

ENABLING &
PROMOTING

A RESPONSIBLE
LIQUOR INDUSTRY



EASTERN CAPE
LIQUOR BOARD

Annual Performance Plan

2021 – 2024

Executive Authority Statement

As the Accounting Authority 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 Annual Performance Plan for the 2021/22-2023/24 in line with Chapter 5 of the Treasury Regulations issued in terms of the PFMA.

In the above regard, it is worth mentioning that, government has adopted the following priorities namely: -

- ❖ Economic transformation and job creation.
- ❖ Education, skills and health.
- ❖ Consolidating the social wage through reliable and quality basic services.
- ❖ Spatial integration, human settlements, and local government.
- ❖ Social cohesion and safe communities.
- ❖ A capable, ethical, and developmental state.

In order to give effect to these priorities, the Eastern Cape Liquor Board has identified three outcomes for the next five years namely: -


- Economic transformation and job creation in the liquor industry
- Community protection from irresponsible liquor trading.
- Good corporate governance

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

- Fundraising which is of critical importance as there is concern about institutional viability in the light of shrinking budget. There is a need to identify strategic projects in order leverage funding from the liquor industry and beyond.
- Forming strategic partnership to drive the transformation (farmers, manufacturers, PPPs, communities, other departments)
- Impact on the socio-economic side through empowerment of small entrepreneurs and liquor traders and thus also job creation.

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.



Ms B. Jojo CA (SA)
Acting Board Chairperson



Honourable G.M. Mvoko
Member of Executive Council

Accounting Officer Statement

I hereby present the Eastern Cape Liquor Authority's Annual Performance Plan (APP) for 2021 MTEF. This Annual Performance Plan encapsulates the vision, mission, outputs, and outcomes/impact of the Eastern Cape Liquor Board. It articulates the approach that will be pursued by the Board in fulfilling the strategic outcomes and priorities of the new Government. We envision continuing to work towards providing optimal and streamlined liquor industry regulation in the country through a sustainable, coordinated, integrated and comprehensive approach.

The Annual Performance Plan is a product of extensive consultations with internal and external stakeholders, and it is also anchored on the Eastern Cape Liquor Act No 3 of 2003, priorities of the National Development Plan 2030, and the Medium-Term Strategic Framework 2019-2024. In seeking to rigorously implement this APP, we will heighten our education and awareness programme to make Eastern Cape people understand that excessive consumption of alcohol can be costly to their health and general wellbeing. While considerable progress has been made in intensifying the education of communities, more still needs to be done. The aim is to ensure that we strengthen the voice of both our communities and our clients – the liquor traders - and that they become active participants in the regulation of liquor industry. We are continuously seeking innovative ways to provide advanced regulatory framework through mutually beneficial partnerships. We will continue to strive for safe, resilient, and empowered communities through a concerted societal approach.

We present this APP during the period of great uncertainty as the entire world is grappling with unprecedented effects of COVID-19 that has necessitated the review of wide spectrum of our operations. Furthermore, our clients – liquor traders – have been the hardest-hit due to numerous occasions of alcohol ban, which left them reeling from excessive business losses. As we prepare for the new financial year, we seek to embrace the 'new normal' under which we are compelled to operate due to the COVID-19 Pandemic. That said, while the liquor industry continues to boost the economy of the Province, we, however, seek to balance this with stringent enforcement of compliance and strengthening of harm reduction initiatives. In order

to strike this significant balance, we have partnered with various stakeholders that promote responsible consumption and trading. The ECLB prides itself on the exemplary performance of the different divisions that have continually contributed to the regulation of liquor in the Eastern Cape. Each division has further identified strategic initiatives that will enhance regulation of liquor industry in the Province. However, it is essential to state that the strategic initiatives detailed in this APP are largely contingent on the availability of adequate funding and other related resources. The reality is that the Authority, 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 greater sense of efficiency and effectiveness.

I wish to acknowledge the efforts of all stakeholders in crafting this Annual Performance Plan. I want to thank our Board of Directors that has demonstrated remarkable commitment in driving and inspiring the organisation to the higher trajectory. I thank the entire management team for their hard work and dedication to this organisation. They have been steering this ship through many challenges. To all our staff members that are proudly part of this family, I thank you for your resilience in dealing with the pressures you deal with daily.

I look forward to this new trajectory of service delivery and remain committed in leading and facilitating the process towards the implementation of the Annual Performance Plan.

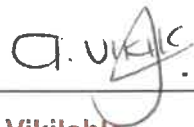


Dr N. Makala
Chief Executive Officer

Official Sign-Off

It is hereby certified that this Annual Performance 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.
- Considers all the relevant policies, legislation and other mandates for which the Eastern Cape Liquor Board is responsible.
- Accurately reflects the impact statements, outcomes and outcome indicators which the Eastern Cape Liquor Board will endeavour to achieve over the period 2021 to 2024.



Ms A. Vikilahle

Chief Financial Officer



Ms L.L. Tini

Head Official responsible for Planning



Dr N. Maxala

Chief Executive Officer

Approved



Ms B. Jojo CA (SA)

Acting Board Chairperson

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LIST OF ABBREVIATIONS AND ACROYNMS

AO - Accounting Officer

AG - Auditor General

APP - Annual Performance Plan

BBBEE - Broad Based Black Economic Empowerment

BCMM - Buffalo City Metro Municipality

CEO - Chief Executive Officer

CFO - Chief Financial Officer

CoGTA - Cooperative Governance and Traditional Affairs

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

ECPTA - Eastern Cape Parks and Tourism Agency

FAS - Fetal 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

MTSF - Medium Term Expenditure 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

POE - Portfolio of Evidence

SALGA - South African Local Government Association

SMME - Small Medium Micro Enterprise

WHO - World Health Organisation

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 licences is listed in schedule 5 which vests and confers to the provincial legislature the mandate to regulate issuing of liquor licences.

2. Legislative mandate

The ECLB is governed by the following pieces of legislation:

2.1 Liquor Act 59 of 2003

This 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 government in the area of liquor regulation; and to provide for matters connected therewith.

2.2 Eastern Cape Liquor Act 10 of 2003

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

- Regulate the registration of retail sales and micro-manufacturing of liquor in the province
- Encourage and support the liquor industry in the management and reduction of 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 may attain and maintain adequate standards of service delivery.
- To ensure facilitation of participation by ward committees and communities in the consideration of applications for registration certificates is provided for; and
- To ensure that the particular realities confronting the liquor industry in the province can be addressed.

2.3 Eastern Cape Liquor Authority Act 4 of 2018

On the 11th March 2019, the Eastern Cape Liquor Authority Act 4 of 2018 which was asserted to and published in the Provincial Government Gazette. In the 2021 SOPA the Premier of the Eastern Cape, Honourable LO Mabuyane indicated that the new act will be implement in the 2021/22 financial year in phases. Compilation of regulations relating to the new act are underway in order to ensure its implementation.

The objects of this Act are –

- (a) to give effect to the constitutional mandate of the Province regarding the licensing, regulation and control of retail sale and micro-manufacturing of liquor;
- (b) to provide mechanisms that ensure the compliance and enforcement of this Act and the licence conditions;
- (c) to provide mechanisms aimed at reducing socio-economic and other effects of alcohol abuse;
- (d) to promote the development of a responsible and sustainable retail and micro-manufacturing liquor industry in a manner that facilitates -
 - (i) the entry of new participants into the industry;
 - (ii) diversity of ownership in the industry; and
 - (iii) an ethos of social responsibility in the industry

2.4 Other legislation

- Public Finance Management Act 1 of 1999 *as amended by Act 29 of 1999*;
- Promotion of Access to Information Act 2 of 2000;
- Promotion of Administrative Justice Act 3 of 2000;
- Protection of Personal Information Act 4 of 2013;
- Preferential Procurement Policy Framework Act 5 of 2000;
- Broad-Based Black Economic Empowerment Act 46 of 2013 *as amended by Act 46 of 2013*.
- Labour Relations Amendment Act 6 of 2014;
- Basic Conditions of Employment Amendment Act 20 of 2013;
- National Treasury Regulations; and
- Companies Act 71 of 2008

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.

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

The President of the sixth administration announced seven government priorities to drive the National Development Plan. Cabinet ministers have signed performance agreements linked to these outcomes. More detailed delivery agreements have since been developed to extend targets and responsibilities to national and provincial departments, entities and municipalities.

The priorities are, economic transformation and job creation, education, skills and health, consolidating the social wage through reliable and quality basic services, spatial integration, human settlements and local government, social cohesion and safe communities, a capable, ethical and developmental state, a better Africa and world. He said all the government programmes and policies across all departments and agencies will be directed in pursuit of these overarching tasks. At the same time, President Ramaphosa said the government must restore the National Development Plan (NDP) to its place at the centre of the national effort, to make it alive, to make it part of the lived experience of the South African people. "As South Africa enters the next 25 years of democracy, and in pursuit of the objectives of the NDP, let us proclaim a bold and ambitious goal, a unifying purpose, to which we dedicate all our resources and energies," he stressed.

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

Table 1: National and Provincial Priorities

National /Provincial priority	ECLB's potential contribution
1. Transformation and job creation	<ul style="list-style-type: none">• Facilitate the implementation of programmes geared towards the empowerment of marginalised liquor traders to:<ul style="list-style-type: none">- acquire business skills and knowledge,- form liquor traders Cooperatives,- form liquor traders Association- facilitate registration as liquor distributors- register as liquor micro-manufacturers in order to move up the value chain in the liquor industry and trade responsibly.
2. Social cohesion and safe communities	<ul style="list-style-type: none">• To work with law enforcement/security cluster partners to enforce compliance in the liquor industry and to clamp down

National /Provincial priority	ECLB's potential contribution
	on inconsiderate and illegal trading. <ul style="list-style-type: none"> • Educate communities on the adverse effects of alcohol abuse.
3.A capable, ethical and developmental state	<ul style="list-style-type: none"> • To ensure the ECLB conducts its business in a manner that is consistent with all principles of good corporate governance.

3.3 Updates to institutional policies and strategies

The advent of the new Corona virus, the COVID-19, and its effects on operations has led the development of a COVID-19 policy for the entity. All the existing policies were reviewed to ensure alignment with changes in legislation, practices in the operating environment.

ECLB in accordance with its section 14 PAIA manual promptly attends to requests for access to information in accordance with the provisions of PAIA and as set out in the manual. The entity is in the process of giving effect to the provisions of the Protection of Personal Information Act 4 of 2003 (POPI) , which requires compliance by the 1st of July 2021.

