	Availability of resources for implementation i.e. budget
	Disaggregation of Beneficiaries (where applicable)	N/A
	Reporting Cycle	Annual
	Desired Performance	Level 3 or more is desirable
	Indicator Responsibility	Senior Manager: Corporate Services

3.	Indicator Title	Percentage spent on Eastern Cape SMME's
	Definition	This refers to procurement of goods and services done through SMMEs. To provide support and development of SMME's
	Source of data	Expenditure Report and National Treasury Central supplier data base
	Method of Calculation / Assessment	Expenditure through SMME's divided by total goods and services expenditure multiplied by 100.
	Indicator Method	Cumulative Year-to-Date
	Assumptions	None
	Disaggregation of Beneficiaries (where applicable)	N/A
	Reporting Cycle	Annually
	Desired performance	40% or more is desirable.
	Indicator Responsibility	Senior Manager: Corporate Services

4.	Indicator Title	ICT Governance framework implemented
	Definition	This refers to the implementation of ICT Governance as per Department of Public Service and Administration guidelines. The purpose of ICT governance is to ensure that the acquisition, management and use of ICT improves and enables the Entity to be efficient and effective in delivering on the mandate.
	Source of data	ICT Governance Policy, ICT Security policy, ICT Steering Committee Members appointment letters, ICT Steering Committee Minutes.
	Method of Calculation / Assessment	Using MPAT Assessment tool (Maturity level)
	Indicator Method	Non-Cumulative
	Assumptions	Lack of resources, training, and budgetary constraints
	Disaggregation of Beneficiaries (where applicable)	N/A
	Reporting Cycle	Annually
	Desired performance	Level 4 maturity and above is desirable
	Indicator Responsibility	ICT Manager

5.	Indicator Title	Number of Annual Performance Plans approved
	Definition	To compile Annual Performance Plan in line with the Strategic Plan of the ECLB. To show how government priorities which are a direct responsibility of ECLB would be achieved.
	Source of data	Approved Annual Performance Plan
	Method of Calculation / Assessment	Simple count
	Indicator Method	Non-Cumulative
	Assumptions	Inaccurate planning
	Disaggregation of Beneficiaries (where applicable)	N/A
	Reporting Cycle	Annually
	Desired performance	The aim is to ensure a credible APP is developed to guide implementation.
	Indicator Responsibility	Manager: Strategic Planning

6.	Indicator Title	Number of Annual Reports approved
	Definition	To compile Annual Reports in line with the Annual Performance Plans for the period under review. To account to the public and the shareholder department for the performance of ECLB based on the Annual Performance Plan for the period under review.
	Source of data	Approved Annual Report
	Method of Calculation / Assessment	Simple count
	Indicator Method	Non-Cumulative
	Assumptions	Inaccurate reporting
	Disaggregation of Beneficiaries (where applicable)	N/A
	Reporting Cycle	Annually
	Desired performance	The indicator monitors compliance to prescripts regarding annual performance reporting in implementing the strategic plan and the APP.
	Indicator Responsibility	Manager: Strategic Planning

7.	Indicator Title	Number of Quarterly Performance Reports approved
	Definition	To compile quarterly performance reports based on the Annual Performance Plan for a particular financial year. To track performance in terms of the strategy and ensure corrective measures on areas of underperformance.
	Source of data	Approved Quarterly Performance Reports. The performance report for the fourth quarter of the previous year will be presented in the first quarter of the new financial year.
	Method of Calculation / Assessment	Simple count
	Indicator Method	Cumulative Year-to-Date
	Assumptions	Inaccurate reporting.
	Disaggregation of Beneficiaries (where applicable)	N/A
	Reporting Cycle	Quarterly
	Desired performance	The indicator monitors compliance to prescripts regarding Performance reporting in implementing the APP.
	Indicator Responsibility	Manager: Strategic Planning

