



EASTERN CAPE
LIQUOR BOARD

ANNUAL PERFORMANCE PLAN

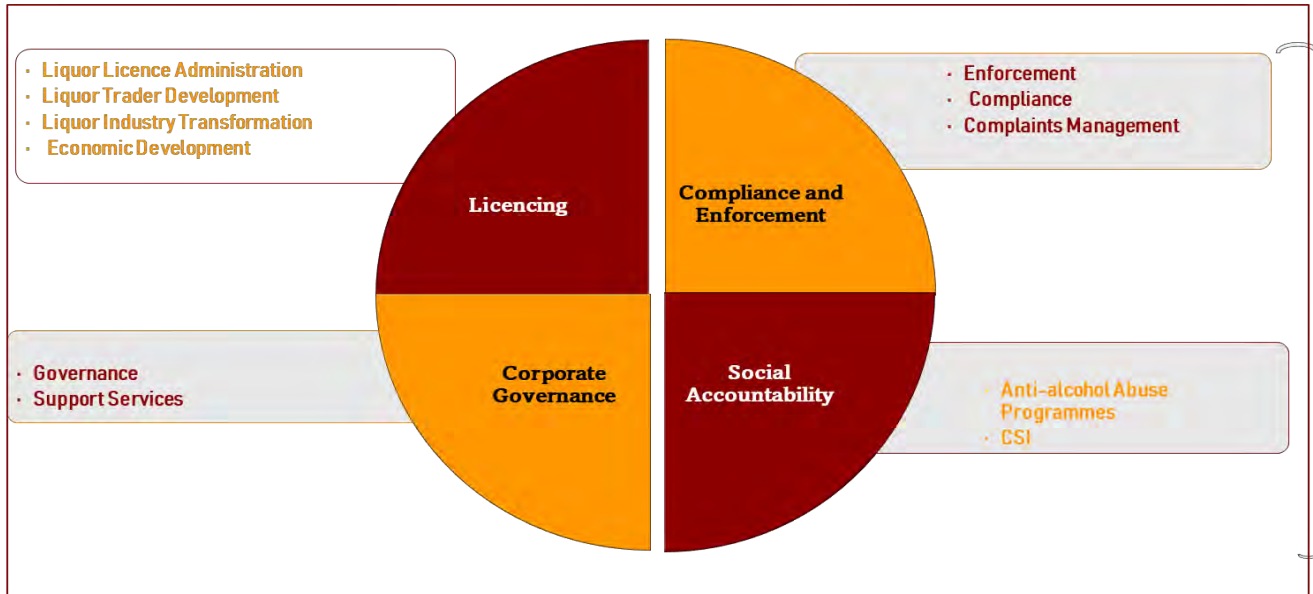
2023 - 2026

Enabling and Promoting a Responsible Liquor Industry

Strategic Plan 2025

ECLB Vision is to be a liquor authority that stives for economic transformation and social cohesion”

Overview of the ECLB



Fast Facts about the ECLB – SUCCESSES

<p style="text-align: center;">Licensing</p> <ul style="list-style-type: none"> • Over 7000 registered liquor traders • Over 90% licence renewal rate 	<p style="text-align: center;">Liquor Trader Development and Transformation</p> <ul style="list-style-type: none"> • Formalisation of small unregistered liquor businesses e.g liquor outlets • Establishment of liquor associations 	<p style="text-align: center;">Social Accountability</p> <ul style="list-style-type: none"> • Over R 100k spent on SCI – sports development • Over 50 000 school going youth reached • ECLB School Ambassadors Programme; Anti-Pens Down programme
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Fast Facts about the ECLB - CHALLENGES

<p style="text-align: center;">Illegal Trading</p> <ul style="list-style-type: none"> • Growing unregistered liquor traders – revenue loss • Noncompliance to licence conditions • Increase in liquor outlet related incidents 	<p style="text-align: center;">Transformation</p> <ul style="list-style-type: none"> • Limited transformation by big manufacturers 	<p style="text-align: center;">Alcohol Abuse</p> <ul style="list-style-type: none"> • Unemployment • Underage and school going youth • Gender-Based Violence and related social ills
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Executive Authority Statement

The 2023/2024 APP review represents the 4th review of the 5-year Strategic Plan. This review is underpinned by a number of developments that have taken place at macro and micro levels. Such macro developments can be characterised by the move to digitalisation of operations, recovering from the devastating effects of the COVID-19 pandemic, the war between Ukraine and Russia which has affected the fuel prices amongst other things and micro level is the increase in violent crimes associated with alcohol abuse across the country. This is over and above the troika of challenges facing the country, that have resulted in increased unemployment and poverty as well as the widening gap of inequality.

While there are positive economic benefits to the sale of alcohol, we also recognise the dangers associated with it. The increase in the accessibility and abuse of alcohol, especially by the underage youth, remains a challenge not only for the Entity but the society at large. Similarly, with the liquor outlets incidents that result in the death of people, especially young and underage youth. The problem of alcohol abuse is a societal problem that necessitates all sectors of government, private sector and civil society to work together to find workable solutions. This further places a huge burden for government to find solutions to manage the use, availability of alcohol.

The country is still dealing and recovering from the devastating effects of the pandemic that have caused human suffering, destabilised the economy, jobs losses, unemployment and poverty. The liquor industry is one of the industries that have been heavily affected by the pandemic and characterised by challenges such as the socio-economic impact of liquor; the slow pace of transformation; standardisation of key aspects of regulation and improved regulatory collaboration; eradicating the manufacturing and trading in illegal or illicit alcohol, to name a few.

Despite these challenges, we are still committed to the vision of the province of “building a future we want” and commit to contribute to the call for the recovery and regeneration of the economy of the province.

The 2023/24 APP is reviewed to adapt to the changing environment as well as respond to policy directives and prioritising the economic recovery plans of the province such as the:

- Economic reconstruction and recovery plan
- Provincial economic strategy
- Five-point plan for economic recovery of the EC.

In order to give effect to the provincial MTSF priorities, the ECLB 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 Entity with the shareholder, DEDEAT are working tirelessly towards of the amendment of the Eastern Cape Liquor Act, 2003 Regulations and the Eastern Cape Liquor Authority Act. The amendment of the 2003 Act Regulations will strengthen the issuance and compliance of licences especially in light of the recent liquor outlet incidents. Furthermore, the amendment of the ECLA Act, 2018, will amongst other things, in meant to improve the compliance and monitoring landscape, improve quality of licenced liquor traders, increase revenue and increase job opportunities.

The entity is committed to mitigating the harmful effects of excessive consumption of alcohol and alleviate the harmful effects of alcohol abuse through education and awareness programmes as well as working with stakeholders. The introduction of initiatives that inform and educate young people about alcohol use and abuse such as the School Ambassadors and Anti-Pens Down.

The ECLB's Board Members have re-affirmed its committed to driving and enhancing improvement in the following areas of operation: -

- Strengthen collaborations with critical stakeholders enforcing compliance with liquor regulations.
- Identification and facilitation of projects that could contribute towards local economic development and economic recovery.
- Fundraising which is of critical importance as there is concern about institutional viability in the light of shrinking budget. There is a need to identify strategic projects in order to leverage funding from the liquor industry and beyond.
- Forming strategic partnerships to drive the transformation (farmers, manufacturers, PPPs, communities, other departments).
- Impact on the socio-economic of the province 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 Regulations 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.

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 1 of 1999 (referred to as PFMA).

The Eastern Cape Liquor Board (referred to as the ECLB) herein humbly submits the draft Annual Performance Plan for the 2023/24-2025/26 MTEF in line with Chapter 5 of the Treasury Regulations issued in terms of the PFMA.



Mr M. Gubingca
Deputy Board Chairperson

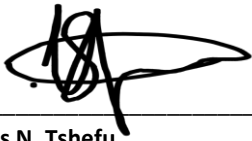


Honourable G.M. Mvoko
Member of Executive Council

Official Sign-Off

It is hereby certified that this Annual Performance Plan:

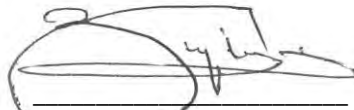
- Was developed by the management of the Eastern Cape Liquor Board under the guidance of Members of the Board and Department of Economic Development Environmental Affairs and Tourism.
- Considers all the relevant policies, legislation and other mandates for which the Eastern Cape Liquor Board is responsible.
- Accurately reflects the impact statements, outcomes and outcome indicators which the Eastern Cape Liquor Board will endeavour to achieve over the period 2023/24 to 2025/26.



Ms N. Tshefu
Official Responsible for Strategic Planning



Mr P. Tyali
Senior Manager: Licensing



Mr Z. Tyikwe
Chief Inspector



Dr M. Msiya
Manager Social Accountability



Ms L.L. Tini
Senior Manager: Corporate Services

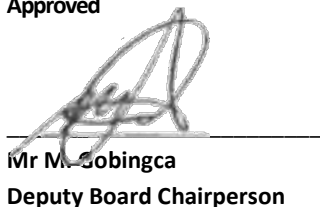


Ms A. Vikilahle
Chief Financial Officer



Dr N. Makala
Chief Executive Officer

Approved



Mr M. Sobingca
Deputy Board Chairperson

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List of Abbreviations and Acronyms

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
CIPC	-	Companies Intellectual Properties Commission
CoGTA	-	Cooperative Governance and Traditional Affairs
COVID-19	-	Coronavirus disease of 2019
DEDEAT	-	Department of Economic Development Environmental Affairs and Tourism
DTI	-	Department of Trade and Industry
EC	-	Eastern Cape
ECLA	-	Eastern Cape Liquor Act
ECLB	-	Eastern Cape Liquor Board
ECLAA	-	Eastern Cape Liquor Authority Act
ECPTA	-	Eastern Cape Parks and Tourism Agency
FAS	-	Foetal Alcohol Syndrome
GBV	-	Gender Based Violence
GDP	-	Gross Domestic Product
HIV	-	Human immunodeficiency virus
ICT	-	Information Communication and Technology
LTDP	-	Liquor Traders Development Programme
MEC	-	Member of the Executive Council
MTEF	-	Medium Term Expenditure Framework
MTSF	-	Medium Term Strategic 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
POPI	-	Protection of Personal Information Act
PPP	-	Public Private Partnership
SALGA	-	South African Local Government Association
SMME	-	Small Medium Micro Enterprise
WHO	-	World Health Organisation



PART A

OUR
MANDATE

PART A: OUR MANDATE

1. Constitutional mandate

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

2. Legislative mandate

The ECLB is governed by the following pieces of legislation:

2.1 Liquor Act 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 governance 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:

- Make provision for the registration of retail sales and micro-manufacturing of liquor in the province.
- Encourage and support the liquor industry
- Manage and reduce the socio-economic and other costs of excessive alcohol consumption by creating an environment in:
 - 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.
 - Community considerations on the registration of retail premises are taken into account; and
 - The particular realities confronting the liquor industry in the province can be addressed.

2.3 Eastern Cape Liquor Authority Act 4 of 2018 (New Act)

A new enabling statute, the Eastern Cape Liquor Authority Act 4 of 2018, was passed and published in the Government Gazette on the 11th March 2019. The said Act awaits proclamation to be brought into effect.

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

Whilst attending to the drafting of the Regulations, it was found that certain legislative provisions require amendment to ensure that the Eastern Cape Liquor Authority Act 4 of 2018 will need to be amended to ensure that it is fit for purpose when proclaimed into effect. Whilst the amendment process of the new Act is unfolding, the Regulations to the current Act 10 of 2003 will be amended to bolster the ECLB's legislative footing.

