



**Western Cape  
Government**

Economic Development  
and Tourism



**Annual Report 2015/16**  
Economic Development and Tourism



# Department of Economic Development and Tourism

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Province of the Western Cape

Annual Report  
2015/16

## SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY

**Mr Alan Winde**  
**Minister of Economic Opportunities**

I have the honour of submitting the Annual Report of the Department of Economic Development and Tourism for the period 1 April 2015 to 31 March 2016.



**MR SOLLY FOURIE**  
**ACCOUNTING OFFICER**  
**19 AUGUST 2016**

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# Part A: GENERAL INFORMATION

## PART A: GENERAL INFORMATION

### 1. DEPARTMENT'S GENERAL INFORMATION

**PHYSICAL ADDRESS:** 80 St George's Mall  
Waldorf Building  
Cape Town  
8001

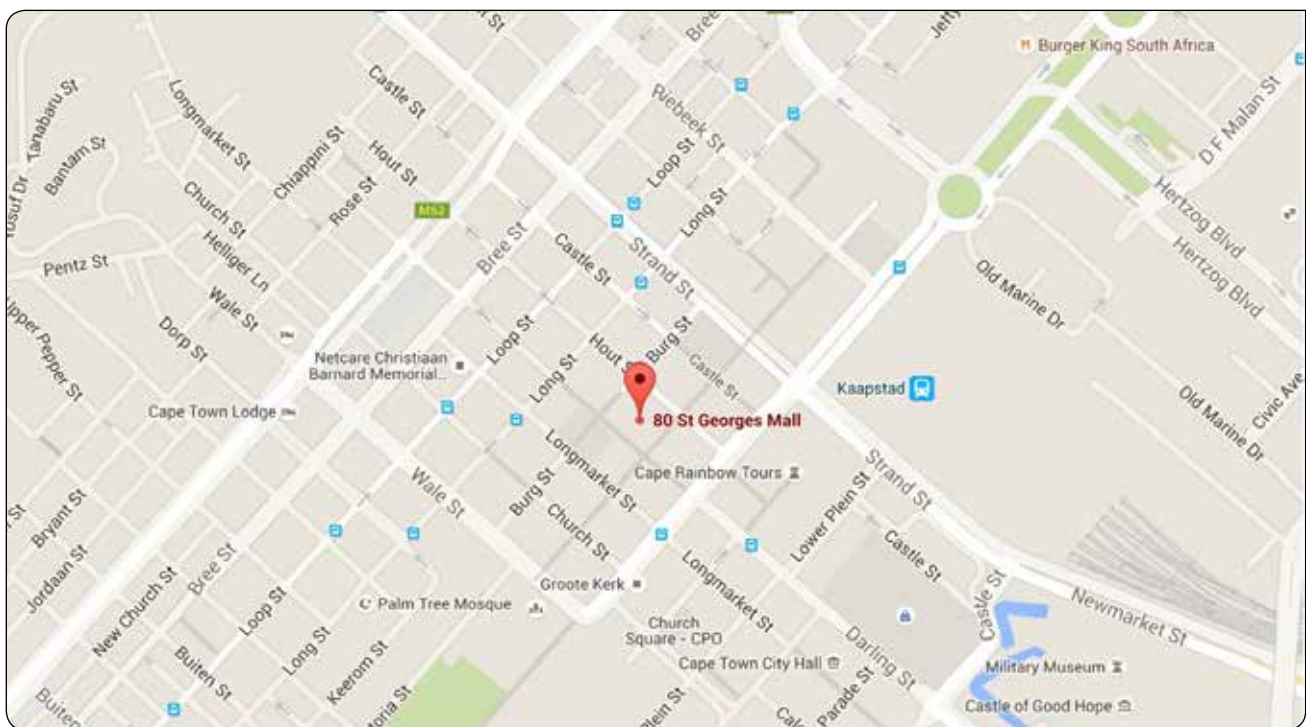
**POSTAL ADDRESS:** PO Box 979  
Cape Town  
8000

**TELEPHONE NUMBER:** +27 21 483 3840

**FAX NUMBER:** +27 21 483 7527

**EMAIL ADDRESS:** [ecohead@westerncape.gov.za](mailto:ecohead@westerncape.gov.za)

**WEBSITE ADDRESS:** [www.westerncape.gov.za](http://www.westerncape.gov.za)



Source: Google Maps, 2015



## 2. LIST OF ABBREVIATIONS/ACRONYMS

<b>ACSA</b>	Airports Company South Africa
<b>AFS</b>	Audited Financial Statement
<b>AGSA</b>	Auditor-General of South Africa
<b>AIFMRM</b>	African Institute for Financial Markets and Risk Management
<b>AO</b>	Accounting Officer
<b>AOPI</b>	Auditing of Performance Information
<b>APP</b>	Annual Performance Plan
<b>BAS</b>	Basic Accounting System
<b>BBBEE</b>	Broad-based Black Economic Empowerment
<b>BER</b>	Bureau for Economic Research
<b>BESP</b>	Built environment Support Programme
<b>BPeSA</b>	Business Process enabling South Africa
<b>BPO</b>	Business Process Outsourcing
<b>CASIDRA</b>	Cape Agency for Sustainable Integrated Development in Rural Areas
<b>CATHSSETA</b>	Culture, Arts, Tourism, Hospitality, Sports, Sector Education and Training Authority
<b>CBMT</b>	Competency-based Modulator Training
<b>CCDI</b>	Cape Craft and Design Institute
<b>CCTC</b>	Cape Clothing and Textile Cluster
<b>CEI</b>	Center for e-Innovation
<b>CITI</b>	Cape Information and Technology Initiative
<b>CLOTEX</b>	Cape Clothing and Textile Service Centre
<b>CMT</b>	Cut, Make and Trim
<b>CPUT</b>	Cape Peninsula University of Technology
<b>CRDP</b>	Comprehensive Rural Development Programme
<b>CSC</b>	Corporate Services Centre
<b>CTFC</b>	Cape Town Fashion Council
<b>CTGA</b>	Cape Tourist Guides Association
<b>CTICC</b>	Cape Town International Convention Centre
<b>CTCIP</b>	Clothing and Textile Competitiveness Improvement Programme
<b>DAFF</b>	Department of Agriculture, Forestry and Fisheries
<b>DBSA</b>	Development Bank of Southern Africa
<b>DEADP</b>	Department of Environmental Affairs and Development Planning
<b>DEDAT</b>	Department of Economic Development and Tourism
<b>DITCom</b>	Departmental IT Committee
<b>DMO</b>	Destination Marketing Organisation
<b>DPSA</b>	Department of Public Service and Administration
<b>DST</b>	Department of Science and Technology
<b>DTM</b>	Departmental Top Management
<b>DTPW</b>	Department of Transport and Public Works
<b>dti</b>	Department of Trade and Industry
<b>EBA</b>	Established Business Activity
<b>ECM</b>	Electronic Content Management
<b>ED</b>	Enterprise Development
<b>EDP</b>	Economic Development Partnership

<b>EE</b>	Employment Equity
<b>EHWP</b>	Employee Health and Wellness Programme
<b>EIA</b>	Environmental Impact Assessment
<b>EPWP</b>	Extended Public Works Programme
<b>ERM</b>	Enterprise Risk Management
<b>FET</b>	Further Education and Training
<b>GDP</b>	Gross Domestic Product
<b>GDPR</b>	Gross Domestic Product per Region
<b>GEM</b>	Global Entrepreneurship Monitor
<b>GMT</b>	Government Motor Transport
<b>HCT</b>	HIV Counselling and Testing
<b>HDI</b>	Historically Disadvantaged Individual
<b>HOD</b>	Head of Department
<b>HRD</b>	Human Resource Development
<b>HSP</b>	Human Settlements Plan
<b>ICAN</b>	Integrated Community Access Network
<b>ICAS</b>	Independent Counselling and Advisory Service
<b>ICT</b>	Information and Communications Technology
<b>IDC</b>	Industrial Development Corporation
<b>IDZ</b>	Industrial Development Zone
<b>IFRS</b>	International Financial Reporting Standards
<b>ISO</b>	International Organisation for Standardisation
<b>IT</b>	Information Technology
<b>JMA</b>	Joint Marketing Agreement
<b>KZN</b>	KwaZulu-Natal
<b>LED</b>	Local Economic Development
<b>LLT</b>	Liquor Licencing Tribunal
<b>LRA</b>	Labour Relations Act
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MEC</b>	Member of Executive Council
<b>MERO</b>	Municipal Economic Review and Outlook
<b>MOA</b>	Memorandum of Agreement
<b>MPAT</b>	Management Performance Assessment Tool
<b>MTEF</b>	Medium Term Expenditure Framework
<b>NDP</b>	National Development Plan
<b>NDPW</b>	National Department of Public Works
<b>NDT</b>	National Department of Tourism
<b>NEF</b>	National Empowerment Fund
<b>NFVF</b>	National Film and Video Foundation
<b>NGO</b>	Non-Governmental Organisation
<b>NO</b>	National Outcome
<b>NPO</b>	Non-Profit Organisation
<b>NT</b>	National Treasury
<b>OCP</b>	Office of the Consumer Protector
<b>OD</b>	Organisational Design

<b>PACA</b>	Participatory Appraisal of Competitive Advantage
<b>PDO</b>	Pre-determined Objectives
<b>PERA</b>	Premier's Entrepreneurship Recognition Awards
<b>PERO</b>	Provincial Economic Review and Outlook
<b>PFMA</b>	Public Finance Management Act
<b>PGDS</b>	Provincial Growth and Development Strategy
<b>PILIR</b>	Policy on Incapacity Leave and Ill-Health Retirement
<b>PPP</b>	Public Private Partnership
<b>PSCBC</b>	Public Service Commission Bargaining Chamber
<b>PSDF</b>	Provincial Skills Development Forum
<b>PSG</b>	Provincial Strategic Goal
<b>PSG 1</b>	Provincial Strategic Goal 1
<b>PSO</b>	Provincial Strategic Objective
<b>PSP</b>	Provincial Strategic Plan
<b>PT</b>	Provincial Treasury
<b>PWD</b>	People with Disabilities
<b>RIA</b>	Regulatory Impact Assessment
<b>RIN</b>	Regional Innovation Network
<b>RLED</b>	Rural and Local Economic Development
<b>RPL</b>	Recognition of Prior Learning
<b>RTLC</b>	Regional Tourism Liaison Committee
<b>SALGA</b>	South African Local Government Association
<b>SAOGA</b>	South African Oil and Gas Alliance
<b>SAPS</b>	South African Police Service
<b>SARS</b>	South African Revenue Service
<b>SAT</b>	South African Tourism
<b>SCM</b>	Supply Chain Management
<b>SCOPA</b>	Standing Committee on Public Accounts
<b>SDF</b>	Spatial Development Framework
<b>SDIP</b>	Service Delivery Improvement Plan
<b>SDA</b>	Service Delivery Agreement
<b>SEDA</b>	Small Enterprise Development Agency
<b>SEFA</b>	Small Enterprise Finance Agency
<b>SETA</b>	Sector Education and Training Authority
<b>SEZ</b>	Special Economic Zone
<b>SITA</b>	State Information Technology Agency
<b>SME</b>	Small and Medium Enterprises
<b>SMME</b>	Small, Medium and Micro Enterprises
<b>SOE</b>	State-owned Enterprise
<b>SPV</b>	Special Purpose Vehicle
<b>STATSSA</b>	Statistics South Africa
<b>TGCSA</b>	Tourism Grading Council of South Africa
<b>TNPA</b>	Transnet National Ports Authority
<b>TSD</b>	Trade and Sector Development
<b>TFDS</b>	Total Foreign Direct Spend

<b>UCT</b>	University of Cape Town
<b>UK</b>	United Kingdom
<b>UNWTO</b>	United Nations World Tourism Organisation
<b>WCADI</b>	Western Cape Aquaculture Initiative
<b>WCFFI</b>	Western Cape Fine Food Initiative
<b>WCG</b>	Western Cape Government
<b>WCLA</b>	Western Cape Liquor Authority
<b>WCM</b>	World Class Manufacturing
<b>WCSD</b>	Western Cape Supplier Database
<b>WCTI</b>	Western Cape Tooling Initiative
<b>Wesgro</b>	Western Cape Investment and Trade Promotion Agency
<b>WISP</b>	Western Cape Industrial Symbiosis Project
<b>W&amp;R SETA</b>	Wholesale & Retail Sector Education and Training Authority

### 3. FOREWORD BY THE MINISTER

We've seen our economic strategies gaining ground as the Western Cape became South Africa's fastest growing job-creating region during the period under review.

In 2015, employment growth in the Western Cape was double that of national and Gauteng.

This is in part due to choices we have made as a government to place special attention on those areas of our economy in which we can make the biggest difference, and which can accelerate job creation and growth.

To this end, we successfully launched Project Khulisa, continuing our focus on Tourism, Agri-processing and Oil and Gas.

We are achieving phenomenal growth in these sectors.

During the 2015/16 financial year, we attracted 1 418 513 visitors. The Western Cape secured 17 conference bids, including the World Ophthalmology Congress. It is the first time this congress will be held in Africa. Around 15 000 delegates are set to attend the five-day event, which will add R210 million to the local economy.

In the Oil and Gas sector and through the South African Oil and Gas Alliance, we attracted R1.5 billion in foreign direct investment, which created more than 5 000 jobs.

During the period under review, we partnered with the Agri-processing sector to complete a comprehensive growth strategy for the sector. Through this action plan, we are seeking to add up to a further 100 000 jobs to our province's Agri-processing sector.

Apart from this focused approach, another one of the reasons why we continue to outperform national is a commitment to removing barriers to growth.

Since its inception in 2011, our Red Tape Reduction Unit assisted approximately 5 500 businesses, with the support they need to grow their businesses.

In the 2015/16 financial year, the Red Tape Reduction Unit helped over 1000 entrepreneurs, with a resolution rate of 93%.

This is how we continue to build the brand of the Western Cape as an ideal investment destination. Wesgro attracted R11.1 billion in foreign investment which added 6 849 jobs in 2015/16.

It is our goal to add over 300 000 jobs to the economy over the next five years. When you look at our job creation record and the achievements of the past year, it is clear we are on the right track.

I want to commend Solly Fourie and his team for their dedication to executing our growth strategy for the Western Cape. It is thanks to their hard work that this province is the country's foremost job creating region.



**Alan Winde**  
**Minister of Economic Opportunities**

#### 4. REPORT OF THE ACCOUNTING OFFICER

The year under review has once again provided the Department with the opportunity to establish itself as a leader in the creation of a conducive and growing economic environment.

Every one of the seven programmes has significantly contributed to meeting the expectations of businesses and economic stakeholders, through the creation of an enabling economic environment supporting growth and jobs. The activities of the Department spans a wide range of economic interventions and the aim of supporting a demand-led, private sector-driven approach to economic development was again successfully delivered.

##### **Achievement for the year**

Despite a sluggish global economic performance, the Western Cape added 92 000 jobs year-on-year between quarter 1 (2015) and quarter 1 (2016). This translated into an unemployment rate of 20.9% as at the end of quarter 1 (2016). More importantly, the region experienced the highest Labour Force Absorption and Labour Force Participation rates of 54.3% and 68.6% respectively. (Stats SA: Q1 Labour Force Survey)

The Department also continued on the medium to long term trajectory of providing support to businesses and 1 210 business received financial and/or non-financial support during the year.

Our Red Tape Reduction Unit continues to do sterling work and many businesses were assisted with the elimination of inhibiting red tape. In fact, the Unit was very successful in responding to the needs of business by addressing 93.41% of the queries logged with it. It is clear that this program has played a significant role in creating business confidence.

Both the Energy and Skills Game Changers were launched during the course of the year and this dedicated approach to addressing two of the key enabling infrastructure levers will make a significant contribution to the region being more competitive and responsive to the demands of investors. In addition, the first of a series of Wi-Fi Hotspots were rolled out in 50 municipal wards across the Province. This is the start of the provision of a Wi-Fi Hotspot in each of the municipal wards across the Province.

We have successfully launched Project Khulisa, which is aimed at growing the Tourism, Agri-processing and Oil & Gas services sector. These three sectors have received accentuated focus during the year and together with our continued funding of other key sectors, sector support across a wide range of the economy has flourished. Our sector development team continued to be the catalyst in assisting sectors to be more productive through cluster approaches and more competitive and better methods of manufacturing.

Through the efforts of Wesgro, investments of R2.045 billion were realised. This bodes well for future growth and subsequent job creation from the enhanced investor interest. In addition the region has once again enjoyed a very successful visitor season and this can be attributed to the increased destination marketing efforts.

The successful establishment of the Saldanha IDZ Licensing Company is the foundation for significant growth within the West Coast Industrialisation. The IDZ will serve as a major catalyst for economic growth in the region.

The detailed achievements of the Department are reflected later in this report as part of the programmatic feedback.

##### **Challenges for the year**

The global trading conditions continue to present slow growth and together with this we have seen reluctant investor sentiment. Notwithstanding this, we are confident that by continuing to create an enabling economic environment, investors will find opportunities in the region which are more competitive and supportive.

The challenging and uncertain global economic situation continued to present the Western Cape region with particular systemic challenges which, due to the uncertainties of predictive consumer behaviour, affected our planning.

## Departmental receipts

Departmental receipts	2015/16			2014/15		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Tax Receipts</b>	<b>27 000</b>	<b>26 178</b>	<b>822</b>	<b>25 000</b>	<b>27 411</b>	<b>(2 411)</b>
Casino taxes						
Horse racing taxes						
Liquor licences	27 000	26 178	822	25 000	27 411	(2 411)
Motor vehicle licences						
<b>Non Tax Receipts</b>	<b>6 123</b>	<b>12 661</b>	<b>(6 538)</b>	<b>6 074</b>	<b>9 874</b>	<b>(4 236)</b>
Sale of goods and services other than capital assets	270	428	158	270	436	(166)
Transfers received				500		500
Fines, penalties and forfeits						
Interest, dividends and rent on land		42	(42)		3	(3)
Sale of capital assets						
Financial transactions in assets and liabilities	5 853	12 191	(6 338)	5304	9 871	(4 567)
<b>Total</b>	<b>33 123</b>	<b>38 839</b>	<b>(5 716)</b>	<b>31 074</b>	<b>37 721</b>	<b>(6 647)</b>

Actual revenue collected with regard to liquor licence fees was under collected by R822 000.

In terms of the tourist guide registration fees 1 617 tourist guides were registered during the financial year resulting in an over-collection of revenue of R158 000.

During the financial year, the Department over-collected on its financial transactions in assets and liabilities by an amount of R6.338 million.

## Programme expenditure

In terms of final expenditure over the past two financial years, the Department has managed to expend 97.4% or R432.784 million of its adjusted appropriation in the 2015/16 financial year, compared to the 99.7% or R509 008 million spent in the 2014/15 financial year.

Given the continued constrained economic and fiscal situation, which prevailed in the past year, the National and Provincial Cabinet endorsed stronger measures to restore a sustainable fiscal path. The escalating public sector wage bill was identified as an appropriate starting point in restoring the fiscal buffer. The National Treasury recommended that a complete freeze on the appointment of non-OSD staff should be applied nationwide and the Western Cape supported the National Treasury recommendation. The Province decided to approach the issue of COE cuts by way of placing moratoriums on the filling of vacancies, relooking the approaches to HR issues with funding implications such as performance bonuses, pay progression and acting allowances, etc.

As such, the lion's share of the Department's underspending for the year under review, resided within Compensation of Employees.

Programme		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as a percentage
		R'000	R'000	R'000	R'000	R'000	R'000	%
1.	Administration	41 904	–	–	41 904	40 330	1 574	96.2
2.	Integrated Economic Development Services	54 968	–	–	54 968	53 802	1 166	97.9
3.	Trade and Sector Development	176 622	–	–	176 622	171 451	5 171	97.1
4.	Business Regulation and Governance	50 137	–	–	50 137	49 778	359	99.3
5.	Economic Planning	25 816	–	–	25 816	24 997	819	96.8
6.	Tourism, Arts and Entertainment	40 271	–	–	40 271	39 882	389	99.0
7.	Skills Development and Innovation	54 545	–	–	54 545	52 544	2 001	96.3
<b>Total</b>		<b>444 263</b>	<b>–</b>	<b>–</b>	<b>444 263</b>	<b>432 784</b>	<b>11 479</b>	<b>97.4</b>

### Virements

Unlike the 2014/15 financial year where the Department effected a total of 14 virements, by the end of the 2015/16 financial year, there was no need for any virements across main divisions within the vote.

### Roll overs

During the 2015/16 financial year, a total of four (4) roll over requests were approved. The nature of these roll overs are as follows:

- **Cape Town International Convention Centre (CTICC):** With a 2015/16 budgetary allocation of R80 million, the Department committed to subscribing for R15 million in the 2015/16 financial year and requested that R65 million is rolled over to 2016/17 financial year for subscription of shares in Convenco.
- **Broadband Stream II:** Subsequent to the finalisation of the appointment of the service providers for the Internet Champion Project, there was a separate renegotiation of the implementation timeline between the service provider and Ce-I. This renegotiation saw a contractually agreed upon postponement in the delivery of targets. This postponement has had a substantial impact on Stream II's projects which are dependent on and linked to Stream I's rollout. Essentially, this has resulted in Stream II's projects being delayed by 5 months.
- **Saldanha Wireless Mesh:** The project undertaken in the 2013/14 financial year via the Saldanha Bay Municipality (Saldanha Wireless Mesh) was officially terminated during the 2015/16 financial year. The municipality has agreed to return the budget to the Department (which amounted to R2.8 million). The roll over request, to the value of R2.8 million was approved and the funds will be rolled over to the 2016/17 financial year to form part of the Broadband Stream 2 Earmarked Priority Allocation.
- **Halal Park:** The roll over request, to the value of R6.3 million was approved and the funds will be rolled over to the 2016/17 financial year.

### Future plans of the Department

The Department is fully committed to fulfil its mandate to provide leadership for the continued establishment of an enabling environment for economic growth and expansion, leading to increased opportunities for prosperity for all citizens.

The focus on Game Changers for Energy Security, Vocational and Artisanal Skills, and the 3 sectors identified for Project Khulisa, will receive specific attention over the next few years. In addition we are committed to support for the Alcohol Harms Reduction Game Changer. The Department will also continue to provide interventions which seek to reduce Red Tape and support the Ease of Doing Business across the whole of the economy.



Investment into Catalytic Economic Infrastructure will also focus strongly on the establishment of the Saldanha Bay Industrial Development Zone and together with roll out of the next phase of the Broadband for the Economy plans, will provide further growth stimulus.

### Public Private Partnerships

There are no PPP undertaken by the Department of Economic Development and Tourism.

### Discontinued activities/activities to be discontinued

No activities were discontinued during the 2015/16 financial year, however as of 1 April 2016, the Western Cape Liquor Authority will report via the Department of Community Safety.

### New or proposed activities

Whilst the Department will continue to deliver the actions determined to support the overall long term strategy to support a demand-led, private sector approach to the economy, there is strong commitment to address the issue of growth across all sectors of the economy.

In light of this, the Department has not identified any new activities or interventions which are not contained in the medium term strategic approach and as stated above, the focus on Project Khulisa and the Game Changers will take up most of the Department's strategic focus.

### SCM processes and systems to prevent irregular expenditure

A large percentage of the Department's work is undertaken through the supply chain processes and as such this is critical to the business of the Department. In the financial year under review, the SCM processes were critically reviewed to combat waste and corruption as well as to improve efficiencies.

The objective of the SCM Policy is to have effective and efficient procurement processes to support the quotation and tendering environment for the appointment of professional service providers, and general goods and services. The Department has therefore, reviewed the SCM Policy that incorporated all applicable circulars and practice notes issued by the Provincial and National Treasury.

The constitution/composition of the Departmental Bid Adjudication Committee (DBAC) was reviewed and comprises all Programme Managers and some SMS members to ensure better representation at DBAC meetings. All members of the DBAC have been formally appointed by the Accounting Officer as per the SCM Policy. The DBAC meetings were convened regularly as per the adopted DBAC Meeting Calendar for the said Financial Year and hence no DBAC matters were outstanding for the year under review.

Conflict of interest is at least managed through procurement and other processes. DEDAT continuously ensures that:

- Senior management, supply chain management practitioners, role players and BID committee members disclose their financial interest. The service providers are required to disclose their financial interests and connected government employees through the supply chain management processes.
- Vetting of senior management, staff and key suppliers.
- Verification of bidders' conduct against the register of tender defaulters.

In addition, all staff appointed within the Supply Chain Management unit, complete a Declaration of Interest and acknowledgement of the content of the Code of Conduct form which is kept on file by the Head of SCM.

### Gifts and Donations received in kind from non-related parties

Name	Designation	Nature	Estimated Value	Relationship with receiver
Solly Fourie	Head of Department	Bottle of Whiskey	R2 000	Indian Tour Operator
Solly Fourie	Head of Department	Gift voucher	R2 000	Investor
Marian Schroeder	Graduate Intern	Computer Keyboard	+/-R400	Supplier
Jo-Ann Johnston	Chief Director: Strategic Initiatives	Bottle of wine	R200	Supplier

### Exemptions and deviations received from the National Treasury

The Department did not have any exemptions or deviations from National Treasury.

### **Events after the reporting date**

- At the time of preparing and submitting the annual financial statements, there is an additional shareholding in the Cape Town International Convention Centre (CTICC) that will be purchased during the 2016/17 financial year.
- Cabinet has endorsed a transfer by the Premier of the executive responsibility for the Western Cape Liquor Authority from the Minister of Economic Opportunities to the Minister of Community Safety. Cabinet concurred that 1 April 2016 was the date for the formal transfer by the Premier of the administration of the Western Cape Liquor Act, and any power or function entrusted by that Act, from the Minister of Economic Opportunities to the Minister Community Safety.

### **Acknowledgements**

I acknowledge and appreciate the support, leadership, guidance and encouragement given by MEC Winde and his office staff as well as the Cabinet of the Western Cape during the financial year. Thank you, also, to my hard-working and dedicated management team and DEDAT staff who have remained committed and focused to ensure that we continue to progress in achieving our goals and objectives.

Finally, thank you to all our business partners and economic stakeholders who have engaged with DEDAT over the year and contributed to our vision to grow the economy.



**MR SOLLY FOURIE**  
**ACCOUNTING OFFICER**  
**DATE: 29 JULY 2016**

## 5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2016.

Yours faithfully



**MR SOLLY FOURIE**  
**ACCOUNTING OFFICER**  
**DATE: 29 JULY 2016**

## 6. STRATEGIC OVERVIEW

### 6.1 Vision

The Department's vision is a Western Cape that has a vibrant, innovative and sustainable economy, characterised by growth, employment and increasing equity, and built on the full potential of all.

### 6.2 Mission

To achieve the vision statement as noted above, the Department of Economic Development and Tourism will provide leadership to the Western Cape economy through the Department's understanding of the economy, its ability to identify economic opportunities and potential, and its contribution to government economic priorities.

The Department will also act as a catalyst for the transformation of the economy and respond to the challenges and opportunities of its economic citizens, in order to support the government's goal of creation of opportunities for business and citizens to grow the economy and employment.

Lastly, it will contribute to the provision of a predictable, competitive, equitable and responsible environment for investment, enterprise and trade.

### 6.3 Values

The core values of the Department espouse are:

- Competence
- Accountability
- Integrity
- Responsiveness
- Care
- Innovation

## 7. LEGISLATIVE MANDATE

**Several acts play a role in the Department's work ambit. The more important acts and policies are mentioned:**

### **Public Finance Management Act, 1999 (Act 1 of 1999 as amended by Act 29 of 1999)**

The Act regulates financial management in the Department to ensure that all revenue, expenditure, assets and liabilities are managed efficiently and effectively and provides the responsibilities and authority to persons entrusted with financial management in the Department.

### **Western Cape Investment and Trade Promotion Agency Law, 1996 (Act 3 of 1996)**

The Law establishes the Western Cape Investment and Trade Promotion Agency (Wesgro) (as amended). Wesgro is a schedule 3 public entity with the legislative mandate to promote tourism, trade and investment for the Western Cape.

### **Liquor Act, 2003 (Act 59 of 2003)**

The Liquor Act, No 59 of 2003 came into effect on 13 August 2004 and replaced the current Liquor Act, No 27 of 1989 for national functions while retaining it as transitional measure for provincial functions. It introduces a three tier system into the liquor industry and regulates the manufacturing and distribution tier. It provides for the devolution of functions relating to the distribution tier to the Provincial Minister and it requires the Provincial Liquor Licensing Authority to provide it with statistical information relating to the retail and micro-manufacturing tier.

### **Businesses Act, 1991 (Act 71 of 1991)**

The Businesses Act is assigned national legislation that provides for the regulation of informal trading by Municipalities, subject to monitoring of the relevant bylaws by the Provincial Minister. It further provides that the Provincial Minister may act as an appeal authority in instances where Municipalities refuse applications by certain types of businesses for licenses to trade.

### **Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003)**

The BBBEE Act establishes a legislative framework for the promotion of black economic empowerment; empowers the Minister to issue codes of good practice, and to publish transformation charters; establishes the Black Economic Empowerment Advisory Council; and provides for matters connected therewith.

### **The BBBEE Amendment Act, No 46 of 2013**

Introduces a number of changes, of which the following are deemed to be the most significant:

- The establishment of a BBBEE Commission that provides an oversight and advocacy role.
- The definition of “fronting practices” and the criminalisation of such practices.
- All organs of state to report on compliance with BBBEE regulations in their annual reports.

The amendments to the BBBEE Codes of Good Practice will come into effect on 01 April 2015.

### **Consumer Protection Act, 2008 (Act 68 of 2008)**

The CPA promotes a fair, accessible and sustainable marketplace for consumer products and services and for that purpose establishes national norms and standards relating to consumer protection, provides for improved standards of consumer information, prohibits certain unfair marketing and business practices, promotes responsible consumer behaviour, promotes a consistent legislative and enforcement framework relating to consumer transactions and agreements; and establishes the National Consumer Commission.

### **National Small Business Act, 1996 (Act 102 of 1996), as amended by the National Small Business Act, 2004**

Bill amended the National Small Business Act, 1996, so as to repeal all provisions pertaining to the Ntsika Enterprise Promotion Agency (Ntsika); provides for the establishment of the Small Enterprise Development Agency (SEDA) and makes provision for the incorporation of Ntsika, Namac and any other designated institution into the agency.

### **Municipal Systems Act, 2000 (Act 32 of 2000)**

The Act provides core principles, mechanisms and processes to enable Municipalities to move progressively towards social and economic upliftment of communities and to ensure access to essential and affordable services.

### **Western Cape Consumer Affairs (Unfair Business Practices) Act, 2002 (Act 10 of 2002)**

The Act provides for the investigation, prohibition and control of unfair business practices and establishes an Office of the Consumer Protector and Consumer Affairs Tribunals.

### **Tourism Act 3 of 2014 (as amended)**

Provisions in the Act include further training and registration of tourist guides, a code of conduct and ethics for tourist guides, procedures to lodging complaints and disciplinary measures.

### **The Cooperatives Amendment Act, No 6 of 2013**

The Act prescribes that the Department responsible for economic development within the provincial government, ensures co-ordination on planning, budgeting, provisioning of services and support to and monitoring and evaluation of cooperatives.

### **The Membership of the Western Cape Economic Development Partnership Act**

The purpose of the Act is to provide enabling legislation to regulate the relationship between the Western Cape Government and the EDP. The Act provides that the Western Cape Government may become a member of the EDP and establishes a formal relationship (inclusive of providing for transfer payments) between the two parties. The Act put forward conditions relating to the Western Cape Government's membership of the EDP and funding of the EDP through transfer payments. The Act does not regulate the governance and operations of the EDP as these are regulated by company laws. The Act was passed by Provincial Cabinet in December 2013.

### **Policy mandates**

#### **National Development Plan (NDP)**

The key concepts of the NDP are:

- a) Uniting South Africans around a common programme;
- b) Citizens active in their own development;
- c) Faster and more inclusive economic growth;
- d) Building capabilities;
- e) A capable state;
- f) Leadership and responsibility throughout society

## **The National Evaluation Policy Framework (NEPF, 2011)**

This Policy Framework provides the basis for a minimum system of evaluation across government. Its main purpose is to promote quality evaluations which can be used for learning to improve the effectiveness and impact of government, by reflecting on what is working and what is not working and revising interventions accordingly. It seeks to ensure that credible and objective evidence from evaluation is used in planning, budgeting, organisational improvement, policy review, as well as ongoing programme and project management, to improve performance. It provides a common language for evaluation in the public service.

## **OneCape2040**

OneCape2040 is a deliberate attempt to stimulate a transition towards a more inclusive and resilient economic future for the Western Cape region. It is a vision and strategy for society, rather than a plan of government, although all three spheres of government are essential for implementation. It does not replace any existing statutory plans required of either province or Municipalities. It is rather intended as a reference point and guide for all stakeholders in order to:

- promote fresh thinking and critical engagement on the future;
- provide a common agenda for private, public and civil society collaboration;
- help align government action and investment decisions;
- facilitate the necessary changes we need to make to adapt to our (rapidly) changing local and global context;
- address our development, sustainability, inclusion and competitiveness imperatives.

## **Provincial Strategic Plan (PSP)**

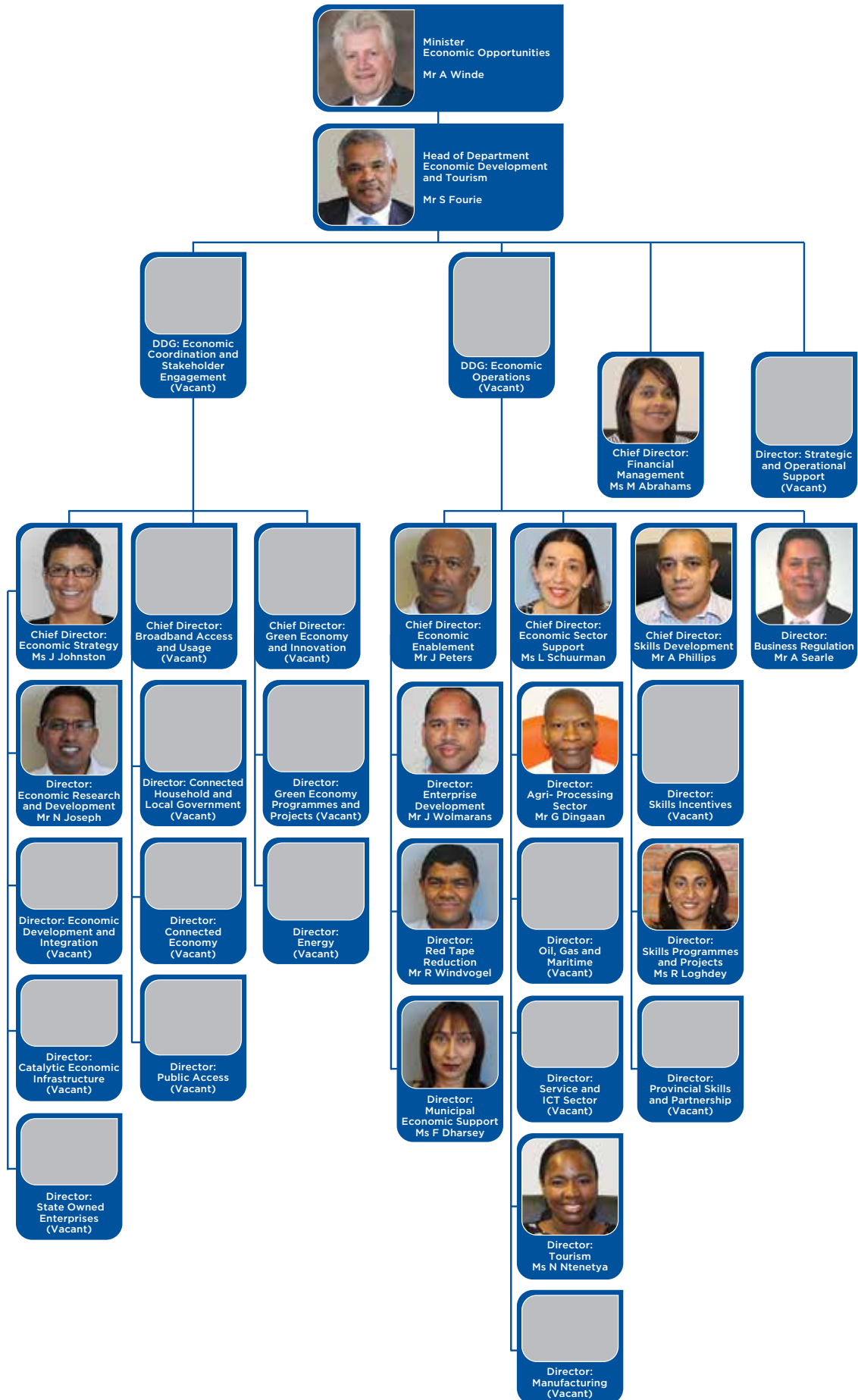
The PSP is a five-year plan that sets out the Western Cape Government's strategies and plans for the next five years. It consists of 5 Strategic Goals, namely

- Strategic Goal 1: Create opportunities for growth and jobs
- Strategic Goal 2: Improve education outcomes and opportunities for youth development
- Strategic Goal 3: Increase wellness, safety and tackle social ills
- Strategic Goal 4: Build a quality living environment, resilient to climate change
- Strategic Goal 5: Embed good governance and integrated service delivery through partnerships and spatial alignment

## **Western Cape Green Economy Strategy Framework**

The aim of the framework is to position the Western Cape as the lowest carbon province in South Africa and the leading green economic hub of the African continent.

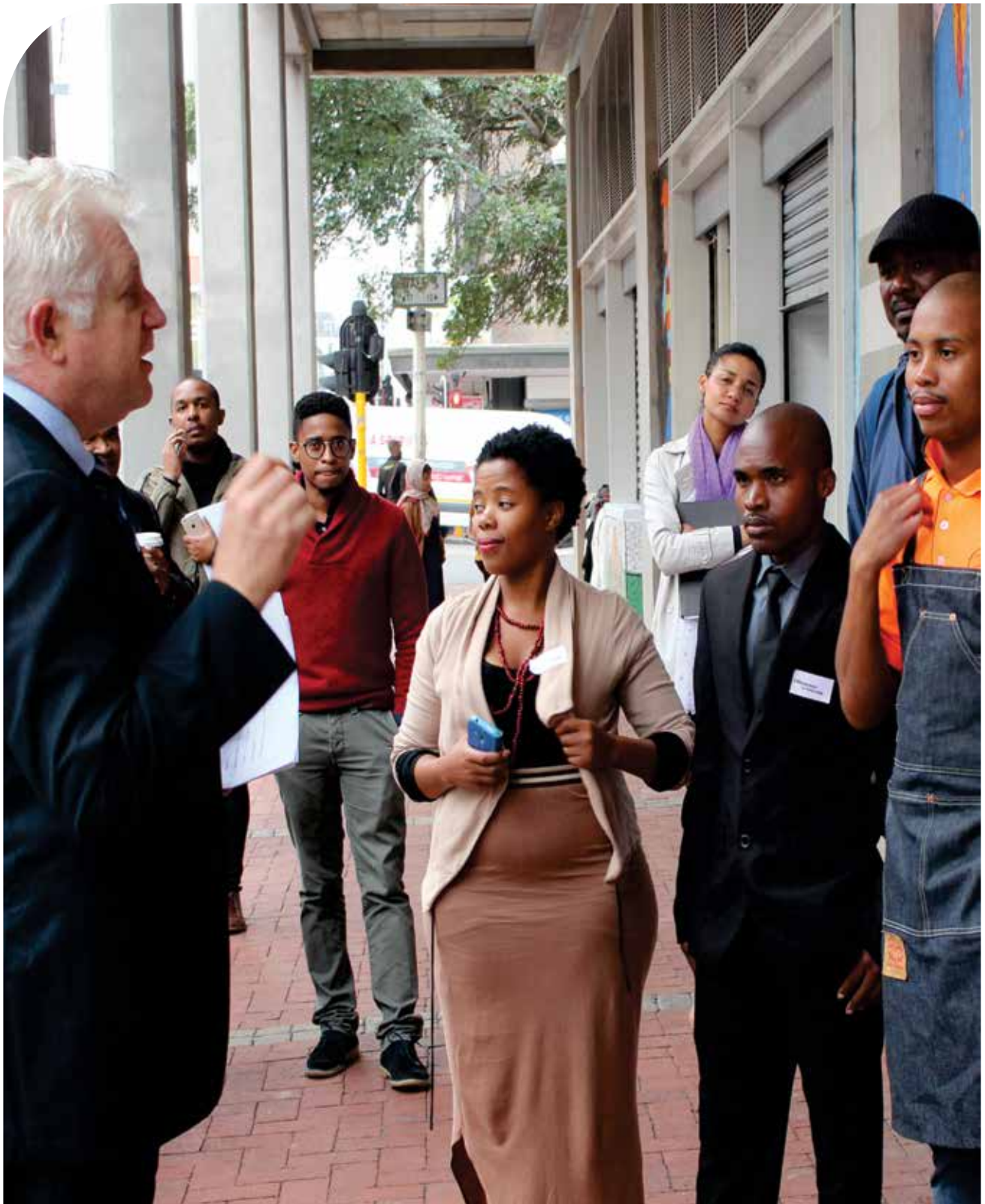
## 8. ORGANISATIONAL STRUCTURE



## 9. ENTITIES REPORTING TO THE MINISTER

Name of entity	Legislative mandate	Financial Relationship	Nature of Operations
Western Cape Investment and Trade Promotion Agency (Wesgro)	Western Cape Investment and Trade Promotion Agency Law, 1996 (Act 3 of 1996)	Transfer Payment recipient	Wesgro is the official Tourism, Trade and Investment Promotion Agency for the Western Cape.
Saldanha Bay Industrial Development Zone Licensing Company (SBIDZ LiCo)	None	Transfer Payment recipient	The SBIDZ LiCo is a subsidiary of Wesgro and is responsible for the promotion, management and marketing of the industrial development zone in the Saldanha Bay area as well as ancillary activities that are required for the establishment of the IDZ.
Western Cape Liquor Authority	Western Cape Liquor Act 2008 (Act 4 of 2008)	Transfer Payment recipient	The Western Cape Liquor Authority regulates the retail sale and micro-manufacturing of liquor in the province. It will also facilitate transformation of the liquor industry in the Western Cape by promoting the entry of new license holders and aims to ensure the responsible use of liquor.





## Part B: PERFORMANCE INFORMATION

### 1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 162 of the Report of the Auditor General, published as Part E: Financial Information.

### 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

#### 2.1 Service delivery environment

As it is the fundamental belief of this Department that economic growth is at the heart of all successful development and that growth is driven primarily by the private sector operating in a market environment, the role of the state should therefore be to create and maintain an enabling environment for business and provide demand led private sector driven support for tradable or propulsive sectors, industries and business.

The RLED unit focused its support on the industries identified as the key economic drivers by implementing area-specific intervention across the Agri-processing and Oil and Gas sector to positively impact on spatial delivery with the provision of greater access by rural and urban enterprise to access to financial aid, and greater alignment by West Coast local authorities in support of industrial development plans underway. The unit has in partnership with Provincial Treasury elevated the need and opportunity to leverage procurement at local level as an economic tool to achieve economic development and improved growth. In the pursuit of realising economic opportunity, the unit coordinated support around joint planning initiatives with municipalities and supported establishing the feasibility of a Box Park development in a rural setting. The unit also initiated the shift in departmental mandate and focus in supporting local municipalities – away from traditional capacity building and LED to reducing the cost and improving the ease of doing business – by undertaking pilot opportunities to support the development of business process improvements around investment readiness into local area.

The Enterprise Development unit focused on providing support to businesses and contributing towards creating a more conducive and enabling environment within which businesses can grow. The unit provided both financial and non-financial support to small, medium and micro enterprises (SMMEs) to strengthen their business viability and sustainability. The areas of focus included developing a culture of entrepreneurship, entrepreneurial thinking, innovation and sustainable procurement (e.g. B-BBEE and local content). Businesses were able to access services such as mentoring and coaching (training and advisory), developing business and finance knowledge, access finance opportunities and developing human capital to ensure that the core of the business is strengthened.

The Red Tape Reduction Unit continued providing services to the business sector through its primary delivery platform, the Red Tape Reduction Contact Centre, providing well in excess of 1 000 businesses with advice and assistance. It sought to improve the level of service delivery through the development of standard operating procedures that were implemented in the course of the year. Various projects were undertaken to systemically address areas of less than optimal business-facing services delivered by government across especially the local and provincial spheres of government. These interventions related specifically to event-related activities, especially event and film permits, as well as temporary and special event liquor licence applications. In addition, it piloted a project to improve investment readiness of municipalities through the development of investment facilitation standard operating procedures and an investment readiness package. A municipal services benchmarking project was piloted in 2 municipalities with co-funding from the Dutch government. In order to establish a baseline of the cost of red tape to the Western Cape economy, a project quantifying red tape in selected areas of the three Khulisa priority sectors was undertaken.

The Western Cape attracted a total of 1 418 513 tourists through various marketing and tourism promotion activities and secured a total of 17 conference bids. The World Ophthalmology Congress (WOC) will be held on the African continent for the first time in 2020 when the Western Cape welcomes approximately 15 000 delegates to the Cape Town International Convention Centre. The congress is expected to bring in an additional R210 million into the Western Cape economy over its five days with each delegate spending an estimated R2 800 per day in and around the city of Cape Town.

With regard to trade promotion, Wesgro assisted a total of 708 Western Cape companies with export. Wesgro secured a total of R2.045 billion worth of investments in the Western Cape, facilitating a total of 681 jobs. The Agency facilitated a total of 10 investment projects in to the Western Cape.

Projects and programmes in the Oil and Gas industry includes the completion of a pre-feasibility study on the establishment of an oil-well cement factory in the Western Cape. Another project involved the placement of approximately 208 artisan interns for the next three years in Armscor, South Cape College, Eskom, Nautic Africa and other firms and approximately 28 global upstream companies are establishing regional offices and logistics bases in the Western Cape including Anadarko, Hunting Energy, Jacobs and Weatherford.

The Department along with the Department of Agriculture and with a wide range of industry stakeholders has completed plans to support Project Khulisa in order to guide the growth of the Agri-processing sector in the Western Cape. The establishment of a Halal Industrial Park is a large infrastructure component of this project, the key activities for achieving the project's rural diversification goals relate to the creation and support of Agri-processing value chains. These value chains will improve the flow of information among producers, distributors, processors and retailers to identify local food opportunities, improve efficiencies and ultimately expand the agri-processing industry.

A major achievement in the BPO sector has been the creation of an additional net 4 300 export generating jobs in the BPO sector resulting from DEDAT's strategy of promoting the Western Cape as a global location for offshore business and IT services. Last year there were 11 700 offshore jobs and this year there are 16 000, as per BPeSA's Key Indicator report which is a 37% increase. This equates to export revenues of about R3.7 billion per annum.

Major advances have been made in ICT in the enterprise development and SME innovation sphere as well as skills development. The Department has implemented two ground breaking IT skills projects that targets youth unemployment in the past year. The first project has seen 66 high school students trained with the Western Cape Education Department's schools and teachers in Java programming with them entering employment soon.

The Department successfully hosted the first Western Cape Manufacturing Indaba at the CTICC on 6 November 2015. The event was attended by over 200 delegates. The clothing and textile sector bodies continued to improve the competitiveness of the industry through various programmes namely the Competitiveness Improvement Programme, the Quick Response Capability Programme, the Value Chain Alignment Programme and the Young Designers Fashion Programme. The metals and engineering sector has established the Centre of Excellence at the Connaught Business Park in Parow that will provide access to modern technology and equipment to industry and students. The craft industry was supported through the business support programme which assisted crafters through the Design Innovation Seed Fund and the Jobs Fund project as well as business development and creativity workshops that were hosted on a regular basis.

The introduction of the Skills Game Changer and identification of the sectors that platform for improved economic growth and jobs provided the unit an opportunity to focus its efforts increasing the number of youth in technical and vocational training and work placement opportunities. Improved coordination of skills initiatives amongst partners have provided for improved alignment of funding alongside the skills pipeline with national government funding, through the Department of Higher Education and Training (National Skills Fund) complemented by DEDAT and SETA funding. Investment in 150 artisanal candidates 18 months ago has provided a sound basis with a 90 per cent success rate of those passing their final trade test.

During the year under review the Office of the Consumer Protector has either achieved or exceeded the majority of its targets. It must be noted that the environment within which the Office of the Consumer Protector works is largely legislative and many of its targets are aligned with nationally agreed upon performance indicators. This is most notably within the area of complaints management and consumer education. Within Complaints Management the output targets relate to the number of matters received for inquiry and the number of matters subsequently resolved. In this environment it is extremely challenging to accurately predict the number of cases that will be received from consumers and how many will subsequently be resolved. This is especially since the receipt and resolution of matters may depend on a myriad of factors which are outside the control of the Programme. Historically the setting of such targets was based on evaluating the trend over previous years and making the relevant adjustment. This was a relatively acceptable method of target setting since the Programme during the period of 2007-2013 consistently experienced an increase in complaint numbers year on year. However, with the accreditation of certain industry Ombuds offices by the National Minister of Trade and Industry a different trend

has developed. The aforementioned accreditation is permitted in terms of the Consumer Protection Act and has resulted in these Ombuds Offices now receiving authorisation to also receive and resolve complaints from their particular industries. The result of this has now seen a consumer provided with a choice of entity to approach for assistance. The natural impact is that provincial offices like the Consumer Protector have experienced a downturn in complaint numbers due to the options now available to them. Despite the anticipated downturn it remains a challenge to accurately predict the exact tail off in numbers that could occur.

The Office of the Consumer Protector has also achieved excellent results in a few challenging areas. For example in terms of the satisfaction rating from consumers who have used the services of the Programme a 61% result was achieved. This is commendable especially if the nature of the work the Programme does is considered. In complaints management not all inquiries will result in a successful outcome for a consumer – this is due to the nature of the complaint and the merits of the dispute. With this context in mind the achievement is notable. As far as assistance to consumers is concerned the Programme has been successful in resolving disputes amounting to a saving for consumers. This saving was recorded as been over R10 million and is commendable. From the consumer education side the Programme remains the leader as far as conducting an evaluation of the impact of its service offerings. In this regard one of the important outcome indicators which was set related to the change in financial management behaviour of consumers attending the Programmes workshops conducted by the consumer education unit. These workshops were aimed at instilling a culture of better financial awareness and management by vulnerable consumers. During the year under review a total of 68% of attendees indicated a positive change in their behaviour regarding financial literacy and management. This too is commendable.

## **2.2 Strategy to overcome areas of underperformance**

The economic environment in which the Department operates is market-driven and demand-led. The process of setting targets is therefore extremely complex given the nature of economic conditions, specifically around investment promotion, trade, jobs and business confidence.

To ensure the programme does not under-perform on any of its performance indicators, the Department initiated a process whereby indicators can be better determined. Funding Proposal documents were introduced and drafted for each project which would contribute towards the Department's objectives. This document allows the Programme to describe the environment in which it operates, identify a problem statement and subsequent sub-problem statement and articulate the strategies and projects that would mitigate or remedy these problems. All indicators are then geared to remedy the actual challenges or market failures within the respective work areas. This process has also enabled the Department to focus its attentions on indicators that measure the things that can and should be measured.

Furthermore, this process also allowed the Department to budget for projects and programmes which directly impact on the achievement of targets. It should however be noted that a primary criterion for the setting of targets is past performance. By examining the past, the Department can, to a certain extent, gauge target-setting given any amendments in budget allocation and concomitant changes in performance trends.

To ensure regular performance monitoring, monthly reports are provided to the Accounting Officer who, through one-on-one meetings with each Programme Manager, evaluates the performance of each programme. Performance of each work area is furthermore discussed during the Departmental Top Management (DTM) meetings on a monthly basis where areas of uncertainty are debated and remedial actions, where necessary, are agreed upon. In addition, all performance information is reviewed on a quarterly basis in terms of the Quarterly Performance Reports submitted to the Provincial Treasury at the end of each quarter.

## **2.3 Service delivery improvement plan**

The Department has completed a Service Delivery Improvement Plan (SDIP). The tables below highlight the service delivery plan and the achievements to date.

## Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
<b>To act as a Consumer Protection Agency within the Western Cape Province by virtue of the provisions of Provincial and National Legislation.</b>				
	<ul style="list-style-type: none"> <li>Consumers</li> <li>Small Businesses (with an annual turnover or asset value of less than R2 million)</li> <li>NGO's</li> <li>Government Departments</li> <li>Local Authorities</li> </ul>	<p>a) 80% of consumer complaints were resolved.</p> <p>b) A satisfaction rate of 47% was recorded. The actual achievement only relates to the services within one component of the Office of the Consumer Protector (OCP) namely complaints management. It is noted that if the additional units service offerings were measured it would result in an achievement or over achievement of the stated target.</p>	<p>a) 65% of consumer complaints resolved.</p> <p>b) 65% of consumers indicating satisfaction with the level and standard of service provided by OCP.</p>	<p>a) 100% of consumer complaints were resolved.</p> <p>b) A satisfaction rate of 68.4% was recorded.</p>
				<p>Additional achievement:</p> <p>c) 61.3% of Consumers (based on sample survey) indicating change in behaviour due to OCP Consumer Financial Literacy Project.</p> <p>d) 235 Consumer Education programmes conducted.</p> <p>e) 69 Financial literacy workshops conducted.</p> <p>f) 25 Small, Medium and Micro-sized Enterprise (SMME) engagements</p>

## Main services and standards (continued)

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
<b>To provide for registration of Tourist Guides in the Province as per the Tourism Act, No. 3 of 2014.</b>				
	<ul style="list-style-type: none"> <li>Tourist Guides</li> <li>Association of Tourist Guides</li> <li>Tourism Industry</li> </ul>	<p>a) 1 666 Tourist Guides were registered and or renewed. Target reviewed to 1 000 in line with the Annual Performance Plan (APP).</p>	<p>a) 3 000 Tourist Guides registered.</p>	<p>a) 1 617 Tourist guides registered/ renewed during 2015/16. Target reviewed to 1 100 in the with the Annual Performance Plan (APP).</p> <p>The total number of registered Tourist Guides on the Western Cape database is 3 638.</p>
		<p>b) No formal complaints received with regard to the standard of performance of the Unit.</p>	<p>b) 90% of Tourist Guides indicating satisfaction with the level and standard of service provided by the registration office.</p>	<p>b) The percentage of respondents indicating that they are satisfied with the standard of service provided = 96%.</p>
				<p>Additional achievement:</p> <p>c) 154 Tourist Guides developed.</p> <p>d) 127 inspections conducted to ensure compliance.</p>

## Batho Pele arrangements with beneficiaries (Consultation, access etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
<b>To act as a Consumer Protection Agency within the Western Cape Province by virtue of the provisions of Provincial and National Legislation.</b>		
<p><b>Consultation:</b></p> <p>a) A Citizen Survey which dealt with satisfaction levels as well as areas where service delivery could be enhanced was completed. The areas of enhancement will be included within the operations of the units.</p>	<p><b>Consultation:</b></p> <p>a) Citizen Survey(s)</p>	<p><b>Consultation:</b></p> <p>a) A Citizen survey was conducted and the findings were as follows:                      - Awareness levels of consumers about the OCP: 78.9%;                      - Satisfaction level of consumers with OCP service: 61%; and                      - Change in financial literacy behaviour by consumers after OCP assistance: 68%.</p>
<p>b) Workshops conducted.</p>	<p>b) Workshops</p>	<p>b) The following workshops were conducted in 2015/16:                      - 69 Financial Literacy workshops;                      - 25 SMME workshops; and                      - 235 Consumer Education projects.</p>
<p>c) The Standard Operating Procedure, which is in place, dictates that all matters must be finalised by way of a written report to the consumer. This is currently in operation.</p>	<p>c) Written correspondence</p>	<p>c) The Standard Operating Procedure which is in place dictates that all matters must be finalised by way of a written report to the consumer. A complaint from a consumer regarding a closed case must be in writing and is submitted to the Director for evaluation and written finalisation.</p>
<p>d) The OCP remains one of the leading provincial offices as far as providing a Toll Free Call Centre to clients. This ensures that calls are attended to and communication is effective with clients.</p>	<p>d) Telephonically</p>	<p>d) An OCP Toll Free Call Centre is provided to clients. This ensures that calls are attended to and communication is effective with clients.</p>
<p>e) The Standard Operating Procedure currently obligates the OCP to adhere to this communication mechanism.</p>	<p>e) E-mails</p>	<p>e) The Standard Operating Procedure currently provides that the OCP may adhere to this communication mechanism if the consumer has e-mail and has preferred this medium. If no email is available then written and telephonic communication occurs.</p>
<p>f) The OCP has implemented numerous outreach initiatives aimed at enhancing consumers' knowledge about their consumer rights and obligations. In addition, a specific project was implemented to deal with the issue of financial literacy in rural areas.</p>	<p>f) Community outreach initiatives</p>	<p>f) 69 Financial Literacy workshops and 235 Consumer Education programmes were conducted as part of the Community Outreach Programme.</p>
<p>g) The Toll Free Call Centre is in operation and provides an accessible and user friendly point of contact for citizens.</p>	<p>g) Toll Free Call Centre</p>	<p>g) The Toll Free Call Centre is in operation and provides an accessible and user friendly point of contact for citizens.</p>

**Batho Pele arrangements with beneficiaries (Consultation, access etc.) (Continued)**

Current/actual arrangements	Desired arrangements	Actual achievements
<b>To act as a Consumer Protection Agency within the Western Cape Province by virtue of the provisions of Provincial and National Legislation (continued)</b>		
<p><b>Consultation:</b></p> <p>h) The media engagements formed part of the OCP's consumer education initiatives. This resulted in numerous engagements on mainstream and community radio stations. The topics of discussion were all consumer rights related and provided citizens with relevant information.</p>	<p><b>Consultation:</b></p> <p>h) Media engagements</p>	<p><b>Consultation:</b></p> <p>h) The media engagements formed part of the OCP's Consumer Education initiatives. This resulted in numerous engagements on broadcast and community radio stations. The topics of discussion were all consumer rights related and provided citizens with relevant information.</p>
		<p>Additional achievement:</p> <p>i) Discussion forums: The discussion forums are part of the general consumer education projects undertaken. A total of 235 consumer education projects were completed.</p>
<p><b>Access:</b></p> <p>a-c) The various points of access were all operationalised. The only exception was the Saldanha office where a vacancy exists. This position will be filled in the 2015/16 financial year.</p>	<p><b>Access:</b></p> <p>a) Head Office: Ground floor, Waldorf Arcade, 80 St Georges Mall, Cape Town.</p> <p>b) District Offices:</p> <ul style="list-style-type: none"> <li>o Saldanha, West Coast Business Development Centre, Building 234, Tonym Street.</li> <li>o Paarl, Paarl Thusong Centre, Van der Stel Street, Chicago, Paarl East.</li> <li>o George, Thembaletu Thusong Centre, Sandkraal Road.</li> </ul>	<p><b>Access:</b></p> <p>The service is accessible:-</p> <p>a) At the Head Office, Ground Floor, Waldorf Arcade, 80 St Georges Mall, Cape Town, operating hours: 07:30 – 16:00.</p> <p>b) Via District Offices (Coordinators):</p> <ul style="list-style-type: none"> <li>o Saldanha office has been closed.</li> <li>o Paarl, Paarl Thusong Centre, Van der Stel Street, Chicago, Paarl East.</li> <li>o George office has moved to Knysna, Shop number 8, Demar Centre, Main Street, Knysna.</li> </ul>
	<p>c) 0800 007 081 (Toll Free).</p>	<p>c) Via Toll Free line: 0800 007 081 .</p>
<p><b>Courtesy:</b></p> <p>The citizen centric nature of the services delivered obligates the OCP to be customer orientated. As such, the issue of courtesy is paramount within all operational processes and has been displayed through the identified official channels, i.e.:</p> <ul style="list-style-type: none"> <li>a) Management</li> <li>b) Head: Communication</li> <li>c) E-mail</li> <li>d) Telephonic</li> <li>e) Written correspondence</li> <li>f) Face-to-face</li> <li>g) Complaints register</li> <li>h) 0800 007 081 (Toll Free)</li> </ul>	<p><b>Courtesy:</b></p> <p>Through official channels i.e.:</p> <ul style="list-style-type: none"> <li>a) Management</li> <li>b) Head: Communication</li> <li>c) E-mail</li> <li>d) Telephonically</li> <li>e) Written correspondence</li> <li>f) Face-to-face</li> <li>g) Complaints register</li> <li>h) 0800 007 081 (Toll Free)</li> </ul>	<p><b>Courtesy:</b></p> <p>The citizen centric nature of the services delivered obligates the OCP to be customer orientated. As such the issue of courtesy is paramount within all operational processes and has been reported and measured through:</p> <ul style="list-style-type: none"> <li>a) Management</li> <li>b) Head: Communication</li> <li>c) E-mail</li> <li>d) Telephonic</li> <li>e) Written correspondence</li> <li>f) Face-to-face</li> <li>g) Complaints Desk</li> <li>h) 0800 007 081 (Toll Free)</li> </ul>
<p>Additional achievement:</p> <p>i) All queries were tracked by the HOD's office via the internal correspondence tracking system and all matters were finalised.</p>		<p>Additional achievement:</p> <p>i) Clients Satisfaction Surveys</p>



**Batho Pele arrangements with beneficiaries (Consultation, access etc.) (Continued)**

Current/actual arrangements	Desired arrangements	Actual achievements
<b>To act as a Consumer Protection Agency within the Western Cape Province by virtue of the provisions of Provincial and National Legislation (continued)</b>		
<p><b>Openness and Transparency:</b></p> <p>The service delivery model of the OCP is specifically geared towards implementing a case resolution system which is open and transparent. As such, all identified initiatives have been complied with, i.e.:</p> <ul style="list-style-type: none"> <li>a) Telephonic</li> <li>b) Written correspondence</li> <li>c) E-mail</li> <li>d) One-on-one meetings</li> <li>e) Roundtable consultations</li> <li>f) Annual Report</li> <li>g) Site visits</li> <li>h) 0800 007 081 (Toll Free)</li> </ul>	<p><b>Openness and Transparency:</b></p> <ul style="list-style-type: none"> <li>a) Telephonic</li> <li>b) Written correspondence</li> <li>c) E-mail</li> <li>d) One-on-one meetings</li> <li>e) Roundtable consultations</li> <li>f) Annual Report</li> <li>g) Site visits</li> <li>h) 0800 007 081 (Toll Free)</li> </ul>	<p><b>Openness and Transparency:</b></p> <p>The service delivery model of the OCP is specifically geared towards implementing a case resolution system which is open and transparent. As such openness and transparency was achieved through:</p> <ul style="list-style-type: none"> <li>a) Telephonic</li> <li>b) Written correspondence</li> <li>c) E-mail</li> <li>d) One-on-one meetings</li> <li>e) Round Table consultations</li> <li>f) Annual Report</li> <li>g) Site visits</li> <li>h) Toll free line: 0800 007 081</li> </ul>
<p><b>Value for money:</b></p> <p>a-c) The achievement was in excess of the target of R5 million which was set. This is a notable achievement.</p>	<p><b>Value for money:</b></p> <ul style="list-style-type: none"> <li>a) Provide support and advice to all consumers within the Western Cape Province.</li> <li>b) Clients get useful and useable information at no cost.</li> <li>c) Clients obtain free assistance with the resolution of disputes.</li> </ul>	<p><b>Value for money:</b></p> <ul style="list-style-type: none"> <li>a) Support and advice provided to all consumers within the Western Cape Province.</li> <li>b) Clients received useful and useable information at no cost.</li> <li>c) Clients obtained free assistance with the resolution of disputes.</li> </ul>
<b>To provide for registration of Tourist Guides in the Province as per the Tourism Act, No. 3 of 2014.</b>		
<p><b>Consultation:</b></p> <ul style="list-style-type: none"> <li>a) The following workshops/ engagements took place: <ul style="list-style-type: none"> <li>i. Future Stars Event held in September 2014 targeting 20 tourism students from Zola High School;</li> <li>ii. 4 Registrars Workshops were held (one per quarter);</li> <li>iii. Engagement with the Association and Union in July 2014; and</li> <li>iv. Adventure Tourism Self-Regulation Steering Committee.</li> </ul> </li> </ul>	<p><b>Consultation:</b></p> <ul style="list-style-type: none"> <li>a) Workshops</li> </ul>	<p><b>Consultation:</b></p> <p>Clients were consulted through:</p> <ul style="list-style-type: none"> <li>a) Workshops: <ul style="list-style-type: none"> <li>i. 4 Registrars Workshops were held (1 per quarter).</li> <li>ii. Information/awareness session held in February 2016.</li> <li>iii. NDT Capacity Building Workshop on 10 and 11 March 2016.</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>b) Various bulk communications sent to Tourist Guides and Industry role-players; such as: <ul style="list-style-type: none"> <li>i. Tourist Guides Occupational Profile;</li> <li>ii. Quality Council for Trade and Occupation (QCTO) Nature and Culture modules for comment; and</li> <li>iii. Tourist Guide Survey for National Department of Tourism (NDT).</li> </ul> </li> <li>c) Telephonic</li> <li>d) E-mails</li> <li>e) Newsletter distributed in April 2014</li> </ul>	<ul style="list-style-type: none"> <li>b) Written correspondence</li> <li>c) Telephonic</li> <li>d) E-mails</li> <li>e) Newsletter distributed in April 2014</li> </ul>	<ul style="list-style-type: none"> <li>b) Various bulk written communications sent to Tourist Guides and Industry role-players; such as: <ul style="list-style-type: none"> <li>i. Tourist Guides New qualification comments;</li> <li>ii. Flash survey on payment options;</li> <li>iii. Subject matters expert requests;</li> <li>iv. Communication on roadworks at Cape Point;</li> <li>v. Each tourist guide who registers, renews or upgrades their registration receives a written letter with their tourist guide ID card;</li> <li>vi. Consultation on the Tourist Guide Regulations; and</li> <li>vii. Lilizela Awards email encouraging entries for tourist guiding category.</li> </ul> </li> <li>c) Telephonic</li> <li>d) E-mails</li> <li>e) Tourism Regulation Newsflash distributed in September 2015</li> </ul>

**Batho Pele arrangements with beneficiaries (Consultation, access etc.) (Continued)**

Current/actual arrangements	Desired arrangements	Actual achievements
<b>To provide for registration of Tourist Guides in the Province as per the Tourism Act, No. 3 of 2014 (continued)</b>		
<p><b>Consultation:</b></p>	<p><b>Consultation:</b></p>	<p><b>Consultation:</b></p> <p>Additional achievement:</p> <p>f) Discussion forums: Discussions were held with 7 Cathsseta Accredited Tourist Guide training providers during November 2015.</p> <p>Input received from Clients was taken into account when decisions were made about what services are to be provided and at what level.</p>
<p><b>Access:</b></p> <p>a) The Unit remains centrally situated at the Head Office: Ground floor, Waldorf Arcade, 80 St George's Mall, Cape Town.</p>	<p><b>Access:</b></p> <p>a) Head Office: Ground floor, Waldorf Arcade, 80 St Georges Mall, Cape Town.</p>	<p><b>Access:</b></p> <p><b>The service is accessible:</b></p> <p>a) At the Head Office, Ground Floor, Waldorf Arcade, 80 St Georges Mall, Cape Town.</p>
<p><b>Courtesy:</b></p> <p>All identified mechanisms were utilised, i.e.:</p> <p>a) Management b) Head: Communication c) E-mail d) Telephonic e) Written correspondence f) Face-to-face</p>	<p><b>Courtesy:</b></p> <p>Through official channels i.e.:</p> <p>a) Management b) Head: Communication c) E-mail d) Telephonically e) Written correspondence f) Face-to-face</p>	<p><b>Courtesy:</b></p> <p>Courtesy was reported and measured through:</p> <p>a) Management b) Head: Communication c) E-mail d) Telephonic e) Written correspondence f) Face-to-face</p>
<p>Additional achievement:</p> <p>g) The Unit has set up a generic e-mail address: Tourist Guide Registration which is accessed and manned by three staff members.</p>		<p>Additional achievement:</p> <p>g) The Unit has managed to reinstitute the bulk e-mail service through CEI after major problems were experienced.</p>
<p>h) All queries received via the MEC or HOD's office were addressed in writing.</p>		<p>h) The Lilizela Awards Tourist Guiding category adjudication for the Western Cape, was organised by the Unit.</p>
<p><b>Openness and Transparency:</b></p> <p>a) Telephonic b) Written correspondence c) E-mail d) One-on-one meetings e) Annual Report</p>	<p><b>Openness and Transparency:</b></p> <p>a) Telephonic b) Written correspondence c) E-mail d) One-on-one meetings e) Annual Report</p>	<p><b>Openness and Transparency:</b></p> <p>Openness and transparency was achieved through:</p> <p>a) Telephonic b) Written correspondence c) E-mail d) One-on-one meetings e) Annual Report</p>
<p>Additional achievements:</p> <p>f) Campaign cards are available at reception so that clients are able to e-mail the Registrar directly.</p>		
<p>g) Public comment invited on the QCTO process and training modules.</p>		
<p>h) Communication with Cathsseta accredited training providers were strengthened and courtesy e-mails sent on behalf of guides where documentation from the training provider was outstanding.</p>		
<p><b>Value for money:</b></p> <p>a) The cost of registration is R240 but the registration period has, through the Tourism Act (Act 3 of 2014) been extended to three years.</p>	<p><b>Value for money:</b></p> <p>a) The cost of registration is R240, renewable every 2 years.</p>	<p><b>Value for money:</b></p> <p>a) The cost of registration is R240, renewable every 3 years.</p>
<p>b) The registration cost is determined by National Legislation.</p>	<p>b) The registration cost is determined by the National Legislation.</p>	<p>b) The registration cost is determined by the National Legislation.</p>

## Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
<b>To act as a Consumer Protection Agency within the Western Cape Province by virtue of the provisions of Provincial and National Legislation.</b>		
<p>All identified interventions have been implemented successfully, i.e.:</p> <p>a) Departmental website: the OCP is working towards a more refined website which is interactive for consumers.</p> <p>b) Annual Report</p> <p>c) One-on-one meetings</p> <p>d) Publications</p> <p>e) Media reports</p> <p>f) Information sessions</p> <p>g) Site visits</p> <p>h) Radio shows</p>	<p>a) Departmental website</p> <p>b) Annual Report</p> <p>c) One-on-one meetings</p> <p>d) Publications</p> <p>e) Media reports</p> <p>f) Information sessions</p> <p>g) Site visits</p> <p>h) Radio shows</p>	<p>Information was communicated through:</p> <p>a) Departmental website which is interactive for consumers.</p> <p>b) Annual Report</p> <p>c) One-on-one meetings</p> <p>d) Publications</p> <p>e) Media reports</p> <p>f) Information sessions</p> <p>g) Site visits</p> <p>h) Radio shows</p>
<b>To provide for registration of Tourist Guides in the Province as per the Tourism Act, No. 3 of 2014.</b>		
<p>All identified mechanisms were utilised, i.e.:</p> <p>a) Departmental website is consistently monitored and when problems occur, IT-support is informed.</p>	<p>a) Departmental website</p>	<p>Information was communicated through:</p> <p>a) Departmental website</p>
<p>b) Annual Report</p>	<p>b) Annual Report</p>	<p>b) Annual Report</p>
<p>c) A number of one-on-one meetings were held with Tourist Guides to address various problems such as work permit issues.</p>	<p>c) One-on-one meetings</p>	<p>c) One-on-one meetings</p>
<p>d) Tourist Guide Newsletter</p>	<p>d) Tourist Guide Newsletter</p>	<p>d) Tourist Guide Newsletter</p>
<p>e) Information sessions</p>	<p>e) Information sessions</p>	<p>e) Information sessions</p>
<p>f) 10 000 brochures: Have You Asked Your Tourist Guide for Their Card and Badge? were printed and distributed at inspections, walk-ins, at the walk in centre and on request.</p> <p>10 000 campaign cards, with the Provincial Registrar's contact details, were printed and are available at reception.</p>	<p>f) Brochure: Have You Asked Your Tourist Guide for Their Card and Badge?</p>	<p>f) No new brochures printed as new Regulations were under review.</p>
<p>Additional achievement:</p> <p>g) e-mail updates were mailed to Tourist Guides through a database of all registered Tourist Guides in the Province.</p>		<p>Additional achievement:</p> <p>g) The Provincial Registrar made a decision not to register one applicant due to a work permit issue. The applicant appealed the decision with the National Registrar. The Provincial Registrar's decision was upheld. This was the first appeal held.</p>
		<p>h) Circulars</p>
		<p>i) Meetings</p>

## Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
<b>To act as a consumer protection agency within the Western Cape Province by virtue of the provisions of Provincial and National Legislation.</b>		
<p>The citizen centric nature of the OCP's services has resulted in all of the mechanisms identified being implemented, i.e.:</p> <p>a) Direct contact, e-mail, telephonically with management or supervisors at Head Office at Ground floor, Waldorf Arcade, 80 St Georges Mall, Cape Town.</p>	<p>a) Direct contact, e-mail, telephonically with management or supervisors at Head Office at Ground floor, Waldorf Arcade, 80 St Georges Mall, Cape Town.</p>	<p>Complaints/ Suggestions/ Compliments/Queries were:</p> <p>a-b) Submitted to the relevant Business Unit via the dedicated Call Centre/Walk-in Centre and responded to in writing (formal letter via post, e-mail or fax) or verbally via telephone or face-to-face, depending on Customer request.</p>
<p>b) Via the Head of Communications regarding complaints/suggestions and compliments.</p>	<p>b) Via the Head of Communications regarding complaints/suggestions and compliments.</p>	
<p>c) Complaints add register.</p>	<p>c) Complaints register.</p>	<p>c) Complaints register.</p>
<p>d) 0800 007 081 (Toll Free).</p>	<p>d) 0800 007 081 (Toll Free).</p>	<p>d) Complaints/Suggestions/ Compliments/Queries received via 0800 007 081 (Toll Free).</p>
<b>To provide for registration of Tourist Guides in the Province as per the Tourism Act, No. 3 of 2014.</b>		
<p>a-b) During the year under review:</p> <p>i. A complaint was laid with the Provincial Registrar with regards to a specific Tourist Guide. Upon investigation the Tourist Guide was issued with a warning which was placed on his file for a stipulated period of time.</p> <p>ii. A Tourist Guide appealed the decision by the Provincial Registrar to decline their renewal on the basis of an incorrect work permit, to the National Registrar. The Unit is awaiting the results of the Appeal.</p>	<p>a) Direct contact, e-mail, telephonically with management or supervisors at Head Office at Ground floor, Waldorf Arcade, 80 St Georges Mall, Cape Town.</p> <p>b) Via the Head of Communications regarding complaints/suggestions and compliments.</p>	<p>Complaints/ Suggestions/ Compliments/Queries is</p> <p>a-b) Submitted to the relevant Business Unit via the dedicated Call Centre/Walk-in Centre and responded to in writing (formal letter via post, e-mail or fax).</p>
<p>c) Complaints register.</p>	<p>c) Complaints register.</p>	<p>c) Complaints register.</p>
<p>d) 0800 007 081 (Toll Free).</p>	<p>d) 0800 007 081 (Toll Free).</p>	<p>b) Complaints/ Suggestions/ Compliments/Queries received via 0800 007 081 (Toll Free).</p>
<p>Additional achievement:</p> <p>e) Following general complaints about guiding activities, outside of the legislation, joint inspections were undertaken with the Transport Board and Traffic Officials to inform and check on Operating Licences, Vehicle Licences as well as Tourist Guide Registrations.</p>		

## 2.4 Organisational environment

The Department's strategy has been developed within the context of and alignment to the Western Cape Government's vision for the province as espoused in the Provincial Strategic Plan. In order to rationalise and streamline the Province's strategic agenda for more effective delivery, the Provincial Strategic Plan (PSP) was developed and approved in 2015.

Flowing from the Provincial Strategic Plan, the Department of Economic Development and Tourism (DEDAT) has been mandated to take a leading role in driving the Western Cape Government's agenda for Provincial Strategic Goal 1 (PSG1), namely to create opportunities for growth and jobs.

The engagement of the economic role-players is critical for success in the delivery of PSG1 and in particular the attainment of an understanding of the needs of firms to make them more competitive and by extension, making the region more competitive to attract external investment.

The Department has implemented the modernised structure and the seven Programs have been put in place to ensure appropriate delivery of the plans and objectives.

A continuing challenge faced by the Department is balancing the need for appropriate skills with the fiscal constraints experienced through the upper limit of the Compensation of Employees budget.

However, through the prioritisation of vacant posts within the areas of maximum need, as well as a dedicated approach for transversal resource utilisation, a mitigation process has now been put in place to ensure delivery of plans and objectives.

## 2.5 Key policy developments and legislative changes

For the year under review, the policy environment remained static. No significant changes to policies and legislation.

## 3. STRATEGIC OUTCOME ORIENTED GOALS

The Strategic Outcome Orientated Goals of the Department are aligned to the objectives as articulated in Provincial Strategic Goal 1: Creation of opportunities for growth and jobs through facilitation and accelerating economic growth through increased jobs and increased GVA of R25 billion by 2020.

The Department has, through Project Khulisa, identified a set of key, competitive sectors through which we believe we can unlock accelerated growth and job creation. These are: Tourism, Oil and Gas and Agri-processing. They were identified in an extensive exercise to prioritise those sectors that offered both high employment and strong growth potential. While we will continue to support building an enabling environment for the entire economy, these sectors will receive accentuated focus as we believe that they hold promise of maximizing direct and indirect employment and GVA growth.

In creating an economic enabling environment, the Department embarked on a 7 point action plan toward building resilient, inclusive and competitive Western Cape. These seven strategic interventions can be summarised as follows:

- Provide Economic Growth Leadership.
- Reduce the cost and improve the ease of doing business.
- Establish and promote an innovative and competitive business environment.
- Develop key skills programmes to match the demand for appropriate skills.
- Invest in key economic catalytic infrastructure.
- Within the tourism industry, promote the global profile of Cape Town and the Western Cape.
- Promote trade and investment.

Nationally, the economy experienced muted consumer spending, adversely affected by rising inflation, increasing interest rates and the sharp depreciation of the rand exchange rate. Additionally, electricity shortages and severe drought conditions also negatively affected growth. Further, investment spending also came under pressure due to falling business confidence, the threat of a credit ratings downgrade and anaemic growth (OPRE, 2016; SARB, 2016).

The Western Cape economy remains closely linked with global and national developments given its export orientation and the Province experiencing the same structural challenges as the rest of South Africa. Accordingly, 2015 growth projections for the Western Cape have been estimated at between 1.4%–1.7%, marginally higher

than the national economy growth rate of 1.3%<sup>1</sup>. Notwithstanding this, the provincial economy is expected to outperform the national economy going forward. Importantly, employment grew by 9.7% in 2015, translating into 210 000 jobs created. On a year on year basis, the Western Cape had the highest decline in the rate of unemployment (3.5 percentage points) from 22.9% in 2014 Q4 to 19.4% in 2015 Q4.

In the case of the National Development Plan 2030 and supporting Medium Term Strategic Framework (MTSF) (2014-2019), the alignment of the Department's strategic plan with the national strategic imperatives can be found in the following outcomes:

- Outcome 4: Employment through inclusive economic growth;
- Outcome 5: A skilled and capable workforce to support an inclusive growth path; and
- Outcome 6: An efficient, competitive and responsive economic infrastructure network.

The Integrated Economic Development Service (IEDS) Programme continued to promote and support an enabling business environment and ecosystem that enables businesses to grow and develop which is critical for economic growth and job creation.

The activities of the Enterprise Development unit focused on access to finance, access to markets, capacity building, crafting a culture of entrepreneurship with the associated pipeline of potential entrants drawn from various initiatives; business development support and sustainable procurement. These initiatives contributed towards job creation and the expansion of businesses by enabling them to *inter alia*, move up the value chains within sectors such as Agri-processing and Oil and Gas. The investment made by the Department enabled it to leverage funding from organisations such as development finance institutions, the private sector and academia. These aforesaid partnerships enabled the Department to scale, in terms of magnitude and reach, its planned interventions.

To deliver on the strategic outcome oriented goals, the initiatives of the Regional and Local Economic Development (RLED) unit focused on improving the business environment in non-metro areas through effective LED coordination that supports growth of the regional economy. This meant the provision of municipal support and greater regional coordination to ensure that a sound local business environment is created where sectors that deliver jobs will thrive, and where well-capacitated and well-functioning institutions operate to provide an environment conducive to business development, sustained growth and job creation. In a spatial context, a municipality plays a pivotal role in determining the economic trajectory of the region. Hence, municipal capacity to plan and execute local economic development initiatives underpins a region's ability to grow, become competitive and deliver jobs.

The Red Tape Reduction Unit's activities for the year were planned and executed around the Department's strategic goals and more specifically with a view to bringing about a more business-friendly environment. The Business Helpline was operated as in previous years, with enhanced standard operating procedures, taking the total number of businesses assisted to more than 5 500 since inception. Furthermore, business process improvement initiatives undertaken resulted in substantial savings in time, money and hassle. The institutionalisation of regulatory impact assessment (RIA) as a tool for improving law and policy making was also taken forward by way of a Cabinet submission after several years of investigation, consultation and amendment. Baselines were established for the cost of red tape in the Project Khulisa priority sectors and will be the benchmark for red tape reduction initiatives in terms of monetary benefit to businesses and government going forward.

The Sub-Programme: Strategic Initiatives has contributed, in 2015/16, towards the overall departmental strategic objective of creating opportunities for growth and jobs through the implementation of the broadband fibre-backbone infrastructure rollout across the province. The immediate outcome was nearly R3.7 billion worth of infrastructure investment, but according to the economic impact study conducted through the feasibility research, the impact on the Western Cape economy and its GDP is expected to be much wider. With positive impact progressively increasing with time, in year 10 after the completion of fibre rollout, the expected economic contribution of the broadband initiative towards GDP will be R11 billion per annum. The benefits of the broadband infrastructure investment on overall GDP will mainly be felt through the improvements in productivity within businesses as well as the realisation of new business opportunities and improved access to market opportunities afforded by broadband penetration.

The area of consumer protection is one which in terms of the Programme's strategic objectives aligns acutely with the development of a customer centric public service which is aimed at creating an empowered citizenry. As such, many of the Programme's projects are aligned with the provincial and national outcomes which are aimed

<sup>1</sup> The aforesaid forecasts for 2015 WC GDP growth include the BER and National Treasury. WC GDP growth for 2014 was 2.2% (Stats SA). This is the most recent official figure available.

at the development of a public service which is focussed on protection of consumer rights of citizens. Accordingly, the Programme aligns closely with National Outcome 12 and the Provincial Strategic Goals which are aimed at the creation of an efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship. Therefore, it is unambiguous that the work of the Programme is customer focused given that there is a direct interface with the citizens of the province and direct services are being provided on consumer protection and consumer education issues. The results of the work done during the year under review has shown that various successes have been achieved by the Programme and that considerable strides were made in ensuring that a customer centric service was provided throughout the province on consumer protection and consumer education matters. The Programme has through its various initiatives continued to demonstrate that it provides a level of service which is comparable if not more efficient than other similar initiatives across other provinces. This is evidenced by both its number of complaints received and cases resolved and the myriad consumer education initiatives conducted across the province.

In terms of achieving the goals set as per the departmental 5 year strategy the Programme has made positive strides in this regard. In terms of the resolution of consumer complaints by the Programme the year under review has seen the Programme exceed the outcome indicator relating to the financial rand saving accruing to consumers due to the Programme's assistance. This noteworthy achievement appears to be setting the Programme on its way for achieving its five year targets. Similarly, the results achieved within the consumer education unit within the Programme were exemplary insofar as creating awareness amongst consumers within the province about consumer rights and obligations. The focus on basic financial literacy and the importance of sound budget management by ordinary consumers has also realised positive results at both the output and outcome level for the Programme. The Programme therefore appears to be on a sound footing insofar as achieving its targets over the period identified within the 5 year strategy.

In order to assist the Department to achieve its objective, of creating an enabling environment for economic growth and job creation, Economic Planning provided research support to its line functions, conducted primary research such as the collection of firm level data in three municipalities in the West Coast District, created a centralised economic data warehouse and disseminated economic information through a quarterly economic bulletin. These initiatives were aimed at strengthening the importance of credible data in economic decision-making, stimulating economic dialogue and informing the economic landscape. The Programme also engaged in economic policy briefs to support the Department's economic leadership role.

Additionally, the Programme also supported the Western Cape Economic Development Partnership with the aim of encouraging economic stakeholders to engage in a manner that builds and reinforces existing partnerships. Further, Economic Planning continued to provide monitoring and evaluation functions to the Department as part of the process of ensuring effective service delivery.

The Sector Development sub-programme continued to exceed its targets with strong delivery across most of the sectors in which the Department is involved in. The value of funding leveraged by the SPVs during the 2015/16 financial year was R89.180 million against the target of R24 million which enabled further development and growth of the respective sectors which will in turn created more jobs and grew the provincial economy. A total value of R2.451 billion of trade and investment projects was realised against the 2015/16 target of R1.010 billion with a total of 9 102 jobs being facilitated.

Project Khulisa has identified Tourism as one of the key sectors that offers the province the greatest potential return in terms of jobs and growth. Through the Tourism Action Plan, tourism initiatives have been identified to help achieve the outcome of growing tourism direct jobs by 100 000 additional jobs and increasing GVA from R17 billion to R28 billion. During 2015/16, Wesgro supported a total of 48 events with the economic value of R2.220 million. Also, the Convention Bureau secured 17 conference bids with the estimated economic impact of R373.7 million.

For the destination to be globally competitive, it is important that the product offering is varied and of good quality; and able to provide world class tourism experiences. Project (Tourism) Khulisa identified cycle tourism and the Madiba Legacy Route as niche markets that will boost the attractiveness of the destination and increase the visitor numbers together with the associated economic benefits that these visitors bring to the Western Cape.

## 4. PERFORMANCE INFORMATION BY PROGRAMME

### 4.1 PROGRAMME 1: ADMINISTRATION

#### Purpose

To provide strong, innovative leadership, and to deliver clean, efficient, cost-effective, transparent and responsive corporate services to the Department.

#### Programme structure

The Programme is structured as follows:

- Sub-programme 1.1: Office of the Head of Department
- Sub-programme 1.2: Financial Management
- Sub-programme 1.3: Corporate Services

#### Service delivery objectives and indicators

For Provincial Strategic Goal 1: Create opportunities for growth and jobs (PSG1) to burgeon into a living strategy which delivers the intended promise of economic growth with jobs, Financial Management needs to adapt and become a living and breathing strategic partner to service delivery units while still upholding the highest standards of governance.

The past year observed the integration of various strategies and related processes to enhance Financial Management's support service so as to safeguard the Department's ability to fulfil its role as the lead Department for PSG1 without sacrificing its intended objective of achieving financial governance superiority.

The Programme acknowledges and understands that the journey to high standards of financial governance is permeated with challenges and requires a long-term inclusive strategy that relies on a cohesive compliance and performance culture, stakeholder support and service delivery. This strategic objective has been further disaggregated into three main strategies, namely:

- a) Promoting excellent client services.
- b) Ensuring a legislative and policy framework in which efficient and effective processes may be implemented.
- c) Ensuring the Department is suitably capacitated to meet its financial and governance standards.

#### Promoting excellent client services

The Department has achieved an unqualified audit with no other matters. Although a few other departments have obtained a similar audit opinion, a proud moment for this Department was that this was achieved with without any findings raised on Financial Management. This is the first time a department has managed to obtain an absolute 'clean' audit which was well acknowledged and received by the Auditor General, SCOPA and the Member of the Executive Council.

This achievement was not an easy task given the staff shortages and the ever changing legislative and audit environment. The unqualified audit was only achieved through a Financial Management team that understood and embraced a culture of innovation, professionalism, excellence and good governance as lead by the Chief Financial Officer. Notwithstanding the amount of hard work and dedication required continuously throughout the financial year.

As a financial management unit of the Department, we cannot assume a narrow view that our clients are only internal to the Department, but rather need to expand its viewpoint to include service providers to the Department.

In this regard, the Department is committed to the 30 day turnaround time for the payment of goods and services to beneficiaries, as we are well aware that most Small and Micro Enterprises (SME's) and businesses owned by historically disadvantaged individuals (HDI's) face huge cash flow problems.

With proper systems and monitoring in place, payments to beneficiaries are processed within an average of 17.19 days from the date of receipt of invoice in the Department to the date of payment into the beneficiaries' bank account. This turnaround time was achieved without any governance standards being sacrificed.

In line with its role as the Department's financial management client server, offering governance services to enable financially responsible staff, the directorate engaged technology and utilised as its key communication platform, the departmental share drive. The medium was initiated during the 2015/16 financial year and born by a need to diffuse ambiguity and increased the level of efficiency.

To enable this support, the share drive only maintains final, approved and therefore usable templates, frameworks, circulars and information that could be accessed and thereby decreasing queries and increasing service turnaround times.



As the green movement and a call for greater social responsibility have grown over the last decade, the Department had a desire to find a vehicle that would derive best possible usage from them. The Department has therefore donated its obsolete assets to worthy NGOs and entities that play a pivotal role in assisting their communities with skills development and social upliftment programmes. The following organisations accepted the assets:

- St Anne's Homes which provides shelter, care, and empowerment of destitute, abused and disadvantaged mothers and their children.
- BADISA which covers a broad spectrum of social welfare services with four focus groups namely, Children and their families, Older people and their families, differently abled people and people with substance abuse problems.
- ACVV which seeks to render comprehensive social welfare services to families in need.
- West Coast Step Down Facility which provides social welfare services to the elderly and people with substance abuse problems.
- EROS School for Cerebral Palsied which assists learners suffering from cerebral palsy who are physically challenged due to injuries to the immature brain and physically challenged learners with muscular dystrophy, spina bifida, syndromes or genetic abnormalities.
- Bellevue Primary School which offers learner academic support activities/classes, top sport coaching quality, dance, computer, culture, social responsibility skills and learner academic support.
- Oval North High School which is an engineering focused school and has a number of strong educational programmes which are focused on helping the learners.
- Princeton High School which is situated in a relatively poor neighbourhood where parents are struggling. The electronic equipment donated will be utilised to enhance the delivery of the curriculum.
- Church of the Nazarene, Wellington which provides youth programs during school holidays, introductory computer training as well as programs such as how to compile Curriculum Vitae. The projects are aimed at community members aged between seven and thirty five years old.
- Endless Life Ministries which provides holiday programs for the children to provide a safe and learning environment for them in completing their homework and counselling services to the community members.
- Woodstock Recycling Depot (City of Cape Town), an official recycling depot of the City of Cape Town which it promotes going green through re-cycling.

### **Ensuring a legislative and policy framework in which efficient and effective processes may be implemented**

Further to ensuring a legislative and policy environment in which efficient and effective processes may be implemented and pursuant of underpinning corporate governance values of transparency and accountability, the directorate regenerated the financial and supply chain management delegations through its annual review of this set of authorities.

The primary intent with this regeneration was to ensure responsibility, accountability and control for budget holders and decentralise the risk and administrative burden attached to vesting the authority for high value contracts with the Accounting Officer solely. Secondary to this objective and the norm with any legislative review, was to ensure relevance, ease of reference and the streamlining of support services. This decentralisation also gives effect to a fundamental principal as outlined in the Public Finance Management Act of allowing managers to manage whilst maintaining accountability.

In keeping with the mantra of financial management of achieving the highest levels of financial governance, the Financial Management unit revisited its templates for the development of Funding Proposals. The Funding Proposal is an important cog in the wheel to ensure allocative efficiency within the budget process and as such much emphasis needed to be placed on this element. The Funding Proposal assists the Department in determining which projects to fund, to the correct level as well as identifying the risks, and methods of payments to be employed.

In streamlining the Funding Proposal process and simplifying the document, the Department is able to better allocate its scarce financial resources to where the biggest impact will be felt. Furthermore, the open process also assists not only to ensure alignment of resources within the Department, but throughout the economic cluster and game changers.

### **Ensuring the Department is suitably capacitated to meet its financial and governance standards**

"What counts in life is not the mere fact that we have lived. It is what difference we have made to the lives of others that will determine the significance of the life we lead" (Nelson Mandela). As part of the Chief Directorate: Financial Management's social upliftment programme for 2015/16, the Financial management team nominated

EROS School for Cerebral Palsied, as the beneficiary for the Mandela Day Intervention. After discussions with the management and staff of EROS School for Cerebral Palsied, it was decided to upgrade two class rooms which serviced learners with severe mental and physical disabilities.

By volunteering time and effort, the staff of Financial Management made a meaningful contribution to enriching the lives of the pupils of EROS school by creating an environment which was more conducive to learning. This opportunity to give back also had a profound impact on staff within the unit in that they could see a meaningful difference being made and secondly come together and build on strengthening teamwork.

In the current economic environment where stringent controls on budgets are an imperative, the need to spend effectively, efficiently and economically is ever-growing and therefore public officials handling state funds are allowed no margin for error or waste.

As an ever-constant, the improvement of the abilities and competencies of staff remained at the forefront of all interventions implemented during the year under review. The main intent of this strategy is born from the acknowledgement that a highly competent and relevant staff body is a high performance staff body that is a key contributor to the achievement of any organisations' objectives.

To this end, the Financial Management directorate initiated a Supply Chain Management training programme specifically focussed on capacitating project managers to disaggregate strategy to objective, objective to programmes and lastly translate projects into clear, unbiased and feasible specifications that would lead to value for money and quality of services.

In this regard, the unit rolled-out training to 60 officials over three sessions to drive the commercial aspect of Value for Money (VFM) which involved:

- Being clear of what we need;
- Having a sound procurement strategy which identifies most appropriate procurement method and route to market to deliver maximum VFM;
- Developing well focussed terms of reference that enable bidders to be clear what they being asked to deliver and by when;
- Having appropriate evaluation criteria and assessment;
- Maintaining appropriate relationships with the service providers,
- Carrying out effective monitoring; and
- Payment by results.

### **Corporate services**

The Corporate Service Unit consists of the Client Relations Unit and Communication Service.

During the financial year the Unit continued to render communication support services to the directorates within the Department.

To support the objectives of departmental projects, the Unit implemented a number of communication campaigns. The communication budgets of the Department's directorates were centralised under the Communication Unit to ensure a streamlined approach to the roll-out of communication campaigns. The Unit played a central role in facilitating the relationship with the contracted media agencies; ensuring communication campaigns were properly briefed, and implemented. Notable projects included campaigns for the Premier's Entrepreneurship Recognition Awards, calling for applications to the Cape Capital Fund and Western Cape Funding Fair, creating awareness of the services of the Red Tape Reduction Unit and creating audio-visual material for the Office of the Consumer Protector and Project Khulisa. In an effort to extend the reach of the Department's communication campaigns, the Unit also translated and produced communication products in English, Afrikaans and isiXhosa.

In conjunction with the line functions, the Communication Unit has the task of ensuring that the Department's website remains updated. Website updates were generally project-specific. The departmental website was often used as a tool to draw applications for departmental projects (e.g. application site for Cape Capital Fund, and Emerging Business Support Programme), provide stakeholders with more in-depth information (e.g. research reports on digital readiness in the province) and to create awareness of programmes being run in the Department (e.g. small business support programmes).

The Communications Unit also participated in the planning of departmental events such as the Premier's Entrepreneurship Awards, the Red Tape Reduction Challenge Awards ceremony, and the launch of Public Access Wi-Fi Hotspots.

Outcome indicator	Baseline (Actual outcome) 2014/15	Actual performance against target		Deviation from planned target to actual achievement 2015/16	Reason for variance	
		Target 2015/16	Actual 2015/16			
<b>Sub-programme: Financial Management</b>						
1.1	Unqualified Audit Opinion	Unqualified Audit Report	Unqualified Audit Report	Unqualified Audit Report	–	

### Performance indicators and targets

Performance indicator (Output)	Baseline (Actual output) 2014/15	Actual performance against target		Deviation from planned target to actual achievement 2015/16	Reason for variance	
		Target 2015/16	Actual 2015/16			
<b>Sub-programme: Financial Management</b>						
1.1	Average number of days for the processing of payments to creditors.	Payment to creditors within 30 days.	Payment to creditors within 30 days.	Payments to creditors within 17.12 days.	12.88 days	With the systems and monitoring in place, payments to beneficiaries are processed in less than 30 days from date of receipt of invoice in the Department. This turnaround time was achieved without any governance standards being sacrificed.
1.2	Number of internal control reports developed.	10	8	12	4	A consolidated follow up report on the combined Post Audit reports for the period August 2015 – Dec. 2015 was completed. The follow-up audit was additional to the planned audit for the period under review.

Performance indicator (Output)	Baseline (Actual output) 2014/15	Actual performance against target		Devia- tion from planned target to actual achievement 2015/16	Reason for variance	
		Target 2015/16	Actual 2015/16			
<b>Sub-programme: Financial Management (continued)</b>						
1.3	Cumulative expenditure as a percentage of the budget (Actual expenditure/ Adjusted budget).	99.71%	98%	97.4%	(0.6%)	The Department achieved 97.4% due to the delays in the filling of vacant positions. Further compounding the saving on CoE was the issuance of PT Circular 23 of 2006 (supplementary 1 of 2016) which prevented the shifting of CoE savings to other economic classifications.
1.4	Percentage of departmental Predetermined Objectives achieved (Total no. of indicators met/total no. of indicators in APP).	83.13%	80%	95%	15%	A concerted drive and focus on performance experienced in programmes, resulting in an over-achievement for the Department.
1.5	Percentage compliance to the implementation framework  (Average score per staff member against NT competencies / Total score per framework).	70%	70%	75%	5%	Increased commitment to systems training from the directorate which in turn raised the competency levels.
1.6	Number of financial efficiency interventions implemented.	9	4	5	1	Changes in the financial management support services spawned efficiencies in various processes.

Performance indicator (Output)	Baseline (Actual output) 2014/15	Actual performance against target		Devia- tion from planned target to actual achievement 2015/16	Reason for variance	
		Target 2015/16	Actual 2015/16			
<b>Sub-programme: Financial Management (continued)</b>						
1.7	Number of financial manual training sessions conducted.	20	12	14	2	In addition to the annual Fraud awareness training, Risk Management launched their training to Departments during the financial year. Also, as a risk identified in the Supply Chain Management area, Specifications training was sourced and provided to the Department.
<b>Sub-programme: Corporate Services</b>						
2.1	Number of Departmental events coordinated and / or supports.	29	20	20	-	
2.2	Number of Annual Report copies produced in English.	300	300	300	-	
2.3	Number of official documents translated.	29	20	29	9	Translation work is dependent on requests from programmes and is difficult to estimate. Communication material produced was translated in order to reach a wider audience and in keeping with the Western Cape Language Policy.

Performance indicator (Output)	Baseline (Actual output) 2014/15	Actual performance against target		Devia- tion from planned target to actual achievement 2015/16	Reason for variance	
		Target 2015/16	Actual 2015/16			
<b>Sub-programme: Corporate Services (continued)</b>						
2.4	Maintenance and update of the departmental website.	17	12	20	8	Information (research reports) discussed at event necessitated website updates as guests were referred to the departmental website for more in-depth information.

### Strategy to overcome areas of under performance

Not applicable

### Changes to planned targets

Not applicable

### Linking performance with budgets

During the 2015/16 financial year, an amount of R41.904 million was appropriated to the Programme. Of this Compensation of Employees accounted for R23.767 million, Goods and Services R14.473 million, Transfers and Subsidies R16 thousand and payments for Capital Assets R3.648 million.

It should, however, be noted that this Programme primarily services the remainder of the Department. In this regard, Compensation of Employees accounted for 53.13% of the Programme's expenditure.

Goods and Services accounted for 34.37% of the total final expenditure of the Programme. The goods and services allocation was provided primarily to resource the corporate communications functions, which was centralised within the Programme. The goods and services allocation of R14.473 million was consumed to resource communication strategies and campaigns to promote a sustainable, growing, labour-absorbing and competitive economy.

These campaigns and strategies were aimed at continued dialogue between the Department and its stakeholders, effective internal and external communication services and the provision of a coherent, coordinated and consistent management in terms of communication in the Department. In addition to corporate communication functions, audit costs were also funded by the programmatic expenditure.

Payments for Capital Assets amount to R3.648 million, of which R3.018 million was allocated for the purchase of new vehicles which will be utilised across the Department.

## Sub-programme Expenditure

Sub-programme Name	2015/16			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the HoD	6 113	5 423	690	2 230	2 221	9
Financial Management	25 731	24 847	884	24 717	24 714	3
Corporate Services	10 060	10 060	-	8 609	8 594	15
<b>Total</b>	<b>41 904</b>	<b>40 330</b>	<b>1 574</b>	<b>35 556</b>	<b>35 529</b>	<b>27</b>

## 4.2 PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

### Purpose

To promote and support an enabling business environment for the creation of opportunities for growth and jobs.

### Programme structure

The Programme is structured as follows:

- Sub-programme 2.1: Enterprise Development
- Sub-programme 2.2: Regional and Local Economic Development
- Sub-programme 2.3: Economic Empowerment
- Sub-programme 2.4: Red Tape Reduction

### Service delivery objectives and indicators

A common thread throughout the proposed actions of Khulisa is the improvement of the enabling environment for businesses to start, develop and grow. This means consideration of all those factors that inhibit or favour the growth and development of businesses and ultimately economic growth and labour absorption. To this end, the Programme focused on the delivery towards "the ease of doing business" (EDB) where the following were prioritised: (1) regulations and legislation, (2) systems and procedures, (3) communication, and, (4) any other factors (e.g. access to finance). This focus is biased towards the three priority sectors as identified by Project Khulisa. The strategic intent then comprised (1) increasing the number of new businesses, (2) growing existing businesses and (3) improving the business regulatory environment, as well as directing attention to co-coordinating growth and development activities outside of the Cape Town metro area and building institutional capacity of stakeholders and institutions (e.g. municipalities) in the rural districts. Per sub-programme the following can be reported:

### Enterprise Development

The impact of the Enterprise Development initiatives contributed and translated into the expansion of businesses which is critical for economic growth and job creation. Through the various programmes and projects (e.g. Business Bridge, SMME and Cooperatives Loan Fund, Enterprise Development Grant Fund, Innovate Western Cape and the Design Innovation Seed Fund) of the unit, 100 small businesses expanded their operations which were evident in factors such as increased turnover, jobs and productivity. The direct investment of R4 607 770.63 (loan and grant funding) into these businesses resulted in the creation of 364 jobs.

The Western Cape DEDAT/NEF Enterprise Development Fund Initiative, a joint initiative with the National Empowerment Fund (NEF) comprising of a grant fund and loan fund mechanism designed to assist Western Cape based entrepreneurs was one of the critical initiatives to leverage funding. Through this initiative, with a contribution of R6 447 775.00 the Department leveraged committed funds to the value of R9 671 662.50 from the National Empowerment Fund for the exclusive use by qualifying Western Cape based entrepreneurs. A total of R5 194 200.00 of the committed funds leveraged were realised through the Western Cape DEDAT/NEF Enterprise Development Fund Initiative.

## Regional and Local Economic Development

To create opportunities for jobs and growth at municipal level the Regional and Local Economic Development sub-programme ensured that it operated as a key facilitator and co-ordinator of support to local and district areas. To improve the business environment in non-metro areas through effective LED coordination (that supports growth of the greater regional economy) the unit focused on providing support around strengthening local government capacity, facilitating sound regional coordination of provincial government support activities, and assisting in the development of building, on-going, district and local economic intelligence to ensure public sector support is relevant and appropriate. This approach not only aligns with PSG 1, but also with identified national outcomes. If we are to provide local business with an enabling environment that supports establishment, expansion and job-providing opportunities, then having well-functioning and capable local government is needed. It is therefore important that effort is made to build capable municipalities that can provide suitable, local enabling-business environments.

To this end, two outcome areas were selected (one geared at municipalities directly, and one geared at local and regional stakeholders in coordination interventions) that aimed to demonstrate the effectiveness of support by looking at the impact on stakeholders and beneficiaries across districts. The first outcome, the LED maturity index (LMI) provides a value depicting municipal systemic capability to fulfil its LED role sustainably and credibly, i.e. the LED Maturity assessment process assesses and advises on core competent areas that exist at local level and areas to be addressed to build sound municipalities. The LMI average increase was 18% over the period that clearly indicates that the majority of the 30 municipalities are improving their LED practices and awareness around learnings and feedback. The significant increase is due to greater participation of the key decision-makers at municipalities (i.e. Mayors, Councillors and Municipal Managers) are actively participating and driving reforms. Reflection by local officials indicates that the success of the programme in previous years has resulted in an increase in interest by politicians in ensuring that their municipalities' scores are improved.

The second area focused on maintaining a Coordination Satisfaction Index of 70% amongst stakeholders. Establishing a Coordination Satisfaction Index aimed to measure the extent to which the role-players that have a stake in coordination initiatives have experienced positive levels of satisfaction with their involvement in initiatives that the Department either drove, or supported. It aimed to determine if the departmental projects pursued for delivery is able to change how local and regional coordination across sectors occur and if it is at all effective by its intent. If effective, then the Department is able to provide an indication that it has improved the business environment in areas beyond the metro through effective LED coordination that supports growth of the regional economy. A modest benchmark figure of 70% was targeted to set baseline, but the results of the surveys showed an 85% rate of satisfaction with service having been achieved.

## Red Tape Reduction

The unit's activities for the year were planned with its obligation to contribute to the Department's strategic goals in mind. The Business Helpline, its platform for businesses experiencing red tape to engage with government, continued to be widely used by businesses in the province, and on occasion even by some beyond its borders. Assistance to such businesses was justified by the fact that the raw materials they use in their manufacturing processes are supplied by Western Cape-based businesses. Assisting them to increase their efficiency and turnover would therefore benefit the Western Cape businesses involved. The resolution of the majority of matters lodged on this platform resulted in individual complaints being removed and, in certain instances, systemic solutions being implemented. In addition, the various business process initiatives undertaken resulted in substantial savings in time, money and hassle. Overall, the feedback from businesses, government departments, entities and municipalities assisted was that the unit's interventions had contributed to reduced administrative burdens and a more business-friendly environment in the province. In the long term, its pursuance of RIA as a tool for better law-making and its establishment of baselines for the cost of red tape in the priority sectors (Tourism, Agri-processing and Oil and Gas (with a focus on rig and ship repair) will contribute in a major way towards the goal of creating opportunities for growth and jobs, as businesses will spend less on administrative compliance and be able to channel resources towards that strategic goal.



Outcome indicator	Baseline (Actual outcome) 2014/15	Actual performance against target		Devia- tion from planned target to actual achievement 2015/16	Reason for variance	
		Target 2015/16	Actual 2015/16			
<b>Sub-programme: Enterprise Development</b>						
1.1	Number of businesses expanded.	339	100	100	-	
1.2	Number of jobs facilitated.	-	-	-	-	
1.3	Value of funding leveraged.	-	R2m	R5m	R3m	The De- partment boosted its relationship with the National Empower- ment Fund by utilising surplus funds to support Western Cape based businesses through the WCDEDAT- NEF Enter- prise De- velopment Initiative. The nature of the working relationship requires that the NEF con- tributes R0.60 for every R0.40 that the Depart- ment con- tributes. This demand-led initiative (a loan fund) demon- strated greater than expected successes i.e. more loan approvals.

Outcome indicator	Baseline (Actual outcome) 2014/15	Actual performance against target			Reason for variance	
		Target 2015/16	Actual 2015/16			
<b>Sub-programme 2.2: Regional and Local Economic Development</b>						
2.1	Ensure that the LED maturity index average increases by 6% annually.	–	LED Maturity level average increases by 6%.	LED Maturity level average increases by 18%.	12%	The significant increase is due to greater participation of the key decision-makers at municipalities. Local officials reflected that the success of the programme in previous years has resulted in an increase in interest by politicians in ensuring that their municipalities' scores are improved.
2.2	Maintain a Co-ordination satisfaction index of 70% amongst stakeholders.	–	Co-ordination satisfaction index = 70%.	Co-ordination satisfaction index = 85%.	15%	2015/16 was the year in which the benchmark was established. The figure of 70% was pegged as a modest estimate.

Outcome indicator	Baseline (Actual outcome) 2014/15	Actual performance against target		Deviation from planned target to actual achievement 2015/16	Reason for variance	
		Target 2015/16	Actual 2015/16			
<b>Sub-programme 2.3: Red Tape Reduction</b>						
3.1	Monetary value of cost saving due to improved business processes.	–	–	–	–	
3.2	Percentage resolution of calls and cases received.	–	85% (baseline 1475)	93% (1404/1505)	8%	The number of cases received is determined by the need and demand of businesses and thus beyond the direct control of the Department. Similarly, the resolution rate is influenced by factors beyond the control of the Department, such as level of complexity of the case and the willingness or otherwise of the respondent department, public entity or agency to engage and accept inputs or recommendations

## Performance indicators and targets:

Within each sub-programme the noted achievements that contributes to the creation and maintenance of an enabling environment required for growth and jobs, follow.

### Enterprise Development

#### Entrepreneurship

The various initiatives focused on creating a culture of entrepreneurship by encouraging and igniting the entrepreneurial spark especially within potential and young entrepreneurs and students.

The Premier's Entrepreneurship Recognition Awards (PERA) is the support programme focused on identifying, showcasing and recognising innovative entrepreneurs who have displayed excellence in various areas. The PERA 2015 was the third consecutive annual competition which provided an invaluable platform for many of the entrepreneurs and business owners to profile their businesses in various mediums which increased their exposure and footprint. Since the inaugural ceremony, the number and quality of applicants increased significantly which was evident in the PERA 2015 winner – Triggerfish, an animation company based in Cape Town - who has a global presence.

From 2009 to 2012, Triggerfish produced two feature films, which have collectively generated more than \$75M in gross revenues across box office and home entertainment in over 150 countries. The business sold 9 million cinema tickets and their films have been dubbed into 27 different language versions. Triggerfish produced a half hour short film which was released on 25 December 2015 in the United Kingdom. The short film had 9.4 million views on the first day. The business is currently working on Roald Dahl's – "Revolting Rhymes".

The Tertiary Incubation project comprised of three phases: Business Idea Generation Workshops, Business Idea Pitching Sessions and Incubation. It created awareness with regard to entrepreneurial opportunities and provided a platform for aspiring students and young entrepreneurs to present their business ideas at public pitching platforms. Through this initiative 227 young entrepreneurs attended the workshops and 107 participants pitched their new business ideas. The five most viable and feasible business ideas were incubated with the intention to create sustainable businesses.

The High School Entrepreneurship project was facilitated through a dynamic, well-structured and practical after school entrepreneurship programme for 250 learners (grade 8 to 11) at 20 high schools especially from previously disadvantaged areas. The initiative aimed to develop the entrepreneurial thinking of learners through increasing their knowledge about entrepreneurship and the associated skills and competencies. The project focused on unearthing learners business ideas, identifying opportunities and building networks. The project culminated in a graduation ceremony attended by all learners.

#### Access to financial and non-financial support for SMMEs in the priority sectors

Access to financial and non-financial support is critical to creating an enabling environment. The lack of finance readiness coupled with the lack of awareness (information) has been identified as key constraints faced by SMMEs in accessing financial and non-financial support. Given these constraints, the Department conceptualised and implemented interventions aimed at disseminating information relating to financial institutions and their service offerings, equipping SMMEs with the necessary skills to improve their opportunity to access funding and providing innovative funding solutions in the form of grant and low cost loan funding to SMMEs. The approach of the Department thus addressed the access to non-financial and financial related challenges from both the demand and supply side through the mechanisms described below.

The Department's efforts in providing direct financial support comprised of the Western Cape DEDAT/NEF Enterprise Development Fund Initiative and the Cape Capital Fund (a cost sharing grant designed to assist SMMEs operating in the Agri-processing and Oil and Gas sectors). The Department with the NEF ensured that the loan fund has for the past three years maintained its 100% repayment rate. The Cape Capital Fund aimed to assist the beneficiaries with market access (accessing new markets and/or expanding existing markets) through the acquisition of machinery, equipment, compliance related licences, exhibition space (local and international), etc. A total of R3 000 000 was allocated to assist 27 SMMEs.

The Cape Accelerate Programme developed businesses through a structured process (business turnaround or business improvement) to assist them to move up the value chains of the Agri-processing and Oil and Gas sectors. The programme enhanced the entrepreneurs' skills and the competitive position of the businesses (scale and efficiency) in order to improve access to new market opportunities for 54 businesses through a series of interventions.

The Department's initiatives aimed at the demand side challenges (the SMME's perceived lack of investment readiness) were partly addressed through its Emerging Business Support Programme (EBSP). The EBSP was a joint initiative between the Department and the Universities of the Western Cape (UWC) and Stellenbosch (US). The Department together with the UWC-based Centre for Entrepreneurship and Innovation (CEI) assisted more than 1 000 businesses across the province through two day capacity building workshops. The capacity building initiative addressed the issues of strategic, operational and financial management. This initiative was replicated with the University of Stellenbosch Business School through which a further 150 businesses were assisted.

The Informal Business Upliftment Programme provided focused business support services to informal township entrepreneurs in the Cape Town metro area. The structured incubation programme firstly focused on training the informal sector entrepreneurs and secondly incubating the successful entrepreneurs developing 20 micro businesses directly through the Mama Mimi's Micro Franchise Training Programme, the Container Walk and the Business Builder Incubator located at The Business Place Philippi (TBPP).

The Supplier Development programme on the West Coast supported 24 small businesses through implementing specific interventions required to improve the business acumen of the owners and assisting the business to meet the compliance complexities needed to exploit access to local opportunities. Through this programme seven businesses were enabled to take up opportunities in the value chains and downstream opportunities offered by corporates in Saldanha Bay.

As part of its strategy to increase access to markets for qualifying business, the Department supported 40 businesses to attend the Smart Procurement World Expo. The exhibition aims to provide the public sector and corporates with the opportunity to showcase their leading black-owned suppliers and engaging with other black-owned SMMEs with the intention of incorporating these SMMEs into their supply chains.

The unit actively engaged the business community around the amended Broad Based Black Economic Empowerment (B-BBEE) Codes of Good Practice and the amended regulations to the Preferential Procurement Policy Framework Act (PPPFA). The unit was instrumental in the roll-out and awareness raising around the implementation of the Central Supplier Database (CSD). Fifty six workshops were held across all municipalities between October 2015 and March 2016.



Chris Punt, Mayor of the Theewaterskloof Municipality, acknowledged Regional and Local Economic Development for their continued support at the December 2015 Mayoral Business Breakfast in Grabouw.

## Regional and Local Economic Development

Over the past year, to improve the business environment in non-metro areas through effective LED coordination the unit focused on providing support around strengthening local government capacity, facilitating sound regional coordination of provincial government support activities, and assisting in the development of district and local economic intelligence to ensure public sector support is relevant and appropriate.

If we are to provide local business with an enabling environment that supports establishment, expansion and job-providing opportunities, then having well-functioning and capable local government is essential. It is therefore important that effort is made to build capable municipalities that can provide suitable, local business-enabling environments. The sub-programme performed 30 assessments of municipal IDPs and LED maturity assessment to ensure that municipalities could be suitably informed on areas for alignment, challenge and opportunity, but also to inform the Department's support intervention, appropriately. To strengthen local government capacity the Department championed and implemented a strategic capacity building project aimed at up skilling and broadening the knowledge and skills of LED managers and practitioners across our province, by partnering with the Department of Trade and Industry (dti) and UWC. This Professional Programme for Local Economic Development is aligned to the national objectives of professionalisation of public service, and is supported by SALGA, and other national and provincial counterparts. It is the only customised accredited training programme in the province that supports career pathing in gaining international accreditation as Certified Economic Developers. The final accreditation that is attained by successfully completing the International Economic Development Council (IEDC) board examination will ensure that municipalities will have accredited local economist within their institutions. The first graduates off the training programme will emerge by October 2016.

As a facilitator and co-ordinator of support to local and district areas, a Regional Coordination Programme was implemented to ensure that essential links between national, provincial and local priorities occurred within regions in a more integrated manner. Interventions undertaken to foster greater alignment and improve regional coordination included the facilitation of sectorally-focused initiatives to deliver on Project Khulisa and its three priority sectors. In the Agri-processing sector, support was provided around the Cape Accelerate Programme that targets business support to SMMEs with the aim of increasing access to markets and improving the ability to operate in the agri-processing specified markets. For Tourism, support was focused on increasing the awareness of the impact and priorities of cycling tourism in the areas of Eden and Overberg where this is an imperative driven by Khulisa. In the Oil and Gas sector support was provided to the West Coast region around the priorities of the Saldanha Bay Industrial Development Zone.

Further intervention also included five transversal initiatives supported. These initiatives aimed to support national and provincial imperatives where there is a need for the Department to participate in planning and implementation related to transversal programmes and projects (like the JPI, the RSEP-VPUU, geographically-focused initiatives like the CRDP nodes, etc.). The specific projects included – the Overstrand Education Imbizo held where the Overstrand Municipality requested assistance in promoting long-term planning to ensure better educational outcomes and promote entrepreneurial skills in school attendees; hosting the Provincial LED Forum (PLEDF) with all municipalities to provide current, updated engagement that improves expertise, identifies complementary roles and responsibilities for synergy and builds LED networks necessary to grow local economies; the Investment Facilitation project provided multi-layered support around strengthening the capabilities of the Theewaterskloof Municipality (TWK) in tackling growth priorities and opportunities for their region based on sound investment knowledge and facilitation; a joint collaboration with the Provincial Treasury around elements of strategic procurement roll-out to all municipalities; and finally, the Swartland Box Park Development assisted the municipality to determine the feasibility of repurposing shipping containers into business infrastructure and supporting the design plans for a business case development.

Finally, the sub-programme supported the development and establishment of a repository of economic data and information to better inform local level intelligence reports for the Department. The reports that can be generated aim to build comprehensive municipal economic profiles that can support trend analysis performed, and better inform and guide planning that ensures that local economies have the best opportunity to become productive areas that contribute to the regional economy.



The Red Tape Reduction Unit hosted the Red Tape Challenge Awards in November 2015. The Red Tape Challenge offers Western Cape Government employees the opportunity to submit ideas to improve on business facing services to the public.

## Red Tape Reduction

During the year under review, the Red Tape Reduction Unit (RTRU), through careful design and execution of its projects and related activities, strove to, and, it is submitted, did, contribute to the achievement the objectives of the Department and the broader WCG as encapsulated in Provincial Strategic Goal One (PSG1) and Project Khulisa. In specific terms, it sought to improve the regulatory environment for businesses in the province, whilst initiating projects that would establish a baseline for the calculation and achievement, by 2017/18, of the target of R200 million in savings due to red tape reduction initiatives.

First, the RTRU commissioned and oversaw several major research initiatives, most notably in Project Quantify, which involved three separate and distinct sets of research into the administrative burden experienced by businesses in subsectors of the three Horizon 1 priority sectors identified under Project Khulisa – Tourism, Agri-processing and Oil and Gas (rig repair). The body of research provided the qualitative and quantitative (statistical) information, through extensive industry sector surveys and focus groups, to establish the cost of red tape in the subsectors concerned. Extensive research was also conducted in the municipal sphere, particularly with regard to improving the investment readiness of rural municipalities - the Investment Facilitation Standard Operating Procedure (IFSOP) in the Theewaterskloof Municipality - and general improvement of business-facing services delivered by rural municipalities, through a benchmarking project part-funded by the Dutch government (the Mark of Good Public Service (MGPS) project, a continuation of an initiative that commenced in the previous financial year.

Business process improvement (BPI) projects were also conducted, with the recommendations proposed in respect of the processes for applying for temporary and special event liquor licences being a particular highlight. By year-end, the unit and the Western Cape Liquor Authority were in discussions to pave the way for accelerated implementation of the recommendations in 2016/17.

The RTRU continued its lobbying and advocacy role, with considerable success eventually being achieved in relation to its long-running efforts to have the country's immigration regime relaxed. Its submissions to the national government (Department of Home Affairs – DHA) and eventually the Presidency, through the office of the Premier, to the President's Co-ordinating Committee (PCC) included a number of improvement proposals, some of which were incorporated in a raft of relaxations of the immigration regulations were announced by Minister Gigaba mid-way through the reporting year. It also led to a PCC resolution in March 2016 that the Minister of Home Affairs should engage the WCG on the various issues raised – which in, in turn, led to the formation of a formal DHA-DEDAT task team reporting to the Minister of Home Affairs and Minister Winde. Several other advocacy initiatives (for example, for systemic/policy change with regard to filming in small harbours) paid off. Others, notably in the areas of transport (abnormal load transportation), product registration and approval for import (department of agriculture, forestry and fisheries – DAFF – and the National Regulator for Compulsory Specifications – NRCS, respectively) have not rendered the desired results yet, and are being pursued.

The mainstay Business Helpline service, which in the reporting period breached 5 500 cases reported since the inception of the service in 2011, continued to provide a platform for businesses which experience red tape to lodge cases (requests for information otherwise not readily available, or requests for intervention). A resolution rate of 93% (across a total of 1 505 cases) reflects both the obvious need for, and quality of, the service. Several millions of Rands worth of savings for businesses were brought about, and similar millions of Rands worth of opportunities created through interventions by the unit. A project commenced in 2015/16 and to be completed in 2016/17, will enable the unit, through the provision of a costing (or benefits calculation) tool, to determine these savings and opportunity benefits with a high level of accuracy.

The unit's awareness initiatives saw a change in approach, with a bigger focus on rural areas, where 10 engagements were held. In addition a radio campaign (with interviews conducted by Minister Winde), and two limited (due to budget constraints) print media and bill board initiatives brought awareness of the unit's services to a wide cross section of businesspeople in the province, and beyond, with the billboard at Cape Town International Airport eliciting several enquiries from upcountry business people as to whether such a service is available in their home provinces. In addition, the regular updating of achievements as well as events, including the third iteration of the Red Tape Challenge and the unit's nomination for productivity and service excellence awards, served to keep both the business and private sector abreast of developments and progress being made in the area of red tape reduction in the province.