8.	Indicator Title	% of fully compliant licence applications considered within 60 days of legislated timeframes
	Definition	This refers to 60% of the fully compliant applications received and considered by the Licensing Committee (LC) within the 60-day legislated timeframes submitted by the Compliance and Enforcement Division (CED). Fully compliant refers to: completed application with supporting documents, proof of community consultation, and inspection report The 60 days refers to when a fully compliant application has been received ready for submission to LC. A submission of compliant applications to the Licensing Committee and the Board for consideration is prepared within 60 days from the date of the inspection report. Communicate outcomes within 30 days of Board decision.
	Source of data	ECLB licensing system
	Method of Calculation / Assessment	% of new applications considered within the legislated timeframe divided by total applications received multiplied by 100.
	Indicator Method	Cumulative to date
	Assumptions	All relevant stakeholders involved in the processing of applications comply with the stipulated timeframes for them to fulfil their roles.
	Disaggregation of Beneficiaries (where applicable)	Not applicable
	Reporting Cycle	Quarterly
	Desired performance	100% compliance
	Indicator Responsibility	Senior Manager: Licensing

9.	Indicator Title	Number of new formal liquor traders' associations facilitated
	Definition	This indicator refers to the number of Liquor Traders' associations facilitated for establishment. These associations are established within the area of operation. It is intended to support liquor traders to grow their businesses and move up the liquor industry value chain by forming associations.
	Source of data	Proof of lodgements
	Indicator Method	Simple count of new formal traders' associations facilitated.
	Method of Calculation / Assessment	Cumulative to date
	Assumptions	There will be traders who respond to the call to grow and form associations.
	Disaggregation of Beneficiaries (where applicable)	N/A
	Reporting Cycle	Annually
	Desired performance	It is desirable to have more new formal traders' associations formed
	Indicator Responsibility	Senior Manager Licensing

10.	Indicator Title	Number of Black liquor traders' distributors facilitated to participate at higher levels of the value chain
	Definition	This indicator refers to the number of Black Liquor Traders that will be assisted to move up/ participate beyond micro/retail level of the liquor trader value chain, including diversification of businesses. It is intended to support liquor traders to grow their businesses and move up the liquor industry value chain by becoming distributors.
	Source of data	Proof of submission of application to DTIC/National Liquor Authority (NLA)
	Indicator Method	Cumulative to date
	Method of Calculation / Assessment	A simple count of liquor traders moving up/participating beyond micro/retail level of the liquor trader value chain.
	Assumptions	Challenge with sourcing funds; Positive response from traders in forming a distributor.
	Disaggregation of Beneficiaries (where applicable)	N/A
	Reporting Cycle	Annually
	Desired performance	Actual performance that is higher than targeted performance is desirable.
	Indicator Responsibility	Senior Manager Licensing

11.	Indicator Title	Number of projects facilitated to contribute to local economic development
	Definition	This refers to the number of project proposals that will be facilitated for funding to contribute to local economic development. Applications will be received from the liquor traders or persons interested to venture into the industry and submitted to facilitate funding opportunities from various stakeholders including financial institutions and government.
	Source of data	Proof of engagements with potential funders
	Method of Calculation / Assessment	Number of proposals received and submitted to potential funders.
	Indicator Method	Non-Cumulative
	Assumptions	No funding application will be funded.
	Disaggregation of Beneficiaries (where applicable)	This will depend on the merits of each application received
	Reporting Cycle	Annually
	Desired performance	100% compliance
	Indicator Responsibility	Senior Manager: Licensing

12.	Indicator Title	% of pre-registration inspections conducted
	Definition	This refers to all applications for registration of liquor licenses that have been received and are ready for preregistration inspection. The inspectors conduct physical inspections at the premises that will used for the sale of liquor.
	Source of data	Licence applications received
	Indicator Method	Cumulative to date
	Method of Calculation / Assessment	Percentage of licence applications pre-inspected against the total received during the quarter. The annual total will be the sum of the quarterly applications inspected.
	Assumptions	Meeting timelines may be affected by the high reliance on third parties such as ward councillors and verification of information by relevant municipal departments
	Disaggregation of Beneficiaries (where applicable)	N/A
	Reporting Cycle	Quarterly
	Desired performance	To achieve desired performance, at least 90% of applications received must be inspected.
	Indicator Responsibility	Chief Inspector

