



**WESTERN CAPE**  
LIQUOR AUTHORITY

# BOARD REPORT FOR 2015/2016

Report by Board Chairman

(Michael Eric Jones)



2015/16 FINANCIAL YEAR

## **Introduction**

The first year of my Chairmanship has passed so quickly. It has come with many challenging and rewarding moments. Through a year of transition, we relocated premises, rebranded the Western Cape Liquor Authority (WCLA) and appointed a new Chief Executive Officer, Dr. Mdunyelwa. We made good progress on many fronts, including building out strategic platforms, while establishing exciting new ones which we look to achieving over the next period.

I am honoured to be only the second Chairman since the new structure of the WCLA and hope that, I, together with my fellow Board Members, will leave a legacy of good leadership and institutional structure for operational longevity. I believe in the importance of our purpose, held in common by our stakeholders, and am truly humbled to lead the incredibly talented and dedicated people who work for the WCLA.

We face challenges are health, jobs and economic development in both developed and emerging markets. When combined with the rapidly changing demographics of an increasing, diverse population, a growing middle class and the persistence of chronic disease, unemployment and the need to constantly find a balance in the interest of the Western Cape and all of its people the scale and complexity of these issues are magnified. In line with this, the WCLA aims to exercise its mandate as a regulator to ensure responsible manufacturing, distribution, sale and consumption of alcoholic beverages.

I believe that though transparent and open consultative communication with all stakeholders, internal and external, led by the CEO and his executive team will drive all initiatives aimed at achieving our objectives interest of the WCLA and benefit of our stakeholders.

We recognise that our responsibility is one we consider a huge responsibility and a privilege and I am pleased with how we are managing that responsibility thus far, however I am not completely satisfied, as there are some key initiatives and opportunities that is yet to be realised.

## **Overview**

The WCLA has now completed four years of existence since 1 April 2012, it gives me pleasure to present the annual report for the 2015/2016 financial year. The annual report provides an opportunity to reflect on the financial and non-financial performance of the WCLA for the year under review.

With a solid foundation being laid over the past four years, it is now time for us to stretch out and make significant growth for the next four years. After identifying some challenges in the operating environment, the Board in conjunction with the management team, finalised a detailed plan which is geared to assist us with

overcoming some of these challenges and to provide strategic growth opportunities.

We achieved 94.58% expenditure of our budget. Furthermore, we managed to meet and exceed most of the performance indicators directly under our control. During the year under review, the WCLA had milestones which includes:

- end of the previous Governing Board's term and the appointment of a new Governing Board;
- appointment of a Chief Financial Officer;
- appointment of the Presiding Officer of the Liquor Licensing Tribunal (LLT) for another term;
- move of mother department on 1 April 2016 from The Department of Economic Development to The Department of Community Safety;
- amendments to the Western Cape Liquor Act 4/2008 as amended; and
- the achievement of a clean Audit Report for 2015.

## **Business results**

The initiatives, as set in the Annual Performance Plan (APP); to highlight a few i.e. integrated technology administrative systems, revenue/cost management proposition together with the Organisational Redesign Project will enable the WCLA to deliver more efficiently and effectively. The pending legislative amendments and regulations to the Liquor Act, including additional proposed amendments, will enable the Liquor Licencing Tribunal (LLT) build capacity and fluidity in both the decision making and operational aspects for the WCLA to render an improved service. These long outstanding amendments and regulations are crucial in providing a seamless process that is more responsive to the needs of the business of the WCLA, but more importantly to deliver to the community of the Western Cape.

## **Committees' performance**

Committees were set up in line with codes of good governance. They are established in support of the initiatives as per the Annual Performance Plan (APP) in driving the objectives of the WCLA. Effective communication is the building blocks of successful organisations and it is also essential to understand stakeholder perceptions to enhance the credibility and reputation of the WCLA. Though our Stakeholder committee we have leveraged this over the past 18 months with the view to build collaborative and integrated partnerships. Our Operations Committee has done well in its governance responsibilities and have identified key administrative improvements. Retention policies have been considered by the Human Resources and Risk Committee over the period. This, we hope will positively impact the work life and development of our employees with a view to retain staff in this specialised field.

## **Stakeholders**

Much is said about the extent to which we engage with stakeholders and I believe that we have much to learn from all stakeholders; direct and indirect. As part of remaining relevant and up to date with industry developments, this will be an area that we will continue to nurture. We have managed to draw closer in our relationships in a way that we are able to find common ground for inclusivity, allowing the WCLA to leverage the information, resources and knowledge. We thank those who have partnered with us in the various initiatives; your contributions and partnerships is appreciated.

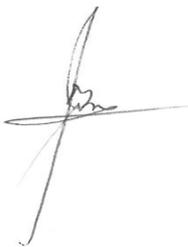
## **Organisational way forward**

It is always a challenge to respond appropriately and with the intention that is immediate, satisfactory and efficient to deliver on our expectations and that of our stakeholders. In an effort to strive to be the best authority in the world, we strive for what is possible and what is reasonably deliverable with our limited resources. With this in mind, we look to refine the business and operational model from all aspects, including, but not limited to, structure, legislative amendments, policy inputs and recommendations, costing analysis and operational efficiencies. A resolution to actively pursue the satellite centres to service the broader Western Cape will take the form of a pilot project. The amendments of April 2016, with reference to the inclusion of peace officers, has the WCLA initiating the development of an integrated operational plan to consider in the 2016/2017 period. The opportunity affords us the prospect for better regulation of both the legal and illegal spaces. We look welcome and look forward to working with the relevant departments in progressing this.

## **My commitment to you**

Thank you to a dynamic Governing Board the CEO and executive team for your commitment and personal values, knowledge and experience. To the HODs (Mr. S Fourie and Mr. G Morris) and Ministers of the Economic Development and Department of Community Safety (Minister A. Winde and Minister D. Plato) thank you for your continued support and I look forward to delivering against the APP over the next period.

Better together.



**Michael Eric Jones**

**Chairman - Western Cape Liquor Authority**