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Summary of the National Liquor Policy, 2016¹

The "National Liquor Policy, 2016" outlines policy recommendations to amend the Liquor Act, 59 of 2003, with the goal of **restructuring the liquor industry** and **addressing the socio-economic costs associated with liquor abuse** in South Africa.

Historically, South Africa's liquor industry was characterised by disparities and a large informal sector, leading to social breakdown, family violence, alcohol-related diseases, crime, and accidents in poor communities under apartheid policies. Post-1994, the government aimed to balance the economic benefits of liquor trading with the harmful effects of its use. A 1997 policy framework sought to regulate liquor registration and establish enforcement structures, addressing socio-economic disparities. However, progress has been slow, and the industry remains largely untransformed.

The policy review identifies several key challenges:

- **Socio-economic impact of liquor:** Alcohol abuse is increasing, leading to conflict, violence, crime, diseases, high-risk sexual behaviours, and road accidents. South Africa has some of the worst drinking habits globally, with high annual consumption per drinker and significant costs (estimated R37.9 billion annually) for healthcare, crime, social welfare, treatment, prevention, and road traffic accidents. The country also has one of the highest rates of Fetal Alcohol Syndrome (FAS) worldwide, with an estimated 6 million people mentally or physically disabled by alcohol effects. Youth alcohol consumption is also significantly increasing, leading to long-term problems and impaired neurological development.
- **Slow pace of transformation:** The liquor industry remains predominantly white-owned, with high concentration and low competition, hindering new entrants, particularly historically disadvantaged individuals.
- **Standardisation of key aspects of regulation and improved regulatory collaboration:** Fragmented liquor regulation, with the Liquor Act, 1989, still in force in some provinces, hampers enforcement and effectiveness of interventions, creating confusion and a lack of harmonisation.
- **Eradicating the manufacturing and trading in illegal or illicit alcohol:** A large illegal sector makes it difficult to combat liquor abuse effectively, compile statistics, and poses a threat to licensed players.

¹ Source: Google NotebookLM

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- **Challenges with regulatory capacity within the National Liquor Authority (NLA):** The NLA has been unable to appoint a sufficient number of inspectors to monitor manufacturing and distribution licenses, allowing the unlicensed sector and illicit trade to thrive.
- **Lack of an internal review mechanism:** The absence of an internal review process within the NLA leads to costly and lengthy court processes for administrative issues, hindering speedy redress for aggrieved applicants.
- **Ensuring an effective National Liquor Policy Council (NLPC):** The NLPC, a coordinating structure, often fails to achieve a quorum, delaying the finalization of crucial matters.

To establish and maintain control over the liquor industry, the policy proposes a comprehensive set of interventions:

1. Legislative and Regulatory Harmonization and Standardization:

- **Repeal of the Liquor Act, 1989:** The Liquor Act, 1989, must be repealed in all provinces to ensure a **harmonised legal framework** and consistency in liquor law application.
- **Uniform Definition and Content Standards:** A **standard and uniform definition for liquor** must be used nationwide, and regulations on liquor content and packaging are to be enhanced.
- **NLPC Empowerment:** The NLPC's effectiveness will be improved by **empowering it to take binding decisions** even without a quorum, ensuring proper policy coordination.

2. Strict Licensing and Operational Controls:

- **Increased Minimum Legal Drinking Age (MLDA):** The MLDA is proposed to be **raised from 18 to 21 years** to delay youth alcohol consumption, with strict liability for contraventions. Licensees must **verify the age** of anyone appearing under 21 by requesting an identity document.
- **Prohibition of Secondary Supply:** It will be an **offence for an adult to supply liquor to a person under 21 years** or to purchase liquor on their behalf.
- **Restrictions on Sale to Intoxicated Persons:** Licensees **must not sell or supply liquor to visibly intoxicated persons** and will bear liability for harm if they do.

