



**Western Cape
Government**
Economic Development
and Tourism



Annual Report 2016/17

DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM



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ECONOMIC DEVELOPMENT
AND TOURISM

Province of the Western Cape

Submission of the Annual Report to the **Executive Authority**

Mr Alan Winde
Minister of Agriculture, Economic Development and Tourism

I have the honour of submitting the Annual Report of the Department of Economic Development and Tourism for the period 1 April 2016 to 31 March 2017.



Mr Solly Fourie
Accounting Officer
August 2017

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Part A

GENERAL INFORMATION



1. Department

General Information

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2. List of abbreviations / acronyms (review)

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

EBA	Established Business Activity
ECM	Electronic Content Management
ED	Enterprise Development
EDP	Economic Development Partnership
EE	Employment Equity
EHWP	Employee Health and Wellness Programme
EIA	Environmental Impact Assessment
EPWP	Extended Public Works Programme
ERM	Enterprise Risk Management
FET	Further Education and Training
GDP	Gross Domestic Product
GPPR	Gross Domestic Product per Region
GEM	Global Entrepreneurship Monitor
GMT	Government Motor Transport
HCT	HIV Counselling and Testing
HDI	Historically Disadvantaged Individual
HOD	Head of Department
HRD	Human Resource Development
HSP	Human Settlements Plan
ICAN	Integrated Community Access Network
ICAS	Independent Counselling and Advisory Service
ICT	Information and Communications Technology
IDC	Industrial Development Corporation
IDZ	Industrial Development Zone
IFRS	International Financial Reporting Standards
ISO	International Organisation for Standardisation
IT	Information Technology
JMA	Joint Marketing Agreement
KZN	KwaZulu-Natal
LED	Local Economic Development
LLT	Liquor Licencing Tribunal
LRA	Labour Relations Act
M&E	Monitoring and Evaluation
MEC	Member of Executive Council
MERO	Municipal Economic Review and Outlook
MOA	Memorandum of Agreement
MPAT	Management Performance Assessment Tool
MTEF	Medium Term Expenditure Framework
NDP	National Development Plan
NDPW	National Department of Public Works
NDT	National Department of Tourism
NEF	National Empowerment Fund
NFVF	National Film and Video Foundation

NGO	Non-Governmental Organisation
NO	National Outcome
NPO	Non-Profit Organisation
NT	National Treasury
OCP	Office of the Consumer Protector
OD	Organisational Design
PACA	Participatory Appraisal of Competitive Advantage
PDO	Pre-determined Objectives
PERA	Premier's Entrepreneurship Recognition Awards
PERO	Provincial Economic Review and Outlook
PFMA	Public Finance Management Act
PGDS	Provincial Growth and Development Strategy
PILIR	Policy on Incapacity Leave and Ill-Health Retirement
PPP	Public Private Partnership
PSCBC	Public Service Commission Bargaining Chamber
PSDF	Provincial Skills Development Forum
PSG	Provincial Strategic Goal
PSG1	Provincial Strategic Goal 1
PSO	Provincial Strategic Objective
PSP	Provincial Strategic Plan
PT	Provincial Treasury
PWD	People with Disabilities
RIA	Regulatory Impact Assessment
RIN	Regional Innovation Network
RLED	Rural and Local Economic Development
RPL	Recognition of Prior Learning
RTL	Regional Tourism Liaison Committee
SALGA	South African Local Government Association
SAOGA	South African Oil and Gas Alliance
SAPS	South African Police Service
SARS	South African Revenue Service
SAT	South African Tourism
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SDF	Spatial Development Framework
SDIP	Service Delivery Improvement Plan
SDA	Service Delivery Agreement
SEDA	Small Enterprise Development Agency
SEFA	Small Enterprise Finance Agency
SETA	Sector Education and Training Authority
SEZ	Special Economic Zone
SITA	State Information Technology Agency
SME	Small and Medium Enterprises
SMME	Small, Medium and Micro Enterprises
SOE	State-owned Enterprise
SPV	Special Purpose Vehicle
STATSSA	Statistics South Africa

TGCSA	Tourism Grading Council of South Africa
TNPA	Transnet National Ports Authority
TSD	Trade and Sector Development
TFDS	Total Foreign Direct Spend
UCT	University of Cape Town
UK	United Kingdom
UNWTO	United Nations World Tourism Organisation
WCADI	Western Cape Aquaculture Initiative
WCFFI	Western Cape Fine Food Initiative
WCG	Western Cape Government
WCLA	Western Cape Liquor Authority
WCM	World Class Manufacturing
WCSD	Western Cape Supplier Database
WCTI	Western Cape Tooling Initiative
Wesgro	Western Cape Investment and Trade Promotion Agency
WISP	Western Cape Industrial Symbiosis Project
W&R SETA	Wholesale & Retail Sector Education and Training Authority

3. Foreword by the **Minister**

We are midway through our second term in office, and I am pleased to report we are making steady progress in meeting our 2019 targets.

During the period under review, we reached key milestones in our Project Khulisa growth strategy.

Jobs numbers in our key sectors are showing good growth. An early analysis shows that 50 000 jobs have been added in the tourism sector since the launch of Project Khulisa in 2014. This is in great part due to improved air access to our region, an outcome of our joint Air Access initiative. Through this initiative, we have added over 600 000 two-way seats into Cape Town, with a notable increase in air travel between our region and chosen strategic markets.

Over the same period, the number of people employed in the agriculture and agri-processing sectors has increased by more than 40%, to just over 448 000. This is as reported by the Quarterly Labour Force Survey of STATS SA.

In partnership with the National Government, we have also committed significant funding toward the development of the Saldanha Bay Industrial Development Zone. Several investors have indicated their interest in occupying space within the zone. We have put a supplier development programme and a skills training programme in place to ensure that local residents benefit from investment that is landed.

The Department of Economic Development and Tourism has continued to deliver a comprehensive support programme to entrepreneurs across the province. Our Emerging Business Support Programme has provided close to 1 000 entrepreneurs with the skills they need to grow their businesses.

To continue expanding access to the digital economy, we have connected 178 wards to the internet, through our Public Access Wi-Fi project, a partnership with Neotel. During the period under review, in excess of 100 000 residents accessed our Wi-Fi hotspots.

We will continue to invest in broadband infrastructure because we know it is an

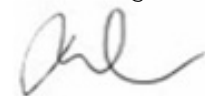
economic enabler for residents wishing to further their careers, or to learn. Like internet access, energy is also an important enabler. To ensure we have an affordable and reliable energy supply, we have worked to increase the number of rooftop Photovoltaic (PV) installations to 9 500 in our municipalities. We also welcome the continued progress in the establishment of the Atlantis Special Economic Zone. Private sector investment into the SEZ is currently estimated at R680 million, creating hundreds of jobs for residents of the area.

To further drive investment into our province, our Red Tape Reduction Unit continues to make it easier to do business here, achieving a 93% resolution rate in respect of queries lodged in 2016/17.

Business confidence and investment in our region continues to grow.

Our goal is to provide residents with a foothold into the economy, so that they are able to take advantage of new opportunities. This is why we have prioritised skills development, through our Apprenticeship Game Changer. We have set a target of introducing 32 500 qualified apprentices into the labour market by 2019. This target includes apprentices who will qualify as artisans, semi-skilled workers who achieve partial qualifications and top-up qualifications for existing artisans and semi-skilled workers. To date, 6 000 young people have already received training.

I would like to thank Solly Fourie, as well as his management team and staff for their hard work in creating opportunities for growth and jobs. Their dedication to the entrepreneurial, willing and hard-working residents of the Western Cape is unwavering.



Mr 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 were again successfully delivered.

Achievement for the year

Despite a sluggish global economic performance, the Western Cape added 137 000 jobs year-on-year between quarter 2 (2016) and quarter 2 (2017). This translated to an unemployment rate of 20.7% as at the end of quarter 2 (2017). More importantly the region experienced the highest Labour Force Absorption and Labour Force Participation rates of 53.9% and 68% respectively. (Stats SA: Q2 2017 Labour Force Survey).

The Department also continued on the medium to long term trajectory of providing support to businesses by providing 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. It is clear that this program has played a significant role in the economy through contributing to a higher level of business confidence. This is largely due to the fact that reducing red tape is an important function in providing a climate which is conducive to ease of doing business in the region.

The Department placed a huge focus on the continued delivery of the objectives of the Energy and Apprenticeship Game Changers which were launched during the course of the previous financial year. This focussed approach

is making a significant contribution to the region being more competitive and responsive to the demands of investors. In addition, 128 Wi-Fi Hotspots were rolled out, bringing the total of currently live Hotspots to 178 across the Province.

During the year under review, the Department continued to give accentuated focus to the objectives of Project Khulisa, which is aimed at growing the Tourism, Agri-Processing and Oil & Gas services sector. The delivery of the Khulisa objectives enabled a concentrated approach to ensure that the three sectors, chosen to bring about job growth, are strongly supported.

Through the efforts of Wesgro, the Department's investment and tourism marketing agency, investments of R2.12 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 Saldanha IDZ Licencing Company was designated as a Provincial Business entity and continued to implement good progress in shaping the investment prospects for this sector.

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

Challenges for the year

The prevailing negative global trading conditions continue to present slow growth opportunities and together with this we have seen reluctant investor sentiment. The downgrading of the country's investment status by ratings agencies is a major challenge and the Department has taken cognisance of the risk which this presents to the region's investment prospects.

However notwithstanding this, we are confident that by continuing to create an enabling economic environment, investors will find opportunities in the region which is more competitive and supportive.

Departmental Receipts

Departmental receipts	2016/17			2015/16		
	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
Tax Receipts	-	-	-	27 000	26 178	822
Casino taxes						
Horse racing taxes						
Liquor licences	-	-	-	27 000	26 178	822
Motor vehicle licences						
Non Tax Receipts	284	1 059	(775)	6 123	12 661	(6 538)
Sale of goods and services other than capital assets	284	320	(36)	270	428	(158)
Transfers received						
Fines, penalties and forfeits						
Interest, dividends and rent on land	-	-	-	-	42	(42)
Sale of capital assets	-	22	(22)	-	-	-
Financial transactions in assets and liabilities	-	717	(717)	5 853	12 191	(6 338)
Total	284	1 059	(775)	33 123	38 839	(5716)

In terms of the tourist guide registration fees 1 148 tourist guides were registered during the financial year resulting in an over-collection of revenue of R36 000. During the financial year, the Department over-collected on its financial transactions in assets and liabilities by an amount of R717 000.

Programme expenditure

In terms of final expenditure over the past two financial years, the Department has managed to expend 97.6% or R559.386 million of its adjusted appropriation in the 2016/17 financial year, compared to the 97.4% or R432.784 million spent in the 2015/16 financial year.

Programme Name	2016/17			2015/16		
	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	52 314	51 656	658	41 904	40 330	1 574
Integrated Economic Development Services	42 283	41 661	622	54 968	53 802	1 166
Trade and Sector Development	56 653	55 591	1 062	58 103	57 663	440
Business Regulation & Governance	10 911	10 479	432	50 137	49 778	359
Economic Planning	298 347	296 135	2 212	144 335	138 785	5 550
Tourism, Arts & Entertainment	49 956	49 342	614	40 271	39 882	389
Skills Development & Innovation	62 802	54 522	8 280	54 545	52 544	2 001
Total	573 266	559 386	13 880	444 263	432 784	11 479

Virements

By the end of the 2016/2017 financial year, a total of three virements were undertaken to defray over expenditure across two main divisions within the vote.

Roll overs

During the 2016/17 financial year, a total of two (2) roll over requests were approved. The nature of these roll overs are as follows:

- **Broadband Stream II:** The roll over request, to the value of R11.053 million was approved and the funds will be rolled over to the 2017/18 financial year. The implementation of various projects during the 2016/17 financial year has still experienced a knock on effect from the delays of the previous financial year and thus necessitated the need for the funds to be rolled over
- **Madiba Legacy Project:** The roll over request, to the value of R1.7million was approved and the funds will be rolled over to the 2017/18 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 three 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.

The decision to streamline delivery of the Wi-Fi Hotspots within the Department of the Premier, will enable the Department to focus on reducing market failure issues experienced in the Digital Economy. During the next financial year, greater emphasis will be placed on the delivery of opportunities in the Digital Economy and seeking to respond to the challenges experienced through Digital Disruption.

There is also a necessity to focus on the challenges presented by the rising Youth Unemployment levels and the needs of the Informal Economy. Together with a revision of our approaches

to support Municipal Economic growth, the aforementioned areas will also receive attention during the next financial year.

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 2016/17 financial year, however as of 1 April 2016, the Western Cape Liquor Authority reported 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.

As part of the effort to improve efficiencies, the Department identified more intelligent ways to procurement to realise value for money, create opportunities and promote beneficial change. The Department has therefore, appointed a panel of service providers through a competitive bidding process that can be called upon to perform business process improvement interventions on identified processes. The Department intends rolling-out similar strategic sourcing categories of services in its spending portfolio.

In the 2016/17 financial year the Department procured goods and services according to the procurement plan with only a 2% deviation.

The Department continuously maintains and manages moveable assets on the LOGIS system that was implemented in 2015/16 financial year. The year-end physical verification of all moveable assets was started on 23 February 2017 and completed on 24 March 2017.

All the moveable assets acquired in the year under review have been accounted for and accurately captured on the Asset Register as per the Asset Management Framework and the Public Finance Management Act.

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	Gift voucher and Bottle of wine	R300	Investor
Hildegard Fast	Deputy Director General	Coaster, sweater, flash drive	R340	Workshop facilitator
Hildegard Fast	Deputy Director General	Coasters	R300	Workshop facilitator

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

On 1 April 2017, the Department became a 100% shareholder in Saldanha Bay IDZ Licensing Company (Pty) Ltd (LiCo). The purpose of Saldanha Bay IDZ Licensing Company (Pty) Ltd (LiCo) is establish and fulfil the purpose of a Special Economic Zone within the greater Saldanha Bay area.

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 focussed 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
August 2017

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
August 2017

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 which the Department espouses are:



CARING

To care for those we serve and work with



COMPETENCE

The ability and capacity to do the job we are appointed to do



ACCOUNTABILITY

We take responsibility



INTEGRITY

To be honest and do the right thing



INNOVATION

To be open to new ideas and develop creative solutions to problems in a resourceful way



RESPONSIVENESS

To serve the needs of our citizens and employees

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

7. Legislative Mandate

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.

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 BBEEE 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

The amendment act repealed the 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, Namca 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.

The Cape Town International Act 8 of 2000

The purpose of the Act is to provide for the Province's shareholding in the Cape Town International Convention Centre Company, for the funding provided to the Company by the Province, and to provide for matters incidental thereto.

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 five Strategic Goals, namely

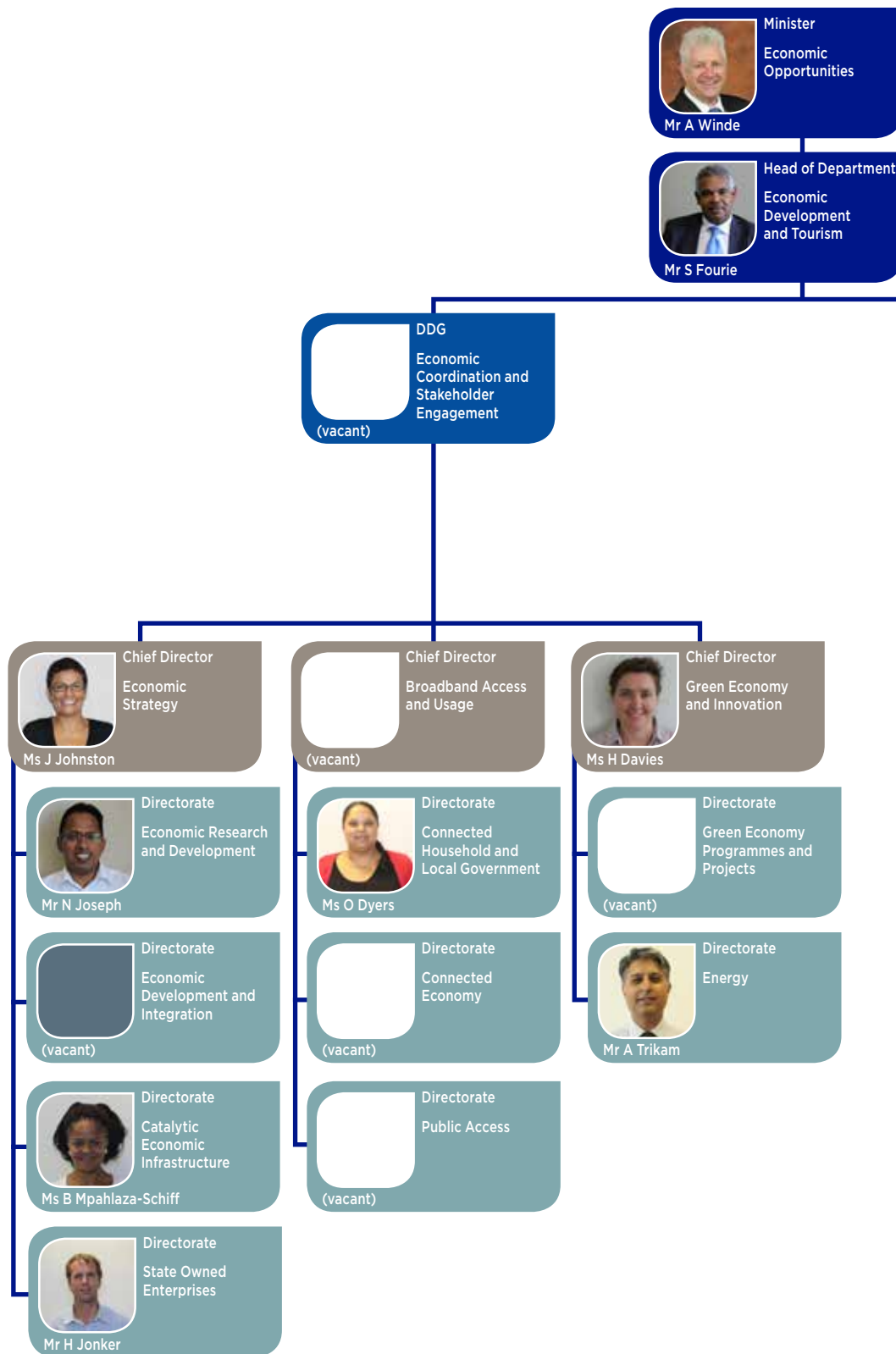
- **Strategic Goal 1:** Create opportunities for growth and jobs
- **Strategic Goal 2:** Improve education outcomes and opportunities for youth development
- **Strategic Goal 3:** Increase wellness, safety and tackle social ills
- **Strategic Goal 4:** Build a quality living environment, resilient to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

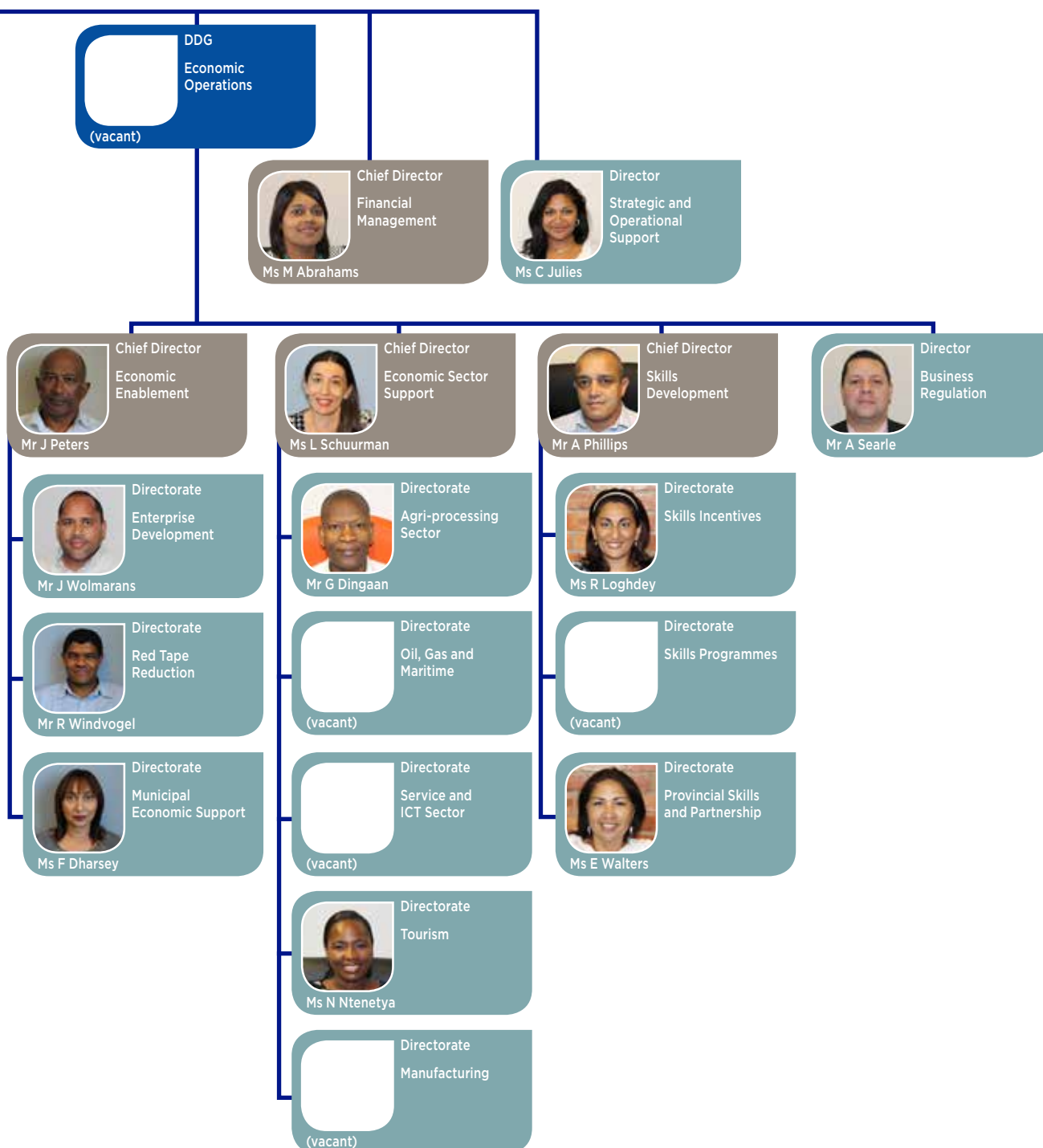
Western Cape Green Economy Strategy Framework

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)	Saldanha Bay Industrial Development Zone Act Licensing Company Act, 2016 (Act 1 of 2016)	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.

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 195 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.

As noted in previous strategic documents, the Department, during the 2016/17 financial year, focussed on seven (7) priority areas namely Ease of doing business; Investment Promotion; the rollout of interventions in the three Project Khulisa priority sectors of Oil and Gas, Agri-processing and Tourism; the Green Economy; Skills development; Broadband and Energy.

Ease of doing business

Red Tape Reduction (RTR) is a critical strategy in the process of making it easier to conduct business in the Province. In this regard, a focus on reducing red tape experienced by businesses in municipalities has resulted in support provided in 12 municipalities across all four districts of the Province since 2014. Over this past year specifically, seven municipalities have been assisted with plans to optimise their business processes that underpin business-facing services such as, building plan approvals, zoning, access to land, informal trading permit application approvals, tourism road signage and procurement. Coupled to these, standard operating procedures have been developed that can be replicated and used in other municipalities. A modest target of 20 municipal-specific business process improvements was set, and achieved, in an effort to reduce administrative and compliance burdens by creating process efficiencies.

The Business Helpline service continued reacting to, and removing, some quite severe regulatory and process-related blockages reported by businesses and investors, bringing about substantial savings in costs and inconvenience, or facilitating investment growth and investment, moving the WCG closing to its PSP 2014 - 2019 target of R1 billion in such savings and benefits. A costing tool to measure these was developed. Regulatory Impact Assessments (RIA) has been adopted as a compulsory requirement for all significant new legislation and policy – a major step in ensuring appropriate, well-considered legislative and policy interventions, with the least risk of unintended consequences. Business Process Improvement (BPI) projects with sister departments were completed with implementation planned for 2017/18 financial year.

Investment Promotion

In terms of Investment promotion, the Department and Wesgro has had a very successful year. Wesgro has changed its method of measuring its trade promotion activities and has performed well against the new targets. Successful missions have been conducted into the rest of the continent, Europe, Asia and South America. Most of these have resulted in declarations, meaning that clients see value in the services being provided. To date, eight projects were secured at a value of R1.9 billion, resulting in approximately 630 jobs.

Project Khulisa Interventions

In terms of **Agri-processing**, the pre-feasibility study (Phase 1) of the Halaal Industrial Park (HIP) was concluded. Phase 2 of this project will be completed during the 2017/18 financial year. Investor prospectuses are being developed for each of the recommended sites identified for the development of the HIP, as well as a general prospectus for the Halaal industry. In terms of Halaal Export promotion activities, a number of companies were taken to strategic markets such as India, Indonesia, Thailand, Singapore, Malaysia, etc. in order to increase halal exports from the Western Cape. Further to this, progress has also been made in the development of a Global Best Practice Halaal Certification for companies.

In terms of the Wine Export Promotion to Angola and China, this Department, the Department of Agriculture, Wesgro and Wines of South Africa (WOSA) implemented this project. Four in-store wine tastings were conducted in Angola. A major South African wine retailer attributed a positive increase in SA wine sales in the Angolan market to these in-store promotion activities. In terms of accessing the Chinese wine market, various black-owned wine brands were invited to participate in the Wine Expo in China to enable these brands to gather market intelligence and showcase their products.

Furthermore, a Supplier Development programme aimed at enhancing the capacity of Small and Medium Enterprise owners and their respective businesses to address market opportunity identification, compliance requirements and improve efficiencies in order to scale enterprises and position them for growth. The programme focused on increasing and improving entrepreneurial facets of agri-processors, which included the following:

- The identification of business constraints;
- The development of action plans or turnaround strategies for implementation through specialised and focussed business support interventions; and
- Providing mentorship and coaching to assist and support the entrepreneur or business owner(s).

A Supplier Development programme aims to enhance Small and Medium Enterprise owners.

In terms of the **Oil and Gas** Supply Servicing Industry interventions, the development of a portal for buyers and suppliers to improve matchmaking opportunities is well underway. The intention is to launch the portal in June 2017, thereby assisting with the implementation of enterprise development support to SMMEs. The portal will provide a single access point that allows SMMEs to access available economic opportunities and to profile themselves to corporates, parastatals and SBIDZ. The procurement portal will comprise the following:

- The information and status of the SMMEs (suppliers) listed on a database together with the requirements of buyers (corporates, parastatals, SBIDZ);
- Match the needs of these buyers and the suppliers;
- The data will form a foundation that will be employed to identify the development needs of the SMMEs; and
- Utilise this information to develop a Supplier Development Programme to address the requirements of local SMMEs.

The Ease of Doing Business unit is working closely with strategic stakeholders to address red tape issues such as immigration, imports, taxation and abnormal load permits. In addition, a Business Process Improvement intervention within the Saldanha Bay Municipality was initiated which is to develop improvement plans to speed up various processes for approvals aligned to the Heads of Agreement commitments identified for the IDZ projects.

A Skills Development Framework is in the process of being finalised. This will be done in conjunction with the Apprenticeship Game Changer.

In terms of progress on the Saldanha IDZ, the infrastructure build has progressed well. Thus far, the construction of the internal bulk services, the waste water treatment works and the supply hub in the Port has been completed. The link bridge to Port and the water reservoir are under construction and the port land development is in design phase.

Negotiations with more than 30 potential investors are underway, 18 of which are in the investor pipeline. Additionally, 2016/17 has seen the finalisation of IDC land sale to the province and a historic partnership agreement was entered into between the local municipality and the LICO.

In terms of **Khulisa Tourism** initiatives, the Growth and Development of the Tourism industry took a leap forward with the Journey to Service Excellence Programme being implemented in Clanwilliam together with both tourism and non-tourism businesses. The ultimate goal is to improve service levels in the area.

An agreement with the City of Cape Town was reached with regard to the implementation of the Madiba Legacy Project, which includes a Mandela Statue on the balcony of the City Hall and development of a Mandela exhibition inside the City Hall.

The Cycle route from Plettenberg Bay to Cape Town has been mapped. An audit of cycle friendly accommodation in the Garden Route has been completed. The cycle events calendar has been finalised and is available on the Wesgro website under events.

Tourism Destination Marketing saw 14 initiatives supported during the 2016/17 financial year. The total estimated economic value of these initiatives amounted to R162 million. The purpose of these initiatives was to drive geographic spread, lessen the effect of seasonality, job creation and the stimulation of economic growth across the Province. Through Wesgro's efforts over the past few quarters they have identified promotional opportunities that have a measurable impact on the Province in terms of visitor spend. This aligns with the overall objective of Project Khulisa, which is to drive economic growth in tourism for the Province, thereby creating more jobs within the sector.

Green Economy

In the 2016/17 financial year, the Western Cape Industrial Symbiosis Programme (WISP), which was funded and supported by DEDAT, resulted in the diversion of 2 310 tonnes of waste from landfill that was instead utilised by industry in place of virgin materials. WISP has been funded to the tune of R9.2 million over the last five years, with R2.80 in economic benefits to the companies in the programme being returned for every R1 invested. The Bioenergy project looked at strategically positioning Western Cape agri-business to capitalise on cost savings and income diversification benefits enabled by green technologies. The project identified opportunities for value add to organic waste and residues in food value chains and drove the take up of solar PV on pack houses and solar thermal applications within the industry as well as resource efficiency within food value chains. In addition, the Department's investigations into interventions in the waste economy has indicated a clear need to bolster the informal waste collection and waste recycling industry – interventions will be more fully developed in 2017/18. Through GreenCape, the Department supported the piloting of a World Bank project aimed at improving access to finance for small-scale green technology companies. Market intelligence reports in the energy, waste, water and agricultural sectors as well as a green finance database, coupled with effective investor support across the green economy has continued to help attract investment in green technology and services in the Western Cape. With funding from the Water Research Council (WRC) and DEDAT, GreenCape, developed the draft of a tool for the Saldanha Municipality to integrate socio-economic valuations of water and future forecasts of water requirements into the evaluation of water allocation trade-offs in making development decisions. The tool provides a simple means to understand the relative value that an industrial development brings in comparison to the water it requires and will be completed and rolled out to further municipalities in 2017/18. Extensive work has been undertaken to advance the progress of establishing an Atlantis Special Economic Zone (SEZ), which would serve as a green tech hub. The ASEZ Project Management Unit is working with a pipeline of investors totalling R1.7 billion for the period up to 2020.

Energy

A multi-faceted approach, together with the Energy Security Game changer and GreenCape, to increase PV uptake in the province has resulted in 15 municipalities in the province now having the legal framework in place for Small-Scale Embedded Generation (SSEG), with 10 having NERSA-approved SSEG tariffs. The continued drive to extend the SSEG enabling environment to more municipalities has resulted in an increased uptake of PV with approximately 9 500 installations of rooftop PV in the Western Cape, amounting to approximately 32MWp of capacity estimated as installed by end of February 2017. Complementary to the SSEG tariff is the development of smart metering as an enabling mechanism to market growth. The Western Cape Government support of GreenCape's work in this regard led to the National smart metering standard NRS 049 being published in October 2016, with the aim that this should lead to a significant reduction in the price of smart meters and allow for greater follow-on opportunities to reduce energy consumption and better manage electrical loads.

The Western Cape Government is also taking the lead with initiatives to reduce energy consumption in provincial facilities – in particular, the Department of Health has installed smart meters in hospitals across the province to track consumption and has introduced interventions in key hospitals to reduce consumption and electricity bills. Initiatives with the Department of Transport and Public Works have resulted in the first solar PV panels being installed at 9 Dorp Street and Athlone Shared Services Centre, with installations at 27 Wale Street, 1 Dorp Street, 4 Leeuwen Street and 68 Orange Street being completed and energy and water metering installations in selected provincial buildings well underway.

Western Cape Government work towards realising the gas agenda, which has also been included as part of the Energy Security Game Changer, continued the focus on development of the Liquefied Natural Gas (LNG) opportunity on the West Coast.

Skills Development

During the 2016/17 the Apprenticeship Game Changer developed and finalised a roadmap that includes a detailed delivery plan with clear targets established until 2019.

Lever 1 aims to ensure a significant increase in the number of quality learners who are attracted to technical and vocational careers and are of a quality to address employer needs. The Career Awareness outcome resulted in the training of 112 life-orientation teachers and TVET College staff to provide them with the knowledge to market the value of apprenticeships to potential learners. The Maths Support programme has been initiated with WCED to increase the pool of maths learners with 50% or more.

Lever 2 deals with improving the quantity and quality of workplace supply. During this financial year the Apprenticeship Game Changer team, working with National Government and Employer Associations, has developed Recognition-of-Prior-Learning (RPL) toolkits for Welding, Motor-Mechanics and Diesel Mechanics. This project will provide 30 experienced employees with the necessary support towards becoming qualified artisans.

A transversal focus of the Apprenticeship Game Changer is ensuring that the relevant data is available to inform decisions and assist with planning as currently there is a plethora of data which is held in different structures. A success has been securing key learner data from schools, TVET Colleges and SETA's centrally to assist with understanding the supply and demand statistics to inform practice and also provide a baseline for measuring impact.

Broadband

Public Access Wi-Fi and Citizen Internet Champions continues to be the flagship projects within the Broadband Stream 2 projects portfolio. 2016/17 saw the Department entering the second year of a three-year implementation period for the deployment of public internet access through Wi-Fi hotspots across all wards in the Western Cape Province. This is also reflected in the distribution of funding allocation within the Digital Economy unit.

Having commenced in 2015/16, the Public Access Wi-Fi project in partnership with Neotel delivered Wi-Fi hotspots to 128 wards bringing the total number of wards having a public hotspot to 178 by the end of the 2016/17 financial year. Regarding usage of the hotspots 102 963 people have accessed the internet via this government/private sector funded Wi-Fi hotspot programme by the end of the 2016/17 financial year.

Complementary to the deployment of the public Wi-Fi hotspots is the Citizen Internet Champion project which aims to assist local communities with mobile digital literacy training. The programme includes the utilisation of two locally sourced unemployed youth in each ward, who are trained to deliver the training for a short period of time. During 2016/17 they reached a total of 202 934 individuals who had completed the mobile digital literacy course.

The Interactive Community Access Network project is aimed at increasing and improving digital skills and literacy amongst citizens and businesses in the Western Cape. 2016/17 saw the final year for the Proof-of-concept (PoC) in Elsies River which served as a pilot to assess the viability, functionality and sustainability for establishing digital public access facilities and services. In the last year of the three-year pilot, the project has begun to demonstrate improvements in usage patterns and commercial viability.

In addition, a number of DEDAT-supported and free digital and ICT skills were offered to citizens at the I-CAN Elsies River. A multi-level and multi-category skills programme was delivered incorporating 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.

A total of 521 full course completions were achieved and 538 citizens participated in workshops through the centre by means of direct support during 2016/17. 408 citizens completed short courses offered for free by the I-CAN Centre Operator.

In parallel, the Department extracted the key learnings from the PoC to develop a more scalable business model to achieve the I-CAN objectives whilst crowding in private sector resources and funding. By the close of the financial year, this implementation model had been developed and is awaiting approval for execution.

During 2016/17, the unit conducted an assessment into the current state of digital disruption in 10 sectors in the Western Cape, as the implications thereof has a direct effect upon the competitiveness of businesses in the province. This research will be used as the foundation for engagements with various sectors regarding their digital readiness and the impact on their ongoing growth and competitiveness.

With respect to the Big Data Facility project, the Department completed the business and financial modelling as well as the economic impact assessment in 2016/17. In January 2017, DEDAT submitted to the Department of Science and Technology, the business proposal for the co-location of the SKA science processing facilities in the Western Cape Province.

Digital gaming is one of the fastest growing sectors internationally, bigger than film or music, reaching over two billion people worldwide and valued globally at over \$100bn. In addition, the digital gaming is a mechanism which can be used to educate, improve skills and collect data, known as serious gaming. A novel project approach was undertaken, in partnership with the Cape Catalyst unit, to support the development of an "Innovation Game", aimed at citizens' engagement which would enable interaction with citizens to re-imagine socio-economic development within their communities. A competition methodology was used to encourage Western Cape local content producers to develop an innovative game to collect citizen data. 2017/18 will see the game development concluded and implementation and distribution of the game.