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,
- Companies Act 71 of 2008,
- National Disaster Management Act and its regulations, and
- Spatial Planning and Land Use Management Act 16 of 2013 and its regulations and municipal by-laws.

3. Policy Mandate

3.1 National Liquor Policy

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

3.2 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.

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 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 on inconsiderate and illegal trading. • 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

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

4. Relevant court rulings

The entity operates in a litigious environment as its decisions may be challenged and /or reviewed by Applicants and or any interested persons. Outlined below are relevant court rulings 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. This is of significant legal importance as it confirmed that a liquor licence constitutes property and provides furtherance of other constitutional rights such as the right to trade.

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

(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 the significance of contextual statutory interpretation: -

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

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

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



PART B

OUR
STRATEGIC
FOCUS

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. Situational Analysis

The analysis is provided to afford a context on the basis for the implementation of the planned targets for the MTEF period. 2023/24 APP is the third review of the 5-year Strategic Plan planning cycle. The three previous years have been hard hit by the effects of COVID-19, thereby affecting the operations and service delivery.

This review takes into consideration the previous year's performance, emerging trends, government policy directions, the digital transformations, this includes planning for the implementation of the amended Eastern Cape Liquor Act, 10 of 2003 Regulations as well as the amendment of the new Act.

4.1 External Environment Analysis

When examining the operating context of the ECLB, it is important to analyse the environment the organisation operates in. At the macro level, the unemployment remains one of the main challenges contributing to the alcohol

abuse. Although the problem of alcohol abuse did not start with the COVID-19 it is crucial to mention its major contribution to its rise.

There is a plethora of social challenges facing communities in South Africa. These are also perpetuated by other external factors. As such, it is not a simple exercise to fight the alcohol abuse challenge as it is also embedded in the family environment. The Entity and industry at large has been engulfed by the death incidents that happened in some of the registered liquor outlets. Increased cases of illegal trading of liquor and manufacturing and distribution of illicit deadly alcohol are some of the major risks facing the Entity. The Entity is working tirelessly to provide workable solutions to the problems behind these incidents. Solutions to these problems require an integrated approach by government, private sector, civil society and communities.

Since the onset of the pandemic in March 2020, South Africa’s liquor industry has been subjected to four liquor bans and several periods in which liquor trading was restricted by the government. It is estimated that the bans and trading restrictions cost the industry over R45bn from March 2020 to July 2021.

During 2020, the EC accounted for 15% of the total volume share in the liquor market. This is a decrease from previous years due to the recurring restrictions. The effect can also be seen in the decrease of 46% in the beer volume sales since the start of the lockdown, while there has been a strong growth in value shares of 22% in unfortified wines, 41% of fortified wines, 23% in Brandy, 25% share of rum and a 27% share of gin; with an anticipated continued growth. The growth in the demand for gin has been largely seen in the Eastern Cape compared to other parts of the country. Despite its loss in value share, beer is still far and away the category’s most important segment making up the largest value sales for the province, this is also attributed by the continued popularity of the craft beer.

4.1.1 Economics of the industry

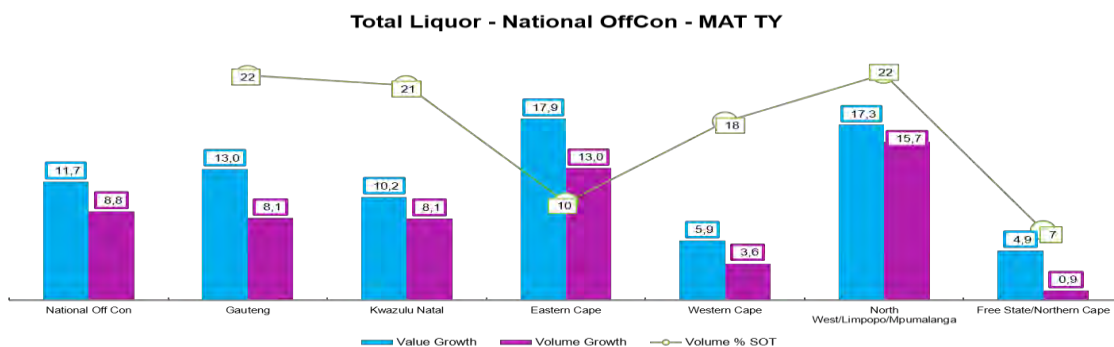
The Nielson report (January 2020) shows that the Eastern Cape is growing ahead in the liquor category in value and volume at 10% share of trade; the Eastern Cape has spent R6 billion in the past year. This reveals that the liquor industry is a strong force in the South African economy and society although 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 below, show the significant contribution by the liquor industry in terms of growth in value and volume. The Eastern Cape (EC) is the largest contributor in terms of growth, while the Western Cape, Free State and Northern Cape are growing behind.

Figure 1: 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



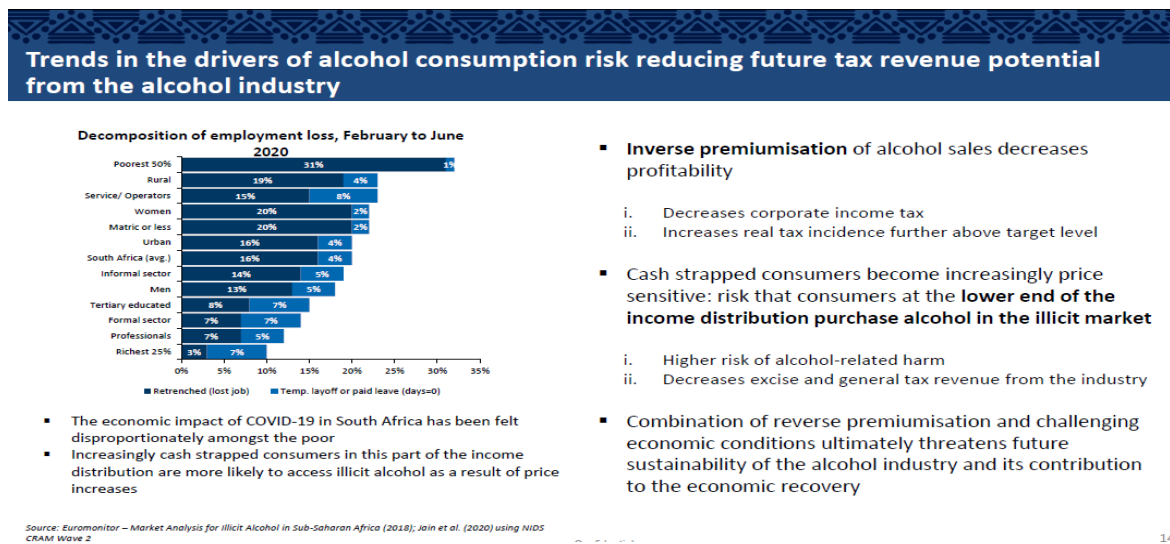
Research also shows that demand for liquor globally and locally is also driven by the population structure. In South Africa, 27% of the population is between the 18-34 years cohort (millennials), and 35% of the alcohol consumption is attributed to this category. This therefore indicates that the millennials are determinants for delivering of liquor growth and should be taken into consideration during planning.

The convenience of online purchasing and the increase in liquor outlets in close proximity to grocery shops has increased the accessibility and ability for consumers to purchase liquor.

The increasing demand for craft products is beginning to plateau. There is a trend of consumers shifting from spirits to craft products at global and local level. While the country, including Eastern Cape is seeing a growth in micro-manufacturing, this shows that there is a need to put more effort to support this area. To date, the Eastern Cape has close to 20 craft brewing and distilling micro-manufacturers.

During the 2021/22 year, ECLB partnered with Eastern Cape Parks and Tourism and Agency (ECPTA) for the launch of the Eastern Cape Craft Brewing, Distilling and Wine route. This initiative forms part of the ECLB’s agenda to develop the industry through the integration and full participation of craft brewing and distilling micro-manufacturers in the value chain of the provincial tourism promotion strategy. The massive media exposure during the launch had a positive impact to the breweries’ businesses.

Figure 2: Trends in the drivers if alcohol consumption

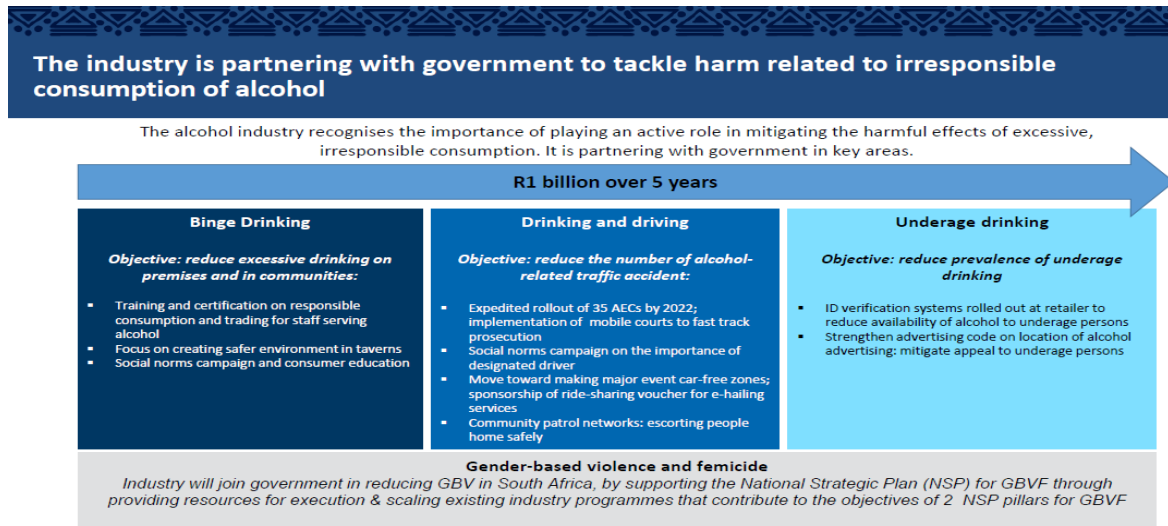


4.1.2 Adverse effect of alcohol consumption

The Eastern Cape Liquor Act enjoins the Entity to mitigate against the harmful effects and the excessive consumption of alcohol 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. The available research data from a study commissioned by Aware.org show that there is also an increase of alcohol consumption among underage people, and this calls for renewed efforts to educate young people about the dangers of underage drinking. It is therefore imperative that necessary steps are embarked upon to fight the scourge of alcohol abuse in all fronts.

This is evident by the number of alcohol related deaths to underage people, such as the Nyobeni and Razzmataz liquor outlets and others not reported.

Figure 3: The industry contribution to tackle irresponsible consumption of alcohol



The Entity is working tirelessly to curb the irresponsible use and abuse of alcohol particularly by underage people. The Entity in its effort to this, has undertaken a number of initiations working with various stakeholders and institutions. Such initiatives include the programme on Institutions of Higher learning, the Schools Ambassador and the Anti-Pens Down. Though these initiatives are a drop in the ocean, the positive effects can be observed. More rigorous efforts are required to make a positive mark in changing the status quo. The Over 60 000 school going youth are reached annually.

