



# OBSERVATORY

Civic Association

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Observatory  
7925  
27<sup>th</sup> July 2023

The Department of Police Oversight and Community Safety  
Western Cape Government  
[ahr.comments@westerncape.gov.za](mailto:ahr.comments@westerncape.gov.za)

## **Submission on legislative policy proposals: Minimum Unit Pricing (MUP) and Alcohol Trading Time Parameters for the Western Cape.**

I write on behalf of the Observatory Civic Association to comment, as invited, on the legislative policy proposals regarding Minimum Unit Pricing (MUP) and Alcohol Trading Time Parameters for the Western Cape, as advertised by a public participation process. The Observatory Civic Association is an active civic organisation representing the interests of the Observatory community but also concerned about social well-being throughout Cape Town and our wider society.

We would like to express our support for the introduction of these measures as recognising the need to balance the interests of those whose livelihood is dependent on the sale of alcohol with the rights and well-being of those adversely affected by the harmful consumption of alcohol, a problem recognised in the White Paper on Alcohol Harms Reduction released by the Western Cape Government in 2017. We believe these policy proposals are in line with the White Paper and in line with international best practice based on evidence presented.

We comment here as a Civic Association based on our experience.

1. Observatory is a relatively small community (about 11 000 residents) with a very high density of liquor outlets. In 2017, a study commissioned by the Observatory Improvement District (OBSID) (Anine Kriegler: Alcohol outlet density and crime in Observatory at [https://uct.ac.za/sites/default/files/content\\_migration/uct\\_ac\\_za/1681/files/326\\_OBSID\\_Alcohol%2520density%2520report.pdf](https://uct.ac.za/sites/default/files/content_migration/uct_ac_za/1681/files/326_OBSID_Alcohol%2520density%2520report.pdf)) noted that the Alcohol Outlet Density in Observatory was about five times the city average in terms of legal outlets per capita and “is considerably higher than a number of the nearby suburbs to which it is often informally compared.” We are therefore a community for whom the availability of alcohol is of some concern.
2. We do not hold the view that the sale of alcohol is always a bad activity that should be opposed. Our general policy is that if an establishment applies for a liquor license as part of

trade that involves the sale of food/meals, then we do not oppose the license unless there are other specific concerns. Meaning, we view the sale of alcohol as potentially part of a thriving social environment encouraging local community enterprise. However, it is when the sale of alcohol is done in a way that is damaging to the community and local residents, that the OCA takes a firm position in opposing licenses and/or seeking more restrictive conditions.

3. The adverse consequence of alcohol for local communities like Observatory are both social and health-related. Residents report many disturbances and criminal activities linked to easy availability of alcohol, particularly late at night / early hours of the morning. We have a large unhoused community living either on the streets or in vulnerable situations with a number of people who are using substances, including alcohol, in hazardous ways. Studies by researchers at UCT in 2013<sup>1</sup> and UWC in 2014<sup>2</sup> confirmed that alcohol plays an important role in both precipitating and perpetuating homelessness amongst some persons living on the streets.
4. Efforts by the Civic to assist in rehoming persons living on the streets of Observatory have not been assisted by the ready availability of cheap alcohol from off-sales outlets in the community. For example, a recent approach we made in 2023 to a new owner of one of the many off-sales liquor outlets in the suburb proposed that the outlet phase out the same of low-end, very cheap alcohol because of the inebriation and social disruption it fuels. We were met with the argument that since other retailers continue to sell such cheap liquor, it would make no impact and the trader felt that customers had the right to purchase such liquor.
5. Of the on-site outlets licensed to sell liquor in Observatory, there are many instances of delinquent behaviour by the proprietor fuelling delinquent behaviour by clients with adverse impacts on the local community. Our experience is that seeking redress once an establishment has a license is much more difficult than preventing such behaviours in the first place. It also shifts the obligation onto the community to prove that the sale of alcohol is against the public interest when we do not have the resources or time (as we are all volunteers) to must arguments against the lawyers hired by the license holders.
6. For those reasons, the OCA is strongly in support of the measures proposed in the policy proposals as we believe they will help to control the worst excesses arising from harmful alcohol consumption whilst balancing the entitlements citizens have to trade in alcohol sales as a livelihood.