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 programmes do 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 impacts 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
To Provide for Registration of Tourist Guides in the Province as per the Tourism Act, No. 3 of 2014	<ul style="list-style-type: none"> Tourist Guides Association of Tourist Guides Tourism Industry 	60% of registered Tourist Guides issued with renewal notices 30 working days before the expiry of the Tourist Guide License.	65% of registered Tourist Guides issued with renewal notices 30 working days before the expiry of the Tourist Guide License.	33.33% of registered Tourist Guides issued with renewal notices 30 working days before the expiry of the Tourist Guide License. Target not achieved due to changes in Tourism Act, No. 3 of 2014. There was a change in registration/renewal from a 2-year period to a 3-year period. Therefore, as from July 2016 to date, renewals were affected as there was an extension.
		70% of new/renewal Tourist Guide registration applications are processed within 14 working days.	75% of new/renewal Tourist Guide registration applications are processed within 14 working days.	75% of new/renewal Tourist Guide registration applications were processed within 14 working days.
		52 registered Tourist Guides developed.	52 registered Tourist Guides developed.	308 Tourist Guides developed due to additional information sessions held through partnering with Skylar and Cape Tourist Guide Association (CGTA).
		80 inspections conducted to ensure compliance.	100 inspections conducted to ensure compliance.	120 inspections were conducted. The over-achievement was due to a joint inspection on 2 November 2016 with the Registrars of other provinces and National Department of Tourism (NDT) at Cape Point.

Main Services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
To Act as a Consumer Protection Agency within the Western Cape Province by virtue of the Provision of Provincial and National Legislation	<ul style="list-style-type: none"> • Consumers • Small Businesses (with an annual turnover or asset value of less than R2 Million) • NGO's • Government Departments • Local Authorities 	80% of Consumer complaints were resolved.	85% of Consumer complaints were resolved.	98.4% of Consumer complaints were resolved. The percentage reflects the total number of complaints that were attended to and finalised either by way of amicable resolutions or any other closure process.
		60% of Consumers (based on sample survey) indicating change in financial behaviour due to OCP Consumer Financial Literacy Project.	65% of Consumers (based on sample survey) indicating change in financial behaviour due to OCP Consumer Financial Literacy Project.	This target was not achieved. The required Customer Survey, which would measure this outcome, could not be conducted due to budgetary constraints.
		200 Consumer Education programmes conducted.	120 Consumer Education programmes conducted.	227 Consumer Education programmes conducted (this includes Financial Literacy workshops and SMME engagements).
		50 Financial literacy workshops conducted.	20 Financial literacy workshops conducted.	37 Financial literacy workshops conducted (this number is included in the total of 227 Consumer Education programmes conducted).
		20 SMME engagements conducted.	10 SMME engagements conducted.	17 SMME engagements conducted (this number is included in the total of 227 Consumer Education programmes conducted).

Main Services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Provide Red Tape Reduction Business Helpline Services	<ul style="list-style-type: none"> Businesses operating in the Western Cape, particularly Small Businesses. Aspiring business-persons who consider establishing a business in the Province. 	85% of Red Tape related cases were resolved.	85% of Red Tape related cases to be resolved.	The resolution rate (as yet unverified for the year 2016/17) varied from quarter to quarter, averaging more than 90% and will only be known after the verification of the quarter 4 performance reports, as outstanding cases lodged in previous cases are still being resolved.
		A satisfaction rate of 67% was recorded.	A satisfaction rate of 70% to be recorded.	The satisfaction rate varied across the surveys conducted, averaging approximately 80%. The final rate for the 2016/17 financial year will only be available in quarter 1 of 2017/18, as the last surveys i.r.o. 2016/17 cases will be conducted then.

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

Current/actual arrangements	Desired arrangements	Actual achievements
To Provide for Registration of Tourist Guides in the Province as per the Tourism Act, No. 3 of 2014		
Consultation:		
Consultation: a) Clients are consulted through: <ul style="list-style-type: none"> i. Discussion forums. ii. Workshops. iii. Written correspondence. iv. Tourism Regulation Newsletter. b) Input received from Clients is taken into account when decisions are made about what services are to be provided and at what level.	Consultation: a) Clients are consulted through: <ul style="list-style-type: none"> i. Discussion forums. ii. Workshops. iii. Suggestion Box. iv. Bulk email service. v. Meetings. b) Input received from Clients is discussed with the relevant authorities and is taken into account when decisions are made.	Consultation: a) Clients were consulted through: <ul style="list-style-type: none"> i. Discussion forums. ii. Workshops: 2 x consultative workshops with NDT were held on 10 and 17 June 2016, with 158 attendants in total. iii. Suggestion Box: A Suggestion Box was not implemented, however a complaints/comment form has been added to the webpage. An awareness email about this form was sent to the Tourist Guides via bulk email. iv. Bulk email service was utilised. v. Meetings: Meetings were held with CTGA to partner on information sessions and on the regulations. b) Email correspondence was received from Tourist Guides on the regulations. Their input was collated and sent to NDT for consideration. NDT is still finalising the new regulations.
Access:		
Access: The service is accessible: - a) At the Head Office, Ground Floor, Waldorf Arcade, 80 St Georges Mall, Cape Town.	Access: The service is accessible: - a) At the Head Office, Ground Floor, Waldorf Arcade, 80 St Georges Mall, Cape Town. b) Via the official departmental website: www.westerncape.gov.za/touristguide	Access: Clients could access the service: - a) At the Head Office, Ground Floor, Waldorf Arcade, 80 St Georges Mall, Cape Town. b) Via the official departmental website: www.westerncape.gov.za/touristguide
Courtesy:		
Courtesy: a) Courtesy is reported and measured through: <ul style="list-style-type: none"> i. Complaints Desk. ii. Clients Satisfaction Surveys. iii. Management. iv. Head: Communication. 	Courtesy: a) Courtesy is reported and measured through: <ul style="list-style-type: none"> i. Complaints Desk. ii. Clients Satisfaction Surveys. iii. Suggestions/feedback/Complaints Box to be investigated. b) The behaviour of Officials are measured/monitored against the: <ul style="list-style-type: none"> i. Code of Conduct. ii. Business Rules of the Department. 	Courtesy: a) Courtesy was reported and measured through: <ul style="list-style-type: none"> i. Complaints Desk. ii. Client Satisfaction Surveys: This is not a physical survey, it takes into account the information received through our suggestions/complaints/comments form on the webpage. Currently no one has officially used this form. iii. A Complaints Box was not set up, instead a complaints/comments/suggestion form was added to the Tourist Guide webpage. b) The behaviour of Officials was measured/monitored, during formal and informal performance review sessions and one-on-one sessions, and against the: <ul style="list-style-type: none"> i. Code of Conduct. ii. Business Rules of the Department and specifically the Directorate Tourism, as depicted in the Standard Operating Procedures for Tourist Guide Registration/License.

Current/actual arrangements	Desired arrangements	Actual achievements
Openness and transparency: Openness and transparency is achieved through: a) Annual Report. b) Written correspondence. c) One-on-one meetings.	Openness and transparency: Openness and transparency is achieved through: a) The publication/distribution (in 3 Official languages of the Province and obtainable via the WCG Walk-in Centre and the departmental website) of the Department's: i. Annual Citizen's Report. ii. Annual Report. iii. Service Access Booklet. iv. Service Charter. v. Service Standard Schedule.	Openness and transparency: Openness and transparency was achieved through: a) The publication/ distribution of the Department's: i. The Annual Citizen's Report was not produced. ii. Annual Report (published in English and made available electronically in the other 2 official languages of the Province). iii. Service Access Booklet – only published in English. iv. Service Charter – only published in English. v. Service Standard Booklet – only published in English. The abovementioned documents were obtainable from the departmental website and at the Walk-in Centre. b) Bulk email communication was conducted. c) Open door policy for Tourist Guides to freely communicate with the Registrar.
Value for Money: a) The cost of registration is R240, renewable every 3 years.	Value for Money: a) The cost of registration is R240, renewable every 3 years. b) Clients get useful and useable information at no cost. c) Registration cost is determined by National Legislation.	Value for Money: a) The cost of registration was R240, renewable every 3 years. b) Clients had access to useful and useable information at no cost. Bulk emails were distributed informing Tourist Guides of opportunities like free workshops held by Victoria & Alfred (V&A) Waterfront, Lilizela entries, etc. c) Registration cost was determined by National Legislation.

Current/actual arrangements	Desired arrangements	Actual achievements
To Act as a Consumer Protection Agency within the Western Cape Province by virtue of the Provision of Provincial and National Legislation		
Consultation: a) Clients are consulted through: <ul style="list-style-type: none"> i. Discussion forums ii. Workshops iii. Citizen surveys iv. Telephone v. Community Outreach initiatives vi. Media engagements b) Input received from Clients is taken into account when decisions are made about what services are to be provided and at what level.	Consultation: a) Clients are consulted through: <ul style="list-style-type: none"> i. Discussion forums ii. Workshops iii. Citizen surveys (minimum of 1 survey will be done) iv. Telephone v. Community Outreach initiatives vi. Media engagements vii. Consumer Education Programmes (minimum of 120 programmes conducted) b) Input received from Clients is forwarded (written report) and discussed with the relevant authorities and is taken into account when decisions are made about what services are to be provided and at what level.	Consultation: a) Clients were consulted through: <ul style="list-style-type: none"> i. Discussion forums, workshops and Community Outreach events were held during the 2016/17 financial year. In total 227 engagements were held and this includes discussion forums, workshops and Community Outreach events. ii. Workshops: As per point i above. iii. No Citizen Survey was done due to budgetary constraints. iv. Telephone. v. Community Outreach initiatives: As per point i above. vi. Approximately 6 media engagements were done. vii. 227 Consumer Education Programmes were conducted (this includes Financial Literacy workshops and SMME engagements). b) In terms of the Financial Literacy Programmes, the Unit conducted pre and post evaluations with attendees. These evaluations placed the Unit in the position to determine if the sessions were helpful or if certain changes needed to be made to the content of the Programme. In terms of complaints management, every Consumer received a closure report which detailed the findings in a particular matter. The report also provided consumers with an opportunity to reject a finding and request a re-evaluation by the Director.
Access: The service is accessible: - <ul style="list-style-type: none"> a) At the Head Office, Ground Floor, Waldorf Arcade, 80 St Georges Mall, Cape Town, operating hours: 07:30 – 16:00. b) Via District Offices (Coordinators): <ul style="list-style-type: none"> i. Paarl, Paarl Thusong Centre, Van der Stel Street, Chicago, Paarl East. ii. Knysna, Shop number 8, Demar Centre, Main Street, Knysna. c) Via Toll Free line: 0800 007 081. 	Access: The service is accessible: - <ul style="list-style-type: none"> a) At the Head Office, Ground Floor, Waldorf Arcade, 80 St Georges Mall, Cape Town, operating hours: 07:30 – 16:00. b) Via District Offices (Coordinators): <ul style="list-style-type: none"> i. Paarl, Paarl Thusong Centre, Van der Stel Street, Chicago, Paarl East. ii. Knysna, Shop number 8, Demar Centre, Main Street, Knysna. c) Via Toll Free line: 0800 007 081. d) Via the official departmental website: www.capegateway.gov.za 	Access: Clients could access the service: - <ul style="list-style-type: none"> a) At the Head Office, Ground Floor, Waldorf Arcade, 80 St Georges Mall, Cape Town, operating hours: 07:30 – 16:00. b) Via District Offices (Coordinators): <ul style="list-style-type: none"> i. Paarl, Paarl Thusong Centre, Van der Stel Street, Chicago, Paarl East. ii. Knysna, Shop number 8, Demar Centre, Main Street, Knysna. c) Via Toll Free line: 0800 007 081. d) Via the official departmental website: www.capegateway.gov.za Additional achievement: e) Via the helpdesk at the various Thusong Centre Outreach Programmes that were attended by the OCP. f) Via post: P.O. Box 979, Cape Town, 8000. g) Via email: consumer@western-cape.gov.za h) Via fax: 021483 5872

Current/actual arrangements	Desired arrangements	Actual achievements
Courtesy: a) Courtesy is reported and measured through: <ul style="list-style-type: none"> i. Complaints Desk ii. Clients Satisfaction Surveys iii. Management iv. Head: Communication 	Courtesy: a) Courtesy is reported and measured through: <ul style="list-style-type: none"> i. Complaints Desk ii. Clients Satisfaction Surveys iii. Written correspondence to Management b) The behaviour of Officials are measured/monitored against the: <ul style="list-style-type: none"> i. Code of Conduct ii. Business Rules of the Department 	Courtesy: a) Courtesy was reported and measured through: <ul style="list-style-type: none"> i. Complaints Desk located in the Office of the Director. ii. Client Satisfaction Surveys: Due to budgetary constraints, no Client Satisfaction Survey was conducted. iii. Written correspondence to Management. b) The behaviour of Officials was measured/monitored, during formal and informal performance review sessions and against the: <ul style="list-style-type: none"> i. Code of Conduct. ii. Business Rules of the Department, and specifically the Directorate Business Regulation, as depicted in the Standard Operating Procedure for the Office of the Consumer Protector.
Openness and transparency: Openness and transparency is achieved through: <ul style="list-style-type: none"> a) Written correspondence b) One-on-one meetings c) Round Table consultations d) Site visits e) Toll free line: 0800 007 081 f) Annual Report 	Openness and transparency: Openness and transparency is achieved through: <ul style="list-style-type: none"> a) Written correspondence. b) One-on-one meetings. c) Round Table consultations. d) Site visits. e) Toll free line: 0800 007 081 f) The publication/distribution (in 3 Official languages of the Province and obtainable via the WCG Walk-in Centre and the departmental website) of the Department's: <ul style="list-style-type: none"> i. Annual Citizen's Report ii. Annual Report iii. Service Access Booklet iv. Service Charter v. Service Standard Schedule 	Openness and transparency: Openness and transparency was achieved through: <ul style="list-style-type: none"> a) Written correspondence as required. b) One-on-one meetings held. c) Round Table consultations with Business and/or Consumer to ensure that the parties had an opportunity to engage with and experience the service levels associated with complaints resolution. This also made the parties feel part of the process so that any resolution reached was done in a fair and transparent manner. d) Site visits were often conducted during the complaints management process to ensure that parties felt that the process was fair and took into consideration specific factors which needed physical interaction. This contributed towards openness and transparency of the complaints management process. e) Toll free line: 0800 007 081 f) The publication/distribution of the Department's: <ul style="list-style-type: none"> i. The Annual Citizen's Report was not produced. ii. Annual Report (published in English and made available electronically in the other 2 official languages of the Province). iii. Service Access Booklet – only published in English. iv. Service Charter – only published in English. v. Service Standard Booklet – only published in English. The abovementioned documents were obtainable from the departmental website and at the Walk-in Centre.

Current/actual arrangements	Desired arrangements	Actual achievements
Value for Money: a) Clients get useful and useable information at no cost. b) Clients obtain free assistance with the resolution of disputes.	Value for Money: a) Clients get useful and useable information at no cost. b) Clients obtain free assistance with the resolution of disputes.	Value for Money: a) During the 2016/17 financial year clients had access to useful and useable information at no cost. b) During the 2016/17 financial year clients obtained free assistance with the resolution of disputes.
Provide Red Tape Reduction Business Helpline Services		
Consultation: a) Clients are consulted through/by: i. Discussion forums ii. Workshops iii. Citizen surveys iv. Telephone v. Media engagements b) Input received from Clients is taken into account when decisions are made about what services are to be provided and at what level.	Consultation: a) Clients are consulted through/by: i. Discussion forums ii. Workshops iii. Citizen surveys (minimum of 1 survey will be done) iv. Telephone v. Media engagements b) Input received from Clients is taken into account when decisions are made about what services are to be provided and at what level.	Consultation: a) Clients were consulted through/by: i. Discussion forums ii. Workshops iii. Citizen Survey was done iv. Telephone v. Media engagements b) No input was received.
Access: The service is accessible: - a) At the Head Office, 10 th Floor, Waldorf Building, 80 St. George's Mall, Cape Town, operating hours: 07:30 – 16:00 b) Via Share Call: 0861 888 126 c) Via e-mail: redtape@westerncape.gov.za d) Via "Please Call Me": 31022 e) Via the website: www.westerncape.gov.za/redtapereduction	Access: The service to be accessible: - a) At the Head Office, 10 th Floor, Waldorf Building, 80 St. George's Mall, Cape Town, operating hours: 07:30 – 16:00 b) Via Share Call: 0861 888 126 c) Via e-mail: redtape@westerncape.gov.za d) Via "Please Call Me": 31022 e) Via the website: www.westerncape.gov.za/redtapereduction	Access: Clients could access the service: - a) At the Head Office, 10 th Floor, Waldorf Building, 80 St. George's Mall, Cape Town, operating hours: 07:30 – 16:00 b) Via Share Call: 0861 888 126 c) Via e-mail: redtape@westerncape.gov.za d) Via "Please Call Me": 31022 e) Via the website: www.westerncape.gov.za/redtapereduction Additional achievement: f) Via SMS: 079 769 1207
Courtesy: a) Courtesy is reported and measured through: i. Complaints Desk ii. Clients Satisfaction Surveys iii. Management iv. Head: Communication	Courtesy: a) Courtesy is reported and measured through: i. Complaints Desk ii. Clients Satisfaction Surveys iii. Written correspondence to Management b) The behaviour of Officials are measured/monitored against the: i. Code of Conduct ii. Business Rules of the Department	Courtesy: a) Courtesy was reported and measured through: i. Complaints Desk ii. Client Satisfaction Surveys are regularly conducted (at least quarterly). The satisfaction rate varies across multiple surveys, averaging approximately 80%. The final rate for the year will only be available in quarter 1 of 2017/18 as the last surveys i.r.o. 2016/17 cases will only be conducted then. The results are filed and discussed in Unit meetings to determine how improvements can be effected. b) The behaviour of Officials was measured/monitored, during formal and informal performance review sessions and against the: i. Code of conduct ii. Business Rules of the Department and specifically the Directorate Red Tape Reduction, as depicted in the Standard Operating Procedure for Managing Red Tape Related Issue Resolution.

Current/actual arrangements	Desired arrangements	Actual achievements
Openness and transparency: Openness and transparency is achieved through: a) Written correspondence b) One-on-one meetings c) Round Table consultations d) Site visits e) Share Call: 0861 888 126 f) Annual Report	Openness and transparency: Openness and transparency is achieved through: a) Written correspondence b) One-on-one meetings c) Round Table consultations d) Site visits e) Share Call: 0861 888 126 f) The publication/distribution (in 3 Official languages of the Province and obtainable via the WCG Walk-in Centre and the departmental website) of the Department's: i. Annual Citizen's Report ii. Annual Report iii. Service Access Booklet iv. Service Charter v. Service Standard Schedule	Openness and transparency: Openness and transparency was achieved through: a) Written correspondence as required. b) One-on-one meetings held. c) Round Table consultations to share feedback received from respondent departments, government entities and regulatory authorities. d) No site visits needed to be conducted for the purpose of openness and transparency. e) Share Call: 0861 888 126 f) The publication/distribution of the Department's: i. The Annual Citizen's Report was not produced. ii. Annual Report (published in English and made available electronically in the other 2 official languages of the Province). iii. Service Access Booklet – only published in English. iv. Service Charter – only published in English. v. Service Standard Booklet – only published in English. The abovementioned documents were obtainable from the departmental website and at the Walk-in Centre.
Value for Money: a) Clients get useful and useable information at no cost. b) Clients obtain free assistance with the resolution of disputes.	Value for Money: a) Clients get useful and useable information at no cost. b) Clients obtain free assistance with the resolution of disputes.	Value for Money: a) Clients had access to useful and useable information at no cost. b) Clients obtained free assistance with the resolution of disputes.

Service delivery information tool:

Current/actual information tools	Desired information tools	Actual achievements
To Provide for Registration of Tourist Guides in the Province as per the Tourism Act, No. 3 of 2014		
Information is communicated through: a) Departmental website. b) Annual Report. c) One-on-one meetings. d) Information sessions. e) Brochure: Have You Asked Your Tourist Guide for their Card and Badge? f) Pamphlets. g) Circulars. h) Meetings. i) Tourist Guide Newsletter.	Information is communicated through: a) Departmental website. b) Annual Report (printed in the 3 Official languages of the Province). c) One-on-one meetings. d) Information sessions. e) Brochure: Have You Asked Your Tourist Guide for their Card and Badge? f) Pamphlets. g) Circulars. h) Quarterly Meetings. i) Department's Service Charter. The information (pamphlets/posters/brochures/etc.) can be found at Tourism Information Centres.	Information is communicated through: a) Departmental website. b) Annual Report (printed in English and made available electronically in the other 2 official languages of the Province). c) One-on-one meetings held. d) Information sessions conducted. e) Brochure: Have You Asked Your Tourist Guide for their Card and Badge? f) Pamphlets. g) Circulars. h) Quarterly meetings held. i) Department's Service Charter. The information (pamphlets/posters/brochures/etc.) could be found at the Tourism Information Centres.
To Act as a Consumer Protection Agency within the Western Cape Province by virtue of the Provision of Provincial and National Legislation		
Information is communicated through: a) Departmental website b) Annual Report c) One-on-one meetings d) Media reports e) Publications f) Information sessions g) Site visits h) Radio shows	Information is communicated through: a) Departmental website. b) Annual Report (printed in the 3 Official languages of the Province). c) One-on-one meetings. d) Media reports. e) Publications. f) Information sessions. g) Site visits. h) Radio shows (catering for 3 Official languages of the Province). i) Quarterly Meetings. j) Pamphlets. k) Brochures. l) Circulars. m) Department's Service Charter. The information (pamphlets/posters/brochures/etc.) indicated above can be found at certain schools, libraries, clinics, shops, etc.	Information was communicated through: a) Departmental website and WCG Intranet. b) Annual Report (printed in English and made available electronically in the other 2 official languages of the Province). c) One-on-one meetings held. d) Media reports. e) Publications. f) Information sessions conducted. g) Site visits. h) Radio shows were held predominantly on community radio stations catering for the 3 official languages of the Province. i) Quarterly Meetings held. j) Pamphlets. k) Brochures. l) Circulars. m) Department's Service Charter. The information (pamphlets/posters/brochures/etc.) indicated above can be found at certain schools, libraries, clinics, shops, etc. The information was disseminated during actual engagements held and was also provided to stakeholders during stakeholder engagements. As such, our information could be obtained from the stakeholders directly.

Current/actual information tools	Desired information tools	Actual achievements
Provide Red Tape Reduction Business Helpline Services		
<p>Information is communicated through:</p> <ul style="list-style-type: none"> a) Departmental website. b) Annual Report. c) One-on-one meetings. d) Media reports. e) Publications. f) Information sessions. g) Site visits. h) Radio shows (English and Afrikaans only). i) Pamphlets. j) Department's Service Charter. k) Social media (limited). 	<p>Information is communicated through:</p> <ul style="list-style-type: none"> a) Departmental website. b) Annual Report (printed in the 3 Official languages of the Province). c) One-on-one meetings. d) Media reports. e) Publications. f) Information sessions. g) Site visits. h) Radio shows (All 3 Official languages of the Province). i) Pamphlets. j) Department's Service Charter. k) Social media. 	<p>Information was communicated through:</p> <ul style="list-style-type: none"> a) Departmental website. b) Annual report (printed in English and made available electronically in the other 2 official languages of the Province). c) One-on-one meetings held. d) Media reports. e) Publications. f) Information sessions conducted. g) Site visits. h) Radio shows (in English). i) Pamphlets distributed during site visits, information sessions, etc. j) Department's Service Charter. k) Social media.

Complaints Mechanism:

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
To Provide for Registration of Tourist Guides in the Province as per the Tourism Act, No. 3 of 2014		
<p>Complaints/Suggestions/Compliments/Queries is-</p> <p>a) Submitted to the relevant Business Unit via the dedicated Walk-in Centre.</p> <p>b) Responded to in writing (formal letter via post, email or fax).</p>	<p>Complaints/Suggestions/Compliments/Queries is-</p> <p>a) Submitted to the relevant Business Unit via the dedicated Walk-in Centre.</p> <p>b) Submitted directly to the relevant Business Unit - contact details are obtainable in the Service Access Booklet.</p> <p>c) Responded to in writing (formal letter via post, email or fax) or verbally via telephone or face-to-face, depending on Customer request.</p> <p>d) Appeals against the Provincial Registrars decision can be made directly to the National Registrar.</p>	<p>Complaints/Suggestions/Compliments/Queries were-</p> <p>a) Submitted to the relevant Business Unit via the dedicated Walk-in Centre.</p> <p>b) Submitted directly to the relevant Business Unit - contact details are obtainable in the Service Access Booklet found on the departmental website and at the Walk-in Centre.</p> <p>c) Responded to in writing (formal letter via post, email or fax) or verbally via telephone or face-to-face, depending on Customer request.</p> <p>Complaints were responded to in writing by the Provincial Registrar. Type of complaints included complaints about qualifications, visas and fraudulent documents.</p> <p>d) Appeals against the Provincial Registrars decision can be made directly to the National Registrar.</p> <p><u>Additional achievement:</u></p> <p>e) Received telephonically.</p>
To Act as a Consumer Protection Agency within the Western Cape Province by virtue of the Provision of Provincial and National Legislation		
<p>Complaints/Suggestions/Compliments/Queries are:</p> <p>a) Submitted to the relevant Business Unit via the dedicated Call Centre/Walk-in Centre.</p> <p>b) Responded to in writing (formal letter via post, email or fax) or verbally via telephone or face-to-face, depending on Customer request.</p>	<p>Complaints/Suggestions/Compliments/Queries are:</p> <p>a) Submitted to the relevant Business Unit via the dedicated Call Centre/Walk-in Centre.</p> <p>b) Submitted directly to the relevant Business Unit - contact details are obtainable in the Service Access Booklet.</p> <p>c) Responded to in writing (formal letter via post, email or fax) or verbally via telephone or face-to-face, depending on Customer request.</p>	<p>Complaints/Suggestions/Compliments/Queries were:</p> <p>a) Submitted to the relevant Business Unit via the dedicated Call Centre/Walk-in Centre.</p> <p>b) Submitted directly to the relevant Business Unit - contact details are obtainable in the Service Access Booklet found on the departmental website and at the Walk-in Centre.</p> <p>In addition, the final reports sent to consumers also advised of the manner in which unhappiness with the findings indicated in a report could be communicated to the Director.</p> <p>c) Responded to in writing (formal letter via post, email or fax) or verbally via telephone or face-to-face, depending on Customer request.</p>

Provide Red Tape Reduction Business Helpline Services

Cases are:

- a) Submitted to RTRU via the dedicated Contact Centre.
- b) Responded to in writing (generally e-mail, occasionally formally) or verbally via telephone or face-to-face, depending on circumstances and Customer preference.

Cases are:

- a) Submitted to RTRU via the dedicated Contact Centre.
- b) Responded to in writing (generally e-mail, occasionally formally) or verbally via telephone or face-to-face, depending on circumstances and Customer preference.

Cases were:

- a) Submitted to RTRU via the dedicated Contact Centre, the Ministry of Economic Opportunities and the Office of the Head of Department.
- b) Responded to in writing (generally e-mail, occasionally formally) or verbally via telephone or face-to-face, depending on circumstances and/or Customer preference.

2.4 ORGANISATIONAL ENVIRONMENT

The Department's strategy has been developed within the context and alignment to the National Development Plan (NDP), The Medium Term Strategic Framework (MSTF) and the Western Cape Government's vision for the province as espoused in OneCape 2040. In order to rationalise and streamline the Province's strategic agenda for more effective delivery, the Provincial Strategic Plan (PSP) was developed in 2014.

The Department under the direct leadership of the Minister of Economic Opportunities, expressed its commitment in taking the lead role in driving the Western Cape Government's agenda for Provincial Strategic Goal 1(PSG1), namely to create opportunities for growth and jobs. PSG1 is delivered in collaboration with the following sister departments: Agriculture; Transport and Public Works; and Environmental Affairs and Development Planning.

During the reporting period, the Department of Economic Development and Tourism, retained its strategic approach, which is aimed at:

- Growing, attracting and retaining the skills required by our economy;
- Making it easier to do business by addressing red tape;
- Investing in high quality, efficient and competitive infrastructure;
- Rebranding the region to increase internal and external investment;
- Opening new and supporting existing markets for Western Cape firms and key sectors wanting to export;
- Ensuring our economic, social and environmental sustainability; and
- Demonstrating leadership which promotes an improved regional economic eco-system (governance) and embraces innovation.

Given the broad and transversal nature of the aforementioned strategies and given the current fiscal framework and the setting of an upper limit for Compensation of Employees, the Department reviewed its Workforce Plan to ensure alignment with the needs and priorities of the Department with those of its legislative, regulatory, service and its strategic mandate. This plan was and will be the vehicle for the next five years to ensure that the Department utilises and develops the human resources effectively and optimally.

In order to comply with the budget requirements of the austerity measure, COE upper limits, a Committee was established to ensure that posts that are absolutely critical for service delivery, are filled. As a result of the above-mentioned, the vacancy rate within the Senior Management cadre shifted significantly.

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 Oriented 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 seven 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; and Promote trade and investment.

Although the global economy showed signs of recovery, the domestic economy growth performance deteriorated in 2016, recording a low of 0.3%. This was the lowest annual growth rate since the financial crisis induced recession of 2008/09. Growth is expected to remain subdued in 2017, with the South African Reserve Bank (SARB) revising growth forecast to 0.5% for the year. The key economic developments underpinning the growth forecast are the GDP contraction in the first quarter (which put the economy into a technical recession), the credit rating downgrade, policy uncertainty, decline in business confidence, and poor investment and capital formation (SARB). Another key economic performance indicator, average annual inflation rate, shows that in 2016/17 the rate was outside the target band of 3-6%, but is however expected to ease back within range in the second quarter of 2017. On the labour market, the national average rate of unemployment remained high at 26.3% in 2016, rising to 27.7% in the first quarter of 2017.

At regional level, the Western Cape economy remains exposed to both the global and national developments, the regional economy is also projected to grow at an annual rate of slightly below 1% in 2017. Evidence from the Quarter Labour force survey shows that the Western Cape Province created a net employment increase of 51 000 on a year-on-year basis when comparing 2016Q1 and 2017Q1. The effects of the drought on the labour market came out clear from the employment statistics released by Statistics South Africa (StatsSA) showing that the Agriculture sector contracted, losing 13 000 jobs when comparing 2016Q1 and 2017Q1. Strong employment performances were recorded in manufacturing and construction. Employment statistics also shows that the informal sector remains a critical source of employment in the province. Out of the 2 406 000 people employed in the Western Cape in the first quarter of 2017, the informal sector (non-agriculture) accounted for 11.2%. Informal sector (non-agriculture) employment in the province grew by 10.6% on a quarter to quarter basis (between 2016Q4 and 2017Q1) and by 10.5% on a year on year basis when comparing 2016Q1 and 2017Q1. The Province recorded the lowest expanded unemployment rate at 24.7% with all other provinces well above 30%.

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.

These initiatives contributed towards **job creation** and the **expansion** of businesses.

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 assessments (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 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 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 focussed 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 light of the Department's objectives and alignment with PSG 1, the Economic Planning Programme developed and reviewed key policies and strategies of the Department, the Province and the City.

In order to assist the Department to achieve its objective, of creating an enabling environment for economic growth and job creation, Research and Development provided support to its line functions, 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 sub-programme also engaged with economic policy briefs to support the Department's economic leadership role.

Additionally, the Knowledge Management sub-programme also supported the Western Cape Economic Development Partnership with the aim of encouraging economic stakeholders to engage in a manner that builds and re-enforces existing partnerships.

In order to "improve the performance of the Cape Town and Western Cape economic development system, by creating and sustaining partnerships between economic stakeholders, in support of the goal of creating a resilient, inclusive and competitive region, thus contributing to South Africa's national economic success." - Western Cape Economic Development Partnership (WCEDP) Founding Goals and Objectives

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.

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

Stemming from the chief directorate's annual business process improvement initiatives, the management team developed a client satisfaction survey to allow for a true assessment on their clients (the delivery Programmes) needs. This initiative was not done without any precedent in that what became very apparent through various consultations with clients was that problems with financial management processes were persistent in the face of seemingly efficient processes. The client survey was therefore born out of a need to listen to the clients' concerns and match appropriate interventions to it. Going forward this valuable tool will be re-engineered in terms of its frequency, uptake by respondents and assessment areas to provide credibility to business process improvement reviews and interventions.

As part of this initiative, the Financial Management realised a need to move from transactional buying to commercial decision-making. As such, a more strategic approach has begun unfolding in the year under review by first establishing a panel of approved service providers through a competitive bidding process with the focus on developing and managing relationships with them. The advantage of this approach is that less time is spent on resolving issues and more on assessing the quality of delivery and on identifying opportunities for cost savings and benefit gains.

One such opportunity that presented itself was when Financial Management recognised the need for a simplified budget allocation process, where the funding proposal system was split into a two-phase-method. The benefit of this approach was firstly to ensure that the limited resource envelope of the Department is not wasted and secondly to maximise efforts to projects which would render the best possible results in achieving the Departments' mandate. Through Financial Management adopting this approach, the allocation of the Departments' limited financial resources would be better invested within the economy of the Western Cape thereby ensuring a responsive government.

As another deterring factor to economic growth and the Department's obligation to respond to the need of the community, it understands the frustrations and plight of small business owners (SMME's), as they are important stakeholders in the fight against the triple challenge of unemployment, poverty and inequality and hence finance's commitment to the 30 day turnaround time for the payment of goods and services to beneficiaries. With proper systems and monitoring in place, payments to beneficiaries are processed within an average of 17.26 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.

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

The Department not only obtained an Unqualified Audit Report free from material misstatements, but managed to achieve an Unqualified Audit Report with no misstatements. This exceptional achievement has been made possible through the diligent efforts of a Financial Management team who has dedicated itself to the continuous strife for higher financial governance practices. These joint efforts from the various units within Finance lead to zero COMAFS being raised.

In addition to realising our responsibility to establish an effective compliance framework and processes, compliance monitoring was improved through the following mechanism:

- a) Modification of checklists for acquisition, contracting and payment authorisation to ensure that the required controls, checks and balances are in place and monitored before the department commits itself to the issuing of orders and payment of invoices, and
- b) Modification of procurement templates to ensure that the minimum procurement requirements required by legislation for the various procurement methods are met. Furthermore, in setting clear standards and ensuring compliance, the Supply Chain Management and Financial Delegations underwent its annual review with the unswerving intent to engender efficiency into processes and adequately locate accountability and responsibility of budget holders within Programmes. During the 2016/17 financial year, the Delegations of Authority was revised to ensure that processes were unhindered by structural changes. Due to these said changes, it enabled Programmes to more effectively manage, control and thereby be accountable for their budgets and to limit the risk exposure in certain areas.

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

In order to create an enabling environment that develops a positive customer service culture, the unit recognised that officials had to be equipped with the relevant skills and knowledge to meet its objectives.

This encouraged Financial Management to coordinate and conduct various training programmes to staff with the specific intent to capacitate staff on financial management processes especially as it relates to legislative changes and revisions of processes. The chief directorate had also exceeded their target of training programmes for the year ranging from Enterprise Risk Management to Engagement with Consultants based on the growing demand for such interventions by Programmes as well as born from legislative changes.

To effectively respond to the demand for financial management training, the chief directorate conducted regular functional training with financial management staff, ensured attendance at all the required provincial forum platforms and compliance to the National Treasury Financial Management Competency Framework 2010. The latter is a yardstick developed by the National Treasury which stipulates the competencies required by financial management staff at all levels to be able to perform the necessary financial management functions.

CORPORATE SERVICES

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 multi-media awareness campaigns for the Premier's Entrepreneurship Recognition Awards, Journey to Service Excellence and the roll-out of the Wi-Fi Hotspots. 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, provide stakeholders with more in-depth information and to create awareness of programmes being run in the Department.

Knowledge Management

Knowledge management is the name of a concept in which an enterprise consciously and comprehensively gathers, organizes, shares, and analyses its knowledge in terms of resources, documents, and people skills. The ability to manage knowledge is crucial in today's economy where knowledge is treated as commodity. The creation and diffusion of knowledge commodities have become important factors in competitiveness.

The overall objective is to create value and leverage and refine the firm's knowledge assets to meet organizational goals.

Enterprise Content Management is the key goal of the knowledge management unit. 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.

The Knowledge Management unit 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 skilled in 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:

- (a) Digital Disruption Colloquium;
- (b) DEDAT intervention into the Halaal Industry;
- (c) Financial Literacy with the Office of the Consumer Protector; and
- (d) Impact of a Sugar Tax.