4.1.3 The socio-economic impact of alcohol abuse

The Global Alcohol Policy Alliance, (2022) reported that alcohol consumption is a top-ten driver of death, illness and injury, with wide-ranging social and economic harms. Many of the harms related to alcohol disproportionately affect young adults, and surveys from multiple countries suggest that the Covid-19 pandemic has further increased drinking, and South Africa is not excluded.

The Southern African Catholic Bishops Association (SACBC), Justice and Peace Commission and DG Murray Trust (August,2020) further indicates that alcohol abuse is the largest contributor to death and disability after sexually transmitted Diseases (STDs) and interpersonal violence. The report further suggests that alcohol plays a role in 80% of deaths among young men. Data published by the World Health Organization (WHO) also shows that South African consumers of alcohol are some of the heaviest drinkers globally, despite relatively high levels of abstinence in the population. South Africa is currently rated as the fifth (5th) drinking nation in the world.

The WHO’s most recent data tracked levels of alcohol consumption in 2019, showing that an estimated 31% of the population aged 15 and older consume alcohol, with the majority (69%) abstaining from drinking for at least 12 months. While most of the adult population are not big on alcohol, the third of the population who are drinkers, do so heavily or at episodic levels.

Underage drinking is a serious social problem that impacts many school-going and out-of-school young people. Available research studies show that young people start to experiment with alcohol at 13 years old. Findings from a survey conducted by HDI youth marketers shows that in the average South African home, one (1) in every two (2) teenagers is an active drinker, furthermore, forty-nine percent (49%) of learners interviewed indicated that they have consumed alcohol at some stage during their school tenure.

The increase in the reported cases of liquor outlets in the proximity of schools that allow learners into their premises is becoming a challenge as a contributor to the underage drinking. This challenge is compounded by the

mushrooming of illegal outlets around schools. There is also no concerted effort within communities to play a meaningful role in educating young people about the dangers of underage drinking, instead, by and large many elderly members of the communities are involved in the perpetuation of this scourge by allowing young people to consume alcohol and in some instances sending them to purchase alcohol. The break-down of the family structure, which leaves young people with no moral compass, and end up resorting to excessive consumption of alcohol as a refuge from social challenges they experience within the family environment.

The ECLB is committed to ensure unity in the fight against GBV and femicide and acknowledges the compounding effect that was played by the COVID-19 in fuelling the GBV crises. ECLB has heavily relied on the utilisation of multi-media platforms to continue to reach communities with its messages on the GBV, among others. In the execution of the ECLB mandate, renewed focus is placed on advocacy campaigns which educate communities on the harmful consequences of alcohol abuse. The entity will continue strengthening collaborations and partnerships with various stakeholders in order to augment its capacity and resources.

The collaborations impressively assist in the endeavour to alleviate the scourge of excessive alcohol consumption and abuse, enforce compliance with regulations and license conditions, as the budget constraints remain a challenge. The ECLB has established and sustained these strong relationships with sector departments, municipalities, law enforcement agencies, community-based structures, traditional leaders, liquor industry, NGO's, civil society and institutions of higher learning amongst others. Through the strategic alliances, ECLB has been able to achieve greater impact than it could have generated on its own.

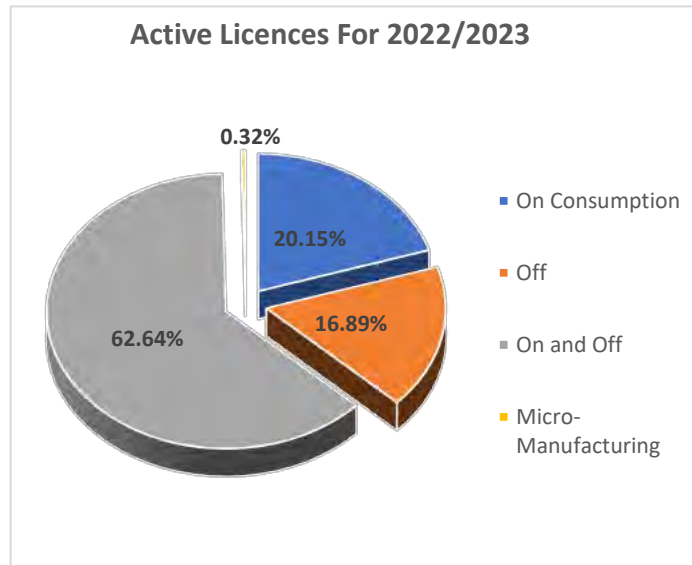
4.1.4 Status of liquor licenses

The advent of COVID-19 and its effects in the socio-economic environment of the province has largely be felt by the liquor industry during the ban on sale of liquor.

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.

The ECLB's contribution to the economy's GDP is through the registrants licensing fees. As the liquor regulator in 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 licenses. For the year 2022/23, the entity had a total of 7 475 active licenses in the province that comprise of different types, such as on-off consumption, on-consumption, off-consumption, and micro-manufacturing. The figure below provides the detailed categorization of licenses.

Figure 4: Active licences by categories

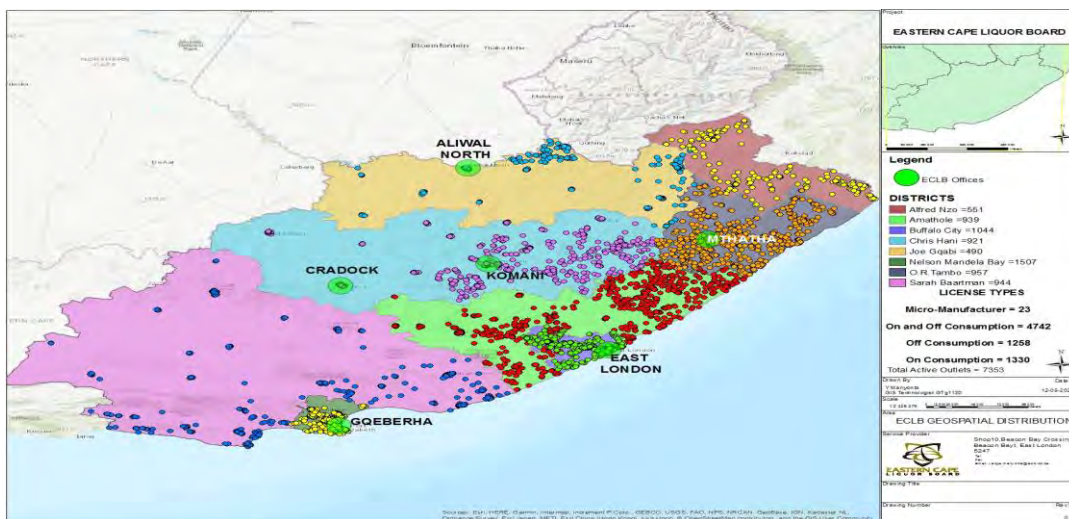


2022/23		%
On Consumption	1569	20,15%
Off	1257	16,89%
On and Off	4661	62,64%
Micro-Manufacturing	24	0,32%
Total Number of Licenses	7475	

The largest proportion of liquor licenses 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.

Depicted below is the spread of registered outlets throughout the province:

Figure 5: Geographical spread of Registered Outlets



4.1.5 Legislative framework

Liquor licensing 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. Significantly, the Eastern Cape Liquor Authority Act, No 4 of 2018 has been pronounced.

However as cited hereabove, whilst attending to the drafting of the Regulations, it was found that certain legislative provisions require amendment to ensure that the Eastern Cape Liquor Authority Act 4 of 2018 will need to be amended to ensure that it is fit for purpose when proclaimed into effect. Whilst the amendment process of the new Act is unfolding, the Regulations to the current Act 10 of 2003 will be amended to bolster the ECLB's legislative footing

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.

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

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

4.1.6 Revenue Collection from Liquor Licenses

COVID-19 regulations relating to sale of alcohol adversely impacted collection of revenue as licensing processes had to be suspended especially during harder lockdown levels in the prior year. The table below illustrates the financial implications detailed above taking into consideration the relief to liquor traders provided by the MEC for DEDEAT which positively impacted 2022/23 financial year revenue collection.

Table 3: Year On Year Revenue Comparison by Month to June 2022

YEAR	APR	MAY	JUN	TOTAL
2021/22	694 251	1 331 380	2 410 600	4 436 231
2022/23	558 050	456 650	1 191 420	2 206 120
DIFF	(136 201)	(874 730)	(1 219 180)	(2 230 111)

Year on year comparison in rand value, of liquor licensing revenue accruing to the provincial revenue fund indicates a year-to-date increase in revenue collection by R2 230 111 when compared with the prior year (2020/21).

These liquor traders were allowed to effect payments in installments from April to June which increased revenue collection during that period. Despite the difficulties, percentage renewals exceeded 95% for the prior year; with 6 896 liquor traders renewing out of 7 475 active licenses that were due for renewal. This can also be attributed to the approval of the MEC to extend the renewal period.

4.1.7 Transformation of the liquor industry

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

- There are very few Black participants in the higher levels of the liquor industry value chain, even those participating is 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.

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

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 chain stores and franchises. The limitations are structural in that the Black participants are poorly organised and do not exploit their buying power leverage which can be used as a meaningful force at this level. Instead, they get exploited by foreign nationals to enter this space and use exactly their buying power to negotiate better deals from the big manufacturers by renting their licenced premises. Subsidization of company registration fees for liquor traders wanting to register as juristic persons.

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.

4.1.8 Emerging risk in the liquor industry

- The increase in the manufacturing and distribution of illicit deadly alcohol.
- Liquor outlets that allow young/underage children to purchase and consume alcohol.
- Renting out of licenses to foreign nationals
- Increasing criminal cases relating to alcohol related activities.
- Encroachment of traditional market for liquor traders by big retail chain stores.
- Preclusion of liquor trading in funding policies of government development finance institutions.

- Delayed conclusion of the revised liquor policy and legislation by the Department of Trade, Industry and Competition (DTIC) since 2014.
- The absence of the transformation charter in the industry, supposed to be promulgated by DTIC.
- Lack of supervision of uncompetitive behaviour by the manufacturers and wholesalers by the Competition Commission.

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

4.2.1 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 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-economics of the province through empowerment of small entrepreneurs and liquor traders and thus also job creation.
- Identification and facilitation of projects that could contribute towards local economic development and economic recovery
- 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, breakdown silos; enhance capability; invest in people.
- The entity will also be focusing on the implementation of the Eastern Cape Liquor Authority Act, No 4 of 2018 (new Act) and the regulations are currently being finalised in order to support the implementation of the Act.
- Major implications in relation to the Act which require funding will be: -
 - mandatory pre renewals and compliance monitoring inspections which will increase the responsibilities of the Inspectors and require more Inspectors;
 - Reconfiguration of the systems to meet new requirements e.g. licensing system;
 - Enhancing social accountability programmes (informed by the norms and standards)
 - Rebranding of the organisation and its district offices.