The unit's work has been noted by both the national government (the Departments of Small Business Development (DSBD), Co-operative Governance (DCOG) and Performance Monitoring and Evaluation (DPME)) and other provincial governments. It was consequently requested to, and did, host two fact-finding visits by delegations from the said national departments and several of the other provinces, and by year-end the DEDAT's sister department in Gauteng was concluding plans for a high (DDG) level visit to the RTRU, ahead of a planned establishment of a similar unit in that government,

In line with its approach to establish and learn from international best practice, officials from the unit visited Mauritius in March, for a series of high-level meetings with Mauritian government, public entity and business leaders. The learnings from the exciting and often ground-breaking red tape reduction initiatives in that country, the highest ranked African country in the World Bank's annual Doing Business reports for the last 4 years, will be applied, with modification where necessary, from 2016/17 onward.



Performance indicator (Output)		Baseline (Actual output) 2014/15	Actual performance against target		Devia- tion from planned target to actual achievement 2015/16	Reason for variance
			Target 2015/16	Actual 2015/16		
<b>Sub-programme: Enterprise Development</b>						
1.1	Number of businesses supported.	3 560	1 210	1 210	–	
1.2	Number of entrepreneurship promotions and business support interventions.	–	10	10	–	
<b>Sub-programme: Regional and Local Economic Development</b>						
2.1	Number of priority sector initiative (PSI) supported.	–	3	3	–	
2.2	Number of transversal initiatives supported.	–	5	5	–	
2.3	Number of LED Assessments.	30	30	30	–	
2.4	Number of capacity building interventions to Municipalities.	5	1	1	–	
2.5	Number of bi-annual district intelligence reports.	–	10	10	–	
<b>Sub-programme: Red Tape Reduction</b>						
3.1	Number of regulatory reviews conducted.	–	2	2	–	
3.2	Number of process improvements proposed.	–	6	6	–	
3.3	Establishment of a baseline cost of red tape in priority (Horizon 1) sectors in Western Cape.	–	1	1	–	
3.4	Number of awareness workshops with businesses.	–	10	10	–	
3.5	Number of cases received.	1 881	1 400	1 505	105	The number of cases received depends on the demand on the part of businesses and is thus beyond the immediate control of the unit, which is duty bound to respond to all cases that are received (lodged).

## Strategy to overcome areas of under performance

Not Applicable

## Changes to planned targets

Not applicable

## Linking performance with budgets

During the 2015/16 financial year, an amount of R54.968 million was appropriated to the Programme. Of this, compensation of employees accounted for R17.253 million. Goods and services were allocated R23.444 million, Transfers and Subsidies R13.401 million and Payments for capital expenditure R870 thousand.

In this regard, compensation of employees accounted for 31.39% of the Programme expenditure. Goods and services accounted for 47.32% of the total final expenditure of the Programme. Furthermore, 20.44% was apportioned to Transfers and Subsidies.

The allocation of R33.133 million to the sub-programme Enterprise Development contributed to the creation of an enabling environment within which small enterprises can operate in the province. The initiatives implemented by the unit focused on facilitating access to as well as the provision of finance through a loan and grant mechanism. The non-financial support initiatives included training and capacity building for over 1 000 business owners, registration of businesses on the Central Supplier Database and the provision of focussed business development support to SMMEs that enabled them to access the supply chains of corporates. The unit continued its efforts at creating and contributing towards a culture of entrepreneurship through showcasing successful entrepreneurs and developing a pipeline of potential entrepreneurs. These initiatives contributed to providing direct support to businesses which should translate in the expansion of businesses which is critical for economic growth and job creation.

With an allocation of R5.88 million to the sub-programme Regional and Local Economic Development, focused on providing support around strengthening local government capacity, facilitating sound regional coordination of provincial government support activities, and assisting in the development of district and local economic intelligence to ensure public sector support is relevant and appropriate, to assist in improving the business environment in non-metro areas.

The entire project funding allocation to the Red Tape Reduction sub-programme was applied towards the strategic objective of improving the regulatory environment and promoting an enabling environment for business. The interventions that were funded included the ongoing support service to businesses requiring start-up and related information and assistance with red tape, the Business Helpline; a third iteration of the Red Tape Challenge, as well as the BIZChallenge, in which businesses, as opposed to government departments, were given an opportunity to log red tape challenges and improvement proposals; a number of Business Improvement Process (BPI) projects were again undertaken, most notably at the Western Cape Liquor Authority and in Theewaterskloof Municipality. In addition, the long-running project to have RIA institutionalised was continued with internal resources and brought close to finality by year-end.

## Sub-programme expenditure

Sub- programme Name	2015/16			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Enterprise Development	33 133	32 728	405	38 553	38 200	353
Regional and Local Economic Development	5 880	5 583	297	8 138	8 138	
Economic Empowerment	1 040	1 019	21	4 032	4 032	
Red Tape Reduction	11 701	11 431	270	6 893	6 893	
CD: Integrated Economic Development Service	3 214	3 041	173	2 006	2 006	
<b>Total</b>	<b>54 968</b>	<b>53 802</b>	<b>1 166</b>	<b>59 622</b>	<b>59 269</b>	<b>353</b>

### 4.3 PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT

#### Purpose

To stimulate economic growth through industry development, trade and investment promotion.

#### Programme structure

The Programme is structured as follows:

- Sub-programme 3.1: Trade and Investment Promotion
- Sub-programme 3.2: Sector Development
- Sub-programme 3.3: Strategic Initiatives
- Sub-programme 3.4: Management: Trade and Sector Development

#### Service delivery objectives and indicators

Provincial Strategic Goal 1 (PSG1) focuses on unlocking faster economic growth and job creation. The Department, through the Project Khulisa process, identified Agri-processing, Tourism and Oil and Gas as priority sectors. Project Khulisa identified specific activities that will be implemented in order to achieve faster economic growth and increased job creating opportunities. The Khulisa Action Plans for these sectors were finalised in the 2015/16 financial year and approved by Cabinet in August 2015.

While implementation for the Khulisa Actions Plan will commence in the 2016/17 financial year as the first year of implementation, the Department has already shifted its resources and capacity in the 2015/16 financial year in order to be fully aligned to delivery in the Khulisa priority sectors. The Department's modernisation process is aligned to the Khulisa prioritisation. As part of this process, the Trade and Sector Development Programme and the Tourism, Arts and Entertainment Programme were combined into the Economic Sector Support Chief Directorate.

The Sub-Programme Strategic Initiatives drives three major enablers of the Department, namely catalytic infrastructure, the digital economy and the green economy. Whilst the focus of these initiatives is on longer term impacts on the overall competitiveness of the regional economy, the more immediate outcomes are reflected in the value of investment.

For the 2015/16 financial year, the Broadband hard infrastructure rollout across the province of the Western Cape was initiated, with more than R3.6 billion worth of infrastructure investment catalysed. This infrastructure rollout, under the direct management of the Centre of e-Innovation, was a culmination of four years of work by the Department which saw the development of a Western Cape Broadband Strategic Framework and completion of feasibility studies to ensure that the province adopted a feasible and viable approach in addressing the broader socio-economic need for a regional fibre backbone. This approach revolved around government being the anchor tenant to help fund the fibre rollout, realising the overall objectives of the Department of being demand-led and private sector-driven and of ensuring that DEDAT significantly contributed towards creating an enabling environment in which businesses can thrive.

Outcome indicator	Baseline (Actual outcome) 2014/15	Actual performance against target		Deviation from planned target to actual achievement 2015/16	Reason for variance	
		Target 2015/16	Actual 2015/16			
<b>Sub-programme: Trade and Investment Promotion</b>						
1.1	Rand value of committed investment projects into the Western Cape.	R986.720m	R800m - R1.600bn	R2,045,8bn	R445.8m	The over-performance is attributed to a sizeable investment in the renewable sector, which achieved a higher than expected CAPEX value.
1.2	Number of jobs facilitated.	1 422	600 – 1 200	681		
<b>Sub-programme: Sector Development</b>						
2.1	Value of trade and investment facilitated	R7.7bn	R1.010bn	R2.451bn	R1.39bn	The over-achievement is due to the attraction of investments in the Oil and Gas, BPO and Aquaculture sectors.
2.2	Value of funding/support leveraged	R43.437m	R24m	R89.180m	R65.180m	Significant funds were raised from SETAs for business and skills training and from the DTI for business improvement, marketing and increased efficiency across all sectors.
2.3	Number of jobs facilitated	13 494	4 500	9 102	4 602	The BPO and Oil and Gas sectors were the main contributors to jobs, due to the promotion of the Western Cape as a global location for offshore business and IT services and the attraction of foreign direct investment projects for rig repairs.

Outcome indicator	Baseline (Actual outcome) 2014/15	Actual performance against target		Deviation from planned target to actual achievement 2015/16	Reason for variance	
		Target 2015/16	Actual 2015/16			
<b>Sub-programme: Strategic Initiatives</b>						
3.1	Value of investment into strategic initiatives	R958.724m (value of infrastructure investment)	R3.6bn	R3.697bn	R97m	The Department had under-estimated the investment by 2.7%.

## Performance indicators and targets:

### Trade and Investment Promotion

In direct relation to Wesgro's mandate for trade and investment and the priority focus that needs to be given to the priority sectors identified in Project Khulisa, the following was achieved for the 2015/16 financial year:

Wesgro realised a total of 10 investment projects to the value of R2.0458 billion, which assisted in the creation of 681 jobs and growing the Western Cape's industrial base. The commercialisation of investments in the renewable energy sector resulted in R1.189 billion (contribution to the total investment realised). Investment performance also contributed to the objectives outlined in Project Khulisa.

### Strategic investments from international sources placed in the Province include the following:

Company Name	Source Country	Industry
Acciona	Spain	Renewable Energy
Grad Connection	Australia	ICT
Kimberly-Clark	USA	Manufacturing
SACMI	Australia	Manufacturing

Further investments solicited from local sources include, amongst others, the expansion of Yoco; the LA Group; Okuhle Media; and Trigger Fish.

Wesgro assisted a total of 708 businesses with exports. The majority of these companies were in the wine and agriculture sectors. Other industries assisted included oil and gas, chemicals, creative industries, engineering and ICT. Further to the initial outward missions, additional missions were undertaken. These additional missions included trips to Angola, China and a fact finding mission to Ethiopia, as these markets have been identified as potential future growth markets for trade.

More companies expressed interest in the Exporter Development Programme (EDP) than was initially anticipated. One export development session focused on the Pacific Alliance (Peru, Mexico, Columbia and Chile). The aim of this session was to discuss the opportunities and the challenges faced in strengthening ties between the Western Cape and the Pacific Alliance.

Nine inward buying missions were hosted. The majority of these missions came from the rest of the continent and included a multi-sector delegation from Ghana and Nigeria. These missions showed an interest in the agriculture and oil and gas sectors.

Wesgro recruited a total of 61 new investment projects into the project pipeline. The target was exceeded due to the implementation of a more pro-active approach to targeting investors. These new investment projects were sourced from the following sectors:

- Oil and Gas.
- Hotel and Real Estate Development.
- Renewable Energy.
- Manufacturing.

## Sector Development

In reporting against the targets set in the 2015/16 financial year, the value of funding leveraged to assist different sectors with the implementation of strategic initiatives to create jobs and grow the economy, was a significant amount of R89.180 million. The value of trade and investment projects realised amounted to R2.451 billion, with 9 102 jobs facilitated.

The sectors over-achieved on their output targets, with 1 928 businesses assisted with proactive interventions and 53 trade and investment projects realised. The over-achievement was realised due to increased funds leveraged in order to assist more enterprises with business improvement, and due to investment projects attracted by the oil and gas, BPO and aquaculture sectors.

## Oil and Gas

SAOGA attracted 35 foreign direct investment projects for the 2015/16 financial year. These projects resulted in R1.587 billion sector orders and created 5 669 work opportunities. R8.226 million was leveraged from successful funding proposals that were submitted to various sectoral education and training authorities (TETA, CHIETA, MERSETA). With the current economic downturn within the Oil and Gas sector, the ship and rig repair companies have responded well under these conditions and have over-achieved on the set targets.

During the 2015/16 financial year, SAOGA attended and presented various papers at international platforms which include:

- International: Offshore Technology Conference (USA) 2015.
- Subsea UK.
- Africa Oil Week, where the first edition of the Sub Saharan Africa Oil & Gas Handbook was launched with Global Business Reports. The handbook will be published annually.

SAOGA provides a platform through the Marine Oil and Gas Academy (MOGA). MOGA provides a "one-stop-shop" for industry players, jobseekers, prospective trainees/students and schools to engage proactively on issues such as curriculum and training content related issues, course information, access to courses, jobs and career information.

## Agri-processing

The Department, together with industry stakeholders, collaboratively focused on the challenges experienced within the Agri-processing sector. The Department facilitated sessions with relevant stakeholders to identify the various types of opportunities and support required within this sector to enable growth. During the 2015/16 financial year, the Department together with the Department of Agriculture, completed the Agri-processing Khulisa Action Plan in order to guide the growth of the Agri-processing sector within the Western Cape.

The Department supported other agri-processing value chains which included a study that was developed in conjunction with HORTGRO, which outlined opportunities and initiatives to develop the Natural Products Sector, as the Western Cape possesses an abundance of natural and indigenous crops. In supporting the growth of this sector, the Department facilitated a number of strategic engagements with industry stakeholders to implement the recommendations of the study. This study further cemented the Department's existing relationship with the Centre for the Promotion of Imports (CBI) into Netherlands. The CBI assisted companies in the natural ingredients sector to participate in CBI funded programmes in order to access the European market. The Department also supported the shaping of the National Biodiversity-Economic Strategy by the Department of Environmental Affairs (DEA), which was launched in Durban in November 2015.

The Western Cape Fine Food Initiative (WCFFI) leveraged R4.505 million funds and provided support to the Agri-processing sector through market development, accessing incentive funding, innovation, and assisting companies to be food safety compliant. 246 businesses were assisted with the following interventions:

- Market Access and compliance of food safety standards through a paperless food safety system, called iComply, which enhances the ability of the Food Industry (particularly SMEs) to meet minimum local and export food safety requirements.
- Showcasing, exhibiting products and meeting global retailers at international trade shows and outward selling missions, such as the 12th Malaysia International Halal Showcase (MIHAS), the 2015 AfriCando Miami Food and Beverage Show, SA Week celebrations in Italy and the Food & Hotel China Trade Show in Shanghai. The participation at these shows led to companies being listed by retailers, which resulted in expanding their operations, turnover and employment capabilities. Notably, the company Munch Bowls, which produces edible and crisp wheat bowls, won the International Special Innovation Award at the SIAL China May 2015 Trade Show in Shanghai.

- Accessing the dti incentive schemes, such as the Manufacturing Competiveness Enhancement Programme (MCEP), Sector Specific Assistance Scheme (SSAS), Export Marketing and Investment Assistance (EMIA). These incentives assist companies to upgrade their systems and facilities in order to access international markets and expand in the domestic market.
- Information sessions and workshops on manufacturing processes, costing and pricings, labelling and packaging, marketing and logistics assisted companies to be more competitive with product pricing, product development and linking with retailers.

## **Aquaculture**

The Department implemented various aquaculture sector development initiatives. The Department, together with the Department of Agriculture Forestry and Fisheries (DAFF), the Western Cape Department of Agriculture (DoA) and the Department of Environmental and Development Planning (DEADP), collectively established the Provincial Aquaculture Task Team. This task team engaged the sector and attempted to streamline developmental issues. The Department also exploited the opportunities presented by the Cape Capital Growth Fund and managed by the Integrated Economic Development Support Unit (IEDS). The Comprehensive Agricultural Support Programme (CASP) funds offered by the Department of Agriculture to assist a few aquaculture businesses were utilised.

The Department met the following targets for the 2015/16 financial year:

- 2 investment projects realised.
- R12 280 000 investment facilitated.

## **Services Industries**

The Financial and Business Services industries make up 19% of the South African economy, with growth providing significant opportunities for employment. In alignment to Project Khulisa, the Department focused on driving employment growth and increasing output in the Business Process Services and ICT industries.

### **Business Process Outsourcing (BPO)**

A major achievement in the 2015/16 financial year has been the creation of an additional net 333 export generating jobs in the BPO sector resulting from the promotion of the Western Cape as a global location for offshore business and IT services. In 2015, the sector's offshore jobs in the region grew by 37% to 16 000. This means that the sector contributes an estimated R3.7 billion per annum in export revenues.

R864.4 million BPO investments (including two investment projects) and new contracts were facilitated by BPeSA. The arrival of these operations, signal the growing prevalence of the Western Cape as a world-class BPO service location. A key win was the investment of a major US-listed BPO operator, proving higher value adding insurance services from Cape Town. The Western Cape is the largest region for international BPO operations, with 59.9% of the international market share. It contributed 87% to the national growth in 2015.

BPeSA leveraged R5.561 million funds and rolled-out a range of projects and skills interventions to ensure that the region's competitiveness is enhanced. BPeSA has begun to test a Gamification mobile app, which was developed with a grant from the Rockefeller Foundation. It will help recruit youngsters into the sector. A significant development for the industry has been the piloting of the Skills Supply Chain Model by BPeSA. The initiative involves the establishment of Skills Supply Chains in relevant regions, by recruiting and training 5 000 young work seekers to be employed in the Business Process Services Sector (BPS). It provides existing and new international BPS operators with a reliable supply of skills.

### **Information Communication Technology (ICT)**

The Department has supported the regional ICT industry through various interventions over the year. The primary focus has been on skills and enterprise development. ICT skills projects are delivered by the Department in partnership with a range of stakeholders. During the 2015/16 financial year, successful collaborations were concluded with the University of the Western Cape, the College of Cape Town, the University of Cape Town and the Cape Peninsula University of Technology and the Cape IT Initiative (CITI). The Department has implemented two ground-breaking IT skills projects that targets youth unemployment in the past year. The first has seen 66 high school students and teachers trained by the Western Cape Education Department (WECD) in Advanced Java programming. This is based on a partnership with the WECD, Oracle, the MICT Seta and other stakeholders. Students came from 9 schools, ranging from Worcester Gym and Brackenfell High to COSAT in Khayelitsha and Rocklands High in Mitchells Plain.



Cutting the ribbon at the launch of the Skills Hub at the Bandwidth Barn, were Esmaré Weideman, Media 24 Chief Executive (in the middle, with scissors in her hand), Alethea Hagemann, Head of Skills Development at CiTi and Ian Merrington, CiTi CEO.

The second project has seen 170 school leavers trained by the College of Cape Town and placed in IT technical skills like networking, web services and wireless technologies. Both projects are strategic in that they shape the way traditional institutions of learning prepare learners for the world of work and assist youth to access work opportunities.

The Department also supported the Cape IT Initiative's (CITI) flagship Skills Development and Job readiness programme CapaCiTi. It rolled out a range of IT training and placement projects with support from the Jobs Fund as part of a wider R120 million DEDAT 3-year skills development project. CapaCiTi doubled its output this year, and released 102 tech-literate and highly specialised candidates directly into high demand ICT jobs like Business and Systems Analysis, Php and Java programming. The Department's involvement in these skills projects is to increase the size of the ICT skills pool and the quality of talent entering the market. This will lead to a more effective and productive ICT resource pool and increase the absorption of youngest into the sector.

The Department provided support to the Cape Innovation and Technology Initiative (CITI), whereby CITI leveraged R37.189 million funds. CITI and the Bandwidth Barn which continues to attract blue chip multi-nationals to the Western Cape. They successfully partnered with Barclays Africa to launch Rise, a FinTech (Financial technology) incubator and accelerator. This will see more than R30 million in support for IT start-ups. This followed from a successful innovation partnership with Telkom, launched earlier in 2015, where the Barn is running the Telkom Future Makers Innovation and acceleration programme, aimed at accelerating and incubating black-owned business.

The Block Chain Academy and Bithub, leading FinTech initiatives on the African continent, were also launched at the Bandwidth Barn this year. The Barn in Khayelitsha launched an AgriTech initiative and is interacting with 76 Urban Growers to bolster technological enablement in Agriculture. They are also assisting the informal retail sector (spaza shops) to increase competitiveness through the use of technology. Currently, 300 Spaza shops are participating in that programme which has a focus on the Mitchells Plain – Khayelitsha corridor. CITI has also mentored and trained 35 small IT businesses with proactive interventions as part of the Department's funded Bandwidth Barn's Velocity project.





CiTi and the Bandwidth Barn partnered with Barclays Africa to launch Rise, a Financial technology incubator and accelerator. At the Rise Cape Town launch were, from left Ian Merrington, CiTi CEO with the Rise team Camilla Swart and Shirley Gilbey.

## Manufacturing

Manufacturing is a global driver for productivity growth, innovation and trade. The future of manufacturing is influenced by changes in demand, factor costs, innovation, policy and regulation. The local manufacturing sector has a diversified manufacturing base that is well-developed and established to be competitive in the global economy. The industries that dominate the manufacturing sector include the automotive, chemicals, ICT and electronics, metals and textiles, clothing and footwear. Manufacturing production in South Africa increased by 1.9% year-on-year in February 2016. Despite challenging circumstances, many local manufacturers are implementing measures to become competitive, foster resilience and increase growth.

## Clothing and Textiles

The clothing, textile and footwear SPVs (Special Purpose Vehicles) leveraged an amount of R6.119 million mainly from the IDC, FP&M SETA and the DTI, and assisted 528 businesses with proactive business interventions. The South African clothing and textiles industry has a substantially stronger footing in the domestic market relative to the international market. There has been a shift of domestic retailers towards the concepts of fast fashion and lean retailing.

The Cape Clothing and Textile Cluster (CCTC) leveraged R1.935 million funds and assisted 97 businesses with firm-level upgrading in line with domestic market requirements through the following interventions:

- World Class Manufacturing Programme – 27 domestic benchmarks were completed for the year and firms are able to measure and track their own performance year-on-year against SA and international firms manufacturing similar products.
- Team Responsibility and Competitiveness Technical Training (TRACE), where funding was leveraged from the FP&M SETA to train 20 participants on lean enterprise skills.
- Quick Response Programme, which included best practice study tours to ZARA in Spain and Madagascar and a local best practice tour to KZN companies.
- Market business opportunities were identified with “Cotton On”, who are looking at utilising local manufacturers and the footwear retailer “Zoom” that has also expressed interest in joining the cluster. CCTC will also identify further opportunities in the North West Corridor of Europe for SA manufacturers.

CLOTEX has adopted a quadrupled helix approach and aligned itself to national priorities in its endeavours to contribute to poverty alleviation, job creation and sustainable enterprise development, particularly in the SMME sector. CLOTEX, with a value of R1.363 million funds leveraged and 191 businesses assisted, is partnering on the following projects with provincial and local government, and other sector development agencies:

- Incubator Programme – the programme has developed significantly and the level of business owner has demanded a tailor-made mentorship programme. Clotex provided CMT support to Bookha Creations and The Hive, as they presented their ranges at the Jazz Festival 2016. They assisted 45 youth members on an eight-week programme that was placed in the PEP-CLO manufacturing lines.
- Value Chain Alignment Programme – 11 members of the JC Bags-Peppertree co-op were trained in HR development.
- Rural Co-op Development – the organization supported the Velddrift co-op with a turn-around strategy and secured premises in Maitland to start a new co-op linked to the Velddrift co-op. Workshops were facilitated to assist co-ops in Touws River and Prince Albert.
- Skills Development – CLOTEX secured R720 000 to train 100 unemployed candidates and will also acquire new machinery to expand the centre with the additional domestic and specialised industrial machines. Machine operator training was facilitated with 15 candidates in Langa and 12 candidates in the Umthombo Wesizwe co-op in Gugulethu.

The Cape Town Fashion Council (CTFC), through numerous strategic partnerships and sector level collaborations, leveraged R2.557 million funds and assisted 240 businesses with interventions to counteract the downward trend evident in the retail clothing, footwear and jewellery markets that directly impact on local manufacturing. The organisation, in conjunction with the dti, facilitated the participation of 17 designers to the Magic Trade Fair in Las Vegas and 14 companies to attend the Pure London Tradeshow. A long-term partnership was established with Botswana, and the CTFC partnered with Mercedes Benz International on a new Young Designer Fashion Film Programme that will be launched at Bokeh 2016.

The 2nd Annual Fashion Graduate Recruitment Showcase was hosted at the Fire and Ice Protea Hotel, with 37 graduates from Cape Town College, CPUT, Design Academy of Fashion and Northlink. Career development workshops were hosted at schools and tertiary institutions to inform students about fashion career opportunities. The CTFC presented a paper on how to protect Fashion Intellectual Property at the African Ministerial Conference in Dakar, Senegal.

## **Craft**

The Cape Craft and Design Institute (CCDI) leveraged R5 million funding and implemented initiatives, such as the craft enterprise development programme, facilitation of access to markets, product development and craft innovation. They also led the process to develop a Design Strategy for the Western Cape. The CCDI has successfully completed its National Treasury Jobs Fund project that has resulted in the creation of 464 new permanent jobs in 45 enterprises in the creative sector. The organisation assisted 998 businesses with consultations, workshop training and market opportunities during this financial year. The following key interventions were implemented:

- Business Support: 12 Beneficiaries were assisted with operational costs and capital through the R6.5 million they received for Design Innovation Seed fund from TIA. A further 23 businesses was assisted with the Emerging business incubation programme. Business Development and Creativity workshop was facilitated with craft enterprises.
- Market Support: A platform for emerging and established businesses were created at different events, which included the Oranjezicht City Farm, CCDI Night Market, Cape Town Jazz International Festival, Watershed, Decorex Cape, 100% Design and SPIER. Enterprises were also assisted to attend the Maison et Object Export Tradeshow in Paris and the Décor & Design Melbourne in Australia.
- Product Support: More than 500 consultations and 7 workshops were hosted with 130 unique businesses on prototyping, sample making, process workshops and 3D printing.
- Outreach: CCDI extended their footprint in the Cape Metropole area to Philippi Village, Bredasdorp and George.
- Design Support: Design interventions, talks and creative exchange workshops continued, and CCDI managed to unlock funding from the Dutch Transition Fund. The Better Living Challenge is hosted as an ongoing competition and enterprises also participated in the Nando's SA Hottest Young Designer Competition.

## **Metals, Engineering and Related Industries**

The Western Cape Tooling Initiative (WCTI) focused on the improvement of the competitiveness of the metals, engineering and related (M&E) sector in order to make a greater contribution to job creation and retention, income generation and to support sustainable economic growth that will boost the overall economy in the province and nationally.

The WCTI leveraged R22.844 million for the Western Cape Tooling Centre of Excellence through the National Tooling Initiative Programme (Pty) Ltd for ongoing skills development. The premises of the WCTI will be expanded to accommodate more machinery and equipment in order to provide access to modern technology for companies. A total of 121 companies were assisted with proactive business interventions through benchmarking, networking sessions, workshops on quality management and other enterprise development interventions in companies as well as the mentoring of a number of businesses. An application was submitted to the DTI for SSAS funding for a Business Support Project which will fund the improvement of the competitiveness of 20 more Western Cape businesses. Matchmaking opportunities were identified with big corporates like Faurecia Emissions Control Technology, Hunting Energy Services, Gibela Consortium, Reutech Radar Systems, Lister Petter, SAREBI and Shonaquip.

The TDM Powered Programme is continuing with students at different levels at Northlink College, Cape College of Cape Town and the WC Tooling Centre of Excellence. The Department supported this initiative with additional funding to augment the stipends of students in order to keep them in the programme and to recruit an additional five students. The organisation participated in the Eco-Innovation initiative that was funded by the United Nations Environment Programme (UNEP) in conjunction with the National Cleaner Production Centre, SASSDA and the University of Stellenbosch. This initiative focused on the increase of profitability, attracting of investment and increasing the productivity of companies.

## Strategic Initiatives

### Cape Catalyst Enabler

With the main focus of the Cape Catalyst initiative being on project development and support to infrastructure-orientated or catalytic interventions within the economy, the Unit provided support to 8 infrastructure-related projects.

**Saldanha Bay IDZ.** The Saldanha Bay Industrial Development Zone (IDZ) entered the implementation phase with over R100 million of core infrastructure rolled out in the 2015/16 financial year. This included R88 million of bulk infrastructure on the first of two overall phases of land development and approximately R16 million worth of progress on external bulk infrastructure upgrades. This rollout had been done in close coordination with the port development efforts of the Transnet National Ports Authority (TNPA), having progressed significantly with the construction of the Offshore Supply Base (OSB). Collectively, these infrastructure investments will create the Oil & Gas and Marine Repair Complex envisaged by the SBIDZ.

Early in 2015, the SBIDZ also finalised its Board structure, with new appointments from the main stakeholders from all three spheres of Government, including the WCG, the DTI, the Saldanha Bay Municipality, the IDC and the TNPA. After a full Parliamentary and public participation process, the SBIDZ Act was also assented into legislation and provides the official governance framework for the SBIDZ Licencing Company to become a separate provincial entity, able to transact with investors into the IDZ. The SBIDZ's continuous work in skills development, enterprise development and driving the ease of doing business continued in collaboration with that of the rest of DEDAT and Project Khulisa.

**West Coast Industrial Plan.** The development of the IDZ had started to catalyse other industrial projects and the Department had become aware of a number of large potential investments in beneficiation, minerals processing and manufacturing value add. Some of these projects would only be possible if the appropriate bulk resource provision (e.g. water and electricity) is provided for through significant public infrastructure investment. On the other hand, such large scale infrastructure investments are only justified if the demand for these resource provisions exist, leaving planning authorities in a catch twenty two situation – investment too far ahead of demand results in under-utilised, capital intensive infrastructure and not investing ahead of demand results in constraints (and lost investment opportunities).

Therefore, in addition to the work on the SBIDZ, the West Coast Industrial Plan was developed and finalised by the Department over the 2015/16 financial year, which included more than 20 direct project interviews to finalise detailed industrial demand models for electricity, water, waste and freight transport in the greater Saldanha Bay area. After extensive stakeholder engagement sessions, the West Coast Industrial Plan will form a critical input into planning coordination across departments and forums, where recommendations of the WCIP will help to coordinate the infrastructure planning efforts toward enabling a new growth trajectory for the West Coast.

**Improved Air Access.** In the 2015/16 financial year, DEDAT successfully partnered with ACSA, Wesgro, Cape Town Tourism and the City of Cape Town to develop various route stimulation plans to achieve improved air access for Cape Town, in alignment with Project Khulisa's objectives. The implementation of these plans by Wesgro with its partners saw the Cape Town - Nairobi (Kenya) route re-established and operational from August 2016. Cape Town to Gatwick (UK) route was also expanded with both British Airways and Thomas Cook operating flights on this route. The Air Access team, through Wesgro, has also raised private sector funding and in-kind support to continue to implement the route development plans over the next two years, focusing on Africa and the USA.

**Cape Health Technology Park.** Seeking to stimulate a health technology cluster through the provision of enabling infrastructure and scales of agglomeration, the Cape Health Technology Park is a joint project between DST, DEDAT, Wesgro and the City of Cape Town. The project saw traction this year with the Project team providing assistance to the Medical Devices Cluster to develop a business plan and make application to the dti for cluster funding. The Project Team had completed the demand analysis and concept design for the Park in Pinelands and was in the process of completing the feasibility study and business plan required to make application for SEZ status and funding.

**Cape Town International Convention Centre.** Aimed at broadening the capacity footprint of the Cape Town International Convention Centre (CTICC), the CTICC East expansion had made steady progress with structural steel trusses and girders for the roof due for erection on 1st April 2016. The project remains within budget and is due for completion in the first half of 2017. Convento received Four (4) Star Green rating approval of the construction. In 2015/16, Convento hosted 502 events and 555 286 visitors to trade fairs, banquets and special events, up from 473 131 in previous year (2013/14).

**Atlantis Clean Technology Special Economic Zone (SEZ).** With the objective of facilitating the growth of green and clean tech industries, the application for designation of the Atlantis Clean Technology SEZ was submitted to the Department of Trade & Industry (dti) in 2015/16 after the promulgation of the SEZ Act and Regulations. It is expected that the designation of the Atlantis SEZ will be completed by the end of 2016. During the year under review, a number of companies within Atlantis expanded their business to manufacture green products, and a Danish-South African company that supplies the wind turbine tower manufacturer in Atlantis, also located in the clean tech zone, creating an additional 30 jobs. As a result of more effective application of localisation rules in the renewable energy procurement programme – an issue about which the Department has regularly lobbied the dti – the wind turbine tower manufacturer (Gestamp) experienced growth in demand, resulting in expansion of its operations in Atlantis.

**Design and Innovation Park.** The Design Park phase 1 has been successfully established at 37 Barrack Street and 75 Harrington Street to test the assumptions of the Design Park business case. These buildings have incubated 45 Design companies and provided support to over 100 Designers and Innovators. Following a formal request to the City and DTPW for property in the City to develop phase 2 on, DTPW has indicated their ability to accommodate the requirements of the request. Complementing this development, a Design Reference Group was established during 2015/16, with the Design and Innovation Park being a core project between the City, CPU, CCDI and DEDAT.



The tech enabled fire alert solution developed and presented by the Khayafighters won the entrepreneurial product development challenge hosted by the Barn Khayelitsha in September 2015. From left are Wongamele Mafilika, Thobeka Norman, Ncebakazi Felicity Qxako, Thato Miya and Masabata Magdalene Ishmael.

**Cape Big Data Facility.** The objective of the proposed facility is to assist sectors within industry, government and academia to exploit the opportunities offered by advanced computing, storage and networking systems in order to enhance their processes, products and services, towards the ultimate benefit of improved competitiveness across the economy. A key focus of the project is to construct a commercially sustainable high performance computing facility that can be used by government, academia and business.

During the financial year, the Department appointed a service provider to assist with the development of a business model and technical implementation plan. A high level steering committee was established with representation from City of Cape Town, SKA, and UCT. By March 2016, the first phase business model was completed.

### **Broadband for the Economy Enabler**

The Broadband for the Economy initiative is responsible for the socio-economic objectives of the Western Cape Broadband Strategic Framework. As per the Strategic Framework, the set of projects undertaken by the Broadband for the Economy Unit seeks therefore to improve broadband access, broadband skills and broadband usage of citizens and businesses within the Province. Consequently, the Broadband for the Economy initiative supported 14 projects over the course of the 2015/16 financial year.

**Public Access Wi-Fi.** One of the most noteworthy achievements of the Broadband Initiative during 2015/16 has been the activation in March 2016 of the first 50 public access hotspots in 50 wards across the province, as part of the Western Cape Government's partnership with the Neotel. Over the next three years, 384 hotspots will be deployed across the Western Cape.

An extensive amount of technical work was undertaken during 2015/16 to get the project into operational phase, which included an extensive mapping process to identify the optimal sites across each ward in the province, to ensure that the most appropriate sites were selected. In conjunction with Neotel, the mobile web-page for the hotspot was developed, including unlimited access to government websites via the hotspots. Each citizen is provided with 250Mb per month free internet access where after they are able to purchase extremely cost-effective internet bundles from Neotel vendors.

**Citizen Internet Champion Project.** Running parallel to and in conjunction with the Neotel Public Access Wi-Fi project, the Citizen Internet Champion project aims to empower citizens with digital literacy skills and information related to the internet and public access Wi-Fi.

The project commenced with a process of developing a suite of seven education videos related to digital literacy. These short and insightful animated videos teach citizens about the opportunity the internet presents, as well as provide guidance regarding internet safety.

The second component of the project relates to the Internet Champions. The project allows for two persons to be deployed to a hotspot for a period of three months. A service provider was appointed to manage this component of the project, which entailed sourcing of the internet champions, training them on digital literacy and providing them with a digital device in order to be able to train the citizens on digital literacy. To ensure two champions per hotspot were assigned during the initial hotspot rollout, 100 internet champions were deployed for the 50 Neotel hotspots. This project, along with the Wi-Fi hotspots, provides a critical foundational component to driving digital adoption in the Western Cape.

**ICAN Elsies River.** The Interactive Community Access Network project is aimed at helping communities to learn, study, create and play by leveraging the online environment through physical infrastructure, the use of high speed affordable broadband, digital technology and various education and skills development programmes. ICAN Elsies River is a partnership with the City of Cape Town and the centre operator, Genesis Community IT Initiative. The City of Cape Town is both the lessor of the property, namely the Elsies River Multipurpose Centre as well as the technology provider, through their smartcape offering at the centre. The Elsies River ICAN project is essentially a pilot against which the department is assessing the functionality of running a franchise model as well as the testing of a range of services that could be offered at these facilities.

The commencement of operations at the centre required a number of systems and procedures to be developed, in order to track and manage the services provided through the ICAN. An extensive stakeholder engagement and marketing process was undertaken by the centre operator for the opening of the centre, and this continues to be an ongoing project requirement.

**ICAN Programming (Broadband4Skills).** Broadband4Skills is the delivery mechanism of the digital skills training programme of the I-CAN programme which will be delivered through the I-CAN centres. It is a multi-level and multi-category skills programme which incorporates free/introductory; DEDAT-supported; low-cost and user-paid training modules which are delivered through a combination of the I-CAN centre operator and various service providers and collaborators.

The I-CAN Proof-of-Concept in Elsie's River enables the Department to test and hone the suite of digital training programmes. The training programme offers a basket of digital courses in 3 month packages and two 3-month phases were implemented in the 2015/16 financial year. During the 2015/16 financial year, a total of 525 course completions were achieved through the centre.

**ICAN Model.** In parallel to the Proof-of-concept, the Department oversaw the development of an ICAN Franchise model, identified through the previous PPP process as the most viable mechanism for the proliferation of public digital access centres. An accelerated planning process ensued, with research and consultations taking place to develop a model which sought to leverage social entrepreneurship. The sustainability of the ICAN is a critical consideration and at the end of the financial year, this aspect was a key focus, as well as the development of the appropriate institutional model for its execution. The input areas developed in the Franchise model will be used in the new financial year to take the project into implementation phase.

**Cape Digital Foundation.** Born out of the WCG's 10-year partnership with Neotel as its broadband network service provider via SITA, the Cape Digital Foundation was officially established in March 2015 with equal share of seed capital of R1 million from DEDAT and Neotel. The Cape Digital Foundation (previously called the Broadband Foundation or SEBO Foundation) was established to drive the socio-economic broadband objectives (SEBO) of the Western Cape Broadband Strategic Framework.

The fledgling Cape Digital Foundation has had one full year of establishment. Its primary focus at the commencement of the financial year was operationalising the CDF with key staff, the appointment of a broader constituency board as well as the establishment of a physical and virtual presence.

Midway during the year, the opportunity was seized to utilise the Cape Digital Foundation (CDF) as a key fund-raiser to assist and support the e-Learning Game Changer spearheaded by the Western Cape Education Department and the Department of the Premier. This shift and refinement of focus resulted in the projects originally identified by DEDAT for support by the CDF to be brought in-house for implementation.

The Foundation is currently preparing its business plan with its initial focus being e-learning, however DEDAT continues to provide support and guidance as appropriate.

**Broadband Business Toolkit.** In terms of the Connected Business thematic area, the focus has been the first phase development of a Broadband Business toolkit. This virtual toolkit will offer SMMEs access to a wide range of applications and software aimed at supporting their business efficiency and development needs. At the end of the financial year, the toolkit was at testing phase involving a small number of SMMEs.

**Broadband Uptake Stimulation Plan.** The Department identified the need to develop a comprehensive and targeted Stakeholder engagement model, to proactively pursue dialogue and collaboration to ensure participation and engagement with business and industry. This was critical, as the key objective for the WCG is to support the significant increase of internet adoption in the province over the next five years.

The Broadband Uptake stimulation plan is a strategic communication approach which the Department will use to foster greater alignment and partnerships regarding broadband deployment and uptake in the Western Cape.

The project included a detailed stakeholder mapping exercise as well as a key communication and messaging tool for the Department to activate broadband uptake. An important lever identified and implemented was the hosting of a Digital Leadership event with business leaders in the Western Cape, where the WC Digital Readiness Assessment was presented to the public.



Mobile Interactive Poll to activate attendee participation at the Digital Leadership event, February 2016

**Khayelitsha Bandwidth Barn.** The Khayelitsha Barn, which opened in November 2014, had its first full year of operations in the 2015/16 financial year, as a community-based ICT business incubator. The K-Barn programmes encompass a combination of ICT and business-focussed programmes, with developmental and digital literacy programmes, in order to be responsive to the needs of the Mitchell's Plain and Khayelitsha communities. The first year results has shown promising results with 56 training sessions undertaken, the training of 1 999 people and hosting of 31 events, which had 3 258 people participating. In addition, 45 tenants were supported in the incubator.

**E-Skills Platform.** The purpose of the e-Skills Platform is the provision of relevant e-skills programmes and information to citizens and businesses and this project is managed jointly by the Broadband team and Programme 7. The broad deliverables for the broadband enabled Skills Cloud ecosystem for 2015/16 included the Skills Intelligence Platform (SIP) refinement, the further development of the Learning Management System (LMS) phase 2 and the development of phase 1 of the Career Awareness Platform (CAP) to assist learners and students, on their a career journey. The CAP platform will link with the SIP and LMS to complete the user journey in lining the users with specific skills demands and training and course information on how to qualify and fulfil this demand. The SIP platform, which will form a critical component of the Provincial Skills Forum, is expected to go live in the early half of 2016/17.

**IP for Digital Industries.** This project was aimed at understanding the intellectual property and exchange control issues affecting the digital content creation industry. The research included a scan of the existing legislation and policy environment insofar as IP and exchange controls are concerned. This research was then brought to the industry stakeholder forum as part of the consultation process. The second stage was a process of interviews and analysis of the impact of this regime on SMMEs. From the inputs of stakeholders, the research was considered ground-breaking and it was resolved that further analysis needed to take place in 2016/17 regarding areas for lobbying to change some of the policy environment issues identified.

**Wi-Fi Internet Competition.** The Wi-Fi competition was aimed at stimulating the adoption of technology by citizens and businesses and citizen-based innovation to anyone residing in the Western Cape. The project had two competition categories, namely the "WCG Internet Innovation" Category which was awarded to the person/s who had the best innovative idea utilising the Internet, and "How the Internet improved my life/business" Category, which drew on inspirational stories of how the Internet helped or motivated citizens in their lives. With a total of 12 winners and 6 runners up over the course of the financial year, a close off ceremony was held to congratulate all the winners and runners up which participated in the competition.

**Readiness Roadmaps.** A number of roadmaps were conducted during the financial year not only as internal planning projects but also as influencing proposals for other government stakeholders to consider in their policy approaches. The Purchasing Collective project arose from the PPP process which the Department had undertaken previously as the recommended model for facilitating last mile connectivity to SMMEs within a specific geographic location, namely the East City in Cape Town. Due to the rapidly changing telecommunication environment, a

market analysis was done with business in the East City and telco providers. As the model was built on a municipal utility basis, the work of the Department was shared with the City of Cape Town to consider for execution. The unit also finalised its Connected Business Framework, which looked more holistically at business requirements in the digital space and brought more sharply into focus the issues and challenges of readiness and usage within the business environment. At the end of the financial year, a draft plan was tabled. Other roadmaps that were developed included the Connected Municipalities roadmap, elements of which have been included in Department of Local Government's Stream 5 municipality support programme, the Public Access Roadmap and the Content Stimulation roadmap. The Public Access and Content Stimulation roadmaps have been incorporated into planning of projects in the 2016/17 financial year.

## **Design and Innovation Enabler**

The overall thrust of the design enabler seeks to support the design eco-system as well as to develop and implement collaborative projects that galvanise and showcase the positive effects of design and innovation in the Region with the aim of improving service delivery and stimulating demand for locally designed and manufactured/produced products and services. As such, five projects were supported to realise the objective of using design and innovation as a key competitive advantage for the Western Cape.

**Strengthening the Design and Innovation Eco-System.** Through a transparent process, the Cape Craft and Design Institute (CCDI) was identified as the Design institute in 2015/16, a submission which was supported by Design industry including SABS Design Institute. CCDI supported designers and innovators identified through World Design Capital 2014 and other initiatives by providing various programmes and projects to develop business-ready designers, including the set-up of the V&A Watershed CCDI Store and the Long Street Pop-up store. These retail outlets were established to promote and sell SMMEs' locally-designed and manufactured/produced products and services direct to the public.

The CCDI partnered with the Western Cape Fine Foods initiative and received funding from the Dutch Consulate's Co-design programme to develop and implement a design intervention into the Agri-processing sector that seeks to improve efficiencies and competitive advantage in this sector.

**The Better Living Challenge.** The Better Living Challenge projects rely on the collaboration between City of Cape Town, DEDAT, DoHS, private sector, CCDI, designers and innovators to address the challenges in living conditions for lower-income groups through innovative solutions. Better Living Challenge 1 has resulted in new solutions being found for fire detection; water resource management; and a sustainable bricks which CCDI with the Private Sector, supports towards commercialisation, with one of the winners set to achieve this ahead of schedule. The CCDI has also partnered with various organisations to imbed design in business, civil society and government with the objective of improving efficiencies, and unlocking innovation and competitive advantage. Examples of this include the Early Childhood Development Project with Standard Bank that seeks to use design and design-thinking to improve curricula, infrastructure, tools and teaching methodologies.

**Malmesbury Box Park.** The second design-thinking collaboration project is the Swartland, Malmesbury Box Park that relied on collaboration between Swartland Municipality; relevant formal and informal business communities; residents, the DEADP RSEP team; and DEDAT. This project aims to establish a sustainable and suitable space for informal businesses to thrive and grow in this community. The year was spent developing the feasibility of the Park which focused on the end-user's needs: local informal businesses and the community affected by the potential development. Given that Agriculture is a primary sector for the Malmesbury Municipality, a particular focus was on how Agri-processing could become part of this development, yielding some positive results including how Traditional businesses like Sasco can support and develop companies in the park to stimulate local Economic Development through agri-processing.

**Design in Health.** The CCDI ran a design process with the City of Cape Town and Phillips to address Health Patient flow challenges, which it will be piloting in Delft in the 2016/17 year.

**Innovation in Government.** In July 2015 DEDAT was mandated by the PSG1 Exco to drive a process to develop the 'Nurturing Innovation' theme identified as critical to growth and job creation. As a result of this mandate, DEDAT has developed its own Innovation position paper and held consultations with each Department to determine their understanding of opportunities for innovation. This included identifying common challenges that, if innovative tools like design & systems thinking and technology tools are applied to, could result in new processes, products and services. The adoption of innovation could in turn result in improved efficiencies and service deliveries.



## Green Economy enabler

With the aim of realising the Western Cape Green Economy Strategic Framework's vision of being a leading green economic hub and on low carbon economic growth, the Green Economy and Energy team supported 11 projects over the 2015/16 financial year.

**Energy Security Design Lab.** Two Energy Security Design Labs were convened with representatives from business, academia as well as local and Western Cape government. The purpose of Design Lab 1 was to set a clear, bold action agenda on energy security for the WCG and local municipalities. This was followed by a period on intense consultation to refine the lever and driver areas on which to focus, culminating in a second Design Lab that confirmed these levers and drivers. Out of these processes, a high-level Action Plan for the Energy Game Changer was developed, setting out the detail of the projects that will contribute towards the achievement of these outcomes, the people responsible for the various projects, time frames, and budget requirements.

**Smart Grids.** The Smart Grids project, which forms part of the Energy Game Changer, sought to focus on four main areas, namely better management of load shedding, the development of small-scale embedded power generation, the importation of liquefied natural gas (LNG) and implementing and advocating energy efficiency.

Significant progress was made with unlocking the small-scale power generation market, with a focus on creating an enabling environment for rooftop solar photo-voltaic (PV) installations. Feed-in tariffs for the five largest Western Cape municipalities outside Cape Town were finalised, supporting the enabling environment for the installation of rooftop solar PV. GreenCape played a key role in developing a national smart meter standard and industry guidelines for the installation of small-scale power generation.

**Liquefied Natural Gas.** WCG work towards realising the gas agenda was included as part of the Energy Game Changer and over the past year the focus has been on continued engagement with both public and private sector stakeholders. The Department of Energy published a Request for Information (RFI) for the development of 3000MW of gas-fired power" in May 2015 – this served as a first opportunity for the IPP Office to test commercial interest in the importation and utilisation of LNG. DEDAT engagement with national stakeholders sought to ensure that the commercial LNG opportunity associated with the West Coast is firmly part of the national plan. DEDAT – as one of the drivers of the Atlantis clean technology Special Economic Zone (SEZ) process – also collaborated with the Atlantis SEZ team in promoting the opportunity to locate an IPP on City land adjacent to Ankerlig. The SEZ project office commissioned an Environmental Impact Assessment to cover a range of gas-to-power technologies – getting a "head-start" on this unavoidable but time-intensive regulatory requirement, which would significantly improve the project development timeline for any gas-to-power developer intending to bid the Atlantis site.

**Western Cape Industrial Symbiosis Programme.** Work continued on building industrial symbiosis networks in the province, and the Western Cape Industrial Symbiosis Programme (WISP) ensured the diversion of more than 1 000 tonnes of waste from landfill in the Western Cape. The region's leadership in this regard has sparked the establishment of a national effort to implement industrial symbiosis, and GreenCape had been instrumental in sharing information and capacity with two other regions, namely Gauteng and KwaZulu-Natal.

**Resource Productivity.** This project, which focuses on resource efficiency in the Agri-processing sector, continued with the third year of project implementation. The outputs provided key insights to enable the uptake of green technologies and support the growth of the clean technology industry (supply side) through targeted promotion in the Agriculture and Agri-processing sectors (demand side). The project has also built a foundation of analytical evidence to direct strategic interventions by the WCG to enable the Western Cape Agricultural and Agri-processing sectors to benefit from green technologies.

**Waste Economy Business Case Development:** The project commenced in the last quarter of 2015/16 with the initiation of a status quo report of waste interventions, locally and abroad. This project will continue in the new financial year where a gap analysis will be done and recommendations made on the most impactful way forward for the WCG regarding the Waste Economy in the Western Cape.

**Water as a Constraint to Economic Development.** This is a project which spans over three financial years, with the first year starting in the latter part of 2015/16. This project is a four-way partnership between the national Water Research Commission, Green Cape, UCT and DEDAT. The focus is to bring attention to the need for economic development and growth to be factored into decision making with respect to water allocations by government. It will include interventions from governance and a decision-making tool to practical engineering interventions.

**Green Economy Leadership and Co-ordination.** The Green Economy is a highly transversal area with implementation stretching across various entities and departments. In 2015/16 the *Green Economy Eco-system Coordination* initiative was established. This initiative consists of three forums, namely the Green Economy HOD Committee, the Green Economy Working Group and the Green Economy Reference Group. For 2015/16 these forums helped guide the drafting and finalisation of a Green Economy Implementation Framework, finalised the terms of reference (ToR) for the new established forums, provided input and guidance to the ToR for a Waste Economy Business Case and shared information on various projects undertaken by various departments and by the City of Cape Town.

**110% Green brand building.** The year under review saw the expansion of the 110% Green brand building intervention into a broader communications plan focused initially on the Energy Game Changer, the cluster networking platform which is driven by Green Cape, as well as the coordination of all inter and intra departmental stakeholder relations.

The 110% Green initiative encompassed both the Brand building and networking platform of the Green Economy and the flagship programme whereby organisations are encouraged to commit to doing something practical that links green with the economy.

**Eco-system development and clustering.** Eco-system development and clustering in respect of the green economy is undertaken by Green Cape. The key focus of the work – much of which is executed through sector desks – was to continuously improve and update the collective understanding of the opportunities and constraints within green economy subsectors, build relationships and facilitate communication between various national and provincial stakeholders and industry in the green economy. The creation of an enabling environment has, for example, meant that the province is home to more than 60% of project developers, engineering firms and environmental practitioners providing services to the renewable energy sector. GreenCape continued to develop its reputation as a neutral broker in the green economy, and as an important source of market intelligence. There is a close link between the clustering activities and the project work conducted under the Green Economy programme, as the approach to resolving barriers is continually informed by industry needs.

### **Buy Local, Go Green Project (BL,GG)**

The "Give Green initiative" – now renamed to Buy Local, Go Green – is to enable the Western Cape Government (WCG) to procure green related gifts from small craft producers in the province through a single channel that mitigates the legal and commercial risks associated with procurement from micro and small producers. Over the two years of the pilot, corporate gifts to the value of R263 000 were bought from 42 small and micro enterprises. In 2015/16, an assessment was conducted and based on this, the decision was made that the scope and reach of the project would be broadened to build and capitalise on the lessons learnt in the first phase of the project.

Performance indicator (Output)	Baseline (Actual output) 2014/15	Actual performance against target		Devia- tion from planned target to actual achievement 2015/16	Reason for variance	
		Target 2015/16	Actual 2015/16			
<b>Sub-programme: Trade and Investment Promotion</b>						
1.1	Number of investments projects realised.	7	10	10	–	
1.2	Number of businesses assisted with exports.	652	200	705	505	Over-per- formance resulted from an increase in the number of people at- tending the EDP and the additional outward mis- sions which were under- taken.
1.3	Number of new investment projects in the pipeline.	52	32	61	29	Over-perfor- mance is a direct result of a more pro-active approach to targeting investors.
<b>Sub-programme: Sector Development</b>						
2.1	Number of businesses assisted with proactive interventions.	736	550	1 924	1 374	Increased leveraged funds enabled more firms to be assisted.
2.2	Number of trade and investment projects realised.	23	11	53	42	The Oil and Gas sector, rig repair firms re-focused on smaller projects in the ship and marine re- lated sector.  The BPO sector continued to benefit from the West- ern Cape's profile as a leading destination in the global BPO market.  Aquaculture has seen a significant increase in the amount of expan- sions and new invest- ment, largely arising from Operation Phakisa.

Performance indicator (Output)	Baseline (Actual output) 2014/15	Actual performance against target		Deviation from planned target to actual achievement 2015/16	Reason for variance	
		Target 2015/16	Actual 2015/16			
<b>Sub-programme: Strategic Initiatives</b>						
3.1	Number of infrastructure projects supported.	7	7	8	1	A previously supported project regained traction.
3.2	Number of broadband projects supported.	–	13	14	1	There was a need to leverage and influence other stakeholders.
3.3	Number of design projects supported.	–	5	5	–	
3.4	Number of Green Economy projects supported.	–	11	11	–	

### Strategy to overcome areas of under performance

Not Applicable

### Changes to planned targets

Not applicable

### Linking performance with budgets

#### Sectors

During the 2015/16 financial year, an amount of R176.622 million was appropriated to the Programme. Of this, compensation of employees accounted for R24.231 million, goods and services R35.221 million, transfers and subsidies R116.826 million, payments for capital expenditure R337 000. In this regard, compensation of employees accounted for 88.18% of the programmatic expenditure. Goods and services accounted for 93.92 % for the final expenditure of the Programme.

#### Strategic Initiatives

The Sub-programme's appropriation for the 2015/16 financial year amounted to R118.483 million. The amounts appropriated under the economic classifications are as follows, R13.194 million for Compensation of Employees, R34.288 million for Goods and Services, R70.755 million for Transfers and Subsidies and R246 000 for payments for capital expenditure.

In this regard, transfer and subsidies accounted for 60% of the sub-programme's expenditure and goods and services accounted for 27%.

Strategic Initiatives spent their allocation primarily on the implementation of infrastructure related projects that consist of the Broadband Initiative, Cape Town International Convention Centre and Saldanha IDZ.

### Sub-programme expenditure

Sub- programme Name	2015/16			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Trade and Investment Promotion	23 000	23 000	–	19 235	19 235	–
Sector Development	33 306	32 915	391	51 683	51 061	622
Strategic Initiatives	118 483	113 788	4 695	164 719	164 711	8
Management: Trade and Sector Development	1 833	1 748	85	958	952	6
<b>Total</b>	<b>176 622</b>	<b>171 451</b>	<b>5 171</b>	<b>236 595</b>	<b>235 959</b>	<b>636</b>

## 4.4 PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

### Purpose

To ensure an equitable, socially responsible business environment in the Western Cape – through general interventions within the trading environment and through specific interventions mandated by the Constitution and national and provincial legislation and policies.

### Programme structure

The Programme is structured as follows:

- Sub-programme 4.1: Regulation Services
- Sub-programme 4.2: Consumer Protection
- Sub-programme 4.3: Liquor Regulation

### Service delivery objectives and indicators

The Business Regulation and Governance Programme primarily executes regulatory mandates that are imposed by the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) as well as provisions of both provincial and national legislation. In respect of Consumer Protection, Part A of Schedule 4 to the Constitution prescribes that the area of Consumer Protection is a functional area of concurrent national and provincial legislative competence. As such both the national and provincial sphere of government has legislative competence on the area of consumer protection. As a result of the aforementioned the Provincial Department has promulgated the Western Cape Consumer Affairs (Unfair Businesses Practices) Act, 2002 (Act 10 of 2002). This legislation establishes the Office of the Consumer Protector as a provincial authority responsible for the investigation and resolution of unfair business practices.

From the above it therefore appears that the OCP has an extremely broad mandate to investigate conduct that may have had a prejudicial effect on consumers within the province. However it must be noted that this mandate is not restricted to only consumer complaints investigation since the important issue of consumer education also forms part of the statutory obligations of the Programme. On a national level however we have the Consumer Protection Act, 2008 (Act 68 of 2008) which was fully implemented on the 1st of April 2011. This legislation further entrenched the provincial OCP's role and mandate within the arena of consumer protection. The national legislation furthermore concretises certain illegal practices and also prescribes the various roles and functions which provincial offices and provincial tribunals will now need to play to ensure the effective implementation of the national legislation. In practical terms this translates into the OCP conducting inquiries or investigations into complaints lodged by consumers against the conduct/product/service of a business. This mandate is performed both in terms of provincial and national legislation.

It must be noted that the creation of an enabling business environment by way of addressing barriers to business development and growth is one of the core elements of PSG1. In terms of Provincial Strategic Goal 1 which is: "Creating Opportunities for Jobs and Growth" the reduction of so called red tape that hinders business development and growth in the province was considered to be one of the key areas that must be addressed. Barriers to business growth are an insidious threat to business and especially inhibit smaller enterprises of the sort that are so important to the Western Cape economy. One of the barriers to business development was identified as the inability to obtain a business licence from a municipality which allows the business to trade. Currently the existing law only obligates certain businesses e.g. bars, restaurant/pubs, entertainment facilities, to have a business licence before they can operate. In certain instances applications for a business licence are refused by a municipality and in terms of the current Businesses Act, 1993, the unsuccessful applicant has a right of appeal to the provincial Minister responsible for Economic Development. The Department has a role to play in this process since a departmental recommendation on the merits of the appeal is submitted to the Provincial Minister for consideration. This is however a function that is largely dependent on whether or not appeals are submitted for consideration. In recent years it has been noted that a limited amount of appeals have been lodged by prospective businesses. The reasons therefore are many and could include the fact that a limited amount of applications are refused by municipalities or due to an applicant's decision not to proceed with an appeal due to the limited chances of success. In both instances these factors are outside the control of the Programme and as such the performance related to this target must be seen in this context.

In the year under review the Programme had the target of providing recommendations on 1 business licence appeal that was submitted to the Provincial Minister. In the year under review the Department received no appeals from businesses regarding an unsuccessful application. As stated previously it must be noted that the number of appeals received by the Department is an area over which the Department has no control especially since the decision to appeal or not is a decision made by the applicant. In addition, many applications are approved and thus the need for an appeal is eliminated. These factors have therefore also contributed towards the target as set by the Department.

## Consumer Redress Services

The area of consumer protection is one which in terms of strategic objectives aligns acutely with the development of a customer centric public service which is aimed at creating an empowered citizenry. As such many of the programmes projects are aligned with the provincial and national outcomes which are aimed at the development of a public service which is focussed on protection of consumer rights of citizens. As such the Programme identifies closely with National Outcome 12 and the Provincial Strategic Goals which are aimed at the creation of an efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship. It is therefore clear that the work of the Programme is customer focused since there is a direct interface with the citizens of the province and direct services are provided on consumer protection and consumer education issues. The results of the work done during the year under review has shown that various successes have been achieved by the Programme and that considerable strides were made in ensuring that a customer centric service is provided throughout the province on consumer protection and consumer education matters. The Programme has through its various initiatives continued to demonstrate that it provides a level of service which is comparable if not more efficient than other similar initiatives across other provinces. This is witnessed by both its complaint numbers received and cases resolved and the numerous consumer education initiatives conducted across the province.

In an attempt to monitor and record the impact of the resolutions facilitated by the OCP, a specific outcome indicator was included in the APP as of the 2011/12 financial year. The indicator has continued within the financial year under review. This performance indicator relates to the financial saving that accrues to a consumer due to the OCP's inquiry and/or investigation into a disputed consumer complaint. The criteria used to determine the financial saving was one endorsed by the National Consumer Commission (NCC) and subsequently adopted by all provincial consumer protection authorities. In terms of this specific outcome indicator the intervention by the OCP in complaints lodged at its office has directly saved the affected consumers a total of just over R10 million. This achievement is noteworthy especially in light of the lower case numbers that were received during the year under review. The reduced case numbers that were received are attributable to a variety of reasons most notably the accreditation in terms of the Consumer Protection Act of certain industry Ombuds offices as alternative dispute resolution authorities. This accreditation was authorised by the National Minister of Trade and Industry and has subsequently seen the Motor Industry Ombudsman and the Consumer Goods and Services Ombudsman accredited to provide these services. The impact of this was that consumers now had additional entities through which they could have their complaints inquired into and resolved. This process has led to cases that would have been received by the Programme now been attended to by the aforementioned entities. This is a national phenomenon and all provincial consumer protection offices has seen a reduction in case numbers received. In anticipation of this the various targets were adjusted for the year under review. However, it must be noted that the prediction of case numbers within this area of work remains a challenge especially if one considers the variables noted above. One of the targets adjusted was the predicted financial Rand saving to consumers. However, despite the lower than expected case numbers received the Programme has exceeded the rand value saving target. This is attributable to an increase in cases with a high Rand value. This is especially in the motor vehicle category where numerous successes were achieved in disputes involving considerable amounts of money. The positive of this is that the consumers of the province have benefited due to the successful case resolutions and this is ultimately one of the primary objectives of the Programme.