3.4 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 that may have influence in the mandate of the organisation.

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 grocers 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 applicants 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. 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 licences 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 licencing processes and courts should not easily interfere with the intention of the legislature. In conclusion, the Court didn't confirm the unconstitutionality of the legislative

**b) Skillfull 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 authorising 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 Courts decision highlights 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.

PART B: OUR STRATEGIC FOCUS

1. Vision

To be a liquor authority that strives for economic transformation and social cohesion.

2. Mission

To become a responsible regulator that promotes compliance and transformation of the liquor industry, while mitigating the adverse effects of excessive alcohol consumption.

3. 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.

Table 2: ECLB values

VALUE	BEHAVIOUR
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.

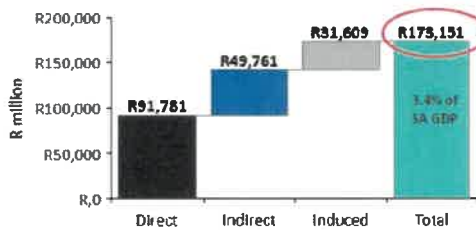
4. Updated situational analysis

4.1 EXTERNAL ENVIRONMENT ANALYSIS

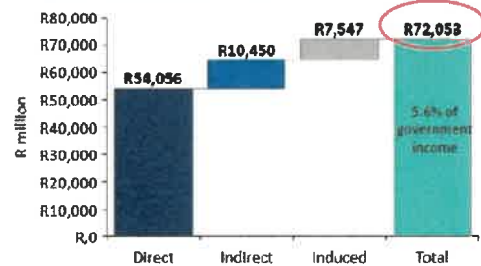
CONTRIBUTION OF THE ALCOHOL VALUE CHAIN TO THE SOUTH AFRICAN ECONOMY

The industry and its value chain, contributed close to R200bn in GDP in 2019, R72 billion in indirect taxes, supports millions of livelihoods and outperforms the South African economy on average

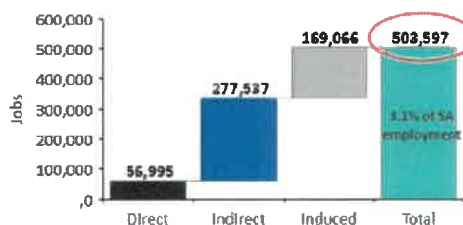
Contribution to GDP (at market prices*)



Government indirect tax income**



Number of jobs supported



Impact type	South African Liquor Industry	South Africa Economy
Employment multiplier (Incl. informal)	8.84	7.80
GDP (at factor cost) multiplier	2.68	1.22
GDP/capital ratio	0.47	0.54
Labour (Incl. informal)/capital ratio	2.32	1.99

*The impact displayed on this slide is presented at market prices. This means that the impact on taxes is included in the impact on GDP. ** Includes VAT, customs and excise taxes.

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Source: StatsSA Social Accounting Matrix (SAM) 2019, FTI Calculations

4

The liquor industry and its value chain, contributed close to R200bn in GDP in 2019, R72 billion in indirect taxes, supports millions of livelihoods and outperforms the South African economy on average.

4.1.1 Economics of the industry

The Nielson report (January 2020) shows that the Eastern Cape is growing ahead in the liquor category in value and volume at 10% share of trade; the Eastern Cape has spent R6 billion in the past year. This reveals that the liquor industry is a strong force in the South African economy and society although frequently in the limelight for the associated negative social consequences of the overconsumption of alcohol. Secondly, the liquor industry is an important economic driver and supplier of employment. It makes a significant contribution to the Gross Domestic Product (GDP), adds to the South African tax-base and contributes significantly to the trade account through export earnings.

Figure 2: Eastern Cape Liquor growth in value and volume

EASTERN CAPE IS GROWING AHEAD OF LIQUOR CATEGORY IN VALUE AND VOLUME AT 10% SHARE OF TRADE

WC &FS/NC are growing behind the liquor category

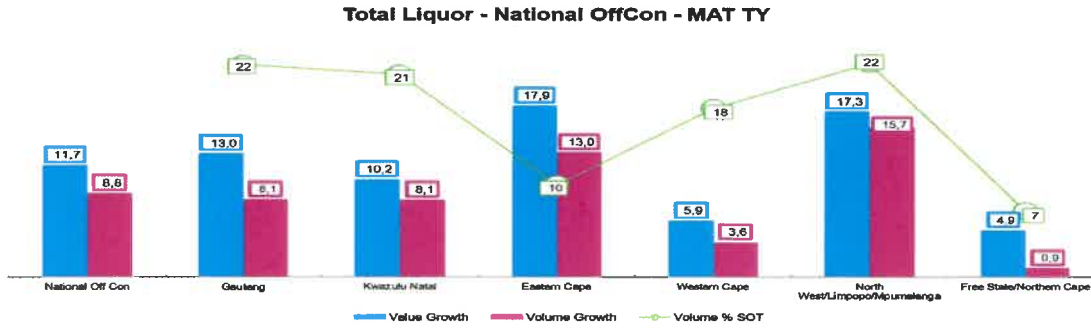
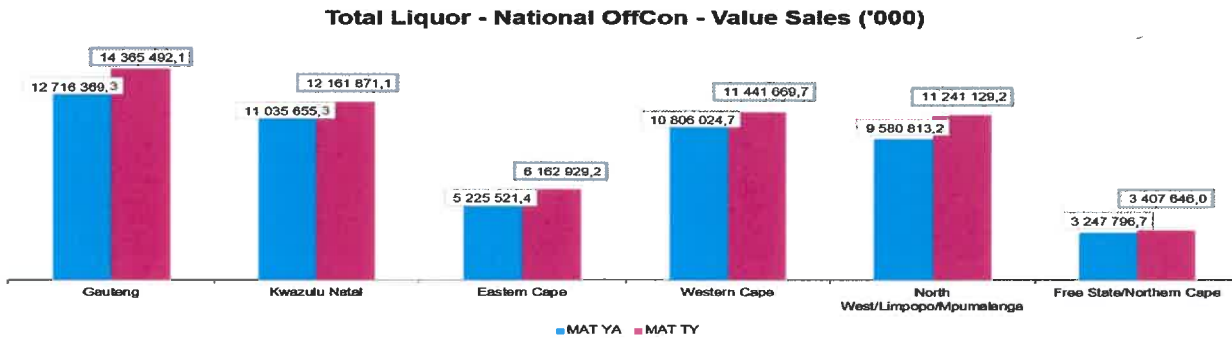


Figure 3: Eastern Cape Liquor expenditure in the last year

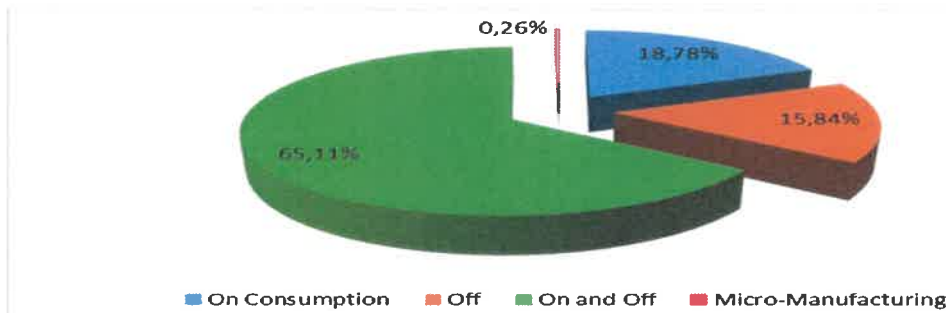
EASTERN CAPE SPENT R6 BILLION IN LIQUOR IN THE PAST YEAR

This is R937 Million spent more than the past year



The ECLB's contribution to the economy's GDP is through the registrants licensing fees. As the liquor regulator the Province, the entity works hard to ensure that it fulfils the mandate of promoting a responsible liquor industry through a rigorous process of issuing liquor licences. As at 31 March 2020, the entity had a total of 6 987 active licences in the province that comprise of different types, such as on-off consumption, on-consumption, off-consumption, and micro-manufacturing.

Figure 1: Active licences by categories

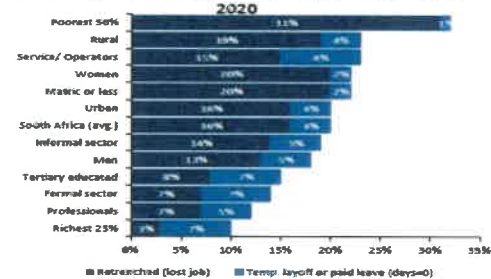


On consumption -1348; Off consumption -1137; On and off consumption – 4485; Micro-manufacturing - 17

The President of South Africa, Honourable Cyril Ramaphosa declared a state of emergency on 23 March 2020 and called for national lockdown period. The immediate implication of the development was that the Eastern Cape Liquor Act 10 of 2003 (ECLA) was superseded by the National Disaster Management Act 57 of 2002 (Disaster Act). COVID-19 regulations and the subsequent ban on sale of liquor placed the entire liquor industry under an unprecedented business pressure, which adversely affected their operations in many ways. This was further compounded by the length of time they had to endure without operating. Further, COVID-19 has had an immediate and dramatically severe impact on employment and job security within the liquor industry sector, which is further exacerbated by the fact that the majority of these businesses are family-owned, predominantly rural, and are the only source of income for these families as they provide local employment in the areas in which they operate. Most are failing to meet their basic needs and more importantly some have had to close their businesses.