Key Challenges

CHALLENGES	MITIGATING MEASURES
<ul style="list-style-type: none"> ● Ratio of inspectors per registered liquor outlets = 1:465 	<ul style="list-style-type: none"> ● Training SAPS Officers and Municipal Police on the Liquor Act and designating them as DLO’s
<ul style="list-style-type: none"> ● Ward Councillor performance regarding community consultation ● Capacity of municipalities to enforce their liquor trading by-laws 	<ul style="list-style-type: none"> ● Training of Councillors on their legislative role in the regulation of the retail sale of liquor
<ul style="list-style-type: none"> ● Untenable Socio-economic conditions of our communities resulting to alcohol abuse. ● Growing cases of liquor abuse, including liquor outlets that allow learners into their premises 	<ul style="list-style-type: none"> ● Comprehensive anti-alcohol abuse program that has been developed which includes the facilitation of community social activities such as sport tournaments
<ul style="list-style-type: none"> ● Increasing cases of inconsiderate & illegal trading 	<ul style="list-style-type: none"> ● Collaborations with other law enforcement agencies ● Revised determination of fines ● Opening criminal cases
<ul style="list-style-type: none"> ● Non-monitoring of compliance of the National Registered Outlets (e.g Big Daddy, Ultra, etc) by National Liquor Authority 	<ul style="list-style-type: none"> ● Engaging with relevant licenses authority (NLA) resolve the issue
<ul style="list-style-type: none"> ● Slow transformation of the liquor industry 	<ul style="list-style-type: none"> ● BBBEE compliance provisions in the new act ● Engagements with the big liquor manufacturers and the National Liquor Authority
<p>Inability to measure the impact of the interventions conducted</p>	<ul style="list-style-type: none"> ● Assistance is being sought from DEDEAT to resource the research ● Institutions of higher learning are being approached to support the research requirements of the Entity

Swot Analysis

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

Table 4: ECLB SWOT Analysis

STRENGTHS	WEAKNESS	OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> Leveraging on corporates Effective use of partnerships Enforcement of applicable prescripts (compliance notices) Invest in technology Renewal of licenses Culture of performance 	<ul style="list-style-type: none"> Coordinating with other Spheres Lack of other funding streams Limited human resources Research capacity Insufficient teamwork Limited footprint in the Province Reliance on manual systems (also due to clientele) 	<ul style="list-style-type: none"> Leveraging on corporates Building efficiencies and reprioritising time COVID-19 presented opportunities for improvement in systems and business processes - Integrated and Automation of systems Effective use of partnerships Access to new technological advances Lack of coordination of government programmes (IGR) Implementation of the new Act Access to new technological advances 	<ul style="list-style-type: none"> Long term effects of COVID-19 Increase in illegal trading Growing cases of alcohol abuse Lack of cooperation by key stakeholders e.g. National Liquor Authority. Limited understanding of the liquor industry by government institutions Reduced Funding and Economic Challenges Limited funding Streams and continued budget cuts Overreliance on the shareholder with limited funds Industry faced with negative perceptions – Socio-economic Impact Lack of Clarity on the Rationalisation of SOC in the Province Lack of transformation of the industry Delays in the implementation of the Act Digitalisation and Automation Safety and security of officials

4.2.3 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. All the positions have been filled comprising there are four independent Board members 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 three years and it continues to improve its systems, processes and structures.

4.2.4 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.

4.2.5 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 embarking on strategies to digital transformation over this period in order to improve operational efficiencies. The Entity has since updated its policies and developed a "Remote Work" policy that regulates remote working.

4.2.6 Organisational culture

The entity has thus identified a crucial need for investing in people, embedding a new culture through change management and building organizational capabilities and competencies. Efforts will be made to broadly deploy change management across and throughout the organization.

4.2.7 Organisational redesign

Currently the human resource of the entity is stretched out beyond the standard requirements as well as incompatible functions bundled in as a stop gap measure to provide services in terms of the mandate. It is thus critical that the entity conducts an organisational redesign to address these matters. A job evaluation exercises has been conducted. A review of the organisational structure will be undertaken.

The new Liquor Act provides for additional responsibilities relating to the overall operations of the entity. These include 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 core 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 provisions of the new Act.



PART C
MEASURING
OUR
PERFORMANCE

PART C: MEASURING OUR PERFORMANCE

1. Institutional Performance Information

1.1 Impact

Impact Statement

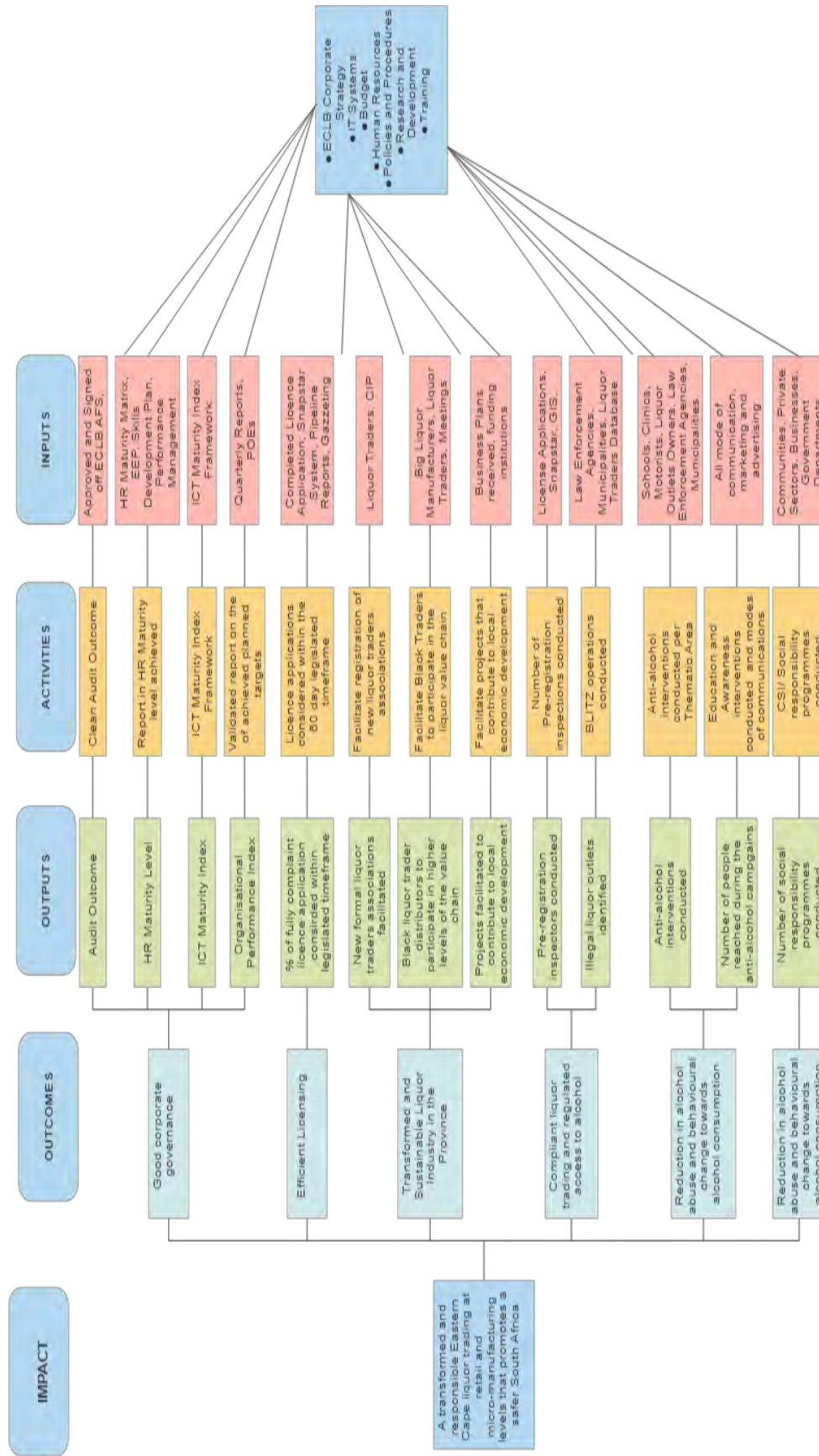
A transformed and responsible EC liquor trading at retail and micro manufacturing levels that promotes a safer South Africa.

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.

This review is still in line with the strategic plans, and no significant changes have been made in this review. The intended impact and outcomes identified in the diagram below for this strategic plan period will contribute towards the achievement of relevant priority areas in the National Development Plan 2030, Provincial Development Plan, the MTSF and the priorities of the Province and 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 the success of certain programmes identified. The district model in subsequent pages further demonstrated the integration of our work with the district municipalities.

The total APP indicators are 16 for this period. No changes have been made or anticipated for this APP review.

Figure 6: The Theory of Change for the ECLB



2. Institutional programme performance information

2.1 Organisational Resource Considerations

Programme	Audited Outcome			Actual Outcome Rand Thousand	Medium Term Expenditure Framework		
	2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
Licensing	6 320	6 625	7 026	7 106	7 367	7 690	8 034
Compliance and Enforcement	24 766	23 858	25 676	27 694	37 518	30 682	30 578
Social Accountability	4 145	7 939	7 714	7 575	9 250	6 788	7 094
Finance	10 607	12 241	14 255	12 813	18 543	15 329	16 672
Corporate Services	7 451	7 984	7 971	8 012	10 763	8 338	8 711
Information and Communication Technology	2 885	2 990	3 088	3 884	8 886	4 573	4 777
Office of the CEO	6 896	6 446	7 229	7 976	8 001	8 444	8 823
Total	63 070	68 083	72 959	75 060	100 328	81 844	84 689
Economic Classifications							
Current Payments	62 278	68 083	70 452	73 582	89 989	80 445	83 227
Compensation of Employees	42 969	43 220	47 149	49 650	56 039	56 620	60 448
Salaries and Wages	42 969	43 220	47 149	49 650	56 039	56 620	60 448
Goods and Services	19 272	24 013	23 254	23 932	33 054	22 344	20 572
Administrative Fees	857	2 800	4 188	3 289	4 106	3 203	3 347
Advertising	770	3 851	3 153	2 532	2 456	1 762	1 740
Minor Assets	-	-	-	-	-	-	-
Audit Cost: External	1 891	1 950	1 748	395	624	652	681
Bursaries: Employees	-	-	-	-	-	-	-
Catering: Departmental Activities	29	210	683	1 143	2 018	1 515	1 583
Communication (G&S)	283	117	397	-	-	-	-
Computer Services	989	657	172	820	1 098	1 124	1 174

Programme	Audited Outcome			Actual Outcome 2022/23 Rand Thousand	Medium Term Expenditure Framework		
	2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
Consultants and Professional Services	109	970	79	-	-	-	-
Infrastructure and Planning	-	-	-	-	-	-	-
Scientific and Technological Services	1	8	-	-	-	-	-
Legal Services	429	51	200	-	-	-	-
Contractors	254	-	-	-	-	-	-
Agency and Support/ Outsourced Services	75	1 016	5	-	-	-	-
Entertainment	21	9	501	-	-	-	-
Fleet Services	634	338	153	817	1 102	122	98
Fuel, Oil, Gas, Wood and Coal	136	-	69	-	-	-	-
Consumable Supplies	74	331	-	-	-	-	-
Consumable: Stationery, Printing and Office Supplies	114	174	626	-	-	-	-
Operation Leases	711	871	503	1 214	430	1 209	1 263
Property Payments	350	407	264	813	590	616	643
Travel and Subsistence	3 096	4 158	2 896	5 318	10 019	2 756	574
Training and Development	235	126	-	-	-	-	-
Operating payments	4 054	2 351	5 024	1 251	4 561	2 679	2 797
Rental and Hiring	4 160	3 163	2 544	6 340	6 050	6 706	6 672
Interest and Rent on Land	37	455	49	-	896	1 481	2 207
Payments for Capital Assets	792	850	2 507	1 478	10 339	1 399	1 462
Buildings and Other Fixed	-	850	-	-	-	-	-
Machinery and Equipment	408	-	1 112	990	828	865	904
Software and Other Intangible Assets	384	-	1 395	488	9 511	534	558
Total	63 070	68 083	72 959	75 060	100 328	81 844	84 689