Departmental Performance Monitoring

As the custodian of the departmental 'M&E system,' the Unit's core purpose is to monitor and evaluate performance relative to our medium-term plans and priorities.

'M&E systems' Approach for 2016/17

With 2016/17 as the second year of delivery in the five-year MTSF and PSP; budgets were re-aligned to ensure for a strong focus on implementation over the next year to two. Once sufficient scale in implementation and results are evident, a sharper focus on evaluations, of the outcomes and impact variety; may become necessary, as from the 2018/19 year.

Given the aforesaid, evaluations have not featured strongly in the department in 2016/17; rather the interventions focused on delivering against the following components of the M&E system:

- Performance Monitoring;
- Managing performance information and reporting;
- Managing the MPAT assessment; where management processes are annually rated;
- Ensuring that our indicators are technically fit; aligned and published.

Monitoring

Monitoring: Level 4 in MPAT 2016

For the third consecutive year, the Department attained the maximum score (level 4) in its Monitoring performance area in the 2016 MPAT assessment of management practices. This score signals that not only is DEDaT meeting its minimum standards, Monitoring is also done, 'smartly'.

Monitoring Performance: Managing Performance Information and Reporting

With the Department's organisational re-structuring completed in mid 2015, the M&E unit became newly responsible for managing the departmental performance management system. This entails co-ordinating the quarterly performance information process, conducting the validation of performance to ensure data integrity and compiling quarterly reports, aligned to regulations.

In 2016/17, the Department, together with the DOTP's Process Design directorate, produced two standard operating procedures (SOPs) detailing how performance reporting is conducted; viz.

1. Managing the Department's performance information and reporting function and
2. Verification (validation) of departmental performance information.

At current, performance reporting is regulated through the National Treasury Framework and, as from 2015/16, the DPME, as the new custodian for government planning and reporting. A key driver for these SOPs was also therefore, to also that our procedures are aligned and updated to reflect national government imperatives.

In the future, it is foreseeable that performance information may become a stand-out feature in M&E systems, with possibly a strong requirement for M&E to shift from collating outputs data, to a stronger focus on assessing our service delivery impact and economic outcomes achieved. How M&E, as one management tool, integrates with other organisational systems (budgeting, planning, strategic management), will become a key business driver for M&E, prospectively.

Monitoring Report: Client satisfaction with tourist guide registration service by Department

One of the Department's main regulatory services, as described in our Service Delivery Improvement Plan (SDIP), relates to the registration of tourist guides. In 2016/17, the Tourism division required a research (survey) based assessment of the extent of satisfaction with our tourist registration service to use when substantiating our performance to executive authorities. The results of this survey were detailed in an outcomes monitoring report developed by the M&E Unit and was also used in the SDIP reporting requirements to the DPSA.

Evaluation: De-prioritised in favour of bigger focus on implementation of projects

As alluded to above and cognisant of the budgetary and fiscal challenges, a departmental decision was taken to prioritise funds and focus on implementation of Game Changers, Khulisa and PSG1 Projects and priorities. As a result, the Department signalled in 2016/17, that it intends to defer evaluations until the 2018/19 year; resulting in nil evaluations conducted for the year. That we are deferring evaluations does pose a risk that the Evaluation score for MPAT 2017 may drop; which should improve by 2018 if the Department does re-prioritise evaluations for the two outer years of the current MTSF.

Outcome indicator		Baseline (Actual outcome) 2015/16	Actual performance against target			Reason for variance
			Target 2016/17	Actual 2016/17	Deviation from planned target to actual achievement 2016/2017	
Sub-programme: Financial Management						
1.1	Unqualified Audit Opinion	Unqualified Audit Report	Unqualified Audit Opinion	Unqualified Audit Opinion	-	-
Sub-programme: Corporate Services						
1.1	Departmental Communication Plan in place to ensure effective communications	-	1	1	-	-
1.2	Functional M&E system aligned to national/provincial standards	MPAT Level 4 (2014/15)	MPAT: M&E Level 3	MPAT: M&E Level 4	One performance level	The over-achievement in Monitoring relates to us demonstrating top management involvement in quarterly performance management; whilst the current high score for Evaluations is directly linked to the Department's historical commendable performance in conducting evaluations.
1.3	Maintenance of the centralised knowledge management system (EMC) to achieve electronic data governance and institutional	-ECM (Named MyContent) Implemented	Maintenance of the ECM(Named MyContent)	Maintenance of the ECM(Named MyContent)	-	-

Performance indicators and targets

Performance indicator (Output)		Actual Achieved 2013/14	Actual achieved 2014/15	Baseline (Actual output) 2015/16	Actual performance against target			Reason for variance
					Target 2016/17	Actual 2016/17	Deviation from planned target to actual achievement 2016/2017	
Sub-programme: Financial Management								
1.1	Average number of days for the processing of payments to creditors	Payment to creditors within 30 days.	Payment to creditors within 16 days.	Payment to creditors within 17.12 days.	Payment to creditors within 30 days.	Payment to creditors within 17.26 days.	12.74	Systems were implemented to ensure sound management of payments.
1.2	Unqualified Audit Report: Part Three – Financial Statements	Unqualified audit report.	Unqualified audit report.	Unqualified audit report.	Presenting financial statement with no material misstatements.	Presenting financial statements with no mis-statements.	Presenting financial statements with no mis-statements.	The department achieved Financial State-ments with no misstatements. This is a result of Financial Management having as strong Internal Control unit, which plays a key role in en-suring accurate and complete financial state-ments. Quarter-ly completion of Financial statements are undertaken and reviewed against our Financial State-ment guideline. Each unit has a system of finan-cial controls in place to ensure accuracy and completeness of reported information.
1.3	Number of internal con-trol reports developed	-	10	12	8	8	-	-
1.4	Cumulative expenditure as a percent-age of the budget	98.51%	99.71%	97.4%	98%	98%	-	-

Performance indicator (Output)		Actual Achieved 2013/14	Actual achieved 2014/15	Baseline (Actual output) 2015/16	Actual performance against target			Reason for variance
					Target 2016/17	Actual 2016/17	Deviation from planned target to actual achievement 2016/2017	
1.5	Percentage compliance to the implementation framework (Average score per staff member against NT competencies/Total score per framework)	70%	70%	75%	70%	84%	14%	Various functional training interventions undertaken, led to the increase of technical competencies of staff.
1.6	Number of financial efficiency interventions implemented	5	9	5	4	4	-	
1.7	Number of financial manual training sessions conducted	20	20	14	12	21	9	Additional training interventions undertaken due to changes within the policy & legislative environment. In an effort to promote service delivery, training was undertaken upon requests by Programmes. With the increase of new staff within the department, there were additional requests for training from Senior Managers.
Sub-programme: Corporate Services								
1.1	Departmental events calendar developed	-	-	-	1	1	-	-
1.2	Number of official documents translated	53	29	29	20	14	6	The number of translation of documents is dependent on the need and requests from programmes.

Performance indicator (Output)		Actual Achieved 2013/14	Actual achieved 2014/15	Baseline (Actual output) 2015/16	Actual performance against target			Reason for variance
					Target 2016/17	Actual 2016/17	Deviation from planned target to actual achievement 2016/2017	
1.3	Number of communication interventions implemented	-	-	-	6	21	15	There was a greater demand for the rolling out of communication initiatives during the year as requested by the various programmes and new opportunities identified.
Sub-programme: Departmental Performance Monitoring								
1.1	Number of evaluation reports	5	2	2	1	0	1	Cognisant of the budgetary challenges, a departmental decision was taken to prioritise funds and focus on implementation of Game Changer, Khulisa and PSGI Projects and priorities and to defer conducting evaluations until 2018/19.
1.2	Number of monitoring reports	11	6	2	1	1	-	-
1.3	MPAT delivered for the department	-	-	-	1 MPAT improvement Report.	1 MPAT improvement Report.	-	-
1.4	Number of Quarterly Performance Reports (QPR) submitted by due date to DoTP	-	-	-	4	4	-	-

Performance indicator (Output)	Actual Achieved 2013/14	Actual achieved 2014/15	Baseline (Actual output) 2015/16	Actual performance against target			Reason for variance	
				Target 2016/17	Actual 2016/17	Deviation from planned target to actual achievement 2016/2017		
Sub-programme: Knowledge Management								
1.1	Enterprise Content Management System implemented and data stored	-	-	86% of content stored and disseminated.	80% content stored and disseminated of all programmes. (N=1 000)	93% content stored and disseminated of all programmes. (N=1 434)	Additional 13% content stored and disseminated of all programmes.	There has been an improvement in the quality of document preparation by DEDAT Units. This improvement reduces the time required to process documents for storage.
1.2	Number of Learning networks facilitated	3	4	5	4	4	-	-

Strategy to overcome areas of under performance

Not applicable

Changes to planned targets

Not applicable

Linking performance with budgets

During the 2016/17 financial year, Programme 1: Administration was allocated a financial resource envelope of R52.314 million. Of this, R34.003 million was allocated to Compensation of Employees, R16.077 million to Goods and Services and R2.124 million to payments for Capital Assets.

During the Financial year, 98.74% of the allocated budget was expended. The primary drivers of this expenditure was Compensation of Employees amounting to R33.492 million and Goods and Services amounting to R15.929 million.

In terms of Goods and Services expenditure, R7.490 million was allocated to the implementation of Departmental communications projects, chief amongst these was the Communication project to promote the Energy Game Changer amounting to R1.250 million .

In terms of other major items the budget was expended on includes training and staff development amounting to R1.376 million of which payment for bursary holder within the Department amounted to R299 000.

Sub-programme Expenditure

Sub- programme Name	2016/17			2015/16		
	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	7 926	7 417	509	6 113	5 423	690
Financial Management	26 714	26 714		25 731	24 847	884
Corporate Services	17 674	17 525	149	10 060	10 060	-
Total	52 314	51 656	658	41 904	40 330	1 574

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 & Local Economic Development
- Sub-programme 2.3: Economic Empowerment
- Sub-programme 2.4: Red Tape

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 business 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). Additionally, much attention was also paid to improving the business support eco-system. Importantly, much effort was directed towards supporting the three priority sectors as identified by Project Khulisa. The strategic intent will then comprise (1) increasing the number of new businesses, (2) growing existing businesses and (3) improving the business regulatory environment, and (4) 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

Entrepreneurs are creators, innovators and have the fortitude to change the economic trajectory and shape the social landscape which is why the Western Cape needs more innovative entrepreneurs. Previously the narrative about SMMEs and entrepreneurship was focused on the size of the firms. This focus is now on the life cycle approach linked to the stage of development of SMMEs. This has significantly impacted on the nature and scope of the programmes and projects that the unit has embarked upon. As part of the narrative, consideration was given to how high growth enterprises support other firms through their value chains and supply chains.

The impact of the Enterprise Development unit’s initiatives contributed and translated into the expansion of businesses which is critical for economic growth and job creation. The various programmes and projects (Cape Capital, Cape Accelerate Programme (CAP), SMME Loan Fund, Smart Procurement World and the Long Street Kiosk) of the unit resulted in 50 SMMEs expanding their operations which were evident in increased turnover and job creation. The survey of 50 businesses demonstrated an increase of 304 jobs being created.

REGIONAL & LOCAL ECONOMIC DEVELOPMENT

One of the PSG1 objectives is to improve the regulatory environment to enhance the ease of doing business. The Chief Directorate formulated the goal of, “Improving the processes and procedures related to targeted business-facing government services and critical processes as aligned to PSG 1 and identified by the game changers and other strategic priorities”. The processes and administrative systems underlying government business-facing services can be inefficient, unpredictable and unnecessarily complicated thus negatively impacting on smooth delivery. In order to improve the ease of doing business, the Regional & Local Economic Development sub-programme focused on simplifying local government processes that contribute to an enabling business environment that promotes growth, job creation and prosperity.

The Municipal Service to Business (MS2B) Initiative implemented over the past year aimed to contribute to more simplified government processes being established and entrenched. As this was the first year of roll-out the outcome target was to establish a baseline figure on the number of business processes and or pieces of legislation recommended for improvement or amendment at local government level. Seventy-nine (79) recommendations for improvement to six municipalities was achieved in the year baseline targeting were established.

The MS2B Initiative identified opportunities of both a ‘quick-win’ and ‘long term-commitment’ nature and recommendations were generally low budget and manageable within the capacity of the municipality. It also demonstrated that improving business-facing services in terms of processes and procedures at municipal level can most definitely contribute towards a positive effect on the business environment within a local economy as many of the recommendations will have a moderate to high impact on the service delivery by municipalities.

RED TAPE REDUCTION

The unit planned its activities with the clear objective to work towards its primary deliverable for the MTEF period: To ensure that the WCG government achieves its target of R1 billion in red tape savings and benefits generated by its initiatives to create a more business-friendly environment in the province. Every activity was accordingly considered for its potential to contribute to that objective, whilst losing sight of the demands of its primary stakeholders – the business operating in the province – which needed to be met.

The unit continued its work on the institutionalisation of regulatory impact assessment (RIA), with Cabinet adopting a resolution in May 2016 in terms whereof RIA became a requirement for all significant new legislation and policies issued in the Western Cape. The Department of the Premier (DotP) embarked on the first formal RIA (in respect of the Green Paper on Alcohol Harms Reduction) shortly afterwards, in compliance with this resolution, duly assisted by the unit. The unit also continued its role of monitoring new legislation that might impact on the ease of doing business in the province, covering pieces of legislation and policy as diverse as the National Liquor Policy; the aforementioned Green Paper on Alcohol Harms Reduction; the Green Paper on International Migration; new car licence tariffs; land reform and the like. In the field of business process improvement (BPI), the RTRU’s initiatives were executed with a dedicated focus on subsequent implementation – the unit engaged with the beneficiary departments (primarily the DT&PW and DoA), to ensure that they implemented the recommendations, with RTRU staff available to assist if necessary. These involved the processes for applying for tourism signage and abnormal loads (DT&PW) and export certificates and veterinary laboratory services (both the DoA). By year-end, the process for phased implementation in 2017/18 financial year, had already commenced through high-level engagement with management in the said departments.

The Business Helpline service was continued, but based on an internal review, changes were effected to the Standard Operating Procedures (SOP) and the by year-end a new software platform to manage cases internally had been developed for testing and roll-out in early in 2017/18. Throughout this, management of cases was done to an 80%+ satisfaction level, with an in-year closure rate of 93%.

The Red Tape Costing tool, a methodology that will enable the WCG to measure the impact of its red tape reduction initiatives across the MTEF period in pursuit of the R1 billion PSP target aforementioned, was developed and used to calculate provisional benefits of in excess of half a billion rand, projected up to the end of the said period. The tool will be refined and made more robust in subsequent phases of the project.

The unit continued its interaction with industry associations and organised business in order to provide a platform for their challenges to be raised.

Outcome indicator		Baseline (Actual outcome) 2015/16	Actual performance against target			Reason for variance
			Target 2016/17	Actual 2016/17	Deviation from planned target to actual achievement 2016/2017	
Sub-programme 2.1: Enterprise Development						
1.1	Number of busi- nesses expanded	100	50	50	-	-
Sub-programme 2.2: Regional and Local Economic Development						
1.2	Number of busi- ness processes and or pieces of legislation recommended for improvement/ amendment (local government)	-	Establish baseline	79	-	-
Sub-programme 2.4: Red Tape Reduction						
1.1	Number of provincial and national govern- ment specific business process- es improvements and /or legis- lative or policy amendments or improvements developed and proposed to the relevant stake- holder(s)	-	5	7	2	The improve- ment measures are implemented by departments, and thus not within the con- trol of the unit.
1.2	Monetary value of cost savings and/or increased business turn- over resulting from reduction of administrative burden	-	Establish baseline	R587 926 630.00	-	-
1.3	Percentage resolution rate of cases received	93% (1 401/ 1 505)	85% (1 475)	93% (1 413/1 519)	8%	Some of the factors that determine the resolution rate are beyond the control of the unit, such as the complexity of the case con- cerned and the response rate of the departments, municipalities and regulators involved.

Performance indicators and targets:

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

ENTERPRISE DEVELOPMENT

Entrepreneurship

The Premier's Entrepreneurship Recognition Awards (PERA) 2016 focused on identifying, showcasing and recognising innovative entrepreneurs who have displayed excellence in various areas. The PERA 2016 - the fourth consecutive annual competition - provided a platform for many entrepreneurs and business owners to profile their businesses in various mediums which increased their exposure and footprint. A record number of 333 entries were received and judged by a broad spectrum of highly skilled and competent competition judges. The PERA enjoyed non-financial sponsorship from the following entities: ABSA Bank Limited, Deloitte Western Cape, Business Partners and the Ackerman Pick n Pay Foundation. Since the inaugural ceremony, the number and quality of applicants increased which was evident in the PERA 2016 winner - Auto Magneto, a wholesale and retail supply of quality auto electrical products and accessories in Cape Town. Another success story is that of Triggerfish, the 2015 overall winner who attended the Annecy International Animation Festival in France, the biggest of its kind in the world. At the festival the company won the top TV prize, met with potential partners, distributors, broadcasters and made new connections with senior players in the industry.

PERA 2016 category and overall winners



The Premier's Entrepreneurship Recognition Awards 2016

The Premier's Entrepreneurship Recognition Awards was created four years ago to demonstrate the powerful potential of entrepreneurs, and to promote an entrepreneurial culture in the province. A record number of entries were received for the 2016 competition within the 11 categories. The successful finalists had the opportunity to present their businesses to an independent judging panel. A diverse group of businesses entered and judges were impressed with the passion and commitment shown by every finalist.

Access to financial and non-financial support for SMMEs

Access to financial and non-financial support is critical to creating an enabling environment for SMMEs. 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



Delegates at the Western Cape Funding Fair

offerings, equipping SMMEs with the necessary skills to improve their ability to access funding and providing innovative funding solutions in the form of contract financing to SMMEs.

The unit successfully hosted the second Western Cape Funding Fair, a partnership between Deloitte and the Department, which aimed to facilitate face-to-face contact between project promoters, entrepreneurs and various funding institutions within the region. The Funding Fair provided a platform to educate and empower project promoters and entrepreneurs on the holistic approach and processes to follow in turning ideas into bankable business plans that have a higher probability of attracting the right type of funding and investment. The Funding Fair attracted over 600 delegates and was supported by 20 funders who formed part of the 27 exhibitors on the day. For the pitching sessions, more than 350 applications were received and reviewed. A total of 22 applications were shortlisted to pitch their investment and business proposals to funders. To date, more than R12 million has been approved to fund entrepreneurs, with a further R30 million worth of deals currently at due diligence stage.

The unit piloted an Investment Readiness Programme to assist businesses to develop the capacity and capability of entrepreneurs and business owners in acquiring business finance. The programme provided a capacitation session where information relating to the investment process, investment requirements and technical information is transferred to businesses. In addition to the learning experience, the investment readiness sessions provided a platform for networking sessions with funders. A total of 99 businesses were assisted through this platform across the province; of which three obtained funding. Thus far three businesses have obtained funding in excess of R12 million.

The unit continued to engage with Casidra and the National Empowerment Fund (NEF) to manage its financial assistance programmes. The SMME Loan Fund managed by Casidra offered contract finance ranging between R10 000 and R100 000 to SMMEs operating in the Western Cape. Twelve SMMEs received funding to the value of R541 253 through this initiative. The Department, through its long standing relationship with the NEF, assisted nine Western Cape based businesses with loan funding to the value of approximately R23 million; of which R14 million was leveraged from the NEF.

The Agri-processing Supplier Development Programme assisted businesses through a structured process, (business turnaround or business improvement) with requisite interventions (e.g. purchase machinery or develop a marketing plan) in order to enhance the entrepreneur's skills and the competitive position of the business (scale and efficiency). The aim of the programme was to improve the capacity of businesses to access new and existing market opportunities.

The Emerging Business Support Programme (EBSP), a joint initiative between the Department and Absa Bank Limited, provided non-financial support to SMMEs. The programme assisted close to 1 000 entrepreneurs across the province through a two-day accredited training workshop with the relevant business knowledge and skills. The businesses were recruited through a joint public marketing initiative.

The Public Sector Supplier Development Initiative (SDI) – a collaborative intervention with Provincial Treasury – served to enhance the ability of suppliers to procure and transact with government. Twenty nine (29) workshops successfully conducted, which reached more than 1000 suppliers across the all municipal areas of the Western Cape. The objectives of the SDI were to address supplier needs, improve supplier relations and communication and improve procurement efficiencies. Interventions were focussed on:

- Awareness and education regarding the amended B-BBEE Act, Codes of Good Practice and B-BBEE Regulations;
- Overview of the CSD registration process and benefits thereof for SMMEs as well as creating a platform for registration;

- On-line assistance with tax matters, business compliance and BEE verification (affidavits); and
- Awareness about the general procurement practices and processes which will all feed into improving the ease of doing business with government (e.g. the use of e-procurement and procurement technology).

As part of its strategy to increase access to markets for qualifying business, the Department supported 20 businesses to attend and exhibit at the Smart Procurement World Expo. The exhibition aimed to provide SMMEs with the opportunity to engage with procurement professionals from both the public and private sector with the aim of accessing new markets. Two businesses we assisted to exhibit secured contracts as a result of their engagement with suppliers at the conference.

The Department piloted the Long Street Kiosks in May 2016 as a trading space for micro businesses. The initiative provided an opportunity for 10 fledgling entrepreneurs to utilise the kiosks situated on the corners of Long and Wale Street in the Cape Town Central Business District. Through this initiative, the Department strengthened its relations with the Centre for Entrepreneurship and Innovation at the University of the Western Cape who provided mentorship to the ten beneficiaries. Thus far one of the beneficiaries secured a contract which provided him with access to an international market for the sale of his products.

In line with the InvestSA initiative, the Department through its trade and promotion agency, Wesgro, laid the basis during 2016 for the establishment of the Cape Investor Centre (CIC) which will be launched during 2017. The CIC will co-locate public sector services (e.g. South African Revenue Services and the Department of Home Affairs via the Visa Facilitation Services) required by investors. The CIC will operate as a “one-stop-shop” for investors, and will allow them to complete local, provincial and national regulatory processes in a single location, through a single relationship manager.

The Department collaborated with the Saldanha Bay Industrial Development Zone – Licencing Company (SBIDZ), local corporates and parastatals (in the West Coast region) on the development of a procurement portal to assist and develop SMMEs. The procurement portal should integrate all business opportunities of West Coast corporates, parastatals and the SBIDZ into one virtual environment. The procurement portal will act as the precursor to identifying challenges faced by local SMMEs and will inform the Department’s supplier development programme for the Oil and Gas sector. It is envisaged that the procurement portal will be operational in September 2017.

REGIONAL & LOCAL ECONOMIC DEVELOPMENT

To improve the business environment in non-metro areas through effective coordination that supports growth of the regional economy, the sub-programme aimed to facilitate the improvement in local government business-facing services in terms of processes and procedures. It also aimed to provide strategic coordination and support to joint collaborations supportive of Provincial Strategic Plan (PSP) programmes.

Over this past year a focus on reducing red tape experienced by businesses in municipalities has resulted in 79 improvement measures developed and proposed to municipalities around business processes to create an easier environment to do business. Municipalities have been assisted with plans to optimize their business processes that underpin business-facing services like, building plan applications and approvals, Informal vendor trading applications, application for access to municipal land/property, procurement processing and procedure, zoning, access to land, informal trading permit application approvals and tourism road signage. Coupled to these, standard operating procedures have been developed to support standardised workflows in the municipalities. A modest target of 20 business process improvements to be proposed was set that was substantially over-achieved given that more than one local business service per municipality was selected, and that as a first roll-out of such an intervention, the innovative and wide array of recommendations have highlighted that this first-time target was a conservative estimate and that the actual achievement of 79 is to inform our future target setting, more appropriately.

The sub-programme contributed to improved government-business engagement and interaction through engagements with municipalities and local businesses in identifying and prioritising key business-facing services, offered by municipalities, for improvement. Consultations were conducted with both organised (e.g. Business Chambers) and non-organised businesses in localities before the start of BPI interventions. As a facilitator, the department played a key role in encouraging cooperation and partnership between business and municipalities in unblocking red tape and creating an environment conducive to expand the local economy to the benefit of all.

The following four (4) joint collaborations were undertaken in support of PSP programmes:

- The first was support with the Alcohol-harms Reduction Game Changer where access to economic opportunities for community businesses and previously illegal liquor outlet owners were being developed in order for them to join the ranks of new businesses that emerge to stimulate local economic activity. Government cannot provide alternative business, but it can offer local knowledge of alternative, feasible market activity as well as business support that would strengthen the capacity of outlet owners to pursue other means to earn a living.
- The second project focused on the need for strategic procurement to occur at municipal level. The objective was that greater ease of business is achieved in localities when local business is able to navigate procurement processes of municipalities, but more importantly municipalities are able to use municipal procurement as a lever to get economic development stimulated in regions and gain greater value for money by more effectively crowding-in

local investment. Both the PT LG Summit held in November 2016 and the PLEDF held in March 2017 were used as platforms in this regard.

- The third initiative was a joint collaboration between SALGA and the Department to build public sector cohesion. The October 2016 SALGA Conference (and the on-going partnership approach around priorities) offered the opportunity for government-to-government and government-to-business engagement to unlock increased access to economic opportunities and activity given more resilient and inclusive local economies emerging. This project provided an opportunity for the Department and SALGA to pool resources for joint delivery.
- The final joint collaboration undertaken in the year was the West Coast Improvement Initiative that was a district-wide project that addressed optimising the building control environment in municipalities. The Department in partnership with West Coast municipalities rolled-out the digitisation of the building plan approval process and the establishment of a web-based portal. This intervention was aimed at promoting an increased rate at which building plans are assessed and approved by municipalities and more importantly, it allows clients to lodge building plan applications online and allow for applications to be tracked through its progress. Ultimately, the goal is to reduce time and cost and improve quality of municipal business-facing services that contribute to making it easier to do business in the Western Cape.

RED TAPE REDUCTION

In 2016/17, the RTRU focused on identifying the main areas where it could be most effective in order to contribute to the achievement of the WCG objectives as set out in Provincial Strategic Goal One (PSG1). This was done against the backdrop of the R1 billion PSP target of savings in red tape (administrative burden) on businesses and/or increased economic benefit to be generated through initiatives aimed at improving ease of doing business in the province. The first marker of R200 million against the said 5-year (MTEF) target is to be achieved by 2017/18. Mindful of this, the unit invested considerable time and money to have the red tape costing tool developed. This was done and the tool was used to demonstrate the calculation of the savings and benefits, provisionally to the value of around R580 million for a selection of interventions, including projections up to the end of the MTEF period.

The unit executed a considerable amount of work, including research, internally, in order to identify the most problematic business-facing legislation and services that are administered and rendered by national and provincial government departments and their public entities, agencies and reporting regulators in the province (essentially a stocktake of legislation and processes). Pursuant hereto, certain provincial and national government departments and regulators were approached to initiate legislative reviews and/or business process improvement (BPI) interventions. No commitment could be obtained from the national entities, but the BPI projects undertaken at provincial departments were well-supported and rendered a multitude of improvement recommendations, the implementation of which is planned for 2017/18, subject to acceptance by the management in the beneficiary departments. The potential savings in red tape are very substantial, as illustrated by the fact that the elimination of 'in person' submission of original inspection reports by the exporter to the DoA's export permit office (in order to have the export permits issued) may save any particular exporter 2½ hours in travel time per permit, resulting in a saving of 37 500 hours per annum (based on approximately 15 500 export certificates having been issued in 2015/16). Comparable savings may result from the recommendations made in other areas.

Whilst the unit continued, as a matter of course, to compile and submit to the ministry commentary on bills, amendments and policies gazetted for comment (including ones dealing with liquor regulation; immigration; BBBEE; etc.) it also identified existing legislation or policy that results in administrative burdens in particular sectors, or even preclude trade, e.g. the directive that provincial port health authorities and municipalities any no longer issue certificates of free sale in respect of prepared foods sought to be exported. This affects a category of exports that is valued is valued at R29.9 billion nationally and at least R5 billion for the Western Cape. Another is the withdrawal of the dispensation (moratorium) in terms of which the maximum overall height of vehicles and loads is limited to 4.3 metres, with multi-billion rand cost implications for the road freight industry. Having identified these and other legislative pinch points (current or imminent), the unit had by year-end already commenced engaging some of the departments involved (the national DoT, for example) to explore possible legislative intervention to address the issues at hand.

The business process improvement projects undertaken at the provincial departments of Transport and Public Works (DT&PW) and Agriculture (DoA) were both insightful and indicative of the crucial role that improvement in business processes can play in an economy. Reference was already made to the potential time savings in the process of export certification. If the monetary value of the exports is taken into consideration (running into several billions of rands), the need to render these services in the most efficient and business-friendly manner becomes apparent. In the abnormal load permit (ALP) area, some of the matters dealt with (see below under Business Helpline), illustrated that a one day delay in the issuing of an ALP could add R300 000 to single transport job (over ales than 20 km) or result in the loss of multi-million rands worth of foreign orders (in the yacht industry). The unit's revised approach, in terms of which implementation has been raised to become a natural extension (second phase) of the first part of the BPI project, will see at least some of the recommendations that were made in the first phase implemented in the second (2017/18).

The Business Helpline service continued to attract a substantial number of clients (just over 1 500). However, since most of these were mere information requests, the delivery model was reviewed, resulting in a change in focus that is likely to result in lower a lower number of matters being reported, whilst more resources will be allocated and applied

to deeper analysis of requests for assistance; determining the most suitable assistance (intervention) and maximising the benefits (reducing admin burden and increasing turnover) that can be realised through the intervention of the unit or the broader WCG. This is already evident in that the use of the costing tool provides clear direction of where the unit should be concentrating its efforts for maximum return. Preparatory work to bring most aspects of this service in-house was almost complete by year-end, and ready for implementation in 2017/18. This includes new case management software, with features such as a repository of case information, contact details and similar case recognition. The mix of cases remains diverse, providing insight into the challenges that government departments, regulators and others often create for business, oblivious to the fact, or worse, unconcerned by the impact. Examples include a small West Coast yacht builder, the delivery of whose biggest yacht built last year would have been delayed (but for the intervention of the RTRU), compromising the company's participation in a prestigious yacht and boating show in the US – where the company, having managed to get the yacht to the show in time, proceeded to sell yachts, on order, to the value of R29 million. Urgent issuing of unabridged birth certificates (for business travel); assistance with work and corporate visa renewals; helping South African (Western Cape) companies to secure payment from foreign clients, obtaining urgent clearance of technical export goods and persuading SARS (Customs) to implement risk-based export good inspections (rather than attempting to adhere to a 100% inspection norm) as all in day's work for the unit.

On 4 May 2016 the unit's work on the institutionalisation of regulatory impact assessment (RIA) culminated in the adoption of a resolution by the provincial Cabinet that all significant new legislation and policy will have to be subjected to a RIA in future. The unit, in conjunction with the office of the DG, immediately commenced the work required to orientate the WCG departments for compliance with this resolution and the Green Paper on Alcohol Harms Reduction is currently being subjected to a RIA, the first formal RIA to be done following the Cabinet resolution. This is likely to change the law-making process in the province, improving the chances that the final version of the proposed legislation or policy will address the objectives that had been identified and making it less likely that it will generate unintended consequences, or be essentially unimplementable or unenforceable.

Performance indicator (Output)		Baseline (Actual output) 2013/14	Baseline (Actual output) 2014/15	Baseline (Actual output) 2015/16	Actual performance against target			Reason for variance
					Target 2016/17	Actual 2016/17	Deviation from planned target to actual achievement	
Sub-programme: Enterprise Development								
1.1	Number of entrepreneurship promotions and /or business support interventions	-	60	10	5	5	-	-
Sub-programme: Regional & Local Economic Development								
1.1	Number local government specific business processes and/ or legislation improvements developed and proposed to the relevant stakeholder(s)	-	-	-	20	79	59	The target set was s over-achieved given that more than one local business service per municipality was selected, and that as a first roll-out, the innovative and wide array of recommendations developed have highlighted that this first-time target was a conservative estimate and that the actual achievement figure is to inform our future target setting, more appropriately.

Performance indicator (Output)	Baseline (Actual output) 2013/14	Baseline (Actual output) 2014/15	Baseline (Actual output) 2015/16	Actual performance against target			Reason for variance
				Target 2016/17	Actual 2016/17	Deviation from planned target to actual achievement	
1.2	Number of district collaborations supportive of the relevant PSP programmes	-	-	-	4	4	-
Sub-programme: Red Tape Reduction							
1.1	Number of provincial and national government – specific business processes and or pieces of legislation or policies identified for improvement	-	-		10	10	-
1.2	Number of cases received	1 312	1 881	1 505	1 400	1 519	119
							The number of cases received depends on the demand by business and as such is beyond the control of the unit.
1.3	Number of commentaries submitted in respect of bills, draft regulations and/or policies	-	-	-	10	11	1
							The unit comments on bills, draft regulation and/or policies that might have an impact on red tape and/or ease of doing business. Since it does not have control over the number of such bills, draft regulations and proposed policies that are published for comment, or in respect of which it is requested to comment, the number of commentaries submitted is beyond the unit's control.

Strategy to overcome areas of under performance

Not Applicable

Changes to planned targets

Not applicable

Linking performance with budgets

During the 2016/17 financial year, an amount of R42.283 million was appropriated to the Programme. Of this, compensation of employees accounted for R16.613 million. Goods and services were allocated R13.008 million. Transfers and Subsidies amounted to R12.381 million. Payments for Capital and Financial Assets were R266 516 and R13 510 respectively.

In this regard, compensation of employees accounted for 39.29% of the Programme expenditure. Goods and services accounted for 30.77% and Transfers and Subsidies accounted for 29.28%.

The allocation of R23 746 450 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 focussed on facilitating access to as well as the provision of finance through a loan and grant mechanism. The support initiatives included training, capacity building, compliance information and financial assistance for more than 3 000 business owners. The unit continued its efforts at creating and contributing towards a culture of entrepreneurship through showcasing successful entrepreneurs. These initiatives contributed to providing direct support to businesses which should contribute towards economic growth and job creation.

With an allocation of R6 537 332, the sub-programme Regional & Local Economic Development focused on facilitating the improvement in local government business-facing services in terms of processes and procedures and providing strategic coordination and support to joint collaborations supportive of Provincial Strategic Plan (PSP) programmes. Six (6) municipalities were assisted and 79 improvement measures were developed. In addition, the sub-programme utilised the opportunity to implement digitisation of building plan applications in five (5) municipalities.

The entire allocation of R11 999 218 to the Red Tape Reduction sub-programme was applied towards the strategic objective of improving the regulatory environment to enhance the ease of doing 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 number of Business Process Improvement (BPI) projects were again undertaken, most notably at the Western Cape Departments of Agriculture and Transport and Public Works. The unit continued its work in Theewaterskloof Local Municipality (TWK) by developing an Investment Facilitation Guideline for developers investing in TWK and an Investment Incentive and Revitalisation Policy. The long-running project to have RIA institutionalised was continued by funding the training of nominated officials within all WCG departments. In addition, the unit developed a methodology and electronic tool to calculate the financial benefits to business and government resulting from government red tape reduction interventions. The unit continued its efforts to improve the regulatory environment by providing commentary and/or an opinion on a number of Bills and draft policies.

Sub-programme Expenditure

Sub-programme Name	2016/17			2015/16		
	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	23 747	23 496	251	34 173	33 747	426
Regional and Local Economic Development	6 537	6 415	122	5 880	5 583	297
Red Tape	11 999	11 750	249	14 915	14 472	443
Total	42 283	41 661	622	54 968	53 802	1 166

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.

Service delivery objectives and indicators

Provincial Strategic Goal 1 (PSG1) focuses on unlocking faster economic growth and job creation. Project Khulisa identified Oil and Gas, Agri-processing and Tourism as priority economic sectors. Project Khulisa identified specific deliverables that will 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 Action Plans commenced in the 2016/17 financial as the first year of implementation, the Department 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.

With the operationalisation of Project Khulisa and its new strategic direction as well as the adoption of an outcomes-based approach, Wesgro has made significant strides in achieving the objectives of Project Khulisa and the PSG1. The Agency has sought to stimulate trade and investment within the identified Project Khulisa sectors. During the financial year under review, a total of R2,127.9 billion worth of investment was committed, creating a total of 696 jobs; and a total of R9,04 billion worth of export business deals were signed, creating a total of 781 jobs. Furthermore, the Agency has tapped into new priority markets that has shown increased trade and investment opportunities.

