

PARLIAMENT OF THE PROVINCE OF THE WESTERN CAPE

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

WEDNESDAY, 15 AUGUST 2018

ANNOUNCEMENTS

The Speaker:

1. Filling of vacancy and swearing in of new Member

The vacancy which occurred in the Western Cape Provincial Parliament owing to the resignation of Mr L H Max has been filled by the nomination of Ms W F Philander with effect from 15 August 2018. The Member took the oath in the Speaker's office on 15 August 2018.

2. Referral of document to committee in terms of section 54(1) and (2) of the Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act 10 of 2009), as amended:

Parliamentary Oversight Committee

Western Cape Provincial Parliament: Monthly financial statements (In-year Monitoring Report) for the period ended 31 July 2018.

TABLING

The Speaker:

Tabling of document in terms of section 54(1) and (2) of the Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act 10 of 2009), as amended:

Western Cape Provincial Parliament: Monthly financial statements (In-year Monitoring Report) for the period ended 31 July 2018.

COMMITTEE REPORTS

1. **REPORT OF THE STANDING COMMITTEE ON COMMUNITY SAFETY ON AN UNANNOUNCED OVERSIGHT VISIT TO SAFETY KIOSKS IN CAPE TOWN CENTRAL BUSINESS DISTRICT AND SURROUNDS, CONDUCTED ON 30 MAY 2018.**

The Standing Committee on Community Safety, having conducted an unannounced oversight visit to safety kiosks in Cape Town central business district and surrounds, conducted on 30 May 2018, reports as follows:

The Delegation

The delegation of the Standing Committee on Community Safety included the following Members:

Wenger MM (DA) (Chairperson and leader of the delegation)
Kivedo BD (DA)

Mitchell DG (DA)

The following parliamentary officials accompanied the delegation:

Mr W Matthews, Committee Co-ordinator
Ms L Delcarme, Social Cluster Researcher

Apology

Apologies were rendered on behalf of Members FC Christians (ACDP), PZ Lekker (ANC) and T M Dijana (ANC).

Background

The Department of Community Safety funds the roll out of Safety Kiosks in the Western Cape. These mobile units assist with visible policing and are expected to be operational 24/7. The Safety Kiosks, positioned in crime hotspots, are movable. This is largely because crime hotspots are not necessarily fixed and are changeable dependent on where crime is voluminously perpetrated. These Safety Kiosks also serve as a link between the public and neighbourhood improvement districts or municipalities and further are intended to link in with law enforcement agencies. In the Western Cape, these agencies include the provincial South African Police Service (SAPS) and the Cape Town Metropolitan Police Department (Metro Police) and Law Enforcement divisions. The public may report crime, complaints and compliments of police behaviour, warn of possible criminal and gang activity as well as a place of safety in the event of imminent threats.

1. Introduction

The Committee undertook its oversight visits to Safety Kiosks stationed in the Cape Town CBD, Woodstock, Observatory and Sea Point.

2. Inspections

At the first inspection in Woodstock, there was no Safety Kiosk visible at the designated address, that is, the corner of Railway and Page Streets. The Committee then drove the length of Main Rd and no kiosk was visible.

The Committee thereafter proceeded to Lower Main Road Observatory. Again, no Safety Kiosk was visibly stationed in the provided street address. The Committee contacted the Observatory Improvement District office and were directed to a different address, located in Cambridge Road, where the kiosk was stationed. Here the Committee engaged with the security official stationed at the Safety Kiosk. Mr Wayne Roukema, the operations manager for the Observatory Safety Improvement District, was also on site. He reported that Cambridge, Wrensch and Bellevliet roads were hotspot areas for theft out of motor vehicle crime and residential burglaries. He added that even though crime is pervasive and that more Safety Kiosks are needed to increase visible policing, the Safety Kiosks are hugely beneficial and are needed. Mr Roukema informed the Committee that the high turnover of security personnel has an effect on consistency as well as the issuing of apparel and radios. The radios used by security personnel allows for direct contact to the SAPS, the Metro Police and Law Enforcement.

He also commented on the need for regular maintenance and upgrade of Safety Kiosks. The Committee noted that the Safety Kiosk was not well equipped.

The Committee thereafter proceeded to the route along the Sea Point Promenade in search of the Safety Kiosks designated for that area. The Safety Kiosk was found in a parking area, locked away behind a security gate. This parking area is located between the Pavilion Rotary Park and the Sea Point Pavilion. See Figures 1 and 2 attached hereto for images of the Safety Kiosk.