The financial value saving reflects either the value of repairs, refunds, contract value saving or product replacements provided to a consumer. It is however noteworthy that this saving excludes the cost of legal or other fees which consumers would have had to disburse if they had taken their complaint via the formal legal process. If this additional cost was to be factored in to the OCP's equation, it stands to reason that the actual financial saving to the consumer would be far higher than the recorded amount. It is however undeniable that the impact made by the OCP in the lives of ordinary consumers is clearly visible by way of this specific indicator.

As part of the OCP's strategy of measuring the effectiveness of its various interventions it was determined that a comprehensive survey on specific service delivery initiatives would need to be conducted. As such an annual survey which measures the percentage of consumers indicating satisfaction with the level and standard of service provided by OCP was initiated. The results of such an assessment would provide an indication if the OCP was indeed providing valuable assistance to citizens in the province. The target set within the APP is a satisfaction levels for all of the services of the Programme i.e. both Complaints Management and consumer education. The survey results currently reflect an average satisfaction level of 61% for the Programme. The satisfaction level recorded for Complaints Management is however notable especially in light of the fact that a

consumer complaint will never always be in favour of the consumer as often no transgression of the law has been committed by a business. In addition it must be noted that the Consumer Protection Act, 2008, places certain limitations on the mandate of the Consumer Protector. For example certain disputes e.g. claim for damages and contractual terminations, are placed within the jurisdiction of the civil courts and not the Consumer Protector. It is therefore common cause that the Consumer Protector cannot attend to matters outside of its jurisdiction and would need to advise complainants that it cannot proceed with a matter such as those mentioned above which is not resolved amicably. A consumer who has thus been unsuccessful with a complaint may thus not record their interaction with the OCP as satisfactory. As such, the achievement is a positive reflection of the work done by the OCP. The specific context of dispute resolution and legal mandate must therefore be taken into account when evaluating this specific performance indicator.

### **Consumer awareness levels**

The comments made above with regards to the programme's alignment with national outcome 12 and the Provincial Strategic Objectives aimed at customer service excellence must be noted here since they are also applicable to the area of consumer education. The year under review has seen the OCP's Consumer Education and Awareness Unit continuing its good work its work with communities, business, NPOs, faith-based organisations, government departments and other interested stakeholders. The primary mandate of the Consumer Education Unit is to provide stakeholders with information/guidance on consumer matters and also to enhance the level of awareness amongst the aforementioned groups about various important consumer matters. This includes the role and function of the OCP, the content of the Consumer Protection Act and basic financial literacy. In line with this mandate the OCP has conducted numerous awareness/information campaigns and workshops with targeted groups and stakeholders across the province. The results of these engagements have been positive especially since the output and outcome targets as set by the OCP have been achieved. It will be noted that as part of the Department's monitoring and evaluation project to gauge the impact and success of the various initiatives conducted during the financial year under review a survey was conducted to measure the level of awareness amongst consumers in the province. The results have indicated that the various information and consumer education campaigns that were conducted across the province have been effective and positive results were achieved. In this regard the survey results have demonstrated that a commendable awareness level regarding consumer protection has been recorded across the province. It is evident that the various strategic partnerships that were forged over the past few years have now started to bear fruit, especially within the consumer awareness category. One of the mechanisms that have contributed towards this increase in awareness levels is the various engagements with the print media and radio (especially community radio) sector. The vast majority of these engagements with this sector have been on the basis of both parties acknowledging the need to provide citizens with access to information which would strengthen their ability to protect themselves in transactions with business. The survey results have demonstrated the effectiveness of this and other awareness projects and as a result the OCP will continue to enhance and refine the various awareness campaigns across the province.

A key focus of the OCP's approach in performing its mandate, especially in light of the tremendous increase in interest from citizens on the issue of consumer protection was to develop and maintain key partnerships with strategic partners. The rationale was that an effective and strong working relationship with other key stakeholders would only serve to enhance the service offerings of the OCP. In addition, various strategic partners would be able to participate in consumer education campaigns hosted by the OCP and thereby enhance the areas of focus presented to attendees. The year under review has therefore seen the OCP continuing its work in establishing effective working relationships and partnerships with a wide spectrum of role-players within the consumer protection arena. The partnerships developed included statutory bodies responsible for consumer protection as well as non-government organisations.

The work done by the unit has ensured that the majority of targets set has been achieved. This is a notable achievement especially if taking into account the limitations as far as human resources is concerned and the broad area of work that had to be covered across the province.

Outcome indicator		Baseline (Actual outcome) 2014/15	Actual performance against target		Devia- tion from planned target to actual achievement 2015/16	Reason for variance
			Target 2015/16	Actual 2015/16		
<b>Sub-programme: Regulation Services</b>						
1.1	Number of new businesses operating by virtue of positive departmental appeal recommendations issued.	–	1	0	1	The prediction of appeals that could be received is always a challenge. This is especially since it depends on whether the application is rejected and the applicant decides to appeal. In this year no appeals were submitted.
1.2	Rand value total of sub-standard goods confiscation operations.	–	R15m	0	R15m	The statistical report which reflects the value of the confiscated goods is the ownership of SAPS. Confirmation of the value could not be obtained.



Outcome indicator	Baseline (Actual outcome) 2014/15	Actual performance against target		Deviation from planned target to actual achievement 2015/16	Reason for variance	
		Target 2015/16	Actual 2015/16			
<b>Sub-programme: Consumer Protection</b>						
2.1	Increased awareness levels amongst Western Cape citizens regarding the OCP & its service offerings	24.9%	70% (sample size of 3000 consumers)	The survey results show that 78.9% of consumers are aware of the OCP as a government entity; 24.5% of consumers are aware about the full service offering. To determine the percentage of awareness for the OCP and its service offerings an average was calculated. This average is 51.7%.	18% on Full service offering result.	This is a challenging target to predict as it depends on external factors as well as the necessary resources to create awareness. The survey demonstrated that if the indicator was separated then a total of 78.9% of consumers are aware of the OCP as a government office. 24.5% of consumers were aware of the full range of services offered. The average of the 2 parts of the indicator then yields a final result of 51.7%. It must be noted that the area where a lower result was recorded related to the full range of service offerings by the OCP i.e. complaints management, consumer education, stakeholder engagement, financial literacy programmes etc. The results show that many consumers are aware of the OCP but more must be done in demonstrating its add-on services.

Outcome indicator	Baseline (Actual outcome) 2014/15	Actual performance against target		Deviation from planned target to actual achievement 2015/16	Reason for variance	
		Target 2015/16	Actual 2015/16			
<b>Sub-programme: Consumer Protection (continued)</b>						
2.2	Number of strategic consumer NGO partnerships established.	31	35	35	-	
2.3	Monetary value saving to consumers.	R6.8m	R2.5m	R 10 051 162.05	R7 551 162.05	The resolution of motor vehicle and property related disputes contributed greatly towards this target being exceeded. This is since these categories of disputes involve considerable amounts of money.
2.4	Percentage of consumers indicating satisfaction with the level and standard of service provided by OCP.	47.5%	60% (sample size of 1500)	61%	1%	The target was slightly exceeded. The comments in the narrative about the prediction of such targets must be noted.
2.5	Percentage consumers indicating change in financial behaviour due to OCP consumer financial literacy project.	87%	60%	68.40%	8.4%	The prediction of such targets will always be a challenge.
<b>Sub-programme: Liquor Regulation</b>						
3.1	Percentage liquor outlets licensed.	32.49%	35% (Baseline; 24 000 )	35.1%	.1%	

## **Performance indicators and targets:**

### **Consumer Redress:**

The financial year under review has seen the OCP continuing to work towards its objective of becoming an identifiable and trusted consumer dispute resolution authority for consumers within the province. The strategies implemented by the OCP are all geared towards the provision of a customer/citizen centric friendly service aimed at assisting consumers in the resolution of their disputes. This service, which includes the provision of a toll free complaints recording and information line has seen numerous consumer complaints recorded at the office for investigation and/or inquiry. The Western Cape OCP continues to be the leader as far as providing a consumer helpline which provides affordable and easy access to members of the public. The fact that the Programme remains the leading province as far as number of cases logged can therefore be claimed to be a direct result of the accessibility to the service and the confidence displayed amongst citizens in utilising the service offerings of the OCP. It must be noted that the year under review has seen the OCP unfortunately not achieve the projected targets in terms of complaints received and complaints resolved. In this regard it is however important that the following mitigation be noted:

- 1: The projection of case numbers is an extremely challenging task since a variety of factors which are outside the control of the Programme can and does have a direct bearing on the achievement of the target;
- 2: The National Minister of Trade and Industry has in accordance with the provisions of the Consumer Protection Act, 2008 accredited a number of alternative dispute resolution agencies as approved entities through which consumers can lodge complaints for resolution. The accreditation provision in the Consumer Protection Act was specifically instituted in the legislation so as to allow for a tiered system of complaints redress for consumers. The intention was to ensure that various industries implemented as a first stage of assistance for consumers an industry self-regulation mechanism. The previous financial year saw a tail off in case numbers received by the Programme and due to this a further downturn was anticipated and the relevant targets were adjusted downwards. However, the exact impact on case numbers received was an issue that could not be accurately determined since it depends on numerous factors all outside of the control of the Programme. As such the adjusted figure was a prediction not based on any scientific calculation. As can be seen the prediction of case numbers within this area remains a very challenging exercise and unfortunately the predicted numbers were not in line with the actual numbers received. This prediction of cases received will remain a challenge.

This impact is one which has been experienced by all provincial consumer protection offices. It must however be noted that despite the reduction in cases received and resolved the Programme has still received and resolved the most number of complaints amongst the nine provincial consumer protection offices.

### **Consumer Education**

The targets set for the education units activities have either been met or exceeded. In this regard it must be noted that the targets for campaigns, programmes and engagements is largely based on the available resources (human and financial) within the unit. It should be noted that the unit is comprised of three officials who are responsible for covering the entire province and as such targets have been set while taking this into consideration. It will however be noted that many of the targets related to information campaigns/workshops have been exceeded. The mitigation around this is largely based on the fact that often the Unit would receive ad hoc requests for further sessions while conducting planned engagements within a community. The decision has been made that from a citizen centric perspective the Unit would accommodate the ad hoc requests as far as possible rather than either declining or postponing till a future date. It is often more effective for the Unit to conduct the ad hoc sessions at the time of request since many of the engagements are outside of the Metro and as such it is more suitable to include them at the time of request. This phenomenon has therefore resulted in an increase in the number of planned engagements.

### **Liquor Regulation**

The performance targets as set by the Western Cape Liquor Authority (WCLA) has either been met or exceeded. In this regard it must be noted that certain of the targets e.g. number of applications received, number of licences issued, are often outside the direct control of the WCLA and thus difficult to predict. In other areas e.g. number of inspections conducted and number of awareness campaigns conducted, the WCLA has seen an enhanced synergy between the various stakeholders within the industry. For example, on inspections conducted the WCLA has forged a stronger cooperative linkage with both the SAPS and other Law Enforcement agencies. This stronger linkage has resulted in more coordinated inspection activities conducted between the WCLA and the relevant stakeholders mentioned. On the topic of awareness campaigns conducted the WCLA has also strengthened its engagement with industry and community structures regarding various liquor regulation matters. This enhanced synergies has also resulted in the number of planned engagements been exceeded by the WCLA.

Performance indicator (Output)		Baseline (Actual output) 2014/15	Actual performance against target		Deviation from planned target to actual achievement 2015/16	Reason for variance
			Target 2015/16	Actual 2015/16		
<b>Sub-programme: Regulation Services</b>						
1.1	Number of business licence appeal recommendations provided.	0	1	0	1	The prediction of appeals that could be received is always a challenge. This is especially since it depends on whether an application is rejected and the applicant decides to appeal. In this year no appeals were submitted.
1.2	Number of sub-standard goods confiscation operations conducted with stakeholders.	-	4	2	2	The primary party driving the coordinated operations is SAPS. During the year under review SAPS indicated that their attention will be focused on "Project Fiela" which was a SAPS campaign. As such some of the planned engagements could not be held as SAPS was focused on implementing Project Fiela.

Performance indicator (Output)	Baseline (Actual output) 2014/15	Actual performance against target		Devia- tion from planned target to actual achievement 2015/16	Reason for variance	
		Target 2015/16	Actual 2015/16			
<b>Sub-programme: Consumer Protection</b>						
2.1	Number of consumer education programmes conducted.	274	200	235	35	The work done by the Programme in areas outside the metropolitan areas has led to numerous ad hoc requests for information sessions been received. All requests were entertained since communities must be assisted.
2.2	Number of complaints received.	8 991	7 000	6 595	405	The prediction of complaints is a challenge and the slight decrease must be seen in this context.
2.3	Number of complaints resolved.	8 872	5 000	6 619	1 619	The prediction of cases that are to be resolved is a challenge and the increase must be seen in this context. This is especially since the resolution of certain matters depends on factors which are dependent on factors outside the control of the Programme. In the year under review certain types of complaints received by various adjudicating bodies. The resolution of similar matters became more effective since a precedent was set. This contributed to more cases been resolved. The total also included some cases rolled over from the previous year.

Performance indicator (Output)	Baseline (Actual output) 2014/15	Actual performance against target		Devia- tion from planned target to actual achievement 2015/16	Reason for variance	
		Target 2015/16	Actual 2015/16			
<b>Sub-programme: Consumer Protection (continued)</b>						
2.4	Number of consumer education booklets and/or information material distributed to strategic partners.	4	5 000	19 357	14 357	The Programme received a tremendous increase in requests for information from all sectors on the Consumer Protection Act. The requests were facilitated and information was distributed.
2.5	Number of financial literacy workshops conducted.	118	50	69	19	The Programme experienced a number of ad hoc requests for these engagements at the time when planned sessions were conducted. These ad hoc sessions were done as the Programme could not refuse to assist communities.
2.6	Number of attendees at financial literacy workshops.	3 581	1 000	1 538	538	The increase in the number of events led to an increase in attendees.
2.7	Number of SMME engagements conducted.	–	20	25	5	The slight increase was due to an ad hoc request received from municipalities to engage with SMMEs in their regions.

Performance indicator (Output)		Baseline (Actual output) 2014/15	Actual performance against target		Deviation from planned target to actual achievement 2015/16	Reason for variance
			Target 2015/16	Actual 2015/16		
<b>Sub-programme: Liquor Regulation</b>						
3.1	Number of awareness interventions conducted.	127	120	160	40	The WCLA conducted a number of ad hoc interventions at schools on the negative effects of alcohol abuse. This led to the increase.
3.2	Number of inspections conducted.	4 163	3 250	4 222	972	The slight increase was due to an enhanced cooperation with stakeholders which led to more inspections being conducted.
3.3	Number of applications received.	3 621	2 850	3 933	1 083	The prediction of applications is a challenge since it is dependent on the factors outside the scope of control of the WCLA.
3.4	Number of licences issued.	1 807	1 500	1 655	155	The increase in applications received has led to an increase in licenses issued.

## Strategy to overcome areas of under performance

### Consumer redress

In order to try and alleviate the challenge experienced with receiving lower than expected case numbers the Programme will introduce a system of mobile complaints events during the new financial year. This initiative will see a dedicated staff member with relevant complaints management experience conducting case resolution work at all of the Programme's consumer education events. This strategy could not be introduced previously due to human resource constraints. However an internal adjustment of functions was implemented so as to allow for this initiative to be implemented. In addition to the abovementioned the dedicated official will now also engage with a variety of stakeholders on a regular basis so that a mobile complaints management event will be held within communities across the province on a regular basis. This will result in a pro-active approach to receiving additional cases for inquiry and resolution.

### Changes to planned targets

Not Applicable

### Linking performance with budgets

During the 2015/16 financial year, an amount of R50.137 million was appropriated to Programme 4. Of this, Compensation of Employees amounted to R8.354 million, Goods and Services R2.940 million, Transfers and subsidies R38.733 million, and payments to Capital expenditure R110 thousand. Compensation of employees accounted for 16.6% of the final expenditure of the Programme. Goods and services accounted for 5.86% of the final expenditure of the Programme. The goods and services allocation was provided primarily to resource the toll free consumer call centre function that is managed by an external agency on behalf of the Western Cape Government.

Transfers and subsidies accounted for 77.25% of the total final expenditure of the Programme. This allocation was provided primarily for the operationalisation of the Western Cape Liquor Authority during the 2015/16 financial year.

### Sub-programme expenditure

Sub- programme Name	2015/16			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Consumer Protection	11 226	10 868	358	10 021	10 021	-
Liquor Regulation	38 911	38 910	1	39 102	39 102	-
<b>Total</b>	<b>50 137</b>	<b>49 778</b>	<b>359</b>	<b>49 123</b>	<b>49 123</b>	<b>-</b>



## 4.5 PROGRAMME 5: ECONOMIC PLANNING

### Purpose

The purpose is to provide strategic support to the Department in undertaking province-wide cross-cutting economic planning processes to give effect to Strategic Objective 1, i.e. "Creating opportunities for growth and jobs". Strategic Objective 1 requires the long-term perspective, to inform shorter term plans, resource allocation, trade-offs and the sequencing of policies.

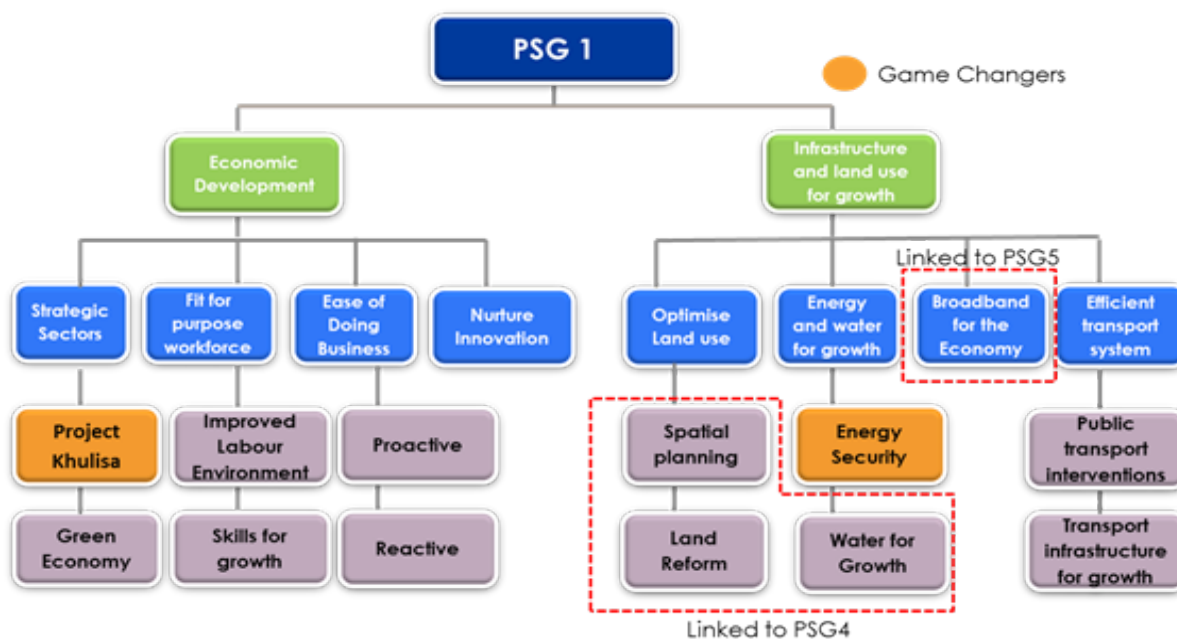
### Programme structure

The Programme is structured as follows:

- Sub-programme 5.1: Policy and Planning
- Sub-programme 5.2: Research and Development
- Sub-programme 5.3: Knowledge Management
- Sub-programme 5.4: Monitoring and Evaluation
- Sub-programme 5.5: Western Cape Economic Development Partnership

### Service delivery objectives and indicators

The Department's five year strategy and Project Khulisa, the Department's sector strategy, were both finalised during the 2014/15 financial year, which led to the revision of the Western Cape Government's approach to the facilitation of jobs and growth. The strategic revisioning led to the articulation of Provincial Strategic Goal 1, which is expressed as a whole of the economy approach to growth and jobs as described below.



The PSG1 and five year strategy sets stretched targets across all key areas described in PSG1. While this department takes overall accountability for the delivery of PSG1, these stretched targets can only be achieved with the support of other key departments such as the Department of Agriculture, the Department of Environmental Affairs & Development Planning and the Department of Transport and Public Works. These departments led by the Department of Economic Development and Tourism constitute the core of the PSG1 executive committee, which is tasked to deliver on the stretched targets in a challenging economic environment.

In support of maximising economic outcomes the programmatic objectives were aligned to support PSG1. The Research and Development Sub-programme focussed on the provisioning of key economic indicators to provide a baseline and measure economic outcomes. The first Centralised Economic Data repository was developed which hosts the most complete set of economic data in the Western Cape Government. Furthermore, the Sub-programme developed a new geographic information system that maps key macro and micro level economic data. Much more work is needed in the next financial year in the provisioning of more real-time data, but the current system offers a robust and complete view of the current economic landscape.

Knowledge Management focused on the hosting and provisioning of programmatic information from other programmes in the Department. The system that was developed allows for the capture and analysis of all departmental stakeholder interactions. The system will realise many of the manual processes in the Department's Skills Development and Innovation (Programme 7) and Integrated Economic Development Services (Programme 2) hosted on an e-platform that offers consolidation of information and much improved analysis.

Monitoring and Evaluation has been much improved and strengthened as was illustrated by its award of MPAT level 4, the highest achievable. The Quarterly Performance Review and the Annual Performance Plan outputs were also moved to this Sub-programme.

Policy and Planning delivered on three key policy briefs as will be described below and the Western Cape Economic Development Partnership (EDP) continues to render novel and effective ways in strengthening relationships amongst economic participants that often hold competing objectives. The EDP's efforts in facilitating partnerships have seen a reduction in friction amongst key stakeholders both within Western Cape Government and between Western Cape Government and our key economic partners.

Lastly, Western Cape Government realises the economic saliency of Open Data. This Programme has taken the lead by developing an Open Data policy, the product of extensive engagements both within Western Cape Government and amongst key economic stakeholders. We plan to have the policy approved within the coming financial year.

## Policy and Planning

### Economic Strategy Development

Both the PSG 1 and Project Khulisa described high level economic interventions through high level roadmaps per key area of intervention. These roadmaps and interventions must be unpacked and described in more detail through key roadmap strategy development. The Sub-programme therefore co-ordinated the development of the narrative of the PSG 1 Business Plan, located in the Department of the Premier.

### Economic Policy Development

Flowing from the Provincial Strategic Plan, this Department is tasked as the lead department for Provincial Strategic Goal 1: Create opportunities for growth and jobs, while supporting PSG 2, PSG 4 and PSG 5. The purpose of this Sub-programme is firstly to develop the strategic plan expressing PSG 1 to be adopted by Cabinet, then to align the Department's strategy to that of the Cabinet adopted PSG 1.

Policy is the necessary foundation of direction and leadership on which effective, coherent strategy can be developed. In order to rectify this and to enable the Department to give its strategies a solid policy base, relevant sector and cross-cutting theme policies needed to be developed and implemented. To this end, the Sub-programme undertook the development of three policy briefs in conjunction with the Department of the Premier, namely:

- *The Modal Shift from Road to Rail*

The Development Bank of Southern Africa's 2012 State of Infrastructure report reveals that economic literature (by Kessides, 1993) focuses on the relationship between state investment in infrastructure and economic growth through examining a wide range of evidence on the impact of infrastructure on economic development. The report indicated, *inter alia* that rail technology suits transporting large scale, bulky goods over long distances, which unfortunately are not transport requirements for small and medium enterprises. However, there has been an increase in switching from rail to road over the past ten years leading to the over-utilisation of roads, and resultant deterioration of the roads, contributing to a high financial burden. In an effort to address this and reverse the trend, a policy brief was developed.

- *Inclusive Growth*

It is expected that within such a constrained economic environment South Africa would have a much bigger and more robust informal sector, as witnessed in other developing countries (e.g. Nigeria, China, India etc.). Within this context of constrained employment growth opportunities within the formal economy, the Province attempted to identify barriers to growing the informal economy, and in so doing absorbing labour.

- *Trade-offs between the Economic and Social Sectors in Government Spending*

Governing is essentially about trade-offs. A Rand spent on education is a Rand that cannot be spent improving transportation infrastructure or reducing the prevalence of communicable diseases. When evaluating how to allocate funds, it is important to have an idea of what the returns are likely to be, not only in the immediate future but also in the long run. To this end, a policy brief was developed which included recommendations highlighting the benefits and potential drawbacks of adjustments in the allocation of funds, with some additional analysis on the benefits of shifting within sectors, specifically within Education.

### **Strategic Planning Sessions**

In supporting PSG 1, integrated planning across spheres of government within the Department and across provincial government was required. To this end, the sub-programme facilitated strategic planning sessions within the department, across spheres of government within the province, across provincial government and across key economic stakeholders to agree on overall provincial strategies that maximise provincial economic outcomes.

### **Research and Development**

The Research and Development unit in 2015/16 continued and re-enforced its focus of providing research support and developing credible provincial economic data to the Department.

Research and Development produced two Quarterly Economic Bulletin publications, which provided quarterly updates on key economic developments at a global, national and provincial level; furnished key updates on macro-economic indicators and also provided topical research that could stimulate economic dialogue and inform the economic landscape. An additional and important element to the QEB is that it is also intended to facilitate firm-level decision-making.

Further, the QEB is also a platform to communicate the WCG's economic strategy and objectives to provincial economic stakeholders and share progress against those objectives.

One of the key highlights in the publications included the analysis on food security, which succinctly tackled the challenge of food security using the three dimensions; food supply, food access and food utilisation. The analysis was presented on the backdrop of the worst drought in living memory. The inclusion of key topical economic developments such as the decline in commodity prices, depreciation of the rand, and key monetary developments in advanced economies was important as it provided the context into which the provincial economic performance could be measured.

Data is fast becoming a source for comparative advantage and innovation. Businesses which have access to firm-level data are better positioned to make informed decisions. Availability of accurate and credible data also informs policy interventions and is the basis of evidence-based decision-making. In view of this observation, the unit collected firm-level economic data in three West Coast municipalities, namely Saldanha Bay, Swartland and Matzikama. The survey collected data for approximately 2 500 firms in the aforesaid local municipalities.

Closely linked to data collection and the creation of an economic intelligence base was the creation of a Centralised Data Repository (CDR) system. The Centralised Data Repository was envisaged to house relevant and up-to-date economic data for the province. Research and Development in collaboration with the Department of the Premier has developed the requisite architecture for the system and is currently engaged in working on inputting data and the layout for presentation.

### **Knowledge Management**

Sharing knowledge has helped mankind survive and evolve into the intelligent and productive species of today. In the animal kingdom and indeed in business, knowledge sharing can make the difference between growth and stagnation.

Enterprise Content Management is the key strategic goal of knowledge management. To that end a conglomerate of platforms and tools are being used to digitally capture and store and manage DEDAT information. The core of the application set is the Enterprise Content Management system for documents and the Central Data Repository that holds both economic data and DEDAT operational data. Knowledge Management has moved to a dual document registry system comprising of both paper and electronic document stores. The Departmental File Plan has been implemented on the electronic system (for ease of filing and retrieval) and dedicated staff has been digitising DEDATs institutional knowledge that resides in the Registry. This move opens the door to a plethora of opportunities from e-signatures to improved knowledge share and collaboration.

Learning networks bring together role players to develop a shared understanding of relevant issues of the current environment. The primary aim behind the initiative is the exchange of ideas towards developing best practice organisations. Five Learning networks were held focusing on the internal issues of interest to DEDAT, namely:

- Government Employees Pension Fund [GEPF]
- Government Employees Medical Scheme [GEMS]
- Garnishee Orders and the national Credit Act [NCA]
- Conflict Management
- Newly implemented File Plan in line with Enterprise Content Management Systems

### **Monitoring and Evaluation (M&E)**

The Unit's strategic objective, as set out in the Strategic Plan 2015 – 2020 is to institutionalise a departmental M&E system as promoted in the national and provincial public policy frameworks governing M&E.

In addition, given that 2015/16 signalled the start of implementing the Department's new Five Year Plan, the priorities and projects for M&E should align to give expression to the strategic priorities and programmes encapsulated herein.

A key priority in the M&E system, both provincially and nationally, relates to departmental participation in the annual Managing Performance Assessment Tool (MPAT), an independent assessment of management practices in government departments. In the 2015 the Office of the Premier designated MPAT a provincial priority and encouraged all departments to apply best effort in the annual MPAT exercise.

As one of four key standards being assessed in MPAT, the Unit's planned delivery for M&E in MPAT 2015 was to secure a Level 3 score, meaning that the M&E function was fully compliant with legal frameworks and guidelines governing M&E. It is also planned that, with maturity, increased use and other improvements, M&E can not only attain, but maintain a score of Level 4, which would signify not only compliance with statutory requirements but also, an emphasis on the Department doing M&E smartly.

The MPAT 2015 are released and the Department has attained a Level 4 score for its M&E standard. This over-achievement signifies the highest possible score reached and was made possible through a combination of factors; including:

- The Department prioritising Evaluation via funded Evaluation Plan;
- Departmental evaluations published on both the external website and, in the case of the Skills evaluation, this was quality assured and approved for publication on the national evaluation website, hosted by the DPME;

Prospectively and anticipating no major shifts in the MPAT requirements, the Department plans to maintain its Level 4 status over the MTSF through continuous improvements in how we discharge our M&E responsibility, to ensure a strengthened M&E system that adds value to assessing progress and performance of our stated goals and priorities.

Translated for this Department, the Unit focused its 2015/16 programme on the following elements of the Departmental M&E system:

### **Evaluations**

There is often a misconception that evaluations are primarily of the impact variety; meaning, measuring the impact of a funded programme after it has come to an end. More work, nationally and departmentally, needs to be done to advocate around the different types of evaluations which public sector managers can use to measure, test and track the performance of their programmes and plans.

For the 2015/16 year, the Department produced two economic evaluations which detailed the state and performance of the Western Cape's economy. These assessments can, at the start of the current five-year term, also serve as a baseline assessment against which to benchmark our economic progress against over the next few years.

## Results Monitoring

The M&E Unit uses monitoring as a precursor to evaluations and as such have focused its monitoring activities on the priorities encapsulated in our Strategic Plan, the Provincial Strategic Plan and legislative mandates. Four monitoring reports were delivered in 2015/16, to assess and determine the status and progress of departmental initiatives in:

- Ease of Doing Business – analyse how projects relate to imperatives for ease of doing business and competitiveness.
- Skills – monitoring the extent of management action on recommendations towards improvements in our skills programmes.
- Strategic planning – assessment of linkages between objectives, indicators, budgets and general causal logic.
- Broadband – assessment of the programme plans vis a viz, evaluability criteria.

Mid 2015/16, M&E's mandate also expanded through the addition of two business functions, which previously were rendered by Financial Management and Economic Planning Units.

Managing the non-financial performance information and reporting process – includes the management and delivery of the Department's Quarterly and Annual Performance Reports which contains the information on the overall progress made on the implementation of the APP.

Co-ordination of the Management Performance Assessment Tool – Co-ordination of the Management Performance Assessment Tool (MPAT) – this entails managing the Department's participation in the annual assessment of MPAT, which assesses the quality of management practices in government departments in areas of strategy, performance, governance, financial management and HR.

## Western Cape Economic Development Partnership

The EDP was established in April 2012 to improve the performance of the Cape Town and Western Cape regional economic development system through the provision of tailored partnering solutions. The core EDP focus areas are:

- Area-based partnering solutions.
- Issue-based partnering solutions.
- The creation and dissemination of partnering best practice.

Partnering services offered by the EDP include:

- Evaluation: Partnering Readiness Assessment and Partnering Impact Assessment diagnostic tools.
- Design: Shaping the architecture of an institutional alignment process.
- Building: Brokering relationships and formalising agreements between Institutions.
- Knowledge sharing: Collaborative leadership development.

In 2015/16, some of the primary initiatives of the EDP included:

- The establishment of the Regional Communicators' Forum, the Regional Innovation Network, the Open Data Forum and the South Cape Economic Partnership.
- Convening Business meets Government platforms on energy security and creating a better business climate; establishing the Better-Practice Farming Network with case studies on land reform; conducting eight Partnering Readiness Assessments; mainstreaming the EDP Partnering Methodology within WCG planning and budgeting process for 2016-19.
- Disseminating the EDP Partnering Solutions Methodology Manual.

Outcome indicator		Baseline (Actual outcome) 2014/15	Actual performance against target		Deviation from planned target to actual achievement 2015/16	Reason for variance
			Target 2015/16	Actual 2015/16		
<b>Sub-programme: Policy and Planning</b>						
1.1	Updated Economic Development Strategy.	1	1	1	–	
1.2	Sector/cross-cutting theme policies.	–	3	3	–	
<b>Sub-programme: Research and Development</b>						
2.1	To implement a strategic research agenda that will give effect to Khulisa roadmaps.	–	An approved research agenda that is aligned to Project Khulisa strategies and roadmaps.	An approved research agenda that is aligned to Project Khulisa strategies and roadmaps.	–	
<b>Sub-programme: Knowledge Management</b>						
3.1	Centralised repository of institutional knowledge with access management and dissemination.	–	System established	System established	–	
<b>Sub-programme: Monitoring and Evaluation</b>						
4.1	Functional M&E system aligned to national and regional standards and priorities.	–	MPAT: M&E level 3	MPAT: M&E level 4	1	The 2014/15 year was the final in the previous MTEF and subsequently there was increased demand for M&E to assess departmental performance. Increased demand for and usage of M&E's products generated additional evidence being supplied as for the MPAT assessment; which was then positively assessed and led to the Department attaining the maximum score for its M&E function.
<b>Sub-programme: Western Cape Economic Development Partnership</b>						
5.1	Number of partnerships (including strategic, operational, special purpose, spatial, coalition and knowledge sharing partnerships) established.	5	5	5	–	

## Performance indicators and targets:

### Monitoring and Evaluation

To give expression to the operational elements of the departmental M&E system, the following outputs were delivered in 2015/16:

#### M&E Strategic Framework

The Framework governs the approach and practices of M&E in the Department. With the advent of the Strategic Plan 2015 – 2020, it was necessary to refine the current Framework to ensure strategic and operational alignment between M&E's priorities as a support service to the new, medium term goals and priorities as planned by the Department through its five-year plan.

#### Evaluations

For the 2015/16 year, two economic evaluations were completed focused on an assessment of the performance of the Western Cape's economy. These assessments can, at the start of the current five-year term, also serve as a baseline assessment against which to benchmark our economic progress against over the next few years.

#### Results Monitoring

The M&E Unit uses monitoring as a precursor to evaluations and as such have focused its monitoring progress on our Strategic Plan and PSP priorities and programmes.

Four monitoring reports were delivered in 2015/16, covering departmental progress in:

- Ease of Doing Business – tracking alignment to global benchmarks / indexes.
- Skills, Consumer Protection – monitoring action on recommendations towards improvements in our skills and consumer protection programmes.
- Planning – assessment of linkages in Causal logic (objectives, indicators, budgets) in selected programmes.
- Broadband – assessment of the theory of change in programme plans.

In mid-2015/16, M&E's mandate also expanded, with the addition of two departmental functions as part of the finalisation of the modernisation process.

#### Non-Financial Performance Information and Monitoring

This statutory requirement entailed M&E assuming responsibility for the management of performance information and reporting of performance and, despite it being an ex-ante function added to the Unit, culminated in the timely delivery of all prescribed Quarterly Performance Reports and Annual Performance Reports.

#### Co-ordination of the Managing Performance Assessment Tool

This entailed the Unit assuming responsibility as the Departmental Co-ordinator for MPAT and entailed liaising with departmental management and quality assuring inputs to ensure for a best-effort approach for the Department during the MPAT 2015 annual assessment.

Performance indicator (Output)		Baseline (Actual outcome) 2014/15	Actual performance against target		Deviation from planned target to actual achievement 2015/16	Reason for variance
			Target 2015/16	Actual 2015/16		
<b>Sub-programme: Policy and Planning</b>						
1.1	Number of economic strategies developed.	2	2	2	–	
1.2	Number of strategies reviewed.	2	4	4	–	
1.3	Number of strategic planning sessions.	3	2	3	1	
1.4	Number of sector/cross-cutting theme policies developed.	–	3	3	–	
<b>Sub-programme: Research and Development</b>						
2.1	Economic research reports.	10	8	12	4	Additional economic research emanated from collaborative research conducted with Wesgro and internal Skills Development Unit for the quarterly economic bulletin.
2.2	Provisioning of micro, meso and macro-economic data.	–	1	1	–	
<b>Sub-programme: Knowledge Management</b>						
3.1	Fully implemented e-filing system in accordance with Provincial guidelines.	Back-scanning of records of two selected programmes.	Back-scanning of records of two selected programmes.	Back-scanning of records of two selected programmes.	–	
3.2	Enterprise Content Management System to store and dissemination institutional knowledge.	–	50% content stored and disseminated.	86% of content stored and disseminated.	36%	Additional resources were made available for scanning during the project implementation.
3.3	Number of learning networks facilitated.	4	4	5	1	Additional request received for learning network facilitation.
<b>Sub-programme: Monitoring and Evaluation</b>						
4.1	Number of evaluation reports.	2	2	2	–	
4.2	Number of monitoring reports.	6	4	4	–	
4.3	M&E Strategic Framework Developed.	–	1	1	–	
<b>Sub-programme: Western Cape Economic Development Partnership</b>						
5.1	Number of joint plans/projects between the Economic Development Partnership and its partners.	2	2	2	–	
5.2	Number of economic intelligence reports produced.	4	4	4	–	
5.3	Number of M&E reports produced on provincial economic indicators.	4	4	4	–	



## Strategy to overcome areas of under performance

Not Applicable

## Changes to planned targets

Not Applicable

## Linking performance with budgets

During the 2015/16 financial year, an amount of R25.816 million was appropriated to the Programme. An overview of the funds spent per economic classification is as follows:

- Compensation of Employees accounted for R10.894 million or 42.20% of total expenditure;
- Goods and Services accounted for R7.544 million or 29.22% of total expenditure;
- Transfers and Subsidies accounted for R7.009 million or 27.15% of total expenditure;
- Payments for Capital Expenditure amounted to R252 thousand; and
- Payments for Financial Assets amounted to R117 thousand.

In the case of Research and Development an allocation of R499 000 was provided for the West Coast Firm Level Data project. Further, an allocation of R2.929 million was provided for data subscriptions to feed into the development of the Centralised Economic Data Repository. An allocation of R7 million was transferred to Western Cape Economic Development Partnership to motivate and encourage stakeholders and partners to drive economic change and action within the Western Cape region through four programme areas:

- Building Partnerships
- Monitoring and evaluating partnerships
- Teaching partnerships techniques and practices
- Supporting partnerships

## Sub-programme expenditure

Sub- programme Name	2015/16			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Policy and Planning	5 189	4 518	671	21 602	21 377	225
Research and Development	6 693	6 693	–	4 840	4 840	–
Knowledge Management	5 022	5 010	12	2 505	2 505	–
Monitoring and Evaluation	1 912	1 776	136	3 396	3 396	–
Western Cape Economic Development Partnership	7 000	7 000	–	8 896	8 896	–
<b>Total</b>	<b>25 816</b>	<b>24 997</b>	<b>819</b>	<b>41 239</b>	<b>41 014</b>	<b>225</b>

## 4.6 PROGRAMME 6: TOURISM, ARTS AND ENTERTAINMENT

### Purpose

To facilitate opportunities for the growth and increased inclusivity of the tourism, arts and entertainment sectors.

### Programme structure

The Programme is structured as follows:

- Sub-programme 6.1: Tourism Planning
- Sub-programme 6.2: Tourism Growth and Development
- Sub-programme 6.3: Tourism Sector Transformation
- Sub-programme 6.4: Tourism Destination Marketing
- Sub-programme 6.5: Commercial Arts and Entertainment

### Service delivery objectives and indicators

The Western Cape Government has recognised the tourism industry's potential to bring about economic growth and employment creation. As one of the major contributors to economic value and employment in the Western Cape, tourism directly contributes R17 billion in GVA and accounts to 204 000 formal jobs in the province. Under a high growth scenario (which would entail the Western Cape matching the growth of successful tourism regions elsewhere in the world), the sector's GVA contribution could increase by 65% to R28 billion in 2019, and it could add a further 120 000 formal jobs over the same period (Khulisa Final report 2014).

Project Khulisa began with the commissioning of a deep-dive study into the Western Cape economy and it revealed the economic sectors that were growing the fastest and that had the greatest ability to drive job creation. In the first 5-year horizon a series of targeted, game-changing initiatives in tourism have been identified. Setting the Tourism sector on a new growth trajectory by addressing the key challenges faced by the industry will require significant government and private sector investment.

The Department, during the 2015/16 financial year, underwent a modernisation process where the Tourism, Arts and Entertainment Programme and the Trade and Sector Development Programme were combined into the Economic Sector Support Chief Directorate. The restructure process resulted in staff being re-shuffled and in some instances re-located to other programmes within the Department. Staff who were re-shuffled within Tourism, Arts and Entertainment were then trained to perform the required duties (such as those required in the Safety Support Programme).

### Tourism Performance

International tourism reached new heights in 2015. The robust performance of the sector is contributing to economic growth and job creation in many parts of the world. In 2015, international tourist arrivals reached 1.2 billion, a 4% growth from 2014 which recorded 1.1 billion tourist arrivals. The UNWTO projects international tourist arrivals to grow by 4% worldwide in 2016. By region, growth is expected to be stronger in Asia and the Pacific (+4% to +5%) and the Americas (+4% to +5%), followed by Europe (+3.5% to +4.5%). The projections for Africa (+2% to 5%) and the Middle East (+2% to +5%) are positive, though with a larger degree of uncertainty and volatility.

South Africa recorded a total of 9.5 million tourist arrivals in 2014, a 6.6% year-on-year growth when compared to the 8.9 million tourist arrivals recorded in 2013. South Africa is ranked as the third most visited country in Africa after Morocco and Egypt.

During 2015, the Western Cape accounted for 14.5% of all South African tourist arrivals and received 21.8% of South Africa's total spend. The Western Cape experienced a 2.3% growth in 2015 with 1 418 513 tourist arrivals recorded compared to the 1 386 100 tourist arrivals in 2014. Europe was ranked as the Western Cape's strongest contributor to arrivals with the UK, Germany and France as the top 3 source markets for the province. During the same period the total spend for the Western Cape grew by 11% with the province recording R16.1 billion in 2015 compared to the R14.4 billion total spend recorded in 2014.

### Sub-programme 6.1 Tourism Planning

The Western Cape Tourism Partnership is the institutional mechanism driving stakeholder engagements and is chaired by Minister Winde. Tourism Planning provides the secretariat function to the partnership. A Western Cape Tourism Partnership Plenary meeting was held on 26 June 2015 at the Robben Island Museum. The Project Khulisa Tourism Strategy was presented to stakeholders for consultation and an update on the visa travel regulations was provided by both the Department and Wesgro.

The Tourism Actions Plans were co-designed through the Project Khulisa Tourism process. It is based on a number of engagements and workshops that were held with the tourism industry during the 2015/16 financial year.

Tourism Planning was responsible for overseeing the risk mitigation meetings with the Department of the Premier and co-ordinating M&E with regard to evidence and performance monitoring as well as indicator and target setting.

Tourism Planning also provided the overall coordination and participation of the Western Cape at the various National Department of Tourism's (NDT) working groups and forums. This included reporting on provincial delivery as part of the National Tourism Sector Strategy. Input has also been provided into strategies and alignment is ensured between National and Provincial goals and objectives. Tourism Planning provided briefing documents to the Tourism MIPTECHs and MINMECs which were held during the 2015/16 financial year and meeting reports were provided to the Provincial Cabinet. A meeting was also facilitated on 21 January 2016 with the relevant Municipalities and NDT to discuss the National Oceans Economy Project and collated inputs from these stakeholders were then submitted to NDT.

As a result of the Tourism Programme being combined with the Trade and Sector Development Programme, Tourism Planning now also provides a co-ordinating role for sectors. This includes attending meetings and providing a secretariat function to the Chief Director, overseeing and coordinating inputs for the Annual Performance Plan and Technical Indicator Reports, and ensuring alignment in terms of reporting inputs for the Chief Directorate in relation to M&E, risk management, etc.

### **Sub-programme 6.2 Tourism Growth and Development**

A business case for Cycle Tourism was developed through a consultative process with the industry stakeholders. As a result of this process, Minister Winde unveiled a plan to position the Western Cape as the cycling capital of Africa by developing a 520 km single, scenic, iconic track linking Plettenberg and Cape Town. The aim is to draw visitors to the lesser-visited areas of the Western Cape. The development of this route will be done in several phases beginning with Phase 1, a 160 km route from Plettenberg Bay to George in the 2016/17 financial year. Included in this plan is an audit of accommodation friendly establishments, existing cycle tracks, and bicycle services. An audit of accommodation friendly establishments was conducted in Knysna, Mossel Bay and Plettenberg Bay. An events calendar for cycling events was also collated for the whole Province.

Improving service in tourism was identified as one of the focus areas to be addressed in the industry. The Department engaged with the West Coast District Municipality to identify a town to implement the Journey to Service Excellence Programme. This programme is aimed at improving service levels in the tourism industry. At a meeting held with the West Coast District Municipality, Clanwilliam was nominated as the town to implement the Journey to Service Excellence (J2SE). An initial meeting to discuss the J2SE Programme was held with Cederberg Tourism and the Clanwilliam Chamber of Commerce to secure buy-in. An initial meeting was also held with Radio Namakwaland on 07 March 2016 to ascertain if this was something they would be interested in. Radio Namakwaland is very excited about this project and would definitely partner with the Western Cape Government in terms of a radio campaign.

With regard to the Madiba Legacy Route, the Department held initial meetings with the Department of Cultural Affairs and Sport, Heritage Western Cape and the City of Cape Town to introduce the project and seek collaboration.

Tourism Support Services provided support and assistance to 287 tourism establishments and individuals. This included:

- Management of the negative perceptions around the safety of the destination by providing a pro-active service which included the distribution of 180 printed safety tips to tourism businesses, hospitals, embassies and police stations and a re-active service which provided support and assistance to 24 tourists in distress.
- Secretariat support to the relevant Regional Tourism Liaison Committees (RTLCS) which is scheduled on a monthly basis in the districts. 83 tourism road signage applications were processed, of which 66 applications were approved in the Overberg, West Coast and Southern Cape regions for the erection of tourism signs.

In addition, the Department is an active member and participant at the Table Mountain Safety Forum which responds, reacts to and reports on concerns, incidents, crime and media related queries in terms of the Table Mountain area. Representatives include UCT, SAPS, SANParks, volunteer groups, interest groups and other government departments.

### **Sub-programme 6.3 Tourism Sector Transformation**

In terms of the legislative mandate, upskilling programmes were provided to 154 tourist guides as follows:

- Through a partnership with Metrorail, 95 tourist guides were taken on an educational excursion to Sir Lowry's Pass Village. During the day-trip, the tourist guides were exposed to a number of different product offerings en route to a wine farm.
- In partnership with the Cederberg Heritage Route, 11 local persons were up-skilled as nature guides in the Moravian Church area of the Cederberg. They will help service the "slack-packing" hiking trails offered, which due to demand has increased from four to six, bringing much needed tourists to the area. The "slack-packing" hiking trails include an overnight stay and the use of local villagers to provide facilities and services, thus providing economic stimulation in the area.
- In aligning to project Khulisa's deliverable of job creation, additional training was provided to 11 nature and culture guides, in partnership with the Plettenberg Bay Municipality. The majority of the learners are currently unemployed and once trained can operate legally as freelance tourist guides for the specific routes identified.
- Responding to a need within the market due to a shortage of tourist guides who can guide in German, the Department provided a German refresher course to 16 tourist guides who could speak German, but were not comfortable enough to guide in the language. The programme was practical in nature and specifically developed for tourist guides.
- A Recognition of Prior Learning Programme enabled 21 tourist guides to obtain a Cathsseta accredited qualification, which allows them to continue working legally as registered tourist guides.

By appointment of the Minister, the Provincial Registrar is gazetted to perform registration duties. 1 617 tourist guides were registered in the 2015/16 financial year. One registration was formally declined due to a work permit issue and an official appeal was lodged with the National Registrar. The National Registrar upheld the decision of the Provincial Registrar. The Provincial Registrar has also given input into the development of the National Regulations pertaining to guiding which was due to be gazetted for public comment. These Regulations will give clarity and alignment to the Tourism Act 3 of 2014, and provide more stability to the tourist guiding sector.

The Department took a decision not to outsource the tourist guides inspection programme for implementation, but to utilise internal staff. These inspections, which largely raise awareness, were held at various sites, from both prominent tourist attractions to walking tours in the CBD. 127 Tourist guides were inspected by the team. The majority of guides inspected were fully registered. Where guides were found to have expired registrations they were notified and encouraged to renew timeously. Furthermore, to raise awareness, the Department writes formally to companies informing them of the Act and the consequences of utilising illegal guides. A joint inspection with the Provincial Department of Transport was held during the third quarter at Cape Point, at which the Head of Department, Mr Solly Fourie, joined and had the opportunity to engage with tourist guides and operators. As positive reinforcement, the Department sent e-mails of encouragement and thanks to those guides who uphold the law. This correspondence was well-received and appreciated.

A live database of all registered tourist guides in the Province, hosted on the Provincial Government's webpage, was transferred onto a new server. This provincial database allows direct access for tour operators, tourists and the general public (both locally and internationally), to access registered tourist guides and allows a search for guides to meet a specific need, for example a guide who can guide in a specific language.

### **Sub-programme 6.4 Tourism Destination Marketing**

In direct relation to Wesgro's mandate for tourism destination marketing and promotion and the priority focus that needs to be given to the initiatives identified in Project Khulisa Tourism, the following was achieved for the 2015/16 financial year:

R16.696 million branding Rand value achieved at output level. Driving media exposure through positive press coverage for the destination forms an important part of the destination marketing function. Consistent coverage was maintained throughout the year in the media space.

Twelve Joint Marketing Agreements (JMAs) were concluded. These agreements included KLM Airlines, Orbitz, Taste of Australia, Mango Airlines and SAT Germany, which enabled destination exposure to over 15 million people in key source markets.

Seventeen conference bids were secured. The Conventions Bureau managed to secure its largest bid to date, winning the World Ophthalmology Congress for 2020 for which the estimated delegate attendance is 15 000. Wesgro also initiated a very successful workshop with the Department of Home Affairs and the Western Cape Tourism industry to discuss the VISA issues, with positive outcomes.

Forty-eight events were supported in Cape Town and the Regions. Events form an important part of driving geographic spread and lessening the effect of seasonality for the region. There was close collaboration between Wesgro and the Local Tourism Organisations to support these events.

One-hundred-and-twenty-five tourism businesses were provided with access to marketing opportunities. These included social media and digital guides that were provided to the trade at trade shows.

Outcome indicator		Baseline (Actual outcome) 2014/15	Actual performance against target		Devia- tion from planned target to actual achievement 2015/16	Reason for variance
			Target 2015/16	Actual 2015/16		
<b>Sub-programme: Tourism Planning</b>						
1.1	A single tourism destination strategy and delivery model.	–	–	–	–	
<b>Sub-programme: Tourism Growth and Development</b>						
2.1	To improve destination access and to enhance destination attractiveness by supporting tourism niche markets.	–	–	–	–	
<b>Sub-programme: Tourism Destination Marketing</b>						
3.1	Number of international arrivals.	No data available.	1.1m – 1.4m	1 418 513	18 513	As a result of the marketing initiatives implemented throughout the year to enhance brand awareness, decrease the effect of seasonality and increase visitors to the province resulted in more international arrivals than anticipated which led the over-performance.
3.2	International foreign direct spend.	No data available.	R8bn - R13bn	R16.1bn	R3.1bn	As a result of the marketing initiatives implemented throughout the year to enhance the awareness of the various attractions and activities in the region resulted in an increase in foreign direct spend which led to the over-performance.
3.3	Number of domestic trips.	No data available.	1.5m – 2.5m	2 022 948	22 948	As a result of the marketing initiatives implemented throughout the year to enhance brand awareness, decrease the effect of seasonality and increase visitors to the province resulted in more domestic trips than anticipated which led the over-performance.

## Performance indicators and targets:

The Khulisa Tourism Action Plan was developed through a consultative process with private sector and the public sector. The Tourism Action Plan approved by Cabinet in August 2015, identifies the following initiatives aimed at driving the growth of the Tourism sector:

- Define the competitive identity of the destination to develop a clear vision and visual identity that can be used by all communications stakeholders of the province to encourage more impactful global penetration and higher return on marketing spend.
- Develop and implement an aggressive growth strategy within the Africa and Gulf Cooperation Council (GCC).
- Develop data and real time business intelligence, capacity which enhances the responsiveness of the tourism industry.
- Develop and implement delegate boosting and conversion programmes aimed at driving up delegate attendance and driving long-term positive outcomes of business events for enterprises and academia.
- Develop and implement a stakeholder co-ordination strategy to promote collaboration with private and public stakeholders in the tourism and hospitality industry and ensure collective buy-in on all policies, strategies and interventions, and in this way, to improve alignment in the sector.
- Secure three new direct air routes to increase and improve airline access (passenger and freight) into and out of Cape Town International Airport (CTIA), with the initial focus on the establishment of new routes and increasing frequencies on existing routes into Africa.
- Lobby for friendlier visa regulations to simplify the visa application process to ensure sustained visitor arrivals.
- Create an awareness campaign on local transport options to make it easier for visitors to travel within the province by using local transport options.
- Position the Western Cape as the cycling capital of Africa.
- Maximise the Madiba Legacy Route.
- Position the Province as a global food and wine destination by developing a food and wine tourism marketing tool kit and global marketing campaign that will be implemented and supported by hosting targeted travel trade and media.
- Position the province as an international business and leisure events hub in order to position the Western Cape as a 365 year-round destination, through the compilation of a calendar of events, and to make it easier to host an event.
- Develop and implement a service level improvement programme.

Project Khulisa Tourism is a transversal approach that provides delivery of these tourism initiatives across the programmes in the Department. These initiatives will work towards achieving the identified outcomes of growing tourism direct jobs by 100 000 additional jobs and increasing tourism GVA from R17 billion to R28 billion. The Khulisa Tourism Plan finalised in the 2015/16 financial year, will commence in the 2016/17 financial as the first year of implementation to achieve these set outcomes.

Performance indicator (Output)		Baseline (Actual output) 2014/15	Actual performance against target		Deviation from planned target to actual achievement 2015/16	Reason for variance
			Target 2015/16	Actual 2015/16		
<b>Sub-programme: Tourism Planning</b>						
1.1	Number of Tourism Action Plans co-designed and monitored.	–	2	2	–	
<b>Sub-programme: Tourism Growth and Development</b>						
2.1	Number of tourism niche markets supported.	2	1	1	–	–
2.2	Tourism Support Services: Number of tourism establishments/individuals supported/assisted.	210	180	287	179	The target was exceeded due to an increase in requests from tourism organisations for the safety tips pamphlets.
<b>Sub-programme: Tourism Sector Transformation (Tourism Regulation)</b>						
3.1	Number of tourist guides upskilled.	512	52	154	102	Two interventions, namely a Plettenberg Bay project and a partnership with Metrorail and other partners, resulted in the target being exceeded by an additional 102 tourist guides. Guides were up-skilled through training, educational and exposure to new product offerings.
3.2	Number of individuals registered (tourist guides).	1 666	1 100	1 617	517	Training is Cathsseta accredited, however the majority of new tourist guides are privately funded. The increased numbers are a combination of new guides as well as interventions (distribution of renewal letters and conducting inspections) to encourage trained and expired guides.

Performance indicator (Output)	Baseline (Actual output) 2014/15	Actual performance against target		Deviation from planned target to actual achievement 2015/16	Reason for variance	
		Target 2015/16	Actual 2015/16			
<b>Sub-programme: Tourism Sector Transformation (Tourism Regulation) (continued)</b>						
3.3	Number of individuals/ tourism related businesses inspected or monitored (tourist guides).	1 044	80	127	47	Due to seasonality, and the number of tourist guided groups, the number of inspections was exceeded by 47 additional guides inspected.
<b>Sub-programme: Tourism Destination Marketing</b>						
4.1	Branding: Rand Value (Average value equivalent).	–	R15m	R16 696 741	R1 696 741	Achieved more exposure through finding additional media opportunities.
4.2	Number of Joint Marketing Agreements (JMA's).	13	12	12	–	–
4.3	Business Events – Number of conference bids secured.	16	17	17	–	–
4.4	Number of events supported.	29	37	48	11	Additional resources became available which allowed the Agency to support additional events.
4.5	Number of tourism businesses given access to marketing opportunities.	–	80	125	45	Additional marketing exposure accessed.

### Strategy to overcome areas of under performance

Not applicable.

### Changes to planned targets

Not applicable.

### Linking performance with budgets

During the 2015/16 financial year, an amount of R40.271 million was appropriated to the programme. Of this, compensation of employees accounted for R9.918 million, goods and services R1.491 million, transfers and subsidies R28.312 million, payments for capital expenditure R550 thousand.

In this regard, compensation of employees accounted for 96.73 % of the programmatic expenditure.

Goods and services accounted for 95.73 % for the final expenditure of the Programme.



## Sub-programme expenditure

Sub- programme Name	2015/16			2014/15		
	Final Appro- piation	Actual Expendi- ture	(Over)/ Under Expendi- ture	Final Appro- piation	Actual Expendi- ture	(Over)/ Under Expendi- ture
	R'000	R'000	R'000	R'000	R'000	R'000
Tourism Planning	1 500	1 410	90	4 198	4 198	–
Tourism Growth and Development	1 719	1 710	9	3 135	3 110	25
Tourism Sector Transformation	8 449	8 205	244	9 234	9 231	3
Tourism Destination Marketing	28 300	28 300	–	22 000	22 000	–
Commercial Arts and Entertainment	303	257	46	6 570	6 560	10
<b>Total</b>	<b>40 271</b>	<b>39 882</b>	<b>389</b>	<b>45 137</b>	<b>45 099</b>	<b>38</b>

## 4.7 PROGRAMME 7: SKILLS DEVELOPMENT AND INNOVATION

### Purpose

To facilitate the provisioning of Human Capital and Innovation skills in order to deliver on the economic Human Resources Development need of the Western Cape.

The Programme 7 purpose feeds into the vision of the National Skills Development Strategy (NSDS) III: “A skilled and capable workforce that shares in, and contributes to, the benefits and opportunities of economic expansion and an inclusive growth path” (Department of Higher Education and Training, 2011).

### Programme structure

The Programme is structured as follows:

- Sub-programme 7.1: Provincial Skills Co-ordination
- Sub-programme 7.2: Workforce Development
- Sub-programme 7.3: Innovation

### Service delivery objectives and indicators

Accelerating growth and job creation are critical imperatives for South Africa to jump start our economy, provide employment opportunities and change the many social challenges that we experience across communities within the Province.

One of the known methods used by a number of developed and developing countries have been to develop a capable and skilled workforce, which is considered a must to have for a productive and resilient economy, especially under conditions of increasing international competition.

It is therefore assumed that any skills development initiatives, should aim to address a wide range of interventions, to attract investment into the Province, provide noting that in the modern economy there is a decline of routine manual occupations and the growth of jobs with more demanding requirements.

Attaining higher levels of economic growth and job creation requires that in order for us to tackle our challenges as a country calls for an approach to the global economy, international trade policies, industrial and labour relations issues and the ever growing complexity within the industry and firm level. To follow through on these objectives we also need a productive workforce that is able to be competitive and able to use technology to our advantage or in essence a capable and skilled workforce, which will enable industries to advance improved productivity, adaptability, ingenuity and creativity.

Furthermore, a capable and skilled workforce enhances the flexibility of a workforce to expand the potential and use of labour, particularly as the changes occur across economic sectors.

A capable and skilled workforce further enhances the ability of a region to attract foreign investment and expand the domestic economy as this is seen as adding to a region's competitive advantage and address the systemic challenges of low economic growth and job creation.

## Western Cape

The Western Cape Government, with the emphasis on Provincial Strategic Goal one, has identified economic growth and job creation as its number one priority. To achieve this, a number of economic sectors for immediate focus (for the next five years) while other sectors would be targeted in subsequent years have been identified. These identified economic sectors of the Western Cape include:

- Oil and Gas, including Boat/Ship building, Manufacturing and Repair sector;
- Tourism, including Marine Tourism sector;
- Agri-processing sector that includes Wine, Meat and Brandy production sector;
- Business Process Outsourcing (BPO) sector;
- Film sector;
- Water sector;
- Energy sector, including renewables and liquid nitrogen gas;
- ICT sector (cross-cutting sector); and
- Other related sectors, e.g. Metals and Engineering.