Trends in the drivers of alcohol consumption risk reducing future tax revenue potential from the alcohol industry

Decomposition of employment loss, February to June 2020



- The economic impact of COVID-19 in South Africa has been felt disproportionately amongst the poor
- Increasingly cash strapped consumers in this part of the income distribution are more likely to access illicit alcohol as a result of price increases

- Inverse premiumisation of alcohol sales decreases profitability
 - Decreases corporate income tax
 - Increases real tax incidence further above target level
- Cash strapped consumers become increasingly price sensitive: risk that consumers at the lower end of the income distribution purchase alcohol in the illicit market
 - Higher risk of alcohol-related harm
 - Decreases excise and general tax revenue from the industry
- Combination of reverse premiumisation and challenging economic conditions ultimately threatens future sustainability of the alcohol industry and its contribution to the economic recovery

Source: Euromonitor – Market Analysis for Illicit Alcohol in Sub-Saharan Africa (2018); Jain et al. (2020) using HIDS CRAM Wave 2

The largest proportion of liquor licences in the EC fall in the category of on-off (taverns), and are largely located in rural areas and townships, and these are the hardest-hit. To compound the problem, almost 70% of the total number of licence-holders could not benefit from the business relief fund as they did not meet the set criteria thereof, which the current legislation governing liquor trading does not put as a requirement for obtaining a liquor licence. This shortcoming prompted the ECLB to submit a proposal to the Honourable Member of Executive Council, proposing innovative methods to mitigate the economic downturn and loss of jobs within the sector. The industry also committed to work closely with the EC government in alleviating the high rate of alcohol abuse, and a task team was established which would be seized with the facilitating programmes that would seek to promote responsible alcohol consumption.

COVID-19 Regulations relating to sale alcohol has adversely impacted collection of revenue as licencing processes had to be suspended. The table below illustrates the financial implications detailed above reflect projected financial consequences of reduced fees to provide relief to liquor traders for the financial year 2020/2021.

YEAR ON YEAR REVENUE COMPARISON BY MONTH

YEAR	APR	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	TOTAL
2019	187 050	121 350	96 200	230 750	200 050	456 950	3 200 184	4 026 932	6 018 134	14 537 600
2020	2 000	1 000	250	5 000	306 860	264 500	709 300	3 657 680	3 912 589	8 859 179
REV LOST	185 050	120 350	95 950	225 750	(106 810)	192 450	2 490 884	369 252	2 105 545	5 678 421

- o Year on year comparison in rand value, of liquor licencing revenue with the prior year (2019) indicates an under collection R5 678 421 which would have been paid into the provincial revenue fund.
- o Total liquor licencing revenue recognised for the 9-month period (April to December 2020) amounts to R8 859 179 breakdown of the amount by months is reflected above.

In addition, some of the liquor outlets will not be able to recover post pandemic period and likely to permanently close due to lack financial muscle to resuscitate their businesses. High probability of increased rate of unemployment rate, which would be a recipe for increased cases of alcohol abuse in communities. Proliferation of the production of homemade beer in communities, which might increasingly pose a serious risk to the health of people. These will add a burden to the entity’s limited resources as it compliance and enforcement capacity will be severely stretched.

4.1.2 Transformation of the liquor industry

In terms of the transformation of the liquor industry, the ECLB 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, an urgent need to address the transformation of liquor industry was highlighted. 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 who get licenced at 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 industry-wide charter and other instruments to guide transformation. In essence the absence of the charter encourages reluctance from big players in the industry to transform.

There are limitations on upward movement in the value chain by Black entrepreneurs at retail level which is still dominated by White owned companies, predominantly chainstores 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.

Lack of access to finance, 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.

4.1.3 Adverse effect of alcohol consumption

The Eastern Cape Liquor Act enjoins the entity to mitigate against the harmful effects of alcohol abuse in our communities. Statistics show that South Africa is a heavy drinking country and this invariably has an enormous socio-economic impact on our people. A World Health Organisation (WHO) report shows that more than 3 million people died as a result of harmful use of alcohol in 2016 worldwide. It is therefore imperative that necessary steps are embarked upon to fight the scourge of alcohol abuse in all fronts.

The industry is partnering with government to tackle harm related to irresponsible consumption of alcohol

The alcohol industry recognises the importance of playing an active role in mitigating the harmful effects of excessive, irresponsible consumption. It is partnering with government in key areas.



4.1.4 Legislative framework

Liquor licencing is a provincial competency in terms Schedule 5 of the Constitution of the Republic of South Africa. Both the National Liquor Act 59 of 2003 and Eastern Cape Liquor Act 10 of 2003 seek to promote new entrants into the Liquor industry as big manufacturers/distributors and micro-manufacturers /retails sales respectively. That said, there are noticeable gaps and challenges in the implementation of the current legislation which are currently being addressed through the process of review both at national and provincial level. Significantly, the Eastern Cape Liquor Authority Act, No 4 of 2018 has been pronounced and compilation of regulations is underway.

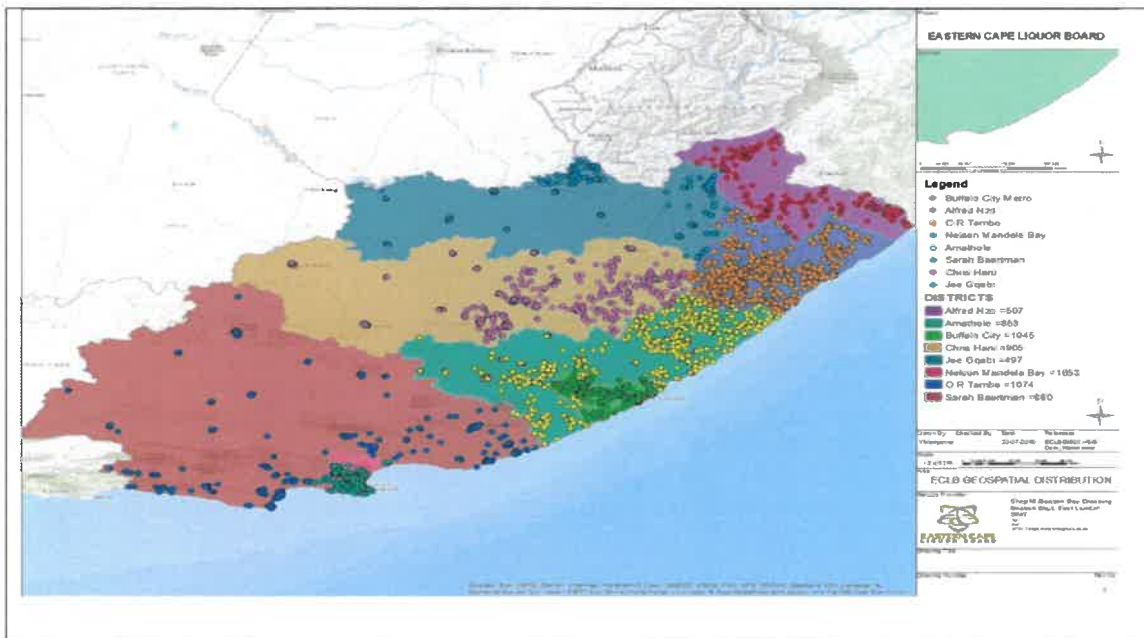
Over the past 15-20 years there has been a marked increase in the number and volume of imported alcohol beverages, this is coupled with an increase in trading on illicit alcohol beverages. This, therefore, requires provinces and DTI to work closely to ensure the promotion and development of local liquor industry. Thus a robust and pragmatic legislation is essential in order to streamline liquor industry.

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 our regulatory environment, the lack of funding to implement the new legislations will be a challenge for the regulator.

It is also becoming increasingly necessary for the entity to work closely with municipalities as the Act provides for participation by ward committees and communities in the consideration of license

applications for registration as well as enforcement of by-laws. The challenge is the absence of by-laws in some municipalities and lack of enforcement of existing by-laws. In order to offset this challenge, 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 graph below shows the spread of registered outlets throughout the province.

Figure 6: Geographical spread of licences



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;
- Increased participation by previously disadvantaged in both the retail and micro-manufacturing levels; and
- Good Corporate Governance

Focus areas for the MTEF

This APP is prepared during the period of great uncertainty as the entire world is grappling with the unprecedented effects of COVID-19. This has necessitated the review of wide spectrum of our operations including adjust targets, reviewing entity's mode of operations to allow for remote work and online platforms for improved communication. Furthermore, our clients – liquor traders – have been the hardest-hit due to numerous occasions of alcohol ban, which left them reeling from excessive business losses. As we prepare for the new financial year, we seek to embrace the 'new normal' under which we are compelled to operate due to the COVID-19 Pandemic. While the liquor industry continues to boost the economy of the Province, we, however, seek to balance this with stringent enforcement of compliance and strengthening of harm reduction initiatives. In order to strike this significant balance, the entity has partnered with various stakeholders that promote responsible consumption and trading. The ECLB prides itself on the exemplary performance of the different divisions that have continually contributed to the regulation of liquor in the Eastern Cape. The Board has further identified strategic initiatives that will enhance regulation of liquor industry in the Province. However, it is essential to state that the strategic initiatives detailed in this 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 greater sense of efficiency and effectiveness.

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

- Fundraising – critical and the Board is concerned about institutional viability; need to think about sourcing funding – also need to identify strategic projects in order leverage funding.

- Forming strategic partnership to drive the agenda (farmers, manufacturers, PPPs, communities, other departments)
- Impact on the socio-economic side – job creation, empowerment of small entrepreneurs/traders (compliance)

Coupled with the above the entity’s focus priorities over the 3-year period are:-

- Social Accountability – job creation, impacting small traders; assisting with compliance, increase footprint, work on job creation for impact, form strategic partnerships; leverage corporate and other departments, identify strategic projects
- Operational priorities – digital transformation, improve operational efficiencies by streamlining processes; find cost effective ways of working; systems improvement
- Improve organisational culture – change management, break down silos; enhance capability; invest in people.

The situational analysis has been informed by the discussions and decisions taken through the use of planning tools such as the SWOT and PESTEL, Fishbone, Problem and Solution Tree 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 identified and will be addressed for this planning period.

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> • Leveraging on corporates • Building efficiencies and reprioritising time • Effective use of partnerships • Invest in technology 	<ul style="list-style-type: none"> • Silo Mentality • Coordinating with other Spheres • Lack of other funding streams • Limited resources • Research capacity • Insufficient teamwork 	<ul style="list-style-type: none"> • Leveraging on corporates • Building efficiencies and reprioritising time • Effective use of partnerships • Invest in technology 	<ul style="list-style-type: none"> • Legislative and Policy Uncertainty • Reduced Funding and Economic Challenges • Funding Streams 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

4.2.1 Governance

The entity is governed by the Board which is appointed by the MEC for DEDEAT. In terms of the Eastern Cape Liquor Act 10 of 2003, the entity is supposed to consist of five members. Currently there are three independent Board member and one representative from the department. The Board has a functioning and fully complemented Audit and Risk Committee. The entity has maintained unqualified audit opinion for the past years and it continues to improve its systems, processes and structures.