Explanation of the contribution of resources towards achievement of outputs

- **Non-tax revenue** increased from R69.644 million in 2020/21 to a revised estimate of R69.545 million in 2021/22 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 2022 MTEF, non-tax revenue increases to R75.060 million, R74.993 million, R78.225 million, respectively and R81.726 million for the outer year.
- **Departmental transfers** increased from R65.221 million to a revised estimate of R69.545 million due to additional funding provided for Liquor awareness focusing on higher education institutions and marketing programmes as well as inspection operations. Over the 2022 MTEF, departmental transfers increased to R68.995 million in 2021/22 due to additional funding provided, increases to R74.480 million in 2022/23 and decreases to R74.385 million in 2023/24 as a result of the shrinking fiscal budget and increase again to 77.590 million respectively and R81.726 million for the outer year.
- **Compensation of Employees** increased from R43.220 million in 2020/21 to a revised estimate of R45.727 million in 2020/21 due to additional positions as well as the cost-of-living adjustment. Over the 2022 MTEF, compensation of employees increases to R47.268 million, R48.953 million and R51.150 million, respectively and R53.441 million for the outer year by inflationary cost of living adjustment.
- **Goods and services** increased from R24.013 million in 2020/21 to R25.447 million in 2021/22 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 2022 MTEF, Goods and services increased to R25.936 million in 2022/23 to R24.093 million in 2023/24 and increases to R25.039 million in 2024/25.
- 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** was R2.126 million in 2022/23 to R1.278 million due to systems upgrade. Over the 2022 MTEF, Payments of capital assets increases to marginally to R1.229 million in 2023/24, R1.339 million in 2024/25 and R1.462 million due to maintenance of intangible assets and enhancement of systems to accommodate ever changing technological developments.

3. BUDGET PROGRAMMES

3.1 BUDGET PROGRAMME: GOOD CORPORATE GOVERNANCE

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.

2.2.1 BUDGET SUB-PROGRAMME: FINANCE

Purpose of the Sub-Programme: to administer and maintain appropriate financial management systems in an effective and efficient manner.

Outcomes, outputs, performance indicators and targets

	OUTPUTS	OUTCOME /OUTPUT INDICATOR	STRATEGIC PLAN TARGET 2024/25	AUDITED /ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
				2019/ 20	2020/21	2021/22	2022/23	2023/ 24	2024/ 25	2025/ 26
Good corporate governance	Approved and Signed off AFS of ECLB	Audit outcome	Unqualified Audit Opinion with findings	Clean audit	Clean audit	Clean audit	Clean audit	Unqualified Audit without findings	Unqualified Audit without findings	Unqualified Audit without findings

Output indicators: annual and quarterly targets

Output Indicators	Annual Target 2023/24	Q1	Q2	Q3	Q4
Audit outcome	Unqualified Audit without findings	-	Unqualified Audit without findings	-	-

Finance Programme resource consideration

	Audited Outcome			Appropriation	Medium Term Expenditure Framework		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Programme	Rand Thousand						
Finance	10 607	12 241	14 255	12 813	18 543	15 329	16 672
Total	10 607	12 241	14 255	12 813	18 543	15 329	16 672
Economic Classification							
Current Payments	9 815	12 241	14 255	12 813	18 543	15 329	16 672
Compensation of Employees	3 782	4 165	4 426	4 530	5 330	5 583	5 833
Salaries and Wages	3 782	4 165	4 426	4 530	5 330	5 583	5 833
Goods and Services	5 996	7 226	7 322	6 805	5 978	6 866	7 170
Administrative Fees	-	900	1 615	586	699	730	763
Advertising	-	-	-	-	-	-	-
Audit Cost: External	1 891	1 950	1 024	395	624	652	681
Communication (G&S)	21	15	-	-	-	-	-
Computer Services	63	174	73	179	188	196	205
Consultants and Professional Services	37	126	1 737	-	-	-	-
Agency and Support / Outsourced Services	75	-	198	-	-	-	-
Entertainment	-	-	-	-	-	-	-
Consumable: Stationery, Printing and Office Supplies 297	-	-	-	-	-	-	-
Operating Leases	711	695	503	1 014	430	1 209	1 263
Property Payments	339	339	422	628	501	523	546
Transport Provided: Departmental Activity	-	-	-	-	-	-	-
Travel and Subsistence	381	45	170	250	(303)	(317)	(331)
Training and Development	-	-	-	-	-	-	-
Operating Payments	441	79	402	-	-	-	-
Rental and Hiring	2 050	2 448	1 129	3 753	3 839	3 873	4 043

	Audited Outcome			Appropriation	Medium Term Expenditure Framework		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Programme	Rand Thousand						
Interest and Rent on Land	37	455	49		896	1 481	2 207
Payments for Capital Assets	792	850	2 507	1 478	6 339	1 399	1 462
Buildings and Other Fixed Structures	-	850	-	-	-	-	-
Machinery and Equipment	408		1 112	990	828	865	904
Software and Other Intangible Assets	384		1 395	488	5 511	534	558
Total	10 607	12 241	14 255	12 813	18 543	15 329	16 672

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.

2.2.2 BUDGET SUB-PROGRAMME: CORPORATE SERVICES

Purpose of the Sub-Programme: is to ensure effective provision of organisational development, office administration, supply chain management and human resource management.

Outcomes, outputs, performance indicators and targets

STRATEGIC OUTCOME	OUTPUTS	OUTCOME /OUTPUT INDICATOR	STRATEGIC PLAN TARGET 2024/25	AUDITED /ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
				2019/ 20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Good corporate governance	Signed and Approved Procurement Report	% spent on Eastern Cape SMME's	70%	53.5%	42%	50%	55%	60%	70%	75%
	Progress Report on HR maturity level	HR Maturity level	Level 4	New Indicator	New Indicator	New Indicator	Level 3	Level 3	Level 4	Level 4

Output indicators: annual and quarterly targets

Output Indicators	Annual Target 2023/24	Q1	Q2	Q3	Q4
% spent on Eastern Cape SMME's	60%	-	-	-	60%
HR Maturity level	Level 3	-	-	-	Level 3

Corporate Services resource considerations

	Audited Outcome			Appropriation	Medium Term Expenditure Framework		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Programme	Rand Thousand						
Corporate Services	7 451	7 984	7 971	8 012	10 763	7 424	8 278
Total	7 451	7 984	7 971	8 012	10 763	7 424	8 278
Economic Classification							
Current Payments	7 451	7 984	7 971	8 012	10 763	8 338	8 711
Compensation of Employees	5 049	5 009	5 063	5 721	6 281	6 576	6 871
Salaries and Wages	5 049	5 009	5 063	5 721	6 281	6 576	6 871
Goods and Services	2 402	2 975	2 908	2 291	4 482	1 762	1 840
Administrative Fees	509	1 264	572	1 544	1 866	863	902
Advertising	150	162	153	282	180	188	195
Communication (G&S)	55	39	203	-	-	-	-
Consultants and Professional Services	-	9	79	-	-	-	-
Entertainment	21	12		-	-	-	-
Fleet Services (Including Government Motor Transport)	-	1	19	-	-	-	-
Inventory: Chemical, Fuel, Oil, Gas, Wood and Coal	121	6	20	-	-	-	-
Consumable Supplies	74	189	361	-	-	-	-

Programme	Audited Outcome			Appropriation	Medium Term Expenditure Framework		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Rand Thousand						
Consumables: Stationery, Printing and Office Supplies	100	53	195	-	-	-	-
Travel and Substances	200	144	240	465	2 436	711	743
Training and Development	235	126	265	-	-	-	-
Operating Payments	925	970	751	-	-	-	-
Rental and Hiring	12		50	-	-	-	-
Total	7 451	7 984	7 971	8 012	10 763	8 338	8 711

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 such as the provision of bursaries and training. Entity operations have been adapted to allow for remote working where possible.

2.2.3 BUDGET SUB-PROGRAMME: INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

Purpose of the Sub-Programme: The purpose of the sub-programme is to provide technological support to the organisation.

Outcomes, outputs, performance indicators and targets

STRATEGIC OUTCOME	OUTPUTS	OUTCOME /OUTPUT INDICATOR	STRATEGIC PLAN TARGET 2024/25	AUDITED /ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
				2019/ 20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Good corporate governance	ICT Maturity Index Framework Report on the Assessment of the ECLB ICT Maturity	ICT Maturity Index	ICT Level 4	¹ ICT Maturity Level 2	ICT Maturity level 3	ICT Maturity level 3	ICT Maturity level 3	ICT Maturity level 3	ICT Maturity level 3	ICT Maturity level 4

Output indicators: annual and quarterly targets

Output Indicators	Annual Target 2023/24	Q1	Q2	Q3	Q4
ICT Governance framework implemented	ICT Maturity level 3	-	-	-	ICT maturity level 3

¹ 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.

Information and Communication Technology resource considerations

	Audited Outcome			Appropriation	Medium Term Expenditure Framework		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Programme	Rand Thousand						
ICT	2 885	2 990	3 088	3 884	8 886	4 573	4 777
Total	2 885	2 990	3 088	3 884	8 886	4 573	4 777
<u>Economic Classification</u>							
Current Payments	2 885	2 990	3 088	3 884	8 886	4 573	4 777
Compensation of Employees	1 454	1 610	1 666	1 886	3 163	3 318	3 467
Salaries and Wages	1 454	1 610	1 666	1 886	3 163	3 318	3 467
Goods and Service	1 431	1 380	1 422	1 998	1 723	1 255	1 310
Administrative Fees	265	219	110	992	778	813	849
Communication (G&S)	14	6	19	-	-	-	-
Computer Services	926	483	99	641	910	342	361
Travel and Subsistence	144	32	165	365	(465)	100	100
Operating Payments	82	640	1 029	-	500	-	-
Total	2 885	2 990	3 088	3 884	4 886	4 573	4 777

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.

BUDGET SUB-PROGRAMME: OFFICE OF THE CHIEF EXECUTIVE OFFICER (OCEO)

Purpose of the Sub-Programme: The division is responsible to provide strategic ethical leadership and corporate governance at the ECLB as well as administrative functions of the entity's Board.

STRATEGIC OUTCOME	OUTPUTS	OUTCOME /OUTPUT INDICATOR	STRATEGIC PLAN TARGET 2024/25	AUDITED /ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
				2019/ 20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Good corporate governance	Validated Report on a number of planned targets achieved by the end of the Financial Year	² Organisational performance index / percentage achieved	90%	80%	83%	75%	80%	85%	90%	90%

Output indicators: annual and quarterly targets

Output Indicators	Annual Target 2023/24	Q1	Q2	Q3	Q4
Organisational performance index	85%	85%	85%	85%	85%

² 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.