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- **Premises Location Restrictions:** Liquor premises **must be located at least 500 metres away** from schools, places of worship, recreation facilities, rehabilitation/treatment centres, residential areas, and public institutions. No new licenses are to be issued for petrol service stations, premises attached to them, or premises near public transport. Licensing authorities must **collaborate with municipalities, traditional authorities, and town planners regarding zoning**. Manufacturing and distribution businesses should be in **industrial zoned areas**, with existing ones potentially required to relocate.
- **Uniform Trading Hours:** Minimum standards for trading hours will be set for different license types (e.g., manufacturers, distributors, off-consumption, on-consumption, nightclubs, accommodation, special events) and integrated into all legislation levels.
- **On-Premises Conduct Requirements:** On-consumption outlets must provide **free drinking water**, gender-specific **ablution facilities (including for people with disabilities)**, and **free condoms** [Norms and Standards]. They must also comply with **basic safety and evacuation measures** [Norms and Standards]. **No weapons or sharp objects are permitted** inside on-consumption liquor premises [Norms and Standards].
- **Noise, Nuisance, and Pollution Control:** Licensees are responsible for ensuring **noise levels do not cause disturbance** to neighbours.
- **Mandatory Licensing Conditions and Penalties:** Failure to observe mandatory licensing conditions can lead to **suspension or termination of the liquor license**. Non-compliance in existing premises may result in hefty penalties, suspension, or revocation.

3. Enhanced Enforcement and Accountability:

- **Increased Liability for Manufacturers and Suppliers:** Manufacturers and suppliers will be held **liable for supplying products to unlicensed traders** if harm or damage ensues to patrons.
- **Strengthened National Liquor Regulator (NLR):** The NLA will be **repositioned as the National Liquor Regulator (NLR)** of the dti, with increased capacity for **compliance, education, awareness, enforcement, registration, and reviews**. The NLR will monitor the liquor trade holistically, not just licensed traders.

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- **Coordinated Enforcement:** National, provincial, and local government liquor regulation bodies, including SAPS, SARS, DAFF, Health, and DoJCD, must **work together seamlessly** to coordinate policy response, share information, and ensure successful enforcement activities. SAPS officials may be appointed as inspectors to complement existing capacity.
- **Combatting Illegal Liquor:** Provisions dealing with illegal manufacturing and trading will be strengthened, including **strict regulation of access to industrial alcohol, strict labelling, and prohibition of high-alcohol content products**. Liability will be introduced for harm caused by such substances.

4. Transformation of the Industry:

- **B-BBEE Compliance:** The NLR must be empowered to **strictly impose and monitor Broad-Based Black Economic Empowerment (B-BBEE) Codes of Good Practice** as licensing conditions. Non-compliance could result in license suspension or revocation, with specific B-BBEE compliance levels required for manufacturing and distribution licenses.

5. Social and Economic Interventions:

- **Advertising Restrictions:** Minister of Trade and Industry will be empowered to determine more restrictions on advertising, such as **limiting broadcast times (22:00-06:00), removing youth-appealing content (sport stars, models), prohibiting branding of liquor premises and delivery vehicles, and requiring counter-advertisements highlighting harmful effects**.
- **Education and Awareness Programs:** Intensified education and public awareness programs about the dangers of alcohol abuse will be a function of the NLR and the DTIC, utilising electronic and print media, schools, public health facilities, and community organisations. License holders will also be educated on liquor legislation to ensure compliance.
- **Pricing Policies:** Increasing the **price of alcoholic beverages through effective excise taxation** is identified as one of the most effective interventions to reduce harmful use.
- **Drink-Driving Enforcement:** The Department of Transport and other law enforcement agencies should ensure proper enforcement of **maximum limits for drivers, sobriety checkpoints, and random breath testing**.

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6. Improved Governance and Redress:

- **Internal Review Mechanism:** An internal review mechanism will be introduced within the NLR to deal with aggrieved applicants, reducing litigation costs and providing speedy redress before resorting to courts.

In essence, the "National Liquor Policy, 2016" aims to exert comprehensive control over the liquor industry through **harmonised legislation, stringent licensing conditions, robust enforcement, and targeted social interventions** to mitigate harm and foster transformation.