Project Khulisa Oil and Gas focused mainly on the activities that were identified in its strategic intents. The development of suitable infrastructure to grow the industry and to attract foreign investment at the Saldanha Industrial Development Zone (IDZ) is one of the key deliverables, with critical infrastructure projects in progress. The first investor signed an agreement to occupy space in the IDZ with more than 30 other companies in the pipeline. The skills development initiatives are geared to develop artisans that will address the lack of local skills for the oil and gas industry, especially rig and ship repairs. The skills development programmes, developed in partnership with industry, will assist with work placements.

Strategic stakeholders, in collaboration with local companies, are in the process of developing a portal that will assist with matchmaking opportunities between buyers and suppliers. The portal will also assist with the identification of shortcomings in capacity and capabilities of SMMEs in order to provide the necessary business support and assistance that will enable them to benefit from local and international business opportunities. The Ease of Doing Business lever addressed red tape challenges as they occurred, especially immigration, import and tax related issues. The marketing coordination and investment strategic intent is to develop marketing tools to keep strategic stakeholders abreast of developments and progress in the IDZ.

During the 2016/17 financial year, the Department continued with the implementation of the Khulisa Agri-processing activities. Activities undertaken during the year were consistent with the Cabinet approved Khulisa Activity Template. The Department provided assistance to companies through various projects and programmes. Through the clustering programme, strategic workshops were facilitated, which aimed to assist companies to maximise participation throughout the agri-processing value chain. The Department implemented the wine export promotion project in partnership with the Department of Agriculture, Wesgro and WOSA. Through this project four successful in-store wine tastings were held in Angola, in partnership with a South African retailer. Also, a number of companies were assisted to visit China and Angola to market their wines, gather market intelligence and meet with buyers. A number of wine buyers and journalists from both Angola and China were hosted in the Province. The Department provided funding for Halal Export Promotion during the 2016/17 financial year. Through this initiative, the promotion of Western Cape Halal products was facilitated by Wesgro to support companies participating in trade fairs and exhibitions. The Department actively engaged companies on various departmental programmatic interventions, which included skills development support, enterprise development support, green energy and red-tape reduction support.

Outcome indicator		Baseline (Actual outcome) 2015/16	Actual performance against target			Reason for variance
			Target 2016/17	Actual 2016/17	Deviation from planned target to actual achievement 2016/17	
Sub-programme: Trade and Investment Promotion						
1.1	Rand value of committed investment projects into the Province	R2,045,8m	R1bn-R1.7bn	R2,127.9bn	R427.9m	The projects realised were capital intensive, which resulted in over-performance in the total rand value.
1.2	Number of jobs facilitated from committed investments into the Province	681	580-1 190	696	-	-
1.3	Estimated rand value of business agreements signed (trade)	-	R6m-R8m	R9 054 683 854	R9 046 683 854	The business deals were finalised sooner than anticipated, which led to an increase in the estimated economic value of deals.
Sub-programme: Sector Development						
1.1	Value of funding leveraged by the sector bodies	R89.180m	R25m	R55 657 356.29	R30 657 356.29	The target was exceeded due to extensive engagement with specific funders such as TETA, NTIP, IDC and private companies like ABSA and Thompson Reuters.

Performance indicators and targets

Trade and Investment Promotion

In direct relation to Wesgro's mandate for trade and investment promotion and the focus that needs to be given to the priority sectors identified in Project Khulisa, the following was achieved during the 2016/17 financial year:

Wesgro realised a total of 12 investment projects to the value of R2,127.9 billion, which assisted in the creation of 696 jobs and supported growth in the Western Cape's industrial base. The commercialisation of investments in the manufacturing sector resulted in R716.2 million (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
Rise	UK	ICT
Darvesh Da'Reality	Dubai	Infrastructure and Real Estate
Tramper Technology	Netherlands	Manufacturing
Rubber United	Netherlands	Manufacturing

Further investments solicited from local sources include, amongst others, the expansion of Jack Black; Tin Pac; and Shonaquip.

Wesgro secured a total of 41 business agreements, with an estimated economic value of R9 054 683 854. The adoption of a more proactive approach with regard to client engagements and the expedition of facilitation services such as, matching companies and investors, taking companies on outward buying and selling missions and offering specialised advisory services, contributed to the over achievement. The Agency facilitated a deal for Langeberg and Ashton, an Agro-processing company based in Paarl to the value of R7.5 billion. The company participated in the trade mission to Sial to gain access to new potential customers. In addition, the Agency committed a total of three Outward Foreign Direct Investment (OFDI) projects to the value of R507 million.

The table below provides a breakdown of the committed OFDI projects:

Committed OFDI projects

Company	Source country	Sector	Estimated Export Value R (M)	Estimated Local Jobs Created
Sandplast Injection Moulding	Ghana	Manufacturing	R1 000 000	6
Torre Parts and Components	Ghana	Manufacturing	R500 000 000	2
MTD Manufacturing Eng (Pty) Ltd	Nigeria	Manufacturing	R6 000 000	5

Sector Development

The total value of funding leveraged during the 2016/17 financial year was R55,657 million. The leveraged funds assisted the different sectors with the implementation of strategic initiatives to create jobs and grow the economy.

The over-achievement was realised due to increased funds leveraged from the IDC, DTI and TETA, as well as financial support from corporates like Thomas Reuter and ABSA. An amount of R10 million was leveraged from the Department of Small Business Development to the Cape Craft and Design Institute to roll out support programmes in eight other provinces (awaiting finalisation of contractual agreements).

Oil and Gas

The South African Oil and Gas Alliance (SAOGA) leveraged funding to the value of R7,759 million from various sector education and training authorities (TETA, CHIETA and MERSETA), mainly for the implementation of their skills development programmes. Institutional training was completed for 203 students at the West Coast College, Nautic Africa, Northlink College, False Bay College and South Cape College. A total of 220 trainees were placed at hosting companies during the 2016/17 financial year. It must be noted that the uptake of students for placement is slow due to the current economic conditions. The trade test target for the 2016/17 financial year was 20, however, SAOGA managed to place 60 students in the system.

A total of 14 South African companies participated in OTC (Offshore Technology Conference) 2016, which was arranged by SAOGA in conjunction with Saldana Bay IDZ. Local companies will have a presence at the OTC 2017 event in Houston, Texas to showcase their capabilities again. Networking events providing different topics on development in the gas industry were successfully hosted in Cape Town, Johannesburg and Durban. SAOGA represented the oil and gas industry and participated in forum discussions at SAMTREC, Africa Oil and Power, ONS 2016 in Norway and the World Energy Cities Partnership (WECP) AGM that was hosted in Cape Town.

SAOGA actively engaged with companies like Northern Drilling Support (Norwegian Co), Cairn Inida, Hunting PLC, Osca Industrial Construction, Valco, Sofregaaz, Africa Energy Corporation, Go Offshore and Stavanger Offshore Tekniske Skool (SOTS) on inward investments and continue to meet with foreign and potential foreign investors.

Agri-Processing

1. Cluster programme (WCFFI)

152 companies were assisted, with the following interventions:

- Export Development and Promotion, Trade and Business Linkages – participating in trade shows and exhibitions. Rio Largo won the Gold Medal at the prestigious New York International Olive Oil tasting Show.
- Market Access and compliance to food safety standards through a paperless food safety system called iComply, which enhances the ability of the food industry, particularly the SMEs, to meet minimum local and export food safety requirements.
- Successful hosting of information sessions and workshops on manufacturing processes, access to finance, costing & pricings, labelling & packaging, marketing and logistics.

2. Project Khulisa: Agri-processing

a. Wine Export Promotion

Strategic Intent 1: To increase the exports of wine and brandy to China and Angola. “Double the value of SA Wine exports to China and Angola by 2025”.

- Supported by a South African retailer, four successful in-store wine tastings were held in Angola. A carefully selected number of wine producers were also provided with market access in order to meet the buyers.
- Successful hosting of media and buyers from Angola, who received exposure to a number of wine farms and other strategic wine industry projects.
- A “How to do Business Guide: China” (available on Wesgro and WOSA’s websites) was developed to assist the local wine businesses looking to export to China.

b. Halal Export Promotion

The Department and Wesgro provided market access support to Western Cape-based Halal Agri-processing companies. Wesgro, as the legislated mandated body for trade promotion, provided sound market analysis, which enabled the Department to finalise the list of markets for the targeted trade promotion effort.

- Over a period of six months, 21 companies were provided with market access in order to exhibit their products, meet new buyers, and gather on-the-ground market intelligence and to also interact with various stakeholders such as the certifiers, academics and competitors.
- A total of seven countries were visited, some in partnership with the DTI. The countries visited were Cameroon, Singapore, Malaysia, United Arab Emirates (Dubai), India, Indonesia and Thailand.

c. The Halal Industrial Park (HIP)

A pre-feasibility study into the establishment of the HIP in the Western Cape was successfully conducted and concluded.

- Using the Multi Criteria Analysis, the study identified three suitable sites for the establishment of the HIP. Design workshops were held in partnership with the site owners to conduct further analysis with the relevant experts.
- National Government and other provinces have been engaged through the National Agri-processing Forum. They understand the importance of the HIP and are in full support.
- Work to compile a general investment case for the Western Cape Halal sector, as well as Investor Prospectuses and Marketing & Promotional plans for each of the sites have been successfully commissioned.

d. Halal Certification

The Development of the Globally Competitive Halal Certification and Standards Project was initiated during the 2016/17 financial year.

- A total of five South African Halal certifiers have been successfully engaged to solicit their support and all have committed to supporting the initiative.
- National Government, academia and a number of companies have been engaged and all are in support of this due to the importance of opening new markets and boosting the country's reputation as a trusted supplier of quality Halal products.

Western Cape Halal Intergovernmental Task Team (WCHITT)

The WCHITT was established in order to ensure that all spheres of government and other Western Cape provincial government departments and strategic agencies are fully aware of the Halal sector development initiatives. The WCHITT was launched and a number of well-attended meetings were held. The task team is comprised of members from the DTI, DAFF, DEDAT, DOD, DEADP, Provincial Treasury and Wesgro.

3. Stakeholder Engagements

The Agri-processing Unit continued engaging various stakeholders within South Africa to solicit support for the implementation of sector development initiatives. The stakeholders that were engaged ranged from Halal certifiers, national government, funding institutions, commercial banks, producer associations, academia and a number of individual companies. The companies were mainly engaged on the following:

- Skills development support and the potential for companies to take up youth placements through various Departmental skills programmes.
- Energy mix and assistance provided by provincial and national governments. Some of the companies indicated that they will definitely be switching from coal to using friendlier forms of energy.
- Enterprise development and specifically the funding fairs, and red tape reduction initiative.

Business Process Outsourcing (BPO)

BPESA leveraged R2,604 million funds and rolled-out a range of projects and skills interventions to ensure that the region's competitiveness is enhanced. According to BPESA's barometer, a total of 3 261 jobs were created during the 2017/18 financial year.

BPESA partnered with Contact Centre World as its official industry awards partner. The Training Room Online presented a knowledge sharing gaming session, facilitated by BPESA, where participants develop the right skills through a fun learning experience. The organisation facilitated workshops and master classes on the following:

- Employment, Staffing and IR work for you in the new SA Labour Law landscape.
- Career awareness, career pathing and mapping.
- Coaching for immediate and sustainable results.
- Substance abuse in the workplace.
- Fixing chronic staffing absenteeism: toward a 100% staff attendance.

A total of six SMMEs qualified to participate in the SA pavilion at the Customer Contact Expo in London from 28-29 September 2016. BPESA hosted the 2016 SA BPO Summit from 12-14 October at the Table Bay Hotel, which was attended by 150 local as well as international delegates from UK, Australia, US, Netherlands, Brazil and Canada. The skills portal has been enhanced with new calendar functionality, on-line payment capability and the ability to badge a training provider or training content.

Information Communication Technology (ICT)

The Department provided support to the Cape Innovation and Technology Initiative (CITI), whereby the organisation leveraged R14,926 million for the implementation of its programmes and activities. A total of 128 permanent jobs were facilitated by ICT during the 2016/17 financial year.

A total of 215 candidates were trained on the following programmes:

- PDGIP Business and System Analysis – Training and an internship on re-skilling and up-skilling non-IT degree level graduates in the foundations of business and systems analysis.
- JAVA Post Matric Programme – Top performing matriculants were selected to augment their foundation skills with further training through Oracle University and MICT SETA Learnership.
- The IBM RPG & PHP Academic Programme – Aims to empower and enable youth to become versatile to the needs of a fast changing ICT environment. A graduated ceremony was hosted on the 30th November 2016 for those who passed the programme.
- ICT Software Development Programmes – Up-skilling and re-skilling both IT and non-IT graduates to increase the pool of skilled software developers.
- Propel IT – advance the knowledge and skills of individuals with some It experience or an IT qualification (Q2=110

of Propel 2015 graduated on 27 July 2016). Most of the learners in this programme were successfully placed in industry. The CapaCITI team launched a dedicated training lab sponsored by Media 24 to provide an IT skills pipeline to industry.



The Cape IT Initiative facilitated Java (ICT) training as a partnership between DEDAT, Oracle, CITI and MICT Seta. This cohort was trained through CAPACITI unit.

Marketing and events coordination was provided throughout the year and included sessions for both companies and students. The Bandwidth Barn hosted 29 events, which were attended by 1 380 people. A total of 39 workshops were facilitated, with a total number of 976 people trained. Programme Managers provided oversight, mentorship, business development and marketing support to tenants and they were exposed to network and business opportunities.

CITI also launched the first EdTech Open Innovation Cluster and incubator in Africa on 15 March 2017, at the Bandwidth Barn in Woodstock. A new project, The Innovation Game, funded by the Department, commenced in September 2016 and will be in place until 31 March 2018.

Seventy-one tenants were hosted in the Khayelitsha Barn, of which 22% are women. TopTechTools (TTT) to grow your business through technology for Women in Business (WIB) and the Media Tech programme on how mobile technology can support your business, were successfully launched at the Khayelitsha Barn in September 2016. During January 2017, a total of 32 women entrepreneurs graduated in the TTT WIB programme and 100 SMMEs attended the MediaTech programme, with a total of 62 graduates.

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 manufacturing sector is a big generator and a driver of economic growth within the province and country. The sector contributes 6.9% to the GDP of the province and has a forecasted growth of 1.7% for the period 2016 to 2021.

Clothing and Textiles

The clothing, textile and footwear SPVs (Special Purpose Vehicles) leveraged an amount of R4,337 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 R150,000 funds and continued with their cluster development and stakeholder engagements which focused on funding opportunities. The organisation secured R20 million from the IDC to run the Continuous Improvement Programme (CIP) over the next three years. The entire cluster of over 40 firms will benefit from the CIP through research, benchmarking, exports and shared learning. The CCTC implemented the following interventions with member companies:

- World Class Manufacturing Programme – 23 domestic benchmarks were completed for the year and firms received a process benchmark and customer benchmarks, which were presented to their respective management teams. International benchmarks, conducted with Vietnam and Cambodia, will be used as a comparator for local firms.
- Team Responsibility and Competitiveness Technical Training (TRACE), is now a fully SETA accredited Lean Enterprise skills training programme and has been developed into a full learnership.
- Quick Response (QR) Programme, a training session was held at PepClo for manufacturers and a local best practice tour was facilitated to three best practice firms in KZN. The QR handbook will be updated with the information from the local and international study tours to assist retailers and manufacturers with their understanding and implementation of the QR model.
- Further market research on the Turkish value chain was undertaken, particularly in respect of fabric, since SA has a number of challenges around capabilities in this space.

CLOTEX leveraged funds to the value of R1,542 million and assisted 43 SMMEs with proactive interventions, of which 18 were BBBEE companies. The organisation is partnering with provincial and local government, and other sector development agencies for the implementation of the following interventions:

Incubator Programme: The in-house pilot incubator programme was completed with 4 incubatees on 31 January 2017. Bookha Creations showcased their products at the LAGOS International Exhibition. This event exposes their brand to international buyers and retailers. Visual Way will be supported as a virtual incubatee. CLOTEX also applied for Incubator Development Funds from the Department of Small Business Development.

Value Chain Alignment Programme: Brasilfit showed great interest to collaborate with other manufacturers and retailers. Afika Promotions invested in a leather accessories plant.

Rural Co-op Development: The Cape Town manufacturing plant of the Velddrift project opened their facility on the same premises as Rosy Vittori, which will support the plant with sample manufacturing and smaller runs. Forty candidates were identified for training in Worcester.

Skills Development: 283 Candidates were trained on Health and Safety, Entrepreneurship, Business Strategy Programme and as Machine Operators in collaboration with ABSA and DEDAT. Forty learners were placed in seven CMT factories in the Cape Metropole area. Five Companies were assisted with Export Training, of which three were BBBEE companies.

Clotex initiated a mission to Turkey for B2B collaboration with key companies in the clothing and textile industry and participated in the Cape Chamber Small Business Exhibition and the Deloitte Funding Fair project.

The Cape Town Fashion Council (CTFC), through numerous strategic partnerships and sector level collaborations, leveraged R2,645 million funds for the implementation of its programmes and interventions from the DTI and the City of Cape Town.

The CTFC participated in a national collaboration meeting to discuss the roll-out of Wear Only South African (WOZA) project. They submitted an application to the Jobs Fund to reactivate the WOZA project, however, they have withdrawn the application in order to strengthen and restructure the foundation as a collaborative national project.

Fourteen curated designers, representing SA, exhibited their products at the 10th Show & Order International Trade Fair in Berlin. This initiative was supported through the CTFC Export Development Program in conjunction with the DTI.

Eight Fashion and five Textile semi-finalists made it to the Foschini Design Awards, where they were asked to develop soft range products for the bedroom or living space. The prizes for the winners include a retail design internship with Foschini and @Home as well as the potential launch of a limited range in selected Foschini and @Home stores.

A jumpstart career workshop was facilitated in partnership with the Graduate Recruitment Manager from Truworths to prepare fashion graduates for the recruitment drive. The 3rd Annual Fashion Graduate Recruitment Showcase was hosted on the 30th November 2016 at the Avenue, V&A Waterfront with 27 participating graduates from Cape Town College, CPUT, Design Academy of Fashion and Northlink.

Engagements were arranged with Alpaca Fiber to hand out their wool to local designers for development of products that can be showcased at the fashion week, Gabriella Fraser Designs on the facilitation of production related workshops by herself. Six of Cape Town's most esteemed fashion designers participated in Source Africa 2016.

Craft

The Cape Craft and Design Institute (CCDI) leveraged R16,217 million funding for the implementation of their initiatives and to provide products and services which focused on sector engagements, catalytic projects that demonstrate the value of design as well as training and creative problem solving workshops.

The CCDI strategically positioned themselves to provide services and support to creative entrepreneurs around the country and managed to leverage additional funding from the Department of Small Business Development (DSBD), the DTI and the IDC. The organisation established three for-profit entities (CCDI Capital, CCDI Connect and CCDI Creative) in order to ensure sustainability and to expand their linkages and networking opportunities. Strategic partnership engagements were facilitated with the City of Cape Town, TIA, National Arts Council, DTI, DSDB, National Treasury Jobs Fund and other corporates on funding and specific initiatives for these for-profit entities.

The catalytic projects that demonstrate the value of design and build the design education ecosystem focused on the following:

- Africa A+ to nurture creativity and problem solving at ECD level in three schools.
- Design in Healthcare that is taking place in three CoCT clinics, namely Wallacedene, Khayelitsha and Albow Gardens.
- Design in Agri-processing that foster collaboration between Dutch and South African Partners.
- The Better Living Challenge that aims to demonstrate how a design process can deliver innovations to improve self-build processes.
- The Windermere High School design intervention that will assist the school to identify areas for improvement by mobilising learners and staff.

The following key interventions were implemented:

- Business and Product Support: 58 Workshops focusing on business performance improvements, HR and conflict resolution, financial management and emerging producers' development programme were facilitated, with 465 participants.
- Market Support: CCDI revamped their store at the Watershed and assisted local producers to participate in local and international tradeshow and exhibitions at Decorex in Johannesburg, Maison et Objet in Paris, the Open design Festival, SARCA International and the Kirstenbosch Food and Craft market. The digital platform, PEEK

was launched by the National Minister of Small Business Development, Ms Lindiwe Zulu on 28 February 2017.

- Creativity and Design Support: More than 100 consultations were facilitated and 28 creativity workshops was hosted with 286 participants.

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 R6,078 million, mainly from the National Tooling Initiative Programme (Pty) Ltd for the WC Tooling Centre of Excellence's benchmarking and business intervention projects. The Centre of Excellence has been expanded to make provision for the trade test facilities and space to host networking sessions and award ceremonies.

The WCTI successfully completed the following in the 2016/17 financial year:

- More than 200 companies were assisted with proactive business interventions through benchmarking, networking sessions, profiling and other enterprise development interventions in companies as well as the mentoring of a number of businesses. Matchmaking initiatives for export potential and localisation opportunities with companies in Africa is continuing, in particular East Africa.
- Thirty-two people participated in the Master Artisan & Expert in tooling training modules, Management Training as well as the improving performance leadership programme through Productivity SA. The PUM Netherlands Senior Experts assistance programme was offered to seven companies.
- The TDM Powered Programme continued with 70 students at the beginning of the year at Northlink College, Cape College of Cape Town and the WC Tooling Centre of Excellence, of which seven students completed the Foundation Phase during the first quarter. The Department supported this initiative with additional funding to augment the stipends of students in order to keep them in the programme and to recover students that exited the programme before due to social or financial issues. WCTI managed to recruit 10 students who had originally dropped out of the TDM Powered programme.

Performance indicator (Output)		Baseline (Actual output) 2013/14	Baseline (Actual output) 2014/15	Baseline (Actual output) 2015/16	Actual performance against target			Reason for variance
					Target 2016/17	Actual 2016/17	Deviation from planned target to actual achievement 2016/2017	
Sub-programme: Trade and Investment Promotion								
1.1	Number of investments projects realised	12	7	10	12	12	-	-
1.2	Number of businesses agreements signed (trade)	-	-	-	15	41	26	The business agreements were signed sooner than anticipated, due to the adoption of a more proactive approach with regard to the engagement of clients and the expedition of facilitation and promotional services.
Sub-programme: Sector Development								
1.1	Number of Khulisa initiatives supported	-	-	-	2	2	-	-
1.2	Number of sector bodies supported	-	-	-	9	9	-	-

Strategy to overcome areas of under performance

Not Applicable

Changes to planned targets

Not applicable

Linking performance with budgets

Sectors

During the 2016/17 financial year, an amount of R55.593 million was appropriated to the programme. Of this, compensation of employees accounted for R9.535 million, goods and services R4.586 million, transfers and subsidies R41.413 million, payments for capital expenditure R27 000. In this regard, compensation of employees accounted for 90% of the programmatic expenditure. Goods and services accounted for 99% for the final expenditure of the Programme.

Sub-programme expenditure

Sub-programme Name	2016/17			2015/16		
	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	28 417	28 417	-	23 000	23 000	-
Sector Development	28 236	27 174	1 062	35 103	34 663	440
Management: Trade and Sector Development	-	-	-	-	-	-
TOTAL	56 653	55 591	1 062	58 103	57 663	440

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: Consumer Protection

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 has resulted in the entrenchment of numerous fundamental consumer rights and obligations. This legislation further entrenched the provincial OCP's role and mandate as an Alternative Dispute Resolution Agency 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 into complaints lodged by consumers against the conduct/product/service of a business.

The Programme also performs a support role as far as the evaluation of appeals submitted in terms of the Businesses Act, 1993 is concerned. In this regard the Programme develops a departmental recommendation on the merits of any appeal that 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 one 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.

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 Programme's 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 focussed 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 complaints management service offerings and the variety of 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 R2 529 703.64.

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 were 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.

Consumer Education and Awareness

The comments made above with regards to the programmes 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 is furthermore 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 the success of the units campaigns 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 effectiveness of this and other awareness projects has confirmed that the OCP will need to 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. This became particularly important during this financial year which saw a reduced focus been made available to Programmes. 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. By way of example we wish to note the partnership with WCG Departments most notably Transport and Public Works, Local Government and the Department of the Premier. Within the Department of Transport and Public Works the office forged a partnership with the Formalisation and Empowerment Directorate whereby various sessions on financial literacy and consumer protection were conducted with minibus taxi owners and their staff. The engagements proved hugely popular and the feedback from attendees was positive. The programme will therefore continue into the 2017/18 financial year. In many instances it was found that the taxi owners who were by rights business owners required assistance with understanding a variety of consumer protection and financial literacy issues. With the Department of the Premier the sessions were conducted with full time and intern staff and again this proved to be hugely popular. The programme also forged a very good working relationship with the Department of Local Government specifically the Community Development Worker Programme. Numerous engagements were held in different communities across the province and the interaction and assistance of the CDW's formed a core part of ensuring that communities participated in these events. In the 2017/18 financial year the Programme will be engaging with the Farm Worker Development Directorate in the Department of Agriculture so that specific engagements can be held with farm workers across the province.

The work done by the unit has ensured that the majority of targets set have 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 (2015/16))	Actual performance against target			Reason for variance
			Target 2016/17	Actual 2016/17	Deviation from planned target to actual achievement 2016/2017	
Sub-programme: Consumer Protection						
1.1	Number of strategic consumer NGO and other relevant partnerships established	35	30	32	2	The development of a partnership within this area yields positive results especially for the citizens of the province. As such, any additional partnership that can be formalised is accepted and this resulted in an over-achievement of the target.
1.2	Monetary value saving to consumers	R10 051 162.05	R1.5m	R2 529 703.64	R1 029 703.64	The prediction of the Rand value saving to consumers is a challenge as it depends on the type of cases received and the value thereof. For example, in previous years we received a few immoveable property complaints involving a considerable amount of money and this contributed to the high Rand value saving. These types of cases were not received in the year under review.
1.3	Number of new businesses operating by virtue of positive departmental appeal recommendation issued	1	1	0	1	The receipt of business licence appeals is a matter outside the control of the Department.

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 hotline 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 exceed 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. It appears that despite the accreditation of the Ombuds Schemes, consumers nevertheless continued to utilise our services. The reasons for this could be varied. This prediction of cases received will remain a challenge.

Consumer education

The targets set for the education unit's 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.

Performance indicator (Output)		Baseline (Actual output) 2013/14	Baseline (Actual output) 2014/15	Baseline (Actual output) 2015/16	Actual performance against target			Reason for variance
					Target 2016/17	Actual 2016/17	Deviation from planned target to actual achievement 2016/2017	
Sub-programme: Consumer Protection								
1.1	Number of consumer education programmes conducted	243	274	235	120	173	53	The nature of the programmes proved very popular especially amongst new stakeholders within the WCG arena. As such ad hoc requests were received and attended to. As such the target was exceeded.
1.2	Number of complaints received	10 554	8 991	6 595	4 000	6 961	2 961	The prediction of case numbers that will be received is a challenge as they depend on numerous factors outside of the Programme's control. In the year under review a decline in case numbers was predicted due to the accreditation of various Ombuds offices that could also deal with complaints
1.3	Number of complaints resolved	10 063	8 872	6 619	3 500	6 977	3 477	The cases received resulted in an increase in the cases resolved.
1.4	Number of consumer education booklets and/or information material distributed to citizens and business	12	4	19 357	1 000	1 765	765	The Programme received requests from other Regulatory Institutions e.g. National Credit Regulator, to distribute information material from these institutions.

Performance indicator (Output)	Baseline (Actual output) 2013/14	Baseline (Actual output) 2014/15	Baseline (Actual output) 2015/16	Actual performance against target			Reason for variance
				Target 2016/17	Actual 2016/17	Deviation from planned target to actual achievement 2016/2017	
1.5 Number of financial literacy workshops conducted	89	118	69	20	37	17	The programme resulted in a number of requests for unplanned engagements. these engagements were conducted in order to satisfy the demand.
1.6 Number of SMME engagements conducted	-	-	25	10	17	7	The programme resulted in a number of requests for unplanned engagements. these engagements were conducted in order to satisfy the demand.
1.7 Number of business licence appeal recommendations provided	1	0	0	1	0	1	The receipt of appeals is a matter outside the control of the Department.

Strategy to overcome areas of under performance

Business Licence Appeals

The reception of appeals remains an area outside of the span of control of the Programme as it depends on numerous factors. In instances where an application is refused by a local authority an applicant is advised of his/her right of appeal to the Minister. If this right is not taken up by the applicant there is not much the Programme can do.

Changes to planned targets

Not Applicable

Linking performance with budgets

During the 2016/17 financial year, an amount of R10 911 000 was appropriated to Programme 4. Of this, Compensation of Employees amounted to R8.111 million, Goods and Services R2.668 million and payments to Capital expenditure R90 000. Compensation of employees accounted for 74.3% of the final expenditure of the Programme. Goods and services accounted for 24.5% 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.

Sub-programme expenditure

Sub- programme Name	2016/17			2015/16		
	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	10 911	10 479	432	11 226	10 868	358
Liquor Regulation	-	-	-	38 911	38 910	1
Total	10 911	10 479	432	50 137	49 778	359

4.5 PROGRAMME 5: ECONOMIC PLANNING

Purpose

The purpose of this Programme is to provide support to the leadership of the Department – the Minister, the Head of Department and the Departmental Top Management – in undertaking planning processes that provide a coherent vision and strategic outcomes around which policies and strategies are developed, enhanced or applied to attain their attended objectives.

Programme structure

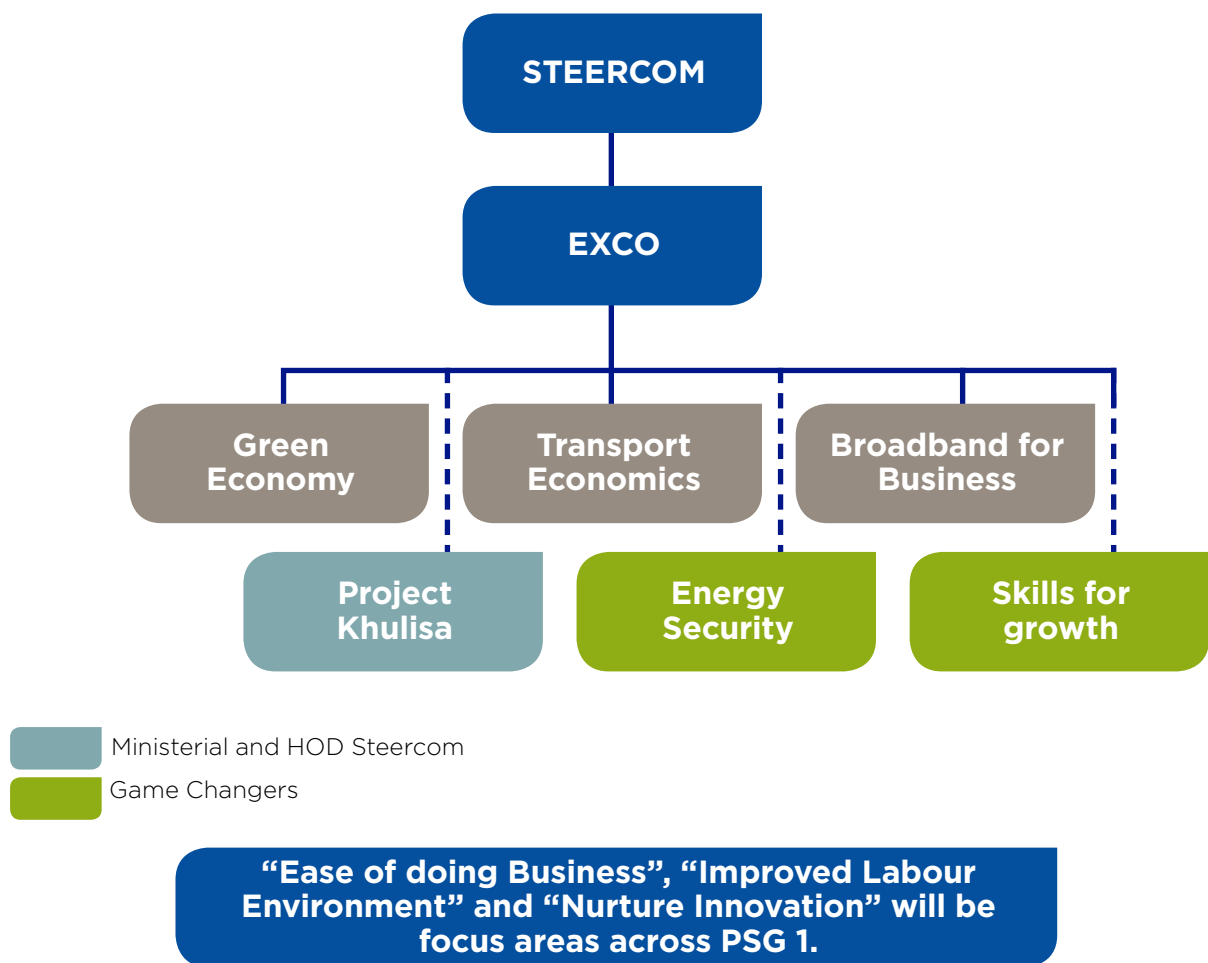
The Programme is structured as follows:

- Sub-programme 5.1: Economic 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 5.6: Enabling Growth Infrastructure and Initiatives
- Sub-programme 5.7: Broadband for the Economy
- Sub-programme 5.8: Green Economy

Service delivery objectives and indicators

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 & Tourism constitute the core of the PSG1 executive committee, which is tasked to deliver on the stretched targets in a challenging economic environment.

Structure of PSG 1



The Programme developed and reviewed key policies and strategies of the Department, the Province and the City in the light of the Department's objectives and alignment with PSG1.

The Constitution places a responsibility on local government to facilitate Local Economic Development (LED), but does not point to LED as a clear, specific and exclusive function of local or provincial government. This has had, and continues to have a negative impact on service delivery. In order to clarify the roles of national, provincial and local governments in Local Economic Development, and specifically, to frame the Department's strategy and role, the subprogramme developed an Approach to Strategy Development in Municipalities.

The Western Cape Government has acknowledged that there is a renewed urgency for improved data and statistics at global, regional, national, provincial and local levels. The Implementation Roadmap on Province-wide Data Governance articulates an approach as a response to the challenges as experienced by the WCG in this regard. The strategic Framework for Province-wide Data Governance provides the strategic direction on promoting data governance within the WCG for standard application by data producers, data users and data custodians. The sub-Programme prepared the brief for submission to Cabinet and obtained approval for the Ongoing Commitment to the Province-wide Data Governance Intervention and the Implementation Roadmap for Province-wide Data Governance.

Economic policy and strategy development and implementation require inter-government, societal and business co-operation. In expressing the objectives of PSG1 the plethora of stakeholders often experience competing objectives and diverse approaches in achieving similar objectives. In order to address challenges that might arise across multiple stakeholders which result in obstacles to achieving the objectives of PSG1, the WCEDP facilitated strategic partnerships amongst all stakeholders, enabling them to work together to achieve their goals.

The 2016/17 financial year was a very successful year for investments in the green economy space, with just over R2.8 billion worth of investments and 2 283 jobs facilitated and supported by the GreenCape. The target of R550 million was exceeded by R2.252 billion due to the sizeable Mainstream Renewable Power's Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) investment of R2.5 billion.

For the 2016/17 financial year, DEDAT continued with its successful partnership with Airports Company South Africa (ACSA), Wesgro, Cape Town Tourism and the City of Cape Town, in developing 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 operationalised from August 2016 as indicated in the 2015/16 Annual report; and expanded from three to six flights per week from January 2017 with the support of the Air Access team. Kenya Airlines has also established a separate route between Cape Town and Nairobi with a stop-over in Zimbabwe (Victoria Falls), also with the support of the Air Access team, giving Cape Town a direct route into Zimbabwe. Following successful bilateral negotiations in 2016, Wesgro has reported that the Angolan Airline, TAAG, will be increasing frequency of its Cape Town to Luanda flights from three flights per week to daily flights, operational from October 2017. The Air Access team also supported Lufthansa to re-establish its Cape Town to Frankfurt route from December 2016. 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 Asia and implementing the USA route development plans.