Due to time constraints, the Committee did not visit the Safety Kiosk stationed at the corner of Government Avenue and Adderley Street.

Annexure



Figure 1



Figure 2

2. Report on the Upper Austria Study Visit

A Delegation from the Western Cape Provincial Parliament, having undertaken a study visit to Upper Austria from 28 June – 8 July 2018, reports as follows:

Delegation

Members:

Ms L Botha (DA)
 Mr F Christians (ACDP)
 Mr R Dyantyi (ANC)
 Mr N Hinana (DA)
 Ms M Maseko (DA)
 Mr M Mnqasela (DA)
 Ms N Nkondlo (ANC)
 Mr P Pretorius (DA) (Leader)
 Ms B Schafer (DA)

Officials:

Ms Z Adams (Committee Coordinator)
 Mr A Patience (Protocol Officer)

1. Introduction and Background

1.1 Economic Overview

Upper Austria is one of nine states of Austria and is home to just over 1.4 million inhabitants. The capital of Upper Austria is Linz. Upper Austria is Austria's economic hub, and its economic growth is higher than any other Austrian federal state.

More than a quarter of Austria's industrial production and exports derive from Upper Austria, and approximately forty percent of Austria's goods and services exports come from Upper Austria, making it Austria's largest export state.

Key sectors that contribute to Upper Austria's economic success are the automotive sector, the mechatronics sector, the plastics industry, the eco-energy sector, environmental technologies, and medical technologies.

Agriculture is an important sector for the Upper Austrian economy. There are 30 000 active farms in the region that contribute to a turnover of almost 2 billion Euros per year, and has resulted in the creation of 45 000 direct jobs on the ground and another 42 500 jobs in the food industry. Farms are primarily family owned, and approximately 22% of the farm owners are younger than 40.

The unemployment rate is 4.2%, due to the need for highly skilled labour in specific sectors.

1.2 Bilateral Agreement and International Relations Strategy

On 12 July 2016 a Bilateral Working Plan was signed by the Western Cape Government and the Federal State of Upper Austria after successful bilateral and multilateral relations between the two regions since May 1995, when the first cooperation agreement was signed. The Bilateral Working Plan, aimed at strengthening relations between the two regions, was for the period of 2016 until 2018.

The Bilateral Working Plan focuses on promoting closer cooperation in the following sectors:

- Agriculture: Exchange programmes (interns), the exchange of best practices, and projects of mutual benefit to both regions;
- Education and Training: The exchange of best practices in areas of Technical and Vocational Training, dual education and e-learning;
- Environment, Energy and Climate Change Mitigation: The sharing of information on climate change policy and strategy, economic risks and opportunities of climate change, the Western Cape's SmartAgri Plan, the development of a Sustainable Water Technology and Innovation Centre, and on-farm renewable energy best practices;
- Economic Development: Encouraging sector-specific, business-to-business contact, included but not limited to medical and health technology;
- People to People Exchanges: Cooperation between universities in the regions, particularly in research and development, and with internships; and
- Disaster Management: Encourage instructor exchange programmes, training courses, joint research projects and management of large incidents and disasters.

As part of the Bilateral Working Plan, the parties further agreed to consider any other mutually agreed upon areas of cooperation.

The study visit was also aligned to the strategic objectives set out in the International Relations Strategy adopted by the Western Cape Government in August 2013. The three

strategic objectives focused on facilitating trade, tourism and investment with emerging and developed nations; improving environmental resilience to climate change; and developing skills and best practices through knowledge sharing.

Additionally, both the State of Upper Austria and Western Cape Province are members of the Regional Leaders' Forum (RLF), along with Georgia in the United States of America, Quebec in Canada, Sao Paulo in Brazil, Shandong in the People's Republic of China, and Bavaria in Germany. The two regions have continued to look at areas of collaboration where mutual, beneficial exchange can take place.

1.3 Initiation of the Study Visit to Upper Austria

Although the cooperation agreement between Upper Austria and the Western Cape has existed for 25 years, the Western Cape has never sent a parliamentary delegation to Upper Austria.

Between 2 and 9 May 2018, the Western Cape Province received a delegation of 15 from Upper Austria comprising of Members of Parliament and officials. The delegation was led by the President of the State Parliament of Upper Austria, Mr Viktor Sigl. The Upper Austrian delegation was hosted, jointly, by the Western Cape Provincial Parliament (WCPP) and the Western Cape Government.

During the visit, the President of the State Parliament of Upper extended an invitation to the WCPP to send a parliamentary delegation to Upper Austria. The Speaker of the WCPP, honourable Sharna Fernandez, agreed that a parliamentary delegation would visit Upper Austria in July 2018.