4.2.2 Fiscal resources and funding initiatives

The mandate of the entity and funding requirements spans across the entire organisation with a need to resource research capacity, enterprise development support initiatives, compliance management, social accountability initiatives and support functions. In the same regards there is a need to provide incentives for compliance with the assistance of the industry order to encourage excellent performers. The possibility of getting to that level and operate optimally is not possible when the entity is not adequately resourced. As indicated above the entity needs to continue engaging with DEDEAT and Treasury for the review of the funding baseline as well as further engage relevant stakeholders for funding and collaborations in areas of common interest.

4.2.3 Digitalisation and improve operational efficiencies

The advent of the corona virus further highlighted the need for digital transformation in order to improve operational efficiencies as well as streamline processes; find cost effective ways of working; systems improvement. Working virtually over during the lockdown period has proved to contribute towards cost savings in a number of factors i.e. travelling, printing amongst others yet it is also very efficient. The entity is will be embarking on digital transformation over this period in order to improve operational efficiencies.

4.2.4 Improve organisational culture

Given the amount of and frequency of change occurring in organizations today, the need to espouse the values of the organisation and the undesirable culture that is manifesting in the form of silo mentality a change management initiative is of critical importance. The entity has thus identified a crucial need for investing in people, embedding change management and building organizational capabilities and competencies. Efforts will be made to broadly deploy change management across and throughout the organization.

4.2.5 Organisational redesign

The entity may need to conduct organisational redesign process in order to respond and align with the demands of the new Act, as well as ensure that all functions which are critical in discharging

the ECLB mandate are provided for. The New Act provides for additional responsibilities relating to the overall operations of the entity. These include, inter alia, the appointment of Board Members for the Authority, re-configuration of the entity's operating systems in order for them to be in line with the new provisions of the Act, additional personnel especially in the inspectorate and licensing divisions to meet the requirements of the Act, rebranding the entity and communication as well as other administrative requirements that are imperative to meet the provision of the new Act. The implementation of the New Act will have significant implications for the entity in relation to its implementation and funding thereof. The new Act will also result in huge improvements of liquor regulatory function in the province e.g enforcing compliance with BBBEE codes, amongst others.

The current resources of the entity are stretched out beyond the standard requirements and incompatible functions bundled in as a stop gap measure to provide services in terms of the mandate. The service delivery model review is also necessary to ensure that it supports the business and improve efficiencies. The entity has to engage with the Shareholder and Provincial Treasury in relation to the review of the funding baseline of the organisation, co-ordinated research agenda that will benefit the DEDEAT group and consider how some of the lacking functions can be resourced through the DEDEAT group. For positions remaining unfunded intergovernmental partnerships will be explored and engagement with Institutions of Higher Learning on research related matters.

PART C: MEASURING OUR PERFORMANCE

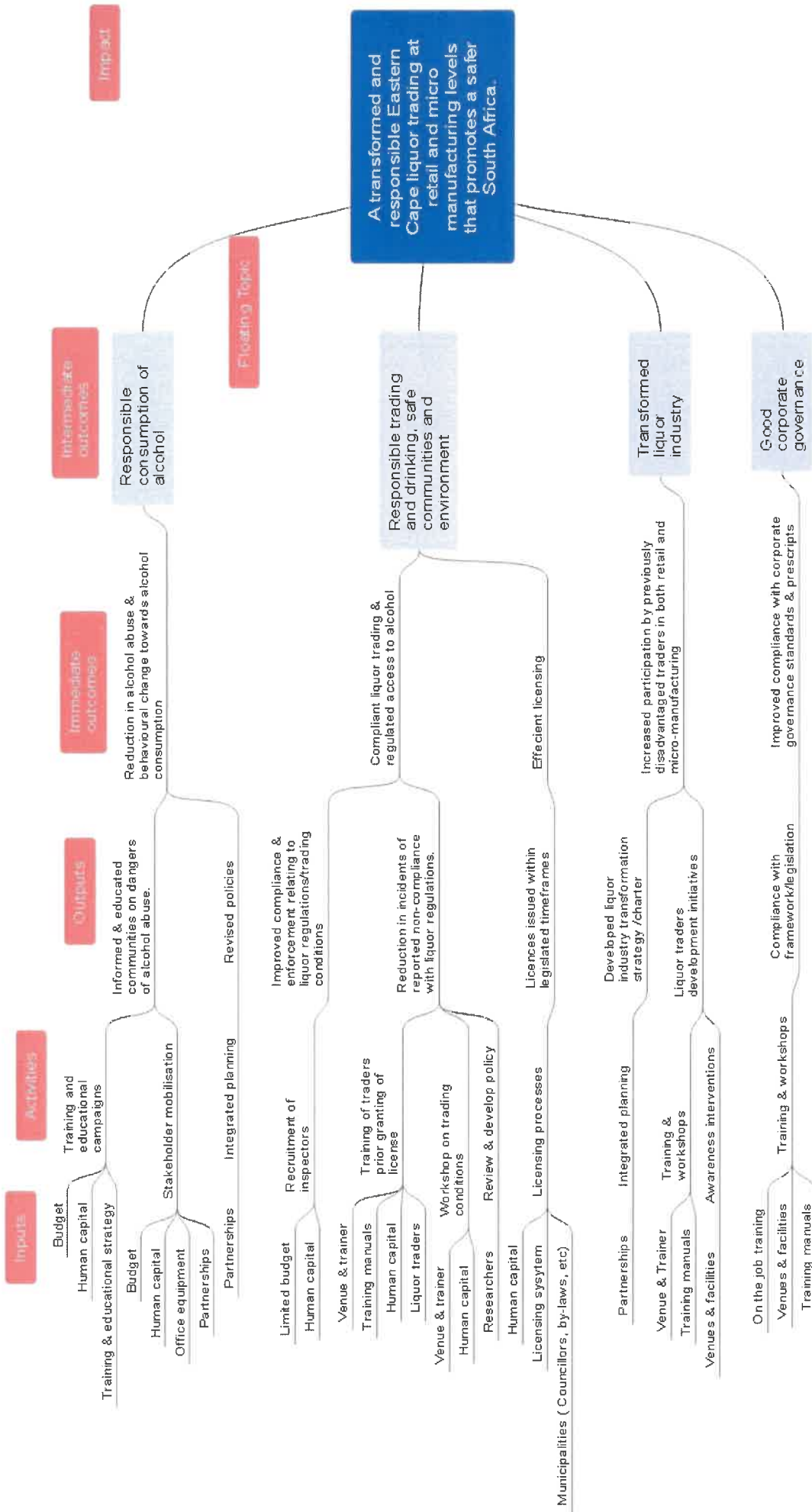
1. Institutional Performance Information

1.1 Impact

Impact Statement	A transformed and responsible EC liquor trading at retail and micro manufacturing levels that promotes a safer South Africa.
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The ECLB's intended impact in line with our mandate is to create a transformed and responsible Eastern Cape liquor trading at retail and micro manufacturing levels that promotes a safer South Africa. The impact has been developed in line with the Revised Framework for Strategic Plans and Annual Performance plans (2019) issued by the Department of Planning, Monitoring and Evaluation statement. 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 in the diagram below for this strategic plan period will contribute towards the achievement relevant priority areas in the National Development Plan 2030, Provincial Development Plan, the MTSF and the priorities of the Province and our Department, namely transformation and job creation, social cohesion and safe communities and a capable and ethical developmental state. The diagram shows the intended impact, the intermediate and immediate outcomes, outputs as well as activities and inputs that will be utilized. The entity has focused on areas that it has control as at the end of the period we must be able to demonstrate progress and achievement of those outcomes. Collaborations and partnership will be utilized to ensure success of certain programmes identified. The district model in subsequent pages further demonstrated the integration of our work with the district municipalities.



2. Institutional programme performance information

2.1 Organisational Resource Considerations

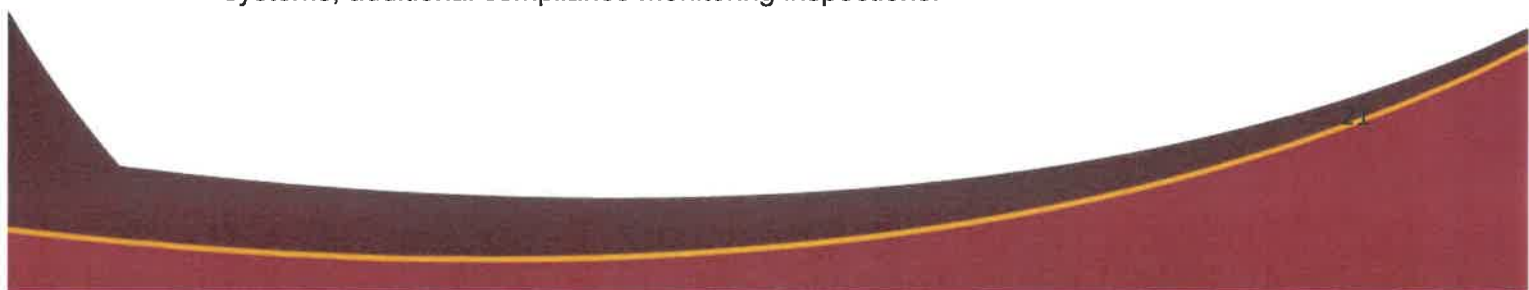
	Audited outcome			Appropriation	Medium term expenditure framework		
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Programmes	Rand thousand						
Licensing	4 795	6 073	6 320	6 614	5 723	5 893	5 990
Compliance and Enforcement	19 155	23 264	24 766	24 643	26 448	29 709	29 036
Social Accountability	3 177	6 970	4 145	6 008	4 549	4 335	4 358
Finance	8 598	10 102	10 607	13 370	13 957	13 473	13 935
Corporate Services	5 934	6 600	7 451	7 764	7 361	6 958	7 106
Information and Communication Technology	2 588	2 820	2 885	3 318	2 234	2 236	2 159
Office of the CEO	5 073	6 208	6 896	7 065	9 273	9 456	9 409
Total	49 320	62 037	63 070	68 782	69 545	72 060	71 993
Economic classification							
Current payments	48 968	59 484	62 278	67 609	70 522	72 672	70 654
Compensation of employees	32 424	40 405	42 969	45 589	45 727	47 268	48 953
Salaries and wages	32 424	40 405	42 969	45 589	45 727	47 268	48 953
Goods and services	16 544	19 079	19 272	21 432	22 599	23 514	21 701
Administrative fees	-	-	857	4 584	4 188	3 631	3 806
Advertising	1240	1576	770	508	210	278	291
Minor Assets	-	-	-	-	-	-	-
Audit cost: External	1476	1634	1891	1227	1204	595	624
Bursaries: Employees	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	29	32	2 061	2 224	2 018
Communication (G&S)	628	592	283	-	-	-	-
Computer services	1354	1345	989	895	489	570	598
Consultants and professional services	559	475	109	-	-	-	-
Infrastructure and planning	-	364	-	-	-	-	-
Scientific and technological services	-	-	1	-	-	-	-
Legal services	-	248	429	-	-	-	-
Contractors	-	-	254	-	-	-	-
Agency and support / outsourced services	-	-	75	-	-	-	-
Entertainment	24	23	21	-	-	-	-
Fleet services	1536	1536	634	1527	1218	1007	1055
Fuel, oil, gas, wood and coal	-	-	136	-	-	-	-
Consumable supplies	-	-	74	-	-	-	-
Consumable: Stationery, printing and office supplies	374	489	114	-	-	-	-
Operating leases	-	-	711	1313	1365	1104	1157
Property payments	-	-	350	517	538	563	590
Travel and subsistence	1489	2 429	3 096	2 427	2 194	3 762	1313
Training and development	200	231	235	-	-	-	-
Operating payments	3 601	5 509	4 054	4 218	2 807	2 301	2 411
Rental and hiring	4 063	2 628	4 160	4 184	5 355	6 250	6 550
Interest and rent on land	-	-	37	588	1 170	1 229	1 288
Payments for capital assets	352	2 553	792	1 173	1 220	1 278	1 339
Buildings and other fixed structures	-	231	-	-	-	-	-
Machinery and equipment	212	2 282	408	725	754	790	828
Software and other intangible assets	140	40	384	448	466	488	511
Total	49 320	62 037	63 070	68 782	69 545	72 060	71 993