Outcome indicator		Baseline (Actual outcome) 2015/16	Actual performance against target			Reason for variance
			Target 2016/17	Actual 2016/17	Deviation from planned target to actual achievement 2016/2017	
Sub-programme: Economic Policy and Planning						
1.1	Number of economic strategies or policies signed off	-	2	2	-	-
Sub-programme: Research and Development						
1.1	Develop an economic research agenda	An approved research agenda that is aligned to Project Khulisa strategies and roadmaps.	Develop a research agenda: 1	Develop a research agenda: 1	-	-
Sub-programme: Knowledge Management						
1.1	Number of partnerships tested by PIA	-	5	8	3	The Western Cape Economic Development Partnership focused only on developing partnership SLAs in the 2016/17 financial year and will focus on delivery against the SLA next year.
Sub-programme: Enabling Growth Infrastructure and Initiatives						
1.1	Value of investment	-	-	-	-	-
Sub-programme: Broadband for the Economy						
1.1	Value of investment	-	-	-	-	-
Sub-programme: Green Economy						
1.1	Value of investment	-	R550 million	R2.802 billion	R2.252 billion	The target has been significantly exceeded due to the nature of the investment by Mainstream Renewable Power which won a bid in the large scale Renewable Energy Independent Power Producer Programme to establish a wind farm facility which warrants the considerable investment amount provided.

Sub-programme 5.1: Economic Policy and Planning

In order to support the outcome of PSG 1 a number of key vertical and horizontal strategies and policies are required, all of which need to be aligned and connected. This requires constant consideration and review of policies and strategies released by the City, the Province and the Department.

The Department's 5 year Strategic Plan covers the years 2015 – 2020 and was in need of review for two reasons:

- Technical – to ensure it complied and was aligned with the regulatory framework guiding the drafting of strategic plans and annual performance plans issued by National Treasury; and
- Substantive – to examine whether there are significant policy shifts or changes in the service-delivery environment to warrant an update.

It was recommended that the policy shifts and service delivery environment had not undergone significant changes and the Department's 5 Year Strategic Plan should not be re-drafted and re-tabled, but that shifts be recorded in the Department's Annual Performance Plan. The sub-programme drafted the report reflecting these considerations.

Cycling has become an important activity in the Province and the City, but has been neglected in terms of policy and strategy. Both the City and the Province have attempted to address this lacuna and have developed strategies in the cycling arena. With such strategies and action plans, there was increased probability in harnessing cycling's potential to maximise the impact and projected growth. While the provincial and municipal approaches and foci differed, both strategies had the same desired outcome, namely to increase cycling in the Province. There are large areas of overlap between the two approaches however, both require infrastructure and areas of secondary support, with resultant spin-offs for the population and the economy. The Department therefore resolved to study both approaches and strategies with a view to maximising common ground and common interests, as well as streamlining the City's and Province's approaches towards a mutually co-operative, shared outcome with benefits accruing to the people of the City of Cape Town and the Western Cape Province.

Sub-programme 5.2: Research and Development

The Research and Development unit in 2016/17 continued to strengthen its focus of providing research support and developing credible provincial economic data to the Department.

Research and Development produced a number of research reports that were communicated through the publication of four Quarterly Economic Bulletins (QEBs). Through the QEBs, breakfast briefings and colloquiums, the unit was able to communicate and engage on a number of key topical economic developments and present stimulating views and insights. The QEB provides economic analysis for the Province on a quarterly basis and it is positioned differently from the work done in the PERO (which is an annual publication) and the EPIC (which focuses on the City of Cape Town). The QEBs 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. By tracking a number of key economic indicators, the unit provided the context into which the provincial economic performance could be measured.

Within the context of an economy that has a number of constraints, an additional and important element to the QEB is that it is also intended to facilitate firm-level decision-making, by speaking to some of the many potential economic opportunities in the Western Cape in the a) clothing and textile sector, b) agri-processing sector (tomato paste and the halaal market), c) carbon neutral manufacturing and d) the waste economy. One of the articles also spoke to the proposed sugar tax and a breakfast briefing was held with stakeholders to engage in robust discussion on this topic. The unit also engaged with key stakeholders around the fourth wave industrial revolution and how we could prepare the economy for it. We also engaged with Tesla in the Western Cape and looked at the growing demand for electric vehicles and the potential to feed into this potential production value chain.

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. In this respect, highlights from the work that is being done in project Khulisa were presented.

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. Within this context, the economic intelligence base is the department's Centralised Data Repository (CDR) system, which is our economic intelligence base, was maintained and expanded during 2016/17. The Centralised Data Repository houses relevant and up-to-date economic data for the province. The Research and Development unit in collaboration with the Department of the Premier, has developed the requisite architecture for the system and is currently engaged in working, maintaining and updating data and the layout for presentations.

Linked to this, the sub-programme established the Economic Research Co-ordination Forum (ERCF) to better co-ordinate the research being conducted in the province. A special sub-committee within the ERCF was also created to streamline access to data for all relevant stakeholders.

Sub-programme 5.3: Knowledge Management

Western Cape Economic Development Partnership (WCEDP)

The WCEDP was established in April 2012 as a non-profit company to “improve the performance of the Cape Town and Western Cape economic development system, by creating and sustaining partnerships between economic stakeholders, in support of the goal of creating a resilient, inclusive and competitive region”.

Based on structured feedback, certain areas of the WCEDP’s work has had a recognised impact amongst stakeholders, in particular, partnering solutions that address specific problems, area-based partnering, utilisation of the Partnering Readiness Assessment (PRA) diagnostic tool to kick-start partnering processes, knowledge sharing, and ad hoc partnering advisory services.

In order to maximise the WCEDP’s impact, in 2016/17 a new set of programme selection criteria was adopted by the WCEDP Board to ensure that the work of the WCEDP delivers almost immediate measurable impact. Specifically, the WCEDP concentrated on providing two types of partnering solutions, and a related area of support activity, viz.:

1. Issue-based partnering solutions: Implementing the WCG Provincial Strategic Plan (PSP) by testing partnering solutions through specific projects, including developing a partnering strategy for the PG-MTEC and LG-MTEC processes and the Berg River and Breede River Improvement Plans.
2. Area-based partnering solutions: Providing partnering support for specific municipal areas.
3. Knowledge-sharing: Monthly Partnering Practice Notes for each WCEDP focus area; relevant knowledge sharing networks and events; and partnering lessons to stakeholders on request.

In 2016/17, some of the primary initiatives of the WCEDP included:

1. The establishment and management of regional economic forums, such as:
 - The Saldanha Bay Business Partners
 - The South Cape Economic Partnership.The latter partnership produced a number of concrete deliverables, the most notable of which was the production of the South Cape Film Strategy and South Cape Filming Locations Online Catalogue.
2. Support to a broad range of municipal engagements, e.g.
 - Engaging with all Western Cape municipalities on the methodology and framework for partnering for municipal economic development
 - Supporting the South African Local Government Association (SALGA) with partnering opportunities for the Greater Karoo regional economic development initiative.
 - Providing partnering solutions via the SALGA municipal leadership action learning programme on partnering for economic development.
3. Issue-specific partnering solution initiatives, e.g.
 - Producing a Partnering Maturity Assessment for the Berg River Improvement Programme.
 - Assessing partnering successes and opportunities for community safety pilot projects with the Department of Community Safety.
4. Partnering solutions with the City of Cape Town:
 - Producing the report on the Partnering Strategy for Philippi.
 - Facilitating the Central Cape Town ATM Fraud Reduction Forum.
5. At a Provincial level, testing the implementation of the WCG PSP Partnering Methodology through multiple pilot projects.

Sub-programme 5.6: Enabling Growth Infrastructure and Initiatives

Cape Catalyst Enabler

With the main focus of the sub-programme: Enabling Growth and Infrastructure Initiatives (also known as Cape Catalyst) being on project development and support to infrastructure-orientated or catalytic interventions within the economy, the Unit provided support to seven infrastructure-related projects.

Saldanha Bay IDZ. The Saldanha Bay Industrial Development Zone (SBIDZ) entered the implementation phase with an additional R100 million of core infrastructure rolled out in the 2016/17 financial year. This included the completion of the bulk infrastructure on the first of two overall phases of land development and of one of the external bulk infrastructure upgrades (Waste Water Treatment Works), while construction on other external bulk projects (Water Reservoir and Link Bridge) is progressing well. This rollout had been done in close coordination with the port development efforts of

the Transnet National Ports Authority (TNPA), having completed construction and the Request for Proposals (RFP) process of the Offshore Supply Base (OSB). Cabinet also approved the allocation of an additional R100 million for the purchase of one portion of the SBIDZ land from the Industrial Development Corporation (IDC). Collectively, these infrastructure investments will create the Oil & Gas and Marine Repair Complex envisaged by the SBIDZ.

2016/17 also saw the SBIDZ Act (Act 1 of 2016) coming into operation as well as the SBIDZ Licencing Company being listed in the schedules of the PFMA as a separate provincial government business enterprise. The first investor was also secured and a long term investment deal was signed in January 2017. The SBIDZ continues its 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. The Enterprise Development team of the Department has joined the SBIDZ in developing an Integrated Supplier Development and Enterprise Development Framework, ready for implementation in 2017/18.

The development of the IDZ had started to catalyse further industrialisation in the region. The West Coast Industrial Plan's research phase has been completed and the implementation phase is contributing to the integration of infrastructure provision and overall planning efforts by all three spheres of Government. It has helped to shape an innovative institutional structure where an HOD Forum (meeting bi-monthly) is underpinned by an inter-departmental task team (with work groups) and reports (in dashboard format) into a political oversight structure consisting of the relevant MECs. The coordination with the Saldanha Bay Municipality was centred around the content of its new 5-year Integrated Development Plan (IDP).

The WCIP was used as the basis for a number of these work groups and the Ministerial level coordination was merged with the Ministerial Mandating Committee for the SBIDZ. The unit was also included in the Regional Spatial Implementation Framework team of DEADP and also guided the DTPW's planning of Provincial roads infrastructure as well as the SBM's application for additional water allocation from Department of Water and Sanitation (including options around desalination). A further result of the WCIP was the unit's participation in the Energy Security Game Changer (in particular its Gas-to-Power work group) and the DTI's Gas Industrialisation Unit's Working Committee. Integration with the National Government's Programme Strategic Integrated Projects (SIPs) was done through the Industrial Development Corporation's (IDC) SIP 5 secretariat. Initial negotiations started to consider the possibility of the IDC using the WCIP model for the whole of SIP 5 and possibly for other SIPs.

Improved Air Access. The purpose of this project is to increase direct air access in and out of Cape Town to targeted countries, and on a supplementary level, the Sub-Programme also supports the development or expansion of airport infrastructure that facilitates air travel growth. The partnership between the Department, Wesgro, City of Cape Town, ACSA and Cape Town Tourism continued to strengthen with strong stakeholder engagement through the Steering Committee and with Wesgro providing project management capability. Activities during the 2016/17 financial year included the development of the Route Stimulation Plans for targeted countries like Angola and Kenya; a focus on route retention and expansion through promotional activity and awareness campaigns, and one-on-one engagements with airlines.

Cape Health Technology Park. Seeking to stimulate a health technology industry through the provision of enabling infrastructure and scales of agglomeration, the Cape Health Technology Park is a joint project between Department of Science and Technology (DST), DEDAT, Wesgro and the City of Cape Town. The Project team continued to provide assistance to the Medical Devices Cluster that successfully led to the DTI approving funding for the Medical Devices cluster. Due to changes in the approach to the development of one of the properties by the City, the feasibility study will be completed in June 2017.

Cape Town International Convention Centre. Aimed at broadening the capacity footprint of the Cape Town International Convention Centre (CTICC), the CTICC East expansion had continued to make progress with the completion of the generator room; structural steel work to the lower hall roof; meeting pod concrete work excluding the roof slab; stone cladding and concourse roof steel work completed. Delays have been incurred due to the discovery of the 'Old Cape Town Pier' during excavations that triggered Heritage processes; as well as changes in approach to the marshalling yard. This has resulted in the practical completion date moving back.

Atlantis Green 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 Green Technology SEZ was submitted to the Department of Trade & Industry (dti) in February 2016 after the promulgation of the SEZ Act and Regulations. The designation process since June 2016 has entailed an expanded engagement between the Western Cape Government, City of Cape Town and the Atlantis SEZ Project Management Unit (housed in GreenCape) with the dti's SEZ Advisory Board and its technical committee to evaluate and strengthen the application in preparation for recommendation to the Minister of Trade and Industry for designation.

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 facilities have incubated 45 Design

companies and provided support to over 100 Designers and Innovators in the 2016/17 financial year. A formal request was made to the Department of Transport and Public Works (DTPW) for property in the CBD to develop phase 2. While DTPW had previously indicated that a suitable site may be available, they were unable to accommodate this request within 2016/17. The decision was taken to continue to leverage off the successful phase 1 project, and hold off on investing into a phase 2 until the environment becomes more enabling.

Cape Big Data Facility. The objective of the proposed facility is to assist industry, government and academia to exploit the opportunities offered by advanced computing, data storage and networking systems in order to enhance business processes, products and decision-making and improve competitiveness and business efficiencies.

During 2016/17 a number of business development components of the feasibility study were concluded, most notably the finalisation of the financial and business modelling, which was directly informed by a request-for-information which was conducted to solicit information from industry and ascertain the appetite of the private sector for the initiative. In addition, a detailed site analysis was prepared to identify the most suitable locations for such a facility, and an economic impact assessment was conducted. These were then collated into a proposal which was submitted to the National Department of Science and Technology who will make the final decision regarding the location of the facility within South Africa.

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, four 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. Based on the Design & Innovation Strategy that CCDI developed with various stakeholders across the Quad-Helix, the following was achieved in 2016/17:

- CCDI supported 69 new products/services towards commercialisation;
- The value of contracts secured for the new market-ready products and services supported totals R1 126 000;
- CCDI has a social media following of 46 853, representing slightly under a 5% increase in awareness of design (contributes to increased awareness of design); and
- CCDI launched and managed the 2016/17 iteration of the Design Innovation Seed Fund (a joint initiative between TIA and DEDAT) with nine innovators being approved to receive funding through the Fund. Disbursements (R5 million is set aside to develop the ideas of the innovators further) and contract management will take place in 2017/18. The nine innovations being supported include the OptiShunt which is a highly innovative medical device that offers the first real hope for definitive prevention of blindness caused by glaucoma and the MicroPatch by Incitech – a one-step transdermal rapid test suitable for both professional and home use, and therefore makes rapid testing easier and more accessible, with a focus on HIV testing.

The CCDI ran a design process with the City of Cape Town and Phillips to address Health Patient flow challenges, which it piloted in Delft in the 2016/17 financial year. The co-design process was completed and recommendations implemented. The outcome results are due in the 2017/18 financial year and will be reported on accordingly, but already there was very positive feedback from the staff of the facility, stating that it has been a worthwhile project that has resulted in positive changes specifically in file management and therefore in improved patient flow.

The Better Living Challenge (BLC). The Better Living Challenge projects rely on the collaboration between City of Cape Town, DEDAT, the Department of Human Settlements (DoHS), private sector, Cape Craft and Design Initiative (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 sustainable bricks which CCDI with the Private Sector support towards commercialisation. In 2016/17 the BLC project came to an end with the Lumkani fire-detection device having secured a contract with a large insurance company towards roll-out of insurance with the device across Imizamo Yethu, Hout Bay. The Rambrick product has been tested under this project and while the initial batch will be used in an infrastructure project in Franschoek, a redesign process will also be initiated to ensure that the brick conforms to all building codes, making it more suitable for everyday construction. Cityspec continues to refine its product but was successfully assisted in determining its business model and intellectual property agreements. All products will be tracked over the next 2 years to determine their commercialisation value.

Design supply and demand baseline. In order to inform future strategic interventions in the design and innovation sector by all stakeholders, DEDAT commissioned a baseline study in 2016/17 for the Western Cape (both from a demand and supply perspective), that sought to show how the use of design has/has not impacted on design ready businesses/organisations and business ready designers. Notable findings in this document from having surveyed companies in the industries of agriculture and agri-processing; manufacturing; Technology and ICT focusing on the design and development of Management In-formation Systems; and Tourism revealed that:

- Companies reported improvements in efficiency, products and services as well as annual turnover and the number of products or services they were able to offer or bring to the market as a result of the use of design processes.
- Increases observed in designers' businesses were mainly observed in annual turnover.
- Many companies reported that design practices led to their company profiles being raised as well as greater levels of innovation.

It was however noted that 59% of Companies in these industries do not make use of design thinking in their processes where the biggest results for improvement of a company have been shown. The survey process offered these businesses the opportunity to have their company evaluated for a design intervention that could improve their businesses further. Those who responded positively will be contacted by the CCDI for further assistance.

In determining the interventions required for Designers to improve their market share, the following was highlighted as critical:

- Skills development to improve product and service offerings; and
- Business skills development to improve the designers' financial management ability, as well as their ability to respond to Government and Business requests.

These recommendations will be taken up by the CCDI and its Human Capital Forum that includes Tertiary institutions, to further improve the local designers' capability.

Innovation in Government. Following from engagements held with various Departments in 2015, a draft WCG Innovation Framework has been developed for approval in 2017. A baseline study was conducted to determine the state of Innovation with WCG; as well as an analysis of the Innovation landscape and case studies in the Western Cape. This information will be used to finalise the draft framework; inform the projects of the WCG Innovation forum; and then be disseminated across WCG as a tool to improve innovation outputs from WCG in the 2017/18 financial year.

Sub-programme 5.7: Broadband for the Economy

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 nine projects over the course of the 2016/17 financial year.

Public Access Wi-Fi. Public Access Wi-Fi and Citizen Internet Champions continues to be the flagship projects within the Broadband Stream 2 projects portfolio. 2016/17 saw the Department entering the second year of a three-year implementation period for the deployment of public internet access through Wi-Fi hotspots across all wards in the Western Cape Province. This is also reflected in the distribution of funding allocation within the Digital Economy unit.

Having commenced in 2015/16, the Public Access Wi-Fi project in partnership with Neotel delivered Wi-Fi hotspots to 128 wards bringing the total number of wards having a public hotspot to 178 by the end of the 2016/17 financial year. Regarding usage of the hotspots 102 963 people have accessed the internet via this government/private sector funded Wi-Fi hotspot programme by the end of the 2016/17 financial year.

Citizen Internet Champion Project. This project aims to empower citizens with mobile digital literacy skills and information, and runs in parallel to the installation of public access Wi-Fi hotspots. During 2015/16 a suite of seven mobile digital literacy educational videos was developed. These short and insightful animated videos teach citizens about the opportunity the internet presents, as well as provide guidance regarding internet safety. Through a service provider, two unemployed youth are sourced from local wards, trained and deployed to a ward and hotspot as Internet Champions tasked with teaching a minimum of 1 000 citizens in each ward using the videos, flyers and other digital resources.

Over the 2016/17 financial year, 220 Internet Champions were deployed reaching a total of 202 934 local citizens with mobile digital literacy training. On average, 1 585 citizens were reached per ward. This project, along with the wi-fi hotspots, provides a critical foundational component to driving digital adoption in the Western Cape.

ICAN. The Interactive Community Access Network project is aimed at increasing and improving digital skills and literacy amongst citizens and businesses in the Western Cape. 2016/17 saw the final year for the Proof-of-concept (PoC) in Elsies River which served as a pilot to assess the viability, functionality and sustainability for establishing digital public access facilities and services. In the last year of the three-year pilot, the project has begun to demonstrate improvements in usage patterns and commercial viability.

In addition, a number of DEDAT-supported and free digital and ICT skills were offered to citizens at the I-CAN Elsies River. A multi-level and multi-category skills programme was delivered incorporating 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.

A total of 521 full course completions were achieved and 538 citizens participated in workshops through the centre by means of direct support during 2016/17. 408 citizens completed short courses offered for free by the I-CAN Centre Operator.

In parallel, the Department extracted the key learnings from the PoC to develop a more scalable business model to achieve the I-CAN objectives whilst crowding in private sector resources and funding. By the close of the financial year, this implementation model had been developed and is awaiting approval for execution.

Cape Digital Foundation. During 2016/17, the Department provided operational funding towards the strategic priorities of the CDF. These primarily covered their continued focus on e-Education, developing a fund-raising mechanism, and work towards awareness-raising and information dissemination related to the global and South Africa digital economic context.

Broadband Business Toolkit. The Broadband Business Toolkit is aimed at assisting entrepreneurs and small businesses with resources and tools which will assist in improving digital adoption within their businesses in order to improve their competitiveness, using a digital platform. The project began in 2015/16 with phase 1 being completed in August 2016. An assessment and review of the toolkit was done, as well as a number of consultations with practitioners which has shaped and guided the requirements for the second phase of the project. During the 2017/18 financial year, the Department will activate the phase 2 of the project development in order to improve functionality enhancements and reach of the initiative.

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 surrounding communities. During the 2016/17 financial year, 39 training sessions were undertaken, with training of 976 people and hosting of 29 events, which had 1 380 people participating. In addition, 71 tenants were supported in the incubator. A core focus in the 2017/18 financial year will be to deepen the support of tenant businesses with a focus on establishing individual baselines to better quantify the impact to the specific businesses. Related digital literacy training and events will also continue to be offered during this period.

E-Skills Platform. The E-Skills platform is a joint project with Programme 7, bringing together a number of symbiotic components within the skills development landscape namely the Skills Intelligence Platform (SIP), the refinement of the Learning Management System (LMS) phase 2 and the Career Awareness Platform (CAP) to assist learners and students, on their career journey.

During 2016/17 the Digital Economy unit continued to provide support to the Skills unit regarding the requirements for the Skills Intelligence Platform and undertook the business intelligence (BI) business requirements evaluation which will enable the WCG to do data and trend analysis.

Content Stimulation. This is a collaborative project between the Digital Economy and Innovation/Cape Catalyst unit to develop a digital game which aims to both stimulate businesses and citizens to incorporate innovative practices into their business and professional activities but also aims to support the local digital content creation sector in new opportunities, especially those offered by serious gaming. The project followed a multi-level competition approach whilst providing master-classes programme for the local games development industry. Competition round one saw 16 complete entries, of which four went through to the prototyping round. By end March 2017, the competition stages had been completed and the final winning games development team was to be announced.



A cornerstone project in the Innovation portfolio until April 2018 is the Serious About Games initiative. CiTi is the main implementing partner in this initiative, which is funded by DEDAT through a collaboration of its Broadband and Innovation portfolios.

From October 2016 to April 2017, we established a community of people interested in serious games, created a research primer on the topic, implemented several community gaming events, and successfully run a competition to shortlist newly created teams and select a R1 million winner.

Digital Disruption Assessment. An assessment was conducted on 10 Western Cape sectors in terms of their susceptibility to and the potential impact of digital disruption on their competitiveness. Strategic responses were identified for businesses and Western Cape Government to consider in order to capitalize on the opportunities that may arise from disruptive technologies. The study was conducted during the last quarter of the financial year and the

recommendations will be taken into industry and government consultation engagements during the 2017/18 financial year.

Sub programme 5.8: Green Economy

Green Economy enabler

With the aim of realising the Western Cape Green Economy Strategy Framework's vision of being a leading green economic hub and on low carbon economic growth, the Green Economy sub-programme supported 10 projects over the 2016/17 financial year.

Energy Security Game Changer. The Energy Security Game Changer was established as a joint effort by the Western Cape Government, the City of Cape Town, and the five largest non-metro municipalities (Stellenbosch, George, Drakenstein, Saldanha Bay and Mossel Bay). The Game Changer focuses on five main areas, namely: better management of load shedding, enhanced uptake of efficient water heating, the development of small-scale embedded power generation, the importation of liquefied natural gas (LNG) and implementation of and advocacy for energy efficiency. The following two projects that cover Smart Grids and Liquefied Natural Gas detail DEDAT and the Energy Security Game Changer progress on areas of work undertaken with DEDAT budget.

Smart Grids. Significant progress was made in the 2016/17 financial year to enable the small-scale power generation market, with a focus on creating a supporting environment for rooftop solar photo-voltaic (PV) installations. Feed-in tariffs for Western Cape municipalities were finalised for 10 out of the 15 Municipalities that have the legal framework in place to support the enabling environment for the installation of rooftop solar PV.

This has resulted in an increased uptake of rooftop PV, with approximately 9500 installations of rooftop PV in the Western Cape, amounting to approximately 32MWp of capacity estimated as installed by the end of February 2017. Through DEDAT support, GreenCape played a key role in the development of a national smart meter standard, which was published in October 2016 and in developing industry guidelines for the installation of small-scale power generation. This should lead to lower costs to manufacture the smart meters to allow for wider take-up of energy saving and load management opportunities.

Liquefied Natural Gas (LNG). 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 development of the LNG opportunity on the West Coast. The Department of Energy published a Preliminary Information Memorandum (PIM) for the development of gas-fired power in September 2016, which placed the Western Cape LNG gas to power project in phase 2, behind Richards bay and Coega. This has resulted in the WCG revising its approach to focus on developing a better understanding and costing of various elements to present a strong business case and an investment ready offering.

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 2 310 tonnes of waste from landfill in the Western Cape in 2016/17. 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. Eastern Cape, through the Buffalo City and the East London IDZ, has also approached GreenCape to assist in implementing Industrial Symbiosis for their area in 2017/18.

Resource Productivity. This project, which focuses on resource efficiency in the agro-processing sector, continued with the fourth year of project implementation. The objective of the project was to look at strategically positioning Western Cape agri-businesses to capitalise on the cost savings and income diversification benefits enabled by green technologies. The outputs identified opportunities for value-add to organic waste/residues in food value chains that would provide the greatest economic benefit to the Western Cape. This project also drove the uptake of renewable energy technologies in agri-processing and resource efficiency within the food value chain. 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 and concluded at the end of March 2017. This project entailed extensive stakeholder engagement through one-on-one discussions with relevant experts in government and industry. A number of workshops were held to ensure input and buy-in for the project. The project outputs included a status quo report of the waste economy in the Western Cape, a detailed gap analysis of opportunities in the various waste streams in the Western Cape and two business cases of two identified opportunities, namely the development of an App to facilitate collections of recycling and organic waste and Tyre Crumbing. These two business cases will be further interrogated in the new financial year and, if deemed worth pursuing, will be unpacked into finalised project plans. In addition, all waste streams will be investigated for possible opportunities for further development.

Water as a Constraint to Economic Development. This project 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. In its second year of implementation, a tool to assist in prioritising water requests from industry was developed for the Saldanha Bay Municipality. The tool provides an easy means to understand the relative value that an industrial development brings within the constraints of a region's water requirements, while appreciating the fact that the municipality may prioritise

some criteria above others. For 2017/18, the outputs for this project will be a planning guide to assess how the economics of water allocations may be considered in decision making, a Multi-Criteria Decision Analysis for water approvals in Saldanha Bay Municipality and a regional tool to quantify trade-offs and knock-ons that maps water requirements across the Berg River Water Management Area. A submission will be made to Saldanha Bay Municipality to adopt the tool for use in decision-making with regards to industry developments in their area.

Green Economy Leadership & Co-ordination. The Green Economy is a highly transversal area of work, with implementation stretching across various entities and departments. In 2016/17 the Green Economy Eco-system Coordination initiative continued refinement of three forums, the Green Economy Heads of Department (GEHOD) Committee, the Green Economy Working Group (GEWG) and the Green Economy Reference Group (GERG). The GEWG is made up of representatives from the Western Cape Departments of Economic Development and Tourism; Environmental Affairs and Development Planning; Agriculture; Human Settlements; Transport and Public Works; Local Government; the Premier; and Provincial Treasury as well as the City of Cape Town and GreenCape. The deliverables for the 2016/17 financial year were to guide and provide secretariat support to the GEWG and GERG and to provide secretariat support to the GEHOD Committee. The forums were utilised as a platform to share information on various projects undertaken by various departments and by the City of Cape Town.

110% Green brand building. The 110% Green Annual events were attended by Flagship companies who actively participated and sharing their experiences in 'Growing Green Economies'. The social media platforms continued to do very well and have grown the 110% Green Facebook followers' base, with the number of followers having more than doubled to 3 000 over the financial year. The new website went live in April 2016. In addition, the use of the 110% Green social media platforms for the Energy Security Game Changer and the budget spend for promoted posts have resulted in an increase in followers and visits to the website. The game changer communication campaign, which was focused on raising general awareness, was also implemented.

Eco-system development & clustering. The clustering and eco-system work implemented by GreenCape with funding from DEDAT entails working closely with industry and investors in a number of sectors – renewable energy, energy efficiency, waste, water, green building methods & materials and agriculture – to identify economically viable green economy business opportunities and the barriers that prevent them from being realised. This knowledge is then applied to resolving or removing barriers to market growth through addressing issues such as legislation and policy, lack of credible information, limited market awareness/demand, and a lack of finance and skills. The project team also worked with the World Bank on a "market connect" project, which aims to establish a cross-border service for inbound multi-nationals wishing to use the Western Cape as an entry into other African markets. Market Intelligence Reports were developed and distributed for five of the sector desks and the green finance database was updated.

Buy Local, Go Green Project (BLGG). 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. During the 2016/17 financial year, corporate gifts to the value of R272 154.28 were bought through 30 orders and 10 unique micro enterprises across eight WCG departments. A new catalogue and communications plan has been developed and will continue to be rolled out across WCG departments in the next financial year, with the aim of diversifying the products to accommodate departments' needs and bringing more enterprises on board.

Performance indicator (Output)	Baseline (Actual output) 2013/14	Baseline (Actual output) 2014/15	Baseline (Actual output) 2015/16	Actual performance against target			Reason for variance	
				Target 2016/17	Actual 2016/17	Deviation from planned target to actual achievement 2016/2017		
Sub-programme: Economic Policy and Planning								
1.1	Number of strategies or policies reviewed and/or supported	10	2	4	2	3	1	The sub-programme initially planned to review 2 strategies for the 2016/17 financial year but because both the province and the city had a cycle tourism strategy, both cycle tourism strategies were reviewed.
1.2	Number of strategic planning sessions held	2	3	3	2	2	-	-

Performance indicator (Output)		Baseline (Actual output) 2013/14	Baseline (Actual output) 2014/15	Baseline (Actual output) 2015/16	Actual performance against target			Reason for variance
					Target 2016/17	Actual 2016/17	Deviation from planned target to actual achievement 2016/2017	
Sub-programme: Research and Development								
1.1	Number of Economic research reports developed	11	10	12	8	16	8	The subprogramme took on three graduate interns at the start of the 2016 calendar year. They were developed during the year and were able to produce quality research reports by the last quarter of the financial year.
1.2	Maintain the centralised economic repository	-	-	-	1	1	-	
Sub-programme: Knowledge Management								
1.1	Number of joint plans/projects between the Economic Development Partnerships and its partners		2	2	10	10	-	-
Sub-programme: Enabling Growth Infrastructure and Initiatives								
1.1	Number of infrastructure projects supported	8	7	8	7	7	-	-
1.2	Number of design/innovation projects supported	-	-	5	4	4	-	-
Sub-programme: Broadband for the Economy								
1.1	Number of broadband projects supported	-	-	14	9	9	-	-
Sub-programme: Green Economy								
1.1	Number of Green Economy projects supported	-	-	11	10	10	-	-

Strategy to overcome areas of under performance

Not Applicable

Changes to planned targets

Not Applicable

Linking performance with budgets

During the 2016/17 financial year, an amount of R298 347.816 million was appropriated to the Programme of which the actual expenditure amounted to R296 135 million. This translates to actual expenditure of 99.3% of the Programme's total budget.

An overview of the funds spent per economic classification is as follows:

- Compensation of Employees accounted for R19.154 million or 7% of total expenditure;
- Goods and Services accounted for R43.525 million or 14% of total expenditure;
- Transfers and Subsidies accounted for R232.988 million or 77% of total expenditure; and
- Payments for Capital Expenditure amounted to R468 000 or 2% of total expenditure.

Sub-programme expenditure

Sub-programme Name	2016/17			2015/16		
	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
Economic Policy and Planning	3 372	3 258	114	5 232	4 518	714
Research and Development	8 953	8 882	71	6 693	6 693	-
Knowledge Management	9 654	9 654	-	12 904	12 010	894
Monitoring and Evaluation	1	-	1	1 912	1 776	136
Enabling Growth Infrastructure and Initiatives	213 527	213 383	144	68 258	65 553	2 705
Broadband for the Economy	41 155	39 771	1 384	29 049	28 080	969
Green Economy	21 685	21 187	498	20 287	20 155	132
Total	298 347	296 135	2 212	144 335	138 785	5 550

4.6 PROGRAMME 6: TOURISM, ARTS AND ENTERTAINMENT

Purpose

To facilitate the implementation of an integrated tourism strategy that will lead to sustained and increased growth and job creation in the tourism industry.

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

Service delivery objectives and indicators

The Western Cape Government recognises 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 for 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 up to 100 000 formal jobs over the same period (Khulisa Final report 2014).

Tourism Performance

According to the United Nations World Tourism Organisation, international tourist arrivals grew by 4% between January and September 2016 when compared to the previous year. Destinations worldwide reached a total of 956 million international tourists (overnight visitors), reflecting 34 million more tourists when compared to the same period of 2015. After a strong start of the year growth was slower in the second quarter of 2016 to pick up again in the third quarter of the year.

Foreign arrivals to South Africa accounted for 2.4 million of total tourism trips taken between July and September 2016, and recorded a double digit growth of 12.3% year-on-year. The fastest growth across regions was attained from Asia and Australasia (30.2%), the Americas (19.2%), Europe (18.4%) and the Africa-air markets (12.5%). In Q3 2016, the estimated Total Foreign Direct Spend (TFDS; excluding capital expenditure) in South Africa was R17.4 billion and increased by 9.1% year-on-year. The growth in spend was driven by food, leisure and medical growing both ahead of the 2015 and 2014. In Q3 2016, domestic tourism accounted for 4.5 million trips and generated R3.5 billion in tourism revenue for South Africa. South Africa generated 18.2 million bed nights from the domestic market.

The Western Cape accounted for 14% of all South African tourist arrivals and received 21.8% of South Africa's tourist spend. In addition, the Western Cape held 18.5% of South Africa's bed nights recorded during the period. A total of 344 131 tourists were recorded during Q3 2016. Tourist arrivals to the province grew by 20.2% year-on-year, coupled with strong growth rates across all global regions to the province. Europe sustained a strong presence as the Western Cape's strongest international market with 22.2% In Q3 2016, the Western Cape recorded the 2nd highest number of bed nights, generating 3.6 million for the quarter and grew by 10.2% year-on-year. Visitors to the province preferred to mainly use visiting friends and family accommodation (VFR) and hotels.

Sub-programme 6.1 Tourism Planning

The Western Cape Tourism Partnership, chaired by Minister Winde, is the institutional mechanism driving stakeholder engagements. Tourism Planning provides the secretariat function to the Partnership. During the 2016/17 financial year, the stakeholder engagements were enhanced in order to achieve more effective consultation and involvement by stakeholders on Project Khulisa Tourism. In accordance with Tourism's Constitutional mandate, Minister Winde requested to partner more actively with the local municipalities and their tourism stakeholders in an effort to further accelerate growth and job creation and to unblock any challenges being faced. To fulfil this drive of building solid working relationships across the tourism industry, the Minister and the Department scheduled meetings with key municipalities across the Western Cape in order to share the tourism strategy, to understand the programmes currently underway in each municipal jurisdiction, and to address any concerns that may inhibit growth and job creation. This included all initiatives currently being implemented by the regional and local tourism offices who are funded/co-funded by the municipalities. The objective of the new approach to stakeholder engagement is to gain a complete picture of all initiatives underway across the province, and to face common challenges and provide solutions in order to work better together for effective delivery across all the 13 Khulisa Tourism initiatives. The adoption of this new approach and format of tourism stakeholder engagements has proven to increase participation levels, as the engagements are now regional specific and stakeholders have a greater interest in the discussions. Engagements are more robust and focussed on delivery both at regional and municipal levels.

The table below is the list of engagements scheduled with the municipalities during 2016/17.

Stakeholder/s	Date of Engagement	Status
Garden Route and Klein Karoo District and B-Municipalities	21 November 2016	Follow-up engagement in 2017/18 to be scheduled to discuss progress on key discussions and actions. Progress on Collaborative Marketing will be a key agenda item.
Cape Winelands	17 March 2017	Follow-up engagement in 2017/18 to be scheduled to discuss progress on key discussions and actions.

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 MIPTCHS and MINMECS, which were held during the 2016/17 financial year, and meeting reports were provided to the Provincial Cabinet.

As a result of the Tourism Programme being combined with the Trade and Sector Development Programme, Tourism Planning provided a co-ordinating role for sectors. This included 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 in relation to M&E, risk management, etc.

Sub-programme 6.2: Tourism Growth and Development

During the 2016/17 financial year, the unit supported the **cycle tourism niche market**, with a focus on the development of the Cross Cape Cycle Route. This is an approximate 742 km route that stretches from Plettenberg Bay to Stellenbosch. The objective of this route is to position the Western Cape as the Cycling Capital of Africa.