Office of the CEO resource considerations

	Audited Outcome			Appropriation	Medium Term Expenditure Framework		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Programme	Rand Thousand						
Office of the CEO	6 896	4 664	7 229	7 976	8 001	8 444	8 823
Total	6 896	4 664	7 229	7 976	8 001	8 444	8 823
<u>Economic Classification</u>							
Current Payments	6 896	6 446	7 229	7 976	8 001	8 444	8 823
Compensation of Employees	5 334	4 682	5 079	6 145	6 733	7 049	7 365
Salaries and Wages	5 334	4 682	5 079	6 145	6 733	7 049	7 365
Goods and Services	1 562	1 764	2 150	1 831	1 268	1 395	1 458
Administrative Fees	83	276		628	700	700	733
Catering: Departmental Activities	24	186	312	1 143	5	598	625
Communication (G&S)	20	28	108	-	-	-	-
Consultants and Professional Services	72	961	516	-	-	-	-
Infrastructure and Planning	-	-	-	-	-	-	-
Scientific and Technological Services	1	-	-	-	-	-	-
Legal Services	429	51	200	-	-	-	-
Contractors	254	-	-	-	-	-	-
Entertainment	-	3	3	-	-	-	-
Travel and Subsistence	488	169	981	60	563	97	100
Operating Payments	191	90	30	-	-	-	-
Total	6 896	6 446	7 229	7 976	8 001	8 444	8 823

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.

3.2 BUDGET PROGRAMME: LICENSING

Purpose of the Sub-Programme: is to administer the back office for processing of liquor licence applications and renewal of licenses, monitor the running of the Snapstar Licensing System, secretariat for the Licensing Committee. Implementation of the Liquor Traders Development Programme and facilitate the transformation of the liquor industry to ensure that Black liquor traders participate and move up the full value chain in the liquor industry.

2.3.1 BUDGET SUB-PROGRAMME: LICENSING ADMINISTRATION AND TRANSFORMATION

Outcomes, outputs, performance indicators and targets

STRATEGIC OUTCOME	OUTPUTS	OUTCOME /OUTPUT INDICATOR	STRATEGIC PLAN TARGET 2024/25	AUDITED /ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
				2019/ 20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
1. Efficient licensing	Reports of Licence applications considered within 60-day legislated timeframes	% of fully compliant licence applications considered within the 60 day legislated timeframes	90%	93%	40.4%	60%	70%	60%	70%	75%

Output indicators: annual and quarterly targets

Output Indicators	Annual Target 2023/24	Q1	Q2	Q3	Q4
% of fully compliant licence applications considered within 60 day legislated timeframes	60%	60%	60%	60%	60%

2.3.2 BUDGET SUB-PROGRAMME: LIQUOR TRADER DEVELOPMENT

Outcomes, outputs, performance indicators and targets

STRATEGIC OUTCOME	OUTPUTS	OUTCOME /OUTPUT INDICATOR	STRATEGIC PLAN TARGET 2024/25	AUDITED /ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
				2019/ 20	2020/21	2021/22	2022/ 23	2023/ 24	2024/ 25	2025/ 26
Transformed and Sustainable Liquor Industry in the Province	Proof of formal registration of liquor traders association	Number of new formal liquor traders associations facilitated	16	3	2	2	3	4	5	5
	Proof of newly established liquor traders participating micro/retail level of liquor industry value chain and diversification of the business	Number of Black liquor traders distributors facilitated to participate at higher levels of the value chain	10	-	0	1	2	3	4	4
	Reports on the number of liquor related projects facilitated to support economic development in the Province	Number of projects facilitated to contribute to local economic development	9	New Indicator	New Indicator	New Indicator	3	3	3	3

Output indicators: annual and quarterly targets

Output Indicators	Annual Target 2023/24	Q1	Q2	Q3	Q4
Number of new formal liquor traders associations facilitated	4	-	-	-	4
Number of Black liquor traders distributors facilitated to participate at higher levels of the value chain	3	-	-	-	3
Number of projects facilitated to contribute to local economic development	3	-	-	-	3

2.3.3 Explanation of planned performance over the medium-term period

- Efficient licensing 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 licensing 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.
- 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.
 - 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.
- In contributing to the economic regeneration of the province and contributing to prioritising township economy development, the entity has developed a new indicator that will facilitate and promote locally produced products and full value creation thereof.

2.3.4 Licensing programme resource considerations

	Audited Outcome			Appropriation	Medium Term Expenditure Framework		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Programme	Rand Thousand						
Licensing	6 320	6 625	7 026	7 106	7 367	7 690	8 034
Total	6 320	6 625	7 026	7 106	7 367	7 690	8 034
Economic Classification							
Current Payments	6 320	6 625	7 026	7 106	7 367	6 692	8 034
Compensation of Employees	5 361	5 641	5 906	6 130	6 390	6 692	7 094
Salaries and Wages	5 361	5 641	5 906	6 130	6 390	6 692	7 094
Goods and Services	959	984	1 120	976	977	998	940
Administrative Fees	-	141	199	-	-	-	-
Advertising	371	349	333	120	111	116	19
Communication (G&S)	57	22	31	-	-	-	-
Consultants and Professional Services	-	-	-	-	-	-	-
Consumable: Stationery, Printing and Office Supplies	14	112	27	-	-	-	-
Travel and Subsistence	136	75	130	500	500	500	522
Operation Payments	381	176	400	356	366	382	399
Rental and Hiring	-	109	-	-	-	-	-
Total	6 320	6 625	7 026	7 106	7 367	7 690	8 034

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.

3.3 BUDGET PROGRAMME: COMPLIANCE AND ENFORCEMENT

Purpose of the Programme: 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.

2.4.1 BUDGET SUB-PROGRAMME: PRE-REGISTRATION COMPLIANCE

Outcomes, outputs, performance indicators and targets

STRATEGIC OUTCOME	OUTPUTS	OUTCOME /OUTPUT INDICATOR	STRATEGIC PLAN TARGET 2024/25	AUDITED /ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
				2019/ 20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Compliant liquor trading and regulated access to alcohol	Reports on the number of pre-registered applications inspected	% of pre-registration inspections conducted	90%	931	73%	60%	75%	80%	90%	90%

Output Indicators: annual and quarterly targets

Output Indicators	Annual Target 2023/24	Q1	Q2	Q3	Q4
% of pre-registration inspections conducted	80%	80%	80%	80%	80%

2.4.2 BUDGET SUB-PROGRAMME: POST-REGISTRATION COMPLIANCE

Outcomes, outputs, performance indicators and targets

STRATEGIC OUTCOME	OUTPUTS	OUTCOME /OUTPUT INDICATOR	STRATEGIC PLAN TARGET 2024/25	AUDITED /ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
				2019/ 20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Compliant liquor trading and regulated access to alcohol	Reports on the number of compliance inspections conducted	Number of compliance inspections conducted to ensure compliance with liquor regulations	7 415	5 071	45%	60%	2 700	3 500	4 000	5 000

Output Indicators: annual and quarterly targets

Output Indicators	Annual Target 2023/24	Q1	Q2	Q3	Q4
Number of compliance inspections conducted to ensure compliance with liquor regulations	3 500	1 000	1 000	800	700

2.4.3 BUDGET SUB-PROGRAMME: COMPLIANTS MANAGEMENT

Outcomes, outputs, performance indicators and targets

STRATEGIC OUTCOME	OUTPUTS	OUTCOME /OUTPUT INDICATOR	STRATEGIC PLAN TARGET 2024/25	AUDITED /ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
				2019/ 20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Compliant liquor trading and regulated access to alcohol	Reports on Illegal Liquor outlets identified; Reports on the rand value of illegal liquor Confiscated	Number of blitz operations conducted with law enforcement agencies to enforce compliance with legislation	378	40	50	48	60	60	65	65

Output Indicators: annual and quarterly targets

Output Indicators	Annual Target 2023/24	Q1	Q2	Q3	Q4
Number of blitz operations conducted with law enforcement agencies to enforce compliance with legislation	60	10	20	15	15

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 considered 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 licensing process:
 - Division conducts preregistration compliance inspections which entail in loco inspections to verify inter alia the suitability of the premises, the veracity of community consultation and other relevant information.
 - Post-registration inspections are undertaken to ensure compliance with the administrative and regulatory framework of the Act. This encompasses trading conditions, municipal by-laws and other relevant prescripts.

- The entity further engages in the development of municipal by-laws with COGTA, SALGA and Municipalities, including the capacitation of Councillors on their role in the liquor licences application process.
- 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 including national, provincial, and local sphere to ensure compliance and close down illegal trading will assist in achieving the planned targets:
 - The division conducts joint blitz operations with relevant law enforcement agencies including Home Affairs' Immigration Unit, the SAPS and Municipal law enforcement.
 - The division receives, register and attend to complaints that arise as a result of inconsiderate liquor trading. In this regard there is a complaints management system in the form of a toll-free line through which members of the public can report their challenges.
 - Through these approaches, i.e., blitz and the toll-free complaints system, we are able to identify illegal liquor trading which are then processed through the criminal justice system.
- Together with the industry the entity is rolling 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.

CED Programme resource considerations

	Audited Outcome			Appropriation	Medium Term Expenditure Framework		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Programme	Rand Thousand						
Compliance and Enforcement	24 766	23 858	25 676	27 694	37 518	30 682	30 578
Total	24 766	23 858	25 676	27 694	37 518	30 682	30 578
<u>Economic Classification</u>							
Current Payments	24 766	23 858	25 676	27 694	37 518	30 682	30 578
Compensation of Employees	19 529	19 536	21 048	21 009	25 494	24 622	26 913
Salaries and Wages	19 529	19 536	21 048	21 009	25 494	24 622	26 913
Goods and Services	5 237	4 322	4 628	6 685	12 024	6 060	3 665
Catering: Departmental Activities	5	3		-	-	-	-
Communication (G&S)	92	48	3	-	-	-	-
Computer Services	-	-	-	-	-	-	-
Fleet Services (Including Government Motor Transport)	-	2	299	-	-	-	-
Inventory: Chemicals, Fuel, Oil, Gas, Wood and	623	26	103	717	1 102	122	98

Programme	Audited Outcome			Appropriation	Medium Term Expenditure Framework		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Rand Thousand						
Coal)							
Consumable: Stationery, Printing and Office Supplies	15	-	-	-	-	-	-
Property Payments	-	19	404	-	-	-	-
Travel and Subsistence	24	68	52	85	89	93	97
Operating Payments	1 312	2 250	915	3 224	8 547	2 934	761
Rental and Hiring	1 068	1 230	1 437	72	75	78	80
Total	24 766	23 858	25 676	27 694	37 518	30 682	30 578

Operations of this division are the key cost drivers of the entity and are labour intensive which require traveling long distances for compliance inspections and monitoring blitz operations as well. 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 16 inspectors responsible for compliance monitoring and inspections throughout the province. The inspectors are expected to conduct pre-registration inspections, follow-up on the applications issued with Sections 22(5) notices, post-registration inspections, attend to complaints lodged as well as blitz operations contributes to applications not being considered within the legislated timeframes. There is a need to hire additional inspectors to improve the health and wellness of the inspectors and alleviate the burden of work faced by individual inspectors.

3.4 BUDGET PROGRAMME: SOCIAL ACCOUNTABILITY

Purpose of the Budget Programme: 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.