Explanation of the contribution of resources towards achievement of outputs

- Non-tax revenue increased from R57.970 million in 2017/18 to a revised estimate of R69.644 million in 2020/21 due to the increased operational requirements, additional allocation received for operations to correct the ECLB baseline as well as funding received from the industry. Over the 2021 MTEF, non-tax revenue increases to R69.545 million, R72.060 million and R71.993 million, respectively.
- Departmental transfers increased from R56.865 million to a revised estimate of R69.094 million due to additional funding provided for Liquor awareness focusing on higher education institutions and marketing programmes as well as inspection operations. Over the 2021 MTEF, departmental transfers decrease to R68.995 million in 2021/22 due to budget cuts, increases to R71.480 million in 2022/23 and decreases to R71.385 million

in 2023/24 as a result of the shrinking fiscal budget albeit increased responsibilities of the entity relating to growing cases of inconsiderate trading and drinking.

- Compensation of Employees increased from R32.424 million in 2017/19 to a revised estimate of R44.986 million in 2020/21 due to additional positions as well as the cost-of-living adjustment. Over the 2021 MTEF, compensation of employees increases to R45.727 million, R47.268 million and R48.953million, respectively by inflationary cost of living adjustment. The COE budget is however insufficient for the entity to effectively discharge its mandate, Social Accountability as well as the Compliance and Enforcement divisions are severely affected by funding challenges.
- Goods and services increased from R16.544 million in 2017/18 to R21.997 million in 2020/21 due to additional funding allocated for inspectors in order to meet the entity's legislative imperatives as well as the additional allocation for the Social Accountability division for conducting education awareness programmes. Over the 2021 MTEF, Goods and services reduces to R21.492 million 2021/22 due to budget cuts as a result of the effects of the pandemic, this increases to R22.285 million in 2022/23 and reduces to R20.413 million in 2023/24.
- COVID 19 has necessitated a change in how the entity conducts its operations requiring investment in ICT infrastructure and related services for effective delivery of services. This will mostly be funded under goods and services further reducing funding available for contractual obligations and main entity cost drivers. The entity has been capitalising on relationships with various stakeholders in order to meet its legislative requirements, a majority of these stakeholders were adversely affected by COVID 19 and as such will not be able to provide the same level of support when compared to prior years.
- Payments of capital assets increased from R352 thousand in 2017/18 to R2.073 million due to systems upgrade. Over the 2021 MTEF, Payments of capital assets increases to marginally to R1.220 million in 2021/22, R1.278 million in 2022/23 and R1.339 million due to maintenance of intangible assets and enhancement of systems to accommodate ever changing technological developments.
- Indicative figures over the MTEF reflect a funding shortfall of R51 million, excluding funding required for vacant posts relating to the implementation of the new act.
- Estimated financial implications for the Eastern Cape Liquor Authority act, currently amount to R125 million over the MTEF for rebranding the organisation, reconfiguring systems, additional compliance monitoring inspections.



2.2 Programme: Licensing

2.2.1 Purpose

The Licencing division is responsible for

- Administration back office for processing of liquor licence applications and renewal of licences.
- Monitor the running of the Snapstar Licencing System.
- Secretariat for the Licencing Committee.
- Implementation of the Liquor Traders Development Programme.

2.2.2 Outcomes, outputs, performance indicators and targets

Outcome	Outputs	Output Indicators	Annual Targets					
			Audited /Actual Performance	Estimated performance	MTEF Period			
			2019/ 20	2020/21	2021/ 22	202223	2023/24	2024/25
Efficient licensing	Licenses issued within legislated timeframes	% of fully compliant license applications considered within legislated timeframes	90%	60%	60%	70%	80%	85%
Increased participation by previously disadvantaged in both retail and micro manufacturing levels	Increased participation by the previously disadvantaged in the retail sales and micro manufacturing of liquor in the province	Number of new formal liquor traders associations facilitated	2	2	2	3	4	5
		Number of Black liquor traders distributors facilitated to participate at higher levels of the value chain	-	1	1	2	3	4

2.2.3 Output indicators: annual and quarterly targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
% of fully compliant license applications considered within legislated timeframes	60%	60%	60%	60%	60%
Number of new formal liquor traders associations facilitated	2	-	-	-	2
Number of Black liquor traders distributors facilitated to participate at higher levels of the value chain	1	-	-	-	1

2.2.4 Explanation of planned performance over the medium-term period

- Efficient licencing will enhance and attract investment into the liquor industry and thereby increase economic activity that will contribute towards job creation and skills development in the province. The enhancement of a licencing system is a critical enabler in processing applications. The automation of the licence application process will also enable applicants to apply at the comfort of their homes more so in light of the COVID-19 related protocols.
- 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 being the introduction of black entrepreneurs into the micro manufacturing sector as potential development finance institutions demonstrate lack of appetite for the liquor industry. DEDEAT has been approached to consider the following:
 - Support initiatives geared towards transformation of the industry, most notably around micro manufacturing and wholesaling.
 - Subsidization of company registration fees for liquor traders wanting to register as juristic persons (which must be period specific).
 - Approaching the big industry to set up a special purpose vehicle (Development Fund) to support Black retailers who aspire to graduate from retail to wholesale /distribution level.

The liquor trader's development programme will contribute towards the efforts to transform the industry.

2.2.5 Licensing programme resource considerations

	Audited outcome			Appropriation	Medium term expenditure framework		
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Programme	Rand thousand						
Licensing	4 795	6 073	6 320	6 537	5 723	5 893	5 990
Total	4 795	6 073	6 320	6 537	5 723	5 893	5 990
Economic classification							
Current payments	4 795	6 073	6 320	6 537	5 723	5 893	5 990
Compensation of employees	4 309	5 201	5 361	5 880	5 481	5 581	5 663
Salaries and wages	4 309	5 201	5 361	5 880	5 481	5 581	5 663
Goods and services	486	872	959	657	242	312	327
Administrative fees	-	-	-	254	-	-	-
Advertising	233	357	371	184	46	106	111
Communication (G&S)	49	54	57	-	-	-	-
Consultants and professional services	-	166	-	-	-	-	-
Consumable: Stationery, printing and office sup	11	30	14	-	-	-	-
Travel and subsistence	77	187	136	23	-	-	-
Operating payments	83	57	381	197	197	206	216
Rental and hiring	33	31	-	-	-	-	-
Total	4 795	6 073	6 320	6 537	5 723	5 893	5 990

Legislative obligations of this division includes adhering to timelines in terms of the act which are managed through a pipeline for processing applications as legislated. Inability to adhere to legislated timelines exposes the entity and the Eastern Cape Government to litigations for potential loss of revenue by applicants which can be cured by adequately funding entity operations. Included in the entity's funding deficit is R5.9 million over the MTEF required by this division to discharge its portion of the mandate.

2.3 Programme: Compliance and Enforcement

2.3.1 Purpose

The principal responsibility of the Compliance and Enforcement Division is to ensure that appropriate steps are taken against those selling liquor outside the administrative and regulatory framework established in terms of the Eastern Cape Liquor Act (No.10 of 2003) and that community considerations on the registration of retail premises are taken into account. In this regard, working with other law enforcement agencies, the division plays a critical role towards achieving the goal of a responsible liquor trading in the Eastern Cape that promotes safe communities.

2.3.2 Outcomes, outputs, performance indicators and targets

Outcome	Outputs	Output Indicators	Annual Targets
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			Audited /Actual Performance	Estimated performance	MTEF Period			
			2019/20	2020/ 21	2021/22	2022/ 23	2023/24	2024/25
Compliant liquor trading and regulated access to alcohol	Improved compliance and enforcement	% of new applications with sufficiently consulted communities	-	60%	60%	60%	75%	75%
	Reduction in incidents of reported non-compliance with liquor regulations	% of compliance inspections conducted to ensure compliance with liquor regulations	80%	50%	50%	60%	70%	80%
		Number of blitz operations conducted with law enforcement agencies to enforce legislation	60	48	48	55	60	65
		Percentage of complaints attended to within 30 days	80%	60%	60%	75%	80%	85%
		% of identified illegal liquor outlets referred to the criminal justice system	100%	100%	100%	100%	100%	100%

2.2.3 Output Indicators: annual and quarterly targets

Output Indicators	Annual Target 2021/22	Q1	Q2	Q3	Q4
% of new applications with sufficiently consulted communities	60%	60%	60%	60%	60%
% of compliance inspections conducted to ensure compliance with liquor regulations	50%	50%	50%	50%	50%
Number of blitz operations conducted with law enforcement agencies to enforce legislation	48	12	12	12	12
Percentage of complaints attended to within 30 days	60%	60%	60%	60%	60%
% of identified illegal liquor outlets referred to the criminal	100%	100%	100%	100%	100%

Output Indicators	Annual Target 2021/22	Q1	Q2	Q3	Q4
justice system					

2.3.4 Explanation of planned performance over the medium-term period

- Responsibilities of the Compliance and Enforcement Division include ensuring that that community considerations on the registration of retail premises are taken into account through community consultations. Reliance is largely placed on municipalities and the entity engages various local authorities in educating and emphasizing the role of the ward councillors in the licencing process.
- The entity further engages in the development of municipal by-laws with COGTA, SALGA and Municipalities
- Compliance inspections and blitz operations with law enforcement agencies are conducted to monitor and enforce compliance with liquor regulations. These will contribute to ensuring that there is responsible drinking and trading in the communities. The strengthened relations with law enforcement agencies both the provincial and local sphere to ensure compliance and close down illegal trading will assist in achieving the planned targets.
- Together with the industry the entity has rolled out a code of conduct programme as well as responsible traders facilitation programme aimed at improving compliance and rewarding those that exceed expectations in relation to responsible trading.