13.	Indicator Title	Number of compliance inspections conducted to ensure compliance with liquor regulations
	Definition	This refers to the compliance inspections on selected licenced on and off consumption liquor outlets in residential areas, both urban and rural, where compliance checks are conducted in terms of general provisions of the Act and trading conditions. It measures compliance levels against provisions of the ECLA and licence conditions. Focus is mainly on problematic outlets as they tend to trade inconsiderately. This indicator will be implemented based on the categorisation of liquor licenses holders to be inspected. Each year, a set of focus/ priority areas for inspections will be agreed on and measured.
	Source of data	Post-registration inspection reports containing verification of registrant particulars, premises and adherence to trading conditions
	Method of Calculation / Assessment	Counting of inspection reports completed on inspection using both the new Licensing and Compliance Management System and the manual forms.
	Indicator Method	Cumulative to date
	Assumptions	Unforeseen circumstances such as declared disasters and security considerations
	Disaggregation of Beneficiaries (where applicable)	N/A
	Reporting Cycle	Quarterly
	Desired performance	Actual performance that meets the targeted performance is desirable.
	Indicator Responsibility	Chief Inspector

14.	Indicator Title	Number of blitz operations conducted with law enforcement agencies to enforce compliance with liquor legislation
	Definition	Refers to a concerted effort by ECLB together with various stakeholders targeting illegal and non-compliant liquor outlets. To ensure that appropriate steps are taken against those selling liquor outside the administrative and regulatory framework established in terms of the Act.
	Source of data	Operational plans for the blitz, the attendance register and the situational report.
	Method of Calculation / Assessment	Simple count of blitz operations planned and conducted
	Indicator Method	Cumulative to date
	Assumptions	Reliance on SAPS and availability of stakeholders (in particular SAPS, municipal law enforcement agencies, Department of Home Affairs Immigration division) may affect the output.
	Disaggregation of Beneficiaries (where applicable)	N/A
	Reporting Cycle	Quarterly
	Desired performance	Actual performance that meets the targeted performance
	Indicator Responsibility	Chief Inspector

15.	Indicator Title	Number of thematic reports on the anti-alcohol abuse interventions conducted
	Definition	This refers to thematic programmes relating to underage drinking, drunk driving, foetal alcohol syndrome and community awareness programmes/initiatives that are undertaken to empower communities with information and knowledge on how to responsibly use alcohol targeting schools, clinics, communities, farms and liquor outlets through community sessions, workshops, printed material, print media, electronic media, and social media.
	Source of data	Report outlining interventions undertaken per thematic area; attendance registers, newspaper clips, recorded radio adverts indicating themes of the campaigns and regions where they have been conducted
	Indicator Method	Cumulative to date
	Method of Calculation / Assessment	• Simple count of the number thematic reports on the anti-alcohol abuse interventions initiatives conducted. The reports will be equal to the number of thematic areas per quarter.
	Assumptions	• It is assumed that a reasonable number of the people will attend Social Accountability intervention initiatives • The emphasis of messages during education and awareness sessions will result to a change of behaviour
	Disaggregation of Beneficiaries (where applicable)	• Members of the community • Farm workers • Women • Youth (both out-of-school and school-going) • People living with disabilities • Liquor traders • Road users (both drivers & pedestrians)
	Reporting Cycle	Quarterly
	Desired performance	It is desirable that more education and awareness initiatives are conducted, and more positive media coverage is secured
	Indicator Responsibility	Senior Manager Social Accountability

16.	Indicator Title	Number of social responsibility initiatives conducted
	Definition	This refers to the social responsibility initiatives that are intended to sponsor and support communities through projects that provide alternative, such as the facilitation of sporting activities and support to community cooperatives
	Source of data	A schedule for the social responsibility initiatives, attendance registers indicating themes for the initiatives implemented, dates and areas where they are implemented
	Indicator Method	Cumulative to date
	Method of Calculation / Assessment	Count of social responsibility initiatives conducted
	Assumptions	• Targeted members of the community will meaningfully participate in the planned programmes • The implementation of the social responsibility programme will reduce excessive consumption of alcohol
	Disaggregation of Beneficiaries (where applicable)	• Members of community • Farm workers • Women • Youth (both out-of-school and school-going) • People living with disabilities • Liquor traders
	Reporting Cycle	Quarterly
	Desired performance	It is desirable that more social responsibility initiatives are conducted, and stakeholder support is attained
	Indicator Responsibility	Senior Manager Social Accountability