BUDGET SUB-PROGRAMME: HARM REDUCTION

Outcomes, outputs, performance indicators and targets

STRATEGIC OUTCOME	OUTPUTS	OUTCOME /OUTPUT INDICATOR	STRATEGIC PLAN TARGET 2024/25	AUDITED /ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
				2019/ 20	2020/ 21	2021/22	2022/23	2023/24	2024/25	2024/25
Reduction in alcohol abuse & behavioural change towards alcohol consumption	Reports on the interventions per theme implemented	Number of Thematic reports on the anti-alcohol abuse interventions conducted	1 240	160	291	4	4 thematic reports on the 195 anti-alcohol abuse interventions conducted	4 thematic reports on the 200 anti-alcohol abuse interventions conducted	4 thematic reports on the 220 anti-alcohol abuse interventions conducted	4 thematic reports on the 240 anti-alcohol abuse interventions conducted
	Confirmation Reports Regarding People Reached with messages of liquor abuse; Platforms Utilised to reach people for awareness	Number of people reached through education and awareness interventions	309 000	56 000	29 000	60 000	65 000	75 000	80 000	85 000
Empowered Communities through Social Responsibility /CSI Programme of the ECLB	Reports Projects / Tools / Events Implemented as a plough back to communities Evaluation Reports	Number of social responsibility programmes conducted	58	8	8	11	12	13	14	18

STRATEGIC OUTCOME	OUTPUTS	OUTCOME /OUTPUT INDICATOR	STRATEGIC PLAN TARGET 2024/25	AUDITED /ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS			
				2019/ 20	2020/ 21	2021/22	2022/23		2023/24	2024/25	2024/25	
	demonstrating desired outcomes as a result of Social Responsibility Programme implemented											
	Assessment and evaluation report produced annually	Number of assessment and evaluation reports produced on the interventions conducted	3	New	New	1	1	1	1	1	2	2

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 2022/23 financial year the indicator will be measuring the thematic programmes relating to underage drinking, drunk driving, foetal alcohol syndrome and community awareness programmes. The main activities under these themes will be comprehensively provided when reporting.

Outputs indicators: annual and quarterly targets

Output Indicators	Annual Target 2023/24	Q1	Q2	Q3	Q4
Number of reports on the anti-alcohol abuse interventions conducted	4 Reports on the 195 anti-alcohol abuse interventions conducted	4	4	4	4
Number of social responsibility initiatives conducted	13	3	4	3	3
Number of people reached through education and awareness interventions and social responsibility initiatives	75 000	20 000	18 500	16 500	20 000
Number of assessment and evaluation reports produced	1	-	-	-	1

2.5.1 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, a thematic approach has been adopted by focusing on key areas such as underage drinking, binge drinking and trading, road users, and FAS (pregnant women).
- Social Accountability will design intervention initiatives that are underpinned by key messages on underage drinking, binge drinking and trading, drunk driving and Foetal Alcohol Syndrome. In seeking to fulfil the implementation of Social Accountability Programme, the entity will harness the resources of the local community in undertaking its of its entire programme. This will ensure that support and assistance is provided to particularly members of the community and vulnerable groups that recklessly consume alcohol. A specific intervention activation plan will be developed to address each of the thematic areas with a view to alleviate the excessive consumption of alcohol and promotion of responsible trading.
- The outbreak of the COVID-19 has invariably disrupted ECLB social accountability programme, however, in order to offset this unforeseen interference, ECLB has resorted to utilising multi-media platforms to sustain its messages on responsible alcohol consumption and trading. In addition, during the COVID-19 lockdown, there has been rapid increase in transgressions of the lockdown regulations including reckless trading and consumption of alcohol. This has 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 will continue to constitute the Social Accountability programme to ensure that a broad spectrum of society continues to receive anti-alcohol abuse messages.
- To this end, the concept of the multi-media campaign will increasingly be adopted and will be characterised by the rolling out of outdoor advertising, utilisation of both electronic and print media, and the use of social media platforms.
- Facilitation of the social responsibility programmes will also ensure 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.

Programme resource considerations

	Audited Outcome			Appropriation	Medium Term Expenditure Framework		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Programme	Rand Thousand						
Social Accountability	4 145	7 939	7 714	7 575	9 250	6 788	7 094
Total	4 145	7 939	7 714	7 575	9 250	6 788	7 094
<u>Economic Classification</u>							
Current Payments	4 145	7 939	7 714	7 575	9 250	6 788	7 094
Compensation of Employees	2 460	2 577	3 961	4 229	2 648	2 780	2 905
Salaries and Wages	2 460	2 577	3 961	4 229	2 648	2 780	2 905
Goods and Services	1 685	5 362	3 753	3 346	6 602	4 008	4 189
Advertising	249	3 292	2 367	2 130	2 165	1 458	1 546
Communication (G&S)	24	28	33	-	-	-	-
Fleet Services (Including Government Motor Transport)	11	55	126	-		331	325
Travel and Subsistence	435	1 443	252	454	817	300	300
Operating Payments	966	544	975	762	3 620	1 919	2 018
Total	4 145	7 939	7 714	7 575	9 250	6 788	7 094

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.

4. ORGANISATIONAL KEY RISKS

#	Outcome	Key Risk	Risk Mitigation
1.	Efficient licensing	<ul style="list-style-type: none"> Incompatibility between expectations and legal prescripts. ECLB is insufficiently empowered by the Act to fully execute its mandate relating to processing of liquor Licence applications (Differing interpretations by various stakeholders e.g. expectation of thresholds of licenses to be made vs no legal provision that regulates the licenses). This then fuels negative perceptions regarding the role of the ECLB in regulating liquor trading. 	<ul style="list-style-type: none"> Monitor adherence to standard operating procedures and effect consequence management. (Pipeline management) on a quarterly basis Public Education and Awareness in line with Identifying target group through communication strategy by CEO and the Board annually Developing an implementation plan for the new Act and reporting the progress of the plan to the oversight board on a quarterly basis. Resource mobilization, strengthening of stakeholder collaboration and rigorous implementation and monitoring of communication strategy
2.	Increased participation by previously disadvantaged in both retail and micro manufacturing levels.	<ul style="list-style-type: none"> Low level of responsiveness to influence change (Lack of transformation on how the industry should be regulated) 	<ul style="list-style-type: none"> Facilitation of the new entrance in the industry to move up the value chain
3.	Compliant liquor trading and regulated access to alcohol	<ul style="list-style-type: none"> Insufficient Financial and Human Resources: ECLB is inadequately resourced by provincial government to carry out empowerment programmes as planned, pre-registration inspections and attendance to complaints. 	<ul style="list-style-type: none"> Resource capacitation from the private and public sector. Collaborate with other government departments and parastatals (National, Provincial and Local) Monitoring of adherence to standard operating procedures Rigorous implementation and monitoring of communication strategy. Review of organisational structure. Re-allocate available budget. Develop a plan to attain alternative revenue sources
4.	Reduction in alcohol abuse and behavioural change towards alcohol consumption	<ul style="list-style-type: none"> Industry and consumer Behaviour Persistent flouting of trading conditions by both traders and consumers undermines the work of the Regulator Reputational risk (Industry faced with negative perceptions- socio-economic impact) 	<ul style="list-style-type: none"> Enhanced relations with SAPS, CBOs and local government as well as the industry Partnering with liquor traders to implement local CSR programmes Public Education and Awareness through multimedia Resource mobilization, strengthening of stakeholder collaboration and rigorous implementation and monitoring of communication strategy. Seeking research through partnerships which will lead to evidence/data which may be relied upon. Create awareness (ECLB to change the mindset of communities to see the opportunities linked with liquor licensing) Professionalise the liquor industry (encourage the liquor sellers to be

#	Outcome	Key Risk	Risk Mitigation
			registered as SMMEs)".
5.	Good corporate governance	<ul style="list-style-type: none"> Inability to maintain an elevated governance profile (Inability to maintain clean audit, Inability to achieve organisational strategic goals) 	<ul style="list-style-type: none"> Preparation of Oversight Reports Integration of systems (manual and digitised) Mobilisation of resources (Including funds towards contribution to the skills development levy) Review and monitor the implementation of skills development plan Review of organisational structure and source funding Performance Management Conduct awareness workshops on COVID-19 prevention measures Review Leave Management Policy"
6.		<ul style="list-style-type: none"> Non-compliance with laws and regulations (with PFMA and other applicable laws and regulations) Lack of entity's full compliance to the provisions of Protection of Personal Information Act. 	<ul style="list-style-type: none"> Provide training to staff on the requirements of the enabling Liquor Act, POPIA and PFMA and associated laws Develop a compliance assessment tool or checklist and make it available to every employee. Each unit should prepare a report quarterly that details any incidents of non-compliance with the Act. Enforce consequence management on employees found to be non-compliant."
7.		<ul style="list-style-type: none"> Fraud risk (institution exposed to fraud and corruption due to weak controls and inadequate consequence management) Inadequate resources to support the exploitation of ICT as an enabler (infrastructure to support the needs of the organisation/optimization of the ICT systems and internal controls) 	<ul style="list-style-type: none"> Automation and integration of compatible organisational systems Enforce security measures in all processes" Review of organisational structure and source funding Research, development and implementation of maintenance and support applications Collaboration with relevant stakeholders
8.	Good corporate governance	<ul style="list-style-type: none"> Inability of the organisation to adequately prepare for stability of the organisation as a result of a possible merger. 	<ul style="list-style-type: none"> Matter is raised in the quarterly report to the shareholder
9.		<ul style="list-style-type: none"> Lack of good organisational culture (Silo mentality, Insufficient teamwork) 	<ul style="list-style-type: none"> Continuous improvement and monitoring of admin staff (to improve on customer relations) (HR plans) Breakdown the SOP so that it is easier to understand for junior staff (include on training above) Align internal processes to industry factors (frontline staff) Align and adapt internal processes with shareholder expectations

#	Outcome	Key Risk	Risk Mitigation
10.		<ul style="list-style-type: none"> Lack of coordination with other spheres (municipalities and other stakeholders, eg ECDC) 	<ul style="list-style-type: none"> Strategic planning and organisational performance review Pro-active advocacy programme to influence decision making"
11.		<ul style="list-style-type: none"> Inadequate information to make informed decisions due to limited research capacity 	<ul style="list-style-type: none"> Formalise and leverage on existing research capacity
12.		<ul style="list-style-type: none"> Lack of contributions to government policy (district development model) Lack of policy matching (conflicting policies) 	<ul style="list-style-type: none"> Develop and lead the programmes Assign key officials to participate in programmes"
13.		<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
14.	Good corporate governance	<ul style="list-style-type: none"> Inability of the entity to manage disasters (e.g. COVID 19 related issues, water and electricity, fire, natural disasters etc.) Inability to develop backup plans to manage water shortages and electricity outages which could drive away investors 	<ul style="list-style-type: none"> A media schedule was developed in order to intensify awareness on the impact of COVID and the role of ECLB Continued implementation of awareness campaigns Continued monitoring of relevant policies"



PART D
TECHNICAL
INDICATOR
DESCRIPTIONS
(TIDS

PART D: TECHNICAL INDICATOR DESCRIPTIONS (TIDS)

1.	Indicator Title	Audit outcome
	Definition	This refers to the audit outcome given by the AG after auditing the financial information of the organisation. The purpose is to ascertain if the organisation is managing its finances responsibly, effectively and line with the prescripts of legislation.
	Source of data	AG report
	Method of Calculation / Assessment	Audit opinion issued
	Indicator Method	Non-Cumulative
	Assumptions	Adherence to prescripts, internal controls in place
	Disaggregation of Beneficiaries (where applicable)	N/A
	Reporting Cycle	Annually
	Desired performance	Clean audit outcome
	Indicator Responsibility	CFO
2.	Indicator Title	HR Maturity Level
	Definition	The target refers to the measuring of effectiveness, and efficiency of HR services within the organisation. The target will be measured against the performance management on: effectiveness and efficiency on recruitment and employment equity plan implementation, labour relations, management of employee performance, development of employees and existence of systems.
	Source of data	HR Plan, Skills Development Plan, Employee Wellness Plan, Employment Equity plan
	Method of Calculation / Assessment	A matrix of the factors to be assessed which include targets set in HR plan/recruitment, skills development plan, health and wellness plan, employment equity plan. The matrix tool will be used to determine maturity level. Levels range from 1 as lowest to 5 as highest.
	Indicator Method	Cumulative Year-to-Date
	Assumptions	Availability of resources for implementation i.e. budget
	Disaggregation of Beneficiaries (where applicable)	N/A
	Reporting Cycle	Annual
	Desired performance	Level 3 or more is desirable
	Indicator Responsibility	Senior Manager: Corporate Services
3.	Indicator Title	Percentage spent on Eastern Cape SMME's
	Definition	This refers to procurement of goods and services done through 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
	Indicator Method	Cumulative Year-to-Date
	Assumptions	None
	Disaggregation of Beneficiaries (where applicable)	N/A
	Reporting Cycle	Annually
	Desired performance	40% or more is desirable.