The visit to Upper Austria took place between 28 June and 8 July 2018 and the delegation consisted of nine Members of Parliament and two parliamentary officials.

DETAILED PROGRAMME

2. 30 June 2018

2.1 Visit to the Province of Salzburg and the Salzkammergut Region

The delegation visited the province of Salzburg, which is a neighbouring province of Upper Austria. The name Salzburg translates to "salt castle", as salt mining and salt production have played an Important role in the region's development. The Salzkammergut name means "Salt Chamber state", named after the Imperial Salt Chamber which was the authority charged with running the salt mines between 1521 and 1780.

Salt mining and production were considered a noble art in Austria in the middle ages, and have played an important role in the country's economic growth.

2.2 Observations

- There are high noise barriers on the sides of major roads and highways to protect residents from the noise of passing motor vehicles.

- Agriculture is the main activity for most parts of Northern Austria due to the regions' close proximity to the Danube River. The average size of what is considered a large farm in Upper Austria is 30 to 35 hectares. Most farmers receive subsidies from the government and European Union. Given the small size of farms, farmers cannot compete with larger neighbouring countries in terms of quantity of food production, therefore the country focuses on the quality of the produce rather than the quantity.
- The average size of farmers' households has decreased to two or three children as the cost of living has increased. Farms are passed from generation to generation and are costly to maintain. Most farmers run their own heating systems and maintain their own houses.
- Many farmers now offer accommodation on the farms as a means of bringing in extra income for their families.
- Regions in the north of Austria are in the midst of a drought and forty percent of overall crop production has been lost as a result.
- The climate in this region is not ideal for growing and harvesting grape vines for wine production; therefore, farmers have focused on producing ciders and schnapps instead.
- Austria focuses mostly on using and producing renewable energy, in view of public concerns about the dangers of nuclear energy. Most farms and businesses make use of solar energy as the main supply of electricity.

2.3 Resolutions/Recommendations

The delegation resolved to recommend:

- a) That the Department of Agriculture explore agri-processing opportunities in terms of schnapps production in the Western Cape. The model for small-scale schnapps production used in the Salzburg region could possibly be applied in the Western Cape to create an environment for schnapps production for small family-owned businesses, especially since the Province has the ideal conditions for fruit cultivation and production; and
- b) That the relevant Departments further explore tourism opportunities in the agricultural sector. Farms in the Salzkammergut region operate on a small-scale; however, they are still thriving because farm owners offer guests a full farm experience in terms of accommodation and activities such as tastings, as well as hiking and cycling in and around the area.

3. 1 July 2018

3.1 Visit to Muhlviertel Region and Brauhaus Freistadt

Muhlviertel is home to more than 50% of Upper Austria's organic farms. Upper Austria is in the forefront of GMO-free agricultural production in Europe. The region is known for sustainable food production and ecological farming. Farming is a major sector in Upper Austria in terms of employment and the region is home to almost 4 000 agricultural farms.

3.1.1 Observations

- Muhlviertel has developed quite significantly in the past few decades. In the past, the region was the starting point for traders to sell their agricultural produce; however, in the past few years the area has also moved towards practicing sustainable tourism.
- The region is also known for beer production.
- Brauhaus Freistadt is a brewery in the small town of Freistadt in Muhlviertel where the shareholders are the inhabitants of the town. Shareholders receive their share of profits from the brewery. Various products designed by Freistadt inhabitants are also sold at the brewery.
- When an owner of a home sells his/her property, the buyer receives also the shares in the brewery.
- Brauhaus works closely with non-governmental organisations to employ disabled persons in both the brewery and in the restaurant.
- The brewery offers beer-making lessons for visitors, tourists and locals interested in learning how to brew beer. These courses are booked out a year in advance. However, caution is taken when dealing with youth who are learning to brew beer.

3.2 Visit to Grein Municipality

Grein municipality in Upper Austria lies on the Danube River and has played an important role in the import and export of goods into Upper Austria. The area has been flooded on multiple occasions in the past. In 2003, after a terrible flood, the Austrian government spent millions on building concrete walls around the Danube River bank to prevent flooding of the town. The modular walls are erected when there is a possibility of a flood, and were designed to extend higher as the Danube's water level rises. Before the walls were designed, the state would have to relocate residents affected by the floods, which was a costly exercise.