The development of the route was based on a number of principles, which include:

- Suitable for riders from ages 6 to 80.
- Publicly accessible 24/7/365 with no permission required.
- Showcase the best of the Province (towns, passes and nature).
- Be as safe as possible.
- Grows community participation in tourism.

The route is established mainly on well-graded gravel municipal roads. Riders receive a personal, welcoming and authentic experience – one in which they will meet locals, be able to embrace the region's culture, food and wine, and put their cycle touring prowess to the test (the route, which tackles high passes, and takes riders through the Karoo, is taxing in parts). The mapping of the Cross Cape route was completed through a consultative process with industry experts.

The table below illustrates the towns through which the route passes:

Section Start	Section End	Note	Distance	Cumulative
Plettenberg Bay	Knysna	Via Diepwalle, which has limited services.	80	80
Knysna	George	Via Rheenendal, which has services.	80	160
George	Oudtshoorn	Via Herold, which has limited services.	80	240
Oudtshoorn	Rooiberg (Outside Vanwyksdorp)	Via Kruisrivier, which has limited services, and Calitzdorp and Rooiberg Pass.	127	367
Rooiberg	Swellendam	Via Suurbrak, which has services.	169	536
Swellendam	Greyton	Via Suurbrak, which has services and Riversonderend.	106	642
Greyton	Stellenbosch	Via Franschhoek.	107	749

The Cross Cape Cycle Route forms part of the network of routes which the Department plans to develop over the MTEF period. The Plettenberg Bay to Stellenbosch route is the first route to be launched. An audit of cycle accommodation friendly establishments was conducted in all the towns and has been uploaded on the website (www.capecyclerroutes.co.za).

The Culture and heritage niche market with a special focus on the Madiba Legacy project, was also supported during the 2016/17 financial year. The Madiba legacy project, which is one of the Khulisa Tourism initiatives, focuses on Madiba's journey and traces the former President Nelson Mandela's footsteps in the Western Cape to enable and encourage tourists to walk in his footsteps. In the Western Cape, there are five significant sites that form part of Madiba's journey namely: Robben Island, Drakenstein Correctional Services, City Hall and Grand Parade and Parliament. The project will greatly enrich visitor experiences of the attractions associated with one of the greatest men of our time, Nelson Mandela.

In partnership with the City of Cape Town and the Department of Cultural Affairs and Sports (DCAS), the Department will erect Nelson Mandela's statue on the balcony of the City Hall. This is where he addressed the crowd for the first time on 11 February 1990, upon his release from prison. Additional site specific enhancements at the City Hall, including the development of the Mandela exhibition will also take place. During the 2016/17 financial year, several stakeholders were consulted in order to obtain buy-in. The Nelson Mandela Foundation, one of the key stakeholders in this projects, supports the project. The City of Cape Town, DEDAT and DCAS have established a joint task team in order to ensure delivery of the project. The decision taken by the task team is that the Department will fund the statue, while the City of Cape Town will provide funding for the development of the exhibition inside the City Hall. DCAS will provide technical support to the team in terms of heritage.

Improving service in tourism was identified as one of the focus areas to be addressed in the industry. The Journey to Service Excellence (J2SE) Programme was implemented in Clanwilliam. The J2SE is aimed at creating a culture of service excellence within a destination and to embed a culture of service excellence at town level. The J2SE examines the whole tourism 'value chain', i.e. all businesses which come into contact with visitors, including transport services, accommodation establishments, financial institutions, shops, and any other businesses and authorities who come into contact with tourists. These include trip bookings, arrivals, interaction during their stay and departures.

The initiative was implemented in the following three phases:

- Training of staff from the different businesses across the tourism value chain in Clanwilliam.
- A region-wide service excellence radio campaign, where service excellence Ambassadors were nominated by the community of Clanwilliam. This culminated in the outside live broadcast with Radio Namakwaland on 26 October 2016, where the winners of the Radio campaign were announced.
- A round table workshop was held with leaders of the businesses in Clanwilliam.

The West Coast District Municipality identified Clanwilliam for the 2016/17 financial year. Strong partnerships were formed between the Clanwilliam Chamber of Commerce, DEDAT, Clanwilliam Tourism and Cederberg Municipality. A total number of 129 beneficiaries participated in the workshops. A total number of 10 businesses participated in the Leadership workshop. The training resulted in the up-skilling of employees in terms of the work functions and striving to increase service delivery in the tourism environment. It also resulted in benefits for the employers in terms of improved customer service provided to tourists, and an improved reputation of a friendly hospitality industry within the destination.

The Media campaign was launched in partnership with Western Cape Government, Ons Kontrei (Community newspaper) and Radio Namakwaland. The media campaign took place from May until October 2016 and included: e-mail flyers, radio advertisements, advertisement in the community newspapers, and a radio competition. The radio competition took place during Tourism month in September 2016. The objective of the radio competition was to involve the community and to further create a culture of service excellence.

The radio competition was managed by Radio Namakwaland. There were three winners during the month of the competition and an overall winner was selected from the weekly winners. In total, an amount of 17 nominations were received. Interviews were conducted by the Department's Tourism team and Corporate Communication with the weekly winners, after which an advertorial was placed in the Ons Kontrei. Radio interviews were also held with the weekly winners and their nominators. This also created a platform to advertise their businesses for free. Prizes were handed over to the winners and nominators at the event held on 26 October 2016.

The announcement of the overall winner of the Journey to Service Excellence (J2SE) programme took place during a live broadcast in partnership with Radio Namakwaland on 26 October 2016 in Clanwilliam. Specially designed



T-shirts was produced to wear at the event on 26 October 2016 to raise more awareness about the Journey to Service Excellence Programme. The J2SE programme was successful in Clanwilliam. This programme would not have been so successful without the support of the Clanwilliam Business Chamber and Clanwilliam Tourism. The Clanwilliam stakeholders will take Service Excellence forward by creating an Annual Service Excellence award as part of their Clanwilliam Business Chamber recognition. Feedback received from the participatory businesses was also very positive.

A further boost to the programme was the implementation of the customer service programme, which was aimed at frontline tourism staff throughout the Western Cape. The accredited CATHSSETA Customer Service training up-skilled the current workforce in order to improve customer service standards. This was a 7-day training programme that included a portfolio of evidence. The Department works closely with municipalities and tourism offices in the regions.

This programme was implemented in the region of the West Coast. The following towns participated, namely: Paternoster, Clanwilliam, Velddrif, Lamberts Bay, Moorreesburg, Riebeeck Kasteel and Milnerton. A total of 119 beneficiaries were trained from May to September 2016. The training resulted in the up-skilling of employees in terms of the work functions and striving to increase service delivery in the tourism environment. It also resulted in benefits for the employers in terms of improved customer service provided to tourist, improved reputation of friendly and hospitality service within the destination.

Tourism Support Services provided support and assistance to 260 tourism establishments and individuals.

This included:

- Management of the negative perceptions around the safety of the destination by providing a pro-active service (distribution of 170 printed safety tips to tourism businesses, hospitals, embassies and police stations) and a re-active service (support and assistance provided to 36 tourists in distress).
- Secretariat support to the relevant Regional Tourism Liaison Committees (RTLCS), which is scheduled on a monthly basis in the districts. 54 applications were approved in the Cape Winelands, 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 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. The Department is also a participant on the SAPS Cape Town Cluster crime report meetings.

Sub-programme 6.3: Tourism Sector Transformation

In terms of the legislative mandate, up-skilling programmes were provided to 308 tourist guides as follows:

- In partnership with the Freedom Route, 10 local persons were up-skilled as culture site guides in the Pniel area. They will help service the route which was launched in August 2015.
- In aligning to project Khulisa's deliverable of job creation, additional training was provided to 10 culture guides, in partnership with the Swellendam Municipality. The majority of the learners are currently unemployed and once trained can operate legally as freelance tourist guides for the specific routes identified.
- A Recognition of Prior Learning Programme enabled two tourist guides to obtain a CATHSSETA accredited qualification, which allows them to continue working legally as registered tourist guides.
- Five information sessions were offered to a total of 286 guides. These sessions provided practical knowledge and experience equipping individuals with the necessary knowledge and skills to operate guided tours more effectively and professionally thereby enhancing the quality of services provided to visitors during their stay in the Province.

During the 2016/17 financial year, 1 148 tourist guides were registered. Three (3) registrations were formally declined, one of the three registrations was a work permit issue and an official appeal was lodged with the National Registrar, to which a response is still needed. The other two registrations supplied fraudulent First Aid Certificates, together with their renewal documentation. A notice in terms of Section 55 of the Tourism Act 3 of 2014 was served, informing the applicants that their registration as tourist guides were withdrawn.

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. One-hundred-and-twenty-four 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. A joint inspection was held on 2 November 2016 with SANParks, the Traffic Department, Registrars of other Provinces and NDT at Cape Point as part of a learning and sharing initiative. As positive reinforcement, the Department sent emails of encouragement and thanks to those tourist guides who uphold the law. This correspondence was well-received and appreciated.

A live database of all registered tourist guides in the Province, is hosted on the Provincial Government's webpage. This provincial database allows direct access to 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

The purpose of the programme was to conduct tourism destination marketing and promotion (leisure and business tourism) for Cape Town and the Western Cape. The programme must also ensure that priority focus is given to the initiatives identified by Project Khulisa Tourism.

Wesgro's implementation of tourism destination marketing was successful. This is reflected in the achievement of the new measurable, the estimated economic impact of activities. The measurable looks at the various tourism activities of leisure tourism and the Convention bureau in relation to the estimated economic impact for the destination. A total of fourteen tourism destination initiatives were supported by the team, resulting in an estimated economic impact of R162m for the region. A total of eleven bids were secured, including conference and incentive bids, with an estimated economic value of R159,3 million attracting an estimated 11 137 delegates.

To create awareness of the region and encourage geographic spread the Agency entered into partnerships with various industry players. During the financial year under review, the Agency entered into three joint marketing agreements with an estimated economic impact of R2.7 million. These agreements included, amongst others, Follow me 2 Africa and Specialised tours and events promoting the West Coast and Winelands districts.

Outcome indicator	Baseline (Actual outcome) 2015/16	Actual performance against Target			Reason for variance	
		Target 2016/17	Actual 2016/17	Deviation from planned target to actual achievement 2016/2017		
Sub-programme: Tourism Planning						
1.1	A single tourism destination strategy and delivery model developed by 2020	-	-	-	-	-
Sub-programme: Tourism Growth and Development						
1.1	Number of tourism niche markets supported	1	2	2	-	-
Sub-programme: Tourism Destination Marketing						
1.1	Estimated economic value of tourism destination marketing initiatives supported by 31 March 2020	-	R149m	R162m	R13m	The inclusion of incentive bids resulted in an increase in the number of bids secured. This led to an increase in the economic value of the initiatives supported.

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 contribute to achieving the identified outcomes of growing tourism direct jobs by up to 100 000 additional jobs and increasing tourism GVA from R17 billion to R28 billion. The Khulisa Tourism Plan was finalised in the 2015/16 financial year and implemented in the 2016/17 financial year, as the first year of implementation.

Performance indicator (Output)		Baseline (Actual output) 2013/14	Baseline (Actual output) 2014/15	Baseline (Actual output) 2015/16	Actual performance against target			Reason for variance
					Target 2016/17	Actual 2016/17	Deviation from planned target to actual achievement 2016/2017	
Sub-programme: Tourism Planning								
1.1	Development of a stakeholder co-ordination strategy	-	-	-	1	1	-	-
Sub-programme: Tourism Growth and Development								
1.1	Number of tourism products supported	2	2	1	2	2	-	-
1.2	Tourism Support Services: Number of tourism establishments/ individuals supported/assisted	225	210	287	180	260	80	The over-achievement is due to extra travel tips being distributed and more tourist incidents occurred than what was envisaged.

Performance indicator (Output)		Baseline (Actual output) 2013/14	Baseline (Actual output) 2014/15	Baseline (Actual output) 2015/16	Actual performance against target			Reason for variance
					Target 2016/17	Actual 2016/17	Deviation from planned target to actual achievement 2016/2017	
1.3	Number of Service Level improvement programmes implemented	-	-	-	1	2	1	The over-achievement is due to Service excellence being a priority in Project Khulisa and the J2SE and customer service programme complementing each other to create a culture of service excellence in the region.
Sub-programme: Tourism Sector Transformation								
1.1	Number of tourist guides developed	-	512	154	52	308	256	The unit has no control over the number of tourist guides who register. One of the reasons is that training is accredited by CATHSSETA and provided by private training providers.

Performance indicator (Output)		Baseline (Actual output) 2013/14	Baseline (Actual output) 2014/15	Baseline (Actual output) 2015/16	Actual performance against target			Reason for variance
					Target 2016/17	Actual 2016/17	Deviation from planned target to actual achievement 2016/2017	
1.2	Number of individuals registered (tourist guides)	1 477	1 666	1 617	1 100	1 148	48	Prior to June 2014 a Tourist guides' registration was valid for 2 years, amendments to that Tourism Act led to the change in registration period from 2 years to 3 years. The Tourist Guide system at the time did not allow the 3 year period to be loaded as it was not written into the code of the tourist guide system. Changes to the system was made and guides were informed. Options were given to those guides to add the additional year however most of the guides opted for the renewal which means that they will renew this year being 2017. In essence 2014 guide with a 2 year period would have had to renew in 2016 but with the extension they will only have to renew in 2017.
1.3	Number of individuals/ tourism related businesses inspected or monitored (tourist guides)	1 108	1 044	127	80	124	44	The over-achievement is due to the influx of tourist at attractions and a joint inspection on 2 November 2016 with the Registrars of other Provinces and NDT at Cape Point as part of learning and sharing initiative, which led to the increase in numbers.

Performance indicator (Output)	Baseline (Actual output) 2013/14	Baseline (Actual output) 2014/15	Baseline (Actual output) 2015/16	Actual performance against target			Reason for variance	
				Target 2016/17	Actual 2016/17	Deviation from planned target to actual achievement 2016/2017		
Sub-programme: Tourism Destination Marketing								
1.1	Number of tourism destination marketing initiatives supported	-	-	-	13	14	1	The outcome of the baseline study assisted the Agency in identifying the key marketing initiatives to support. As a result, the Agency could report on the marketing initiatives supported in the previous quarter.

Strategy to overcome areas of under performance

Not applicable

Changes to planned targets

Not applicable

Linking performance with budgets

During the 2016/17 financial year, an amount of R49 956 000 was appropriated to the programme. Of this, compensation of employees accounted for R7.261 million, goods and services R1.912 million, transfers and subsidies R40.169 million. In this regard, compensation of employees accounted for 14.53% of the programmatic expenditure. Goods and services accounted for 3.83% of the programmatic expenditure for the final expenditure of the Programme. Transfers accounted for 80.41% of the programmatic expenditure. The Programme as a whole spent 98.77% against the appropriated budget.

Sub-programme expenditure

Sub-programme Name	2016/17			2015/16		
	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
Tourism Planning	1	-	1	1 527	1 410	117
Tourism Growth and Development	1	-	1	1 722	1 710	12
Tourism Sector Transformation	12 629	12 017	612	8 722	8 462	260
Tourism Destination Marketing	37 325	37 325	-	28 300	28 300	-
Total	49 956	49 342	614	40 271	39 882	389

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.

Programme structure

The Programme is structured as follows:

- Sub-programme 7.1: Provincial Skills and Partnership
- Sub-programme 7.2: Skills Programmes and Projects
- Sub-programme 7.3: Skills Incentives

Service delivery objectives and indicators

Skills are an essential contributor to the development of individuals, businesses, societies and economies. The importance is even more pronounced in the South African context where high levels of structural unemployment among the youth is still more prevalent than in other emerging economies. According to the National Planning Commission (2012; 98), South Africa is experiencing a youth bulge, and this represents an opportunity for positive growth if young people are meaningfully employed, but poses a potential for grave social instability if they are not.

While low skill levels and lack of experience are widely known as the primary causes of unemployment amongst youth, it is also becoming increasingly apparent that a large number of young graduates are unable to find employment due to an education system that is supplying industry with skills that are either inadequate or irrelevant. Globally, apprenticeship based learning remains the most effective learning methodology that produces high quality workers that have the skills that employers actually need.

In South Africa apprenticeships are linked to traditional artisan trade occupations such as electricians, welders, fitters etc., but globally many countries have expanded their apprenticeship systems to include any occupation that you would find in the workplace. The reason for this is that apprenticeships have proved that they have a significant impact on youth unemployment reduction. This is because an apprenticeship:

- Ensures that training matches the needs within a company or industry.
- Keeps up-to-date with changes in technology, work practices, and market dynamics.
- Links classroom and workplace training so that young people acquire relevant skills.
- Equips young people with critical core skills, such as problem solving, teamwork, and communication.
- Offers young people a small income while preparing for the job market.
- Helps them clear the hurdle of having no job experience, a barrier that prevents many university graduates from securing their first job.

The inability of the economy to absorb youth into employment when they become available result in delays in affording young people with an opportunity to strengthen their existing skill sets.

The success of the Apprenticeship Game Changer – apprentices in appropriate occupations who qualify as competent, work ready young people – is largely dependent on active participation of employers. The employer needs to be firmly at the centre, creating the bridge that will enable learners to move from educational institutions into the workplace as apprentices in increasing numbers. This will require consistent and sustained partnerships and coordination between stakeholders that is underpinned by sharing critical data. These partnerships are based on a two tier consultative approach that draws together technical expertise from all the partners as well as a guiding coalition of executive leaders.

The workplace supply target is based on those learners that complete their workplace-based learning each year and enter the labour market as competent workers. The 2015 data shows that at least 6 000 learners completed their training. The aim is to increase that number to at least 15 000 by March 2019 (150% increase). The cumulative target for workplace learners over the game changer period is 32 500 competent workers.

Although the majority of these workplace based learners will be produced through short-term skills programmes as well upskilling/re-skilling of existing workers through short courses and specialisation training, the Game Changer aims to progressively increase the actual number of learners in formal apprenticeships. The targets cover all sectors in the Western Cape economy that will cross subsidise and thereby support the skills needs of the priority sectors in order to achieve the envisaged ambitious economic growth and job targets of Oil and Gas, Tourism and Agri-processing sectors.

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 an 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 welding and fabrication for a focus on semi-skilled occupations.

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 are aimed at contributing towards increasing the number and quality of technical and vocational skills, linked to 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 key stakeholders from industry and TVET colleges placed graduates from the hospitality, manufacturing and engineering qualifications to support their attainment of trade tests. Stakeholder participation has been necessary to develop programmes that identify prospective employees in the sectors and placed these learners within Industries to gain relevant work experience.

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

Improved Coordination

One of the institutions established within the Western Cape is 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 Working Groups has been established to facilitate ongoing discussions regarding skills development challenges and identify solutions.

Outcome indicator		Baseline (Actual outcome) 2015/16	Actual performance against target			Reason for variance
			Target 2016/17	Actual 2016/17	Deviation from planned target to actual achievement 2016/2017	
Sub-programme: Provincial Skills and Partnership						
1.1	Number of collabora- tive skills interventions supported	14	8	3	5	Three agreements initiated in 2016/17 was only concluded in 2017/18.
1.2	Value of funds lever- aged	R23.527m	R20m	R18.112m	R1.888m	Adverse economic environment.
Sub-programme: Skills Programmes and Projects						
1.1	Number of Artisans Trade Tested	69	20	52	32	Prior year artisanal candi- dates only completed the programme in 2016/17.
1.2	Value of funding leveraged	R2.226m	R1m	R3.978m	R2.978m	More learners placed, co-funding from partners contributed.
Sub-programme: Skills Incentives						
1.1	Value of funds leveraged	-	-	-	-	-

Performance indicators and targets

Improved Coordination

The skills development unit is responsible for driving the coordination, planning and delivery of skills development initiatives towards achieving the targets of the Apprenticeship Game Changer. The work includes driving career awareness of the technical and vocational skills opportunities in the Western Cape and also coordinates the efforts of stakeholders towards achieving work placement opportunities for 'graduates' from skills initiatives.

To support the work of the Apprenticeship Game Changer, the unit drives strategic stakeholder forums including the Premier's Council on Skills and various sectoral Technical Advisory Forums (TAFs). These TAFs were established for Oil and Gas, Agri-processing, Tourism, ICT/BroadBand, Energy and Assessment, RPL and Mentorship (ARM), with the purpose of identifying the occupations and training requirements in demand per sector and to facilitate solutions. It also drives the process for obtaining data on skills supply and demand in the province to facilitate the planning processes.

Collaborative interventions supported

Improving coordination amongst skills development stakeholders, including business, training providers, civil society, organised labour and government is important 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 2016/17 includes financial and non-financial collaborations. The Skills unit has also become the lead for the Apprenticeship Game Changer (previously Skills Game Changer) which impacted on the targets. The engagements included taking the concept of Apprenticeship as a Game Changer to Industry and in the main as it relates to the Oil and Gas; Hospitality and Tourism; and Agri-processing growth sectors and ICT/Broadband and Energy as the enabling 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 and other non-financial support for skills development programmes across the three spheres of government, industry and complementing partner efforts to achieve the necessary 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 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.

The Artisan Development Programme’s (ADP) primary platform is around placing artisanal candidates in workplaces with the Khulisa growth sectors in mind, and supporting the Apprentice Game Changer (AGC) to ensure there are sufficiently qualified technical and vocational skilled young people to supply the needs of the prioritised economic growth sectors in the Western Cape.

It is estimated that the programme has placed mainly in the following occupations/trades; Boilermakers, Electricians, Welders, Fitting and Turning, Fitters, Toolmakers, Diesel Mechanics, Motor Mechanics, Machinist, Auto Electricians, Plumbers, Carpenters etc to date.

This programme was able to recruit unemployed youth that have completed their respective trade theory and 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 artisan ship. After CBMT the apprentice is placed for 18 months at a host company to become eligible for the national trade test.

Skills Incentives

The Skills Incentives sub-program has been a key driver in leveraging partnerships through the TVET’s for appropriately trained learners to match the demand of firms, as well as recruiting potential host companies to take on unemployed youth to assist increasing employability through placement opportunities and increasing the offering of work readiness programs.

The Western Cape SETA (Sector Education and Training Authority) Cluster and the SAOGA (South African Oil and Gas Alliance) plays an important role in the Apprenticeship Game Changer as well as the Work and Skills Programme through advocating the programmes to stakeholders and opening doors for youth work placement opportunities. Initiated in 2005 the Western Cape Seta Cluster aims to facilitate the collaboration amongst DEDAT and SETAs. The quarterly meetings and regular communication improves information sharing which leads to an enhanced understanding of the value and roles of SETAs in the Skills Development value-chain within the Western Cape Economy.

Seventeen of the 21 SETAs have attended quarterly meetings, which include SETAs who are not WC based like PSETA, BankSETA, INSETA and the MQA to increase the footprint of the Apprenticeship Game Changer.

A highlight of the 2016/17 financial year was the funding agreement signed with MerSETA to the value of R16,7 million with an estimated 3 000 learners benefitting. Planned interventions include learnerships in the Green Economy Space, Mathematics support for grade 12 learners, Internships, as well as the first role out of an innovative new training programme for bicycle mechanics.

The Skills Incentives Unit was tasked to explore opportunities to align fundraising opportunities and Skills Development incentives with the strategic priorities of the Department of Economic Development and Tourism and the Apprenticeship Game Changer (ASG).

The sub-program was tasked to establish active, Corporate Social Investment and Work Readiness databases, to assist with the planning of a co-ordinated approach to Skills Incentives, in support of the AGC. The AGC Skills Project needs have been identified and prioritised and this is ongoing, serving as a foundation for the funding opportunities to be explored, that will be secured with various partners in subsequent years.

The sub-program has also been pro-active in securing many host companies who have either established Work Readiness programs and or have developed these to assist increasing the employability of youth.

Performance indicator (Output)		Baseline (Actual output) 2013/14	Baseline (Actual output) 2014/15	Baseline (Actual output) 2015/16	Actual performance against target			Reason for variance
					Target 2016/17	Actual 2016/17	Deviation from planned target to actual achievement 2016/2017	
Sub-programme: Provincial Skills and Partnership								
1.1	Number of structured and scheduled engagements, forums and events	14	16	22	24	25	1	The introduction of the Technical Advisory Forums as part of the Apprenticeship Game Changer lead to additional forums rolled out.
Sub-programme: Skills Programmes and Projects								
1.1	Number of artisanal candidates trained	-	-	362	250	693	443	The launch of the AGC increases the focus on priority occupations including trades within the key priority sectors. This resulted in more artisan candidates, identified by public TVET colleges, to be funded than the planned target to complete CBMT phrase training, with the aim to increase the number of learners articulating into work- [placement to become trade test ready.
1.2	Number of semi-skilled people trained	-	-	1 938	310	469	159	Increased uptake for demand led training by industry resulted in more learners being trained and completing their training modules in the first quarter of the 2017 academic year. Partnerships were established within industry for learners that exited training in this quarter, to articulate into work placement opportunities, based on when they were able to accommodate learners.

Performance indicator (Output)		Baseline (Actual output) 2013/14	Baseline (Actual output) 2014/15	Baseline (Actual output) 2015/16	Actual performance against target			Reason for variance
					Target 2016/17	Actual 2016/17	Deviation from planned target to actual achievement 2016/2017	
1.3	Number of artisanal candidates placed in host companies	202	187	174	240	144	96	Due to unfavourable economic conditions and lack of supply that meet qualifying criteria, the demand decreased and rolled over in the 2017/18 year for uptake.
1.4	Number of semi-skilled workers placed in host companies	-	-	1 136	940	1 760	820	The launch of the AGC increases the focus on priority occupations within the Key Priority sectors. This gave rise to partnerships established with industry and a demand for various entry level and occupational skills. These partnerships resulted in an increase in the number of semi-Skilled people placed in demand-led skills within economic sectors then originally planned.
Sub-Programme: Skills Incentives								
1.1	Number of collaborative agreements signed	-	-	-	2	2	-	-

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 R62.802 million to enhance collaboration and to deliver on skills programmes and projects. This funding is aimed at ensuring that an enabling environment is created for economic growth and jobs, through skills development initiatives.

The Programme targets mainly unemployment youth. Included within this amount is an amount of R11.674 million or 18.6% 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. Transfers to households (stipend payments to recipients) amounted to R15.064 million or 24% of the budget, while goods and services (mainly training opportunities) amounted to R35.682 million or 56.8% of the 2016/17 budget.

Sub-programme expenditure

Sub-programme Name	2016/17			2015/16		
	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 and Partnership	10 662	10 596	66	7 374	6 889	485
Skills Programmes and Projects	49 825	42 085	7 740	46 815	45 299	1 516
Skills Incentives	2 315	1 841	474	356	356	-
Management: Skills Development	-	-	-	-	-	-
Total	62 802	54 522	8 280	54 545	52 544	2 001

5. Summary of Financial Information

5.1 DEPARTMENTAL RECEIPTS

Departmental Receipts	2016/17			2015/16		
	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
Tax Receipts	-	-	-	27 000	26 178	822
Casino taxes						
Horse racing taxes						
Liquor licences	-	-	-	27 000	26 178	822
Motor vehicle licences						
Non Tax Receipts	284	1 059	775	6 123	12 661	(6 538)
Sale of goods and services other than capital assets	284	320	36	270	428	158
Transfers received						
Fines, penalties and forfeits						
Interest, dividends and rent on land	-	-	-	-	42	(42)
Sale of capital assets	-	22	22	-	-	-
Financial transactions in assets and liabilities	-	717	717	5 853	12 191	(6 338)
Total	284	1 059	775	33 123	38 839	(5 716)

5.2 PROGRAMME EXPENDITURE

Programme Name	2016/17			2015/16		
	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	52 314	51 656	658	41 904	40 330	1 574
Integrated Economic Development Services	42 283	41 661	622	54 968	53 802	1 166
Trade and Sector Development	56 653	55 591	1 062	58 103	57 663	440
Business Regulation & Governance	10 911	10 479	432	50 137	49 778	359
Economic Planning	298 347	296 135	2 212	144 335	138 785	5 550
Tourism, Arts & Entertainment	49 956	49 342	614	40 271	39 882	389
Skills Development & Innovation	62 802	54 522	8 280	54 545	52 544	2 001
Total	573 266	559 386	13 880	444 263	432 784	11 479



5.3 TRANSFER PAYMENTS TO PUBLIC ENTITIES

The table below reflects the transfer payments made for the period 1 April 2016 to 31 March 2017.

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity	Reasons for the funds unspent by the entity
Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro)	For the establishment, set-up and operationalisation of the Cape Investment Centre (One Stop Shop).	R2 500	R24	See Part B: Programme 2: Integrated Economic Development Services.	The funds, initially allocated for the operational expenditure (opex) of the CIC were transferred to Wesgro in December 2016. A delay in obtaining commitment from a second partner, responsible for the capex investment (set-up costs) relating to the centre, necessitated that the opex budget be used for set-up related costs. The timing of the transfer (December 2016) resulted in Wesgro only being able to publish the tender for a service provider in January 2017. At the time of publishing the tender, Wesgro continued to negotiate with the landlord regarding (free) additional renovations. Upon confirmation of the (free) additional renovations, the tender was withdrawn and re-issued in March 2017. The delay in spending the funding is due to the process of appointing a service provider not being finalised.
The Saldanha Bay Industrial Development Zone (SBIDZ)	For the development and hosting of the Procurement Portal.	R400	R0	See Part B: Programme 2: Integrated Economic Development Services.	The SBIDZ delayed payment due to the Corporate Procurement Forum being required to approve the service provider to be appointed that will develop the portal. The service provider has been appointed.
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.	R25 000	R25 000	See Part B: Programme 3: Trade and Sector Development.	-
Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro)	Halal Export Promotion.	R1 750	R1 064	See Part B: Programme 3: Trade and Sector Development.	Additional activities will be taking place during April and May 2017.

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity	Reasons for the funds unspent by the entity
Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro)	Wine and Brandy Promotion.	R1 667	R1 342	See Part B: Programme 3: Trade and Sector Development.	Additional activities taking place during April and May 2017.
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.	R29 824	R29 824	See Part B: Programme 5: Economic Planning.	The sales agreement was concluded and signed by both parties (IDC and SBIDZ) and the property transfer is being concluded by the lawyers. The administrative process includes the following (which is causing longer time lines): - The exact correct extent of Portion 23 of the farm Yzer-varkensrug (one of the portions in this transaction) has to be confirmed by the IDC - A tiny portion of land, that will constitute public streets, need to be transferred to the Saldanha Bay Municipality.
The Saldanha Bay Industrial Development Zone (SBIDZ)	SBIDZ purchasing designated land from the Industrial Development Corporation (IDC) as per approval by Cabinet.	R100 000	R0	See Part B: Programme 5: Economic Planning.	The property transaction is in progress – final erf demarcation and title deeds transfer process being handled by the office of the Attorney General and the legal teams of the transacting parties.
Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro)	For the establishment/expansion of direct air routes into Africa.	R5 535	R5 375	See Part B: Programme 5: Economic Planning and Programme 6: Tourism, Arts and Entertainment.	The project manager and the data analyst for the project resigned in April and July respectively and the replacements were only appointed in October. This resulted in some savings in HR expenditure and delays in implementation of the Route Stimulation Plan that were finalised in March.
Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro)	Cape Health Technology Park.	R300	R300	See Part B: Programme 5: Economic Planning.	-

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity	Reasons for the funds unspent by the entity
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.	R35 175	R33 174	See Part B: Programme 6: Tourism, Arts and Entertainment.	One of the events within the Destination Marketing space is only set for implementation in May 2017 (Cape Cycle Tour).
Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro)	Real Time Data project.	R2 300	R0	See Part B: Programme 6: Tourism, Arts and Entertainment.	The money was transferred as part of the 2016/17 Adjustment Estimate process in January 2017. Commitments are in place to spend the allocation in 2017/18 by Wesgro.

5.4 TRANSFER PAYMENTS TO ALL ORGANISATIONS OTHER THAN PUBLIC ENTITIES

The table below reflects the transfer payments made for the period 1 April 2016 to 31 March 2017.

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
Programme 2: Integrated Economic Development Services						
Casidra	Public Corporation	To support businesses through the implementation of the Western Cape SMME Loan Fund.	Yes	3 000	308	The SMME Loan Fund is a demand led product with set qualifying criteria. Not all businesses applying for assistance to the programme will be assisted.
National Empowerment Fund	Non Profit Institution	Financial support for qualifying small enterprises and cooperatives.	Yes	1 500	0	The funds have been allocated to assist six beneficiaries in upgrading spaza shops into mini supermarkets. The identification of the six beneficiaries had not been finalised at 31 March 2017.
Supplier Development Programme: Agri-processing (Various Enterprises)	Private Enterprises	To develop businesses through a structured process to ensure that the business is able to move up the value chain of the agri-processing sector.	N/A	2 802	2 802	-

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
Households	Households	Financial support for the winners of the PERA 2015.	N/A	2 030	2 030	-
Programme 3: Trade and Sector Development						
BPeSA	Non Profit Institution	To fund cluster facilitation, sector growth and a contribution toward operational costs.	Yes	R1 050	R1 045	The balance is for operational funding.
Cape Craft and Design Institute	Non Profit Institution	To fund cluster facilitation, sector growth and a contribution toward operational costs.	Yes	R875	R875	-
Cape Clothing and Textile Center	Non Profit Institution	To fund cluster facilitation, sector growth and a contribution toward operational costs.	Yes	R571	R571	-
Cape Innovation and Technology Initiative	Non Profit Institution	To fund cluster facilitation, sector growth and a contribution toward operational costs.	Yes	R1 050	R1 050	-
Cape Town Fashion Council	Non Profit Institution	To fund cluster facilitation, sector growth and a contribution toward operational costs.	Yes	R1 050	R1 050	-
Clotex	Non Profit Institution	To fund cluster facilitation, sector growth and a contribution toward operational costs.	Yes	R 700	R662	The balance is for operational funding.
South African Oil and Gas Alliance	Non Profit Institution	To fund cluster facilitation, sector growth and a contribution toward operational costs.	Yes	R4 900	R4 899	This is the balance of interest accumulated in the account and was retained in the account to cover bank charges before we receive our allocation.
Western Cape Fine Food Initiative	Non Profit Institution	To fund cluster facilitation, sector growth and a contribution toward operational costs.	Yes	R2 100	R2 100	-

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
Western Cape Tooling Initiative	Non Profit Institution	To fund cluster facilitation, sector growth and a contribution toward operational costs.	Yes	R700	R649	The balance is for operational funding.
Programme 5: Economic Planning						
Convenco	Non Profit Institution	For the expansion of the Cape Town International Convention Centre.	Yes	R65 000	R65 000	-
Cape Craft and Design Institute	Non Profit Institution		Yes	R8 500	R5 877	Balance has accrued with expenditure in March and April. R3.5 million was transferred in January to the Jobs Funds for the 2017/18 financial year. An TPA is in process of being developed.
Genesis Comm IT Initiative	Non Profit Institution	Operational funding for ICAN Elsies River.	Yes	R750	R746	-
Cape Digital Foundation	Non Profit Institution	Operational funding for the Cape Digital Foundation.	Yes	R1 400	R992	The last transfer of R350 000 was processed in February 2017 and therefore there is a balance of R408 000 which will be spent by July 2017.
Cape IT Initiative	Non Profit Institution	Operational funding for Bandwidth barn Khayelitsha.	Yes	R500	R500	-
Green Cape	Non Profit Institution	To fund cluster facilitation, sector growth and a contribution toward operational costs.	Yes	R6 900	R6 900	-
Green Cape	Non Profit Institution	For the implementation of projects within the Green Economy sector.	Yes	R7 125	R7 125	-
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	R9 654	R9 654	-

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
Programme 7: Skills Development and Innovation						
Households	Households	To facilitate the payment of beneficiary stipends.	Yes	R11 483	R6.921m	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 000	R499	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 DE-DAT, Oracle, CITI and MICT Seta .	Yes	R2 541	R1 074	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 2016 to 31 March 2017, but no transfer payments were made.