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<sup>1</sup> Kerry-Lee Black. Exploring the lived experiences of homelessness in a Cape Town suburb. Masters Dissertation, UCT at [https://uct.ac.za/sites/default/files/content\\_migration/uct\\_ac\\_za/1681/files/329\\_OBSID\\_Homelessness\\_K%2520Black\\_Dissertation.pdf](https://uct.ac.za/sites/default/files/content_migration/uct_ac_za/1681/files/329_OBSID_Homelessness_K%2520Black_Dissertation.pdf)

<sup>2</sup> See Schenck, Rinie, Roman, Nicolette, Erasmus, Charlene, Blaauw, Derick, & Ryan, Jill. (2017). Homeless in observatory, Cape Town through the lens of Max-Neef's fundamental human needs taxonomy. *Social Work*, 53(2), 266-287. <https://dx.doi.org/10.15270/52-2-568> at [http://www.scielo.org.za/scielo.php?script=sci\\_arttext&pid=S0037-80542017000200007](http://www.scielo.org.za/scielo.php?script=sci_arttext&pid=S0037-80542017000200007).

## Limiting Alcohol Trading Times

7. We concur with the researchers (Filby and others) who have presented evidence that it is the late-night consumption that is the most risky for health harms and social disruption. It is consistent with our experience that the majority of complaint and incidents reported by local residents are linked to late night drinking.
8. We understand that Stellenbosch Municipality introduced tighter limits to hours of closing for on-site consumption and that 90% of Stellenbosch liquor licenses for on site consumption are licenses that require closure at midnight or earlier<sup>3</sup>. This measure, we understand, was driven by the fact that Stellenbosch is a university town with a high density of young adults as students, for whom consumption of alcohol is a particular problem. This measure has helped to limit, though not entirely prevent hazardous drinking amongst young people attending University in Stellenbosch. It is no secret that Observatory has a large student population for whom the same considerations apply.
9. At present, it is immensely difficult to argue that a new license should not permit consumption beyond midnight when there are existing license holders which permit sale to 2am and, in some cases, to 4am. The municipality, which controls hours of sale, routinely defaults to granting a license to trade up to 2am without any consideration of the public interest. For that reason, having a common framework for establishments is absolutely imperative as license holders will use disparities in license conditions to argue against any trading time restrictions.
10. It is our view that a 'last call' at midnight is reasonable in suburbs that are residential. We note that some municipalities have different closing times for establishments depending on their location and this flexibility could be built into the Trading Time policy such that establishment in the CBD or in industrial areas could qualify for extended trading times. But it should be the case that in urban residential areas, a 12pm trading time limit should apply.
11. We believe this would be a fair balance between the establishment's ability to trade in liquor and the rights and needs of local communities to a social environment that is not disruptive or harmful to health or property.
12. Additionally, we note the externalised benefits to the wider society that would accrue in that restrictions on trading time to a midnight cut off would generate the highest health benefits of the options proposed by the researchers. The OCA, as a public-minded entity, believes that a public policy that saves the state funds it would otherwise need to spend on health and social services to combat the consequences of harmful consumption of alcohol, would free up resources desperately needed to address wider social needs – such as food security, shelter and social assistance.
13. We therefore are fully in support of the proposal to restrict trading times and believe that a midnight trading time restriction is appropriate in residential areas like Observatory.