3.2.1 Observations

- The modular concrete walls used to mitigate the impact of flooding have proven to be a functional crisis management plan for the state of Upper Austria. The walls have prevented loss of lives and livelihood, and have saved the state millions in terms of possible damage.
- The town boasts one of the oldest theatres in the world. A strategy was developed to uplift the Grein community by encouraging local residents to produce small, local productions in the theatre.
- Disabled persons are also involved in theatre production and performances. This has been a small-scale but effective strategy towards achieving an inclusive society.

4. 2 July 2018

4.1 Visit to Linz International School Auhof

The Linz International School Auhof (LISA) is a partner school for exchange students from the Western Cape. The school neighbours the Johannes Kepler University and

accommodates 300 students. LISA is a mostly state funded school; however, if students wish to take extra classes, a fee of 500 Euros is charged for the year. All teachers are paid by the government.

LISA offers multiple language courses – English, German, French, Spanish and Italian. However, English is used as the language of instruction. The school was initiated in Linz because the city is home to many international students.

The school offers the International Baccalaureate (IB) Diploma Programme as well as the standardised Austrian national final exams (Matura). Most LISA students opt to write both exams, which allow entry into universities in Austria and around the world.

4.1.1 Observations

- LISA employs teachers and accepts learners with disabilities; however, there are special schools for learners with disabilities. The school can accommodate physically disabled learners; however, students with learning disabilities would have to apply to special schools.
- LISA has an exchange programme with the Western Cape. Students from Year 10 (Grade 10) are selected based on their behaviour, academics and personal interests and are placed with families in towns in the Western Cape. Previously, LISA students have been placed with families in Brackenfel and Stellenbosch. The exchange programme lasts for two weeks.
- The school needs to start preparations for student exchanges to South Africa a year in advance due to the South Africa immigration and visa laws which have made it challenging for students travelling without parents to enter South Africa.

4.1.2 Recommendation

The delegation welcomed the LISA's intention to expand on the current student exchange programme and the offer to provide opportunities for learners from the Western Cape to visit the school.

4.2 Visit to Berufsschule 5 - Linz

This vocational school specialises in engineering programmes and uses a dual education system to prepare its students for employment in their chosen careers. The dual education system combines theoretical and practical teaching, and is mostly applied to careers requiring apprenticeship training. The curriculum and training courses are customised to provide the skills that the various industries require. Students gain on-the-job experience while studying.

The school accommodates 1 800 students, aged 15 and older. Students acquire contracts with companies before they enter the school, which means they are already employed. Thereafter, the students attend classes for 10 weeks of each school term, and will do practical work at their respective companies for the rest of the term. Students receive a stipend from these companies.

Generally, students attend the vocational school for three or four years. The curriculum is developed and designed by the state government in conjunction with the companies.

The students' final year will conclude with an exam that will enable them to work as qualified employees.

4.2.2 Observations

- Austria invests a major portion of its gross domestic product in its education sector in order to provide its citizens with mostly free education.
- The dual education approach has played a key role in combatting youth unemployment in Austria. Companies will only award contracts to students if that skill or profession is required in the country.
- In terms of the recruitment process, private companies will approach schools and present their business to students. Companies will only recruit the number of students that they need.
- Only three percent of the students at the school are women. However, companies have been trying to recruit more women into engineering professions.
- There are 25 vocational schools in Upper Austria.

4.3 Visit to ENGEL - Austria

Engel is a family-owned business that is one of the biggest manufacturers of plastics moulding machines. Engel is an example of a company in Austria that utilises the dual education system to employ students.

Engel's turnover in the 2017/18 financial year was 1.51 billion Euros. Most of the business came from the European, American and Chinese markets. However, the African market has not been very successful for the company.

Engel employs 6 600 people globally in nine production plants around the world and creates products for the automotive industry, medical field, techtronics sector and for packaging needs. Currently, Engel Austria employs 20 trainees that are still in vocational school. Approximately eighty percent of the students' training happens at Engel. Overall, Engel currently employs 239 apprentices in six different locations, and in nine different professions. Engel's current focus is on the mechatronics industry.

4.3.1 Observations

- As the Fourth Industrial Revolution approaches, Engel is looking at expanding its business to the African continent. Currently, Engel does very little business in Africa.
- If the demand for a certain profession decreases, Engel will train their workers in other required fields of work.
- Engel has invested 800 000 Euros in infrastructure for its training rooms for students in

order to produce fully qualified workers.

4.3.2 Recommendations/Resolutions

The delegation recommends that the Portfolio Committee on Economic Opportunities initiate contact between Engel, Wesgro and the Department of Economic Development and Tourism to explore the possibility of Engel expanding its business into the Western Cape.

