

Chairman's Brief

The liquor licence litany

Over the past four years the South African liquor industry has seen unprecedented liquor regulatory reforms, many of which have been controversial. *The Taverner* takes a look at the reforms and considers whether it brings any value to the industry.

The introduction of the Liquor Act 59 of 2003 entrenched a tier-based regulatory framework that conferred exclusive responsibility to the national and provincial spheres of government. The Act established the National Liquor Authority (NLA), as a division of the Department of Trade and Industry, and the National Liquor Policy Council (NLPC), tasked with the harmonisation of liquor policy and legislations and to consult matters of cooperative governance.

The Act also entrenches a social responsibility principle by requiring distributors and manufacturers to combat alcohol abuse. However, balancing the effect of liquor abuse against promoting the economic imperatives of the industry remains a challenge.

The NLA held its first Biennial Liquor Regulation Regional Conference, under the theme Towards a Harmonised and Integrated Liquor Regulation in March. The two day conference hosted policy-makers, liquor associations, enforcement agencies, civil society organisations, the academic community and others, to discuss regional and international best practice in the area of liquor regulation, the harmonisation of liquor policy and the enforcement thereof.

Its timing could not have been more pertinent, considering the recent developments in the industry. Many of these developments raise the question of whether all the changes have brought any value to the industry, and the related industries, such as the hospitality industry.

The controversy in the Western Cape is a case in point. A new bylaw on liquor trading days and hours has caused much upheaval, since it will prevent guesthouses, pubs, clubs and theatres in Cape Town residential areas from selling alcohol past 9pm. Establishments in business nodes will be able to trade until 2am.

If the bylaw is passed, the 2010 FIFA World Cup

could be a sober event for visitors to the city. The chairman of the FEDHASA in the Cape, Phillip Couvaras, was quoted in the media as saying that at the dawn of 2010, services to international visitors are being reduced instead of being enhanced. "In Europe, you don't go out to dinner before 9pm. The city needs to address issues like women and alcohol abuse and not the international traveller going out for dinner."

Interestingly, the reaction from South African consumers is divergent, according to African Response's 2010 Barometer, a monthly poll which was established to track public perceptions on the progress of South Africa's preparations for the 2010 Soccer World Cup. It found that half of the South African population supports the draft bylaw, while a significant number of South Africans (41%) did not think that passing this law is a good idea. In response to the question of whether this regulation should be applied to the rest of South Africa, respondents demonstrated the same trend - 51% agreeing that it should, whilst 42% thought that it was a bad idea.

The impact of such regulation on the hospitality and tourism industry is clearly lost on the average man in the street, or more accurately, exactly half of them.

The controversial new Western Cape Liquor Act has also made waves. Members of the Western Cape Shebeen Association staged a march to parliament in February, demanding better treatment and the opportunity to voice their grievances regarding the Act.

The Act certainly placed the issue of unlicensed traders under the spotlight with a ban on selling alcohol to unlicensed taverns. There are 6 680 legal drinking establishments in the province and an estimated 30 000 illegal shebeens - of which several were closed down under the new regulation.

However, according to a report in the Cape Argus,