17.	Indicator Title	Number of people reached through education and awareness interventions and social responsibility initiatives
	Definition	This refers to the number of people that will be accessed through the education and awareness campaigns and social responsibility initiatives
	Source of data	The attendance registers of the people that attended education and awareness and social responsibility initiatives. In the case of schools, a designed form with a school stamp. The listenership statistics for all radio slots with ECLB messages.
	Method of Calculation / Assessment	• Number of people that attended education and awareness campaigns and social responsibility initiatives. • Number of people reached using multi-media platforms such as radio.
	Indicator Method	• Cumulative to date
	Assumptions	• It is assumed that more people will attend the social responsibility initiatives
	Disaggregation of Beneficiaries (where applicable)	• Members of community • Farm workers • Women • Youth (both out-of-school and school-going) • People living with disabilities • Liquor traders • Road users (both drivers & pedestrians)
	Reporting Cycle	Quarterly
	Desired performance	It is desirable that targeted people for all the education and awareness interventions and social responsibility initiatives are reached with messages of anti-alcohol abuse
	Indicator Responsibility	Senior Manager Social Accountability

18.	Indicator Title	Number of assessment and evaluation reports produced on the interventions conducted
	Definition	• This refers to both baseline assessment and evaluation of the Social Accountability intervention initiatives. Baseline assessment entails sourcing baseline data that will include scientific assessments, online surveys, desktop surveys, statistical data, crime data analysis, and existing data from various reports and other sources which will inform Social Accountability interventions, and subsequent to the implementation, an evaluation will be undertaken to determine programme effectiveness /impact.
	Source of data	• Baseline assessment and evaluation reports
	Method of Calculation / Assessment	• Number of assessment and evaluation reports generated such as scientific assessments, online surveys, desktop surveys, statistical data
	Indicator Method	• Cumulative to date
	Assumptions	• It is assumed that Social Accountability intervention initiatives will be evaluated to determine the impact and various research entities will provide the necessary support to fulfil this indicator.
	Disaggregation of Beneficiaries (where applicable)	• N/A
	Reporting Cycle	• Annually
	Desired performance	• It is desirable that social accountability intervention initiatives are effectively informed by a baseline assessment and after implementation an evaluation process is embarked upon.
	Indicator Responsibility	• Senior Manager Social Accountability

ANNEXURES

ANNEXURE A: DISTRICT DEVELOPMENT MODEL

This is a summary of projects/ interventions related to the services to be delivered with district municipalities during the strategic planning period. For each project, the information includes the allocated budget, its location within the district and roles and responsibilities of the stakeholders involved.

Area of intervention	Description of intervention/ project	Budget allocation	District municipality	Location GPS COORDINATES	Project leader	Social partners
Youth education and empowerment	Empowerment of young people with knowledge on responsible alcohol consumption through facilitation of sporting programme and other social activities	R800 000	OR Tambo, Chris Hani, Buffalo City Metro, Alfred Nzo, Amathole, Sara Baartman, Nelson Mandela Metro & Joe Gqabi	In the local Municipalities and Metros	Manager Social Accountability	Social Development, Education, SAPS, Health, the liquor industry, NGOs, Civil Society, media organisations, municipalities
Community empowerment through the social responsibility programme	Facilitation of community-based projects that seek to provide an alternative to members of the community	R700 000	OR Tambo, Chris Hani, Buffalo City, Alfred Nzo, Amatole Sara Baartman & Joe Gqabi, Nelson Mandela Metro	In the local Municipalities and Metros	Manager Social Accountability	Social Development, Education, SAPS, Health, liquor industry, NGOs, Civil Society, media organisations, municipalities

Notes

EASTERN CAPE
LIQUOR BOARD

69 Devereux Avenue
Vincent
East London
5247

Tel: +27 (0)43 700 0900
Fax: +27 (0)43 726 4101

gemprint 043 722 0755 (67156)