2.3.5 Programme resource considerations

	Audited outcome			Appropriation	Medium term expenditure framework		
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Programme	Rand thousand						
Compliance and enforcement	19 155	23 264	24 766	24 643	26 448	29 709	29 036
Total	19 155	23 264	24 766	24 643	26 448	29 709	29 036
Economic classification							
Current payments	19 155	23 264	24 766	24 643	26 448	29 709	29 036
Compensation of employees	14 438	17 940	19 529	20 213	20 810	22 030	22 770
Salaries and wages	14 438	17 940	19 529	20 213	20 810	22 030	22 770
Goods and services	4 717	5 324	5 237	4 430	5 638	7 982	6 266
Catering: Departmental activities	-	-	5	-	-	-	-
Communication (G&S)	384	315	92	-	-	-	-
Computer services	7	12	-	-	-	-	-
Entertainment	7	10	-	-	-	-	-
Fleet services (including government motor transport)	1 381	1 348	623	1 527	1 218	1 359	1 055
Inventory: Chemicals, fuel, oil, gas, wood and coal	-	-	15	-	-	-	-
Consumable: Stationery, printing and office supplies	39	36	-	-	-	-	-
Property payments	-	-	24	78	81	85	89
Travel and subsistence	573	1 137	1 312	1 728	2 333	4 231	2 336
Operating payments	835	892	1 068	266	146	374	75
Rental and hiring	1 491	1 574	2 098	831	1 860	2 587	2 711
Total	19 155	23 264	24 766	24 643	26 448	30 061	29 036

Operations of this division are labour intensive and require traveling for compliance monitoring and inspections. The entity received additional funding in the previous financial years which was reduced in the current MTEF when a call for reduction in the travelling expenditure budget was made for COVID 19 related requirements. Review of funding for this division is necessary in order to manage current budgetary pressures as well as meet legislative demands.

The entity currently has less than 20 inspectors responsible for compliance monitoring and inspections throughout the province. There is a need to hire additional inspectors to improve entity performance as well as attend to the requirements of the new act.

2.3 Programme: Social Accountability

2.3.1 Purpose

The Social Accountability Division is responsible for raising awareness and educating the public on the adverse effects of alcohol consumption through Anti-Alcohol Abuse Awareness programmes. The programme is largely informed by the research studies conducted by ECLB and other organisations as well as reports that are sourced from other stakeholders (e.g. SAPS, Social Development and some NGOs) on the prevalence of excessive consumption of alcohol in some areas of the Province. Social Accountability also utilises

information received from the Eastern Cape Liquor Board Inspectors who interact with various communities during inspections and identify some areas that require urgent intervention.

2.3.2 Outcomes, outputs, performance indicators and targets

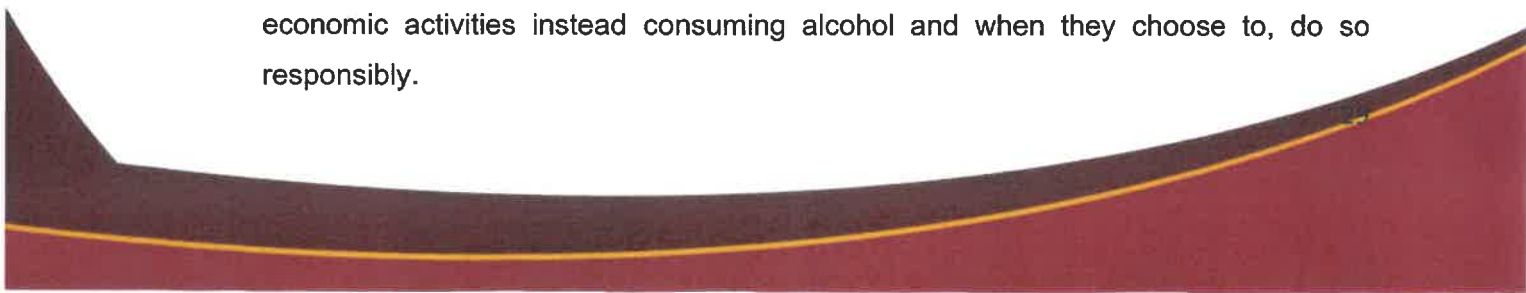
Outcome	Outputs	Output Indicators	Annual Targets					
			Audited /Actual Performance	Estimated performance	MTEF Period			
			2019/ 20	2020/ 21	2021/22	2022/23	2023/24	2024/25
Reduction in alcohol abuse and behavioural change towards alcohol consumption	Informed and educated communities on dangers of alcohol abuse	Number of anti-alcohol abuse interventions conducted	170	95	4	4	4	4
		Number of social responsibility programmes conducted	9	8	11	12	13	14
		Number of people reached through education and awareness interventions	56 000	29 000	60 000	65 000	75 000	80 000

The indicator relating to number of anti-alcohol abuse interventions conducted has been changed from counting the number of interventions under each thematic programme. For the 2021/22 financial year the indicator will be measuring the thematic programmes relating to underage drinking, drunk driving, fetal alcohol syndrome and community awareness programmes. The main activities under these themes will be comprehensively provided when reporting.

2.3.3 Outputs indicators: annual and quarterly targets

Output Indicators	Annual Target 2021/22	Q1	Q2	Q3	Q4
Number of anti-alcohol abuse interventions conducted	4	4	4	4	4
Number of social responsibility initiatives conducted	11	3	4	2	2
Number of people reached through education and awareness interventions and social responsibility initiatives	60 000	18 500	18 000	6 000	18 000

2.3.4 Explanation of planned performance over the medium-term period

- The anti-alcohol abuse intervention initiatives contribute to ensuring that members of the community are effectively and meaningfully educated on responsible consumption of alcohol so that the high rate of excessive consumption of alcohol is considerably reduced in the Eastern Cape. In order to enhance the education of communities on the scourge of alcohol abuse, various focus areas have been identified such as underage, communities, road users, and FAS (pregnant women).
 - The entity will harnesses the resources of the local community in undertaking its FAS programmes by ensuring that the training conducted on FAS trainers and mentors stays within the targeted community. This will ensure that support and assistance is provided to pregnant vulnerable women consuming alcohol timeously and within their area of residence.
 - Due to the prohibition of public gatherings, Social Accountability utilises multi-media platforms to sustain its messages on responsible alcohol consumption and trading. In addition, during the COVID-19 lockdown, there was rapid increase in transgressions of the lockdown regulations including reckless trading and consumption of alcohol. This warranted a concerted effort to educate communities about the significance of adhering to the Lockdown regulations and consuming alcohol responsibly. Henceforth, a rigorous multi-media campaign was embarked upon to reach a substantial number of people with ECLB messages. To this end, the concept of the multi-media campaign was adopted and was characterised by the rolling out of outdoor advertising, utilisation of both electronic and print media, and the use of social media platforms.
 - The research report on socio-economic impacts of alcohol abuse, 2011; indicated that the most common reasons for drinking include, 36% being sociable; 27% to forget about problems, loneliness, escape from reality; 19% to get drunk; and 18% boredom (McIlrath, 2006). From the above, it may then be plausible to argue that the greatest number of drinkers (64%) drink to escape – not to socialise (36%) which makes user to be prone to sustaining injuries as a result of alcohol use behaviour translating to road accidents, interpersonal violence and social contact crime.
 - Facilitation of the social responsibility programmes ensures that various community groups are committed to social activities such as sport, traditional, and facilitation of economic activities instead consuming alcohol and when they choose to, do so responsibly.
- 

- Social responsibility programmes for the period will also focus on current communication mechanisms and trends by using amongst others social media platforms and social influencers .

2.3.5 Programme resource considerations

Programme	Audited outcome			Appropriation	Medium term expenditure framework		
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	Rand thousand						
Total	3 177	6 970	4 145	6 008	4 549	5 293	4 358
Economic classification							
Current payments	3 177	6 970	4 145	6 008	4 549	5 293	4 358
Compensation of employees	1 698	2 721	2 460	1 983	2 062	2 161	1 921
Salaries and wages	1698	2 721	2 460	1983	2 062	2 161	1921
Goods and services	1 479	4 249	1 685	4 025	2 698	2 477	2 437
Advertising	887	139	249	-	-	-	-
Communication (G&S)	21	18	24	-	-	-	-
Fleet services (including government motor transport)	103	143	11	-	-	-	317
Travel and subsistence	172	198	435	47	434	454	-
Operating payments	296	2 751	966	3 608	2 867	2 678	2 120
Total	3 177	6 970	4 145	6 008	4 549	5 293	4 358

This division has relied heavily on and partnerships with the industry which have sustained operations for this division in prior years. Negative impact of COVID 19 has resulted in some of the stakeholders indicating that they will not be able to continue partnering with the entity on harm reduction initiatives as a number of them have and are shedding their workforce.

The Anti-Alcohol Abuse Programme aimed at universities has seen the entity employing 17 unemployed graduates that will facilitate programmes in all universities within the province aimed at curbing abuse of alcohol. This programme is funded through DEDEAT transfers and a consideration of including TVET Colleges in the future is necessary.

2.4 CORPORATE MANAGEMENT PROGRAMMES

2.4.1 Purpose

The purpose is to provide corporate administrative and management support to the organisation, including the Board, to ensure that the mandate is executed, achieved and reported. The sub programmes are Corporate Services, Finance, ICT and the Office of the CEO.