Industry role players across the mentioned sectors agree that large numbers of people equipped with technical and vocational skills are desperately needed to alleviate the skills shortage for the emerging and existing sectors within South Africa and the Western Cape. These sectors offer job creation opportunities for many skilled and semi-skilled people in Engineering, Manufacturing, Construction, etc.

As a result, the Western Cape Government (WCG) has approved technical and vocational skills development as one of the eight Game Changers in the current term of office. The Skills Game Changer (SGC) has identified the following goal: Sufficiently appropriately qualified technical and vocational skilled people to meet the needs of prioritised economic growth areas in the Western Cape. This Game Changer focuses on artisan, vocational and related technical skills in key priority areas and falls under PSG 1.

The Department is well placed to, in collaboration with sector specialists, including the Delivery Support Unit within the Department of the Premier, Agri-processing; Tourism; and Rig and Ship Repairs skills development stakeholders to develop sector specific skills interventions that are of quality and acceptable to industry partners.

Escalating skills development to a Game Changer status has brought about a renewed focus on the transversal and collaborative nature of skills development interventions and their connectedness to various phases of the education system (Basic education, further education and training and higher education); the diverse mandate and interest of role players; and appeals to, in the interest of the country and the Western Cape, to develop common agendas and targets for skills development.

To sustainably achieve the objective of increasing the vocational or artisanal skill pool, a number of levers or projects have been implemented in the 2015/16 financial year and include the finalisation of the skills intelligence and career awareness portal; training for semi-skilled and skilled occupations and the work placement of youth. The detail is contained within the sub-programme delivery areas.

The training or skills programmes are on the skills supply side (TVET) and linked to Education and Training which have been further supported by workplace learning on the demand side (industry). The overall objective was to increase the number of skilled and semi-skilled people in the Western Cape to take up work opportunities that the Province has to offer and also to provide opportunities for people currently employed to be upskilled.

Skills development interventions targeted a wide array of projects, in areas considered to be low, intermediate and high-end skills. These skills interventions have amongst others provided access to career awareness to assist youth in making informed career choices; provided skills training that assisted beneficiaries to either continue their training careers; and access workplace or job opportunities.

All these projects and programmes are aligned to provincial and national policy driving imperatives such as the development of a capable workforce and are interlinked with the broader Skills Development Programme which covers Trades and the occupations that support further job creation.

### Departmental initiatives

The Department invested in Bridging Programmes, which was delivered by TVET Colleges and included the Competency Based Modular Training (CBMT), Occupational Readiness Programme (ORP) and industry Demand technical training aimed to create a recruitment environment where Trades and Occupations are supported by programmes that provide a value add to Industry.

In Hospitality and Tourism for example, these programmes included the Service Excellence, Food Assurers and Assistant Chefs, while the Rigging and Ship Repair sector identified a range of occupations; including electricians, rigging, welding and fabrication.

These programmes are further supported on the skills supply side (TVET) and linked to Education and Training which is further supported by Workplace Integrated Learning on the demand side (Industry). The overall objective is to increase the number of skilled and semi-skilled workers in the Western Cape to take up work opportunities and the projects listed below and are aimed at contributing towards increasing the number and quality of artisanal skills, to link supply and demand.

Work placement is an important component to each of the skills interventions. Occupational skills programmes have been supported by a placement period of six months to expose learners to the workplace, while artisanal exposure required an 18-month placement programme for TVET graduates before they are trade tested.

The Skills Development and Innovation unit has with economic sectors and TVET colleges have placed graduates from the hospitality, manufacturing and engineering qualifications to support their attainment of trade tests. Stakeholder participation has been necessary to develop programmes to identify prospective employees to the sectors and place within Industries to gain relevant work experience.

The unit has been instrumental in supporting the continued functioning of the Premier's Council on Skills and its project based technical workgroups to ensure that the a number of partners deliver in a collaborative manner. The development of the Skills Game Changer is one a singular effort across partners with the aim of aligning stakeholder energies and resources towards achieving on delivering sufficient quality technical and vocational skills for the Province.

### Improved Coordination

One of the institutions established by the Western Cape Province has also established the Provincial Human Resource Development Council to drive the coordination, planning and delivery of skills development initiatives with the view of leveraging funding and other stakeholder efforts; improve the skills sets or employability of young people, supported through the training and work placement of mainly youth to gain work place experience.

To support the Provincial HRD, the Premier's Council on Skills and various Technical Working Groups has been established to facilitate ongoing discussions regarding skills development challenges and identified solutions.

Outcome indicator	Baseline (Actual outcome) 2014/15	Actual performance against target		Deviation from planned target to actual achievement 2015/16	Reason for variance	
		Target 2015/16	Actual 2015/16			
<b>Sub-programme: Provincial Skills Co-ordination</b>						
1.1	Number of collaborative skills interventions supported	10	8	14	6	These include financial and non-financial collaborations. The Skills unit has also become the lead for the Skills Game Changer which impacted on the targets.
1.2	Value of funds leveraged.	–	R20m	R23.527m	R3.527m	The Skills unit has become the lead for the Skills Game Changer which impacted on the targets.

Outcome indicator	Baseline (Actual outcome) 2014/15	Actual performance against target		Deviation from planned target to actual achievement 2015/16	Reason for variance	
		Target 2015/16	Actual 2015/16			
<b>Sub-programme: Workforce Development</b>						
2.1	Number of learners who have increased skills for employability.	826	450	748	298	From the assessment evidence, it was found that more learners were found to be employable after their placement period, which means that a better match between the learner and company was done.
2.2	Value of funding leveraged.	R30.598m	R45m	R2.226 m	R42.774m	The main reason for not reaching the target was the slow economic growth. A key project to meeting the target was a joint venture with private sector and the jobs fund in the Agri-business sector. This project should be realised within a year if the land transfer challenge is addressed.
2.3	Number of people trade tested.	33	150	69	81	While an additional 61 learners have completed training and are eligible for trade testing, there is a delay with the SETAs, assigning dates for trade tests. It is expected that during the course of 2016/17 Financial Year, most of these candidates will be trade tested.

## **Performance indicators and targets:**

### **Collaborative interventions supported**

Improving coordination amongst development stakeholders, including business, training providers, civil society, organised labour and government is key to sustainable and long-term success and systemic redress of a fragmented skills development pipeline. Coordinated and collaborative engagements are not only measured by their number but also as to how they translate into commitment from stakeholders to participate in and co-fund the implementation of skills development initiatives.

The number of collaborative skills interventions supported in 2015/16 includes financial and non-financial collaborations. The Skills unit has also become the lead for the Skills Game Changer which impacted on the targets. These engagements included taking the concept of Skills as a Game Changer to Industry and in the main as it relates to the Oil and Gas; Hospitality and Tourism; and Agri-processing sectors.

### **Leveraging of partnerships**

Given the global economic challenges and the need to extend skills development interventions have necessitated the need to improve efforts to leverage funding for skills development programmes across the three spheres of government, industry and complimenting partner efforts to achieve the necessary a value-add, along the skills development pipeline.

### **Improving employability**

Improving the employability of young people include improving the softer skills such as work readiness and attitude towards life and work place and technical competencies required to perform the required task within the work place.

### **Work Force Development**

Through the Programmes and Projects directorate the Department has been able to place unemployed youth with host companies across the Province's economic sectors. These work placements were effected with the hope that these companies improve the future employment prospects of the candidates.

Candidates on the Work and Skills programme are placed with companies for periods ranging between 4 and 18 months.

The aim of these efforts is to improve the employment aspect of the youth and is supported with stipends, while at the companies. The co-funding from company side is often an arrangement between the learner and the company.

### **Artisan Development Programme (ADP)**

To increase the number of qualified Artisans in the Western Cape and enhance the quality of skills transfer in both TVET Colleges and the Private sector, a number of training interventions and placement opportunities were undertaken within the 2015/16 financial year.

This programme was able to recruit unemployed youth that have completed their respective trade theory, where necessary expose them to simulated practical training in the workshops of TVET Colleges through Competency Based Modular Training (CBMT) to improve their chances of securing internships or artisanship.

Once having completed the CBMT phases (which often is over a 3 month period) and thereafter placed for 18 months at a place of employment before they are eligible for the national trade test. To deliver on such a programme the Department has engaged Technical and Vocational Education and Training Colleges (TVETCs), Sector Education and Training Authorities (SETAs) and industry to improve access to work place opportunities for experiential learning.

Performance indicator (Output)	Baseline (Actual output) 2014/15	Actual performance against target		Devia- tion from planned target to actual achievement 2015/16	Reason for variance	
		Target 2015/16	Actual 2015/16			
<b>Sub-programme: Provincial Skills Co-ordination</b>						
1.1	Number of Strategic Skills Plans developed for priority sectors/enablers.	3	2	2	–	
1.2	Number of structured and scheduled engagements, forums and events.	16	20	22	2	The introduc- tion of the Skills Game Changer resulted in more interactive engage- ments with affected role players.
1.3	The development of Career Awareness Platform.	–	1	1	–	
<b>Sub-programme: Workforce Development</b>						
2.1	Number of artisanal candidates trained.	–	150	362	212	The need arose for more artisanal candidates to complete CBMT, in line with priority trades, result- ing in more people being trained and eligible for work placement.
2.2	Number of semi-skilled people trained.	1 405	1 920	1 938	18	More ORP and ICT Training completed resulted in more people being trained.
2.3	Number of artisanal candidates placed in host companies.	187	150	174	24	Demand for placement increased across various regions, with demand from mainly labour absorbing industries.
2.4	Number of semi-skilled workers placed in host companies.	1 311	1 100	1 136	36	DEDAT over placed due to additional demand for placements and for ad- ditional fund- ing received from the Jobs Fund.

## Strategy to overcome areas of under performance

Not applicable

## Changes to planned targets

Not applicable

## Linking performance with budgets

The Unit was provided a budget of R54.545 million to deliver on skills programmes and projects that would enhance the offering of skilled people, and in particular youth to the economy. Included within this amount is an amount of R10.355 million targeted for compensation of employees and the remainder was spent on projects related to training of skilled and semi-skilled workers drawn from unemployed youth, while the bulk of the project funding provided for stipend expenditure for semi-skilled and artisanal candidates in work placement.

## Sub-programme expenditure

Sub- programme Name	2015/16			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Provincial Skills Coordination	7 123	6 655	468	5 639	5 637	2
Workforce Development	43 822	42 460	1 362	32 753	32 752	1
Innovation	356	356		1 292	1 288	4
Management: Skills Development and Innovation	3 244	3 073	171	3 340	3 338	2
<b>Total</b>	<b>54 545</b>	<b>52 544</b>	<b>2 001</b>	<b>43 024</b>	<b>43 015</b>	<b>9</b>

## 5. SUMMARY OF FINANCIAL INFORMATION

### 5.1 Departmental receipts

Departmental Receipts	2015/16			2014/15		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Tax Receipts</b>	<b>27 000</b>	<b>26 179</b>	<b>821</b>	<b>25 000</b>	<b>27 411</b>	<b>(2 411)</b>
Casino taxes						
Horse racing taxes						
Liquor licences	27 000	26 179	821	25 000	27 411	(2 411)
Motor vehicle licences						
<b>Non Tax Receipts</b>	<b>6 123</b>	<b>12 660</b>	<b>(6 537)</b>	<b>6 074</b>	<b>9 874</b>	<b>(4 236)</b>
Sale of goods and services other than capital assets	270	427	(157)	270	436	(166)
Transfers received				500		500
Fines, penalties and forfeits						
Interest, dividends and rent on land		42	(42)		3	(3)
Sale of capital assets						
Financial transactions in assets and liabilities	5 853	12 191	(6 338)	5 304	9 871	(4 567)
<b>Total</b>	<b>33 123</b>	<b>38 839</b>	<b>(5 716)</b>	<b>31 074</b>	<b>37 721</b>	<b>(6 647)</b>

### 5.2 Programme expenditure

Programme Name	2015/16			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	41 904	40 330	1 574	35 556	35 529	27
Integrated Economic Development Services	54 968	53 802	1 166	59 622	59 269	353
Trade and Sector Development	176 622	171 451	5 171	236 595	235 959	636
Business Regulation & Governance	50 137	49 778	359	49 123	49 123	–
Economic Planning	25 816	24 997	819	41 239	41 014	225
Tourism, Arts & Entertainment	40 271	39 882	389	45 137	45 099	38
Skills Development & Innovation	54 545	52 544	2 001	43 024	43 015	9
<b>Total</b>	<b>444 263</b>	<b>432 784</b>	<b>11 479</b>	<b>510 296</b>	<b>509 008</b>	<b>1 288</b>



### 5.3 Transfer payments to public entities

The table below reflects the transfer payments made for the period 1 April 2015 to 31 March 2016.

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity	Reasons for the funds unspent by the entity
		R'000	R'000		
Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro)	For the establishment and operationalisation of the Western Cape Investment Centre.	R2 500	R0	See Part B: Programme 2: Integrated Economic Development Services	Cape Investment Centre was finalised as a Khulisa deliverable for implementation. On this basis, the Transfer Payment was effected during the 4th Quarter of the 15/16 financial year.
Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro)	Wesgro is the official Destination Marketing, Investment and Trade Promotion Agency for the Western Cape, located in Cape Town.	R22 400	R22 400	See Part B: Programme 3: Trade and Sector Development.	
The Saldanha Bay Industrial Development Zone (SBIDZ)	To support the functioning of the governance structures constituted to oversee and manage the planning and implementation of the Saldanha Bay IDZ project.	R28 958	R28 958	See Part B: Programme 3: Strategic Initiatives.	N/A
Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro)	For the establishment/ expansion of direct air routes into Africa.	R4 000	R2 073	See Part B: Programme 3: Strategic Initiatives.	Delays in bilateral negotiations between countries and with airline carrier.
Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro)	Cape Health Technology Park	300	R0	See Part B: Programme 3: Strategic Initiatives.	Funding was transferred in March and therefore spend could not be fully effected.
Western Cape Liquor Authority (WCLA)	The WCLA is responsible for the regulation of the micro manufacturing and retail sale of liquor by liquor license holders, the reduction of illegal liquor trading and the promotion of responsible use of liquor within the Western Cape.	R38 733	R38 733	See Part B: Programme 4: Business Regulation and Governance.	
Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro)	Wesgro is the official Destination Marketing, Investment and Trade Promotion Agency for the Western Cape, located in Cape Town.	R28 300	R24 384	See Part B: Programme 6: Tourism, Arts and Entertainment.	Roll over requested: Commitments: R876 and Requests R3 040 Total R3 915

## 5.4 Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2015 to 31 March 2016.

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with section 38(1)(j) of the PFMA?	Amount transferred R'000	Amount spent by the entity R'000	Reasons for the funds unspent by the entity
<b>Programme 2: Integrated Economic Development Services</b>						
National Empowerment Fund	Non Profit Institution	Financial support for qualifying small enterprises and cooperatives.	Yes	6 448	3 463	The Transfer Payment Agreement came into effect in December 2015. The NEF was only able to market the product as from January 2016 which impacted on the uptake of low cost funds by SMMEs. This is an on-going initiative and will continue in 2016/17.
Cape Capital Fund (Various Enterprises)	Private Enterprises	Financial assistance to qualifying SMMEs to support interventions aimed at improving access to markets.	N/A	2 831	2 831	
Households	Households	Financial support for the winners of the PERA 2015.	N/A	1 974	1 974	
<b>Programme 3: Trade and Sector Development</b>						
BPesa	Non Profit Institution	To fund cluster facilitation, sector growth and a contribution toward operational costs.	Yes	R3 000	R2 689	Most of the funding was spent and the balance will contribute towards the operational expenditure in the beginning of the next financial year.
Cape Craft and Design Institute	Non Profit Institution	To fund cluster facilitation, sector growth and a contribution toward operational costs.	Yes	R2 500	R2 500	Funds were spent on operational costs.

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with section 38(1)(j) of the PFMA?	Amount transferred R'000	Amount spent by the entity R'000	Reasons for the funds unspent by the entity
<b>Programme 3: Trade and Sector Development (continued)</b>						
Cape Clothing and Textile Cluster	Non Profit Institution	To fund cluster facilitation, sector growth and a contribution toward operational costs.	Yes	R1 500	R1 496	Funds were spent on operational costs.
Cape IT Initiative	Non Profit Institution	To fund cluster facilitation, sector growth and a contribution toward operational costs.	Yes	R2 500	R2 181	Most of the funding was spent and the balance will contribute towards the operational expenditure in the beginning of the next financial year.
Cape Town Fashion Council	Non Profit Institution	To fund cluster facilitation, sector growth and a contribution toward operational costs.	Yes	R1 500	R1 497	Funds were spent on operational costs.
Clotex	Non Profit Institution	To fund cluster facilitation, sector growth and a contribution toward operational costs.	Yes	R1 000	R433	Delays in transfer payments due to change in management. There last transfer payment was made in February 2016.
South African Oil and Gas Alliance	Non Profit Institution	To fund cluster facilitation, sector growth and a contribution toward operational costs.	Yes	R7 000	R6 943	Funds were spent on operational costs.
Western Cape Fine Food Initiative	Non Profit Institution	To fund cluster facilitation, sector growth and a contribution toward operational costs.	Yes	R3 000	R2 827	Funds were spent on operational costs.

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with section 38(1)(j) of the PFMA?	Amount transferred R'000	Amount spent by the entity R'000	Reasons for the funds unspent by the entity
<b>Programme 3: Trade and Sector Development (continued)</b>						
Western Cape Tooling Initiative	Non Profit Institution	To fund cluster facilitation, sector growth and a contribution toward operational costs.	Yes	R1 000	R809	Most of the funding were spent and the balance will contribute towards their operational expenditure in the beginning of the next financial year.
Genesis Comm IT Initiative	Non Profit Institution	Operational funding for ICAN Elsies River.	Yes	R750	R750	N/A
Cape Digital Foundation	Non Profit Institution	Operational funding for the CDF.	Yes	R700	R700	N/A
Cape Craft and Design Institute	Non Profit Institution	To support the Design Eco-system programme and design in infrastructure.	Yes	R4 000	R4 000	N/A
Cape IT Initiative	Non Profit Institution	Operational funding for Bandwidth barn Khayelitsha.	Yes	R500	R290	Due to delays in establishment/ set up costs in 2014/15, some of the costs carried into 2015/16. Some of the capacity left during 2015 causing further budget savings.
Convenco	Non Profit Institution	For the expansion of the Cape Town International Convention Centre.	Yes	R15 000	R15 000	N/A
Green Cape	Non Profit Institution	To fund cluster facilitation, sector growth and a contribution toward operational costs.	Yes	R16 480	R14 760	An amount of R1 719 785 was unspent as at 31 March 2016. An increase in transfer payment in March (R1 480 000) was intended to cover expenditure on programmes in April and May 2016. Funding was fully spent as at 17 May 2016.

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with section 38(1)(j) of the PFMA?	Amount transferred R'000	Amount spent by the entity R'000	Reasons for the funds unspent by the entity
<b>Programme 5: Economic Planning</b>						
Western Cape Economic Development Partnership	Non Profit Institution	To execute the Provincial Government's growth strategy mandate, i.e. create opportunities for growth and jobs.	Yes	R7 000	R7 000	N/A
<b>Programme 7: Skills Development and Innovation</b>						
Households	Households	To facilitate the payment of beneficiary stipends.	Yes	R10 800	R10 751	Project deliverables go beyond financial years and accommodate the academic years.
Western Cape Tooling Initiative	Non Profit Institution	To facilitate the payment of beneficiary stipends, monitoring progress on technical assessments and facilitating CBMT.	Yes	R1 200	R436	Project deliverables go beyond financial years and accommodate the academic years.
Cape IT Initiative	Non Profit Institution	To facilitate Java (ICT) training as a partnership between DEDAT, Oracle, CITI and MICT Seta	Yes	R615	R61.7	Project deliverables go beyond financial years and accommodate the academic years.

The table below reflects the transfer payments which were budgeted for in the period 1 April 2015 to 31 March 2016:

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for R'000	Amount transferred R'000	Reasons why funds were not transferred
Cape Capital Fund (Various Enterprises)	Private Enterprises	3 000	2 831	Lower than anticipated uptake by businesses.

## 5.5 Conditional grants and earmarked funds paid

Not Applicable

## 5.6 Conditional grants and earmarked funds received

The Department received no conditional grants during the 2015/16 financial year. However, as part of its Annual Appropriation, additional earmarked funds were received for the following:

- a) R19.984 million was received for the purpose of supporting the Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro) in terms of their core function of attracting foreign direct investment, enhancing trade (with a focus on the prioritised sectors), investigating alternative markets and aiming for international best practice in destination marketing, trade and investment promotion.
- b) An amount of R14.331 million was earmarked for to support the Broadband Stream 2 Initiatives.
- c) The Saldanha Bay IDZ received an allocation of R28.958 million to support the functioning of the governance structures constituted to oversee and manage the planning and implementation of the Saldanha Bay IDZ project.
- d) R80.000 million was allocated for the expansion of the Cape Town International Convention Centre (CTICC).
- e) An amount of R7.000 million was appropriated to support the operations of the Western Cape Economic Development Partnership (WCEDP) during the 2014/15 financial year.

## 5.7 Donor funds received

During the financial year, the Department received funding from three sources for the advancement of skills amongst youth programmes. These funders were the Development Bank of South Africa (DBSA), the Manufacturing, Engineering and Related Services Sector Education and Training Authority (merSETA) and the Wholesale and Retail Sector Education and Training Authority (W&RSETA). These donor funds were used to supplement the Work and Skills Programme.

### Donor Fund 1: Development Bank of South Africa

Name of donor	Development Bank of South Africa
Full amount of the funding (R'000)	R16 805
Period of the commitment	
Purpose of the funding	To support the Work and Skills Programme
Expected outputs	
Actual outputs achieved	
Amount received in current period (R'000)	
Amount spent by the Department (R'000)	R3 371
Reasons for the funds unspent	
Monitoring mechanism by the donor	Project implementation monitoring plan

### Donor Fund 2: Wholesale and Retail SETA (W&R Seta)

Name of donor	Wholesale and Retail Seta
Full amount of the funding (R'000)	R270
Period of the commitment	
Purpose of the funding	Recruitment, training, work placement and mentoring of unemployed youth
Expected outputs	
Actual outputs achieved	
Amount received in current period (R'000)	
Amount spent by the Department (R'000)	
Reasons for the funds unspent	
Monitoring mechanism by the donor	Monitoring reports

### Donor Fund 3: MERSETA

Name of donor	MERSETA
Full amount of the funding (R'000)	R4 176
Period of the commitment	
Purpose of the funding	The aim of the co-operation contemplated between merSETA and DEDAT is directed at prioritising the development of skills within the Province
Expected outputs	200 apprentices trained and trade tested
Actual outputs achieved	
Amount received in current period (R'000)	R4 176
Amount spent by the Department (R'000)	
Reasons for the funds unspent	
Monitoring mechanism by the donor	Quarterly reports  Quarterly progress review meetings to discuss the progress of the project

### 5.8 Capital investment, maintenance and asset management plan

#### Provide commentary on the following:

- **Progress made on implementing the capital, investment and asset management plan.**  
Not applicable
- **Infrastructure projects which have been completed in the current year and the progress in comparison to what was planned at the beginning of the year. Provide reasons for material variances (2% variance)**  
Not applicable
- **Infrastructure projects that are currently in progress (list projects) and when are they expected to be completed.**  
Assets will be replaced in terms of the asset management policy. In comparison to the previous financial year, the Department will continue with the restructuring of floors and offices during the financial year 2016/17.
- **Plans to close down or down-grade any current facilities**  
Not applicable
- **Progress made on the maintenance of infrastructure**  
Not applicable
- **Developments relating to the above that are expected to impact on the Department's current expenditure.**  
Not applicable
- **Details as to how asset holdings have changed over the period under review, including information on disposals, scrapping and loss due to theft**  
  
During the financial year 2015/16 the Department reviewed the recognition criteria for assets. Based on the review it was found that items that has previously been recognised as assets no longer met the said criteria. The asset base has been reduced by a total of 765.

A total of 313 assets have been disposed of during the 2015/16 financial year.

- **Measures taken to ensure that the Department's asset register remained up-to-date during the period under review**

The asset records are updated on a daily basis, taking into consideration relevant prescripts and asset management guidelines. On a monthly basis the asset register and the BAS system are reconciled to ensure that the register is complete and correct.

- **The current state of the Department's capital assets, for example what percentage is in good, fair or bad condition**

28% is in a good condition

72% is in a fair condition

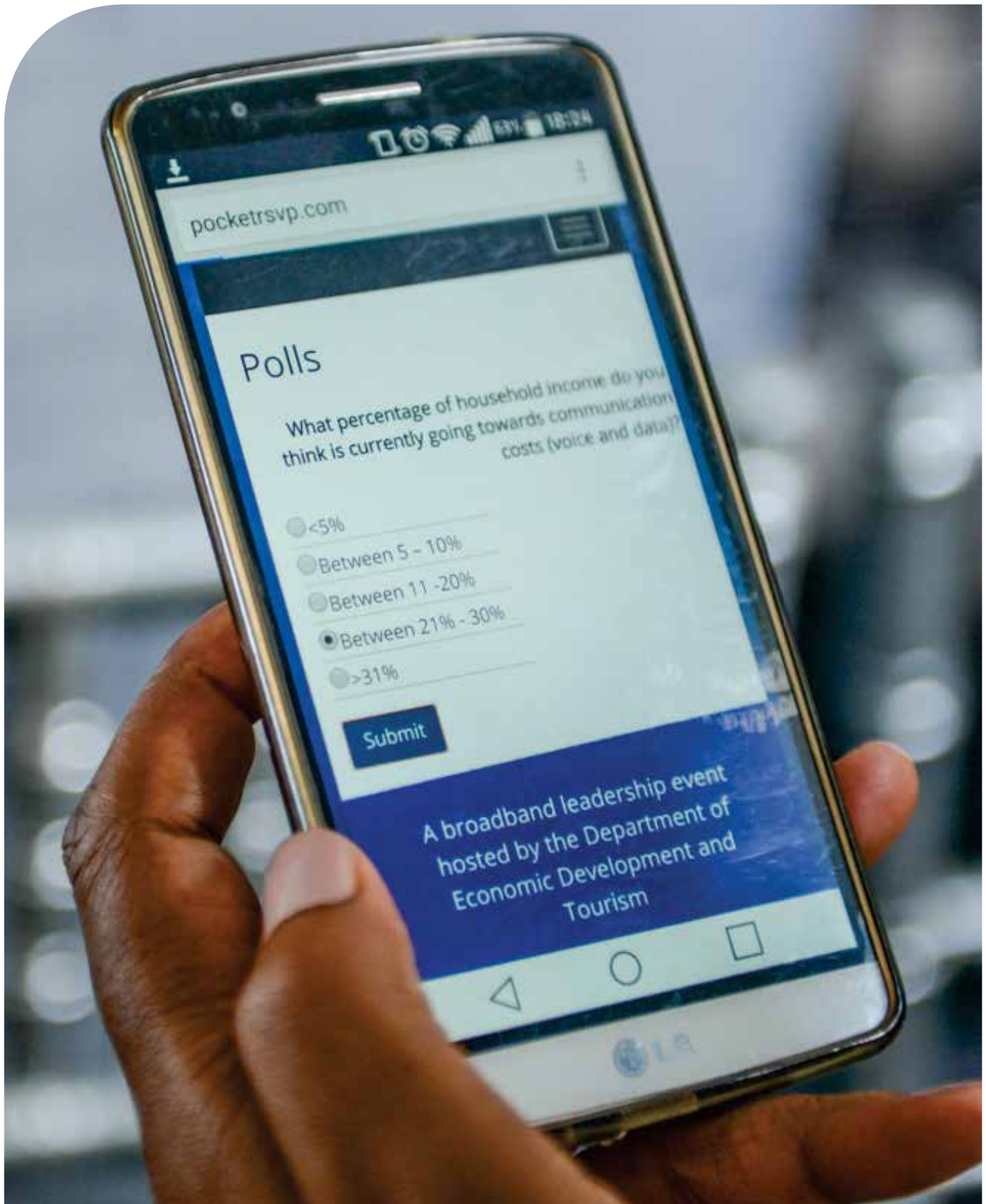
- **Major maintenance projects that have been undertaken during the period under review**

No major maintenance projects have been undertaken during the period under review. Assets are maintained in accordance with the manufactures service booklet, and as required.

- **Progress made in addressing the maintenance backlog during the period under review, for example, has the backlog grown or become smaller? Is the rate of progress according to plan? If not why not, and what measures were taken to keep on track**

Not applicable





## Part C: CORPORATE GOVERNANCE

### 1. INTRODUCTION

The Corporate Governance requirements of the King III report with regards to the Accounting Officer's responsibilities are espoused by section 38 and 40 of the PFMA. Pursuant of this legislative duty and responsibility towards sound governance, the Department has an established and functioning Governance Committee chaired by the Accounting Officer and composed of all senior management members inclusive of provincial partners in the areas of Risk Management, Information Technology, Internal Audit and Forensics. This committee ensures that corporate, ethical and social responsibility and accountability are imparted to the Department's entire stakeholder constituent.

During the 2015/16 financial year, the committee made great advances in the governance areas pertaining to the committee's strategic direction and actuality of its delivery as well as conflict control management of the Department's implementing agents as it relates to transfer payments. This was primarily done due to the maturing of thinking around true governance and the accountability the Department has towards its stakeholders.

The former advance was predominantly executed through the annual review of the committee's terms of reference which, based on its prior years' overhaul to incorporate the nine King III principles and thereby achieving true governance maturity, this year observed the committee's introspection and humble acknowledgement in deciding whether the work associated with truly driving delivery of the principles was practical and realistic. To this end, the principles were intensely and widely deliberated upon to ensure its pragmatism and feasibility. The efficiency gains and ultimate consequence was that the committee developed an actionable and credible plan providing the individual principles with an objective rather than policy status.

In further preservation of the highest standards of governance, the Department pursuant to ensure that all potential conflict of interests exposure are eradicated, initiated and implemented declaration of interests for all departmental officials involved in the transfer payment process. Unlike the high risk and therefore vigorously controlled Supply Chain Management arena, the Transfer Payment type of delivery method has previously not been as legislated. Consequently, the potential for abuse existed. In ensuring coverage for this potential risk and ultimately instilling confidence in government's most valued stakeholder, the public, the Department embarked on this initiative to ensure that the beneficiaries' mandates aligned to the Department's, that they were deserving of state funds and that the process was fair and free of conflict.

### 2. RISK MANAGEMENT

The Accounting Officer (AO) for the Department of Economic Development and Tourism takes responsibility for implementing Enterprise Risk Management (ERM) in accordance with the National Treasury Public Sector Risk Management Framework (PSRMF) and the Directorate Enterprise Risk Management (D:ERM) in the Department of the Premier (DoTP) provides a centralised strategic support service to the Department.

In compliance with the National Treasury Public Sector Risk Management Framework (PSRMF) and to further embed risk management within the Department, the Western Cape Government (WCG) has adopted an ERM Policy Statement which sets out the WCG's overall intention with regard to ERM. The Department adopted an ERM Policy 2015/16 – 2016/17, approved by the Accounting Officer on 30 April 2015; and an ERM Strategy and Implementation Plan for 2015/16, approved by the Accounting Officer on 29 April 2015. The ERM Implementation Plan gave effect to the departmental ERM Policy and Strategy and outlines the roles and responsibilities of management and staff in embedding risk management in the Department.

The Department assessed significant risks that could have an impact on the achievement of its objectives, both strategically and on a programme level, on a quarterly basis. Risks were prioritised based on its likelihood and impact (inherently and residually) and additional mitigations were agreed upon to reduce risks to acceptable levels. New/emerging risks were identified during the quarterly review processes.

The Department established an Enterprise Risk Management Committee (ERMCO) to assist the Accounting Officer in executing his responsibilities relating to risk management. The Committee operated under a Terms of Reference approved by the Accounting Officer on 25 August 2015. ERMCO in the main evaluated the effectiveness of the mitigating strategies implemented to address the risks of the Department and recommended further action where relevant.

The Audit Committee provided the independent oversight of the Department's system of risk management. The Audit Committee was furnished with Quarterly ERM progress reports and departmental risk profiles and registers to execute their independent oversight role. The Audit Committee's evaluation of the risk management process was in relation to the progress of implementation of the ERM Implementation Plan and risks faced by the Department and their relevant risk response/treatment strategies.

### Institutional Performance

The Department of the Premier: Enterprise Risk Management, in partnering with the Department facilitated tailored risk management training to departmental staff during the 2015/2016 financial year. As a widely accepted means to embed cultures, the risk management training and development programme raised considerable awareness amongst staff that do not necessarily operate within the risk management process ambit but unintentionally contributes to it in their daily operations. The programme was thus engineered to orientate and capacitate lower level staff to the value incurred by implementing effective risk management and how this relates to their areas of work.

In addition, the year observed the introduction of risk categorisation and the related setting of risk tolerance levels. The application of the concepts better contextualised risks to risk owners in that it healthily questioned the validity of risks and its evaluation. This in turn resulted in improved risk identification and assessments and thereby increased the integrity of departmental risk profiles.

### 3. FRAUD AND CORRUPTION

The Western Cape Government (WCG) adopted an Anti-Corruption Strategy which confirms the Province's zero tolerance stance towards fraud and corruption. The Department has an approved Fraud Prevention Plan and a Fraud Prevention Implementation plan which gives effect to the Fraud Prevention Plan.

Various channels for reporting allegations of fraud and corruption exist and these are described in detail in the Provincial Anti-Corruption Strategy and the Departmental Fraud Prevention Plan. Each allegation received by the Provincial Forensic Services (PFS) Unit is recorded in a Case Management System which is used as a management tool to report on progress made with cases relating to the Department and generating statistics for the Province and Department.

Employees who blow the whistle on suspicions of fraud, corruption and theft are protected if the disclosure is a protected disclosure (i.e. meets statutory requirements, e.g. was made in good faith). In this regard a transversal Whistle-blowing Policy was approved on 24 February 2016 to provide guidelines to employees on how to raise concerns with the appropriate line management, specific designated persons in the WCG or external institutions, where they have reasonable grounds for believing that offences or improprieties have been or are being perpetrated within the WCG. The opportunity to remain anonymous is afforded to any person who would like to report acts of fraud, theft and corruption and should they do so in person, their identities are kept confidential by the person to whom they are reporting.

Once fraud or corruption is confirmed after completion of an investigation, the relevant employee who participated in these acts is subjected to a disciplinary hearing. In all such instances, the WCG representative initiating the disciplinary proceedings is required to recommend dismissal of the employee concerned. Where *prima facie* evidence of criminal conduct is detected, a criminal matter is reported at the South African Police Services.

PFS issued a Case Movement Certificate reflecting the following movement of cases for the Department during this financial year:

Member	Attended
Open cases as at 1 April 2015	0
New cases reported during 2015/16	0
Closed cases (2015/16)	0
Referred cases (2015/16)	0
Incorporated cases (2015/16)	0
Reclassified cases (2015/16)	0
Reallocated cases (2015/16)	0
<b>Open cases as at 31 March 2016</b>	<b>0</b>

#### **4. MINIMISING CONFLICT OF INTEREST**

A key corporate governance element is effective conflict of interest management. The Department regards this as an important focus area within Supply Chain Management and the Transfer Payments. Pursuant of this and to achieve conflict of interest coverage and thereby prevention, the Department has for the 2015/16 financial year cemented its stance in terms of ethical service delivery practices and ensured the following:

- a) All departmental bid committee members sign a declaration of interest for each bid/quotation and if any conflict may exist, the relevant members are excused from the meeting. This declaration also mitigates any potential confidentiality issues that may arise.
- b) Suppliers are required to complete a WCBD4 document, which requires them to disclose any family members that are involved in the procurement process or employed in the Department. The information on the WCBD 4 is verified by the Department prior to the evaluation of a bid or quotation.
- c) Declarations of interest completed by all staff inviting quotations for procurement between R0 to R10 000.
- d) Declarations of interests completed by all staff involved in transfer payments to beneficiaries during the year.
- e) Vetting of senior management, staff and key suppliers.
- f) Verification of bidders' conduct against the register of tender defaulters.

In addition, for the period under review the Department ensured 100% compliance with The Public Service Regulations (2001), which stipulates that all designated employees in the public service, must disclose the particulars of their financial interest on an annual basis to the relevant Executive Authority.

#### **5. CODE OF CONDUCT**

A code of conduct for Supply Chain Management (SCM) was developed to ensure that SCM officials undertake fiduciary duties when undertaking their normal duties. All supply chain management officials sign a code of conduct upon their assumption of duty. The content of the code of conduct is discussed in detail with each official so that they are aware of the serious nature of the document.

In order to promote a standard of professional ethics in the workplace, the Department ensured that all new staff members attend an induction programme, which addresses the Code of Conduct and encourages staff to think and behave ethically.

#### **6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES**

In terms of section 8 (1) of the Occupational Health and Safety Act, every employer shall provide and maintain a working environment that is safe and without risk to the health of his/her employees, has a dedicated Security Manager and Security Committee (OHSC) at the Department of Economic Development, Waldorf Building.

The health and safety goal of the Department is to reduce work-related injuries and accidents resulting in injury and damage to property. The Department developed and approved an Occupational Business Continuity Plan to deal with contingencies matters.

During the period under review a dedicated Manager has been appointed to represent the Department on the Western Cape Government Transversal Safety and Security Managers Forum, which monitors the implementation of security measures across departments.

The Occupational Health Safety Committee (OHS) held regular meetings and submitted OHS minutes and reports with the relevant recommendations to rectify shortcomings after compliances audits in the buildings were conducted.

Two prescribed evacuations exercises were conducted (one announced and one unannounced). We have done both evacuations under eleven minutes. Four prescribed Occupational Health and Safety meetings were held.

New OHS Officers were appointed during the review period (e.g. Floor Marshalls, First Aiders and Fire Marshalls). All officers received appointment letters as well as safety equipment as prescribed.

## 7. SCOPA RESOLUTIONS

There were no SCOPA resolutions for the 2015/16 financial year.

## 8. PRIOR MODIFICATIONS TO AUDIT REPORTS

There were no prior year modifications to the audit report.

## 9. INTERNAL CONTROL UNIT

The control environment is the foundation for all other components of internal control. The governance committee and senior management establish the tone at the top regarding the importance of internal control and the expected standards of conduct. The control environment provides discipline, process and structure. The control environment is supported by policies and procedures developed within the Department. These policies and procedures are monitored by various assurance providers including the Auditor General, Provincial Treasury, Internal Audit and the Internal Control Unit.

The expected responsibilities within the Internal Control Unit are detailed in the operational plan and are informed by various mediums. The Internal Control Unit have translated these responsibilities within the operational plan, into standard operating procedures, working papers and/or checklists to assist in the monitoring and reporting of internal control deficiencies and cases of non-compliance.

For the 2015/16 financial year the Internal Control Unit conducted inspections on compliance and financial information. In this regard, we conducted inspections on all payments for supply chain management and transfer payments, asset reconciliation, financial leases, revenue, interim and annual financial statements.

## 10. INTERNAL AUDIT AND AUDIT COMMITTEES

Internal Audit provides management with independent, objective assurance and consulting services designed to add value and to continuously improve the operations of the Department. It assists the Department to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of Governance, Risk Management and Control processes.

The following key activities are performed in this regard:

- Assess and make appropriate recommendations for improving the governance processes in achieving the Department's objectives;
- Evaluate the adequacy and effectiveness and contribute to the improvement of the risk management process;
- Assist the Accounting Officer in maintaining efficient and effective controls by evaluating those controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement.

### **The following assurance engagements were approved and completed in the 2015/16 Internal Audit Plan:**

- Transfer Payments
- Supply chain management
- Strategic cohesion

The Audit Committee is established as oversight bodies, providing independent oversight over governance, risk management and control processes in the Department, which include oversight and responsibilities relating to:

- Internal Audit function;
- External Audit function (Auditor General of South Africa - AGSA);
- Departmental Accounting and reporting;
- Departmental Accounting Policies;
- Review of AGSA management and audit report;
- Review of Departmental In year Monitoring;
- Departmental Risk Management;
- Internal Control;
- Pre-determined objectives;
- Ethics and Forensic Investigations.

The table below discloses relevant information on the audit committee members:

Name	Qualifications	Internal or external	If internal, position in the Department	Date appointed	Date Resigned	No. of Meetings attended
Ms J Gunther	CIA; AGA; Masters in Cost Accounting; BCompt; CRMA	External	N/A	01 January 2016 (2nd term)	N/A	8
Mr Ronnie Kingwill	CA (SA); CTA; BCom	External	N/A	01 January 2013 (2nd term)	2nd term expired 31 December 2015	6
Mr Francois Barnard	MComm (Tax); CA (SA); Postgrad Diploma in Auditing; CTA BCompt (Honours); BProc	External	N/A	01 January 2016 (2nd term)	N/A	8
Mr Burton Van Staaden	CA (SA), Postgraduate Certificate in Auditing; CTA; BCom (Honours)	External	N/A	01 January 2015 (2nd term)	N/A	7
Mr Kerry Larkin	CRMA; CCSA; CIA; BCompt; ND: FIS	External	N/A	01 January 2013 (2nd term)	2nd term expired 31 December 2015	5
Ms M Kinnes	BA; LLB; Attorney of the High Court of SA.	External	N/A	1 January 2016	N/A	1

## 11. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2016.

### **Audit Committee Responsibility**

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

### **The Effectiveness of Internal Control**

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the Department revealed certain weaknesses, which were then raised with the Department.

The following internal audit work was completed during the year under review:

- Transfer Payments
- Supply chain management
- Strategic cohesion

The areas of concern will be completed by the Audit Committee subsequent to the fourth quarter meeting and evaluation of financial statements.

### **In-Year Management and Monthly/Quarterly Report**

The Department has reported monthly and quarterly to the Treasury as is required by the PFMA.

### **Evaluation of Financial Statements**

We have reviewed the annual financial statements prepared by the Department.

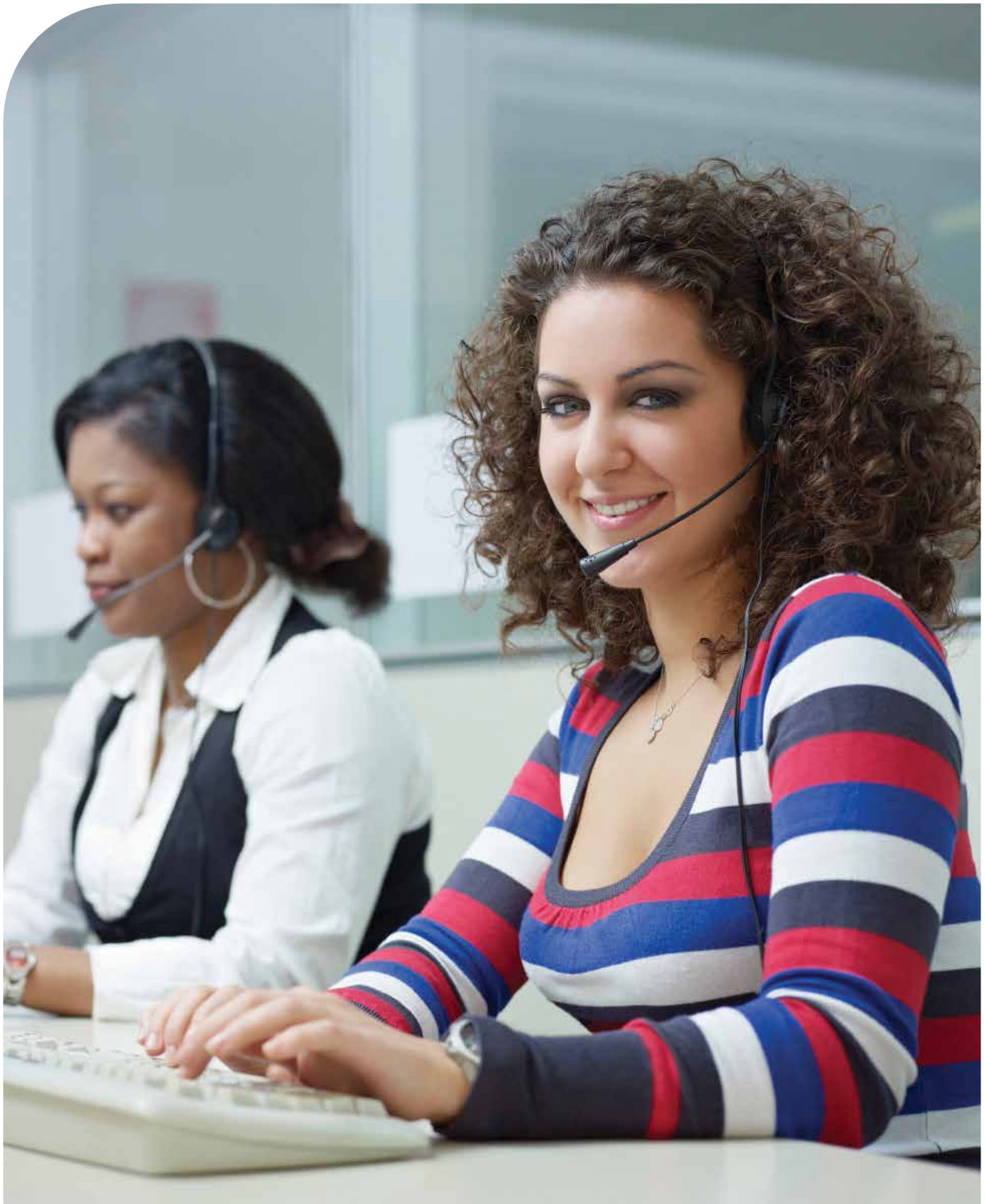
### **Auditor General's Report**

We have reviewed the Department's implementation plan for audit issues raised in the previous year and we are satisfied that the matters have been adequately resolved. Further commentary will be provided subsequent to the final audit report.

The Audit Committee will record its concurrence and/or acceptance of the conclusions of the Auditor-General on the Annual Financial Statements subsequent to the review of the Audit Report and Audited Financial Statements.



**Ms Judy Gunther**  
**Chairperson of the Economic Cluster Audit Committee**  
**Department of Economic Development and Tourism**  
**August 2016**



## Part D: HUMAN RESOURCE MANAGEMENT



## PART D: HUMAN RESOURCE MANAGEMENT

### 1. LEGISLATION THAT GOVERNS PEOPLE MANAGEMENT

The information provided in this part is prescribed by the Public Service Regulations (Chapter 1, Part III J.3 and J.4).

In addition to the Public Service Regulations, 2001 (as amended on 01 March 2013), the following prescripts direct People Management within the Public Service:

- **Occupational Health and Safety Act (Act 85 of 1993) (amended by Act 181 of 1993)**  
To provide for the health and safety of persons at work and for the health and safety of persons in connection with the use of plant and machinery; the protection of persons other than persons at work against hazards to health and safety arising out of or in connection with the activities of persons at work; to establish an advisory council for occupational health and safety; and to provide for matters connected therewith.
- **Public Service Act (Act 103 of 1994) (amended by Act 30 of 2007)**  
To provide for the organisation and administration of the public service of the Republic, the regulation of the conditions of employment, terms of office, discipline, retirement and discharge of members of the public service, and matters connected therewith.
- **Labour Relations Act (Act 66 of 1995) (amended by Act 6 of 2014)**  
To regulate and guide the employer in recognising and fulfilling its role in effecting labour peace and the democratisation of the workplace; as well as to provide a framework in which employees and their trade unions, employers and employer organisations can bargain collectively and formulate industrial policy; and to promote orderly collective bargaining (also at sectoral level), employee participation in decision-making in the workplace (i.e. the establishment of workplace forums) and the effective resolution of labour disputes.
- **Basic Conditions of Employment Act (Act 75 of 1997) (amended by Act 20 of 2013)**  
To give effect to the right to fair labour practices referred to in section 23(1) of the Constitution by establishing and making provision for the regulation of basic conditions of employment; and thereby to comply with the obligations of the Republic as a member state of the International Labour Organisation; and to provide for matters connected therewith.
- **Skills Development Act (Act 97 of 1998) (amended by Act 26 of 2011)**  
To provide an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce; to integrate those strategies within the National Qualifications Framework contemplated in the South African Qualifications Authority Act, 1995; to provide for learnerships that lead to recognised occupational qualifications; to provide for the financing of skills development by means of a levy-grant scheme and a National Skills Fund; to provide for and regulate employment services; and to provide for matters connected therewith.
- **Employment Equity Act (Act 55 of 1998) (amended by Act 47 of 2013)**  
To promote equality, eliminate unfair discrimination in employment and to ensure the implementation of employment equity measures to redress the effects of unfair discrimination; to achieve a diverse and efficient workforce broadly representative of the demographics of the province.
- **Public Finance Management Act (Act 1 of 1999) (amended by Act 29 of 1999)**  
To regulate financial management in the national government and provincial governments; to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in those governments; and to provide for matters connected therewith.
- **Skills Development Levy Act (Act 9 of 1999) (amended by Act 24 of 2010)**  
To provide for the imposition of a skills development levy; and for matters connected therewith.
- **Promotion of Access to Information Act (Act 2 of 2000) (amended by Act 54 of 2002)**  
To give effect to the constitutional right of access to any information held by the State and any information that is held by another person and that is required for the exercise or protection of any rights; and to provide for matters connected therewith.
- **Promotion of Administrative Justice Act (Act 3 of 2000) (PAJA) (amended by Act 53 of 2002)**  
To give effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to written reasons for administrative action as contemplated in section 33 of the Constitution of the Republic of South Africa, 1996; and to provide for matters incidental thereto.

## 2. INTRODUCTION

### The Value of People in the Department

People are a key element in achieving the strategic objectives of the Department. It is through their efforts that the mandate of the Department is realised and that value-adding services are provided to citizens. In order to ensure sustained improvement in the way the Department conducts its business, it is important that suitable people, with the appropriate skills, competence and understanding of the provincial and departmental service delivery approach, are employed.

Planning for the consistent availability of the appropriate skills, at the right place and at the right time is often complex, as the Department has to contend with increasing budgetary constraints and dire skills shortages, especially in the highly technical and specialised occupations.

By means of workforce planning the Department has identified the current and future workforce needs and flagged the potential challenges that could impact on the achievement of the Department's strategic objectives.

### Overview of People Management matters at the Department

#### Workforce planning framework and key strategies to attract and retain a skilled and capable workforce

HR planning priorities	Level of risk	Outcomes	Approach to mitigate risk and achieve outcome
<b>Training and Development</b>	<b>H</b>	To create a learning organisation with a focus on scarce and critical skills.  Availability of a pool of competent employees ready to fill vacant positions.	Training and development informed by current and future skills needs.
<b>Recruitment and Selection</b>	<b>H</b>	Reduced time frames to fill advertised posts.  Reduced vacancy rate and more efficient recruitment & selection process.  The Department recognised as an "Employer of choice".	Improve recruitment and selection processes and turn-around time for the filling of posts.
<b>EE / Diversity</b>	<b>H</b>	A diverse workforce with equal opportunities for all.	EE the context of fit for purpose and PSG 5.
<b>Succession Planning and Career Development</b>	<b>H</b>	To ensure the availability of a pipeline of successors for key or critical positions.  Succession planning ensures continuity of organisational success.	The implementation of continued transferral of institutional memory and capacity building of employees.
<b>Retention</b>	<b>H</b>	A consistent and stable workforce.	The implementation of strategies and practices that would aid in the retention of employees and skills.

H- High

## Employee Performance Management Framework

One of the cornerstones of the Staff Performance Management System is the basic requirement that all employees are obliged to do what is expected of them. These expectations and the required performance standards are concretised by means of job descriptions, performance agreements, business plans and/or service level agreements. Rewards and incentives are therefore only granted for work that qualitatively and quantitatively surpasses work for which employees are remunerated.

Employees who are nominated for performance bonuses are assessed by moderation panels, who then examine the evidence of superior performance. Under-performing staff members, on the other hand, are required to complete the actions stipulated in a Performance Improvement Plan. These are closely monitored to ensure absolute compliance with acceptable performance standards.

The framework also seeks to promote a positive workplace culture that encourages formal and informal discussions about performance quality, lead practice and continuous individual improvement.

This system sets the framework in which both the employer and employee can equally realise their goals and objectives to ensure the achievement of PSG 5, namely to *Embed good governance and integrated service delivery through partnerships and spatial alignment*.

## Employee Wellness

Developing a wellness culture in the Department is of strategic importance to ensure that employees achieve optimum levels of performance while feeling cared for and supported in the work context. The WCG's transversal Employee Health and Wellness Programme (EHW) follows a holistic approach to employee wellbeing and is largely preventative in nature, offering both primary and secondary services. The EHW Programme is monitored in the Department through monthly utilisation reports for primary services (24/7/365 telephonic counselling service, online e-Care service and reporting) and secondary services (face-to-face counselling, trauma and critical incidents, training and targeted intervention, executive coaching, advocacy).

A quarterly report is prepared by the Directorate: Organisational Behaviour within the Corporate Service Centre that provides a trend analysis of utilisation, risk identification and its impact on productivity. Furthermore, on-going reporting to the Department of Public Service and Administration (DPSA) is a requirement and such reporting focuses on four areas namely, HIV/AIDS, Health and Productivity, Wellness Management and SHEQ (Safety Health Environment and Quality).

## 3. PEOPLE MANAGEMENT OVERSIGHT STATISTICS

### 3.1 Personnel related expenditure

The following tables summarise final audited expenditure by programme (Table 3.1.1) and by salary bands (Table 3.1.2).

The figures in Table 3.1.1 are drawn from the Basic Accounting System and the figures in Table 3.1.2 are drawn from the PERSAL [Personnel Salary] system. The two systems are not synchronised for salary refunds in respect of staff appointments and resignations and/or transfers to and from other departments. This means there may be a difference in the total expenditure reflected on these systems.

**The key in the table below is a description of the Programmes within the Department. Programmes will be referred to by their number from this point forward.**

Programme	Programme Designation
Programme 1	Administration
Programme 2	Integrated Economic Development Services
Programme 3	Trade and Sector Development
Programme 4	Business Regulation and Governance
Programme 5	Economic Planning
Programme 6	Tourism Art and Entertainment
Programme 7	Skills Development and Innovation

**Table 3.1.1: Personnel expenditure by programme, 2015/16**

Programme	Total Expenditure (R'000)	Personnel Expenditure	Training Expenditure	Goods & Services	Personnel expenditure as a % of total expenditure	Average personnel expenditure per employee	Number of Employees
		(R'000)	(R'000)	(R'000)		(R'000)	
Programme 1	40 330	22 264	764	14 402	55.2	265	84
Programme 2	53 802	16 793	141	22 908	31.2	410	41
Programme 3	171 451	21 365	50	33 080	12.5	411	52
Programme 4	49 778	8 336	4	2 606	16.7	333	25
Programme 5	24 997	10 133	38	7 488	40.5	247	41
Programme 6	39 882	9 594	138	1 427	24.1	417	23
Programme 7	52 544	9 744	172	30 147	18.5	487	20
<b>Total</b>	<b>432 784</b>	<b>98 229</b>	<b>1 307</b>	<b>112 058</b>	<b>22.7</b>	<b>344</b>	<b>286</b>

**Note:** The number of employees refers to all individuals remunerated during the reporting period, including interns, but excluding the Minister.

**Table 3.1.2: Personnel expenditure by salary band, 2015/16**

Salary bands	Personnel Expenditure (R'000)	% of total personnel expenditure	Average personnel expenditure per employee (R'000)	Number of Employees
Lower skilled (Levels 1-2)	1 500	1.5	40	38
Skilled (Levels 3-5)	5 119	5.2	160	32
Highly skilled production (Levels 6-8)	25 533	25.8	246	104
Highly skilled supervision (Levels 9-12)	50 329	50.9	530	95
Senior management (Levels 13-16)	16 319	16.5	960	17
<b>Total</b>	<b>98 800</b>	<b>100.0</b>	<b>346</b>	<b>286</b>

**Note:** The number of employees refers to all individuals remunerated during the reporting period, including interns, but excluding the Minister.

The following tables provide a summary per programme (Table 3.1.3) and salary bands (Table 3.1.4), of expenditure incurred as a result of salaries, overtime, housing allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel expenditure that was used for these items.

**Table 3.1.3: Salaries, Overtime, Housing Allowance and Medical Assistance by programme, 2015/16**

Programme	Salaries		Overtime		Housing Allowance		Medical Assistance	
	Amount	Salaries as a % of personnel expenditure	Amount	Overtime as a % of personnel expenditure	Amount	Housing Allowance as a % of personnel expenditure	Amount	Medical Assistance as a % of personnel expenditure
	(R'000)		(R'000)		(R'000)		(R'000)	
Programme 1	16 854	17.1	83	0.1	357	0.4	832	0.8
Programme 2	11 897	12.0	–	–	240	0.2	433	0.4
Programme 3	15 354	15.5	–	–	326	0.3	495	0.5
Programme 4	6 117	6.2	–	–	137	0.1	238	0.2
Programme 5	7 772	7.9	20	0.02	151	0.2	239	0.2
Programme 6	5 961	6.0	–	–	151	0.2	234	0.2
Programme 7	6 464	6.5	–	–	70	0.1	190	0.2
<b>Total</b>	<b>70 419</b>	<b>71.3</b>	<b>103</b>	<b>0.1</b>	<b>1 430</b>	<b>1.4</b>	<b>2 661</b>	<b>2.7</b>

**Note:** The table above does not make provision for other expenditure such as Pensions, Performance Bonus and other allowances, which make up the total personnel expenditure. Therefore, Salaries, Overtime, Housing Allowance and Medical Assistance amount to 75.5% of the total personnel expenditure.

**Table 3.1.4: Salaries, Overtime, Housing Allowance and Medical Assistance by salary band, 2015/16**

Salary Bands	Salaries		Overtime		Housing Allowance		Medical Assistance	
	Amount	Salaries as a % of personnel expenditure	Amount	Overtime as a % of personnel expenditure	Amount	Housing Allowance as a % of personnel expenditure	Amount	Medical Assistance as a % of personnel expenditure
	(R'000)		(R'000)		(R'000)		(R'000)	
Lower skilled (Levels 1-2)	1 395	1.4	1	0.001	14	0.01	9	0.01
Skilled (Levels 3-5)	3 481	3.5	16	0.02	152	0.2	281	0.3
Highly skilled production (Levels 6-8)	19 165	19.4	62	0.1	621	0.6	1 328	1.3
Highly skilled supervision (Levels 9-12)	36 468	36.9	24	0.02	465	0.5	980	1.0
Senior management (Levels 13-16)	9 910	10.0	–	–	179	0.2	63	0.1
<b>Total</b>	<b>70 419</b>	<b>71.3</b>	<b>103</b>	<b>0.1</b>	<b>1 430</b>	<b>1.4</b>	<b>2 661</b>	<b>2.7</b>

### 3.2 Employment and vacancies

The following tables summarise the number of active posts on the establishment, the number of employees, and the percentage active vacant posts as at the end of the financial year. This information is presented in terms of three key variables, namely: Programme (Table 3.2.1), Salary Band (Table 3.2.2) and Critical Occupations (Table 3.2.3). Table 3.2.3 provides establishment and vacancy information for the key critical occupations of the Department.

**Table 3.2.1: Employment and vacancies by programme, as at 31 March 2016**

Programme	Number of active posts	Number of posts filled	Vacancy rate %
Programme 1	76	62	18.4%
Programme 2	33	28	15.2%
Programme 3	40	37	7.5%
Programme 4	17	17	0.0%
Programme 5	22	21	4.5%
Programme 6	18	18	0.0%
Programme 7	19	16	15.8%
<b>Total</b>	<b>225</b>	<b>199</b>	<b>11.6%</b>

**Table 3.2.2: Employment and vacancies by salary band, as at 31 March 2016**

Salary Band	Number of active posts	Number of posts filled	Vacancy rate %
Lower skilled (Levels 1-2)	2	2	0.0%
Skilled (Levels 3-5)	27	25	7.4%
Highly skilled production (Levels 6-8)	79	75	5.1%
Highly skilled supervision (Levels 9-12)	94	83	11.7%
Senior management (Levels 13-16)	23	14	39.1%
<b>Total</b>	<b>225</b>	<b>199</b>	<b>11.6%</b>

**Note:** The information in each case reflects the situation as at 31 March 2016. An indication of changes in staffing patterns for the year under review is reflected in section 3.4 (Employee Changes) in this report.

**Table 3.2.3: Employment and vacancies by critical occupation, as at 31 March 2016**

Critical Occupations	Number of active posts	Number of posts filled	Vacancy rate %
None	0	0	0

### 3.3 Job evaluation

The Public Service Regulations, 2001 as amended, introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities are required to evaluate each new post in his or her organisation or re-evaluate any post where the post mandate or content has significantly changed. This job evaluation process determines the grading and salary level of a post.