5. 3 July 2018

5.1 Visit to and discussion with Representatives of the Upper Austrian Parliament

The delegation visited the Upper Austrian Parliament (Oberösterreich Landtag) where they were met by the President of the State Parliament, Mr Viktor Sigl, the Director of the State Parliament, Dr Gerald Grabensteiner, and the State Audit Director, Mr Friedrich Pammer. Discussions were also held with the chairmen of the Education, Agriculture, Transport and Municipal Committees. The delegation received an overview of the Austrian political system and the state parliament, security measures taken at parliament, the processes involved in budget preparation, and financial oversight.

Austria, which is a federal state, consists of nine federal provinces. The country's Constitution is based on five basic principles:

1. Democratic Principle: The decision-making principle emanates from the people
2. Constitutional Principle: Administration must always be based on law
3. Republican Principle: the head of the federation is the federal president (elected for a period of six years)
4. Principle of Separation of Powers: Legislation and executive powers, and separation of jurisdiction and administration
5. Federalism as a principle: Federal provinces can engage on their own legislation

The State Government of Upper Austria consists of nine members, namely the governor, two deputies which fall under the governor, and six members of the State Government. The Upper Austrian State Parliament consists of 56 members or delegates.

In terms of auditing, the Austrian Court of Audit is an independent part of the legislature that looks at risk and improving the way in which public funds are used. The Court of Audit sees itself as a representative of the tax payers, guarantees that public money is spent efficiently, and guards against wasteful expenditure, financial mismanagement and corruption. The audit reports are public and can be found online.

5.1.1 Observations

- While the voting age in South Africa is 18, Austria has lowered its voting age to 16. With the dual education system, a large percentage of the young population is already working in their careers of choice and therefore the Austrian government made the decision to include the youth in the democratic process at an early age.
- The State Parliament of Upper Austria holds one plenary session per month. While these plenary sessions are open to the public, the parliamentary committee meetings are closed to the public. The committee meetings are closed to the public to make it easier for the different political parties to express their opinions freely.
- The State Parliament of Upper Austria utilises a paperless legislative process. Bills are published online and the public are allowed to submit their comments. During the discussions on bills in sub-committees, experts may be called in to make submissions. The State Parliament of Upper Austria also has a database of

civil society organisations and community based organisations that are invited to comment on legislation.

- Though public hearings are not a tool, the constitution paves the way for a bill to be introduced if at least 3% of the population agrees.
- Administratively, Upper Austria is divided into 18 districts and 442 municipalities. The size of the population per municipality varies from 300 people to 215 000 people. Each municipality has between nine and 37 councilors depending on the size of the municipality. Most of the municipalities are small in size; however, each municipality has its own administration, council and mayor, who is elected by the people.
- There are rarely any disagreements when the budget is divided between federal states and the various sectors within the states. The division of the budget is defined by law. The structure of the split is discussed beforehand and then made into law. Once the budget is fixed by law, there are no protests.
- The agricultural sector falls under the mandate of the federal government; however, the State Parliament of Upper Austria plays the role of a supporting agent to farmers.
- In order to control urbanisation, the province of Upper Austria consults an Area Allocation Plan, which prohibits the use of land for anything other than what it is allocated for.
- The agricultural sector as a whole has decreased in recent years as industrialisation has grown. Approximately thirty percent of farmlands have been abandoned in the past twenty years. Almost all farms in Upper Austria are family-owned.

5.1.2 Request for Information

The chairperson of the Upper Austrian education committee has agreed to share with the delegation a breakdown of the budget given to education in terms of Early Childhood Development (ECD), basic education and higher education.

5.2 Interaction with exchange students from Boland Agricultural School, Oakdale Agricultural School and and Elsenburg College

The delegation met with exchange students from Boland Agricultural School, Oakdale Agricultural School and Elsenburg College who were visiting Upper Austria as part of the existing exchange programme between the Western Cape and Upper Austria.

6. 4 July 2018

6.1 Visit to Organic Farm and Bakery, Maraucher

The delegation, together with the agricultural students from South Africa, visited an organic bakery and were taken on a guided tour of the facilities. Maraucher organic farm and bakery use GMO free seeds and products for their baked goods. Maraucher has been labeled the best organic bakery in Upper Austria. The farm and bakery have used organic agricultural methods since 1980. The breads that are produced at the farm are gluten free and halaal.