	Indicator Responsibility	Senior Manager: Corporate Services
4.	Indicator Title	ICT Governance framework implemented
	Definition	This refers to the Implementation of ICT Governance as per Department of Public Service and Administration guidelines. The purpose of ICT governance is to ensure that the acquisition, management and use of ICT improves and enables the entity to be efficient and effective in delivering on the mandate.
	Source of data	ICT Governance Policy, ICT Security policy, ICT Steering Committee Members appointment letters, ICT Steering Committee Munities.
	Method of Calculation / Assessment	Using MPAT Assessment tool (Maturity level)
	Indicator Method	Non-Cumulative
	Assumptions	Lack of Resources, Training and budgetary constraints
	Disaggregation of Beneficiaries (where applicable)	N/A
	Reporting Cycle	Annually
	Desired performance	Level 3 maturity and above is desirable
	Indicator Responsibility	ICT Manager
5.	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
	Indicator Method	Cumulative Year-to-Date
	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
6.	Indicator Title	% of fully compliant licence applications considered within 60 days legislated timeframes
	Definition	This refers to 60% of the fully compliant applications received and considered by the Licensing Committee (LC) within the 60-day legislated timeframes submitted by the CED Division. Fully complaint refers to: completed application with supporting documents, proof of community consultation, inspection report The 60 days refers to when a fully complaint application has been received read for LC. A submission of compliant applications to the Licensing committee and the Board for consideration is prepared within 60 days from the date of inspection report; Communicate outcomes within 30 days of Board decision.
	Source of data	ECLB licensing system
	Method of Calculation / Assessment	% of new applications considered within the legislated timeframe
	Indicator Method	Cumulative to date
	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: Licensing
7.	Indicator Title	Number of new formal liquor traders associations facilitated
	Definition	This indicator refers to the number of liquor traders associations facilitated for establishment. These associations are established within the area of operation. It is intended to support liquor traders to grow their businesses and move up the liquor industry value chain by forming associations.
	Source of data	Certificate of registration as an association
	Indicator Method	Simple count of new formal traders' associations facilitated.
	Method of Calculation / Assessment	Cumulative to date
	Assumptions	There will be traders who respond to the call to grow and form associations.
	Disaggregation of Beneficiaries (where applicable)	N/A
	Reporting Cycle	Annually
	Desired performance	It is desirable to have more new formal traders' associations formed
	Indicator Responsibility	Senior Manager Licensing
8.	Indicator Title	Number of Black liquor traders distributors facilitated to participate at higher levels of the value chain
	Definition	This indicator refers to the number of Black Liquor Traders that will be assisted to move up/ participate beyond micro/retail level of the liquor trader value chain, including diversification of businesses. It is intended to support liquor traders to grow their businesses and move up the liquor industry value chain by becoming distributors.
	Source of data	Proof of changed liquor traders business status
	Indicator Method	Cumulative to date
	Method of Calculation / Assessment	Simple count of liquor traders moving up/participating beyond micro/retail level of the liquor trader value chain.
	Assumptions	Challenge with sourcing funds; Positive response from traders in forming a distributor.
	Disaggregation of Beneficiaries (where applicable)	N/A
	Reporting Cycle	Annually
	Desired performance	Actual performance that is higher than targeted performance is desirable.
	Indicator Responsibility	Senior Manager Licensing
9.	Indicator Title	Number of projects facilitated to contribute to local economic development
	Definition	This refers to the number of projects proposals that will be facilitated for funding to contribute to local economic development. Applications will be received from the liquor traders or persons interested to venture into the industry and submitted to facilitate funding opportunities from various stakeholders including financial institutions and government.
	Source of data	Project proposals received for funding opportunities
	Method of Calculation / Assessment	Number of proposals received.
	Indicator Method	Non-Cumulative
	Assumptions	No funding application will be funded.

	Disaggregation of Beneficiaries (where applicable)	This will depend on the merits of each application received
	Reporting Cycle	Annually
	Desired performance	100% compliance
	Indicator Responsibility	Senior Manager: Licensing
10.	Indicator Title	% of pre-registration inspections conducted
	Definition	This refers to all applications for registration liquor license that have been received and are ready for preregistration inspection. The inspectors conduct physical inspections at the premises that will used for the sale.
	Source of data	Licence applications received
	Indicator Method	Cumulative to date
	Method of Calculation / Assessment	Percentage of licence applications pre-inspected against the total received during the quarter. The annual will be a total some of the quarterly applications inspected.
	Assumptions	Meeting timelines may be affected by the high reliance on third parties such as ward councillors and verification of information by relevant municipal departments
	Disaggregation of Beneficiaries (where applicable)	N/A
	Reporting Cycle	Quarterly
	Desired performance	To achieve desired performance, at least 75% of applications received must be inspected.
	Indicator Responsibility	Chief Inspector
11.	Indicator Title	Number of compliance inspections conducted to ensure compliance with liquor regulations
	Definition	This refers to the compliance inspections on selected licenced on and off consumption liquor outlets in residential areas, both urban and rural, where compliance checks are conducted in terms of general provisions of the Act and trading conditions. It measures compliance levels against provisions of the ECLA and licence conditions. Focus is mainly on problematic outlets as they tend to trade inconsiderately. This indicator will be implemented based on the categorisation of liquor licenses holders to be inspected. Each year, a set of focus/ priority areas for inspections will be agreed on and measured.
	Source of data	Post registration inspection reports containing verification of registrant particulars, premises and adherence to trading conditions
	Method of Calculation / Assessment	Counting of inspection reports completed on inspection.
	Indicator Method	Cumulative to date
	Assumptions	Unforeseen circumstances such as declared disasters and security considerations
	Disaggregation of Beneficiaries (where applicable)	N/A
	Reporting Cycle	Quarterly
	Desired performance	Actual performance that meets the targeted performance is desirable.
	Indicator Responsibility	Chief Inspector
12.	Indicator Title	Number of blitz operations conducted with law enforcement agencies to enforce legislation
	Definition	Refers to a concerted effort by ECLB together with 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
	Indicator Method	Cumulative to date
	Assumptions	Reliance on SAPS and availability of stakeholders (in particular SAPS, municipal law enforcement agencies, Department of Home Affairs Immigration division) may affect the output.
	Disaggregation of Beneficiaries (where applicable)	N/A
	Reporting Cycle	Quarterly
	Desired performance	Actual performance that meets the targeted performance
	Indicator Responsibility	Chief Inspector
13.	Indicator Title	Number of thematic reports on the anti-alcohol abuse interventions conducted
	Definition	This refers to thematic programmes relating to underage drinking, drunk driving, foetal alcohol syndrome and community awareness programmes/initiatives that are undertaken to empower communities with information and knowledge on how to responsibly use alcohol targeting schools, clinics, communities, farms and liquor outlets through community sessions, workshops, printed material, print media, electronic media, and social media.
	Source of data	Report outlining interventions undertaken per thematic area; Attendance registers, newspaper clips, recorded radio adverts indicating themes of the campaigns and regions where they have been conducted
	Indicator Method	Cumulative to date
	Method of Calculation / Assessment	<ul style="list-style-type: none"> Simple count of the number thematic reports on the anti-alcohol abuse interventions initiatives conducted. The reports will be equal to the number of thematic areas per quarter.
	Assumptions	<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
14.	Indicator Title	Number of social responsibility initiatives conducted
	Definition	This refers to the social responsibility initiatives that are intended to sponsor and support communities through projects that provide alternative, such as the facilitation of sporting activities and support to community cooperatives
	Source of data	A schedule for the social responsibility initiatives, attendance registers indicating themes for the initiatives implemented, dates and areas where they are implemented
	Indicator Method	Cumulative to date
	Method of Calculation / Assessment	Count of social responsibility initiatives conducted

	Assumptions	<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 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
15.	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
	Indicator Method	<ul style="list-style-type: none"> Cumulative to date
	Assumptions	<ul style="list-style-type: none"> 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

16.	Indicator Title	Number of assessment and evaluation reports produced on the interventions conducted
	Definition	<ul style="list-style-type: none"> This refers to both baseline assessment and evaluation of the Social Accountability intervention initiatives. Baseline assessment entails sourcing of baseline data that will inform Social Accountability interventions, and subsequent to the implementation, an evaluation will be undertaken to determine programme effectiveness /impact.
	Source of data	<ul style="list-style-type: none"> Baseline assessment and evaluation reports
	Method of Calculation / Assessment	<ul style="list-style-type: none"> Number of assessment and evaluation reports generated
	Indicator Method	<ul style="list-style-type: none"> Cumulative to date
	Assumptions	<ul style="list-style-type: none"> It is assumed that Social Accountability intervention initiatives will be evaluated to determine the impact and various research entities will provide necessary support to fulfil this indicator.
	Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> N/A
	Reporting Cycle	<ul style="list-style-type: none"> Annually
	Desired performance	<ul style="list-style-type: none"> It is desirable that social accountability intervention initiatives are effectively informed by a baseline assessment and after implementation an evaluation process is embarked upon.
	Indicator Responsibility	<ul style="list-style-type: none"> Manager Social Accountability



ANNEXURES

ANNEXURE A: DISTRICT DEVELOPMENT MODEL

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

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

ANNEXURE B: AMMENDMENTS TO APP AND STRATEGIC PLAN

(i) Changes to Budget Programme

BUDGET PROGRAMME	BUDGET SUB-PROGRAMME	DIVISIONS
ONE: CORPORATE SERVICES MANAGEMENT & ADMINISTRATION	<ul style="list-style-type: none"> Financial Management Services Strategic Management Services Office of the CEO ICT Corporate Services 	<ul style="list-style-type: none"> OCEO Finance Corporate Services ICT Strategic Planning/Management Services Legal Services and Board Admin
TWO: LICENSING	<ul style="list-style-type: none"> Licensing Administration Liquor Trader Development and Transformation 	<ul style="list-style-type: none"> Licensing
THREE: COMPLAINCE AND ENFORCEMENT	<ul style="list-style-type: none"> Pre-Registrations Post-Registrations Illegals/Complaints 	<ul style="list-style-type: none"> Compliance and Enforcement
FOUR: HARM REDUCTION AND SOCIAL ACCOUNTABILITY	<ul style="list-style-type: none"> Harm Reduction and Awareness Corporate Social Investments Communications Research and Innovation Stakeholder Management and Relations 	<ul style="list-style-type: none"> Social Accountability