Table 3.3.1 summarises the number of posts that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

**Table 3.3.1: Job evaluation, 1 April 2015 to 31 March 2016**

Salary Band	Total number of posts as at 31 March 2016	Number of posts evaluated	% of posts evaluated	Posts Upgraded		Posts Downgraded	
				Number	Posts upgraded as a % of total posts	Number	Posts downgraded as a % of total posts
Lower skilled (Levels 1-2)	2	0	0.0	0	0.0	0	0.0
Skilled (Levels 3-5)	27	2	0.9	2	0.4	0	0.0
Highly skilled production (Levels 6-8)	79	17	7.6	0	0.0	0	0.0
Highly skilled supervision (Levels 9-12)	94	83	36.9	0	0.0	0	0.0
Senior Management Service Band A (Level 13)	15	0	0.0	0	0.0	0	0.0
Senior Management Service Band B (Level 14)	5	0	0.0	0	0.0	0	0.0
Senior Management Service Band C (Level 15)	2	0	0.0	0	0.0	0	0.0
Senior Management Service Band D (Level 16)	1	0	0.0	1	0.4	0	0.0
<b>Total</b>	<b>225</b>	<b>102</b>	<b>45.3</b>	<b>3</b>	<b>0.9</b>	<b>0</b>	<b>0.0</b>

**Table 3.3.2: Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2015 to 31 March 2016**

Beneficiaries	African	Indian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	2	0	2
<b>Total</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>2</b>
Employees with a disability					<b>0</b>

**Note:** Table 3.3.2 is a breakdown of posts upgraded in table 3.3.1.

Table 3.3.3 summarises the number of cases where salary levels exceeded the grade determined by job evaluation or where higher notches awarded to employees within a particular grade. Reasons for the deviation are provided in each case.

**Table 3.3.3: Employees who have been granted higher salaries than those determined by job evaluation per major occupation, 1 April 2015 to 31 March 2016**

Major Occupation	Number of employees	Job evaluation level	Remuneration on a higher salary level	Remuneration on a higher notch of the same salary level	Reason for deviation
Deputy Director: Skills Programs and Projects	1	11	0	10 notch increase	Attraction
<b>Total</b>					<b>1</b>
Percentage of total employment					0.5

**Table 3.3.4: Profile of employees who have been granted higher salaries than those determined by job evaluation, 1 April 2015 to 31 March 2016**

Beneficiaries	African	Indian	Coloured	White	Total
Female	0	0	1	0	1
Male	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>
Employees with a disability					<b>0</b>

**Note:** Table 3.3.4 is a breakdown of table 3.3.3 by race and gender.



### 3.4 Employment changes

Turnover rates provide an indication of trends in the employment profile of the Department during the year under review. The following tables provide a summary of turnover rates by salary band (Table 3.4.1) and by critical occupation (Table 3.4.2).

**Table 3.4.1: Annual turnover rates by salary band, 1 April 2015 to 31 March 2016**

Salary Band	Number of employees as at 31 March 2015	Turnover rate 2014/15	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate 2015/16 %
Lower skilled (Levels 1-2)	4	0.0	1	0	1	0	25.0
Skilled (Levels 3-5)	47	13.6	6	1	13	2	31.9
Highly skilled production (Levels 6-8)	60	16.1	8	1	6	3	15.0
Highly skilled supervision (Levels 9-12)	87	14.9	6	1	8	3	12.6
Senior Management Service Band A (Level 13)	11	0.0	0	0	2	1	27.3
Senior Management Service Band B (Level 14)	5	0.0	0	0	0	0	0.0
Senior Management Service Band C (Level 15)	1	0.0	0	0	0	0	0.0
Senior Management Service Band D (Level 16)	0	0.0	0	0	0	0	0.0
<b>Total</b>	<b>215</b>	<b>13.7</b>	<b>21</b>	<b>3</b>	<b>30</b>	<b>9</b>	<b>18.1</b>
			<b>24</b>		<b>39</b>		

**Note:** Transfers refer to the lateral movement of employees from one Public Service entity to another.

**Table 3.4.2: Annual turnover rates by critical occupation, 1 April 2015 to 31 March 2016**

Critical Occupation	Number of employees as at 31 March 2015	Turnover rate 2014/15	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate 2015/16 %
None							

**Table 3.4.3: Staff leaving the employ of the Department, 1 April 2015 to 31 March 2016**

Exit Category	Number	% of total exits	Number of exits as a % of total number of employees as at 31 March 2015
Death	0	0.0	0.0
Resignation *	19	48.7	8.8
Expiry of contract	11	28.2	5.1
Dismissal – operational changes	0	0.0	0.0
Dismissal – misconduct	0	0.0	0.0
Dismissal – inefficiency	0	0.0	0.0
Discharged due to ill-health	0	0.0	0.0
Retirement	0	0.0	0.0
Employee initiated severance package	0	0.0	0.0
Transfers to Statutory	0	0.0	0.0
Transfers to other Public Service departments	9	23.1	4.2
<b>Total</b>	<b>39</b>	<b>100.0</b>	<b>18.1</b>

**Note:** Table 3.4.3 identifies the various exit categories for those staff members who have left the employ of the Department.

\* Resignations are further discussed in tables 3.4.4 and 3.4.5.

**Table 3.4.4: Reasons why staff resigned, 1 April 2015 to 31 March 2016**

Resignation Reasons	Number	% of total resignations
Better remuneration	2	10.5
Further studies	1	5.3
Need for a career change	2	10.5
No reason provided	11	57.9
Translation to permanent	3	15.8
<b>Total</b>	<b>19</b>	<b>100.0</b>

**Table 3.4.5: Different age groups of staff who resigned, 1 April 2015 to 31 March 2016**

Age group	Number	% of total resignations
Ages <19	0	0.0
Ages 20 to 24	3	15.8
Ages 25 to 29	7	36.8
Ages 30 to 34	5	26.3
Ages 35 to 39	0	0.0
Ages 40 to 44	3	15.8
Ages 45 to 49	1	5.3
Ages 50 to 54	0	0.0
Ages 55 to 59	0	0.0
Ages 60 to 64	0	0.0
Ages 65 >	0	0.0
<b>Total</b>	<b>19</b>	<b>100.0</b>

**Table 3.4.6 Employee initiated severance packages.**

<b>Total number of employee initiated severance packages offered in 2015/ 16</b>	None
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**Table 3.4.7: Promotions by salary band, 1 April 2015 to 31 March 2016**

Salary bands	Employees as at 31 March 2015	Promotions to another salary level	Promotions as a % of total employees	Progressions to another notch within a salary band	Notch progressions as a % of total employees within a salary band
Lower skilled (Levels 1-2)	4	0	0.0	1	25.0
Skilled (Levels 3-5)	47	0	0.0	32	68.1
Highly skilled production (Levels 6-8)	60	0	0.0	45	75.0
Highly skilled supervision (Levels 9-12)	87	2	2.3	69	79.3
Senior management (Levels 13-16)	17	0	0.0	9	52.9
<b>Total</b>	<b>215</b>	<b>2</b>	<b>0.9</b>	<b>156</b>	<b>72.6</b>

**Table 3.4.8: Promotions by critical occupation, 1 April 2015 to 31 March 2016**

Critical Occupation	Employees as at 31 March 2015	Promotions to another salary level	Promotions as a % of total employees in critical occupations	Progressions to another notch within a critical occupation	Notch progressions as a % of total employees within a critical occupation
None					

### 3.5 Employment equity

**Table 3.5.1: Total number of employees (including employees with disabilities) in each of the following occupational levels, as at 31 March 2016**

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	0	1	0	0	0	0	0	0	0	0	1
Senior management (Levels 13-14)	1	6	0	0	1	4	1	0	0	0	13
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	6	25	1	3	5	31	2	9	1	0	83
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	11	12	1	0	17	30	1	3	0	0	75
Semi-skilled and discretionary decision making (Levels 3-5)	2	3	1	1	6	8	0	3	0	0	24
Unskilled and defined decision making (Levels 1-2)	0	1	0	0	1	1	0	0	0	0	3
<b>Total</b>	<b>20</b>	<b>48</b>	<b>3</b>	<b>4</b>	<b>30</b>	<b>74</b>	<b>4</b>	<b>15</b>	<b>1</b>	<b>0</b>	<b>199</b>
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
<b>Grand total</b>	<b>20</b>	<b>48</b>	<b>3</b>	<b>4</b>	<b>30</b>	<b>74</b>	<b>4</b>	<b>15</b>	<b>1</b>	<b>0</b>	<b>199</b>

A = African; C = Coloured; I = Indian; W = White.

**Note:** The figures reflected per occupational levels include all permanent, part-time and contract employees. Furthermore the information is presented by salary level and not post level.

For the number of employees with disabilities, refer to Table 3.5.2.

**Table 3.5.2: Total number of employees (with disabilities only) in each of the following occupational levels, as at 31 March 2016**

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	0	0	0	0	0	0	0	0	0	0	0
Senior management (Levels 13-14)	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	0	1	0	0	0	0	0	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	0	0	0	0	0	0	0	1	0	0	1
Semi-skilled and discretionary decision making (Levels 3-5)	0	0	0	0	0	1	0	0	0	0	1
Unskilled and defined decision making (Levels 1-2)	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>3</b>
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
<b>Grand total</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>3</b>

A = African; C = Coloured; I = Indian; W = White.

**Note:** The figures reflected per occupational level include all permanent, part-time and contract employees. Furthermore the information is presented by salary level and not post level.

**Table 3.5.3: Recruitment, 1 April 2015 to 31 March 2016**

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	0	0	0	0	0	0	0	0	0	0	0
Senior management (Levels 13-14)	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	0	5	0	0	0	2	0	0	0	0	7
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	1	2	1	0	1	3	0	1	0	0	9
Semi-skilled and discretionary decision making (Levels 3-5)	0	1	0	0	2	4	0	0	0	0	7
Unskilled and defined decision making (Levels 1-2)	0	0	0	0	0	1	0	0	0	0	1
<b>Total</b>	<b>1</b>	<b>8</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>10</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>24</b>
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
<b>Grand total</b>	<b>1</b>	<b>8</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>10</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>24</b>

A = African; C = Coloured; I = Indian; W = White.

**Note:** Recruitment refers to the appointment of new employees to the staff establishment of the Department. The totals include transfers from other government departments and / or institutions, as per Table 3.4.1.

**Table 3.5.4: Promotions, 1 April 2015 to 31 March 2016**

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	0	0	0	0	0	0	0	0	0	0	0
Senior management (Levels 13-14)	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	0	0	0	0	0	2	0	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	0	0	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making (Levels 3-5)	0	0	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making (Levels 1-2)	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
<b>Grand total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>

A = African; C = Coloured; I = Indian; W = White.

**Note:** Promotions refer to the total number of employees who have advanced to a higher post level within the Department, as per Table 3.4.7.

**Table 3.5.5: Terminations, 1 April 2015 to 31 March 2016**

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	0	0	0	0	0	0	0	0	0	0	0
Senior management (Levels 13-14)	0	0	0	2	0	0	0	1	0	0	3
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	2	1	0	1	1	6	0	0	0	0	11
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	1	1	0	0	3	3	0	1	0	0	9
Semi-skilled and discretionary decision making (Levels 3-5)	2	3	0	0	2	8	0	0	0	0	15
Unskilled and defined decision making (Levels 1-2)	0	0	0	0	0	1	0	0	0	0	1
<b>Total</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>3</b>	<b>6</b>	<b>18</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>39</b>
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
<b>Grand total</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>3</b>	<b>6</b>	<b>18</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>39</b>

A = African; C = Coloured; I = Indian; W = White.

**Note:** Terminations refer to those employees who have left the employ of the Department, including transfers to other departments, as per Table 3.4.1.

**Table 3.5.6: Disciplinary actions, 1 April 2015 to 31 March 2016**

Disciplinary actions	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
None											

A = African; C = Coloured; I = Indian; W = White.

**Note:** The disciplinary actions total refers to formal outcomes only and not headcount. For further information on the outcomes of the disciplinary hearings and the types of misconduct addressed at disciplinary hearings, refer to Tables 3.12.2 and Table 3.12.3.

**Table 3.5.7: Skills development, 1 April 2015 to 31 March 2016**

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management (Levels 15-16)	0	0	0	0	0	0	0	0	0
Senior management (Levels 13-14)	1	4	0	0	0	1	1	1	8
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	0	0	0	0	0	2	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	6	7	1	3	4	9	0	4	34
Semi-skilled and discretionary decision making (Levels 3-5)	1	4	0	0	9	20	0	2	36
Unskilled and defined decision making (Levels 1-2)	0	1	0	0	0	1	0	0	2
<b>Total</b>	<b>8</b>	<b>16</b>	<b>1</b>	<b>3</b>	<b>13</b>	<b>33</b>	<b>1</b>	<b>7</b>	<b>82</b>
Temporary employees	0	0	0	0	0	0	0	0	0
<b>Grand total</b>	<b>8</b>	<b>16</b>	<b>1</b>	<b>3</b>	<b>13</b>	<b>33</b>	<b>1</b>	<b>7</b>	<b>82</b>

A = African; C = Coloured; I = Indian; W = White.

**Note:** The above table refers to the total number of employees including interns who have received training during the period under review, and not the number of training interventions attended by individuals. For further information on the actual training provided, refer to Table 3.13.2.

### 3.6 Signing of performance agreements by SMS members

**Table 3.6.1: Signing of Performance Agreements by SMS Members, as at 31 May 2015**

SMS Level	Number of active SMS posts per level	Number of SMS members per level	Number of signed Performance Agreements per level	Signed Performance Agreements as % of SMS members per level
Head of Department	1	1	1	100.0
Salary Level 14	6	5	5	100.0
Salary Level 13	12	10	10	100.0
<b>Total</b>	<b>19</b>	<b>16</b>	<b>16</b>	<b>100.0</b>

**Note:** This table refers to employees who are appointed as Senior Management Service (SMS) members only. Employees who are remunerated higher than a SL12, but who are not SMS members have been excluded. Furthermore, the table reflects post salary details and not the individual salary level of employees. The allocation of performance-related rewards (cash bonus) for SMS members is dealt with later in the report. Refer to Table 3.8.5 in this regard.

**Table 3.6.2: Reasons for not having concluded Performance Agreements with all SMS Members on 31 May 2015**

Reasons for not concluding Performance Agreements with all SMS
None required

**Table 3.6.3: Disciplinary steps taken against SMS Members for not having concluded Performance Agreements on 31 May 2015**

Disciplinary steps taken against SMS Members for not having concluded Performance Agreements
None required

### 3.7 Filling of SMS posts

**Table 3.7.1: SMS posts information, as at 30 September 2015**

SMS Level	Number of active SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Head of Department	1	1	100.0	0	0.0%
Salary Level 15	0	0	0.0	0	0.0%
Salary Level 14	5	5	100.0	0	0.0%
Salary Level 13	9	9	100.0	0	0.0%
<b>Total</b>	<b>15</b>	<b>15</b>	<b>100.0</b>	<b>0</b>	<b>0.0%</b>

**Table 3.7.2: SMS posts information, as at 31 March 2016**

SMS Level	Number of active SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Head of Department	1	1	100.0	0	0.0%
Salary Level 15	2	0	0.0	2	100.0%
Salary Level 14	5	5	100.0	0	0.0%
Salary Level 13	15	8	53.3	7	46.7%
<b>Total</b>	<b>23</b>	<b>14</b>	<b>60.9</b>	<b>9</b>	<b>39.1%</b>

**Note:** The Department underwent restructuring which resulted in the additional posts on the active establishment

**Table 3.7.3: Advertising and Filling of SMS posts, as at 31 March 2016**

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months after becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Head of Department	0	0	0
Salary Level 15	2	0	0
Salary Level 14	0	0	0
Salary Level 13	3	0	0
<b>Total</b>	<b>5</b>	<b>0</b>	<b>0</b>

**Table 3.7.4: Reasons for not having complied with the filling of active vacant SMS posts – Advertised within 6 months and filled within 12 months after becoming vacant**

SMS Level	Reasons for non-compliance
Head of Department	None required
Salary Level 15	None required
Salary Level 14	None required
Salary Level 13	Director: Economic Development Integration (not advertised, vacant for 6 months and 30 days) Director: Skills Incentives (not advertised, vacant for 11 months)

**Table 3.7.5: Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months**

Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts
None required

### 3.8 Employee performance

**Table 3.8.1: Notch progressions by salary band, 1 April 2015 to 31 March 2016**

Salary bands	Employees as at 31 March 2015	Progressions to another notch within a salary band	Notch progressions as a % of total employees within a salary band
Lower skilled (Levels 1-2)	4	1	25.0
Skilled (Levels 3-5)	47	32	68.1
Highly skilled production (Levels 6-8)	60	45	75.0
Highly skilled supervision (Levels 9-12)	87	69	79.3
Senior management (Levels 13-16)	17	9	52.9
<b>Total</b>	<b>215</b>	<b>156</b>	<b>72.6</b>

**Table 3.8.2: Notch progressions by critical occupation, 1 April 2015 to 31 March 2016**

Critical Occupations	Employees as at 31 March 2015	Progressions to another notch within a critical occupation	Notch progressions as a % of total employees within a critical occupation
None			

To encourage good performance, the Department has granted the following performance rewards to employees for the performance period 2014/15, but paid in the financial year 2015/16. Not all employees are eligible for performance rewards. Employees who are on probation, employees who perform satisfactorily as well poor performing employees do not qualify for performance rewards. For details of the Performance Management Framework, refer to the introduction to Part D. The information is presented in terms of race, gender, and disability (Table 3.8.3), salary bands (Table 3.8.4 and Table 3.8.5) and critical occupations (Table 3.8.6).



**Table 3.8.3: Performance rewards by race, gender, and disability, 1 April 2015 to 31 March 2016**

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group as at 31 March 2015	% of total within group	Cost (R'000)	Average cost per beneficiary (R)
<b>African</b>	<b>11</b>	<b>58</b>	<b>19.0</b>	<b>193</b>	<b>17 618</b>
Male	6	25	24.0	106	17 731
Female	5	33	15.2	87	17 482
<b>Coloured</b>	<b>40</b>	<b>126</b>	<b>31.7</b>	<b>1 026</b>	<b>25 648</b>
Male	15	45	33.3	454	30 261
Female	25	81	30.9	572	22 879
<b>Indian</b>	<b>2</b>	<b>6</b>	<b>33.3</b>	<b>61</b>	<b>30 349</b>
Male	1	2	50.0	41	40 869
Female	1	4	25.0	20	19 828
<b>White</b>	<b>3</b>	<b>23</b>	<b>13.0</b>	<b>54</b>	<b>18 124</b>
Male	0	7	0.0	0	0
Female	3	16	18.8	54	18 124
Employees with a disability	1	2	50.0	20	19 535
<b>Total</b>	<b>57</b>	<b>215</b>	<b>26.5</b>	<b>1 354</b>	<b>23 760</b>

**Table 3.8.4: Performance rewards (cash bonus), by salary bands for personnel below Senior Management Service level, 1 April 2015 to 31 March 2016**

Salary Bands	Beneficiary Profile			Cost		Cost as a % of the total personnel expenditure
	Number of beneficiaries	Total number of employees in group as at 31 March 2015	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	
Lower skilled (Levels 1-2)	1	4	25.0	5	5 115	0.01
Skilled (Levels 3-5)	8	47	17.0	66	8 304	0.1
Highly skilled production (Levels 6-8)	17	60	28.3	263	15 491	0.3
Highly skilled supervision (Levels 9-12)	26	87	29.9	748	28 777	0.9
<b>Total</b>	<b>52</b>	<b>198</b>	<b>26.3</b>	<b>1 082</b>	<b>20 829</b>	<b>1.3</b>

**Note:** The cost is calculated as a percentage of the total personnel expenditure for salary levels 1-12, reflected in Table 3.1.2.

**Table 3.8.5: Performance rewards (cash bonus), by salary band, for Senior Management Service level, 01 April 2015 to 31 March 2016**

Salary Bands	Beneficiary Profile			Cost		Cost as a % of the total personnel expenditure
	Number of beneficiaries	Total number of employees in group as at 31 March 2015	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	
Senior Management Service Band A (Level 13)	1	11	9.1	43	42 828	0.3
Senior Management Service Band B (Level 14)	3	5	60.0	166	55 180	1.0
Senior Management Service Band C (Level 15)	0	1	0.0	0	0	0.0
Senior Management Service Band D (Level 16)	1	0	0.0	63	62 831	0.4
<b>Total</b>	<b>5</b>	<b>17</b>	<b>29.4</b>	<b>272</b>	<b>54 239</b>	<b>1.7</b>

**Note:** The cost is calculated as a percentage of the total personnel expenditure for salary levels 13-16, reflected in Table 3.1.2.

**Table 3.8.6: Performance rewards (cash bonus) by critical occupation, 1 April 2015 to 31 March 2016**

Critical Occupation	Beneficiary Profile			Cost		Cost as a % of the total personnel expenditure
	Number of beneficiaries	Total number of employees in group as at 31 March 2015	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	
None						

### 3.9 Foreign workers

The tables below summarise the employment of foreign nationals in the Department in terms of salary bands and by major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

**Table 3.9.1: Foreign Workers by salary band, 1 April 2015 to 31 March 2016**

Salary Bands	1 April 2015		31 March 2016		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	0	0.0	0	0.0	0	0.0
Skilled (Levels 3-5)	0	0.0	0	0.0	0	0.0
Highly skilled production (Levels 6-8)	0	0.0	0	0.0	0	0.0
Highly skilled supervision (Levels 9-12)	1	100.0	1	100.0	0	0.0
Senior management (Levels 13-16)	0	0.0	0	0.0	0	0.0
<b>Total</b>	<b>1</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>

**Note:** The table above excludes non-citizens with permanent residence in the Republic of South Africa.

**Table 3.9.2: Foreign Workers by major occupation, 1 April 2015 to 31 March 2016**

Major Occupation	1 April 2015		31 March 2016		Change	
	Number	% of total	Number	% of total	Number	% change
Assistant Director	1	100.0	1	100.0	0	0.0
<b>Total</b>	<b>1</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>

**Note:** The table above excludes non-citizens with permanent residence in the Republic of South Africa.

### 3.10 Leave utilisation for the period 1 January 2015 to 31 December 2015

The following tables provide an indication of the use of sick leave (Table 3.10.1) and incapacity leave (Table 3.10.2). In both instances, the estimated cost of the leave is also provided.

**Table 3.10.1: Sick leave, 1 January 2015 to 31 December 2015**

Salary Band	Total days	% days with medical certification	Number of employees using sick leave	Total number of employees (excluding Interns)	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	3	100.0	1	3	33.3	3	1
Skilled (Levels 3-5)	299	71.6	43	32	134.4	7	158
Highly skilled production (Levels 6-8)	424	76.2	59	83	71.1	7	407
Highly skilled supervision (Levels 9-12)	464	72.4	78	95	82.1	6	752
Senior management (Levels 13-16)	67	73.1	13	17	76.5	5	168
<b>Total</b>	<b>1 257</b>	<b>73.6</b>	<b>194</b>	<b>230</b>	<b>84.3</b>	<b>6</b>	<b>1 486</b>

**Note:** The three-year sick leave cycle started in January 2013 and ended in December 2015. The information in each case reflects the totals excluding incapacity leave taken by employees. For an indication of incapacity leave taken, refer to Table 3.10.2.

**Table 3.10.2: Incapacity leave, 1 January 2015 to 31 December 2015**

Salary Band	Total days	% days with medical certification	Number of employees using incapacity leave	Total number of employees (Excluding Interns)	% of total employees using incapacity leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0.0	0	3	0.0	0	0
Skilled (Levels 3-5)	86	100.0	2	32	6.3	43	47
Highly skilled production (Levels 6-8)	122	100.0	3	83	3.6	41	129
Highly skilled supervision (Levels 9-12)	10	100.0	1	95	1.1	10	17
Senior management (Levels 13-16)	0	0.0	0	17	0.0	0	0
<b>Total</b>	<b>218</b>	<b>100.0</b>	<b>6</b>	<b>230</b>	<b>2.6</b>	<b>36</b>	<b>193</b>

**Note:** The leave dispensation as determined in the "Leave Determination", read with the applicable collective agreements, provides for normal sick leave of 36 working days in a sick leave cycle of three years. If an employee has exhausted his or her normal sick leave, the employer must conduct an investigation into the nature and extent of the employee's incapacity. Such investigations must be carried out in accordance with item 10(1) of Schedule 8 of the Labour Relations Act (LRA).

Incapacity leave is not an unlimited amount of additional sick leave days at an employee's disposal. Incapacity leave is additional sick leave granted conditionally at the employer's discretion, as provided for in the Leave Determination and Policy on Incapacity Leave and Ill-Health Retirement (PILIR).

Table 3.10.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the Public Service Co-ordinating Bargaining Council (PSCBC) in 2000 requires management of annual leave to prevent high levels of accrued leave having to be paid at the time of termination of service.

**Table 3.10.3: Annual Leave, 1 January 2015 to 31 December 2015**

Salary Band	Total days taken	Total number employees using annual leave	Average number of days taken per employee
Lower skilled (Levels 1-2)	76	3	25
Skilled (Levels 3-5)	947	47	20
Highly skilled production (Levels 6-8)	1 594	81	20
Highly skilled supervision (Levels 9-12)	2 209	94	24
Senior management (Levels 13-16)	366	17	22
<b>Total</b>	<b>5 192</b>	<b>242</b>	<b>21</b>

**Table 3.10.4: Capped leave, 1 January 2015 to 31 December 2015**

Salary Bands	Total capped leave available as at 31 Dec 2014	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Number of employees with capped leave as at 31 Dec 2014	Total capped leave available as at 31 Dec 2015
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	45	0	0	0	5	35
Highly skilled supervision (Levels 9-12)	421	0	0	0	18	357
Senior management (Levels 13-16)	93	0	0	0	3	92
<b>Total</b>	<b>560</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26</b>	<b>484</b>

**Note:** It is possible for the total number of capped leave days to increase as employees who were promoted or transferred into the Department, retain their capped leave credits, which form part of that specific salary band and ultimately the departmental total.

Table 3.10.5 summarises capped- and annual leave payments made to employees as a result of non-utilisation.

**Table 3.10.5: Leave pay-outs, 1 April 2015 to 31 March 2016**

Reason	Total Amount (R'000)	Number of Incidents	Average payment per employee (R)
Leave pay-outs during 2015/16 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave pay-outs on termination of service for 2015/16	0	0	0
Current leave pay-outs on termination of service 2015/16	170	8	21 306
<b>Total</b>	<b>170</b>	<b>8</b>	<b>21 306</b>

### 3.11 Health promotion programmes, including HIV and AIDS

**Table 3.11.1: Steps taken to reduce the risk of occupational exposure, 1 April 2015 to 31 March 2016**

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
The nature of the Department's work does not expose employees to increased risk of contracting HIV/AIDS. Despite the very low occupational risk, all employees have been targeted at all levels within the Department.	<p>HIV &amp; AIDS Counselling and Testing [HCT] and Wellness screenings sessions were conducted in general. The outsourced Health and Wellness contract (Employee Health and Wellness Programme [EHWP]) provides employees and their immediate family members [it means the spouse or partner of an employee or children living with an employee] are provided with a range of services. These services include the following:</p> <ul style="list-style-type: none"> <li>• 24/7/365 Telephone counselling;</li> <li>• Face to face counselling (4 session model);</li> <li>• Trauma and critical incident counselling;</li> <li>• Advocacy on HIV&amp;AIDS awareness, including online E-Care services; and</li> <li>• Training, coaching and targeted Interventions where these were required.</li> </ul>

**Table 3.11.2: Details of Health Promotion including HIV & AIDS Programmes, 1 April 2015 to 31 March 2016**

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	√		Ms Reygana Shade, Director: Organisational Behaviour, (Department of the Premier).
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	√		<p>The Corporate Services Centre (CSC) within the Department of the Premier provides a transversal service to eleven (11) participating departments, including the Department of Economic Development and Tourism.</p> <p>A designated Employee Health and Wellness unit within the Directorate Organisational Behaviour and the Chief Directorate Organisation Development serves to promote the health and wellbeing of employees in the eleven (11) departments.</p> <p>The unit consists of a Deputy Director, three (3) Assistant Directors, and three (3) team members.</p> <p>Budget: R2.5 million</p>
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for employees? If so, indicate the key elements/services of this Programme.	√		<p>The Department has entered into a service level agreement with ICAS [Service Provider] to render an Employee Health and Wellness Service to the eleven departments participating within the Corporate Services Centre [CSC].</p> <p>The Department conducted interventions namely, Conflict Management, Managerial Referral, Child &amp; Family Care, Building Staff Morale, Self-Development; Empower the Women within, Breast Cancer Talk; Work-Life Balance, Financial Wellbeing, Stress &amp; Resilience, Relationship Enrichment, 16 Days of Activism and Mental Health Awareness. These interventions were planned based on the trends reported quarterly through the Employee Health and Wellness Programme [EHWP] reports provided by the service provider, ICAS, for the period 2015/16. The reports were based on the utilisation of the EHW services and management information in order to target appropriate interventions to address these trends.</p> <p>The targeted interventions were aimed at improving employee engagement through awareness and educational interventions that promote healthy lifestyles and coping skills. This involves presentations to create awareness and encourage employees to have a pro-active approach to limit the impact of these problems in the workplace. The above-mentioned interventions were conducted for the targeted departments, managers and supervisors as well as executive coaching for SMS members.</p> <p>The Department also provided information sessions, as requested by various departments in the Western Cape Government [WCG] to inform employees of the EHW service, how to access the Employee Health and Wellness Programme [EHWP]. Promotional material such as pamphlets, posters and brochures were distributed.</p>

Question	Yes	No	Details, if yes
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	√		<p>A new Health and Wellness Steering Committee has been established with members nominated by each department.</p> <p>The Department of Economic Development and Tourism is represented by C. Julies and N. Smith.</p>
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	√		<p>The Transversal Management Framework for Employee Health and Wellness Programmes in the Western Government is in effect and was adopted by the Co-ordinating Chamber of the PSCBC for the Western Cape Province on 10 August 2005.</p> <p>In this regard, all employment policies make provision for fair practices, regardless of the HIV status of staff or applicants.</p> <p>During the period under review, the Department of the Premier has developed a Transversal Employee Health and Wellness Management and HIV&amp;AIDS and TB Management policies, which was ratified and approved on 8th March 2016.</p> <p>Further to this, the Department of Health has currently approved the Transversal HIV and AIDS/ STI Workplace Policy and Programme that will be applicable to all departments of the Western Government. The document is in line with the four pillars of the EHW Strategic Framework 2008.</p>
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	√		<p>The Department implemented the Provincial Strategic Plan on HIV&amp;AIDS, STIs and TB 2012-2016 to mainstream HIV and TB and its gender and rights-based dimensions into the core mandates to reduce HIV-related stigma.</p> <p>The overarching aim of the said Provincial Strategic Plan is to protect HIV-positive employees by advocating the implementation of the Three Zeros in line with the Joint United Nations Programme on HIV &amp; AIDS (UNAIDS). These are Educational programmes and information sessions developed to eradicate stigma and discrimination and to raise awareness through:</p> <ul style="list-style-type: none"> <li>• Zero new HIV, STI and TB infections</li> <li>• Zero deaths associated with HIV and TB</li> <li>• Zero discrimination</li> </ul> <p>Also, the Department is conducting the HCT and Wellness screening sessions to ensure that every employee in the Department is tested for HIV and screened for TB, at least annually.</p> <p>The aim was to:</p> <ul style="list-style-type: none"> <li>• Reduce HIV and TB discrimination in the workplace. This included campaigns against unfair discrimination and empowerment of employees.</li> <li>• Reduce unfair discrimination in access to services. This included ensuring that Employee Relations Directorate addresses complaints or grievances and provides training to employees.</li> </ul> <p>Other key elements that addressed anti-HIV&amp;AIDS discrimination issues were: Wellness Screenings and TB Testing Sessions with specific requests from departments were conducted, posters and pamphlets.</p>

Question	Yes	No	Details, if yes
<p>7. Does the Department encourage its employees to undergo voluntary counselling and testing (VCT)? If so, list the results that you have you achieved.</p>	√		<p><b>HCT SESSIONS:</b></p> <p>The following screening sessions were conducted:</p> <p>Blood pressure, Glucose, Cholesterol, TB, BMI [body mass index] and spot talks.</p> <p>The Department of Economic Development &amp; Tourism participated in one HCT and Wellness screening session.</p> <p>64 Employees were tested and counselled for HIV, Tuberculosis and Sexually Transmitted Infections (STI's).</p> <p>There were no clinical referrals for TB, HIV or any other STIs.</p>
<p>8.Has the Department developed measures/indicators to monitor &amp; evaluate the impact of its health promotion programme? If so, list these measures/ indicators.</p>	√		<p>The impact of health promotion programmes is indicated through information provided through the Employee Health and Wellness Contract (external EAP service provider).</p> <p>The Employee Health and Wellness Programme (EHWP) is monitored through Quarterly and Annual reporting. This reporting is provided by the External Service Provider. The most recent annual health review period was 1 April 2015 - 31 March 2016.</p> <p>The quarterly and annual review provides a breakdown of the EHWP Human Capital Demographic i.e. age, gender, length of service, dependent utilisation, language utilisation, employee vs. manager utilisation, no. of cases.</p> <p>The review further provides amongst others service utilisation, problem profiling and trending, assessment of employee and organisational risk and the impact thereof on the individual functioning in the work place.</p>



### 3.12 Labour relations

The following provincial collective agreements were entered into with trade unions for the period under review.

**Table 3.12.1: Collective agreements, 1 April 2015 to 31 March 2016**

Total collective agreements
None

Table 3.12.2 summarises the outcome of disciplinary hearings conducted within the Department for the period.

**Table 3.12.2: Misconduct and disciplinary hearings finalised, 1 April 2015 to 31 March 2016**

Outcomes of disciplinary hearings	Number of cases finalised	% of total
None		

**Note:** Outcomes of disciplinary hearings refer to formal cases only.

**Table 3.12.3: Types of misconduct addressed at disciplinary hearings, 1 April 2015 to 31 March 2016**

Type of misconduct	Number	% of total
None		

**Table 3.12.4: Grievances lodged, 1 April 2015 to 31 March 2016**

Grievances lodged	Number	% of total
Number of grievances resolved	4	16.7
Number of grievances not resolved	20	83.3
<b>Total number of grievances lodged</b>	<b>24</b>	<b>100.0</b>

**Note:** Grievances lodged refer to cases that were finalised within the reporting period. Grievances not resolved refer to cases finalised, but where the outcome was not in favour of the aggrieved and found to be unsubstantiated.

**Table 3.12.5: Disputes lodged with Councils, 1 April 2015 to 31 March 2016**

Disputes lodged with Councils	Number	% of total
None		

**Note:** Councils refer to the Public Service Co-ordinating Bargaining Council (PSCBC) and General Public Service Sector Bargaining Council (GPSSBC). When a dispute is "upheld", it means that the Council endorses the appeal as legitimate and credible in favour of the aggrieved. When a dispute is "dismissed", it means that the Council is not ruling in favour of the aggrieved.

**Table 3.12.6: Strike actions, 1 April 2015 to 31 March 2016**

Strike actions	Number
None	

**Table 3.12.7: Precautionary suspensions, 1 April 2015 to 31 March 2016**

Precautionary suspensions	Number
None	

**Note:** Precautionary suspensions refer to staff who were suspended with full pay, whilst the case was being investigated.

### 3.13 Skills development

This section highlights the efforts of the Department with regard to skills development. Table 3.13.1 reflect the training needs as at the beginning of the period under review, and Table 3.13.2 the actual training provided.

**Table 3.13.1: Training needs identified, 1 April 2015 to 31 March 2016**

Occupational Categories	Gender	Number of employees as at 1 April 2015	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	6	0	2	0	2
	Male	9	0	3	0	3
Professionals	Female	8	0	68	0	68
	Male	9	0	41	0	41
Technicians and associate professionals	Female	59	0	76	0	76
	Male	31	0	58	0	58
Clerks	Female	65	0	52	0	52
	Male	28	0	35	0	35
Service and sales workers	Female	0	0	0	0	0
	Male	1	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	2	0	0	0	0
	Male	2	0	0	0	0
Sub Total	Female	141	0	198	0	198
	Male	81	0	137	0	137
<b>Total</b>		<b>222</b>	<b>0</b>	<b>335</b>	<b>0</b>	<b>335</b>
Employees with disabilities	Female	1	0	0	0	0
	Male	1	0	0	0	0

**Note:** The above table identifies the training needs at the start of the reporting period as per the Department's Workplace Skills Plan.

**Table 3.13.2: Training provided, 1 April 2015 to 31 March 2016**

Occupational Categories	Gender	Number of employees as at 31 March 2016	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	6	0	6	0	6
	Male	8	0	5	0	5
Professionals	Female	5	0	17	0	17
	Male	5	0	25	0	25
Technicians and associate professionals	Female	54	0	50	0	50
	Male	38	0	12	0	12
Clerks	Female	54	0	19	0	19
	Male	22	0	4	0	4
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	2	0	1	0	1
	Male	2	0	0	0	0
Sub Total	Female	123	0	93	0	93
	Male	76	0	46	0	46
<b>Total</b>		<b>199</b>	<b>0</b>	<b>139</b>	<b>0</b>	<b>139</b>
Employees with disabilities	Female	2	0	0	0	0
	Male	1	0	0	0	0

**Note:** The above table identifies the number of training courses attended by individuals during the period under review.

### 3.14 Injury on duty

Table 4.14.1 provides basic information on injuries sustained whilst being on official duty.

**Table 3.14.1: Injury on duty, 1 April 2015 to 31 March 2016**

Nature of injury on duty	Number	% of total
None		

### 3.15 Utilisation of consultants

**Table 3.15.1: Report on consultant appointments using appropriated funds, 1 April 2015 to 31 March 2016**

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand	Key Deliverable
Readiness Advisor	4	November 2012-October 2015	R3 386 554.55	<p>Contract over 3 years to provide strategic advice and direction to the Department in relation to Broadband.</p> <p>49 readiness proposals and digitisation documents, 6 broadband strategic roadmaps and assistance with 15 initiatives.</p>
Tourism mentorship	1	April 2015	R1 500.00	<p>The service providers (mentors) were required to be established business owners and were responsible for the following deliverables:</p> <p>Provide on-site business assessment and mentoring (36 hours over four months).</p> <p>Analysis of financial statements or management accounts.</p> <p>Detailed analysis of challenges facing the business. These must include, but not be limited to:</p> <p>Action plan detailing interventions as to how these challenges should be addressed.</p> <p>On site mentoring to address the challenges and assist the mentees working towards growing their business.</p> <p>Submit monthly reports and a final report to the Department upon completion of the mentorship.</p>

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand	Key Deliverable
Tourism mentorship	1	April 2015	R15 277.76	<p>The service providers (mentors) were required to be established business owners and were responsible for the following deliverables:</p> <p>Provide on-site business assessment and mentoring (36 hours over four months).</p> <p>Analysis of financial statements or management accounts.</p> <p>Detailed analysis of challenges facing the business. These must include, but not be limited to:</p> <p>Action plan detailing interventions as to how these challenges should be addressed.</p> <p>On site mentoring to address the challenges and assist the mentees working towards growing their business.</p> <p>Submit monthly reports and a final report to the Department upon completion of the mentorship.</p>
BPO	5	January 2015-January 2016	R521 732.42	To provide technical oversight, technical guidance and technical implementation of the PPP related Broadband stream 2 projects. (Phase 1: oversight of the PPP process, Phase 2: development of implementation plans to take forward PPP recommendations).
Social Media training	1	February-March 2015	R4 000.00	Social media training was provided to Tourism entrepreneurs.
Translation of annual performance plan	1	March 2016	R66 470.00	Services rendered for the technical layout and translation of the Annual Performance Plan.
West Coast industrial plan	9	February 2015-August 2015	R1 500 000.00	Prelim Report; Stakeholder Engagement Report; Visioning Workshop; Desired Future State Analysis; Infrastructure and Resource Analysis; Demand Model; Synthesis Report; Road Map.

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand	Key Deliverable
LNG risk assessment	7	April 2015-March 2016	R498 635.85	To provide a technical analysis of legal, commercial and regulatory risks associated with the importation of liquefied natural gas, as well as options for mitigating these risks.
BBPO	9	April-Dec 2015	R9 155 806.58	Contract over 3 years to provide technical oversight, technical guidance & technical implementation of the PPP related Broadband Stream 2 projects, in particular Connected Citizens and Connected Business related projects.
Better living challenge	Cannot establish	June 2015-February 2016	R 1 875 000.00	Provide support to 3 innovators towards commercialisation/ adoption of their products.
BBPO	9	July 15-February 2016	R2 083 247.82	Contract over 3 years to provide technical oversight, technical guidance and technical implementation of the PPP related Broadband Stream 2 projects in particular Connected Citizens and Connected Business related projects.
Design innovation seed fund	Cannot establish	June 2015-January 2016	R499 594.00	Monitor the progress of the approved projects, disburse funds in accordance with milestones reached, facilitated and provided technical assistance to projects as and when required.
WC Seta Co-ordination	1	June 2015-March 2016	R345 000.00	To assist the Department towards effective co-ordination amongst relevant skills stakeholders with a particular focus on Setas and TVET colleges as well as establishing collaborative partnerships with the aim of making the skills development value-chain or environment more effective.
PERA Adjudicators	9	July-December 2015	R367 118.08	The management, co-ordination and implementation of the PERA competition 2015. The latter included the enhancements to the online website and the judging of the 300 PERA entries and technical support to the process as a whole.
Red Tape Challenge awards	Cannot establish	July-November 2015	R13 463.49	Consultant fees for managing venue and catering for the Red Tape Challenge Awards Ceremony.

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand	Key Deliverable
Red tape challenge awards: Adjudication process	12	July-December 2015	R339 862.50	Development of competition entry forms, designing of marketing material and printing thereof and development and implementation of the adjudication process.
High school entrepreneurship project	9	August-November 2015	R491 750.00	Implementation and coordination of the High School School Entrepreneurship project in 20 High Schools in the Western Cape which exposed 250 learners to an after school entrepreneurship training course.
Tertiary incubation project	48	July-December 2015	R658 350.00	The co-ordination and implementation of the Tertiary Incubation Project which included the incubation and mentorship of young entrepreneurs.
Cape Capital Fund	1	September 2015	R107 640.00	The service provider conducted project feasibility and financial viability assessments on applicants to the Cape Capital Fund.
LED Maturity assessment	1	September 2015-March 2016	R274 450.00	To provide verification services around: 30 municipal assessments done, analysis done on the 30 assessments, the 30 feedback and recommendation sessions completed, the aggregate baseline scores established of municipal maturity levels, the index scores established; and, training the (in-house) quality assurance staff members and new team members.
Internet champion programme	10	August-October 2015	R931 380.00	The development of 7 animated digital literacy training videos.
Competency assessment	2	October 2015	R7 244.00	Competency assessment done for the CEO of the Liquor Authority.
Intellectual properties for Digital industries	2	September-November 2015	R171 000.00	Research undertaken to investigate the regulatory and policy environment affecting digital content development industries in the Western Cape, with particular reference to intellectual property and exchange controls.

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand	Key Deliverable
Investment SOP and guidelines for municipality	1	October 2015-January 2016	R483 246.00	Assisted TWK in developing an Investment Facilitation SOP to create uniform investment promotion and facilitation processes and procedures in order to attract new investors and retain existing ones.
Informal business opportunities programme	14	September 2015-March 2016	R750 000.00	The main deliverables of the service provider was to identify, recruit and assist through the provision of focussed business incubation support services to informal businesses in townships, in order to assist these business owners to improve their business acumen.
West Coast supplier development programme	14	September 2015-March 2016	R729 100.00	The business support programme assisted businesses to take up opportunities in the value chains and downstream opportunities offered by the corporates in the Saldanha Bay and the broader West Coast region. The main deliverables of the service provider was to identify, recruit and assist 30 businesses with an opportunity to form part of the local supply chains, in the West Coast region to participate in the West Coast Supplier Development programme offering business development support.
Cape Accelerate programme	15	September 2015-March 2016	R6 086 418.00	The implementation of the Cape Accelerator Programme was to facilitate the development of businesses identified by the Department in the Oil and Gas and Agri-processing sectors. The objective was to improve the opportunity of these businesses to enhance productivity and competitiveness, expand and grow existing operations (with the aim of contributing to job creation); and create opportunities (prepare the business to access market opportunities).
Internet champion programme- Resource and Training management project	12	September 2015-February 2016	R3 226 256.50	The management and deployment of the Internet champions at public access Wi-Fi hotspots required to train citizens in internet digital literacy (1000 citizens trained per hotspot on the digital literacy animated training videos).  (2 internet champions were deployed at each hotspot totally 100 persons additionally contracted through this project in phase1)



Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand	Key Deliverable
Broadband uptake Stimulation Plan	4	October 2015-January 2016	R372 833.00	The development of a strategic communications engagement and messaging plan.
Red Tape Challenge	Cannot establish	July-November 2015	R10 595.31	Consultant fees for managing venue and catering for the Red Tape Challenge Awards Ceremony.
Digital skills training for ICAN project	23	October 2015-March 2017	R750 000.00	The implementation of a curriculum of ICT and digital training for citizens, including accredited training implement through the ICAN Elsie's River.
Develop Franchisor model for I-CAN	12	October 2015-March 2016	R1 728 029.00	The development of a business model for the deployment and proliferation of the ICAN.
Business process improvement: Western Cape Liquor authority	15	October 2015-March 2016	R499 483.99	To conduct a business process improvement project within the Western Cape Liquor Authority (WCLA) to identify constraints or barriers existing within the special event liquor licence application and the temporary liquor licence application processes.
Project quantify: Rig Repair	15	November 2015-March 2015	R998 659.00	To produce a research report indicating a baseline of the cost of red tape on businesses in the rig repair sector.
Resource productivity	3	November 2015-February 2016	R800 000.00	Provide strategic advice and direction to the Department around resource efficiency in the fruit sector within the WC. Conduct research and analysis to identify and unlock key economically viable opportunities for resource efficiency within bio-based value chains in the WC.
Project quantify: Tourism	18	January-March 2016	R808 247.00	To produce a research report indicating a baseline of the cost of red tape on businesses in the selected areas of the Tourism sector.
Cape Big Data Facility	13	November 2015-March 2017	R1 199 394.00	The development of a business model and technical specifications for the establishment of a Big Data/ High Performance computing facility in the Western Cape.
Project quantify: Agri-processing	5	December 2015-March 2016	R991 800.00	To produce a research report indicating a baseline of the cost of red tape on businesses in the selected areas of the Agri-processing sector.

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand	Key Deliverable
Long street Kiosk	6	December 2015-March 2016	R97 980.15	Managed the installation of mosaic tile work at the Long Street Kiosks.
Broadband business toolkit	9	January-March 2016	R499 500.00	A virtual toolkit to provide SMMEs access to a wide range of applications and software aimed as supporting their business efficiency and development needs.
Consumer education awareness satisfactory levels and financial literacy	18	January-March 2016	R394 497.00	A customer satisfaction and awareness survey was conducted.
Digital Disruption Business Event	2	October 2015	R157 000.00	The implementation of a business leadership event.
Cross border trade research study	1	February-March 2016	R296 500.00	To undertake research and develop a specialised study to investigate physical and regulatory cross border blockages that affect trade in the Agri-processing sector between the Western Cape and the rest of Africa.
PERA communication research	Cannot establish	January-March 2016	R204 596.77	To conduct research into the efficacy of the marketing and communication of the Premier's Entrepreneurship Recognition Awards and to understand businesses' motivation in entering the competition.
Translation of Annual Performance Plan	3	February-March 2016	R124 260.00	Services rendered for the technical layout and translation of the Annual Performance Plan.
Purchasing Collective and Connected Business	2	February-March 2016	R1 673 030.81	The development of a purchasing collective based on a utility model for access to connectivity infrastructure for businesses in the East City and the development of a Connected Business Framework.
Business case for the Waste Economy	5	February 2016-July 2016	R265 164.00	Provide Strategic advice and direction to the Department around the Waste Economy. Conduct research and analysis to develop a business case and phased implementation plan for the transformation of the Waste Economy space in the Western Cape.

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand	Key Deliverable
Public sector board appointment and composition review project	9	March 2016	R495 584.00	An analysis of public entities and the composition of boards and their respective appointment processes.
Policy brief: Road to Rail	2	January-March 2016	R150 000.00	This study addresses the need for substantiating research on the model competition between road to rail, so as to inform a policy that can guide strategy, budgetary and programmatic interventions with regards to flight transport in the WC.
Firm level data: West Coast	7	January-March 2016	R499 206.00	Conducted a census or an audit of firms within the West Coast District, specifically focusing on three municipalities namely: Saldanha Bay, Swartland and Matzikama. The purpose of the study was to acquire a firm level database with GPS coordinates in the aforesaid regions.
BPO	5	February 2016	R379 192.53	Global benchmark of the Western Cape's strengths compared to other international locations as a BPO Shared Services destination. The report assesses the potential job creation impact of Shared Services in South Africa. The report identifies demand for Shared Services, clarifies the Western Cape's value proposition and provides recommendations on how to develop and market South Africa and the Western Cape as a global BPO Shared Services destination.

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand	Key Deliverable
Project simplify	4	October 2015	R499 825.40	Plan to improve the environment in order to do business in Drakenstein and Hessequa Municipality.
Policy Briefs: Road to Rail and Public Budget allocation for Economic Growth	3	July 2015-March 2016	R530 000.00	Development of policies in order to identify the parts of the economy with the greatest potential for accelerated, sustained growth and job creation.
Business Analyst for Centralised Data project	1	January 2016	R141 970.59	To centralise all economic data into a single coherent data store of DEDAT knowledge.
Translations of Draft Liquor Bill and Annual Report	3	March 2015-November 2015	R129 252.60	Translations of reports into Xhosa
Schools Software development skills programme	3	May 2015	R9 900.00	Intervention to address the skills shortages in the ICT sector and build sustainable skills pipelines.

**Table 3.15.2: Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs), 1 April 2015 to 31 March 2016**

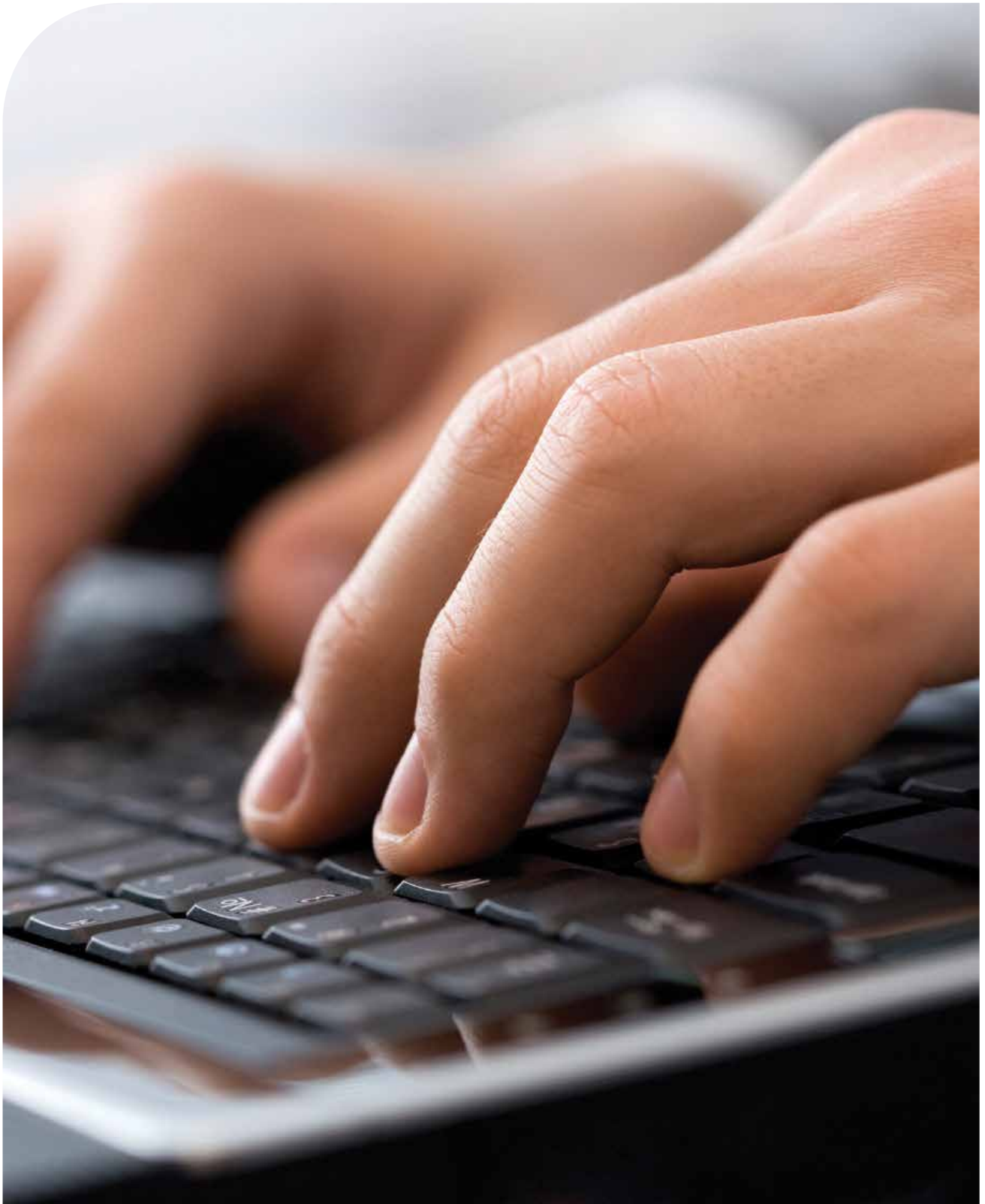
Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Not Applicable			

**Table 3.15.3: Report on consultant appointments using Donor funds, 1 April 2015 to 31 March 2016**

Project Title	Total Number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
Not Applicable			
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
Not Applicable			

**Table 3.15.4: Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs), 1 April 2015 to 31 March 2016**

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Not Applicable			



**Part E:**  
**FINANCIAL INFORMATION**

## PART E: FINANCIAL INFORMATION

### 1. REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON VOTE NO. 12: WESTERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

#### Report on the financial statements

##### Introduction

1. I have audited the financial statements of the Western Cape Department of Economic Development and Tourism set out on pages 165 to 245, which comprise the appropriation statement, the statement of financial position as at 31 March 2016, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

##### Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No.1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2015 (Act No.1 of 2015) (DoRA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

##### Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

##### Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Western Cape Department of Economic Development and Tourism as at 31 March 2016 and its financial performance and cash flows for the year then ended, in accordance with the Modified Cash Standard prescribed by the National Treasury and the requirements of the PFMA and DoRA.

##### Emphasis of matters

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

##### Material underspending of the vote

8. As disclosed in note 4.1 to the appropriation statement, the Department has materially underspent the overall budget by R11,5 million (2,6%). This was mainly due to the budgets of Programme 3: Trade and Sector Development and Programme 7: Skills Development and Innovation were underspent by R5 million (2,9%) and R2 million (3,7%), respectively. The explanations of material variances are set out in notes 4.1 and 4.2 of the appropriation statement.

#### Material impairment

9. As disclosed in note 12.1 to the financial statements, the Department has an impairment of R63,5 million (2014-15 : R63,3 million) on the 21,97% (2014-15 : 21,9%) shareholding held by the Provincial Government of the Western Cape in the Cape Town International Convention Centre Company SOC Limited.

#### Restatement of corresponding figures

10. As disclosed in note 31 to the financial statements, the corresponding figures for 31 March 2015 have been restated as a result of an error discovered during 2015-16 in the financial statements of the Department at, and for the year ended, 31 March 2015.

#### **Additional matter**

11. I draw attention to the matter below. My opinion is not modified in respect of this matter.

#### Unaudited supplementary schedules

12. The supplementary information set out on pages 246 to 255 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

#### **Report on other legal and regulatory requirements**

13. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives of selected programmes presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to raise reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

#### **Predetermined objectives**

14. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information of the following selected programmes presented in the annual performance report of the Department for the year ended 31 March 2016:
  - Programme 2: Integrated Economic Development Services on page 53
  - Programme 3: Trade and Sector Development on pages 56 to 57
  - Programme 7: Skills Development and Innovation on page 106
15. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for Managing Programme Performance Information.
16. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
17. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:
  - Programme 2: Integrated Economic Development Services
  - Programme 3: Trade and Sector Development
  - Programme 7: Skills Development and Innovation

## Additional matters

18. Although I raised no material findings on the usefulness and reliability of the reported performance information for the selected programmes, I draw attention to the following matters:

Achievement of planned targets

19. Refer to the annual performance report on pages 53, 56, 57 and 106 for information on the achievement of the planned targets for the year.

Unaudited supplementary information

20. The supplementary information set out on pages 1-53, 54, 55, 58 to 105 and 107 to 160 does not form part of the annual performance report and is presented as additional information. I have not audited these schedules and, accordingly, I do not report on them.

## Compliance with legislation

21. I performed procedures to obtain evidence that the Department had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not raise any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

## Internal control

22. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. I did not raise any significant deficiencies in internal control.