6.1.1 Observations

- Organic farmers share their agricultural experiences with each other. The idea is to live sustainably from generation to generation, not just from month to month. Organic seeds are sourced from a network of organic farmers. The Austrian government prioritises organic seed growing as this reduces the risk of GMO seeds entering the country.
- The farm and bakery focus on producing quality organic products, not necessarily focussing on quantity of products.
- In terms of the staff complement – 10 to 15 percent of the farm workers are persons with disabilities. The majority of the workers are women.
- Not only were the products organic, but even the vehicles used to deliver the products to Vienna and neighbouring cities, were running on bio fuel produced from the dung of the animals on the farm.

6.1.2 Recommendation

The delegation recommended that the Members of the Standing Committee on Economic Opportunities, Tourism and Agriculture visit the new bakery school that was opened in Stellenbosch in May 2018.

6.2 Visit to Organic Poultry Farm, Steinmayr

Steinmayr Organic Poultry Farm specialises in raising organic poultry. The farm's main product is organic turkey. The farm spans over 18 hectares. Many organic farms in Upper Austria such as Steinmayr rely on subsidies from the European Union (EU) to continue operating. The farmer and his wife opened a restaurant in the area and all the ingredients for items on the menu originate from the region.

The restaurant is a well-known attraction for foreign visitors, and this is done through marketing on Facebook.

To keep foreigners interested in the restaurant, a competition is created on an annual basis where the cover of the menu is decided by voting on Facebook. In addition, all farms that contribute to the items on the menu are included in the menu pamphlet.

6.2.1 Observations

- Many small, family-owned organic farms in Upper Austria are not interested in exporting their produce as their goal is rather to live sustainably and to operate locally.
- Although there is a reliance on funding from the EU presently, if the EU were to withdraw its funding farmers in Upper Austria would be able to adapt by adjusting the prices of their produce over time.
- Farmers make up two to three percent of the population in Austria. Fifty years ago, farmers made up 40 percent of the population. However, the new generation of farmers in Austria are young and well-educated with innovative ideas that could change the agricultural sector.

6.2.2 Recommendation

The delegation recommended that the Western Cape Government should look at ways to make farming more appealing to the youth, specifically looking at how new technology and innovative farming initiatives can entice youth to pursue careers in the agricultural sector.

6.3 Visit to Backaldrin International (The Kornspitz Company) and Guided Tour of the Bread Museum (Paneum)

Backaldrin International is a family-owned business that was founded in 1964, and is internationally recognised as the inventor of the Kornspitz grain roll. Backaldrin is the leading manufacturer of baking products in Austria, and produces more than 600 different baking additives and improvers, as well as baking pre-mixes for bread and pastries. The products are exported throughout the world and the company has six production facilities in various parts of the world.

The company is best known for its original Kornspitz bread which contains high-quality raw food materials as well as vitamins and minerals. Backaldrin also offers organic Kornspitz bread where all raw materials regularly undergo state inspection to ensure that they have been organically grown.

6.3.1 Observations

- Backaldrin products can be found in the Western Cape. A company based in Philippi called “Austrian Premix” sells Backaldrin premixes to suppliers in the Western Cape and Eastern Cape. However, Backaldrin products are adapted for every country they are sold in. In South Africa, 10 percent of the premix is from Austria; however, the rest is raw material from South Africa.
- Backaldrin assists local companies selling their goods in other countries to market these products.

6.3.2 Recommendation

The delegation recommended that Members of the Standing Committee on Agriculture and Economic Opportunities visit the Austrian Premix company based in Philippi, Cape Town.

7. 5 July 2018

7.1 Plenary Session at the State Parliament of Upper Austria, Meeting with the Federal Minister of Agriculture, Nutrition and Communities, and Meeting with the Governor of Upper Austria

The delegation attended a plenary sitting of the Parliament and observed the Parliamentary proceedings. At the start of proceedings the delegation was warmly welcomed from the Chair by the President of Parliament, honourable Viktor Sigl. All public galleries were full and it was clear that there was strong public interest in the proceedings of Parliament. There are strict gallery rules that apply.

The delegation met with Federal Minister of Agriculture, Nutrition and Communities, Mr Max Hiegelsberger, and with the Governor of Upper Austria, Mr Thomas Stelzer.

Minister Hiegelsberger stated that he was excited about the current and future partnerships between the Western Cape Province and Upper Austria. He noted that when the Austrian delegation visited the Western Cape Province previously, there was a lot to learn from the Western Cape's agricultural sector. A potential area for further exchange of knowledge was around climate change. Currently, there is a drought in Upper Austria and farmers have lost 40 percent of their crops. Upper Austria could learn from the Western Cape Province in terms of drought management initiatives.