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
None	N/A	N/A	N/A	N/A

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 2016/17 financial year. However, as part of its Annual Appropriation, additional earmarked funds were received for the following:

- R20.874 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.
- An amount of R29.939 million was earmarked for support to the Broadband Stream 2 Initiatives
- The Saldanha Bay IDZ received an allocation of R29.824 million to support the functioning of the governance structures constituted to oversee and manage the planning and implementation of the Saldanha Bay IDZ project.
- R65.000 million was allocated for the expansion of the Cape Town International Convention Centre (CTICC).
- An amount of R9.654 million was appropriated to support the operations of the Western Cape Economic Development Partnership (WCEDP) during the 2016/17 financial year.
- An amount of R4.309 million was earmarked for support towards the Energy Game Changer. Of this amount, a total of R2.375 million was earmarked for Energy Game Changer personnel expenditure.
- An amount of R2.500 million was earmarked for support towards the Skills Game Changer.

Department who transferred the earmarked allocation	Provincial Treasury
Purpose of the earmarked funds received	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.
Expected outputs of the earmarked funds received	Number of investment projects realised: 12 Number of business agreements signed: 15
Actual outputs achieved	Number of investment projects realised: 12 Number of business agreements signed: 41
Amount per amended DORA	Not Applicable
Amount Received (R'000)	R20.874 million
Reasons if amount as per DORA was not received	Not Applicable
Amount spent by the department (R' 000)	R20.874 million
Reasons for the funds unspent by the entity	Not Applicable
Reasons for deviations on performance	Not Applicable
Measures taken to improve performance	Not Applicable
Monitoring mechanism by the receiving department	Wesgro is monitored through the Department's AOPI Process and they sign Technical Indicator reports and report their performance on a Quarterly basis. The HoD has monthly meetings with Wesgro, there are monthly Tourism Manco meetings held with the Chief Director responsible for oversight. Wesgro provides Quarterly Progress report to DEDAT and DEDAT produces Monitoring reports.

Department who transferred the earmarked allocation	Provincial Treasury
Purpose of the earmarked funds received	<p>To provide support to the Broadband Stream 2 Initiatives in its objective to improve the competitiveness of businesses and the lives of citizens through broadband adoption.</p> <p>Western Cape Broadband Initiative is based on the pillars of infrastructure, readiness and usage and it requires that government, citizens and business are able to access digital and technological infrastructure and services but also that they have the skills (readiness) and demand (usage) to competently and adequately engage with the technology in order to improve their competitiveness and efficiencies.</p>
Expected outputs of the earmarked funds received	<p>Implementation of the following projects</p> <ol style="list-style-type: none"> Public Access Wi-Fi Implementation of 384 public access Wi-Fi hotspots at Western Cape Government buildings over a period of 3 years. Target is one in every ward, for 16/17 target was 100 hotspots Internet Champions Training and deployment of 200 Internet Champions at 100 Wi-Fi hotspot sites to deliver basic digital literacy to citizens reaching 200 000 citizens. Big Data/HPC Completion of the business and financial modelling as well as the economic impact assessment and a draft implementation plan of the Cape Big Data facility project.
Actual outputs achieved	<ol style="list-style-type: none"> Public Access Wi-Fi 128 completed in 16/17, bringing the total to 178 have been completed in the first 2 years. Internet Champions 200 Internet Champions trained and deployed reaching a total of 181 383 local citizens in 2016-17. Big Data/HPC Completion of the business and financial modelling as well as the economic impact assessment and a draft implementation plan of the Cape Big Data facility project.
Amount per amended DORA	Not Applicable
Amount Received (R'000)	R29.939 million
Reasons if amount as per DORA was not received	Not Applicable
Amount spent by the department (R' 000)	<p>R16.987 million</p> <p>Rolled over amount totalling R10.885 million</p> <p>Underspending on adjusted budget R1.899 million</p>
Reasons for the funds unspent by the entity	<p>Unfortunately, the Public Wi-Fi and Citizen Internet Champions project runs sequentially following the deployment of the Connected Government project driven by Cel.</p> <p>Changes related to the Government Connectivity (Stream 1) planning, therefore has a direct impact upon the sites which may be selected for public Wi-Fi access.</p> <p>This require re-negotiation of the technical specifications linked to the Wi-Fi installation and DEDAT needed to include Wi-Fi deployment over wireless which as previously excluded.</p> <p>This, along with the delays associated with the Stream 1 knock-on factors, meant that the implementation was delayed and costs needed to be deferred to when sites were live.</p> <p>Regarding Big Data: DEDAT is awaiting confirmation from DST regarding the location of the facility, whereafter the technical specifications can be drafted.</p>

Reasons for deviations on performance	<p>Regarding Public Wi-Fi and Citizen Internet Champions: As stated above.</p> <p>Wi-Fi sites are only paid for, at the point of activation, whereafter a monthly service fee is paid. Delays in site activation to mostly the last quarter has meant that although the number of hotspots were completed in the financial year, the duration from when the sites were accessible to the public was very short.</p> <p>Regarding Big Data: As above. All other elements were completed.</p>
Measures taken to improve performance	<p>Regarding Public Wi-Fi and Citizen Internet Champions: Greater alignment with Cel to ensure that the scheduling and planning implementation can be improved.</p> <p>The DEDAT HOD has formally asked Neotel for a meeting to elevate concerns raised by DEDAT.</p> <p>Regarding Big Data: The delays are beyond the control of DEDAT and could not have been avoided at this time.</p>
Monitoring mechanism by the receiving department	<p>Each project is governed through SLAs between the Department and the service provider which outlines the deliverables. Each project has an oversight committee and/or project operational committee which is made up of multi-stakeholders as follows:</p> <ol style="list-style-type: none"> 1. Public Wi-Fi: <ol style="list-style-type: none"> a. Oversight Committee chaired by Senior DEDAT officials and Executive team from Neotel which met quarterly. b. Operational committee which is made up of operational team members of DEDAT and Neotel which met fortnightly. c. Inter-departmental reference team which met quarterly to provide update on the WI-FI and Internet Champion project. 2. Internet Champion: <ol style="list-style-type: none"> a. Operation committee meeting which operational team from DEDAT and Service provider (Computer4Kids) 3. Big Data: <ol style="list-style-type: none"> a. Oversight Steering Committee which met at key milestone junctures in the project. Members included senior persons in DEDAT, City of Cape Town, Cel, UCT and CHEC. b. Operational meetings are required.
Department who transferred the earmarked allocation	Provincial Treasury
Purpose of the earmarked funds received	<p>Supporting the Saldanha Bay Industrial Development Zone Licensing Company (SBIDZ-LC) in terms of their core function of establishing and IDZ/SEZ in Saldanha Bay by:</p> <ol style="list-style-type: none"> (a) promoting, managing and marketing the SBIDZ; (b) providing internal infrastructure in the SBIDZ area; (c) facilitating the ease of doing business in the SBIDZ area; and (d) acquiring and leasing land incidental to the Company's business.
Expected outputs of the earmarked funds received	Number of infrastructure projects supported: 1
Actual outputs achieved	Number of infrastructure projects supported: 1
Amount per amended DORA	Not Applicable
Amount Received (R'000)	R129.824 million
Reasons if amount as per DORA was not received	Not Applicable

Amount spent by the department (R' 000)	R129.824 million
Reasons for the funds unspent by the entity	R100m for property transaction will only be spent when property transfer is finalised by Deeds Office.
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	The SBIDZ-LC is monitored through the WCG's APP Process and they report their performance on a Quarterly basis. The HoD has bi-monthly meetings with the SBIDZ and the Department is represented on the Executive Committee that meets weekly as an operational management team. The SBIDZ-LC provides Quarterly Progress report to DEDAT and DEDAT produces Monitoring reports.
Department who transferred earmarked allocation	Provincial Treasury
Purpose of the earmarked funds	Expansion of the Cape Town International Convention Centre (CTICC) to increase capacity by 10 000m ² in support of the Tourism (MICE) industries.
Expected outputs of the earmarked funds received	Number of infrastructure projects supported: 1 (a) 18 571 Shares bought to the value of R65 Million (b) Recapitalisation used towards developing CTICC 2 infrastructure
Actual outputs achieved	Number of infrastructure projects supported: 1 (a) 18 571 Shares bought to the value of R65 Million (b) Recapitalisation used towards developing CTICC 2 infrastructure
Amount per amended DORA	Not Applicable
Amount Received (R'000)	R65 million
Reasons if amount as per DORA was not received	Not Applicable
Amount spent by the department (R' 000)	R65 million
Reasons for the funds unspent by the entity	All funds were spent.
Reasons for deviations on performance	Not Applicable
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	<ul style="list-style-type: none"> • Monthly Municipal accounts and project progress reports from Convenco • Monthly project meetings • Quarterly (changed to monthly) meetings between DEDAT Minister, WCG Officials, CCT Deputy Mayor and officials with Convenco CEO, Chair and Development manager.
Department who transferred earmarked allocation	Provincial Treasury
Purpose of the earmarked funds received	To support the operations of the Western Cape Economic Development Partnership (WCEDP) during the 2016/17 financial year.
Expected outputs of the earmarked funds received	5 partnerships tested by means of Partnering Readiness Assessments
Actual outputs achieved	5 partnerships tested by means of Partnering Readiness Assessments
Amount per amended DORA	Not Applicable

Amount Received (R'000)	R9.654 million
Reasons if amount as per DORA was not received	Not Applicable
Amount spent by the department (R' 000)	R9.654 million
Reasons for the funds unspent by the entity	Not Applicable
Reasons for deviations on performance	Not Applicable
Measures taken to improve performance	Not Applicable
Reasons for deviations on performance	Not Applicable
Measures taken to improve performance	Not Applicable
Monitoring mechanism by the receiving department	<p>The EDP submitted written progress reports to the relevant programme manager of the Department on a quarterly basis after the end of each of the following quarters:</p> <ol style="list-style-type: none"> 1 April to 30 June; 1 July to 30 September; 1 October to 31 December; and 1 January to 31 March. <p>The above-mentioned progress reports reflected the achieved targets and outputs, as outlined in the Business Plan. These progress reports were submitted together with supporting document(s) substantiating the achieved targets and outputs.</p>
Department who transferred the earmarked allocation	Provincial Treasury
Purpose of the earmarked funds received	Support towards Energy Security Game Changer
Expected outputs of the earmarked funds received	Running of game changer office including appointment of Staff and contribution to communications campaign
Actual outputs achieved	Staff appointed and communications campaign run
Amount per amended DORA	Not Applicable
Amount Received (R'000)	R4.309 million
Reasons if amount as per DORA was not received	Not Applicable
Amount spent by the department (R' 000)	R3 790 379 million
Reasons for the funds unspent by the entity	Late Appointments
Reasons for deviations on performance	2 graduate interns were appointed in July 2016
Measures taken to improve performance	Not Applicable
Monitoring mechanism by the receiving department	Staff performance and evaluation Departmental budget tracking and Stocktake reporting

Department who transferred the earmarked allocation	Provincial Treasury
Purpose of the earmarked funds received	Support towards the Skills Game Changer.
Expected outputs of the earmarked funds received	Appointment of staff
Actual outputs achieved	Staff appointed
Amount per amended DORA	Not Applicable
Amount Received (R'000)	R2.500 million
Reasons if amount as per DORA was not received	Not Applicable
Amount spent by the department (R' 000)	R1.9 million
Reasons for the funds unspent by the entity	Late Staff appointment
Reasons for deviations on performance	Staff positions advertised and recruitment of staff after 1 st Q 2016/17
Measures taken to improve performance	Not Applicable
Monitoring mechanism by the receiving department	Staff performance and evaluation

5.7 DONOR FUNDS RECEIVED

During the financial year, the Department received funding from the Jobs Fund for the advancement of skills amongst youth programmes.

Donor Fund 1: National Treasury: Jobs Fund

Name of donor	Jobs Fund
Full amount of the funding (R'000)	R39.268 million To date received R31.344 million
Period of the commitment	4 years
Purpose of the funding	To support the Work and Skills Programme
Expected outputs	Number of learners employed (1 755) and time-bound internships (2 700)
Actual outputs achieved	Learner employed (11 620), while 3 304 completed time-bound internships
Amount received in current period (R'000)	R14 771
Amount spent by the department (R'000)	R13 900
Reasons for the funds unspent	Project runs over financial years and co-funded from departmental funding.
Monitoring mechanism by the donor	Quarterly reporting and Site Visit verification

5.8 CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

Infrastructure Projects	2016/17		(Over)/ Under Expenditure	2015/16		(Over)/ Under Expenditure
	Final Appropriation	Actual Expenditure		Final Appropriation	Actual Expenditure	
	R'000	R'000		R'000	R'000	
New and replacement asset	3 649	3 528	121	5 843	5 692	151
Existing Infrastructure assets	-	-	-	-	-	-
Upgrades and additions	-	-	-	-	-	-
Rehabilitation, renovations and refurbishments	-	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-	-
Infrastructure Transfer	-	-	-	-	-	-
Current	-	-	-	-	-	-
Capital	-	-	-	-	-	-
Total	3 649	3 528	121	5 843	5 692	151

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 2017/18.

- **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 2016/17 the Department embarked on a disposal process. The asset base in this regard was reduced by R1.683 million (A total of 417 Assets). The asset base was further reduced by R36k due to write offs.

- **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**

16% is in a good condition
77% is in a fair condition
7% is in a bad 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

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. The departmental profile of this committee is representative of the top management structure which may be contextualised into the King III principle: Board and Directors. The Governance committee ensures that corporate, ethical and social responsibility and accountability are imparted to the Departments' entire stakeholder constituent and applies this ethos to their business responsibility in leading the Department towards the achievement of its mandate.

Falling in the ambit of various corporate governance principles, the Department prides itself on exceeding the legislated timeframe to pay suppliers of 30 days to a very prudent 18 days. In the context of government business where public value and participation is the goal as opposed to profits and with the added provincial strategic goal of creating economic growth for the Western Cape, it is the Department's obligation and fiduciary duty, as entrusted with taxpayer's money, to strive to support Small and Micro Enterprises SMEs with good business and not be a blockage for economic growth. It therefore recognises the importance of enabling small enterprises with the necessary business and cash flow as a conduit for business and economic growth.

In the same Western Cape economy growth strain, The Department commenced the process of establishing databases or panels of service providers during the 2015/2016 year with the intent of driving more efficient procurement mechanisms for certain commodities and from a corporate responsibility perspective, to ensure that the public derives quality government services from intensely screened service providers that underwent a vigorous competitive bidding process. During the 2016/2017 financial year, the seeds of these panels of service providers were reaped in that the procurement processes for these particular services proved to be more efficient and qualitative issues were reduced.

As a direct intervention of the Department's social responsibility, NGOs that plays a key role in community skills development and social upliftment programmes were identified to whom obsolete and redundant assets were donated. These worthy NGOs, only deemed so due to their altruistic goals, works in the communities that profiles the Departments' beneficiaries, and in this way, support is gained for future uptake of government service offerings.

The **2016/17** financial year observed the re-engineering of the **budget allocation process.**

Lastly and under the banner of the corporate governance values of transparency, accountability and economy, the 2016/2017 financial year observed the re-engineering of the budget allocation process where Programmes apply for their share of the departmental budget in the project proposal and project implementation plan process. The latter documents were intensely scrutinised and thereafter enhanced with the intent of prompting the author and subsequent evaluator to clearly demonstrate project intelligence and well-defined alignment to the mandate of the Department. Only projects that achieved these two goals would then proceed to recommendation stage and further onto implementation, thereby ensuring that a state of better allocative efficiency is attained and projects more effectively achieve their outcome deliverables.

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 for the period 2016/17 – 2017/18, approved by the Accounting Officer on 22 April 2016; and an ERM Strategy and Implementation Plan for 2016/17, approved by the Accounting Officer on 22 April 2016. 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 29 March 2016. 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 Economic Cluster Audit Committee furthermore monitors the risk management process independently as part of its quarterly review of the Department.

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 2016/2017 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 application of risk categorisation and the related setting of risk tolerance levels better contextualise risks to risk owners in that it healthily questions 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, theft and corruption. In line with this strategy the Department is committed to zero-tolerance with regard to corrupt, fraudulent or any other criminal activities, whether internal or external, and vigorously pursues and prosecutes by all legal means available, any parties who engage in such practices or attempt to do so.

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 to generate 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, theft 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 to the South African Police Services.

For the year under review, the PFS issued a Case Movement Certificate for the Department noting the following:

Open cases as at 1 April 2016	0
New cases (2016/17)	0
Closed cases (2016/17)	(0)
Referred cases (2016/17)	(0)
Open cases as at 31 March 2017	0

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 2016/2017 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 are 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

During the period under review the Department went through a process of skilling, upskilling and retraining the Occupation Health and Safety Committee members to foster and nourish a healthy and safe work environment for all individuals in the work field. The success of the training is evident in the outcome of the two evacuation drills which were successfully conducted with an improvement compared to the previous evacuations conducted. The aim of the Department is to improve on the time of evacuations by establishing a forum consisting of various role-players, other tenants in the building, including Department of Local Government, Department of Transport & Public Works and the Ombudsman.

In addition, the Security Risk Management function within the Department has and is maturing. This was apparent in the SAPS Physical Security Audit that was conducted by SAPS, where the Department scored 91%. This is contributed to the Departmental Security Committee, functional with members duly appointed by the Head of Department. These functions are executed in conjunction with the Department of Community Safety via a MOU, which leads the Security Risk Management function transversally within the WCG.

Concerted efforts are being made to ensure a safe working environment by continuously assessing its safety and security risks and implementing mitigation measures.

7. SCOPA Resolutions

The Committee noted the Auditor-General's audit opinion regarding the Department's Annual Financial Statements for the 2015/16 financial year, having obtained a clean audit. This audit opinion remains unchanged from the 2014/15 financial year.

Background / Concerns	Resolutions	Action Date	Action Taken
Page: 4 of the Audit Committee Report Heading: "3.8 Pre-determined Objectives" Description: The Committee takes cognisance of the comment of the Audit Committee which relates to improvements and the limited findings of the Auditor-General of South Africa on pre-determined objectives and noted that the Audit Committee will monitor corrective action on a quarterly basis.	That the Audit Committee briefs the Committee on the corrective action that was implemented to address the limited findings of the Auditor-General of South Africa on the pre-determined objectives of the Department of Economic Development and Tourism.	To be scheduled by the Public Accounts Committee.	The meeting has been scheduled and therefore the resolution has been actioned.

8. Prior Modifications to Audit Reports Issues

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 2016/17 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 as well as other inspections on the, asset reconciliation, financial leases, 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 should assist 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 engagements were approved and completed in the 2016/17 Internal Audit Plan:

Assurance Engagements:

- Transfer Payments
- Department of Public Service and Administration: Delegations Directive
- Supply Chain Management
- Financial Task Teams
- Leave Management

Consulting Engagements:

- Skills Development

The Audit Committee is established as an oversight body, provides independent oversight over governance, risk management and control processes in the Department, which includes oversight and review of the following:

- Internal Audit function;
- External Audit function (Auditor General of South Africa - AGSA);
- Departmental Accounting and reporting;
- Departmental Accounting Policies;
- AGSA management and audit report;
- 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 (Chairperson)	CIA; AGA; Masters in Cost Accounting; BCompt; CRMA	External	N/A	01 January 2016 (2nd term)	N/A	8
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	7
Mr Burton Van Staaden	CA (SA); Postgraduate Certificate in Auditing; CTA; BComm (Honours)	External	N/A	01 January 2015 (2nd term)	N/A	8
Ms M Kinnes	BA; LLB; Certificate Forensic Examination; Attorney of the High Court of SA.	External	N/A	01 January 2016 (1st term)	N/A	7

11. Audit Committee Report

We are pleased to present our report for the financial year ended 31 March 2017.

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 (PFMA) and National Treasury Regulations 3.1.13. The Audit Committee also reports that it has adopted an appropriate formal Terms of Reference, has regulated its affairs in compliance with these Terms and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

In line with the PFMA, Treasury Regulations and the King IV Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and Management with reasonable assurance that the internal controls are adequate and effective. This is achieved by an approved risk-based internal audit plan, Internal Audit assessing the adequacy of controls mitigating the risks and the Audit Committee monitoring implementation of corrective actions.

The following internal audit engagements were approved by the audit committee and completed by internal audit during the year under review:

Assurance Engagements:

- Transfer Payments
- Department of Public Service and Administration: Delegations Directive
- Supply Chain Management
- Financial Task Teams
- Leave Management

Consulting Engagements:

- Skills Development

Follow-ups:

- Enterprise Development

- Monitoring and evaluation
- Workforce Development
- Supply chain Management
- Transfer Payments
- Strategic Cohesion

The internal audit plan was completed for the year. The areas for improvements, as noted by internal audit during performance of their work, were agreed to by management. The Audit committee continues to monitor the actions on an on-going basis.

The Provincial Forensic Services presented us with statistics. For the year under review, no cases were reported and there were zero cases in the beginning and end of the period.

In-Year Management and Monthly/Quarterly Report

The Audit Committee is satisfied with the content and quality of the quarterly in-year management and performance reports issued during the year under review by the Accounting Officer of the Department in terms of the National Treasury Regulations and the Division of Revenue Act.

Evaluation of Financial Statements

The Audit Committee has:

- reviewed and discussed the Audited Annual Financial Statements to be included in the Annual Report, with the Auditor-General South Africa (AGSA) and the Accounting Officer;
- reviewed changes to accounting policies and practices as reported in the Annual Financial Statements;
- reviewed material adjustments resulting from the audit of the Department.

Compliance

- The Audit Committee has reviewed the Department's processes for compliance with legal and regulatory provisions;

Performance Information

- The Audit Committee has reviewed the information on predetermined objectives as reported in the Annual Report;

Report of the Auditor-General South Africa

The Audit Committee has:

- reviewed the AGSA's Management Report and Management's responses thereto;
- on a quarterly basis reviewed the Department's implementation plan for audit issues raised in the prior year.
- has met with the AGSA to ensure that there are no unresolved issues that emanated from the regulatory audit.

Corrective actions on the detailed findings raised by the AGSA are monitored by the Audit Committee on a quarterly basis.

The Audit Committee concurs and accepts the AGSA's opinion regarding the Annual Financial Statements, and proposes that these Audited Annual Financial Statements be accepted and read together with AGSA's report.

The Audit Committee commends the Department for maintaining an unqualified audit opinion with no material findings.



Judy Gunther

Chairperson of the Economic Cluster Audit Committee

Department of Economic Development and Tourism

August 2017

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

Our unique contribution to the work of the Western Cape Government is largely ascribed to the persistent, and often selfless, efforts of the people within the Department of Economic Development and Tourism. Building a new service delivery trajectory and successfully directing the collective efforts of our team is not without its own challenges. The modern people management landscape has shifted significantly in recent years and requires complex navigation between a range of competing variables.

Apart from the fact that these variables are interdependent and interrelated, they are also governed by stringent rules and regulations, which prove difficult when retention and attraction initiatives are explored. These include balancing service delivery imperatives, the attraction and retention of critical and scarce skills, workforce empowerment, career management, succession planning, employment equity and creating an enabling environment where employees are able to thrive. Further to this, the Department is required to function within an austere environment, which demands that managers consider the impact of “doing more with less”.

Despite this, the consistent hard work of our people, amidst the ever-challenging circumstances, has resulted in remarkable achievements and service delivery improvement during the year under review.

Vacancy rate

In order to effect ongoing service delivery efforts in the Public Service, the Department of Public Service and Administration (DPSA) launched a strategy in 2011 to reduce the vacancy rate in Departments to a national standard below 10%. Compliance with the strategy is monitored by the Forum for South African Directors General (FOSAD) as well as the Department of Planning Monitoring and Evaluation (DPME) through the Monitoring Performance Assessment Tool (MPAT).

At the end of the 2016/17 financial year, the Department had an overall vacancy rate of 4.6%. This is an improvement on the 11.6% vacancy rate achieved during 2015/16.

Age Profile of the Department

The Department has a young and vibrant workforce. The average age of our people is 37 years, with 63.3% of all our staff younger than 40 years. Staff that are nearing retirement account for 5.1% of the workforce.

Internship Programmes

The Department created learning opportunities for 29 unemployed matriculants through the Premier's Advancement of Youth Programme (PAY Internship Programme) and provided workplace opportunities for 14 graduate interns seeking work-related experience. The 43 interns comprised 15.9% of the total workforce remunerated over the period.

Sick Leave

The utilisation of sick leave is monitored closely to ensure that –

1. Service delivery continues unabated;
2. Wellness initiatives have the desired workforce impact;
3. Employees receive the required employer support; and
4. There is full compliance with legislation and policy determinations governing sick leave usage.

The illnesses with the highest utilisation rate are lung-related diseases, colds and influenza. Stress-related illnesses accounted for 2.25% of the total illness types registered during the year under review.

2.1. DEPARTMENTAL WORKFORCE PLANNING PRIORITIES

HR planning priorities	Outcomes	Approach to mitigate risk and achieve outcome
Training and Development.	Competent people in the right numbers at the right place at the right time with the right attitude.	Training and development informed by current and future skills needs.
Culture and ethics.	Leaders that are exemplars of the behaviours associated with the organisations values. Highly engaged people A citizen-centric performance culture.	Shared responsibility for the alignment of organisational and individual behaviour and values.
EE /Diversity Management and Recruitment & Selection.	A diverse workforce with equal opportunities for all Competent people in the right numbers at the right place at the right time with the right attitude.	Broaden access to employment opportunities and mainstream both disabilities and gender considerations in the workplace. Improve recruitment and selection processes and turn-around time for the filling of posts.
Succession planning & career management and Retention.	Competent people in the right numbers at the right place at the right time with the right attitude.	The development and implementation of a Career and Succession planning framework for the Province. The development and implementation of a Talent Retention Strategy.
Organisational Structure.	A performance conducive workplace.	OD investigation to enhance alignment between the structure and the strategic mandate of the Department in collaboration with Department. Implementation of transversally consistent and equitable job profiles, requirements and remunerative packages.

2.2 EMPLOYEE PERFORMANCE MANAGEMENT

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.

2.3 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 Service
Programme 3	Trade and Sector Development
Programme 4	Business Regulation & Governance
Programme 5	Economic Planning
Programme 6	Tourism Arts & Entertainment

Table 3.1.1: Personnel expenditure by programme, 2016/17

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Goods & Services (R'000)	Personnel expenditure as a % of total expenditure	Average personnel expenditure per employee (R'000)	Number of Employees remunerated
Programme 1	51 656	33 492	1 377	15 929	64.8	338	99
Programme 2	41 661	16 184	486	12 832	38.8	462	35
Programme 3	55 591	9 533	8	4 586	17.1	502	19
Programme 4	10 479	8 033	0	2 328	76.7	402	20
Programme 5	296 135	19 153	81	43 525	6.5	456	42
Programme 6	49 342	7 261	0	1 912	14.7	363	20
Programme 7	54 522	11 004	43	32 485	20.2	314	35
Total	559 386	104 660	1 995	113 597	18.7	388	270

Note: The number of employees refers to all individuals remunerated during the reporting period, including interns, but excluding the Minister. The number of employees is accumulative and not a snapshot as at a specific date.

Table 3.1.2: Personnel expenditure by salary band, 2016/17

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)	1 326	1.2	38	35
Skilled (Levels 3-5)	5 461	5.1	195	28
Highly skilled production (Levels 6-8)	27 135	25.4	295	92
Highly skilled supervision (Levels 9-12)	50 089	47.0	533	94
Senior management (Levels 13-16)	22 616	21.2	1 077	21
Total	106 627	100.0	395	270

Note: The number of employees refers to all individuals remunerated during the reporting period, including interns, but excluding the Minister. The number of employees is accumulative and not a snapshot as at a specific date.

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. These tables do not make provision for other expenditure such as Pensions, Performance Bonus and other allowances, which make up the total personnel expenditure. 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, 2016/17

Programme	Salaries		Overtime		Housing allowance		Medical assistance	
	Amount (R'000)	Salaries as a % of personnel expenditure	Amount (R'000)	Overtime as a % of personnel expenditure	Amount (R'000)	Housing allowance as a % of personnel expenditure	Amount (R'000)	Medical assistance as a % of personnel expenditure
Programme 1	22 409	21.0	103	0.1	595	0.6	1 145	1.1
Programme 2	11 705	11.0	-	-	225	0.2	428	0.4
Programme 3	7 260	6.8	-	-	234	0.2	300	0.3
Programme 4	5 813	5.5	-	-	140	0.1	225	0.2
Programme 5	13 894	13.0	-	-	174	0.2	407	0.4
Programme 6	5 545	5.2	-	-	167	0.2	223	0.2
Programme 7	9 275	8.7	-	-	88	0.1	184	0.2
Total	75 902	71.2	103	0.1	1 621	1.5	2 912	2.7

Table 3.1.4: Salaries, Overtime, Housing Allowance and Medical Assistance by salary band, 2016/17

Salary Bands	Salaries		Overtime		Housing allowance		Medical assistance	
	Amount (R'000)	Salaries as a % of personnel expenditure	Amount (R'000)	Overtime as a % of personnel expenditure	Amount (R'000)	Housing allowance as a % of personnel expenditure	Amount (R'000)	Medical assistance as a % of personnel expenditure
Lower skilled (Levels 1-2)	1 204	1.1	1	0.001	29	0.03	10	0.01
Skilled (Levels 3-5)	3 673	3.4	5	0.005	172	0.2	305	0.3
Highly skilled production (Levels 6-8)	20 135	18.9	58	0.1	741	0.7	1 463	1.4
Highly skilled supervision (Levels 9-12)	36 792	34.5	40	0.04	520	0.5	1 040	1.0
Senior management (Levels 13-16)	14 098	13.2	-	-	159	0.1	95	0.1
Total	75 902	71.2	103	0.1	1 621	1.5	2 912	2.7

3.2 EMPLOYMENT AND VACANCIES

The following tables summarise the number of active posts on the establishment, the number of employees (excluding interns and the Minister), 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). All information in this section is provided as a snapshot as at the end of the financial year under review.

Table 3.2.1: Employment and vacancies by programme, as at 31 March 2017

Programme	Number of active posts	Number of posts filled	Vacancy rate %
Programme 1	83	75	9.6
Programme 2	27	26	3.7
Programme 3	16	16	0.0
Programme 4	15	15	0.0
Programme 5	32	32	0.0
Programme 6	17	16	5.9
Programme 7	29	29	0.0
Total	219	209	4.6

Table 3.2.2: Employment and vacancies by salary band, as at 31 March 2017

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)	28	27	3.6
Highly skilled production (Levels 6-8)	75	71	5.3
Highly skilled supervision (Levels 9-12)	92	87	5.4
Senior management (Levels 13-16)	22	22	0.0
Total	219	209	4.6

Table 3.2.3: Employment and vacancies by critical occupation, as at 31 March 2017

Critical Occupations	Number of active posts	Number of posts filled	Vacancy rate %
Economist	2	2	0.0
Total	2	2	0.0

Note: Critical occupations - refer to occupations that are critical for service delivery. If these occupations are not present in the Department, the function/services will collapse.

3.3 JOB EVALUATION

Job evaluation was introduced 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. It should be understood that Job Evaluation and Staff Performance Management differ in the sense that Job Evaluation refers to the value/weighting of the activities that are associated with the post and Staff Performance Management refers to the review of an individual's performance.

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 2016 to 31 March 2017

Salary Band	Total number of posts as at 31 March 2017	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)	28	1	0.5	1	0.5	0	0.0
Highly skilled production (Levels 6-8)	75	1	0.5	0	0.0	0	0.0
Highly skilled supervision (Levels 9-12)	92	0	0.0	0	0.0	0	0.0
Senior Management Service Band A (Level 13)	14	0	0.0	0	0.0	0	0.0
Senior Management Service Band B (Level 14)	6	0	0.0	0	0.0	0	0.0
Senior Management Service Band C (Level 15)	1	0	0.0	0	0.0	0	0.0
Senior Management Service Band D (Level 16)	1	0	0.0	0	0.0	0	0.0
Total	219	2	0.9	1	0.5	0	0.0

Note: The "Number of posts evaluated" per Salary Band reflects the Final Approved Post Level after Job Evaluation.

Table 3.3.2: Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2016 to 31 March 2017

Beneficiaries	African	Indian	Coloured	White	Total
Female	0	0	1	0	1
Male	0	0	0	0	0
Total	0	0	1	0	1
Employees with a disability					1

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 salary level. Each salary level consists of 12 notches. 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 2016 to 31 March 2017

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
Assistant Director	1	9	-	5 notch increment	Attraction
Total				1	
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 2016 to 31 March 2017

Beneficiaries	African	Indian	Coloured	White	Total
Female	0	0	0	0	0
Male	1	0	0	0	1
Total	1	0	0	0	1
Employees with a disability	0				

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). This section does not include intern information.

Table 3.4.1: Annual turnover rates by salary band, 1 April 2016 to 31 March 2017

Salary Band	Number of employees as at 31 March 2016	Turnover rate % 2015/16	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate % 2016/17
Lower skilled (Levels 1-2)	3	25.0	1	0	1	0	33.3
Skilled (Levels 3-5)	24	31.9	7	3	4	4	33.3
Highly skilled production (Levels 6-8)	75	15.0	10	1	8	6	18.7
Highly skilled supervision (Levels 9-12)	83	12.6	19	1	12	1	15.7
Senior Management Service Band A (Level 13)	8	27.3	1	0	0	0	0.0
Senior Management Service Band B (Level 14)	5	0.0	1	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
Total	199	18.1	39	5	25	11	18.1
			44		36		

Note: "Transfers" refer to the lateral movement of employees from one Public Service Department to another (Both Provincially & Nationally). The turnover rate is determined by calculating the total exits as a percentage of the baseline (Number of employees as at 31 March 2016).

Table 3.4.2: Annual turnover rates by critical occupation, 1 April 2016 to 31 March 2017

Critical Occupation	Number of employees as at 31 March 2016	Turnover rate % 2015/16	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate % 2016/17
Economist	2	0.0	0	0	0	0	0.0
Total	2	0.0	0	0	0	0	0.0
			0		0		

Note: "Transfers" refer to the lateral movement of employees from one Public Service Department to another (Both Provincially & Nationally). The turnover rate is determined by calculating the total exits as a percentage of the baseline (Number of employees as at 31 March 2016).

Table 3.4.3: Staff leaving the employ of the Department, 1 April 2016 to 31 March 2017

Exit Category	Number	% of total exits	Number of exits as a % of total number of employees as at 31 March 2016
Death	2	5.6	1.0
Resignation *	18	50.0	9.0
Expiry of contract	4	11.1	2.0
Dismissal – operational changes	0	0.0	0.0
Dismissal – misconduct	1	2.8	0.5
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	11	30.6	5.5
Total	36	100.0	18.1

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

Table 3.4.4: Reasons why staff resigned, 1 April 2016 to 31 March 2017

Resignation Reasons	Number	% of total resignations
Better remuneration	3	16.7
Contract to permanent	7	38.9
Family/personal circumstances	1	5.6
Nature of work	1	5.6
Need for career change	3	16.7
No reason provided	1	5.6
Starting own business	2	11.1
Total	18	100.0

Table 3.4.5: Different age groups of staff who resigned, 1 April 2016 to 31 March 2017

Age group	Number	% of total resignations
Ages <19	0	0.0
Ages 20 to 24	0	0.0
Ages 25 to 29	4	22.2
Ages 30 to 34	6	33.3
Ages 35 to 39	5	27.8
Ages 40 to 44	3	16.7
Ages 45 to 49	0	0.0
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
Total	18	100.0

Table 3.4.6: Employee initiated severance packages.

Total number of employee initiated severance packages offered in 2016/17	None
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Table 3.4.7: Promotions by salary band, 1 April 2016 to 31 March 2017

Salary Band	Number of Employees as at 31 March 2016	Promotions to another salary level	Promotions as a % of total employees	Progressions to another notch within a salary level	Notch progressions as a % of total employees
Lower skilled (Levels 1-2)	3	0	0.0	3	100.0
Skilled (Levels 3-5)	24	0	0.0	11	45.8
Highly skilled production (Levels 6-8)	75	0	0.0	38	50.7
Highly skilled supervision (Levels 9-12)	83	3	3.6	57	68.7
Senior management VVV(Levels 13-16)	14	5	35.7	12	85.7
Total	199	8	4.0	121	60.8

Note: Promotions reflect the salary level of an employee after he/she was promoted. Employees who do not qualify for notch progressions include those who are on probation, as well as poor performing employees. Furthermore, employees within the Occupation Specific Dispensation (OSD) do not receive notch progressions annually.

Table 3.4.8: Promotions by critical occupation, 1 April 2016 to 31 March 2017

Critical Occupation	Number of Employees as at 31 March 2016	Promotions to another salary level	Promotions as a % of total employees in critical occupations	Progressions to another notch within a salary level	Notch progressions as a % of total employees in critical occupations
Economist	2	0	0.0	1	50.0
Total	2	0	0.0	1	50.0

Note: Promotions reflect the salary level of an employee after he/she was promoted. Employees who do not qualify for notch progressions include those who are on probation, as well as poor performing employees. Furthermore, employees within the Occupation Specific Dispensation (OSD) do not receive notch progressions annually.