2.4.2 Outcomes, outputs, performance indicators and targets

Outcome	Outcome indicator	Output Indicators	Annual Targets		
			Audited /Actual Performance	Estimated performance	MTEF Period

			2019/ 20	2020/ 21	2021/22	2022/23	2023/24	2024/25
Good corporate governance	Improved adherence with corporate governance standards and government prescripts	Audit outcome	¹ Clean audit	Clean audit	Clean audit	Clean audit	Clean audit	Clean audit
		Percentage of employees contracted and reviewed performance	100%	100%	100%	100%	100%	100%
		Percentage implementation of the Skills development plan	90%	50%	50%	90%	90%	100%
		Percentage spent on Eastern Cape SMME's	50%	40%	50%	50%	55%	55%
		ICT Governance framework implemented	² ICT Maturity level 2	ICT Maturity level 3	ICT Maturity level 3	ICT Maturity level 3	ICT Maturity level 3	ICT Maturity level 3
		³ Organisational performance index	80%	75%	75%	80%	85%	90%

2.4.3 Output indicators: annual and quarterly targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
	2021/22				
Audit outcome	Clean audit	-	Clean audit	-	-
Percentage of employees contracted and reviewed	100%	-	-	100%	100%

¹ Clean audit – unqualified audit opinion with no material findings

² ICT Maturity refers to Maturity level defines the level at which the ICT Governance is implemented and working within organisations. It is measured using the ICT Gov. MPAT assessment tool from DPSA. Level 1 = No ICT Policies, no nothing around ICT. Level 2 = Polices are in place but not approved or implemented. Level 3 = All ICT policies are in place Approved and implemented. ICT Steering Committee sits Quarterly.

³ Percentage of targets achieved over the total planned for the period. It is derived from the APP planned targets and the reported achieved targets as per quarterly reports.

Output Indicators	Annual Target 2021/22	Q1	Q2	Q3	Q4
performance					
Percentage implementation of the Skills development plan	50%	50%	50%	50%	50%
Percentage spent on Eastern Cape SMME's	50%	-	-	-	50%
ICT Governance framework implemented	ICT maturity level 3	-	-	-	ICT maturity level 3
Organisational performance index	75%	75%	75%	75%	75%

2.4.5 Finance Programme resource consideration

	Audited outcome			Appropriation	Medium term expenditure framework		
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Programme	Rand thousand						
Finance	8 598	10 102	10 607	13 370	13 957	13 473	13 935
Total	8 598	10 102	10 607	13 370	13 957	13 473	13 935
Economic classification							
Current payments	8 246	7 549	9 815	12 197	13 957	13 473	13 935
Compensation of employees	3 011	3 483	3 782	4 490	4 649	4 570	4 603
Salaries and wages	3 011	3 483	3 782	4 490	4 649	4 570	4 603
Goods and services	5 235	4 066	5 996	7 119	7 129	6 396	6 705
Administrative fees	-	-	-	612	636	667	699
Advertising	55	-	-	-	-	-	-
Audit cost: External	1476	1634	1891	1227	1596	948	624
Communication (G&S)	16	19	21	-	-	-	-
Computer services	-	-	63	164	171	179	188
Consultants and professional services	317	299	37	-	-	-	-
Agency and support / outsourced services	-	-	75	-	-	-	-
Entertainment	1	5	-	-	-	-	-
Consumable: Stationery, printing and office supplies	186	297	-	-	-	-	-
Operating leases	-	-	711	1313	1365	1104	1157
Property payments	-	-	326	439	457	478	501
Transport provided: Departmental activity	-	-	-	-	-	-	-
Travel and subsistence	91	95	381	11	11	12	-
Training and development	-	-	-	-	-	-	-
Operating payments	556	696	441	-	-	-	-
Rental and hiring	2 537	1021	2 050	3 353	3 495	3 663	3 839
Interest and rent on land	-	-	37	588	620	649	1 288
Payments for capital assets	352	2 553	792	1 173	1 220	1 278	1 339
Buildings and other fixed structures	-	231	-	-	-	-	-
Machinery and equipment	212	2 282	408	725	754	790	828
Software and other intangible assets	140	40	384	448	466	488	511
Total	8 598	10 102	10 607	13 370	13 957	13 473	13 935

The budget for the finance division includes capital expenditure budget for the entire organization. The entity is committed in ensuring its compliance to laws and regulations as well as maintaining clean audit outcomes.

2.4.4 Corporate Services resource considerations

Programme	Audited outcome			Appropriation	Medium term expenditure framework		
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Rand thousand							
Corporate services	5 934	6 600	7 451	7 764	8 175	6 958	7 106
Total	5 934	6 600	7 451	7 764	8 175	6 958	7 106
Economic classification							
Current payments	5 934	6 600	7 451	7 764	8 175	6 958	7 106
Compensation of employees	3 692	4 759	5 049	5 303	5 515	5 477	5 554
Salaries and wages	3 692	4 759	5 049	5 303	5 515	5 477	5 554
Goods and services	2 242	1 841	2 402	2 461	2 660	1 481	1 552
Administrative fees	-	-	509	2 197	2 386	1 494	1 566
Advertising	65	80	150	158	164	172	180
Communication (G&S)	84	97	55	-	-	-	-
Consultants and professional services	185	20	-	-	-	-	-
Entertainment	16	5	21	-	-	-	-
Fleet services (including government motor tran	52	45	-	-	-	-	-
Inventory: Chemicals, fuel, oil, gas, wood and coal	-	-	121	-	-	-	-
Consumable supplies	-	-	74	-	-	-	-
Consumable: Stationery, printing and office suppl	138	126	100	-	-	-	-
Travel and subsistence	65	203	200	106	110	-	-
Training and development	200	231	235	-	-	-	-
Operating payments	1 435	1 032	925	-	-	-	-
Rental and hiring	2	2	12	-	-	-	-
Total	5 934	6 600	7 451	7 764	8 175	6 958	7 106

Corporate Services is responsible for office administration, supply chain management and human resource management. Funding challenges for this division related to insufficient funding for employee development initiatives relating to provision of bursaries and training. In line with COVID 19 regulations the entity has appointed a compliance officer and has a compliance committee which attends to all workplace needs relating to COVID 19. Entity operations have been adapted to allow for remote working where possible.

2.4.5 Information and Communication Technology resource considerations

Programme	Audited outcome			Appropriation	Medium term expenditure framework		
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Rand thousand							
ICT	2 588	2 820	2 885	3 318	2 234	2 236	2 159
Total	2 588	2 820	2 885	3 318	2 234	2 236	2 159
Economic classification							
Current payments	2 588	2 820	2 885	3 318	2 234	2 236	2 159
Compensation of empic	1 144	1 336	1 454	1 534	1 385	1 370	1 436
Salaries and wages	1 144	1 336	1 454	1 534	1 385	1 370	1 436
Goods and services	1 444	1 484	1 431	1 784	849	866	723
Administrative fees	-	-	265	1 021	708	742	778
Communication (G&S)	16	16	14	-	-	-	-
Computer services	1 347	1 333	926	731	318	391	410
Travel and subsistence	32	63	144	32	-	-	-
Operating payments	49	72	82	-	-	-	-
Total	2 588	2 820	2 885	3 318	2 234	2 236	2 159

The entity's ICT Strategic Plan has been approved and is in alignment with the entity wide strategy. The division currently has two employees responsible for 7 offices throughout the province. The staff compliment of the ICT Division should grow over the MTEF the entity's budget however does not provide for the required growth and implementation. The need for digital transformation of the organisation has been exacerbated by COVID 19 and funding required to further improve on current technologies employed for effectiveness.

2.4.6 Office of the CEO resource considerations

	Audited outcome			Appropriation	Medium term expenditure framework		
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Programme	Rand thousand						
Office of the CEO	5 073	6 208	6 896	7 065	7 667	9 456	9 409
Total	5 073	6 208	6 896	7 065	7 667	9 456	9 409
Economic classification							
Current payments	5 073	6 208	6 896	7 065	7 667	9 456	9 409
Compensation of employees	4 132	4 965	5 334	6 412	6 457	6 988	7 006
Salaries and wages	4 132	4 965	5 334	6 412	6 457	6 988	7 006
Goods and services	941	1 243	1 562	653	2 816	2 771	2 403
Administrative fees	-	-	83	51	85	728	763
Catering: Departmental activities	-	-	24	32	2 061	2 224	2 018
Communication (G&S)	58	73	20	-	-	-	-
Consultants and professional services	57	-	72	-	-	-	-
Infrastructure and planning	-	364	-	-	-	-	-
Scientific and technological services	-	-	1	-	-	-	-
Legal services	-	248	429	-	-	-	-
Contractors	-	-	254	-	-	-	-
Entertainment	-	3	-	-	-	-	-
Travel and subsistence	479	546	488	111	-	-	-
Operating payments	347	9	101	-	-	-	-
Total	5 073	6 208	6 896	7 065	7 667	9 456	9 409

The role of the Office of the CEO is to provide strategic ethical leadership and corporate governance at the ECLB as well as administrative functions of the entity's Board. The division is responsible for ensuring that effective and implementable organisational strategic plans are developed through an inclusive participatory process involving relevant employees and shareholder's representatives, for final approval by the Board. The division is also responsible for monitoring and evaluating the organisational performance against the planned objectives and goals as contained in the annual performance plan and operational plan. Policy formulation and reviews are undertaken annually to ensure that the internal operating environment is flexible and can adapt to external changes in the environment. Legal advisory services are rendered to the entity through the office of the CEO to ensure compliance with relevant statutory requirements.