*Auditor - General*

**Cape Town**  
**29 July 2016**





## APPROPRIATION STATEMENT for the year ended 31 March 2016

Appropriation per programme									
Voted funds and Direct charges	2015/16					2014/15			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration	41 904	-	-	41 904	40 330	1 574	96,2%	35 556	35 529
2. Integrated Economic Development Services	54 968	-	-	54 968	53 802	1 166	97,9%	59 622	59 269
3. Trade and Sector Development	176 622	-	-	176 622	171 451	5 171	97,1%	236 595	235 959
4. Business Regulation and Governance	50 137	-	-	50 137	49 778	359	99,3%	49 123	49 123
5. Economic planning	25 816	-	-	25 816	24 997	819	96,8%	41 239	41 014
6. Tourism, Arts and Entertainment	40 271	-	-	40 271	39 882	389	99,0%	45 137	45 099
7. Skills Development and Innovation	54 545	-	-	54 545	52 544	2 001	96,3%	43 024	43 015
<b>TOTAL</b>	<b>444 263</b>	<b>-</b>	<b>-</b>	<b>444 263</b>	<b>432 784</b>	<b>11 479</b>	<b>97,4%</b>	<b>510 296</b>	<b>509 008</b>
<b>TOTAL (brought forward)</b>									
<b>Reconciliation with statement of financial performance</b>									
<b>ADD</b>									
Departmental receipts				5 716				6 647	
Aid assistance (revenue)				16 805				12 149	
<b>Actual amounts per statement of financial performance (total revenue)</b>				<b>466 784</b>				<b>529 092</b>	
<b>ADD</b>									
Aid assistance (expenditure)					3 371				11 567
<b>Actual amounts per statement of financial performance (total expenditure)</b>					<b>436 155</b>				<b>520 575</b>

## APPROPRIATION STATEMENT for the year ended 31 March 2016

Appropriation per economic classification										
Voted funds and Direct charges (continued)	2015/16					2014/15				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
<b>Current payments</b>	<b>228 305</b>	<b>(6 921)</b>	<b>-</b>	<b>221 384</b>	<b>210 287</b>	<b>11 097</b>	<b>95.0%</b>	<b>194 488</b>	<b>194 374</b>	
Compensation of employees	104 772	-	-	104 772	98 229	6 543	93.8%	96 395	96 341	
Salaries and wages	94 353	(580)	-	93 773	87 687	6 086	93.5%	86 674	86 620	
Social contributions	10 419	580	-	10 999	10 542	457	95.8%	9 721	9 721	
Goods and services	123 533	(6 921)	-	116 612	112 058	4 554	96.1%	98 093	98 033	
Administrative fees	289	(16)	-	273	205	68	75.1%	221	218	
Advertising	7 576	(457)	-	7 119	6 990	129	98.2%	6 064	6 064	
Minor assets	416	18	-	434	366	68	84.3%	435	435	
Audit costs: External	3 252	(186)	-	3 066	3 066	-	100.0%	3 119	3 119	
Bursaries: Employees	390	52	-	442	442	-	100.0%	293	293	
Catering: Departmental activities	817	-	-	817	793	24	97.1%	1 378	1 378	
Communication	1 193	(258)	-	935	862	73	92.2%	1 559	1 555	
Computer services	6 792	1 918	-	8 710	8 374	336	96.1%	1 752	1 752	
Consultants: Business and advisory services	59 228	(7 997)	-	51 231	49 297	1 934	96.2%	57 125	57 093	
Contractors	1 273	76	-	1 349	1 310	39	97.1%	915	915	
Agency and support/outsourced services	1 855	81	-	1 936	1 936	-	100.0%	1 886	1 886	
Entertainment	101	(27)	-	74	44	30	59.5%	30	30	
Fleet services	1 385	(702)	-	683	683	-	100.0%	624	624	
Inventory: Materials and supplies	-	-	-	-	-	-	-	158	158	
Consumable supplies	300	226	-	526	459	67	87.3%	155	153	
Consumable: Stationery, printing and office supplies	1 383	(240)	-	1 143	962	181	84.2%	923	923	
Operating leases	638	9	-	647	599	48	92.6%	733	726	
Property payments	-	133	-	133	133	-	100.0%	7	7	
Travel and subsistence	3 143	(500)	-	2 643	2 314	329	87.6%	3 441	3 442	
Training and development	30 931	377	-	31 308	30 572	736	97.6%	14 555	14 555	
Operating payments	881	385	-	1 266	1 091	175	86.2%	716	711	
Venues and facilities	1 431	(295)	-	1 136	820	316	72.2%	1 607	1 599	
Rental and hiring	259	482	-	741	740	1	99.9%	397	397	

## APPROPRIATION STATEMENT for the year ended 31 March 2016

Voted funds and Direct charges (continued)	Appropriation per economic classification									
	2015/16					2014/15				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
<b>Transfers and subsidies</b>	<b>212 156</b>	<b>4 756</b>	-	<b>216 912</b>	<b>216 681</b>	<b>231</b>	<b>99.9%</b>	<b>312 211</b>	<b>311 049</b>	
Provinces and municipalities	-	-	-	-	-	-	-	501	501	
Provinces	-	-	-	-	-	-	-	1	1	
Provincial agencies and funds	-	-	-	-	-	-	-	1	1	
Municipalities	-	-	-	-	-	-	-	500	500	
Municipal agencies and funds	-	-	-	-	-	-	-	500	500	
Departmental agencies and accounts	122 691	2 501	-	125 192	125 192	-	100.0%	115 067	115 067	
Departmental agencies and accounts	122 691	2 501	-	125 192	125 192	-	100.0%	115 067	115 067	
Higher education institutions	-	-	-	-	-	-	-	4 610	4 610	
Public corporations and private enterprises	3 000	-	-	3 000	2 831	169	94.4%	5 710	5 587	
Public corporations	-	-	-	-	-	-	-	5 710	5 587	
Other transfers to public corporations	-	-	-	-	-	-	-	5 710	5 587	
Private enterprises	3 000	-	-	3 000	2 831	169	94.4%	-	-	
Other transfers to private enterprises	3 000	-	-	3 000	2 831	169	94.4%	-	-	
Non-profit institutions	73 713	1 980	-	75 693	75 693	-	100.0%	176 877	175 840	
Households	12 752	275	-	13 027	12 965	62	99.5%	9 446	9 444	
Social benefits	1 952	275	-	2 227	2 188	39	98.2%	101	100	
Other transfers to households	10 800	-	-	10 800	10 777	23	99.8%	9 345	9 344	
<b>Payments for capital assets</b>	<b>3 802</b>	<b>2 041</b>	-	<b>5 843</b>	<b>5 692</b>	<b>151</b>	<b>97.4%</b>	<b>3 508</b>	<b>3 497</b>	
Machinery and equipment	3 533	2 041	-	5 574	5 426	148	97.3%	3 452	3 450	
Transport equipment	-	3 624	-	3 624	3 624	-	100.0%	-	-	
Other machinery and equipment	3 533	(1 583)	-	1 950	1 802	148	92.4%	3 452	3 450	
Software and other intangible assets	269	-	-	269	266	3	98.9%	56	47	
<b>Payments for financial assets</b>	<b>-</b>	<b>124</b>	-	<b>124</b>	<b>124</b>	<b>-</b>	<b>100.0%</b>	<b>89</b>	<b>88</b>	
<b>Total</b>	<b>444 263</b>	<b>-</b>	<b>-</b>	<b>444 263</b>	<b>432 784</b>	<b>11 479</b>	<b>97.4%</b>	<b>510 296</b>	<b>509 008</b>	

## APPROPRIATION STATEMENT for the year ended 31 March 2016

Programme 1: Administration	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub-programme</b>									
1. Office of the HOD	5 593	520	-	6 113	5 423	690	88.7%	2 230	2 221
2. Financial Management	26 209	(478)	-	25 731	24 847	884	96.6%	24 717	24 714
3. Corporate Services	10 102	(42)	-	10 060	10 060	-	100.0%	8 609	8 594
<b>Total</b>	<b>41 904</b>	<b>-</b>	<b>-</b>	<b>41 904</b>	<b>40 330</b>	<b>1 574</b>	<b>96.2%</b>	<b>35 556</b>	<b>35 529</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>39 352</b>	<b>(1 112)</b>	<b>-</b>	<b>38 240</b>	<b>36 666</b>	<b>1 574</b>	<b>95.9%</b>	<b>32 731</b>	<b>32 713</b>
Compensation of employees	23 767	-	-	23 767	22 264	1 503	93.7%	18 853	18 836
Salaries and wages	20 964	8	-	20 972	19 699	1 273	93.9%	16 850	16 833
Social contributions	2 803	(8)	-	2 795	2 565	230	91.8%	2 003	2 003
Goods and services	15 585	(1 112)	-	14 473	14 402	71	99.5%	13 878	13 877
Administrative fees	48	(3)	-	45	43	2	95.6%	50	50
Advertising	7 006	(985)	-	6 021	6 016	5	99.9%	5 833	5 833
Minor assets	32	53	-	85	79	6	92.9%	90	90
Audit costs: External	3 252	(186)	-	3 066	3 066	-	100.0%	3 119	3 119
Bursaries: Employees	390	52	-	442	442	-	100.0%	293	293
Catering: Departmental activities	78	29	-	107	107	-	100.0%	21	21
Communication	344	(109)	-	235	235	-	100.0%	391	391
Computer services	388	263	-	651	621	30	95.4%	401	401
Consultants: Business and advisory services	119	271	-	390	390	-	100.0%	553	553
Contractors	58	-	-	58	45	13	77.6%	336	336
Entertainment	31	(16)	-	15	12	3	80.0%	5	5
Fleet services	1 385	(702)	-	683	683	-	100.0%	624	624
Inventory: Materials and supplies	-	-	-	-	-	-	-	38	38

## APPROPRIATION STATEMENT for the year ended 31 March 2016

Programme 1: Administration (Continued)	2015/16					2014/15			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Consumable supplies	80	49	-	129	129	-	100.0%	46	46
Consumable: Stationery, printing and office supplies	512	(200)	-	312	312	-	100.0%	220	220
Operating leases	155	(22)	-	133	123	10	92.5%	133	133
Property payments	-	133	-	133	133	-	100.0%	-	-
Travel and subsistence	465	(185)	-	280	278	2	99.3%	307	307
Training and development	662	102	-	764	764	-	100.0%	756	756
Operating payments	446	134	-	580	580	-	100.0%	387	387
Venues and facilities	78	207	-	285	285	-	100.0%	35	34
Rental and hiring	56	3	-	59	59	-	100.0%	240	240
<b>Transfers and subsidies</b>	<b>15</b>	<b>1</b>	-	<b>16</b>	<b>16</b>	-	<b>100.0%</b>	<b>42</b>	<b>41</b>
Provinces and municipalities	-	-	-	-	-	-	-	1	1
Provinces	-	-	-	-	-	-	-	1	1
Provincial agencies and funds	-	-	-	-	-	-	-	1	1
Departmental agencies and accounts	-	1	-	1	1	-	100.0%	-	-
Departmental agencies	-	1	-	1	1	-	100.0%	-	-
Households	15	-	-	15	15	-	100.0%	41	40
Social benefits	15	-	-	15	15	-	100.0%	41	40
<b>Payments for capital assets</b>	<b>2 537</b>	<b>1 111</b>	-	<b>3 648</b>	<b>3 648</b>	-	<b>100.0%</b>	<b>2 763</b>	<b>2 755</b>
Machinery and equipment	2 388	1 100	-	3 488	3 488	-	100.0%	2 754	2 754
Transport equipment	-	3 018	-	3 018	3 018	-	100.0%	-	-
Other machinery and equipment	2 388	(1 918)	-	470	470	-	100.0%	2 754	2 754
Software and other intangible assets	149	11	-	160	160	-	100.0%	9	1
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	-	<b>-</b>	<b>-</b>	-	<b>-</b>	<b>20</b>	<b>20</b>
<b>Total</b>	<b>41 904</b>	<b>-</b>	-	<b>41 904</b>	<b>40 330</b>	<b>1 574</b>	<b>96.2%</b>	<b>35 556</b>	<b>35 529</b>

## APPROPRIATION STATEMENT for the year ended 31 March 2016

SUB - PROGRAMME: 1.1: Office of the HOD									
Economic classification	2015/16					2014/15			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>Current payments</b>	<b>5 053</b>	<b>392</b>	-	<b>5 445</b>	<b>4 755</b>	<b>690</b>	<b>87.3%</b>	<b>2 197</b>	<b>2 196</b>
Compensation of employees	4 393	-	-	4 393	3 703	690	84.3%	1 891	1 891
Goods and services	660	392	-	1 052	1 052	-	100.0%	306	305
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	<b>10</b>	<b>10</b>
Households	-	-	-	-	-	-	-	10	10
<b>Payments for capital assets</b>	<b>540</b>	<b>128</b>	-	<b>668</b>	<b>668</b>	-	<b>100.0%</b>	<b>23</b>	<b>15</b>
Machinery and equipment	540	127	-	667	667	-	100.0%	14	14
Software and other intangible assets	-	1	-	1	1	-	100.0%	9	1
<b>Total</b>	<b>5 593</b>	<b>520</b>	-	<b>6 113</b>	<b>5 423</b>	<b>690</b>	<b>88.7%</b>	<b>2 230</b>	<b>2 221</b>

## APPROPRIATION STATEMENT for the year ended 31 March 2016

SUB PROGRAMME 1.2: Financial Management		2015/16							2014/15	
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification (continued)		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>24 228</b>	<b>(1 493)</b>	<b>-</b>	<b>22 735</b>	<b>21 851</b>	<b>884</b>	<b>96.1%</b>	<b>21 958</b>	<b>21 956</b>	
Compensation of employees	17 034	(164)	-	16 870	16 057	813	95.2%	15 335	15 333	
Goods and services	7 194	(1 329)	-	5 865	5 794	71	98.8%	6 623	6 623	
<b>Transfers and subsidies</b>	<b>15</b>	<b>1</b>	<b>-</b>	<b>16</b>	<b>16</b>	<b>-</b>	<b>100.0%</b>	<b>14</b>	<b>13</b>	
Provinces and municipalities	-	-	-	-	-	-	-	1	1	
Departmental agencies and accounts	-	1	-	1	1	-	100.0%	-	-	
Households	15	-	-	15	15	-	100.0%	13	12	
<b>Payments for capital assets</b>	<b>1 966</b>	<b>1 014</b>	<b>-</b>	<b>2 980</b>	<b>2 980</b>	<b>-</b>	<b>100.0%</b>	<b>2 725</b>	<b>2 725</b>	
Machinery and equipment	1 817	1 004	-	2 821	2 821	-	100.0%	2 725	2 725	
Intangible assets	149	10	-	159	159	-	100.0%	-	-	
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20</b>	<b>20</b>	
<b>Total</b>	<b>26 209</b>	<b>(478)</b>	<b>-</b>	<b>25 731</b>	<b>24 847</b>	<b>884</b>	<b>96.6%</b>	<b>24 717</b>	<b>24 714</b>	

## APPROPRIATION STATEMENT for the year ended 31 March 2016

SUB PROGRAMME: 1.3: Corporate Services										
Economic classification		2015/16					2014/15			
		Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>Current payments</b>		<b>10 071</b>	<b>(11)</b>	<b>-</b>	<b>10 060</b>	<b>10 060</b>	<b>-</b>	<b>100.0%</b>	<b>8 576</b>	<b>8 561</b>
Compensation of employees		2 340	164	-	2 504	2 504	-	100.0%	1 627	1 612
Goods and services		7 731	(175)	-	7 556	7 556	-	100.0%	6 949	6 949
<b>Transfers and subsidies</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18</b>	<b>18</b>
Households		-	-	-	-	-	-	-	18	18
<b>Payments for capital assets</b>		<b>31</b>	<b>(31)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>15</b>
Machinery and equipment		31	(31)	-	-	-	-	-	15	15
<b>Total</b>		<b>10 102</b>	<b>(42)</b>	<b>-</b>	<b>10 060</b>	<b>10 060</b>	<b>-</b>	<b>100.0%</b>	<b>8 609</b>	<b>8 594</b>



## APPROPRIATION STATEMENT for the year ended 31 March 2016

Programme 2: Integrated Economic Development Services	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. Enterprise Development	33 409	(276)	-	33 133	32 728	405	98.8%	38 553	38 200
2. Regional and Local Economic Development	6 234	(354)	-	5 880	5 583	297	94.9%	8 138	8 138
3. Economic Empowerment	1 438	(398)	-	1 040	1 019	21	98.0%	4 032	4 032
4. Red Tape	11 664	37	-	11 701	11 431	270	97.7%	6 893	6 893
5. Management: Integrated Economic Development Services	2 223	991	-	3 214	3 041	173	94.6%	2 006	2 006
<b>Total</b>	<b>54 968</b>	<b>-</b>	<b>-</b>	<b>54 968</b>	<b>53 802</b>	<b>1 166</b>	<b>97.9%</b>	<b>59 622</b>	<b>59 269</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>43 262</b>	<b>(2 565)</b>	<b>-</b>	<b>40 697</b>	<b>39 701</b>	<b>996</b>	<b>97.6%</b>	<b>32 420</b>	<b>32 415</b>
Compensation of employees	17 253	-	-	17 253	16 793	460	97.3%	19 158	19 153
Salaries and wages	15 412	(137)	-	15 275	14 850	425	97.2%	17 104	17 099
Social contributions	1 841	137	-	1 978	1 943	35	98.2%	2 054	2 054
Goods and services	26 009	(2 565)	-	23 444	22 908	536	97.7%	13 262	13 262
Administrative fees	89	18	-	107	67	40	62.6%	30	30
Advertising	110	280	-	390	386	4	99.0%	49	49
Minor assets	89	(38)	-	51	15	36	29.4%	127	127
Catering: Departmental activities	424	(18)	-	406	399	7	98.3%	539	539
Communication	195	(33)	-	162	148	14	91.4%	285	285
Consultants: Business and advisory services	17 846	(2 837)	-	15 009	15 004	5	100.0%	8 360	8 360
Contractors	987	132	-	1 119	1 093	26	97.7%	343	343
Agency and support/outsourced services	439	32	-	471	471	-	100.0%	611	611

## APPROPRIATION STATEMENT for the year ended 31 March 2016

Programme 2: Integrated Economic Development Services (continued)	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Entertainment	27	-	-	27	22	5	81.5%	16	16
Consumable supplies	96	49	-	145	119	26	82.1%	21	21
Consumable: Stationery, printing and office supplies	239	9	-	248	239	9	96.4%	228	228
Operating leases	38	6	-	44	36	8	81.8%	28	28
Travel and subsistence	880	(106)	-	774	673	101	87.0%	761	761
Training and development	3 270	(108)	-	3 162	3 105	57	98.2%	635	635
Operating payments	136	(39)	-	97	94	3	96.9%	22	22
Venues and facilities	956	(361)	-	595	400	195	67.2%	1 204	1 204
Rental and hiring	188	449	-	637	637	-	100.0%	3	3
<b>Transfers and subsidies</b>	<b>11 235</b>	<b>2 166</b>	-	<b>13 401</b>	<b>13 232</b>	<b>169</b>	<b>98.7%</b>	<b>26 968</b>	<b>26 621</b>
Departmental agencies and accounts	-	1 900	-	1 900	1 900	-	100.0%	2 000	2 000
Departmental agencies	-	1 900	-	1 900	1 900	-	100.0%	2 000	2 000
Higher education institutions	-	-	-	-	-	-	-	2 150	2 150
Public corporations and private enterprises	3 000	-	-	3 000	2 831	169	94.4%	5 700	5 577
Public corporations	-	-	-	-	-	-	-	5 700	5 577
Other transfers to public corporations	-	-	-	-	-	-	-	5 700	5 577
Private enterprises	3 000	-	-	3 000	2 831	169	94.4%	-	-
Other transfers to private enterprises	3 000	-	-	3 000	2 831	-	94.4%	-	-
Non-profit institutions	6 448	-	-	6 448	6 448	-	100.0%	16 500	16 276
Households	1 787	266	-	2 053	2 053	-	100.0%	618	618
Social benefits	1 787	266	-	2 053	2 053	-	100.0%	28	28
Other transfers to households	-	-	-	-	-	-	-	590	590

## APPROPRIATION STATEMENT for the year ended 31 March 2016

Programme 2: Integrated Economic Development Services (continued)	2015/16					2014/15			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation	Final Appropriation R'000	Actual expenditure R'000
<b>Payments for capital assets</b>	471	399	-	870	869	1	99.9%	220	220
Machinery and equipment	405	397	-	802	802	-	100.0%	215	215
Transport equipment	-	264	-	264	264	-	100.0%	-	-
Other machinery and equipment	405	133	-	538	538	-	100.0%	215	215
Software and other intangible assets	66	2	-	68	67	1	98.5%	5	5
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	14	13
<b>Total</b>	<b>54 968</b>	<b>-</b>	<b>-</b>	<b>54 968</b>	<b>53 802</b>	<b>1 166</b>	<b>97.9%</b>	<b>59 622</b>	<b>59 269</b>

## APPROPRIATION STATEMENT for the year ended 31 March 2016

SUB PROGRAMME: 2.1: Enterprise Development									
Economic classification	2015/16					2014/15			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>Current payments</b>	<b>21 921</b>	<b>(354)</b>	-	<b>21 567</b>	<b>21 331</b>	<b>236</b>	<b>98.9%</b>	<b>11 922</b>	<b>11 917</b>
Compensation of employees	6 709	-	-	6 709	6 570	139	97.9%	6 534	6 529
Goods and services	15 212	(354)	-	14 858	14 761	97	99.3%	5 388	5 388
<b>Transfers and subsidies</b>	<b>11 228</b>	<b>224</b>	-	<b>11 452</b>	<b>11 283</b>	<b>169</b>	<b>98.5%</b>	<b>26 465</b>	<b>26 118</b>
Departmental agencies and accounts	-	-	-	-	-	-	-	2 000	2 000
Higher education institutions	-	-	-	-	-	-	-	1 650	1 650
Public corporations and private enterprises	3 000	-	-	3 000	2 831	169	94.4%	5 700	5 577
Non-profit institutions	6 448	-	-	6 448	6 448	-	100.0%	16 500	16 276
Households	1 780	224	-	2 004	2 004	-	100.0%	615	615
<b>Payments for capital assets</b>	<b>260</b>	<b>(146)</b>	-	<b>114</b>	<b>114</b>	-	<b>100.0%</b>	<b>152</b>	<b>152</b>
Machinery and equipment	260	(147)	-	113	113	-	100.0%	150	150
Software and other intangible assets	-	1	-	1	1	-	100.0%	2	2
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>13</b>
<b>Total</b>	<b>33 409</b>	<b>(276)</b>	<b>-</b>	<b>33 133</b>	<b>32 728</b>	<b>405</b>	<b>98.8%</b>	<b>38 553</b>	<b>38 200</b>

## APPROPRIATION STATEMENT for the year ended 31 March 2016

SUB PROGRAMME: 2.2: Regional and Local Economic Development											
Economic classification	2015/16						2014/15				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000		
<b>Current payments</b>	<b>6 115</b>	<b>(308)</b>	-	<b>5 807</b>	<b>5 510</b>	<b>297</b>	<b>94.9%</b>	<b>7 624</b>	<b>7 624</b>		
Compensation of employees	4 119	-	-	4 119	3 822	297	92.8%	4 953	4 953		
Goods and services	1 996	(308)	-	1 688	1 688	-	100.0%	2 671	2 671		
<b>Transfers and subsidies</b>	<b>7</b>	-	-	<b>7</b>	<b>7</b>	-	<b>100.0%</b>	<b>500</b>	<b>500</b>		
Higher education institutions	-	-	-	-	-	-	-	500	500		
Households	7	-	-	7	7	-	100.0%	-	-		
<b>Payments for capital assets</b>	<b>112</b>	<b>(46)</b>	-	<b>66</b>	<b>66</b>	-	<b>100.0%</b>	<b>14</b>	<b>14</b>		
Machinery and equipment	112	(46)	-	66	66	-	100.0%	13	13		
Software and other intangible assets	-	-	-	-	-	-	-	1	1		
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Total</b>	<b>6 234</b>	<b>(354)</b>	<b>-</b>	<b>5 880</b>	<b>5 583</b>	<b>297</b>	<b>94.9%</b>	<b>8 138</b>	<b>8 138</b>		

## APPROPRIATION STATEMENT for the year ended 31 March 2016

SUB PROGRAMME: 2.3: Economic Empowerment									
Economic classification	2015/16					2014/15			
	Adjusted Appropriation R'000	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
<b>Current payments</b>	<b>1 438</b>	<b>(398)</b>	-	<b>1 040</b>	<b>1 019</b>	<b>21</b>	<b>98.0%</b>	<b>4 032</b>	<b>4 032</b>
Compensation of employees	1 438	(398)	-	1 040	1 019	21	98.0%	4 032	4 032
<b>Total</b>	<b>1 438</b>	<b>(398)</b>	-	<b>1 040</b>	<b>1 019</b>	<b>21</b>	<b>98.0%</b>	<b>4 032</b>	<b>4 032</b>

SUB PROGRAMME: 2.4: Red Tape									
Economic classification	2015/16					2014/15			
	Adjusted Appropriation R'000	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
<b>Current payments</b>	<b>11 566</b>	<b>(2 496)</b>	-	<b>9 070</b>	<b>8 801</b>	<b>269</b>	<b>97.0%</b>	<b>6 857</b>	<b>6 857</b>
Compensation of employees	3 164	(593)	-	2 571	2 568	3	99.9%	1 858	1 858
Goods and services	8 402	(1 903)	-	6 499	6 233	266	95.9%	4 999	4 999
<b>Transfers and subsidies</b>	-	<b>1 942</b>	-	<b>1 942</b>	<b>1 942</b>	-	<b>100.0%</b>	<b>3</b>	<b>3</b>
Departmental agencies and accounts	-	1 900	-	1 900	1 900	-	100.0%	-	-
Households	-	42	-	42	42	-	100.0%	3	3
<b>Payments for capital assets</b>	<b>98</b>	<b>591</b>	-	<b>689</b>	<b>688</b>	<b>1</b>	<b>99.9%</b>	<b>33</b>	<b>33</b>
Machinery and equipment	32	591	-	623	623	-	100.0%	32	32
Software and other intangible assets	66	-	-	66	65	1	98.5%	1	1
<b>Total</b>	<b>11 664</b>	<b>37</b>	-	<b>11 701</b>	<b>11 431</b>	<b>270</b>	<b>97.7%</b>	<b>6 893</b>	<b>6 893</b>

## APPROPRIATION STATEMENT for the year ended 31 March 2016

SUB PROGRAMME: 2.5: Management: Integrated Economic Development Services									
Economic classification	2015/16					2014/15			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>Current payments</b>	<b>2 222</b>	<b>991</b>	<b>-</b>	<b>3 213</b>	<b>3 040</b>	<b>173</b>	<b>94.6%</b>	<b>1 985</b>	<b>1 985</b>
Compensation of employees	1 823	991	-	2 814	2 814	-	100.0%	1 781	1 781
Goods and services	399	-	-	399	226	173	56.6%	204	204
<b>Payments for capital assets</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>100.0%</b>	<b>21</b>	<b>21</b>
Machinery and equipment	1	(1)	-	-	-	-	-	20	20
Software and other intangible assets	-	1	-	1	1	-	100.0%	1	1
<b>Total</b>	<b>2 223</b>	<b>991</b>	<b>-</b>	<b>3 214</b>	<b>3 041</b>	<b>173</b>	<b>94.6%</b>	<b>2 006</b>	<b>2 006</b>

## APPROPRIATION STATEMENT for the year ended 31 March 2016

Programme 3: Trade and Sector Development	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. Trade and Investment Promotion	22 400	600	-	23 000	23 000	-	100.0%	19 235	19 235
2. Sector development	33 906	(600)	-	33 306	32 915	391	98.8%	51 683	51 061
3. Strategic Initiatives	118 485	(2)	-	118 483	113 788	4 695	96.0%	164 719	164 711
4. Management: Trade and Sector Development	1 831	2	-	1 833	1 748	85	95.4%	958	952
<b>Total</b>	<b>176 622</b>	<b>-</b>	<b>-</b>	<b>176 622</b>	<b>171 451</b>	<b>5 171</b>	<b>97.1%</b>	<b>236 595</b>	<b>235 959</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>62 032</b>	<b>(2 580)</b>	<b>-</b>	<b>59 452</b>	<b>54 445</b>	<b>5 007</b>	<b>91.6%</b>	<b>53 478</b>	<b>53 430</b>
Compensation of employees	24 231	-	-	24 231	21 365	2 866	88.2%	18 975	18 975
Salaries and wages	22 224	(12)	-	22 212	19 424	2 788	87.4%	17 343	17 343
Social contributions	2 007	12	-	2 019	1 941	78	96.1%	1 632	1 632
Goods and services	37 801	(2 580)	-	35 221	33 080	2 141	93.9%	34 503	34 455
Administrative fees	46	-	-	46	21	25	45.7%	53	53
Advertising	274	268	-	542	542	-	100.0%	-	-
Minor assets	37	14	-	51	38	13	74.5%	33	33
Catering: Departmental activities	110	16	-	126	122	4	96.8%	28	28
Communication	163	11	-	174	148	26	85.1%	275	272
Computer services	-	9	-	9	9	-	100.0%	-	-



## APPROPRIATION STATEMENT for the year ended 31 March 2016

Programme 3: Trade and Sector Development (continued)	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consultants: Business and advisory services	36 243	(3 193)	-	33 050	31 158	1 892	94.3%	32 494	32 462
Contractors	3	-	-	3	3	-	100.0%	15	15
Entertainment	20	-	-	20	6	14	30.0%	7	7
Consumable supplies	34	80	-	114	112	2	98.2%	24	23
Consumable: Stationery, printing and office supplies	155	49	-	204	160	44	78.4%	123	123
Operating leases	146	47	-	193	190	3	98.4%	214	207
Travel and subsistence	353	91	-	444	369	75	83.1%	985	985
Training and development	92	-	-	92	50	42	54.3%	120	120
Operating payments	40	22	-	62	62	-	100.0%	51	46
Venues and facilities	84	6	-	90	89	1	98.9%	81	81
Rental and hiring	1	-	-	1	1	-	100.0%	-	-
<b>Transfers and subsidies</b>	<b>114 246</b>	<b>2 580</b>	<b>-</b>	<b>116 826</b>	<b>116 787</b>	<b>39</b>	<b>100.0%</b>	<b>182 961</b>	<b>182 373</b>
Provinces and municipalities	-	-	-	-	-	-	-	500	500
Municipalities	-	-	-	-	-	-	-	500	500
Municipal agencies and funds	-	-	-	-	-	-	-	500	500
Departmental agencies and accounts	55 658	600	-	56 258	56 258	-	100.0%	50 326	50 326
Departmental agencies	55 658	600	-	56 258	56 258	-	100.0%	50 326	50 326
Higher education institutions	-	-	-	-	-	-	-	1000	1000

## APPROPRIATION STATEMENT for the year ended 31 March 2016

Programme 3: Trade and Sector Development (continued)	2015/16						2014/15		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Public corporations and private enterprises	-	-	-	-	-	-	-	10	10
Public corporations	-	-	-	-	-	-	-	10	10
Other transfers to public corporations	-	-	-	-	-	-	-	10	10
Non-profit institutions	58 450	1 980	-	60 430	60 430	-	100.0%	131 110	130 522
Households	138	-	-	138	99	39	71.7%	15	15
Social benefits	138	-	-	138	99	39	71.7%	13	13
Other transfers to households	-	-	-	-	-	-	-	2	2
<b>Payments for capital assets</b>	<b>344</b>	<b>(7)</b>	<b>-</b>	<b>337</b>	<b>212</b>	<b>125</b>	<b>62.9%</b>	<b>153</b>	<b>153</b>
Machinery and equipment	344	(33)	-	311	186	125	59.8%	141	141
Other machinery and equipment	344	(33)	-	311	186	125	59.8%	141	141
Software and other intangible assets	-	26	-	26	26	-	100.0%	12	12
<b>Payments for financial assets</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>7</b>	<b>7</b>	<b>-</b>	<b>100.0%</b>	<b>3</b>	<b>3</b>
<b>Total</b>	<b>176 622</b>	<b>-</b>	<b>-</b>	<b>176 622</b>	<b>171 451</b>	<b>5 171</b>	<b>97.1%</b>	<b>236 595</b>	<b>235 959</b>

## APPROPRIATION STATEMENT for the year ended 31 March 2016

SUB PROGRAMME: 3.1: Trade and Investment Promotion									
Economic classification	2015/16					2014/15			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>Transfers and subsidies</b>	<b>22 400</b>	<b>600</b>	-	<b>23 000</b>	<b>23 000</b>	-	<b>100.0%</b>	<b>19 235</b>	<b>19 235</b>
Departmental agencies and accounts	22 400	600	-	23 000	23 000	-	100.0%	19 235	19 235
<b>Total</b>	<b>22 400</b>	<b>600</b>	-	<b>23 000</b>	<b>23 000</b>	-	<b>100.0%</b>	<b>19 235</b>	<b>19 235</b>

## APPROPRIATION STATEMENT for the year ended 31 March 2016

SUB PROGRAMME: 3.2: Sector Development									
Economic classification	2015/16					2014/15			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>Current payments</b>	<b>10 814</b>	<b>(600)</b>	-	<b>10 214</b>	<b>9 831</b>	<b>383</b>	<b>96.3%</b>	<b>16 098</b>	<b>16 064</b>
Compensation of employees	9 408	-	-	9 408	9 206	202	97.9%	11 084	11 084
Goods and services	1 406	(600)	-	806	625	181	77.5%	5 014	4 980
<b>Transfers and subsidies</b>	<b>23 010</b>	-	-	<b>23 010</b>	<b>23 008</b>	<b>2</b>	<b>100.0%</b>	<b>35 510</b>	<b>34 922</b>
Higher education institutions	-	-	-	-	-	-	-	1 000	1 000
Non-profit institutions	23 000	-	-	23 000	23 000	-	100.0%	34 510	33 922
Households	10	-	-	10	8	2	80.0%	-	-
<b>Payments for capital assets</b>	<b>82</b>	<b>(7)</b>	-	<b>75</b>	<b>69</b>	<b>6</b>	<b>92.0%</b>	<b>72</b>	<b>72</b>
Machinery and equipment	82	(10)	-	72	66	6	91.7%	67	67
Software and other intangible assets	-	3	-	3	3	-	100.0%	5	5
<b>Payments for financial assets</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>7</b>	<b>7</b>	<b>-</b>	<b>100.0%</b>	<b>3</b>	<b>3</b>
<b>Total</b>	<b>33 906</b>	<b>(600)</b>	<b>-</b>	<b>33 306</b>	<b>32 915</b>	<b>391</b>	<b>98.8%</b>	<b>51 683</b>	<b>51 061</b>

## APPROPRIATION STATEMENT for the year ended 31 March 2016

SUB PROGRAMME: 3.3: Strategic Initiatives									
Economic classification	2015/16					2014/15			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>Current payments</b>	<b>49 462</b>	<b>(1 980)</b>	-	<b>47 482</b>	<b>42 943</b>	<b>4 539</b>	<b>90.4%</b>	<b>36 435</b>	<b>36 427</b>
Compensation of employees	13 194	-	-	13 194	10 550	2 644	80.0%	7 127	7 127
Goods and services	36 268	(1 980)	-	34 288	32 393	1 895	94.5%	29 308	29 300
<b>Transfers and subsidies</b>	<b>68 775</b>	<b>1 980</b>	-	<b>70 755</b>	<b>70 718</b>	<b>37</b>	<b>99.9%</b>	<b>128 204</b>	<b>128 204</b>
Provinces and municipalities	-	-	-	-	-	-	-	500	500
Departmental agencies and accounts	33 258	-	-	33 258	33 258	-	100.0%	31 091	31 091
Non-profit institutions	35 450	1 980	-	37 430	37 430	-	100.0%	96 600	96 600
Households	67	-	-	67	30	37	44.8%	13	13
<b>Payments for capital assets</b>	<b>248</b>	<b>(2)</b>	-	<b>246</b>	<b>127</b>	<b>119</b>	<b>51.6%</b>	<b>80</b>	<b>80</b>
Machinery and equipment	248	(24)	-	224	105	119	46.9%	74	74
Software and other intangible assets	-	22	-	22	22	-	100.0%	6	6
<b>Total</b>	<b>118 485</b>	<b>(2)</b>	<b>-</b>	<b>118 483</b>	<b>113 788</b>	<b>4 695</b>	<b>96.0%</b>	<b>164 719</b>	<b>164 711</b>

## APPROPRIATION STATEMENT for the year ended 31 March 2016

### SUB PROGRAMME: 3.4: Management: Trade and Sector Development

Economic classification	2015/16						2014/15		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>Current payments</b>	<b>1 756</b>	-	-	<b>1 756</b>	<b>1 671</b>	<b>85</b>	<b>95.2%</b>	<b>945</b>	<b>939</b>
Compensation of employees	1 629	-	-	1 629	1 609	20	98.8%	764	764
Goods and services	127	-	-	127	62	65	48.8%	181	175
<b>Transfers and subsidies</b>	<b>61</b>	-	-	<b>61</b>	<b>61</b>	-	<b>100.0%</b>	<b>12</b>	<b>12</b>
Public corporations and private enterprises	-	-	-	-	-	-	-	10	10
Households	61	-	-	61	61	-	100.0%	2	2
<b>Payments for capital assets</b>	<b>14</b>	<b>2</b>	-	<b>16</b>	<b>16</b>	-	<b>100.0%</b>	<b>1</b>	<b>1</b>
Machinery and equipment	14	1	-	15	15	-	100.0%	-	-
Software and other intangible assets	-	1	-	1	1	-	100.0%	1	1
<b>Total</b>	<b>1 831</b>	<b>2</b>	-	<b>1 833</b>	<b>1 748</b>	<b>85</b>	<b>95.4%</b>	<b>958</b>	<b>952</b>

## APPROPRIATION STATEMENT for the year ended 31 March 2016

Programme 4: Business regulation and Governance	2015/16					2014/15			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. Consumer Protection	11 228	(2)	-	11 226	10 868	358	96.8%	10 021	10 021
2. Liquor Regulation	38 909	2	-	38 911	38 910	1	100.0%	39 102	39 102
<b>Total</b>	<b>50 137</b>	<b>-</b>	<b>-</b>	<b>50 137</b>	<b>49 778</b>	<b>359</b>	<b>99.3%</b>	<b>49 123</b>	<b>49 123</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>11 294</b>	<b>-</b>	<b>-</b>	<b>11 294</b>	<b>10 942</b>	<b>352</b>	<b>96.9%</b>	<b>10 827</b>	<b>10 827</b>
Compensation of employees	8 354	-	-	8 354	8 336	18	99.8%	8 448	8 448
Salaries and wages	7 384	(61)	-	7 323	7 305	18	99.8%	7 500	7 500
Social contributions	970	61	-	1 031	1 031	-	100.0%	948	948
Goods and services	2 940	-	-	2 940	2 606	334	88.6%	2 379	2 379
Administrative fees	15	9	-	24	24	-	100.0%	18	18
Advertising	167	(8)	-	159	46	113	28.9%	-	-
Minor assets	146	12	-	158	156	2	98.7%	5	5
Catering: Departmental activities	5	-	-	5	-	5	-	4	4
Communication	126	(24)	-	102	93	9	91.2%	156	156
Computer services	61	-	-	61	61	-	100.0%	-	-
Consultants: Business and advisory services	150	252	-	402	402	-	100.0%	-	-
Contractors	-	1	-	1	1	-	100.0%	6	6
Agency and support/ outsourced services	1 416	49	-	1 465	1 465	-	100.0%	1 273	1 273

## APPROPRIATION STATEMENT for the year ended 31 March 2016

Programme 4: Business regulation and Governance	2015/16						2014/15		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Consumable supplies	2	19	-	21	20	1	95.2%	2	2
Consumable: Stationery, printing and office supplies	36	(1)	-	35	31	4	88.6%	30	30
Operating leases	52	(9)	-	43	36	7	83.7%	52	52
Property payments	-	-	-	-	-	-	-	7	7
Travel and subsistence	255	-	-	255	246	9	96.5%	261	261
Training and development	317	(300)	-	17	4	13	23.5%	534	534
Operating payments	192	(2)	-	190	19	171	10.0%	15	15
Venues and facilities	-	-	-	-	-	-	-	16	16
Rental and hiring	-	2	-	2	2	-	100.0%	-	-
<b>Transfers and subsidies</b>	<b>38 733</b>	<b>-</b>	<b>-</b>	<b>38 733</b>	<b>38 733</b>	<b>-</b>	<b>100.0%</b>	<b>38 241</b>	<b>38 241</b>
Departmental agencies and accounts	38 733	-	-	38 733	38 733	-	100.0%	38 241	38 241
Departmental agencies	38 733	-	-	38 733	38 733	-	100.0%	38 241	38 241
<b>Payments for capital assets</b>	<b>110</b>	<b>-</b>	<b>-</b>	<b>110</b>	<b>103</b>	<b>7</b>	<b>93.6%</b>	<b>40</b>	<b>40</b>
Machinery and equipment	60	44	-	104	98	6	94.2%	40	40
Other machinery and equipment	60	44	-	104	98	6	94.2%	40	40
Software and other intangible assets	50	(44)	-	6	5	1	83.3%	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>15</b>
<b>Total</b>	<b>50 137</b>	<b>-</b>	<b>-</b>	<b>50 137</b>	<b>49 778</b>	<b>359</b>	<b>99.3%</b>	<b>49 123</b>	<b>49 123</b>



## APPROPRIATION STATEMENT for the year ended 31 March 2016

Economic classification		2015/16							2014/15	
		Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>Current payments</b>	<b>11 118</b>	<b>(2)</b>	<b>-</b>	<b>11 116</b>	<b>10 765</b>	<b>351</b>	<b>96.8%</b>	<b>9 966</b>	<b>9 966</b>	
Compensation of employees	8 178	(2)	-	8 176	8 159	17	99.8%	7 590	7 590	
Goods and services	2 940	-	-	2 940	2 606	334	88.6%	2 376	2 376	
<b>Payments for capital assets</b>	<b>110</b>	<b>-</b>		<b>110</b>	<b>103</b>	<b>7</b>	<b>93.6%</b>	<b>40</b>	<b>40</b>	
Machinery and equipment	60	44		104	98	6	94.2%	40	40	
Software and other intangible assets	50	(44)		6	5	1	83.3%	-	-	
<b>Payment for financial assets</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>		<b>15</b>	<b>15</b>	
<b>Total</b>	<b>11 228</b>	<b>(2)</b>	<b>-</b>	<b>11 226</b>	<b>10 868</b>	<b>358</b>	<b>96.8%</b>	<b>10 021</b>	<b>10 021</b>	

## APPROPRIATION STATEMENT for the year ended 31 March 2016

SUB PROGRAMME: 4.2: Liquor Regulation									
Economic classification	2015/16					2014/15			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>176</b>	<b>2</b>	<b>-</b>	<b>178</b>	<b>177</b>	<b>1</b>	<b>99.4%</b>	<b>861</b>	<b>861</b>
Compensation of employees	176	2	-	178	177	1	99.4%	858	858
Goods and services	-	-	-	-	-	-	-	3	3
<b>Transfers and subsidies</b>	<b>38 733</b>	<b>-</b>	<b>-</b>	<b>38 733</b>	<b>38 733</b>	<b>-</b>	<b>100.0%</b>	<b>38 241</b>	<b>38 241</b>
Departmental agencies and accounts	38 733	-	-	38 733	38 733	-	100.0%	38 241	38 241
<b>Total</b>	<b>38 909</b>	<b>2</b>	<b>-</b>	<b>38 911</b>	<b>38 910</b>	<b>1</b>	<b>100.0%</b>	<b>39 102</b>	<b>39 102</b>

## APPROPRIATION STATEMENT for the year ended 31 March 2016

Programme 5: Economic Planning	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. Policy and Planning	5 449	(260)	-	5 189	4 518	671	87.1%	21 602	21 377
2. Research and Development	5 173	1 520	-	6 693	6 693	-	100.0%	4 840	4 840
3. Knowledge Management	5 718	(696)	-	5 022	5 010	12	99.8%	2 505	2 505
4. Monitoring and Evaluation	2 476	(564)	-	1 912	1 776	136	92.9%	3 396	3 396
5. Economic Development Partnership	7 000	-	-	7 000	7 000	-	100.0%	8 896	8 896
<b>Total</b>	<b>25 816</b>	<b>-</b>	<b>-</b>	<b>25 816</b>	<b>24 997</b>	<b>819</b>	<b>96.8%</b>	<b>41 239</b>	<b>41 014</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>18 647</b>	<b>(209)</b>	<b>-</b>	<b>18 438</b>	<b>17 621</b>	<b>817</b>	<b>95.6%</b>	<b>23 174</b>	<b>23 174</b>
Compensation of employees	10 894	-	-	10 894	10 133	761	93.0%	9 860	9 860
Salaries and wages	10 184	(230)	-	9 954	9 179	775	92.2%	9 008	9 008
Social contributions	710	230	-	940	954	(14)	101.5%	852	852
Goods and services	7 753	(209)	-	7 544	7 488	56	99.3%	13 314	13 314
Administrative fees	23	(12)	-	11	11	-	100.0%	12	12
Advertising	-	-	-	-	-	-	-	138	138
Minor assets	34	15	-	49	49	-	100.0%	42	42
Catering: Departmental activities	26	(15)	-	11	11	-	100.0%	305	305
Communication	141	(77)	-	64	64	-	100.0%	124	124

## APPROPRIATION STATEMENT for the year ended 31 March 2016

Programme 5: Economic Planning	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Computer services	3 343	1 863	-	5 206	5 206	-	100.0%	1 351	1 351
Consultants: Business and advisory services	3 400	(1 918)	-	1 482	1 445	37	97.5%	10 257	10 257
Contractors	15	(13)	-	2	2	-	100.0%	29	29
Entertainment	-	4	-	4	3	1	75.0%	1	1
Consumable supplies	18	15	-	33	31	2	93.9%	29	29
Consumable: Stationery, printing and office supplies	97	(42)	-	55	52	3	94.5%	129	129
Operating leases	194	(53)	-	141	128	13	90.8%	206	206
Travel and subsistence	291	(150)	-	141	141	-	100.0%	238	238
Training and development	97	(59)	-	38	38	-	100.0%	63	63
Operating payments	33	254	-	287	287	-	100.0%	182	182
Venues and facilities	40	(21)	-	19	19	-	100.0%	58	58
Rental and hiring	1	-	-	1	1	-	100.0%	150	150
<b>Transfers and subsidies</b>	<b>7 000</b>	<b>9</b>	-	<b>7 009</b>	<b>7 009</b>	<b>-</b>	<b>100.0%</b>	<b>17 915</b>	<b>17 690</b>
Non-profit institutions	7 000	-	-	7 000	7 000	-	100.0%	17 896	17 671
Households	-	9	-	9	9	-	100.0%	19	19
Social benefits	-	9	-	9	9	-	100.0%	19	19
<b>Payments for capital assets</b>	<b>169</b>	<b>83</b>	-	<b>252</b>	<b>250</b>	<b>2</b>	<b>99.2%</b>	<b>131</b>	<b>131</b>
Machinery and equipment	169	81	-	250	248	2	99.2%	105	105
Other machinery and equipment	169	81	-	250	248	2	99.2%	105	105
Software and other intangible assets	-	2	-	2	2	-	100.0%	26	26
<b>Payments for financial assets</b>	<b>-</b>	<b>117</b>	-	<b>117</b>	<b>117</b>	<b>-</b>	<b>100.0%</b>	<b>19</b>	<b>19</b>
<b>Total</b>	<b>25 816</b>	<b>-</b>	<b>-</b>	<b>25 816</b>	<b>24 997</b>	<b>819</b>	<b>96.8%</b>	<b>41 239</b>	<b>41 014</b>

## APPROPRIATION STATEMENT for the year ended 31 March 2016

SUB PROGRAMME: 5.1: Policy and Planning											
Economic classification	2015/16						2014/15				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	
<b>Current payments</b>	<b>5 414</b>	<b>(371)</b>	-	<b>5 043</b>	<b>4 374</b>	<b>669</b>	<b>86.7%</b>	<b>12 535</b>	<b>12 535</b>	<b>12 535</b>	
Compensation of employees	3 832	-	-	3 832	3 219	613	84.0%	3 247	3 247	3 247	
Goods and services	1 582	(371)	-	1 211	1 155	56	95.4%	9 288	9 288	9 288	
<b>Transfers and subsidies</b>	<b>-</b>	<b>9</b>	-	<b>9</b>	<b>9</b>	<b>-</b>	<b>100.0%</b>	<b>9 011</b>	<b>9 011</b>	<b>8 786</b>	
Non-profit institutions	-	-	-	-	-	-	-	9 000	9 000	8 775	
Households	-	9	-	9	9	-	100.0%	11	11	11	
<b>Payments for capital assets</b>	<b>35</b>	<b>17</b>	-	<b>52</b>	<b>50</b>	<b>2</b>	<b>96.2%</b>	<b>55</b>	<b>55</b>	<b>55</b>	
Machinery and equipment	35	17	-	52	50	2	96.2%	54	54	54	
Software and other intangible assets	-	-	-	-	-	-	-	1	1	1	
<b>Payment for financial assets</b>	<b>-</b>	<b>85</b>	-	<b>85</b>	<b>85</b>	<b>-</b>	<b>100.0%</b>	<b>1</b>	<b>1</b>	<b>1</b>	
<b>Total</b>	<b>5 449</b>	<b>(260)</b>	-	<b>5 189</b>	<b>4 518</b>	<b>671</b>	<b>87.1%</b>	<b>21 602</b>	<b>21 602</b>	<b>21 377</b>	

## APPROPRIATION STATEMENT for the year ended 31 March 2016

SUB PROGRAMME: 5.2: Research Development									
Economic classification	2015/16					2014/15			
	Adjusted Appro- priation R'000	Shifting of Funds R'000	Virement R'000	Final Appro- priation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>Current payments</b>	5 111	1 424	-	6 535	6 535	-	100.0%	4 785	4 785
Compensation of employees	2 849	22	-	2 871	2 871	-	100.0%	1 986	1 986
Goods and services	2 262	1 402	-	3 664	3 664	-	100.0%	2 799	2 799
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	-	8
Households	-	-	-	-	-	-	-	-	8
<b>Payments for capital assets</b>	62	96	-	158	158	-	100.0%	29	29
Machinery and equipment	62	95	-	157	157	-	100.0%	28	28
Software and other intangible assets	-	1	-	1	1	-	100.0%	1	1
<b>Payment for financial assets</b>	-	-	-	-	-	-	-	-	18
<b>Total</b>	5 173	1 520	-	6 693	6 693	-	100.0%	4 840	4 840

## APPROPRIATION STATEMENT for the year ended 31 March 2016

SUB PROGRAMME: 5.3: Knowledge Management									
Economic classification	2015/16					2014/15			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>Current payments</b>	5 707	(728)	-	4 979	4 967	12	99.8%	2 497	2 497
Compensation of employees	2 422	(22)	-	2 400	2 388	12	99.5%	2 075	2 075
Goods and services	3 285	(706)	-	2 579	2 579	-	100.0%	422	422
<b>Payments for capital assets</b>	11	-	-	11	11	-	100.0%	8	8
Machinery and equipment	11	-	-	11	11	-	100.0%	8	8
<b>Payment for financial assets</b>	-	32	-	32	32	-	100.0%	-	-
<b>Total</b>	5 718	(696)	-	5 022	5 010	12	99.8%	2 505	2 505

## APPROPRIATION STATEMENT for the year ended 31 March 2016

SUB PROGRAMME: 5.4: Monitoring and Evaluation											
Economic classification	2015/16						2014/15				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000		
<b>Current payments</b>	<b>2 415</b>	<b>(534)</b>	-	<b>1 881</b>	<b>1 745</b>	<b>136</b>	<b>92.8%</b>	<b>3 357</b>	<b>3 357</b>		
Compensation of employees	1 791	-	-	1 791	1 655	136	92.4%	2 552	2 552		
Goods and services	624	(534)	-	90	90	-	100.0%	805	805		
<b>Payments for capital assets</b>	<b>61</b>	<b>(30)</b>	-	<b>31</b>	<b>31</b>	-	<b>100.0%</b>	<b>39</b>	<b>39</b>		
Machinery and equipment	61	(31)	-	30	30	-	100.0%	15	15		
Software and other intangible assets	-	1	-	1	1	-	100.0%	24	24		
<b>Total</b>	<b>2 476</b>	<b>(564)</b>	-	<b>1 912</b>	<b>1 776</b>	<b>136</b>	<b>92.9%</b>	<b>3 396</b>	<b>3 396</b>		

SUB PROGRAMME: 5.5: Economic Development Partnership											
Economic classification	2015/16						2014/15				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000		
<b>Transfers and subsidies</b>	<b>7 000</b>	-	-	<b>7 000</b>	<b>7 000</b>	-	<b>100.0%</b>	<b>8 896</b>	<b>8 896</b>		
Non-profit institutions	7 000	-	-	7 000	7 000	-	100.0%	8 896	8 896		
<b>Total</b>	<b>7 000</b>	-	-	<b>7 000</b>	<b>7 000</b>	-	<b>100.0%</b>	<b>8 896</b>	<b>8 896</b>		



## APPROPRIATION STATEMENT for the year ended 31 March 2016

Programme 6: Tourism, Arts and Entertainment	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. Tourism Planning	1 556	(56)	-	1 500	1 410	90	94.0%	4 198	4 198
2. Tourism Growth and Development	1 663	56	-	1 719	1 710	9	99.5%	3 135	3 110
3. Tourism Sector Transformation	8 419	30	-	8 449	8 205	244	97.1%	9 234	9 231
4. Destination Marketing Organisation	28 300	-	-	28 300	28 300	-	100.0%	22 000	22 000
5. Commercial Arts and Entertainment	333	(30)	-	303	257	46	84.8%	6 570	6 560
<b>Total</b>	<b>40 271</b>	<b>-</b>	<b>-</b>	<b>40 271</b>	<b>39 882</b>	<b>389</b>	<b>99.0%</b>	<b>45 137</b>	<b>45 099</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>11 864</b>	<b>(455)</b>	<b>-</b>	<b>11 409</b>	<b>11 021</b>	<b>388</b>	<b>96.6%</b>	<b>16 398</b>	<b>16 361</b>
Compensation of employees	9 918	-	-	9 918	9 594	324	96.7%	12 738	12 706
Salaries and wages	8 773	(24)	-	8 749	8 432	317	96.4%	11 329	11 297
Social contributions	1 145	24	-	1 169	1 162	7	99.4%	1 409	1 409
Goods and services	1 946	(455)	-	1 491	1 427	64	95.7%	3 660	3 655
Administrative fees	59	(43)	-	16	16	-	100.0%	44	42
Advertising	-	-	-	-	-	-	-	44	44
Minor assets	68	(32)	-	36	29	7	80.6%	53	53

## APPROPRIATION STATEMENT for the year ended 31 March 2016

Programme 6: Tourism, Arts and Entertainment	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Catering: Departmental activities	41	(16)	-	25	25	-	100.0%	292	292
Communication	152	(30)	-	122	117	5	95.9%	219	218
Consultants: Business and advisory services	20	11	-	31	31	-	100.0%	613	613
Contractors	210	(44)	-	166	166	-	100.0%	164	164
Entertainment	5	(4)	-	1	1	-	100.0%	1	1
Inventory: Materials and supplies	-	-	-	-	-	-	-	120	120
Consumable supplies	16	9	-	25	24	1	96.0%	4	4
Consumable: Stationery, printing and office supplies	165	(20)	-	145	133	12	91.7%	112	112
Operating leases	31	38	-	69	62	7	89.9%	76	76
Travel and subsistence	546	(177)	-	369	350	19	94.9%	637	638
Training and development	531	(65)	-	466	455	11	97.6%	1 091	1 091
Operating payments	15	(3)	-	12	11	1	91.7%	23	23
Venues and facilities	84	(83)	-	1	1	-	100.0%	163	160
Rental and hiring	3	4	-	7	6	1	85.7%	4	4
<b>Transfers and subsidies</b>	<b>28 312</b>	<b>-</b>	<b>-</b>	<b>28 213</b>	<b>28 312</b>	<b>-</b>	<b>100.0%</b>	<b>28 600</b>	<b>28 600</b>
Departmental agencies and accounts	28 300	-	-	28 300	28 300	-	100.0%	24 500	24 500
Departmental agencies	28 300	-	-	28 300	28 300	-	100.0%	24 500	24 500

## APPROPRIATION STATEMENT for the year ended 31 March 2016

Programme 6: Tourism, Arts and Entertainment	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Non-profit institutions	-	-	-	-	-	-	-	3 500	3 500
Households	12	-	-	12	12	-	100.0%	600	600
Social benefits	12	-	-	12	12	-	100.0%	-	-
Other transfers to households	-	-	-	-	-	-	-	600	600
<b>Payments for capital assets</b>	<b>95</b>	<b>455</b>	<b>-</b>	<b>550</b>	<b>549</b>	<b>1</b>	<b>99.8%</b>	<b>124</b>	<b>123</b>
Machinery and equipment	94	453	-	547	547	-	100.0%	124	123
Transport equipment	-	342	-	342	342	-	100.0%	-	-
Other machinery and equipment	94	111	-	205	205	-	100.0%	124	123
Software and other intangible assets	1	2	-	3	2	1	66.7%	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>15</b>
<b>Total</b>	<b>40 271</b>	<b>-</b>	<b>-</b>	<b>40 271</b>	<b>39 882</b>	<b>389</b>	<b>99.0%</b>	<b>45 137</b>	<b>45 099</b>

## APPROPRIATION STATEMENT for the year ended 31 March 2016

SUB PROGRAMME: 6.1: Tourism Planning										
Economic classification	2015/16					2014/15				
	Adjusted Appro- priation R'000	Shifting of Funds R'000	Virement R'000	Final Appro- priation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
<b>Current payments</b>	<b>1 555</b>	<b>(62)</b>	-	<b>1 493</b>	<b>1 404</b>	<b>89</b>	<b>94.0%</b>	<b>4 156</b>	<b>4 156</b>	
Compensation of employees	1 305	-	-	1 305	1 232	73	94.4%	3 665	3 665	
Goods and services	250	(62)	-	188	172	16	91.5%	491	491	
<b>Payments for capital assets</b>	<b>1</b>	<b>6</b>	-	<b>7</b>	<b>6</b>	<b>1</b>	<b>85.7%</b>	<b>36</b>	<b>36</b>	
Machinery and equipment	-	6	-	6	6	-	100.0%	36	36	
Software and other intangible assets	1	-	-	1	-	1	-	-	-	
<b>Payment for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>6</b>	
<b>Total</b>	<b>1 556</b>	<b>(56)</b>	<b>-</b>	<b>1 500</b>	<b>1 410</b>	<b>90</b>	<b>94.0%</b>	<b>4 198</b>	<b>4 198</b>	

## APPROPRIATION STATEMENT for the year ended 31 March 2016

SUB PROGRAMME: 6.2: Tourism Growth and Development									
Economic classification	2015/16					2014/15			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation	Final Appropriation R'000	Actual expenditure R'000
<b>Current payments</b>	<b>1 569</b>	<b>(286)</b>	-	<b>1 283</b>	<b>1 274</b>	<b>9</b>	<b>99.3%</b>	<b>3 084</b>	<b>3 059</b>
Compensation of employees	1 155	-	-	1 155	1 147	8	99.3%	2 816	2 793
Goods and services	414	(286)	-	128	127	1	99.2%	268	266
<b>Payments for capital assets</b>	<b>94</b>	<b>342</b>	-	<b>436</b>	<b>436</b>	-	<b>100.0%</b>	<b>42</b>	<b>42</b>
Machinery and equipment	94	341	-	435	435	-	100.0%	42	42
Software and other intangible assets	-	1	-	1	1	-	100.0%	-	-
<b>Payment for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>9</b>
<b>Total</b>	<b>1 663</b>	<b>56</b>	<b>-</b>	<b>1 719</b>	<b>1 710</b>	<b>9</b>	<b>99.5%</b>	<b>3 135</b>	<b>3 110</b>

## APPROPRIATION STATEMENT for the year ended 31 March 2016

SUB PROGRAMME: 6.3: Tourism Sector Transformation									
Economic classification	2015/16					2014/15			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>Current payments</b>	<b>8 407</b>	<b>(77)</b>	<b>-</b>	<b>8 330</b>	<b>8 086</b>	<b>244</b>	<b>97.1%</b>	<b>8 588</b>	<b>8 586</b>
Compensation of employees	7 225	-	-	7 225	6 981	244	96.6%	5 745	5 744
Goods and services	1 182	(77)	-	1 105	1 105	-	100.0%	2 843	2 842
<b>Transfers and subsidies</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>12</b>	<b>-</b>	<b>100.0%</b>	<b>600</b>	<b>600</b>
Households	12	-	-	12	12	-	100.0%	600	600
<b>Payments for capital assets</b>	<b>-</b>	<b>107</b>	<b>-</b>	<b>107</b>	<b>107</b>	<b>-</b>	<b>100.0%</b>	<b>46</b>	<b>45</b>
Machinery and equipment	-	106	-	106	106	-	100.0%	46	45
Software and other intangible assets	-	1	-	1	1	-	100.0%	-	-
<b>Total</b>	<b>8 419</b>	<b>30</b>	<b>-</b>	<b>8 449</b>	<b>8 205</b>	<b>244</b>	<b>97.1%</b>	<b>9 234</b>	<b>9 231</b>

## APPROPRIATION STATEMENT for the year ended 31 March 2016

SUB PROGRAMME: 6.4: Destination Marketing Organisation									
Economic classification	2015/16					2014/15			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>Transfers and subsidies</b>	<b>28 300</b>	-	-	<b>28 300</b>	<b>28 300</b>	-	<b>100.0%</b>	<b>22 000</b>	<b>22 000</b>
Departmental agencies and accounts	28 300	-	-	28 300	28 300	-	100.0%	22 000	22 000
<b>Total</b>	<b>28 300</b>	-	-	<b>28 300</b>	<b>28 300</b>	-	<b>100.0%</b>	<b>22 000</b>	<b>22 000</b>

SUB PROGRAMME: 6.5: Commercial Arts and Entertainment									
Economic classification	2015/16					2014/15			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>Current payments</b>	<b>333</b>	<b>(30)</b>	-	<b>303</b>	<b>257</b>	<b>46</b>	<b>84.8%</b>	<b>570</b>	<b>560</b>
Compensation of employees	233	-	-	233	234	(1)	100.4%	512	504
Goods and services	100	(30)	-	70	23	47	32.9%	58	56
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	<b>6 000</b>	<b>6 000</b>
Departmental agencies and accounts	-	-	-	-	-	-	-	2 500	2 500
Non-profit institutions	-	-	-	-	-	-	-	3 500	3 500
<b>Total</b>	<b>333</b>	<b>(30)</b>	-	<b>303</b>	<b>257</b>	<b>46</b>	<b>84.8%</b>	<b>6 570</b>	<b>6 560</b>

## APPROPRIATION STATEMENT for the year ended 31 March 2016

Programme 7: Skills Development and Innovation	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
				<b>Sub programme</b>					
1. Provincial Skills Coordination	8 830	(1 707)	-	7 123	6 655	468	93.4%	5 639	5 637
2. Workforce Development	43 220	602	-	43 822	42 460	1 362	96.9%	32 753	32 752
3. Innovation	355	1	-	356	356	-	100.0%	1 292	1 288
4. Management: Skills Development and Innovation	2 140	1 104	-	3 244	3 073	171	94.7%	3 340	3 338
<b>Total</b>	<b>54 545</b>	-	-	<b>54 545</b>	<b>52 544</b>	<b>2 001</b>	<b>96.3%</b>	<b>43 024</b>	<b>43 015</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>41 854</b>	-	-	<b>41 854</b>	<b>39 891</b>	<b>1 963</b>	<b>95.3%</b>	<b>25 460</b>	<b>25 454</b>
Compensation of employees	10 355	-	-	10 355	9 744	611	94.1%	8 363	8 363
Salaries and wages	9 412	(124)	-	9 288	8 798	490	94.7%	7 540	7 540
Social contributions	943	124	-	1 067	946	121	88.7%	823	823
Goods and services	31 499	-	-	31 499	30 147	1 352	95.7%	17 097	17 091
Administrative fees	9	15	-	24	23	1	95.8%	14	13
Advertising	19	(12)	-	7	-	7	-	-	-
Minor assets	10	(6)	-	4	-	4	-	85	85
Catering: Departmental activities	133	4	-	137	129	8	94.2%	189	189
Communication	72	4	-	76	57	19	75.0%	109	109



## APPROPRIATION STATEMENT for the year ended 31 March 2016

Programme 7: Skills Development and Innovation	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Computer services	3 000	(217)	-	2 783	2 477	306	89.0%	-	-
Consultants: Business and advisory services	1 450	(583)	-	867	867	-	100.0%	4 848	4 848
Contractors	-	-	-	-	-	-	-	22	22
Agency and support/ outsourced services	-	-	-	-	-	-	-	2	2
Entertainment	18	(11)	-	7	-	7	-	-	-
Consumable supplies	54	5	-	59	24	35	40.7%	29	28
Consumable: Stationery, printing and office supplies	179	(35)	-	144	35	109	24.3%	81	81
Operating leases	22	2	-	24	24	-	100.0%	24	24
Travel and subsistence	353	27	-	380	257	123	67.6%	252	252
Training and development	25 962	807	-	26 769	26 156	613	97.7%	11 356	11 356
Operating payments	19	19	-	38	38	-	100.0%	36	36
Venues and facilities	189	(43)	-	146	26	120	17.8%	50	46
Rental and hiring	10	24	-	34	34	-	100.0%	-	-
<b>Transfers and subsidies</b>	<b>12 615</b>	<b>-</b>	<b>-</b>	<b>12 615</b>	<b>12 592</b>	<b>23</b>	<b>99.8%</b>	<b>17 484</b>	<b>17 483</b>
Higher education institutions	-	-	-	-	-	-	-	1 460	1 460
Non-profit institutions	1 815	-	-	1 815	1 815	-	100.0%	7 871	7 871
Households	10 800	-	-	10 800	10 777	23	99.8%	8 153	8 152
Other transfers to households	10 800	-	-	10 800	10 777	23	99.8%	8 153	8 152

## APPROPRIATION STATEMENT for the year ended 31 March 2016

Programme 7: Skills Development and Innovation	2015/16						2014/15		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>Payments for capital assets</b>	76	-	-	76	61	15	80.3%	77	75
Machinery and equipment	73	(1)	-	72	57	15	79.2%	73	72
Other machinery and equipment	73	(1)	-	72	57	15	79.2%	73	72
Software and other intangible assets	3	1	-	4	4	-	100.0%	4	3
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	3	3
<b>Total</b>	<b>54 545</b>	-	-	<b>54 545</b>	<b>52 544</b>	<b>2 001</b>	<b>96.3%</b>	<b>43 024</b>	<b>43 015</b>

## APPROPRIATION STATEMENT for the year ended 31 March 2016

SUB PROGRAMME: 7.1: Provincial Skills Coordination									
Economic classification	2015/16					2014/15			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>Current payments</b>	<b>8 774</b>	<b>(1 707)</b>	-	<b>7 067</b>	<b>6 604</b>	<b>463</b>	<b>93.4%</b>	<b>5 610</b>	<b>5 609</b>
Compensation of employees	3 916	(900)	-	3 016	2 984	32	98.9%	2 706	2 706
Goods and services	4 858	(807)	-	4 051	3 620	431	89.4%	2 904	2 903
<b>Payments for capital assets</b>	<b>56</b>	-	-	<b>56</b>	<b>51</b>	<b>5</b>	<b>91.1%</b>	<b>29</b>	<b>28</b>
Machinery and equipment	56	-	-	56	51	5	91.1%	27	27
Software and other intangible assets	-	-	-	-	-	-	-	2	1
<b>Total</b>	<b>8 830</b>	<b>(1 707)</b>	-	<b>7 123</b>	<b>6 655</b>	<b>468</b>	<b>93.4%</b>	<b>5 639</b>	<b>5 637</b>
SUB PROGRAMME: 7.2: Workforce Development									
Economic classification	2015/16					2014/15			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>Current payments</b>	<b>30 604</b>	<b>601</b>	-	<b>31 205</b>	<b>29 866</b>	<b>1 339</b>	<b>95.7%</b>	<b>15 267</b>	<b>15 267</b>
Compensation of employees	4 364	(206)	-	4 158	3 579	579	86.1%	1 534	1 534
Goods and services	26 240	807	-	27 047	26 287	760	97.2%	13 733	13 733
<b>Transfers and subsidies</b>	<b>12 615</b>	-	-	<b>12 615</b>	<b>12 592</b>	<b>23</b>	<b>99.8%</b>	<b>17 484</b>	<b>17 483</b>
Higher education institutions	-	-	-	-	-	-	-	1 460	1 460
Non-profit institutions	1 815	-	-	1 815	1 815	-	100.0%	7 871	7 871
Households	10 800	-	-	10 800	10 777	23	99.8%	8 153	8 152
<b>Payments for capital assets</b>	<b>1</b>	<b>1</b>	-	<b>2</b>	<b>2</b>	<b>-</b>	<b>100.0%</b>	<b>2</b>	<b>2</b>
Software and other intangible assets	1	1	-	2	2	-	100.0%	2	2
<b>Total</b>	<b>43 220</b>	<b>602</b>	-	<b>43 822</b>	<b>42 460</b>	<b>1 362</b>	<b>96.9%</b>	<b>32 753</b>	<b>32 752</b>

## APPROPRIATION STATEMENT for the year ended 31 March 2016

SUB PROGRAMME: 7.3: Innovation		2015/16						2014/15		
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>354</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>355</b>	<b>355</b>	<b>-</b>	<b>100.0%</b>	<b>1 269</b>	<b>1 265</b>
Compensation of employees	335	-	-	-	335	335	-	100.0%	1 242	1 242
Goods and services	19	1	-	-	20	20	-	100.0%	27	23
<b>Payments for capital assets</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>100.0%</b>	<b>20</b>	<b>20</b>
Machinery and equipment	-	-	-	-	-	-	-	-	20	20
Software and other intangible assets	1	-	-	-	1	1	-	100.0%	-	-
<b>Payment for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>3</b>
<b>Total</b>	<b>355</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>356</b>	<b>356</b>	<b>-</b>	<b>100.0%</b>	<b>1 292</b>	<b>1 288</b>

SUB PROGRAMME: 7.4: Management: Skills Development and Innovation		2015/16						2014/15		
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>2 122</b>	<b>1 105</b>	<b>-</b>	<b>-</b>	<b>3 227</b>	<b>3 066</b>	<b>161</b>	<b>95.0%</b>	<b>3 314</b>	<b>3 313</b>
Compensation of employees	1 740	1 106	-	-	2 846	2 846	-	100.0%	2 881	2 881
Goods and services	382	(1)	-	-	381	220	161	57.7%	433	432
<b>Payments for capital assets</b>	<b>18</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>17</b>	<b>7</b>	<b>10</b>	<b>41.2%</b>	<b>26</b>	<b>25</b>
Machinery and equipment	17	(1)	-	-	16	6	10	37.5%	26	25
Software and other intangible assets	1	-	-	-	1	1	-	100.0%	-	-
<b>Total</b>	<b>2 140</b>	<b>1 104</b>	<b>-</b>	<b>-</b>	<b>3 244</b>	<b>3 073</b>	<b>171</b>	<b>94.7%</b>	<b>3 340</b>	<b>3 338</b>

## NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2016

### 1. Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-F) to the Annual Financial Statements.

### 2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

### 3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

### 4. Explanations of material variances from Amounts Voted (after Virement):

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
<b>Administration</b>	41 904	40 330	1 574	3.76%
<b>Explanation of variance:</b> Due to the economic climate and pressures felt on the fiscus, during the second half of the financial year, posts were temporarily frozen. This resulted in the Programme not being able to fill posts created on its newly approved staffing establishment.				
<b>Integrated Economic Development Services</b>	54 968	53 802	1 166	2.12%
<b>Explanation of variance:</b> Due to the economic climate and pressures felt on the fiscus, during the second half of the financial year, posts were temporarily frozen. This resulted in the Programme not being able to fill posts created on its newly approved staffing establishment.  Furthermore, two transfer payments could not be effected for the Cape Capital Fund project. It was determined not to employ these transfers as the designated entities requested a deferment of the transfer due to them not fully met their conditions of the transfer payment.				

## NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2016

4.1 Per programme (continued)	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
<b>Trade and Sector Development</b>	176 622	171 451	5 171	2.93%
<b>Explanation of variance:</b> Delays were experienced in the rollout of the broadband projects as well as the investigation into the establishment of a schedule 3D Infrastructure Public Entity impacted on the spending of the Programme.				
<b>Economic Planning</b>	25 816	24 997	819	3.17%
<b>Explanation of variance:</b> Due to the economic climate and pressures felt on the fiscus, during the second half of the financial year, posts were temporarily frozen. This resulted in the Programme not being able to fill posts created on its newly approved staffing establishment.				
<b>Skills Development and Innovation</b>	54 545	52 544	2 001	3.67%
<b>Explanation of variance:</b> A major contributor to the underspending was the lower than anticipated uptake to the training of artisans at the various TVET colleges across the Western Cape.				

## NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2016

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
<b>Current expenditure</b>				
Compensation of employees	104 772	98 229	6 543	6.24%
Goods and services	116 612	112 058	4 554	3.91%
<b>Transfers and subsidies</b>				
Departmental agencies and accounts	125 192	125 192	–	0.00%
Public corporations and private enterprises	3 000	2 831	169	5.63%
Non-profit institutions	75 693	75 693	–	0.00%
Households	13 027	12 965	62	0.48%
<b>Payments for capital assets</b>				
Machinery and equipment	5 574	5 426	148	2.66%
Intangible assets	269	266	3	1.12%
<b>Payments for financial assets</b>	124	124	–	0.00%
<b>Explanation of variances:</b>				
<b>Compensation of employees:</b> Due to the economic climate and pressures felt on the fiscus, during the second half of the financial year, posts were temporarily frozen. This resulted in the Programme not being able to fill posts created on its newly approved staffing establishment.				
<b>Goods and services:</b> The underspending on goods and services resulted from delays experience to projects such as the rollout broadband, establishment of a schedule 3D Infrastructure Public Entity and training programs related to growing the number of artisans within the economy.				
<b>Public corporations and private enterprises:</b> The underspending on Public Corporations and Private Enterprises was due to two (2) payments for the Cape Capital Fund project which were not processed during the financial year as the entities to whom these were due requested that payment be delayed due them not complying with all the conditions of the fund. Payments will be processed in the new financial year.				
<b>Machinery and equipment:</b> The delays experienced with regard to the non-filling of posts had a knock on effect on equipment purchases required for new staff.				

## STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2016

	Note	2015/16	2014/15
		R'000	R'000
<b>REVENUE</b>			
Annual appropriation	1	444 263	510 296
Departmental revenue	2	5 716	6 647
Aid assistance	3	16 805	12 149
<b>TOTAL REVENUE</b>		<b>466 784</b>	<b>529 092</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	98 230	96 342
Goods and services	5	112 058	98 026
Aid assistance	3	–	11 567
<b>Total current expenditure</b>		<b>210 288</b>	<b>205 935</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	7	216 682	311 051
Aid assistance	3	3 371	–
<b>Total transfers and subsidies</b>		<b>220 053</b>	<b>311 051</b>
<b>Expenditure for capital assets</b>			
Tangible assets	8	5 426	3 478
Intangible assets	8	265	23
<b>Total expenditure for capital assets</b>		<b>5 691</b>	<b>3 501</b>
<b>Payments for financial assets</b>	6	123	88
<b>TOTAL EXPENDITURE</b>		<b>436 155</b>	<b>520 575</b>
<b>SURPLUS FOR THE YEAR</b>		<b>30 629</b>	<b>8 517</b>
<b>Reconciliation of Net Surplus for the year</b>			
Voted funds		11 479	1 288
Departmental revenue and NRF Receipts	14	5 716	6 647
Aid assistance	3	13 434	582
<b>SURPLUS FOR THE YEAR</b>		<b>30 629</b>	<b>8 517</b>



## STATEMENT OF FINANCIAL POSITION for the year ended 31 March 2016

	Note	2015/16	2014/15
		R'000	R'000
<b>ASSETS</b>			
<b>Current assets</b>		<b>28 860</b>	<b>5 461</b>
Cash and cash equivalents	9	28 769	4 369
Prepayments and advances	10	32	965
Receivables	11	59	127
<b>Non-current assets</b>		<b>238 977</b>	<b>223 934</b>
Investments	12	238 790	223 790
Receivables	11	187	144
<b>TOTAL ASSETS</b>		<b>267 837</b>	<b>229 395</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>29 015</b>	<b>5 551</b>
Voted funds to be surrendered to the Revenue Fund	13	11 479	2 439
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	670	118
Payables	15	626	8
Aid assistance unutilised	3	16 240	2 986
<b>TOTAL LIABILITIES</b>		<b>29 015</b>	<b>5 551</b>
<b>NET ASSETS</b>		<b>238 822</b>	<b>223 844</b>
<b>Represented by:</b>			
Capitalisation reserve		238 790	223 790
Recoverable revenue		32	54
<b>TOTAL</b>		<b>238 822</b>	<b>223 844</b>

## STATEMENT OF CHANGES IN NET ASSETS for the year ended 31 March 2016

	Note	2015/16	2014/15
		R'000	R'000
<b>Capitalisation Reserves</b>			
Opening balance		223 790	142 000
Transfers:			
Other movements		15 000	81 790
Closing balance		<b>238 790</b>	<b>223 790</b>
<b>Recoverable revenue</b>			
Opening balance		54	50
Transfers:		<b>(22)</b>	<b>4</b>
Irrecoverable amounts written off			
Debts revised		(4)	4
Debts recovered (included in departmental receipts)		(115)	(7)
Debts raised		97	7
Closing balance		<b>32</b>	<b>54</b>
<b>TOTAL</b>		<b>238 822</b>	<b>223 844</b>

## CASH FLOW STATEMENT for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>499 907</b>	<b>560 166</b>
Annual appropriated funds received	1.1	444 263	510 296
Departmental revenue received	2	38 797	37 718
Interest received	2.2	42	3
Aid assistance received	3	16 805	12 149
Net decrease in working capital		1 576	183
Surrendered to Revenue Fund		(40 726)	(43 357)
Amount included in the Adjusted Appropriation		(180)	–
Current payments		(210 288)	(205 935)
Payments for financial assets		(123)	(88)
Transfers and subsidies paid		(220 053)	(311 051)
<b>Net cash flow available from operating activities</b>	16	<b>30 113</b>	<b>(82)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	8	(5 691)	(3 501)
(Increase) in investments		(15 000)	(81 790)
<b>Net cash flows from investing activities</b>		<b>(20 691)</b>	<b>(85 291)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase in net assets		14 978	81 794
<b>Net cash flows from financing activities</b>		<b>14 978</b>	<b>81 794</b>
Net increase/(decrease) in cash and cash equivalents		24 400	(3 579)
Cash and cash equivalents at beginning of period		4 369	7 948
<b>Cash and cash equivalents at end of period</b>	17	<b>28 769</b>	<b>4 369</b>

## ACCOUNTING POLICIES for the year ended 31 March 2016

### Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

<b>1</b>	<p><b>Basis of preparation</b> The financial statements have been prepared in accordance with the Modified Cash Standard.</p> <p>Under the modified cash basis of accounting, only certain elements are recognised in the Statement of Financial Position and Statement of Financial Performance, while others are recorded for presentation purposes. Elements are primarily recognised when they arise from cash flows or outflows. This differs from accrual accounting which requires the recognition of the effects of transactions and other events when they occur, rather than when cash and its equivalent is received or paid.</p>
<b>2</b>	<p><b>Going concern</b> The financial statements have been prepared on a going concern basis.</p>
<b>3</b>	<p><b>Presentation currency</b> Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the Department.</p>
<b>4</b>	<p><b>Rounding</b> Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p>
<b>5</b>	<p><b>Foreign currency translation</b> Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment/receipt.</p>
<b>6</b>	<p><b>Comparative information</b></p>
<b>6.1</b>	<p><b>Prior period comparative information</b> Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.</p>
<b>6.2</b>	<p><b>Current year comparison with budget</b> A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p>
<b>7</b>	<p><b>Revenue</b></p>
<b>7.1</b>	<p><b>Appropriated funds</b> Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p> <p>Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.</p> <p>The net amount of any appropriated funds due to/from the relevant revenue fund at the reporting date is recognised as a payable/receivable in the statement of financial position.</p>

## ACCOUNTING POLICIES for the year ended 31 March 2016

<b>7.2</b>	<p><b>Departmental revenue</b> Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
<b>7.3</b>	<p><b>Accrued departmental revenue</b> Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> <li>• it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and</li> <li>• the amount of revenue can be measured reliably.</li> </ul> <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p>
<b>8</b>	<b>Expenditure</b>
<b>8.1</b>	<b>Compensation of employees</b>
<b>8.1.1</b>	<p><b>Salaries and wages</b> Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
<b>8.1.2</b>	<p><b>Social contributions</b> Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
<b>8.2</b>	<p><b>Other expenditure</b> Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p>
<b>8.2.1</b>	<p><b>Payments for financial assets</b> Debts are written off when identified as irrecoverable. Debts written off are limited to the amount of savings and/or underspending of appropriated funds. The write-off occurs at year end or when funds are available. No provision is made for irrecoverable amounts but an estimate is included in the notes to the financial statements. All other losses are recognised when authorisation has been granted for the recognition thereof.</p>
<b>8.2.2</b>	<p><b>Transfers and subsidies</b> Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).</p>
<b>8.3</b>	<p><b>Accrued expenditure payable</b> Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department or in the case of transfers and subsidies when they are due and payable.</p> <p>Accrued expenditure payable is measured at cost.</p>
<b>8.4</b>	<b>Leases</b>
<b>8.4.1</b>	<p><b>Operating leases</b> Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
<b>8.4.2</b>	<p><b>Finance leases</b> Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> <li>• cost, being the fair value of the asset; or</li> <li>• the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.</li> </ul>

## ACCOUNTING POLICIES for the year ended 31 March 2016

<b>9</b>	<b>Aid Assistance</b>
<b>9.1</b>	<p><b>Aid assistance received</b> Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p>
<b>9.2</b>	<p><b>Aid assistance paid</b> Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p>
<b>10</b>	<p><b>Cash and cash equivalents</b> Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position.</p> <p>For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p>
<b>11</b>	<p><b>Prepayments and advances</b> Prepayments and advances are recognised in the statement of financial position when the Department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p>
<b>12</b>	<p><b>Loans and receivables</b> Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>
<b>13</b>	<p><b>Investments</b> Investments are recognised in the statement of financial position at cost.</p>
<b>14</b>	<p><b>Impairment of financial assets</b> Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p> <p>The Department tests for impairment where there is an indication that a receivable, loan or investment may be impaired. An assessment of whether there is an indication of possible impairments is done at each reporting date. An estimate is made for doubtful loans and receivables based on a review of all outstanding amounts at year-end. Impairments on investments are calculated as being the difference between the cost and the present value of the expected future cash flow/service potential flowing from the investment. Specific information with regard to impairment of investment is included in the notes.</p>
<b>15</b>	<p><b>Payables</b> Loans and payables are recognised in the statement of financial position at cost.</p>
<b>16</b>	<b>Capital Assets</b>
<b>16.1</b>	<p><b>Movable capital assets</b> Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined accurately, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>

## ACCOUNTING POLICIES for the year ended 31 March 2016

16.2	<p><b>Intangible assets</b></p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the Department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined accurately, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>
17	<p><b>Provisions and Contingents</b></p>
17.1	<p><b>Provisions</b></p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
17.2	<p><b>Contingent liabilities</b></p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>
17.3	<p><b>Contingent assets</b></p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department.</p>
17.4	<p><b>Commitments</b></p> <p>Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the Department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.</p>
18	<p><b>Unauthorised expenditure</b></p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> <li>• approved by Parliament or the Provincial Legislature with funding and the related funds are received; or</li> <li>• approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or</li> <li>• transferred to receivables for recovery.</li> </ul> <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
19	<p><b>Fruitless and wasteful expenditure</b></p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>

## ACCOUNTING POLICIES for the year ended 31 March 2016

20	<p><b>Irregular expenditure</b> Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
21	<p><b>Changes in accounting policies, accounting estimates and errors</b> Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the Department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the Department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
22	<p><b>Events after the reporting date</b> Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements (see note 27 to the Annual Financial Statements).</p>
23	<p><b>Agent-Principal arrangements</b> Agent-principal disclosures comprises of binding arrangements in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal). Specific information with regard to Agent-Principal relationships is included in the disclosure notes (if applicable).</p>
24	<p><b>Capitalisation reserve</b> The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
25	<p><b>Recoverable revenue</b> Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
26	<p><b>Related party transactions</b> A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions are recorded in the notes to the financial statements when the transaction is not at arm's length (see note 25 to the Annual Financial Statements).</p>
27	<p><b>Key management personnel</b> Compensation paid to key management personnel including their family members where relevant is included in the notes (see note 26 to the Annual Financial Statements).</p>
28	<p><b>Public Private Partnerships</b> A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the notes to the Annual Financial Statements (if applicable).</p>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016

### 1. Annual Appropriation

#### 1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for Provincial Departments:

	2015/16			2014/15	
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Final Appropriation	Appropriation received
	R'000	R'000	R'000	R'000	R'000
Administration	41 904	41 904	–	35 556	35 556
Integrated Economic Development Services	54 968	54 968	–	59 622	59 622
Trade and Sector Development	176 622	176 622	–	236 595	236 595
Business Regulation and Governance	50 137	50 137	–	49 123	49 123
Economic Planning	25 816	25 816	–	41 239	41 239
Tourism, Arts and Entertainment	40 271	40 271	–	45 137	45 137
Skills Development and Innovation	54 545	54 545	–	43 024	43 024
<b>Total</b>	<b>444 263</b>	<b>444 263</b>	<b>–</b>	<b>510 296</b>	<b>510 296</b>

During 2015/16, the appropriation was decreased due to the Cape Town International Convention Centre expansion project being delayed as a result of negotiations which took longer than expected.

### 2. Departmental revenue

	Note	2015/16 R'000	2014/15 R'000
Tax revenue		26 178	27 411
Sales of goods and services other than capital assets	2.1	428	436
Interest, dividends and rent on land	2.2	42	3
Transactions in financial assets and liabilities	2.3	12 191	9 871
Total revenue collected		<b>38 839</b>	<b>37 721</b>
Less: Own revenue included in appropriation	14	(33 123)	(31 074)
<b>Departmental revenue collected</b>		<b>5 716</b>	<b>6 647</b>

#### 2.1 Sales of goods and services other than capital assets

	Note	2015/16 R'000	2014/15 R'000
Sales of goods and services produced by the Department	2	428	436
Administrative fees		411	419
Other sales		17	17
<b>Total</b>		<b>428</b>	<b>436</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016

### 2.2 Interest, dividends and rent on land

	Note	2015/16 R'000	2014/15 R'000
Interest	2	42	3
<b>Total</b>		<b>42</b>	<b>3</b>

Increase relates to interest on debt recovered during the year

### 2.3 Transactions in financial assets and liabilities

	Note	2015/16 R'000	2014/15 R'000
Other Receipts including Recoverable Revenue	2	12 191	9 871
<b>Total</b>		<b>12 191</b>	<b>9 871</b>

Increase in departmental revenue relates to pay-over from Saldanha Bay Municipality in respect of previous year funding received and the inclusion of Wholesale & Retail Seta (W&Rseta) and Manufacturing Engineering and Related Services Seta (MERSeta) receipts in the Adjusted Appropriation as part of funding leveraged for skills development programmes and projects to increase the number of artisans.

## 3. Aid assistance

	Note	2015/16 R'000	2014/15 R'000
Opening Balance		2 986	2 404
Transferred from statement of financial performance		13 434	582
Paid during the year		(180)	–
<b>Closing Balance</b>		<b>16 240</b>	<b>2 986</b>

### 3.1 Analysis of balance by source

	Note	2015/16 R'000	2014/15 R'000
Aid assistance from other sources	3	16 240	2 986
<b>Closing balance</b>		<b>16 240</b>	<b>2 986</b>
Opening balance	3	2 986	2 404
Revenue		16 805	12 149
Expenditure		(3 371)	(11 567)
Amount included in the Adjusted Appropriation		(180)	–
<b>Closing balance</b>		<b>16 240</b>	<b>2 986</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016

### 3.2 Analysis of balance

	Note	2015/16 R'000	2014/15 R'000
Aid assistance unutilised	3	16 240	2 986
<b>Closing balance</b>		<b>16 240</b>	<b>2 986</b>

The aid assistance unutilised refers to funding received late during the 2015/16 financial year. This funding will be utilised during 2016/17.

### 4. Compensation of employees

#### 4.1 Salaries and Wages

	Note	2015/16 R'000	2014/15 R'000
Basic salary		70 237	67 679
Performance award		1 385	1 523
Service Based		65	116
Compensative/circumstantial		1 640	2 344
Periodic payments		–	795
Other non-pensionable allowances		14 360	14 162
<b>Total</b>		<b>87 687</b>	<b>86 619</b>

#### 4.2 Social contributions

	Note	2015/16 R'000	2014/15 R'000
<b>Employer contributions</b>			
Pension		7 887	7 563
Medical		2 640	2 144
Bargaining council		16	16
<b>Total</b>		<b>10 543</b>	<b>9 723</b>
<b>Total compensation of employees</b>		<b>98 230</b>	<b>96 342</b>
<b>Average number of employees</b>		<b>246</b>	<b>257</b>

Increase in expenditure relates to salaries increases in terms of the wage agreement.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016

### 5. Goods and services

	Note	2015/16 R'000	2014/15 R'000
Administrative fees		206	219
Advertising		6 990	6 065
Minor assets	5.1	364	435
Bursaries (employees)		442	293
Catering		794	1 377
Communication		862	1 554
Computer services	5.2	8 374	1 751
Consultants: Business and advisory services		49 296	56 922
Legal services		–	166
Contractors		1 310	917
Agency and support/outsourced services		1 935	1 886
Entertainment		46	31
Audit cost – external	5.3	3 066	3 119
Fleet services		682	624
Consumables	5.4	1 419	1 234
Operating leases		600	726
Property payments	5.5	135	7
Rental and hiring		739	396
Travel and subsistence	5.6	2 317	3 443
Venues and facilities		821	1 595
Training and development		30 571	14 555
Other operating expenditure	5.7	1 089	711
<b>Total</b>		<b>112 058</b>	<b>98 026</b>

**Catering, Communication, Operating leases and Venues and facilities:** Decrease in expenditure due to the implementation of National Treasury cost containment circular.

**Consultants: Business and advisory services:** Decrease in expenditure due to funding related to the broadband project and Halal Park feasibility study being rolled over to the 2016/17 financial year.

**Contractors:** Increase in expenditure due to marketing efforts for key initiatives such as Red Tape, Green Cape and Enterprise Development.

**Agency and support/outsourced services:** Increase in expenditure due to the inflationary increase in costs for the Office of the Consumer Protector and Red Tape call centre.

**Rental and Hiring:** Increase in expenditure due to additional exhibition space purchased for the promotion of small businesses.

**Training and Development:** Included in the training and development expenditure is an amount of R29.340 million which was paid for the training of external individuals as part of the work and skills programme, artisan training programme and tourism related training.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016

### 5.1 Minor assets

	Note	2015/16 R'000	2014/15 R'000
	5		
<b>Tangible assets</b>		<b>364</b>	<b>435</b>
Machinery and equipment		364	435
<b>Total</b>		<b>364</b>	<b>435</b>

Decrease in expenditure due to the implementation of National Treasury cost containment circular.

### 5.2 Computer services

	Note	2015/16 R'000	2014/15 R'000
	5		
SITA computer services		584	344
External computer service providers*		7 790	1 407
<b>Total</b>		<b>8 374</b>	<b>1 751</b>

\*Increase in expenditure due to the E-Skills Platform and additional licence fees paid for Economic Information databases.

### 5.3 Audit cost – External

	Note	2015/16 R'000	2014/15 R'000
	5		
Regularity audits		3 066	3 119
<b>Total</b>		<b>3 066</b>	<b>3 119</b>

### 5.4 Consumables

	Note	2015/16 R'000	2014/15 R'000
	5		
Consumable supplies		510	188
Uniform and clothing		6	–
Household supplies		126	82
Building material and supplies		36	30
Communication accessories		–	1
IT consumables		166	14
Other consumables		176	61
Stationery, printing and office supplies		909	1 046
<b>Total</b>		<b>1 419</b>	<b>1 234</b>

Increase in expenditure due to the implementation of the change in accounting policy for assets that were reclassified as consumables.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016

### 5.5 Property payments

	Note	2015/16 R'000	2014/15 R'000
Municipal services	5	2	7
Security services		133	–
<b>Total</b>		<b>135</b>	<b>7</b>

Increase in expenditure due to property costs being incurred by the Department for the installation of access controls.

### 5.6 Travel and subsistence

	Note	2015/16 R'000	2014/15 R'000
	5		
Local		1 730	2 718
Foreign		587	725
<b>Total</b>		<b>2 317</b>	<b>3 443</b>

Decrease in expenditure due to the implementation of National Treasury cost containment circular.

### 5.7 Other operating expenditure

	Note	2015/16 R'000	2014/15 R'000
	5		
Other		1 089	711
<b>Total</b>		<b>1 089</b>	<b>711</b>

Increase in expenditure due to the printing costs incurred with the Annual Report and the distribution of the Quarterly Economic bulletin.

### 6. Payments for financial assets

	Note	2015/16 R'000	2014/15 R'000
Material losses through criminal conduct		32	46
Theft	6.3	32	46
Other material losses written off	6.1	7	30
Debts written off	6.2	84	12
<b>Total</b>		<b>123</b>	<b>88</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016

### 6.1 Other material losses written off

	Note	2015/16 R'000	2014/15 R'000
	6		
Damages to Government vehicles (2 cases)		7	22
Damages to hired vehicles		–	6
Interest written off		–	2
<b>Total</b>		<b>7</b>	<b>30</b>

### 6.2 Debts written off

	Note	2015/16 R'000	2014/15 R'000
Debt accounts written off (16 cases)	6	84	12
<b>Total debt written off</b>		<b>84</b>	<b>12</b>

Debt written off in accordance with the Departmental debt policy and relates to tax debt, salary overpayments, leave debt and bursary debt.

### 6.3 Details of theft

	Note	2015/16 R'000	2014/15 R'000
Nature of theft	6		
Theft of equipment (3 cases)		32	46
<b>Total</b>		<b>32</b>	<b>46</b>

Two (2) computers and one (1) laptop were written off during the year on the recommendation of the State Attorneys.

## 7. Transfers and subsidies

	Note	2015/16 R'000	2014/15 R'000
Provinces and municipalities	Annex 1A	–	500
Departmental agencies and accounts	Annex 1B	125 192	115 069
Higher education institutions	Annex 1C	–	4 610
Public corporations and private enterprises	Annex 1D	2 831	5 587
Non-profit institutions*	Annex 1E	75 693	175 840
Households	Annex 1F	12 966	9 444
<b>Total</b>		<b>216 682</b>	<b>311 050</b>

\* During 2015/16, the Cape Town International Convention Centre expansion project was delayed due to negotiations which took longer than expected.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016

### 8. Expenditure for capital assets

	Note	2015/16 R'000	2014/15 R'000
<b>Tangible assets</b>		<b>5 426</b>	<b>3 478</b>
Machinery and equipment	28	5 426	3 478
<b>Intangible assets</b>		<b>265</b>	<b>23</b>
Software	29	265	23
<b>Total</b>		<b>5 691</b>	<b>3 501</b>

#### 8.1 Analysis of funds utilised to acquire capital assets – 2015/16

	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>	<b>5 426</b>	<b>-</b>	<b>5 426</b>
Machinery and equipment	5 426	-	5 426
<b>Intangible assets</b>	<b>265</b>	<b>-</b>	<b>265</b>
Software	265	-	265
<b>Total</b>	<b>5 691</b>	<b>-</b>	<b>5 691</b>

Increase in machinery and equipment expenditure relates to motor vehicle purchased during the year while the increase in software expenditure relates to the implementation of Visio and Economic Planning in-house programmes.

#### 8.2 Analysis of funds utilised to acquire capital assets – 2014/15

	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>	<b>3 478</b>	<b>-</b>	<b>3 478</b>
Machinery and equipment	3 478	-	3 478
<b>Intangible assets</b>	<b>23</b>	<b>-</b>	<b>23</b>
Software	23	-	23
<b>Total</b>	<b>3 501</b>	<b>-</b>	<b>3 501</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016

### 8.3 Finance lease expenditure included in Expenditure for capital assets

	Note	2015/16 R'000	2014/15 R'000
<b>Tangible assets</b>		<b>1 865</b>	<b>1 306</b>
Machinery and equipment		1 865	1 306
<b>Total</b>		<b>1 865</b>	<b>1 306</b>

### 9. Cash and cash equivalents

	Note	2015/16 R'000	2014/15 R'000
Consolidated Paymaster General Account*		34 769	12 161
Disbursements		(6 030)	(7 822)
Cash on hand		30	30
<b>Total</b>		<b>28 769</b>	<b>4 369</b>

\* Increase in balance due to the payment of surplus funds and aid assistance balance by Provincial Treasury into the Department's bank account on 31 March 2016.

### 10. Prepayments and advances

	Note	2015/16 R'000	2014/15 R'000
Travel and subsistence		32	36
Prepayments	10.1	–	929
<b>Total</b>		<b>32</b>	<b>965</b>

Travel and subsistence include advances for overseas travel. Decreases in expenditure due to the implementation of the National Treasury cost containment circular.

#### 10.1 Prepayments (Expensed)

	Note	2015/16 R'000	2014/15 R'000
Capital assets		–	929
<b>Total</b>		<b>–</b>	<b>929</b>

Prepayments relates to motor vehicles that were purchased in the prior financial year but only received in the current financial year.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016

### 11. Receivables

	Note	2015/16			2014/15		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims Recoverable	11.1	54	–	54	–	–	–
Recoverable expenditure	11.2	–	109	109	114	61	175
Staff debt	11.3	5	78	83	13	83	96
<b>Total</b>		<b>59</b>	<b>187</b>	<b>246</b>	<b>127</b>	<b>144</b>	<b>271</b>

Receivables are split in terms of the probability of recoverability over the next 12 months.

#### 11.1 Claims recoverable

	Note	2015/16 R'000	2014/15 R'000
	11 and Annex 3		
National departments		41	–
Provincial departments		13	–
<b>Total</b>		<b>54</b>	<b>–</b>

Claims recoverable relates to salary claims for officials that have left the Department during the year.

#### 11.2 Recoverable expenditure (disallowance accounts)

	Note	2015/16 R'000	2014/15 R'000
Disallowance damages and losses	11	109	158
Salary: Reversal control		–	13
Salary: Tax debt		–	4
<b>Total</b>		<b>109</b>	<b>175</b>

#### 11.3 Staff debt

	Note	2015/16 R'000	2014/15 R'000
	11		
Staff debt		83	96
<b>Total</b>		<b>83</b>	<b>96</b>

Staff debt comprises of salary overpayments, leave, tax and government vehicle accident debt.

#### 11.4 Impairment of receivables

	Note	2015/16 R'000	2014/15 R'000
Estimate of impairment of receivables		51	75
<b>Total</b>		<b>51</b>	<b>75</b>

All debts are individually reviewed for the possibility of impairment. The impairment includes debtors that were handed over to the State Attorney for recovery.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016

### 12. Investments

	Note	2015/16 R'000	2014/15 R'000
<b>Non-Current</b>			
<b>Shares and other equity</b>			
Cape Town International Convention Centre		238 790	223 790
<b>Total</b>		<b>238 790</b>	<b>223 790</b>
<b>Analysis of non-current investments</b>			
Opening balance		223 790	142 000
Additions in cash		15 000	81 790
<b>Closing balance</b>		<b>238 790</b>	<b>223 790</b>
<b>Number of shares</b>		<b>41 854</b>	<b>37 569</b>

On 28th March 2014, the Cape Town International Convention Centre Company SOC Limited ("CTICC") issued a notice of fresh subscription offer letter to all its shareholders. The Department acquired additional shares in the Cape Town International Convention Centre during the year. The funds will be used to expand the existing capacity of the CTICC facilities.

#### 12.1 Impairment of investments

	Note	2015/16 R'000	2014/15 R'000
Estimate of impairment		63 478	63 276
<b>Total</b>		<b>63 478</b>	<b>63 276</b>

The calculation of the impairment is based on the percentage shareholding in the Cape Town International Convention Centre.

At reporting date, the Provincial Government of the Western Cape has a shareholding of 21.97% (2015: 21.9%) in the Cape Town International Convention Centre Company (Pty) Ltd. The percentage shareholding will be finalised upon conclusion of the transaction.

### 13. Voted funds to be surrendered to the Revenue Fund

	Note	2015/16 R'000	2014/15 R'000
Opening balance		2 439	6 745
Transfer from statement of financial performance		11 479	1 288
Paid during the year		(2 439)	(5 594)
<b>Closing balance</b>		<b>11 479</b>	<b>2 439</b>

The closing balance relates to the unspent voted funds as at 31 March 2016.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016

### 14. Departmental revenue and PRF Receipts to be surrendered to the Revenue Fund

	Note	2015/16 R'000	2014/15 R'000
Opening balance		118	160
Transfer from Statement of Financial Performance		5 716	6 647
Own revenue included in appropriation	2	33 123	31 074
Paid during the year		(38 287)	(37 763)
<b>Closing balance</b>		<b>670</b>	<b>118</b>

### 15. Payables – current

	Note	2015/16 R'000	2014/15 R'000
Clearing accounts	15.1	–	8
Other payables	15.2	626	–
<b>Total</b>		<b>626</b>	<b>8</b>

#### 15.1 Clearing accounts

	Note	2015/16 R'000	2014/15 R'000
	15		
Salary: Income Tax		–	5
Salary: Medical Aid		–	3
<b>Total</b>		<b>–</b>	<b>8</b>

#### 15.2 Other payables

	Note	2015/16 R'000	2014/15 R'000
Provincial Treasury	15	625	–
Liquor License Deposit		1	–
<b>Total</b>		<b>626</b>	<b>–</b>

The amount owed to Provincial Treasury relates to the overpayment of funding as at 31 March 2016. Liquor licence deposits relates to liquor fees that were erroneously paid into the Department's account by licence holders.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016

### 16. Net cash flow available from operating activities

	Note	2015/16 R'000	2014/15 R'000
Net surplus as per Statement of Financial Performance		30 629	8 517
Add back non cash/cash movements not deemed operating activities		(516)	(8 599)
Decrease/(increase) in receivables – current		25	(59)
Decrease in prepayments and advances		933	247
Increase/(decrease) in payables – current		618	(5)
Expenditure on capital assets		5 691	3 501
Surrenders to Revenue Fund		(40 726)	(43 357)
Amount included in the Adjusted Appropriation		(180)	–
Own revenue included in appropriation		33 123	31 074
<b>Net cash flow generated by operating activities</b>		<b>30 113</b>	<b>(82)</b>

Net surplus relates to the unspent voted funds and aid assistance received for the work and skills programme as at 31 March 2016.

### 17. Reconciliation of cash and cash equivalents for cash flow purposes

	Note	2015/16 R'000	2014/15 R'000
Consolidated Paymaster General account		34 769	12 161
Disbursements		(6 030)	(7 822)
Cash on hand		30	30
<b>Total</b>		<b>28 769</b>	<b>4 369</b>

The **Consolidated Paymaster General account** comprises of the bank account which includes the unspent voted funds and aid assistance balances paid into the Department's bank account on 31 March 2016.

### 18. Contingent liabilities

#### 18.1 Contingent liabilities

	Note	2015/16 R'000	2014/15 R'000
<b>Liable to</b>			
	<b>Nature</b>		
Claims against the department	Annex 2	–	–
<b>Total</b>		<b>–</b>	<b>–</b>

The Department of the Premier (Corporate Services Centre) has confirmed that all PILIR stockpiled cases have been finalised and approved by the Head of the Department. The Department has 7 cases that are currently pending.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016

### 19. Commitments

	Note	2015/16 R'000	2014/15 R'000
<b>Current expenditure</b>		<b>12 334</b>	<b>9 226</b>
Approved and contracted		12 334	9 226
<b>Total Commitments</b>		<b>12 334</b>	<b>9 226</b>

During the year, the Department has entered into three (3) year contracts for the connection of public WIFI, the Cape Big Data facility and the Artisan Development Programme.

### 20. Accruals and payables not recognised

#### 20.1 Accruals

		2015/16 R'000	2014/15 R'000
<b>Listed by economic classification</b>			
	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>
Goods and services	707	1	<b>708</b>
Other	–	–	–
<b>Total</b>	<b>707</b>	<b>1</b>	<b>708</b>
			<b>Total</b>
			2 032
			172
			<b>2 204</b>

Decrease in disclosure due to Broadband contracts being concluded during the year.

	Note	2015/16 R'000	2014/15 R'000
<b>Listed by programme level</b>			
Programme 1		461	164
Programme 2		51	65
Programme 3		37	1 392
Programme 4		121	259
Programme 5		17	17
Programme 6		2	58
Programme 7		19	249
<b>Total</b>		<b>708</b>	<b>2 204</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016

### 20.2 Payables not recognised

	2015/16			2014/15
	R'000			R'000
<b>Listed by economic classification</b>				
	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Goods and services	150	–	<b>150</b>	–
Other	70	–	<b>70</b>	–
<b>Total</b>	<b>220</b>	<b>–</b>	<b>220</b>	<b>–</b>

It should be noted that both the accruals and payables not recognised were previously combined and have been split into sub-note for the current year and beyond.

"Other" refers to employee benefits, including overtime due after March 2016 pertaining to the 2015/16 financial year.

	Note	2015/16	2014/15
		R'000	R'000
<b>Listed by programme level</b>			
Programme 1		46	–
Programme 2		15	–
Programme 3		97	–
Programme 4		9	–
Programme 5		22	–
Programme 6		20	–
Programme 7		11	–
<b>Total</b>		<b>220</b>	<b>–</b>

	Note	2015/16	2014/15
		R'000	R'000
<b>Included in the above totals are the following:</b>			
Confirmed balances with other departments	Annex 4	271	156
Confirmed balances with other government entities	Annex 4	–	153
<b>Total</b>		<b>271</b>	<b>309</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016

### 21. Employee benefits

	Note	2015/16 R'000	2014/15 R'000
Leave entitlement*		2 604	3 526
Service bonus (Thirteenth cheque)		2 235	2 208
Performance awards**		1 489	1 189
Capped leave commitments		969	968
Other***		9	32
<b>Total</b>		<b>7 306</b>	<b>7 923</b>

\* Included in the 2015/16 disclosure for leave entitlement is the negative leave amount of R204 068 for the leave owed to the Department for those employees who went over their leave credits.

\*\* Performance awards are calculated at 1.5% on the 2016/17 budget for Compensation of Employees for the Department.

\*\*\* Other refers to long service awards, due after March 2016. At this stage the department is not able to reliably measure the long term portion of the long service awards.

### 22. Lease commitments

#### 22.1 Operating leases expenditure

2015/16	Machinery and equipment R'000	Total R'000
Not later than 1 year	494	494
Later than 1 year and not later than 5 years	520	520
<b>Total lease commitments</b>	<b>1 014</b>	<b>1 014</b>

2014/15	Machinery and equipment R'000	Total R'000
Not later than 1 year	504	504
Later than 1 year and not later than 5 years	213	213
<b>Total lease commitments</b>	<b>717</b>	<b>717</b>

These leases relate to the Department's photocopiers.



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016

### 22.2 Finance leases expenditure

2015/16	Machinery and equipment R'000	Total R'000
Not later than 1 year	65	65
Later than 1 year and not later than 5 years	–	–
<b>Total lease commitments</b>	<b>65</b>	<b>65</b>

2014/15	Machinery and equipment R'000	Total R'000
Not later than 1 year	84	84
Later than 1 year and not later than 5 years	3	3
<b>Total lease commitments</b>	<b>87</b>	<b>87</b>

These leases relate to the Department's 3G cards.

### 22.3 Finance lease commitments

As determined by the National Accountant General, the arrangement between the Department of Economic Development and Tourism and GMT constitutes finance leases:

	Within 1 year	2 – 5 years	More than 5 years	Total
	R'000	R'000	R'000	R'000
2015/16	2 086	7 231	–	9 317
<b>Total lease commitments</b>	<b>2 086</b>	<b>7 231</b>	<b>–</b>	<b>9 317</b>
2014/15	1 432	4 327	–	5 759
<b>Total lease commitments</b>	<b>1 432</b>	<b>4 327</b>	<b>–</b>	<b>5 759</b>

The Department of Economic Development and Tourism leased 29 vehicles from GMT as at 31 March 2016 (2015: 22). Daily tariffs are payable on a monthly basis, covering the operational costs, capital costs of replacement of vehicles and the implicit finance costs in this type of arrangement.

The implicit interest is based on Provincial Treasury's approved tariffs for GMT. The Department uses the vehicle for most of the useful life. The agreement does not provide for contingent lease payments and at the end of the useful life as determined by the lessor, the vehicles are returned where it is sold on auction for the benefit of the lessor.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016

### 23. Accrued departmental revenue

	Note	2015/16 R'000	2014/15 R'000
Tax revenue		373	408
<b>Total</b>		<b>373</b>	<b>408</b>

Accrued departmental revenue relates to tax revenue (liquor) collected during March 2016 but paid over during May 2016.

#### 23.1 Analysis of accrued departmental revenue

	Note	2015/16 R'000	2014/15 R'000
Opening balance		408	-
Less: Amounts received		(408)	-
Add: Amounts recognised		373	408
<b>Closing balance</b>		<b>373</b>	<b>408</b>

### 24. Irregular expenditure

#### 24.1 Reconciliation of irregular expenditure

	Note	2015/16 R'000	2014/15 R'000
Opening balance		-	6 013
Less: Prior year amounts condoned		-	(6 013)
<b>Closing balance</b>		<b>-</b>	<b>-</b>

### 25. Related party transactions

	Note	2015/16 R'000	2014/15 R'000
Transfers (CTICC)		15 000	81 790
<b>Total</b>		<b>15 000</b>	<b>81 790</b>

During the financial year the Department received services from the following related parties as indicated below:

- The Department has three (3) public entities under its control:
  - Wesgro
  - Saldanha Bay IDZ Licensing Company
  - Western Cape Liquor Authority
- Mr S Fourie (Head of Department) is an ex-officio member of the Wesgro Board and is currently a director of Convenco.
- All Provincial Departments within the Western Cape are related parties.
- The Department acquired the additional shares in the Cape Town International Convention Centre of which the purchase price will be used to expand the existing capacity of the CTICC facilities.
- This Department and the Department of Agriculture fall into the same Minister's portfolio. The Department of Agriculture has a total shareholding in Casidra SOC Ltd under the oversight of the Provincial Minister of Agriculture and Rural Development.
- The Department makes use of government motor vehicles managed by Government Motor Transport (GMT) based on tariffs approved by the Department of Provincial Treasury.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016

- The Department received Security Advisory Services and Security Operations from the Department of Community Safety in the Western Cape
- The Department occupies a building free of charge managed by the Department of Transport and Public Works. Parking space is also provided for government officials at an approved fee that is not market related.
- The Department received corporate services from the Corporate Services Centre of the Department of the Premier in the Western Cape Province with effect from 1 November 2010 in respect of the following service areas:
  - Information and Communication Technology
  - Organisation Development
  - Provincial Training (transversal)
  - Human Resource Management
  - Enterprise Risk Management
  - Internal Audit
  - Provincial Forensic Services
  - Legal Services
  - Corporate Communication.

### 26. Key management personnel

	No. of Individuals	2015/16 R'000	2014/15 R'000
Political office bearers (provide detail below):			
Officials:			
Level 15 to 16	1	1 694	1 488
Level 14 (incl. CFO if at a lower level)	6	6 391	6 697
<b>Total</b>		<b>8 085</b>	<b>8 185</b>

The Chief Financial Officer and one of the Chief Directors are domestic partners.

### 27. Non-adjusting events after reporting date

#### Nature of event

At the time of preparing and submitting the annual financial statements, there is an additional shareholding in CTICC of R65 million that will be purchased during the 2016/17 financial year.

As from 1 April 2016, the Western Cape Liquor Authority is a public entity with the Department of Community Safety. The purpose of transferring the entity to the Department of Community Safety is to focus on the eradication of anti-social behaviour and criminality associated with abuse of alcohol.

The Saldanha Bay Industrial Development Zone Licensing Company (SBIDZ LiCo) will be purchasing 164 hectare of land currently owned by Saldok Propriety Limited, a subsidiary of the IDC. In this regard, R 93.3 million has been set aside for the purpose of acquiring the land.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016

### 28. Movable Tangible Capital Assets

#### MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>16 432</b>	<b>-</b>	<b>5 481</b>	<b>(2 476)</b>	<b>19 438</b>
Transport assets	4 091	-	3 634	(1 452)	6 274
Computer equipment	7 353	-	1 135	(980)	7 508
Furniture and office equipment	3 483	-	181	(24)	3 640
Other machinery and equipment	1 505	-	532	(20)	2 016
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>16 432</b>	<b>-</b>	<b>5 481</b>	<b>(2 476)</b>	<b>19 438</b>

#### 28.1 Additions

#### ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>5 452</b>	<b>1 895</b>	<b>(1 865)</b>	<b>-</b>	<b>5 481</b>
Transport assets	3 622	1 851	(1 839)	-	3 634
Computer equipment	1 135	-	-	-	1 135
Furniture and office equipment	137	44	-	-	181
Other machinery and equipment	558	-	(26)	-	532
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>5 452</b>	<b>1 895</b>	<b>(1 865)</b>	<b>-</b>	<b>5 481</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016

### 28.2 Disposals

#### DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	-	<b>2 476</b>	<b>2 476</b>	-
Transport assets		1 452	1 452	-
Computer equipment	-	980	980	-
Furniture and office equipment	-	24	24	-
Other machinery and equipment	-	20	20	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	-	<b>2 476</b>	<b>2 476</b>	-

### 28.3 Movement for 2014/15

#### MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>14 820</b>	<b>140</b>	<b>2 175</b>	<b>(703)</b>	<b>16 432</b>
Transport assets	2 940	-	1 151	-	4 091
Computer equipment	5 472	1 599	828	(546)	7 353
Furniture and office equipment	4 080	(622)	109	(84)	3 483
Other machinery and equipment	2 328	(837)	87	(73)	1 505
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>14 820</b>	<b>140</b>	<b>2 175</b>	<b>(703)</b>	<b>16 432</b>

#### 28.3.1 Prior period error

	Note	2015/16 R'000	2014/15 R'000
<b>Nature of prior period error</b>			
Relating to 2014/15			140
The prior year error relates to SCOA classifications, de-recognition of assets and capitalisation of assets i.e. capital and current asset registers. The adjustment was done from Department inception date.			140
<b>Total prior period errors</b>			<b>140</b>

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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016

### 28.4 Minor assets

#### MOVEMENT IN MINOR ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	29	3 872	3 901
Additions	–	374	374
Disposals	–	(204)	(204)
<b>TOTAL MINOR ASSETS</b>	<b>29</b>	<b>4 042</b>	<b>4 071</b>

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Number of R1 minor assets	–	316	316
Number of minor assets at cost	8	1 870	1 878
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>8</b>	<b>2 186</b>	<b>2 194</b>

#### MOVEMENT IN MINOR ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	29	4 130	4 159
Prior period error	–	(522)	(522)
Additions	–	435	435
Disposals	–	(171)	(171)
<b>TOTAL MINOR ASSETS</b>	<b>29</b>	<b>3 872</b>	<b>3 901</b>

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Number of R1 minor assets	–	392	392
Number of minor assets at cost	8	2 512	2 520
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>8</b>	<b>2 904</b>	<b>2 912</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016

### 28.4.1 Prior period error

	Note	2014/15 R'000
<b>Nature of prior period error</b>		
Relating to 2014/15	31	(523)
Relating to the capitalisation of assets		(140)
Relating to the de-recognition of assets		(382)
Total prior period errors		<u>(522)</u>

### 28.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2016			
	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Assets written off	–	6	6
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	<b>–</b>	<b>6</b>	<b>6</b>

### 29. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016					
	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	1 007	–	239	(58)	1 188
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>1 007</b>	<b>–</b>	<b>239</b>	<b>(58)</b>	<b>1 188</b>

#### 29.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016					
	Cash	Non-Cash	(Develop- ment work in progress – current costs)	Received current year, not paid(Paid current year, received prior year)	Total
SOFTWARE	239	–	–	–	239
<b>TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS</b>	<b>239</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>239</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016

### 29.2 Disposals

DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016				
	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
SOFTWARE	–	58	58	–
<b>TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS</b>	<b>–</b>	<b>58</b>	<b>58</b>	<b>–</b>

### 29.3 Movement for 2014/15

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016					
	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	984	–	23	–	1 007
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>984</b>	<b>–</b>	<b>23</b>	<b>–</b>	<b>1 007</b>

### 30. Changes in accounting estimates

During the year the following changes were made to the estimations employed in the accounting for transactions, assets, liabilities, events and circumstances

	Value derived using the original estimate	Value derived using amended estimate	R-value impact of change in estimate
	R'000	R'000	R'000

*Accounting estimate change 1: Change in percentage shareholding*

Impairment of Investment	<b>63 276</b>	<b>63 478</b>	<b>202</b>
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The percentage shareholding in the Cape Town International Convention Centre has changed with the issue of additional shares to fund the expansion of the existing facilities. The shareholding changed from 21.9% to 21.97% during the year.



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2016

### 31. Prior period errors

#### 31.1 Correction of prior period errors – Assets

	Note	2015/16 R'000	2014/15 R'000
	28		
<b>Assets:</b>			
<b>SCOA reclassification:</b>			
Computer equipment (major assets)			1 597
Furniture and Office Equipment (major assets)			(739)
Other machinery and equipment (major assets)			(858)
<b>Capitalisation of assets:</b>			
Machinery and Equipment (minor assets)			(140)
Computer equipment (major assets)			3
Furniture and Office Equipment (major assets)			117
Other machinery and equipment (major assets)			20
<b>De-recognition of assets:</b>			
Machinery and Equipment (minor assets)			(382)
<b>Net effect</b>			<b>(382)</b>

The Standard Chart of Accounts (SCOA) reclassification and de-recognition of assets relates to the correction of the disclosure of certain assets in order to comply with the treatment and recognition stated by the Modified Cash Standard's chapter on Capital Assets. In addition, the Department reviewed and corrected the LOGIS asset register in order to ensure accuracy and completeness as at year end.

**ANNEXURE 1A  
STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION					TRANSFER				SPENT			2014/15 Division of Revenue Act	
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	R'000	R'000		%
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%				
City of Cape Town	-	-	-	-	-	-	-	-	-	-	-	-	-	500
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500</b>

**ANNEXURE 1B  
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION					TRANSFER		2014/15
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act	
	R'000	R'000	R'000	R'000	R'000	%	R'000	
Small Enterprise Development Agency	-	-	-	-	-	-	2 000	
South African Broadcasting Corporation (SABC)	-	-	2	2	2	100%	2	
Saldanha IDZ Licencing Company	28 958	-	-	28 958	28 958	100%	28 091	
Wesgro	55 000	-	2 500	57 500	57 500	100%	46 735	
Western Cape Liquor Authority	38 732	-	-	38 732	38 732	100%	38 241	
<b>TOTAL</b>	<b>122 690</b>	<b>--</b>	<b>2 502</b>	<b>125 192</b>	<b>125 192</b>		<b>115 069</b>	

**ANNEXURE 1C  
STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS**

NAME OF HIGHER EDUCATION INSTITUTION	TRANSFER ALLOCATION					TRANSFER			2014/15
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	Amount not transferred	% of Available funds Transferred	Appropriation Act	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	
Cape Peninsula University of Technology	-	-	-	-	-	-	-	2 760	
University of Cape Town	-	-	-	-	-	-	-	1 000	
University of Stellenbosch	-	-	-	-	-	-	-	150	
University of the Western Cape	-	-	-	-	-	-	-	700	
<b>TOTAL</b>	-	-	-	-	-	-	-	<b>4 610</b>	

**ANNEXURE 1D  
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES**

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2014/15 Appropriation Act R'000
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
<b>Public Corporations</b>									
<b>Transfers</b>									
Casidra (Pty) Ltd	-	-	-	-	-	-	-	-	5 000
<b>Sub total</b>	-	-	-	-	-	-	-	-	<b>5 000</b>
<b>Private Enterprises</b>									
<b>Transfers</b>									
Donations and gifts (Innovate Western Cape Initiative)	-	-	-	-	-	-	-	-	477
Cape Capital Project Fund	3 000	-	-	3 000	2 831	94.4%	-	2 831	-
PwC (2014 Vision to Reality Awards)	-	-	-	-	-	-	-	-	100
Sunsnet CC (Sponsorship for SID Conference)	-	-	-	-	-	-	-	-	10
<b>Sub total</b>	<b>3 000</b>	-	-	<b>3 000</b>	<b>2 831</b>	<b>94.4%</b>	-	<b>2 831</b>	<b>587</b>
<b>TOTAL</b>	<b>3 000</b>	-	-	<b>3 000</b>	<b>2 831</b>	<b>94.4%</b>	-	<b>2 831</b>	<b>5 587</b>

**ANNEXURE 1E  
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2014/15
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
BPESA	3 000	-	-	3 000	3 000	100.0%	4 500
Broadband Foundation	700	-	-	700	700	100.0%	1 000
Cape Clothing and Textile Cluster	1 500	-	-	1 500	1 500	100.0%	2 500
Cape Craft and Design Institute	6 000	-	500	6 500	6 500	100.0%	15 500
Cape Information and Technology Institute (CITI)	3 615	-	-	3 615	3 615	100.0%	3 900
Cape Town Fashion Council	1 500	-	-	1 500	1 500	100.0%	2 622
Clotex	1 000	-	-	1 000	1 000	100.0%	3 300
Cape Town International Convention Centre (Convenco)	15 000	-	-	15 000	15 000	100.0%	81 790
Digital Village	-	-	-	-	-	-	200
Genesis Community IT Initiative	750	-	-	750	750	100.0%	3 210
Green Cape	15 000	-	1 480	16 480	16 480	100.0%	14 080
Home of Compassion	-	-	-	-	-	-	200
National Empowerment Fund	6 448	-	-	6 448	6 448	100.0%	9 000
Project Isizwe	-	-	-	-	-	-	200
South African Oil and Gas	7 000	-	-	7 000	7 000	100.0%	14 712
The Business Bridge	-	-	-	-	-	-	2 776
The Business Place	-	-	-	-	-	-	1 500
West Coast Business Development Centre	-	-	-	-	-	-	1 500
Western Cape Aquaculture Initiative	-	-	-	-	-	-	2 337
Western Cape Economic Development Partner	7 000	-	-	7 000	7 000	100.0%	8 896
Western Cape Fine Food Initiative	3 000	-	-	3 000	3 000	100.0%	1 117
Western Cape Tooling Initiative	2 200	-	-	2 200	2 200	100.0%	1 000
<b>TOTAL</b>	<b>73 713</b>	<b>-</b>	<b>1 980</b>	<b>75 693</b>	<b>75 693</b>		<b>175 840</b>

ANNEXURE TF  
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2014/15 Appropriation Act R'000
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
<b>Transfers</b>							
Bursaries (non-employees)	10 869	-	-	10 869	10 751	99%	8 752
Donations and gifts (Monetary gifts given to the winners of the Premier Entrepreneurship Recognition awards)	2 000	-	-	2 000	2 000	100%	590
Injury on duty	-	-	-	-	1	0.00%	4
Leave gratuity (11 employees have left public service during the year)	104	-	80	184	214	116%	98
<b>TOTAL</b>	<b>12 973</b>	<b>-</b>	<b>80</b>	<b>13 053</b>	<b>12 966</b>		<b>9 444</b>

**ANNEXURE 1G  
STATEMENT OF AID ASSISTANCE RECEIVED**

NAME OF DONOR	PURPOSE	Opening Balance	Revenue	Expenditure	Closing Balance
		R'000	R'000	R'000	R'000
<b>Received in cash</b>					
Government Technical Advisory Centre (GTAC)	Work and Skills programme	2 806	16 805	3 371	16 240
All funding received from GTAC is kept separate from the Department's equitable share.					
<b>TOTAL</b>		<b>2 806</b>	<b>16 805</b>	<b>3 371</b>	<b>16 240</b>
Wholesale & Retail Seta (W&Rseta)	Work and Skills Programme	180	270	-	450
Manufacturing Engineering and Related Services Seta (MERSeta)	Work and Skills Programme	-	4 176	-	4 176
These amounts have been included in the Adjusted Appropriated during the year.					
<b>TOTAL</b>		<b>180</b>	<b>4 446</b>	<b>-</b>	<b>4 626</b>



**ANNEXURE 2  
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2016**

Nature of Liability	Opening Balance 1 April 2015	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2016
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the department</b>					
In the case of the Cape Film Commission (1103/12/P19), a motion has been filed. The Department will oppose the application. The case is ongoing.	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-

**ANNEXURE 3  
CLAIMS RECOVERABLE**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2015/16 *	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>Departments</b>								
Department of Education	13	-	-	-	13	-	-	-
Department of Rural Development and Land Reform	41	-	-	-	41	-	-	-
<b>TOTAL</b>	<b>54</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54</b>	<b>-</b>	<b>-</b>	<b>-</b>

**ANNEXURE 4  
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2015/16 *	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	Payment date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>DEPARTMENTS</b>								
Current								
Department of the Premier (Amount comprises of claims for training, call centre and business analysis costs)	271	156	-	-	271	156	05/04/2016	242
<b>TOTAL</b>	<b>271</b>	<b>156</b>	<b>-</b>	<b>-</b>	<b>271</b>	<b>156</b>		<b>242</b>
<b>OTHER GOVERNMENT ENTITY</b>								
Current								
Government Motor Transport	-	153	-	-	-	153		-
<b>TOTAL</b>	<b>-</b>	<b>153</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>153</b>		<b>-</b>
<b>TOTAL INTERGOVERNMENTAL</b>	<b>271</b>	<b>309</b>	<b>-</b>	<b>-</b>	<b>271</b>	<b>309</b>		<b>242</b>

Western Cape: Department of Economic Development and Tourism  
Waldorf Building, 80 St George's Mall, Cape Town, 8001  
PO Box 979, Cape Town, 8000

tel: +27 21 483 3840      fax: +27 21 483 7527  
[www.westerncape.gov.za](http://www.westerncape.gov.za)      e-mail: [ecohead@westerncape.gov.za](mailto:ecohead@westerncape.gov.za)

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Afrikaans and isiXhosa versions of this publication are available on request.



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and Tourism

PR228/2016  
ISBN: 978-0-621-44739-2