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<sup>3</sup> See Harrison S. Liquor Trading Times Research. Research into liquor retail trading days and hours restrictions to inform policy/legislative development in the Western Cape. Douglas Murray Trust 2 February 2023. At [https://dgmt.co.za/wp-content/uploads/2023/02/Minumum-Unit-Pricing-Trading-Hours-Phase-1-Final-DGMT-Report\\_Version-2.0\\_2-February-2023.pdf](https://dgmt.co.za/wp-content/uploads/2023/02/Minumum-Unit-Pricing-Trading-Hours-Phase-1-Final-DGMT-Report_Version-2.0_2-February-2023.pdf)

## Minimum Unit Pricing

14. We concur with the researchers' findings that the cheapness of alcohol is a driver of harmful drinking. The picture below is just one of many that could be taken of a customer who has passed out on the sidewalk after consumption of a purchase of cheap wine. Research conducted elsewhere in the Western Cape<sup>4</sup> has shown that problem drinking is associated with the consumption of cheap bulk wine (so-called papsak) and that the motivation for purchasing this alcohol type is simply because of price.
15. When the OCA engaged with the liquor outlet owner to see if he would be willing to stop selling very cheap wine, with a view to interrupting the perpetuation of adverse social impacts, his response was "I share your concern on the topic of alcohol abuse and have been wrestling with this moral issue since before I bought the liquor store. Having said that, I don't necessarily agree with the proposed solution ... The particular brand you are referring to sells for R34 per litre. At that price point, all liquor stores in the area have a wine offering so it boils down to preference. If the one option didn't "exist" anymore, people will just move on to next brand or, as you correctly stated, walk a bit further if the core issue of addiction is not addressed..."
16. Aside the claim that the core issue is addiction, it is clear that the ability of competitors to sell cheap wine prevents this retailer from considering a measure that might address the wider social problems. If MUP were introduced, then it would not be possible for a client to "move on to next brand or ... walk a bit further" to access cheap alcohol since all products would be priced according to their alcohol content with a minimum price for equivalent products.
17. We believe introducing the MUP would therefore strengthen our ability to find local solutions with local liquor outlet owners without expecting them to do exceptional things such as unilaterally stopping the sale of cheaper (and more harmful) products – all traders will be doing the same thing. The desire to find a solution with us as community partners is therefore freed from the perverse incentives that makes cheap wine the most attractive option for sale.
18. We note as well that MUP will also increase the profit margin for the retailer per item sold, even if fewer items are sold and so it may help to keep the income stream intact for the retailer. Unlike a hefty increase in tax, the proceeds of which go to the authorities, the profit generated will go to the trader, thus offering an opportunity to meet both the needs of the trader and that of the community and wider society.
19. However, for this to work, the pricing system needs to ensure that the value chain is not manipulated by the producers of cheap wine to sequester all of the increased price at the expense of the small trader. The MUP should therefore be introduced in a way that preferences the trader in the value chain, rather than the producers, whose costs have not

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<sup>4</sup> McLoughlin J, Little F, Mazok C, Parry C, London L, The prevalence of and associations with papsak wine consumption amongst farm workers in the Western Cape Province, South Africa. *Journal of Studies on Alcohol and Drugs* 2013; 74, 879–888

increased and so, there is no justification for the producers hiking prices at which they sell to the traders.

20. The OCA therefore strongly supports the implementation of the MUP. The research presented (Von Walbeek et al – table 12) suggests that benefits of implementing the MUP at any level less than R8 per standard unit drink is minimal in that those consuming cheap wine will experience no increase in price. The OCA therefore supports whatever MUP is feasible as long as it is R 8 per unit or more.

I trust these comments are helpful to the provincial government in considering this proposal.

We commend the steps take to implement the recommendations of the White Paper on Alcohol Harms Reduction.

Yours sincerely

Leslie London

A handwritten signature in black ink that reads "Leslie London". The signature is written in a cursive style with a large initial 'L'.

OCA Chairperson



The man (whose face has been covered to protect his identity) is passed out on an Observatory sidewalk, some 15 m away from the bottle store where the item (a 2-litre plastic bottle of wine) was purchased for R 34. This took place in the middle of the day.

Why Minimum Unit Pricing is a good idea – it will enable communities to negotiate with local traders to move away from high volume, low price, high risk products with the aim of reducing overall risky drinking.