3. Key risks

#	Outcome	Key Risk	Risk Mitigation
1.	Efficient licensing	<ul style="list-style-type: none"> Reliance on external stakeholders COVID-19 lockdown restrictions 	<ul style="list-style-type: none"> Educating communities on their role relating to liquor trading. Verify community consultation on all liquor applications. The new legislation provides for sufficient community consultation to be conducted prior processing of the application by the ECLA Automation of licencing process
2.	Increased participation by previously disadvantaged in both retail and micro manufacturing levels	<ul style="list-style-type: none"> Resistance to transformation by manufacturers and wholesalers Non-compliance with BBBEE codes Access to resources (credit and finance) Inability to compete with chain stores 	<ul style="list-style-type: none"> Harsh sanctions for non-compliance Development BBBEE codes that are enforceable Mobilisation of resources Establish co-ops/associations Business skills training Fee structure revised to accommodate

#	Outcome	Key Risk	Risk Mitigation
			new entrants and those that are at the lower end of the value chain
3.	Compliant liquor trading and regulated access to alcohol	<ul style="list-style-type: none"> • Growth in criminal activities that affect communities • Over supply of alcohol • Loss of revenue • Reliance on external stakeholders e.g. SAPS • Limited capacity • Non compliance with COVID 19 regulations 	<ul style="list-style-type: none"> • Training liquor traders on responsible trading. e.g. Rolling out the code of conduct to all registered out • Suspending and cancelling licenses for inconsiderate trading. • Review the current regulations in order to provide for Issuing of fines in instance of continued non-compliance • Educating and training stakeholders on their role relating to liquor trading. • Collaborate with law enforcement agencies and additional inspectors if budget permits
4.	Reduction in alcohol abuse and behavioural change towards alcohol consumption	<ul style="list-style-type: none"> • Limited capacity • Negative perception 	<ul style="list-style-type: none"> • Strategic partnerships and collaborations with key stakeholders to enhance the ECLB capacity in fighting against excessive alcohol consumption.
5.	Good corporate governance	<ul style="list-style-type: none"> • Non adherence to prescripts • Shortage of staff • Limited funding • Negative corporate culture 	<ul style="list-style-type: none"> • Staff workshops and information sharing • Collaborations • Internship / Learnership • Change management
		<ul style="list-style-type: none"> • Inadequate ICT infrastructure to support the needs of the organisation. 	<ul style="list-style-type: none"> • Review and assessment of organisational systems and processes • Research, development and implementation of maintenance and support applications • Collaboration with relevant organisations/shared services (Public and Private Sector)
6.	Building organisational reputation and image	<ul style="list-style-type: none"> • Inability of the organisation to adequately prepare for stability of the organisation as a result of pending merger • Lack of funding 	<ul style="list-style-type: none"> • Regular communication and updates between the Task team and the shareholder • Development of terms of reference guiding the process of merger • Proper Consultation with all the affected employees in both institutions
7.	Disaster Management (COVID-19)	<ul style="list-style-type: none"> • Inability of the entity to manage COVID-19 related issues • Decreased productivity 	<ul style="list-style-type: none"> • Implementation of the approved proposal in relation to MEC promulgation through a regulation the of discounted renewal fees for 2021 and deferment period for special events which would be held in 2020 to 2021. • Implementation and monitoring of COVID-19 protocols and business continuity plan

PART D: TECHNICAL INDICATOR DESCRIPTIONS (TIDS)

Indicator Title	% of fully compliant license applications considered within legislated timeframes
Definition	This refers to processing of fully compliant liquor licence applications within the legislated timeframes
Source of data	ECLB licensing system
Method of Calculation / Assessment	% of applications considered within the legislated timeframe
Assumptions	All relevant stakeholders involved in the processing of application 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 Licencing



Indicator Title	Number of new formal liquor traders associations facilitated
Definition	Liquor Traders empowerment refers to reactive interventions facilitated by the ECLB in response to requests and needs identified by licensed liquor traders in order for them to develop and grow their businesses. 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	Certificate of registration as an association
Method of Calculation / Assessment	Simple count of new formal traders' associations facilitated.
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

Indicator Title	Number of Black liquor traders distributors facilitated to participate at higher levels of the value chain
Definition	Liquor Traders empowerment refers to reactive interventions facilitated by the ECLB in response to requests and needs identified by licensed liquor traders in order for them to develop and grow their 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	Meeting registers and certificate of registration
Method of Calculation / Assessment	Simple count of new formal traders associations facilitated.
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

Indicator Title	% of new applications with sufficiently consulted communities
Definition	This refers to all new applications having the required form and process for community participation being fully followed with supporting documentation
Source of data	Licence application
Method of Calculation / Assessment	Count required documents that prove community participation
Assumptions	Reliance on third parties
Disaggregation of Beneficiaries (where applicable)	N/A
Reporting Cycle	Annual progress against the five-year target
Desired performance	Identifies whether actual performance that is higher than targeted performance is desirable.
Indicator Responsibility	Chief Inspector

Indicator Title	% of compliance inspections conducted to ensure compliance with liquor regulations
Definition	This refers to the compliance inspections on licenced liquor outlets where compliance checks were conducted in terms of general provisions of the Act and trading conditions. This does not include pre-inspections. Measures compliance levels against provisions of the ECLA and licence conditions
Source of data	Post registration reports containing verification of registrant particulars, premises and adherence to trading conditions
Method of Calculation / Assessment	Percentage of non-compliant inspections over total compliance inspections conducted.
Assumptions	Resource limitations
Disaggregation of Beneficiaries (where applicable)	N/A
Reporting Cycle	Quarterly
Desired performance	Actual performance that is higher than targeted performance is desirable.
Indicator Responsibility	Chief Inspector

Indicator Title	Number of blitz operations conducted with law enforcement agencies to enforce legislation
Definition	Refers to a concerted effort by various stakeholder 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
Assumptions	Reliance on SAPS and availability of stakeholders (in particular SAPS, municipal law enforcement agencies, Department of Home Affairs Immigration division)
Disaggregation of Beneficiaries (where applicable)	N/A
Reporting Cycle	Quarterly
Desired performance	Actual performance that is higher than targeted performance is desirable.
Indicator Responsibility	Chief Inspector

Indicator Title	Percentage of complaints attended to within 30 days
Definition	Refers to the management of complaints emanating from inconsiderate and/or illegal liquor trading. To ensure speedy attendance to complaints relating to inconsiderate/illegal liquor trading
Source of data	Complaints received through the toll-free number and other communication mechanism.
Method of Calculation / Assessment	Simple count of complaints attended to within 30 days including complaints referred to relevant stakeholders for resolution upon receipt expressed as a percentage over total complaints received over 30 days
Assumptions	Availability of parties
Disaggregation of Beneficiaries (where applicable)	N/A
Reporting Cycle	Quarterly
Desired performance	Actual performance that is higher than targeted performance is desirable.
Indicator Responsibility	Chief Inspector

Indicator Title	Number of anti-alcohol abuse interventions conducted
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Definition	This refers to thematic programmes relating to underage drinking, drunk driving, fetal 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	Attendance registers, newspaper clips, recorded radio adverts indicating themes of the campaigns and regions where they have been conducted
Method of Calculation / Assessment	<ul style="list-style-type: none"> • Simple count of the number of anti-alcohol abuse interventions initiatives conducted • Count of media coverage received
Assumptions	<ul style="list-style-type: none"> • It is assumed that a reasonable number of people will attend Social Accountability intervention initiatives • The emphasis of messages during education and awareness sessions will result to the change of behaviour
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • 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	Annual progress against the five-year target
Desired performance	It is desirable that more education and awareness initiatives are conducted, and more positive media coverage is secured
Indicator Responsibility	Manager Social Accountability

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
Method of Calculation / Assessment	Count of social responsibility initiatives conducted
Assumptions	<ul style="list-style-type: none"> • 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)	<ul style="list-style-type: none"> • Members of community • Farm workers • Women

	<ul style="list-style-type: none"> • Youth (both out-of-school and school-going) • People living with disabilities • Liquor traders
Reporting Cycle	Annual progress against the five-year target
Desired performance	It is desirable that more social responsibility initiatives are conducted, and stakeholder support is attained
Indicator Responsibility	Manager Social Accountability

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
Method of Calculation / Assessment	Number of people that attended education and awareness campaigns and social responsibility initiatives
Assumptions	It is assumed that more people will attend the social responsibility initiatives
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • 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	Annual progress against the five-year target
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	Manager Social Accountability

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
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

Indicator Title	Percentage of employees contracted and reviewed performance
Definition	This refers to the number of employees contracted and reviewed in line with PMDS policy. This also assesses the alignment of individual, divisional and organizational goals. To improve organizational performance through effective management of resources and relationships between individual and organization
Source of data	Signed performance agreement contracts, performance reviews, minutes of the moderation committee and signed score sheets of performance assessments.
Method of Calculation / Assessment	Number of contracted and reviewed employees divided by the total number of employees then multiplied by 100.
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	N/A
Reporting Cycle	Bi-annually
Desired performance	It is desirable to have performance of all employees measured
Indicator Responsibility	Senior Manager: Corporate Services

Indicator Title	Percentage of planned training intervention implemented on the Skills development plan
Definition	Skills development plan is a developmental programme that includes elements of planned skills trainings and courses to capacitate employees and modify attitudes through learning experiences to improve and achieve performance. To capacitate employees and enable them to perform their responsibilities which results in good outcomes.
Source of data	Approved skills development plan and signed attendance registers for all the trainings attended
Method of Calculation / Assessment	Number of training intervention per category, conducted over total trainings planned per skills development plan multiplied by 100.

Assumptions	Challenge with funds for training and development.
Disaggregation of Beneficiaries (where applicable)	N/A
Reporting Cycle	Quarterly
Desired performance	100% actual performance that is desirable
Indicator Responsibility	Senior Manager: Corporate Services

Indicator Title	Percentage spent on Eastern Cape SMME's
Definition	This refers to procurement of goods and services done through SMME's. To provide support and development of SMME's
Source of data	National Treasury Central supplier data base
Method of Calculation / Assessment	Expenditure through SMME's over total goods and services expenditure
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

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 Munities.
Method of Calculation / Assessment	Using MPAT Assessment tool (Maturity level)
Assumptions	Lack of Resources, Training and budgetary constraints
Disaggregation of Beneficiaries (where applicable)	N/A

Reporting Cycle	Annually
Desired performance	Level 3 maturity and above is desirable
Indicator Responsibility	ICT Manager

Indicator Title	Organisational performance index
Definition	This index is expressed as a percentage for organisational performance. It is derived from the APP planned targets and the reported achieved targets as per quarterly reports. The purpose is to measure and evaluate the performance of the organisation against the targets set in the Annual Performance Plan and ensure corrective actions are taken on time.
Source of data	Quarterly reports
Method of Calculation / Assessment	This will be the number of achieved indicator targets divided by the total number of indicators multiplied by 100
Assumptions	Portfolio of evidence to prove achievement
Disaggregation of Beneficiaries (where applicable)	N/A
Reporting Cycle	Quarterly
Desired performance	80%> is desirable
Indicator Responsibility	Manager Strategic Planning