

# Cabinet in disarray over bill banning alcohol adverts

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The Cabinet is divided over a bill that would impose a total ban on the advertising of alcohol, with departments such as health and social development wanting to curb the misuse of alcohol, and economic departments concerned about the depressing effect on the economy of such a ban.



Workers will be affected by advertising ban.  
(Image: SABMiller)

The divisions were highlighted by confusion in the Cabinet over whether or not a decision has been made that a regulatory impact assessment should be conducted on the bill. There has been a curious delay in the publication of the controversial bill.

The Control of Marketing of Alcoholic Beverages Bill has enormous financial implications for sports bodies, which will lose about R700m in sponsorship, and news organisations, not least the SABC, which will lose R500m in revenue from alcohol advertising.

A Cabinet statement after the meeting of 18 September said the publication of the bill in the Government Gazette had been approved. But almost a month later the bill has still not appeared.

In response to queries, it has emerged that there had been some confusion among members of the Cabinet over the actual contents of the decision.

Although the minutes apparently recorded that a regulatory impact assessment must be done, this was amended at the following Cabinet meeting to say that the bill would first be published for public comment, after which a regulatory impact assessment would be considered.

## Clarity not forthcoming

Lumka Oliphant, spokesman for Social Development Minister Bathabile Dlamini, said the minister had asked the Cabinet to clarify its decision at its following meeting, which took place last week.

"The decision (on) a regulatory impact assessment would be considered after the public comments," she said on Tuesday (15 October).

Oliphant said her understanding was that there had been "a misunderstanding" in the Cabinet, which had now been clarified.

The industry, which believes that 12,000 direct jobs will be lost through the ban on alcohol advertising, as well as other interested parties such as media and sports bodies, has been arguing strongly that an impact study be done.

But the government has so far, in all official communications, steered clear of making any mention of a regulatory impact assessment.

Official Cabinet spokesman Phumla Williams said she could not answer questions on whether the idea of a study had been discussed and agreed to by the Cabinet.

## Impact assessment encouraged

She referred Business Day to the Cabinet statement and a subsequent statement by Dlamini, neither of which make mention of a regulatory impact assessment. She said she could not comment any further.

Spokesman for the Industry Association for Responsible Alcohol Use Mike Mabasa said on Tuesday (15 October) it would make good sense for an impact assessment to be done.

"The negative economic impact of the bill is too significant for government not to consider, particularly in the current economic environment," Mabasa said.

"Consumer goods and retail sectors are already under severe strain and shedding jobs," he said.

In its deliberations over the bill, an inter-ministerial committee including the departments of social development and health had suggested that to compensate for loss of revenue to sports bodies, additional taxes should be raised, either through an earmarked levy of 1% or an increase in excise taxes.

But the Treasury responded negatively to both suggestions, saying it did not support "a proliferation of earmarking of taxes" as it was not good fiscal policy. While an increase in excise duties could be used to raise additional revenue, the negative consequences of higher taxes - such as illegal trade - needed to be considered.

The Treasury's response means that affected departments - in particular the departments of sport and communications - will continue to have concerns over the replacement of lost revenue, should the bill become law.

The bill has been three years in the making and was first contemplated in 2010 when an inter-ministerial team was established.

Oliphant said while she could not specify a date, the bill would soon be published in the Government Gazette.

Source: Business Day via I-Net Bridge

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