Governor Stelzer welcomed the delegation, noting that the Western Cape was a beautiful province and an economically powerful region for South Africa. The Governor welcomed more partnerships between the Western Cape Province and Upper Austria in the future, specifically in terms of youth exchange initiatives.

Upper Austria will host the next Regional Leaders Summit in 2020. Governor Stelzer indicated he welcomed the Western Cape's attendance at the event and thanked the delegation for visiting Upper Austria to strengthen the partnership between the two regions.

On behalf of the delegation the delegation leader expressed his gratitude towards the Governor for the opportunity of meeting with the delegation.

7.1.1 Observations

- Apart from the President of the House, all members are part-time.
- The State Parliament also uses social media platforms to produce live streaming to the public, similar to what WCPP has been doing recently.
- Parliamentary proceedings are broadcast live on TV screens outside the building for public viewing
- The media has relative free movement inside the Chamber and are allowed to set up cameras in front of the President in the Chair.
- Members do not have an office in Parliament except for the Chairperson of each of the Political Parties.
- The Speaker and the Governor representing the Legislature and the Executive are housed in the same building. Officials have a separate entrance to that of the Public.
- The delegation noted that Upper Austria has taken on a brand in order to differentiate themselves from the rest of Austria, specifically in terms of being known for organic farming. It was clear from the visits to the organic farms that young farmers are especially passionate about the agricultural sector.
- It was encouraging to hear that 30 percent of small businesses were owned by youth, and that this figure was on the rise.
- Small-scale farmers are key players in ensuring that Upper Austria remains food secure. Most farmers are highly educated and are moving towards sustainable, innovative farming.

7.2 Meeting with Business Upper Austria and the Economic Chamber of Upper Austria

The delegation met with Mr Werner Pamminer from Business Upper Austria, as well as Mr Dominik Ortner of the Export Centre of the Economic Chamber of Upper Austria, who explained that Upper Austria was the leading technology location in the greater Austria. Upper Austria accounts for twenty-eight percent of the total production in Austria, making the province the top industrial region in the country. Upper Austria is also the top export region in Austria.

Business Upper Austria is the business agency of the Upper Austrian government, which means it is the innovation driver and the first contact partner for companies in Austria and abroad. Business Upper Austria offers customised solutions for investment and innovation projects, and assists in steering economic and research policy.

In recent years, Austria has started to focus more on research and development in order to gain the leading edge over competing nations. As a result, the country's industrial sector is thriving. Eighty percent of Austria's spending on research is for industry and industry-related services.

The country also focuses on innovation and education. Twenty-one percent of Austrian apprentices are trained in Upper Austria as a result of the dual education system which has become very popular in the region. There are 15 Higher Technical Schools in Upper Austria which mainly have a technological focus. This type of training provides the Upper Austrian industrial sector with a competitive advantage. There has also been a shift towards careers in mechanical engineering and mechatronics.

7.2.1 Observations

- Business Upper Austria plays a similar role to Wesgro in the Western Cape in that it assists in securing, strengthening and developing the region as a location for business, industry and employment.
- Upper Austria is the top industrial region in the country, which could be attributed to the fact that the region has had a very stable political environment for many years. The current governor of Upper Austria is only the fifth governor for the province since the Second World War.
- The Austrian government focuses its attention on the work force, encouraging people to acquire skills at all levels. Hence, Austria has a highly skilled labour force. This is a model that the Western Cape should further explore in order to address the high unemployment rate.
- There are rarely any strikes or protests in Upper Austria, as employees and employers will always negotiate until a compromise is reached.

7.2.2 Resolution

The delegation resolved that the provincial government should request Wesgro to explore closer ties with Business Upper Austria and to discuss the idea of exchange programmes for students from Upper Austria and the Western Cape.

8. 6 July 2018

8.1 Meeting with the Minister for Social Affairs

The delegation met with the Minister for Social Affairs, Ms Birgit Gerstorfer. Minister Gerstorfer welcomed the delegation and explained that part of her duties as Minister was to assist municipalities with funding for a number of programmes and projects such as building schools and roads etc.

This could be quite a challenge as the number of inhabitants per municipality ranges between 300 and 215 000. The Minister was also responsible for assisting on matters related to the homeless, the elderly, persons with disabilities and the youth.

The Minister also explained that in the political system of Upper Austria, governing of the municipalities depends on which party has the majority within that municipality. This influences which Minister would be appointed in the portfolio of local government.

8.1.1 Observations

- Of the 442 municipalities, 13 municipalities have over 10 000 inhabitants. Linz City is the largest municipality with 215 000 inhabitants. The amount of funding that the municipalities receive is dependent on how many inhabitants they serve.
- In addition to funding received from the Upper Austrian government, municipalities also receive corporate tax from businesses in their jurisdictions
- Municipalities are generally self-sufficient and may decide what their needs are.

8.1.2 Requests for Information

The delegation requested that the following information be made available to it:

- a. A breakdown of how the municipal system is structured;
- b. The roles and responsibilities that fall under the mandate of municipalities;
- c. A summary of how municipalities are funded; and
- d. Upper Austria's youth development policy.

8.2 Visit to the Tobacco Factory in Linz – The Startup Incubator

The delegation met with the Director of the Incubator, Mr Markus Eidenberger, who explained that the tobacco factory was originally built in the 1980's, but that the old building has now been converted to an incubator for startup businesses as well as established businesses such as advertising agencies, software developers and global online marketing specialists. However, the space also hosts artists, architects, musicians, film makers and photographers. The tobacco factory is established on the four pillars of creativity, social issues, work and education, as the heart of a vibrant and newly-conceived district.

The relevance of the four pillars for the city of Linz opens up in a historical perspective. Linz was and still is a working-class city, one of the few cities in Europe with more jobs than inhabitants. Business, trade and industry are flourishing due to the resulting high financial strength of the city.

The building is owned by the city of Linz, who agreed that the space should be used as a creative hotspot for small startup businesses. The idea is that these businesses, with the support of the incubator, will contribute to Upper Austria's future economic development.

The incubator received approximately two million visitors between 2009 and 2017. Currently, the incubator houses 800 employees, which they hope to increase to 1 500 in the near future.

The delegation was taken on a walkabout of the incubator, where creative spaces were inter alia occupied by:

- Lunik2 Sinnmarketingmacher – one of Upper Austria's leading marketing agencies
- Smec Smarter Ecommerce – Google's global online marketing and partner specialist
- Digital Future Space by Catalyst – The fastest growing software developer in Upper Austria

8.2.1 Observations

- The incubator is not subsidised by the government; therefore tenants pay full rent.
- Businesses seem to be moving towards occupying creative spaces such as the ones offered by the incubator, as there is a growing need for more flexibility in terms of work space.
- The incubator aims to support mostly small start-up companies, as large companies would dominate the space. The largest company occupying a space at the incubator has 100 employees.

8.2.3 Resolutions

The delegation recommends that the Standing Committee on Economic Opportunities:

- a) Introduce Smec's Country Manager (United Kingdom), Mr Mark Haupt, to Wesgro and the One Stop Investor Centre initiated by the Entity; and
- b) Introduce the Incubator's Director, Mr Markus Eidenberger, to CapaCiTi's Chief Executive Officer, Mr Ian Merrington.

8.3 University of Applied Sciences in Hagenberg

The University has four satellite campuses.

- Informatics, Communications and Media, Hangberg Campus.
- Medical Engineering & Applied Social Sciences, Linz Campus.
- Management, Steyr Campus.
- Engineering, Wels Campus.

The University focuses on research and development (R&D) to such an extent that there are more Masters programmes available than Bachelor programmes. This is due to the fact that the Austrian Government was investing heavily in R&D.

More than 440 researchers at the University of Applied Sciences Upper Austria continually apply their expertise to 17 thematic areas. Each year, € 15 million of research funding is available to finance nearly 350 ongoing national and international projects. This, in addition to the 630 partners from the private and public sectors, makes the University of Applied Sciences in Hagenberg the most research-intensive university of applied sciences in Austria.

8.3.1 Observations:

- The delegation noted the importance that the Austrian government places on R&D.
- The delegation observed a project by one of the students who was researching the reaction time of a software programme designed to identify an electric failure during a shutdown. The original software was designed by Microsoft, however the student was able to design software that has a faster reaction time.

9. Conclusion

The delegation expresses its appreciation to the Upper Austrian government for its hospitality and the opportunity to strengthen and possibly expand on the current agreement between the State of Upper Austria and the Province of the Western Cape.

The delegation notes the success that Upper Austria has had with its small-scale subsistence farming model, its focus on organic farming and family-owned farms, the dual education system that provides youth with on-the-job training, the state's efforts to mitigate floods, its focus on renewable energy, and its well-functioning local government system.

The delegation also notes and appreciates the Governor of Upper Austria's interest in and commitment to strengthening the agreement between the two regions, as well as the invitation to attend the Regional Leaders Summit in 2020.

10. Future delegations

The delegation was of the firm view that instead of composing future delegations per cluster, delegations should rather be in portfolio committee format so as to ensure that programmes would be more committee-specific focussed.