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 2017

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	1	0	0	2
Senior management (Levels 13-14)	1	6	1	1	2	7	1	1	0	0	20
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	6	30	2	4	5	28	3	8	1	0	87
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	9	12	1	0	17	28	1	3	0	0	71
Semi-skilled and discretionary decision making (Levels 3-5)	3	4	1	1	5	10	0	2	0	0	26
Unskilled and defined decision making (Levels 1-2)	0	1	0	0	1	1	0	0	0	0	3
Total	19	54	5	6	30	74	5	15	1	0	209
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	19	54	5	6	30	74	5	15	1	0	209

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

Note: The figures reflected per occupational levels include all permanent, part-time and contract employees, but exclude interns. 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 2017

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	1	0	0	0	0	0	0	0	0	1
Total	0	2	0	0	0	1	0	1	0	0	4
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	0	2	0	0	0	1	0	1	0	0	4

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

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

Table 3.5.3: Recruitment, 1 April 2016 to 31 March 2017

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	1	0	0	0	0	1	0	0	2
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	1	7	1	3	2	3	1	2	0	0	20
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	0	2	1	0	2	5	1	0	0	0	11
Semi-skilled and discretionary decision making (Levels 3-5)	2	3	0	0	0	5	0	0	0	0	10
Unskilled and defined decision making (Levels 1-2)	0	0	0	0	1	0	0	0	0	0	1
Total	3	12	3	3	5	13	2	3	0	0	44
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	3	12	3	3	5	13	2	3	0	0	44

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

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

Table 3.5.4: Promotions, 1 April 2016 to 31 March 2017

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	1	1	3	0	0	0	0	5
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	0	2	0	0	0	0	0	1	0	0	3
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
Total	0	2	0	1	1	3	0	1	0	0	8
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	0	2	0	1	1	3	0	1	0	0	8

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 2016 to 31 March 2017

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)	1	3	0	1	1	3	1	3	0	0	13
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	2	2	1	0	2	5	2	0	0	0	14
Semi-skilled and discretionary decision making (Levels 3-5)	1	1	0	0	2	3	0	1	0	0	8
Unskilled and defined decision making (Levels 1-2)	0	0	0	0	1	0	0	0	0	0	1
Total	4	6	1	1	6	11	3	4	0	0	36
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	4	6	1	1	6	11	3	4	0	0	36

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

Note: Terminations refer to those employees (excluding interns) 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 2016 to 31 March 2017

Disciplinary actions	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Abscondment	0	0	0	0	1	0	0	0	0	0	1
Not guilty	0	0	0	0	0	0	0	1	0	0	1
TOTAL	0	0	0	0	1	0	0	1	0	0	2

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 2016 to 31 March 2017

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)	0	2	0	1	1	2	0	0	6
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	3	15	3	2	3	15	0	3	44
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	6	14	0	0	14	27	3	2	66
Semi-skilled and discretionary decision making (Levels 3-5)	4	2	0	0	5	11	0	2	24
Unskilled and defined decision making (Levels 1-2)	0	1	0	0	1	0	0	0	2
Total	13	34	3	3	24	55	3	7	142
Temporary employees	0	0	0	0	0	0	0	0	0
Grand total	13	34	3	3	24	55	3	7	142

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

Note: The above table refers to the total number of employees 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 2016

SMS Post 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 15	1	1	1	100.0
Salary Level 14	5	5	5	100.0
Salary Level 13	10	8	8	100.0
Total	17	15	15	100.0

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 2016

Reasons for not concluding Performance Agreements with all SMS
N/A

Table 3.6.3: Disciplinary steps taken against SMS Members for not having concluded Performance Agreements on 31 May 2016

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

3.7. FILLING OF SMS POSTS

The tables in this section provide information on employment and vacancies as it relates to members of the SMS by salary level. It also provides information of advertising and the filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken in cases of non-compliance.

Table 3.7.1: SMS posts information, as at 30 September 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	3	1	33.3	2	66.7
Salary Level 14	6	5	83.3	1	16.7
Salary Level 13	12	11	91.7	1	8.3
Total	22	18	81.8	4	18.2

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.

Table 3.7.2: SMS posts information, as at 31 March 2017

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	1	1	100.0	0	0.0
Salary Level 14	6	6	100.0	0	0.0
Salary Level 13	14	14	100.0	0	0.0
Total	22	22	100.0	0	0.0

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.

Table 3.7.3: Advertising and Filling of SMS posts, as at 31 March 2017

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	0	0	0
Salary Level 14	0	1	0
Salary Level 13	0	7	0
Total	0	8	0

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	N/A
Salary Level 15	N/A
Salary Level 14	N/A
Salary Level 13	Director: Strategic and Operational Support Provincial budgetary constraints were declared during February 2016. Departments were required to reprioritise funds and austerity measures were implemented. This post was identified as a critical post and funded during May 2016. The advert (DEDAT 210/2016) was published during July 2016 and filled 1 December 2016.

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

The following tables note the number of staff by salary band (table 3.8.1) and staff within critical occupations (3.8.2) who received a notch progression as a result of performance management. (i.e. qualifying employees who scored between 3 – 5 in their performance ratings).

Table 3.8.1: Notch progressions by salary band, 1 April 2016 to 31 March 2017

Salary Band	Employees as at 31 March 2016	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	3	3	100.0
Skilled (Levels 3-5)	24	11	45.8
Highly skilled production (Levels 6-8)	75	38	50.7
Highly skilled supervision (Levels 9-12)	83	57	68.7
Senior management (Levels 13-16)	14	12	85.7
Total	199	121	60.8

Table 3.8.2: Notch progressions by critical occupation, 1 April 2016 to 31 March 2017

Critical Occupations	Employees as at 31 March 2016	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Economist	1	1	100.0
Total	1	1	100.0

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 2016 to 31 March 2017

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group as at 31 March 2016	% of total within group	Cost (R'000)	Average cost per beneficiary (R)
African	14	51	27.5	328	23 399
Male	10	21	47.6	234	23 397
Female	4	30	13.3	94	23 406
Coloured	36	120	30.0	1 077	29 933
Male	15	47	31.9	480	32 029
Female	21	73	28.8	597	28 435
Indian	2	7	28.6	74	36 809
Male	0	3	0.0	0	0
Female	2	4	50.0	74	36 809
White	5	18	27.8	144	28 661
Male	1	4	25.0	40	39 755
Female	4	14	28.6	104	25 887
Employees with a disability	1	3	33.3	25.0	24 848
Total	58	199	29.1	1 648	28 395

Table 3.8.4: Performance rewards (cash bonus), by salary bands for personnel below Senior Management Service level, 1 April 2016 to 31 March 2017

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2016	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	1	2	50.0	7	7 356	0.01
Skilled (Levels 3-5)	6	25	24.0	68	11 269	0.1
Highly skilled production (Levels 6-8)	19	75	25.3	443	23 314	0.5
Highly skilled supervision (Levels 9-12)	23	83	27.7	683	29 696	0.8
Total	49	185	26.5	1 201	24 509	1.4

Note: The cost is calculated as a percentage of the total personnel expenditure for salary levels 1-12 employees, reflected in Table 3.1.2.

Table 3.8.5: Performance rewards (cash bonus), by salary band, for Senior Management Service level, 01 April 2016 to 31 March 2017

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2016	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of the total personnel expenditure
Senior Management Service Band A (Level 13)	6	8	75.0	254	42 289	1.1
Senior Management Service Band B (Level 14)	3	5	60.0	192	64 083	0.8
Senior Management Service Band C (Level 15)	0	1	0.0	0	0	0.0
Senior Management Service Band D (Level 16)	0	0	0.0	0	0	0.0
Total	9	14	64.3	446	49 554	2.0

Note: The cost is calculated as a percentage of the total personnel expenditure for those employees at salary levels 13-16, reflected in Table 3.1.2.

Table 3.8.6: Performance rewards (cash bonus) by critical occupation, 1 April 2016 to 31 March 2017

Critical Occupation	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2016	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of total personnel expenditure
Economist	0	2	0.0	0	0	0.0
Total	0	2	0.0	0	0	0.0

3.9 FOREIGN WORKERS

The tables below summarise the employment of foreign nationals in the Department in terms of salary bands (Table 3.9.1) and major occupation (Table 3.9.2). 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 2016 to 31 March 2017

Salary Band	1 April 2016		31 March 2017		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
Total	1	100.0	1	100.0	0	0.0

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 2016 to 31 March 2017

Major Occupation	1 April 2016		31 March 2017		Change	
	Number	% of total	Number	% of total	Number	% change
Researcher	1	100.0	1	100.0	0	0.0
Total	1	100.0	1	100.0	0	0.0

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 2016 TO 31 DECEMBER 2016

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 2016 to 31 December 2016

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	Total number of employees	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	27	88.9	3	3	100.0	9	10
Skilled (Levels 3-5)	255	84.7	26	28	92.9	10	148
Highly skilled production (Levels 6-8)	701	81.3	75	81	92.6	9	706
Highly skilled supervision (Levels 9-12)	584	78.6	77	94	81.9	8	966
Senior management (Levels 13-16)	60	71.7	15	21	71.4	4	154
Total	1 627	80.6	196	227	86.3	8	1 984

Note: The three-year sick leave cycle started in January 2016 and ends in December 2018. 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 2016 to 31 December 2016

Salary Band	Total days	% days with medical certification	Number of Employees using incapacity leave	Total number of employees	% 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)	0	0.0	0	28	0.0	0	0
Highly skilled production (Levels 6-8)	38	100.0	3	81	3.7	13	36
Highly skilled supervision (Levels 9-12)	0	0.0	0	94	0.0	0	0
Senior management (Levels 13-16)	0	0.0	0	21	0.0	0	0
Total	38	100.0	3	227	1.3	13	36

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: Annual Leave, 1 January 2016 to 31 December 2016

Salary Band	Total days taken	Total number employees using annual leave	Average number of days taken per employee
Lower skilled (Levels 1-2)	54	3	18
Skilled (Levels 3-5)	507	31	16
Highly skilled production (Levels 6-8)	1 827	84	22
Highly skilled supervision (Levels 9-12)	1 965	90	22
Senior management (Levels 13-16)	546	21	26
Total	4 899	229	21

Table 3.10.4: Capped leave, 1 January 2016 to 31 December 2016

Salary Band	Total capped leave available as at 31 Dec 2015	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 2015	Total capped leave available as at 31 Dec 2016
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)	35	0	0	0	5	35
Highly skilled supervision (Levels 9-12)	357	0	0	0	18	357
Senior management (Levels 13-16)	93	0	0	0	3	93
Total	484	0	0	0	26	484

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 2016 to 31 March 2017

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave pay-outs during 2016/17 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave pay-outs on termination of service for 2016/17	28	1	27 566
Current leave pay-outs on termination of service 2016/17	144	7	20 559
Total	172	8	21 435

3.11. HEALTH PROMOTION PROGRAMMES, INCLUDING HIV AND AIDS

Table 3.11.1: Steps taken to reduce the risk of occupational exposure, 1 April 2016 to 31 March 2017

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 & AIDS Counselling and Testing (HCT) and Wellness screenings were conducted in general. The outsourced Health and Wellness contract for the 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) with a range of services. These services include the following:</p> <ul style="list-style-type: none"> • 24/7/365 Telephone counselling; • Face to face counselling (4 session model); • Trauma and critical incident counselling; • Advocacy on HIV&AIDS awareness, including online E-Care services and • Training, coaching and targeted Interventions where these were required.

Table 3.11.2: Details of Health Promotion including HIV & AIDS Programmes, 1 April 2016 to 31 March 2017

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 the eleven (11) 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) client departments.</p> <p>The unit consists of a Deputy Director, three (3) Assistant Directors, and two (2) EHW Practitioners.</p> <p>Budget: R2.65 m</p>

Question	Yes	No	Details, if yes
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 (external service provider) to render an Employee Health and Wellness Service to the eleven departments of the Corporate Services Centre (CSC).</p> <p>The Department conducted interventions namely, Employee information session (EHW Services), Lifestyle Awareness WOW Fitness test, E-Care Information desk, and Breast Cancer Awareness, Managerial Referral, Self-Development, Mental disability, Stress Debriefing, Financial Literacy & Alternative Dispute Resolution (OCP) and Coaching for employees.</p> <p>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 2016/17. 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>
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>The Provincial Employee 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>

Question	Yes	No	Details, if yes
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 Cape 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 four (4) Provincial Employee Health and Wellness Policies which were ratified and approved on 8th March 2016. One of the policies, HIV & AIDS and TB Management, responds to the prevention of discrimination against employees affected and infected by HIV & AIDS and TB in the workplace.</p> <p>Further to this, the Department of Health, that is the lead department for HIV & AIDS, has approved the Transversal HIV and AIDS/STI Workplace Policy and Programme that is 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 & 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 & 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"> • Zero new HIV, STI and TB infections • Zero deaths associated with HIV and TB • Zero discrimination <p>Also, the Department has conducted HCT and Wellness screenings 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"> • Reduce HIV and TB discrimination in the workplace. This included campaigns against unfair discrimination and empowerment of employees. • Reduce unfair discrimination in access to services. This included ensuring that the Directorate Employee Relations addresses complaints or grievances relating to unfair discrimination and provides training to employees. <p>Other key elements that addressed anti HIV & AIDS discrimination issues were:</p> <ul style="list-style-type: none"> • conducting Wellness and TB Screenings with specific requests from departments; • distributing posters and pamphlets; • providing HCT and TB Screenings, condom distribution and spot talks; and • commemoration of World AIDS Day and Wellness events.

Question	Yes	No	Details, if yes
7. Does the Department encourage its employees to undergo HIV counselling and testing (HCT)? If so, list the results that you have achieved.	√		<p>HCT SESSIONS:</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 & Tourism participated in 2 HCT and Wellness screening sessions.</p> <p>166 Employees were tested and counselled for HIV, Tuberculosis and Sexually Transmitted Infections (STI's).</p> <p>There were 0 clinical referrals for TB, HIV or any other STIs.</p>
8. Has the Department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	√		<p>The impact of health promotion programmes is indicated through information provided through the Employee Health and Wellness Contract (external service provider).</p> <p>The Employee Health and Wellness Programme (EHWP) is monitored through Quarterly and Annual reporting. This reporting is provided by (ICAS). The most recent annual health review period was 1 April 2016 – 31 March 2017.</p> <p>The quarterly and annual review provides a breakdown of the EHWP Demographic i.e. age, gender, length of service, dependent utilisation, language utilisation, employee vs. manager utilisation, number of cases, etc.</p> <p>The review further provides, amongst others, details pertaining to service utilisation, problem profiling and trending, assessment of employee and organisational risk and the impact thereof on the individual functioning in the workplace.</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 2016 to 31 March 2017

Total collective agreements	None
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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 2016 to 31 March 2017

Outcomes of disciplinary hearings	Number of cases finalised	% of total
Dismissal/ desertion	1	50.0
Not guilty	1	50.0
Total	2	100.0
Percentage of total employment		1

Note: Outcomes of disciplinary hearings refer to formal cases only.

Table 3.12.3: Types of misconduct addressed at disciplinary hearings, 1 April 2016 to 31 March 2017

Type of misconduct	Number	% of total
Abscondment	1	50.0
Non compliance	1	50.0
Total	2	100.0

Table 3.12.4: Grievances lodged, 1 April 2016 to 31 March 2017

Grievances lodged	Number	% of total
Number of grievances resolved	1	20.0
Number of grievances not resolved	4	80.0
Total number of grievances lodged	5	100.0

Note: Grievances lodged refers to cases that were finalised within the reporting period. Grievances not resolved refers 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 2016 to 31 March 2017

Disputes lodged with Councils	Number	% of total
Number of disputes upheld	0	0.0
Number of disputes dismissed	0	0.0
Total number of disputes lodged	0	0.0

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 2016 to 31 March 2017

Strike actions	Number
Total number of person working days lost	0
Total cost (R'000) of working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

Table 3.12.7: Precautionary suspensions, 1 April 2016 to 31 March 2017

Precautionary suspensions	Number
Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost (R'000) of suspensions	0

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 2016 to 31 March 2017

Occupational Categories	Gender	Number of employees as at 1 April 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	0	0	0
	Male	8	0	0	0	0
Professionals	Female	5	0	10	0	10
	Male	5	0	11	0	11
Technicians and associate professionals	Female	52	0	26	0	26
	Male	38	0	18	0	18
Clerks	Female	62	0	33	0	33
	Male	32	0	15	0	15
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	1	0	0	0	0
	Male	2	0	0	0	0
Sub Total	Female	126	0	69	0	69
	Male	85	0	44	0	44
Total		211	0	113	0	113
Employees with disabilities	Female	3	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 2016 to 31 March 2017

Occupational Categories	Gender	Number of employees as at 31 March 2017	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	12	0	5	0	5
	Male	10	0	4	0	4
Professionals	Female	6	0	31	0	31
	Male	6	0	29	0	29
Technicians and associate professionals	Female	47	0	67	0	67
	Male	43	0	28	0	28
Clerks	Female	57	0	32	0	32
	Male	24	0	11	0	11
Service and sales workers	Female	0	0	1	0	1
	Male	0	0	1	0	1
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	124	0	136	0	136
	Male	85	0	73	0	73
Total		209	0	209	0	209
Employees with disabilities	Female	2	0	0	0	0
	Male	2	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 3.14.1 provides basic information on injuries sustained whilst being on official duty.

Table 3.14.1: Injury on duty, 1 April 2016 to 31 March 2017

Nature of injury on duty	Number	% of total
Required basic medical attention only	2	100.0
Temporary disablement	0	0.0
Permanent disablement	0	0.0
Fatal	0	0.0
Total	2	100.0
Percentage of total employment		1

3.15. UTILISATION OF CONSULTANTS

Table 3.15.1 Consultant appointments using appropriated funds

Programme	Consulting Firm	Project Title	Nature of project	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand	Total Number of projects	BBBEE Level
Admin	Arina Wilson	Translation from English to Afrikaans of the Annual Report 2015/2016	Afrikaans version of 2015/16 Annual Report delivered.	1	October 2016	R46 899.60	1	N/A
Admin	Agrinette Nomnikelo Komanisi	Editing of the Annual Report 2015/2016	isiXhosa version of 2015/16 Annual Report delivered.	1	September 2016	R59 690.40	1	N/A
Admin	Folio Translation Consultants	Translation of business cards	Mandarin version of business card delivered.	1	July 2016	R1 083.00	1	N/A
Tourism arts and entertainment	Battlefield tours	Tour guide provided to two officials	A tourist guide was procured to take officials on a guided tour to get a better understanding of the sites related to the Madiba Legacy Route as well as the Battlefields Route.	1	December 2016	R960.00	1	N/A
Broad Band Project Office (BBPO)	Mindspring Computing	BBPO	The provision of human resource capacity for DEDAT in the execution of Broadband Stream 2 projects, with particular focus on Public Access Wi-Fi, Internet Champions and I-CAN project suite.	9	Apr 2016-Mar 2017	R10 515 965.00	5	1
Economic Planning	Computer for Kids	Internet Champion Programme Digital Literacy Content	Training and deployment of Internet Champions at Wi-Fi hotspot sites to deliver basic digital literacy to citizens. 300 Internet Champions trained and deployed reaching a total of 346 260 local citizens.	Cannot establish	April 2016-March 2017	R10 060 855.50	1	4

Programme	Consulting Firm	Project Title	Nature of project	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand	Total Number of projects	BBBEE Level
Integrated Economic Development services	Equity Studio Pty LTD	Long Street Kiosk	Installation of mosaic tiles on the Long Street Kiosk exterior walls.	7	April 2016	R 42 986.55	2	N/A
Economic Planning	Urban Econ	Waste Business Case Development	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.	3	April 2016-Jul 2016	R586 473.00	1	1
Economic Planning	Neotel	Public Access Wi-Fi at Government site	Implementation of 384 public access Wi-Fi hotspots at Western Cape Government buildings. Target is one in every ward, to date 178 have been completed.	Cannot establish	April 2016-Mar 2017	R1 228 334.29	1	N/A
Economic Planning	Future Perfect Corporation	Big Data Facility	Completion of the business and financial modelling as well as the economic impact assessment and a draft implementation plan of the Cape Big Data facility project.	13	April 2016-Mar 2017	R3 151 461.00	1	2
Integrated Economic Development services	Wolpe Strategic	Theewaterskloof (TWK) Investment Readiness Project	Investment Facilitation Guideline for developers investing in TWK; An Investment Incentive and Revitalisation Policy.	1	Apr 2016-Jun 2016	R335 331.00	1	N/A
Admin	Mthente Consulting	PERA Communication research project	Final report delivered on the Premier's Entrepreneurship Recognition Awards (PERA) Awareness and Perception study. The information gathered from this research served to improve and enhance the 2016 and 2017 PERA communication campaigns.	Cannot establish	April 2016	R 55 361.82	1	1

Programme	Consulting Firm	Project Title	Nature of project	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand	Total Number of projects	BBBEE Level
Integrated Economic Development services	KPMG	Overstrand Business Process Improvement Initiative	A Work Plan submitted; Consultation and selection processes of key services; Review and Analysis of relevant processes process; Process modelling (using Visio, adherence to Business Process Model and Notation [BPMN] Improvement measure identify, Writing standard operating procedures; Change navigation plan developed. Project power-point presentation and submission of the final report.	5	May 2016- Sept 2016	R494 469.00	1	2
Economic Planning	The Cape Craft Design Institution	Better Living Challenge 1	Provide support to 3 companies towards commercialisation of their innovation products that are designed for low-income housing use.	6	Jun 2016-Mar 2016	R1 326 756.00	1	N/A
Economic Planning	GTAC	Innovation: Intellectual Property & Procurement Analysis	Intellectual property & procurement analysis for Officials report.	3	Jan 2017-Dec 2017	R499 934.88	1	1
Economic Planning	Genesis Community it Initiative	I-Can Digital Skills for Broadband	Delivery of a digital skills training programme through the I-CAN Proof-of-Concept Centre in Elsie's River, City of Cape Town, during the period of 01 April 2016 to 31 March 2017. Target as per SLA achieved, i.e. 506 training opportunities completed by citizens.	9	Aug 2016-Mar 2017	R1 500 000.00	1	1
Integrated Economic Development services	H2P Project management	PERA: Adjudication 2016	Managing the PERA competition with the objective to identify 33 finalists	6	Jun 2016-Dec 2016	R350 000.00	1	4

Programme	Consulting Firm	Project Title	Nature of project	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand	Total Number of projects	BBBEE Level
Economic Planning	James Gerrard Petrie	LNG Strategic Energy Advisor	The Strategic Energy Advisor has been appointed to provide technical direction and strategic advice to the Department concerning the implementation of the liquefied natural gas (LNG) importation project (inclusive of energy policy and related matters). Also to perform analysis, research and the development of terms of references and contract advice, as well as to provide technical advice on and review of all studies commissioned to further the LNG project.	1	Apr 2016-Mar 2017	R443 513.87	1	N/A
Tourism Regulation	Skylar Projects	Information sessions	<p>4X2 hour Information Sessions conducted by a relevant specialist in the field: total of 187 tourist guides attended .</p> <p>26 July 2016: Impact of Social Media by Marinda Holtzhausen.</p> <p>15 August 2016: Responsible Tourism for Tourist Guides by Sadia Nanabhay.</p> <p>25 August 2016: From Tourist Guide to Tour Operator by Enver Mally.</p> <p>30 August 2016: A Cape Odyssey by Gabriel Athiros.</p> <p>2x2 day Practical Educational workshop: total of 20 tourist guides attended.</p> <p>27 & 28 July 2016: Information Workshop and site visit .</p> <p>15 & 16 August 2016: Information Workshop and site visit.</p>	3	Jun 2016-Nov 2016	R91 534.24	1	1

Programme	Consulting Firm	Project Title	Nature of project	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand	Total Number of projects	BBBEE Level
Trade and Sector Development	Western Cape Fine Food Initiative	Halal Park feasibility study	Halal Industrial Park Pre-Feasibility Study 3X Draft Site Specific Feasibility Studies 3X Draft Investor Prospectuses Draft General Investment Case 3X Draft Marketing and Promotional Plans	5	10 Aug to 21 Nov 2016	R2 686 500.00	1	2
Trade and Sector Development	Western Cape Fine food initiative	Halal park feasibility study	Halal Industrial Park Final Feasibility Study. Final Feasibility Studies on each of the 3 Sites. Final General investment case, containing the identified investment opportunities in the Western Cape. Final Marketing and promotion plan. 3 final executive summary investor prospectus reports. 3 final investor prospectus reports. 3 final marketing and promotion plans drafted in conjunction with WESGRO.	5	15 February 2016-31 May 2017	R1 500 000.00	1	2
Integrated Economic Development services	Strategic Economic Solutions Cc	Red Tape Costing Model	Impact Analysis Report; an electronic Excel-based Costing tool; Skills transfer.	4	Aug 2016-Mar 2017	R728 050.00	1	4

Programme	Consulting Firm	Project Title	Nature of project	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand	Total Number of projects	BBBEE Level
Integrated Economic Development services	KPMG Services	Legislative Review and Comment: Green Paper-Migration	Expert opinion on the impact of the Green Paper - Migration	5	Sept 2016	R354 504.00	1	2
Integrated Economic Development services	KPMG Services	West Coast Group Business Improvement Project	A Work Plan submitted; Report on change navigation plan; the process modelling; writing standard operating procedures; Skills transfer workshop to public sector officials; Project power-point presentation and the Final report.	5	Sept 2016-Jan 2017	R1 798 923.00	1	2
Integrated Economic Development services	HLT Advisors (Pty) Ltd	MS2B Specific Project 2-Mossel Bay	A Work Plan submitted. Report on change navigation plan; the process modelling; writing standard operating procedures; Project power-point presentation and the Final report.	Cannot establish	Sept 2016-Nov 2016	R484 940.00	1	2

Programme	Consulting Firm	Project Title	Nature of project	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand	Total Number of projects	BBBEE Level
Skills Development and Innovation	Business Connexion (Pty)Ltd	E-Skills Platform	The primary aim of the project is to design and develop appropriate platforms that will form part of the broadband enabled Skills Cloud ecosystem.	5	Oct 2016-Jan 2017	R499 940.52	1	3
			This project runs over 3 years and was initiated in March 2014. There are 3 phases to the services which will be provided over the period. Phase 3 (currently underway) of the project involves:					
			Further development of the Skills Intelligence Platform; Further development of the Learning Management System; Further development of a Career Awareness Platform. Additional Requirements to complete the E-Skills Ecosystem including the requirements for building and Business Intelligence specifically for the E-Skills Platform.					
Integrated Economic Development services	Viewpoint Training & Consulting	BPI-Department of Transport & Public works	Final report indicating the as-is and to be improvement measures.	4	Oct 2016-Mar 2017	R274 000.00	1	4
Integrated Economic Development services	Hlt Advisors	BPI - Department of Agriculture	Final report indicating the as-is and to be improvement measures.	Cannot establish	Oct 2016-Mar 2017	R575 519.00	1	2

Programme	Consulting Firm	Project Title	Nature of project	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand	Total Number of projects	BBBEE Level
Integrated Economic Development services	AgriFusion	Legislative Review: Green-Agri Portal	Development of summaries and legislative triggers and the webpage: http://www.green-agri.co.za/	4	Oct 2016-Feb 2017	R279 072.00	1	4
Trade and Sector Development	The Greenscape Sector Development	Bioenergy Product Diversification Project	To improve the resource efficiency of the Western Cape economy and facilitate the establishment of sustainable bio-based value chains, specifically those that add value and that enhance productivity and competitiveness.	9	Oct 2016-Feb 2017	R799 999.00	1	N/A
Economic Planning	Creative Consulting 1& Development	Design Benchmarking & Baseline	Design benchmarking and baseline report.	2	Dec 2016-Feb 2017	R447 985.80	1	2
Economic Planning	Sustnet	Innovation Stakeholder Mapping Report and Baseline	Innovation stakeholder mapping and baseline study report.	10	Nov 2016-Mar 2017	R457 140.00	1	4
Economic Planning	Citi Information Technology Init	Content Stimulation	Development and implementation of a competition to stimulate local content development in the gaming industry, as well as implementing a gaming development industry master class programme.	6	Oct 2016-Mar 2017	R3 351 000.00	1	N/A
Economic Planning	Greenhouse Business Development	The halal supplier development strategy	Provide a practical strategy to assist SMEs to unlock business opportunities in the various levels of the Halal value chain.	4	Dec 2016-Feb 2017	R295 400.00	1	1

Programme	Consulting Firm	Project Title	Nature of project	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand	Total Number of projects	BBBEE Level
Integrated Economic Development services	Business Engineering (Pty)Ltd	Drakenstein Collaborator Enhancement Initiative	Work Plan submitted; Review of the existing Building Control business processes; System improvement recommendations; Upgrading of the workflow definition on Collaborator; Establishing the Collaborator Extension (the Portal); User-group functionality testing; Project power-point presentation and Final report submission.	Not Indicated	Dec 2016-Feb 2017	R499 000.00	1	1
Economic Planning	Bmi-Techknowledge Group (Pty) Ltd	Research Report for Public and Commercial Wi-Fi in SA	Purchase of a Research report titled "Public and Commercial Wi-Fi in South Africa," including a PowerPoint presentation.	1	Feb 2017-Feb 2017	R43 605.00	1	N/A
Economic Planning	Government Technical Advisory	WC Economic Public Procurement Policy Brief	Economic Procurement Policy Brief with recommendations	2	21 Nov 2016-30 Apr 2016	R98 998.00	1	1
Integrated Economic Development services	Business Engineering	West Coast BPI Implementation Project	Work Plan submitted; Establishment (supply, delivery, installation and maintenance) of the Building Control Portal at the four municipalities; Work sessions with relevant municipal officials around On Site Support, Data Cleaning; and Advice and guidance with regard to Back Scanning of building plans. Final report submission.	Not indicated	15 Feb 2017-15 Mar 2017	R490 000.00	1	N/A

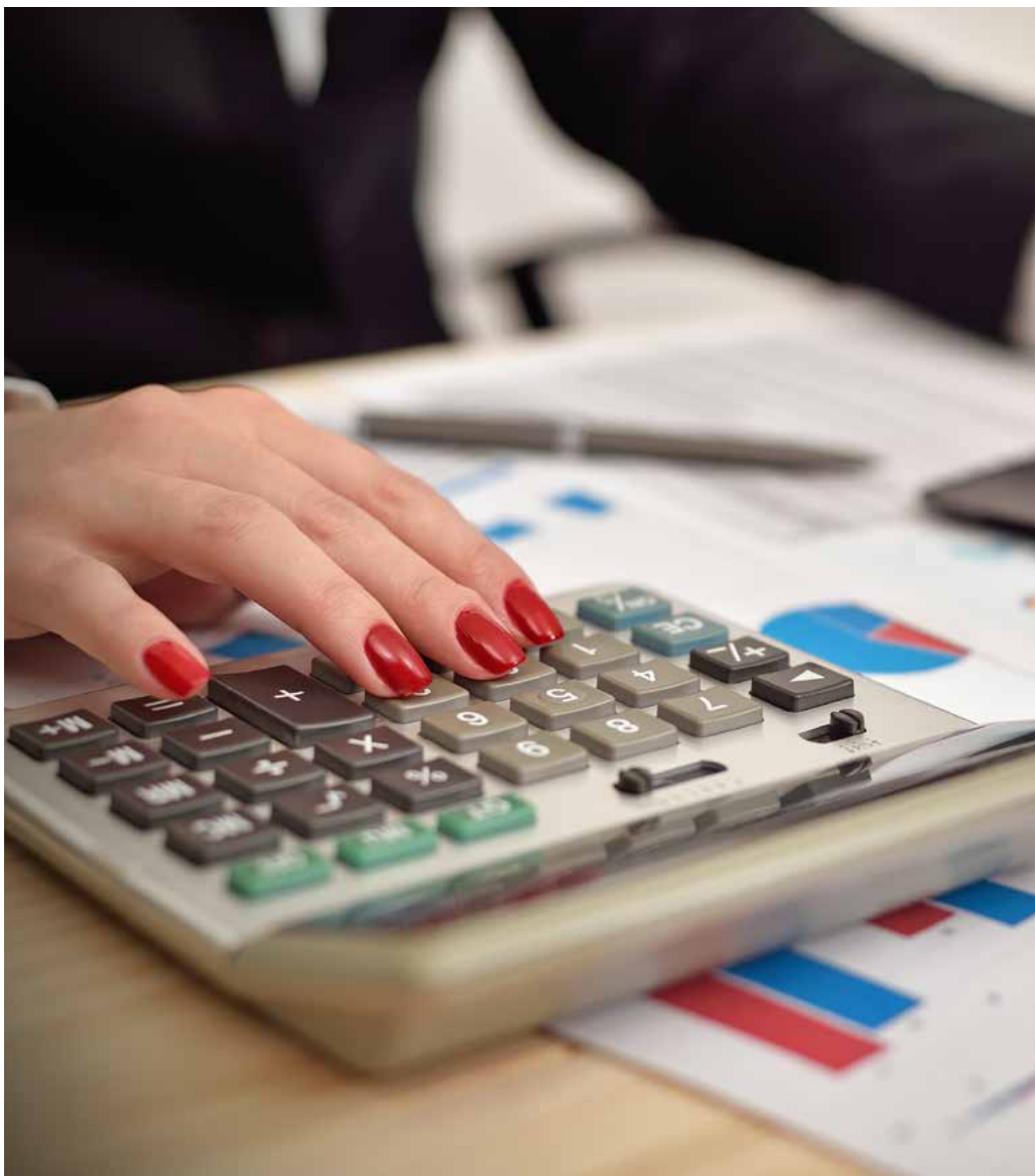
Programme	Consulting Firm	Project Title	Nature of project	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand	Total Number of projects	BBBEE Level
Economic Planning	Ernst & Young Inc	Digital disruption assessment	To understand the impact of digital disruption on sectors and businesses within the Western Cape, and present strategic responses for businesses and Western Cape Government to consider in order to capitalize on the opportunities that may arise from disruptive technologies.	7	Feb-31 Mar 2017	R855 000.00	1	1
Economic Planning	GTAC	GTAC Intellectual Property	Intellectual property review and decision flow-chart for Government employees dealing with Intellectual property for Innovation purposes.	Cannot establish	9 Mar 2016-31 Dec 2016	R449 876.80	1	N/A
Integrated Economic Development services	UCT	GEM Report	GEM South African Report with a specific Western Cape Chapter.	Cannot establish	Mar 2017	R350 000.00	1	N/A

Table 3.15.2 Consultant appointments using Donor funds

Programme	Consulting Firm	Project Title	Nature of project	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand	Total Number of projects	BBBEE Level
None								

Part E

FINANCIAL INFORMATION



1. Report on the audit of the **financial statements**

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 audit of the financial statements

Opinion

1. I have audited the financial statements of the Western Cape Department of Economic Development and Tourism set out on pages 200 to 281, which comprise the appropriation statement, the statement of financial position as at 31 March 2017, and 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 to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Economic Development and Tourism as at 31 March 2017, and its financial performance and cash flows for the year then ended 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, 2016 (Act No. 3 of 2016) (DoRA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the Department in accordance with the International Ethics Standards Board for Accountants' **Code of ethics for professional accountants** (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Material underspending of the vote

7. As disclosed in note 4.1 to the appropriation statement, the department materially underspent the overall budget by R13,9 million (2,48%). The explanations for material variances from amounts voted per programme and the standard classifications are set out in notes 4.1 and 4.2 to the appropriation statement.

Material impairment

8. As disclosed in note 12.1 to the financial statements, the Department has an impairment of R67,1 million (2015-16: R63,5 million) on the shareholding held by the Provincial Government of the Western Cape in the Cape Town International Convention Centre Company SOC Limited.

Other matter

9. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary schedules

10. The supplementary information set out on pages 282 to 288 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.

Responsibilities of the accounting officer for the financial statements

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS prescribed by National Treasury and the requirements of the PFMA and 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.
12. In preparing the financial statements, the accounting officer is responsible for assessing the Department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the intention is to liquidate the Department or to cease operations, or there is no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

13. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this report.

Report on the audit of the annual performance report

Introduction and scope

15. 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 material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
16. My procedures address the reported performance information, which must be based on the approved performance planning documents of the Department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the Department for the year ended 31 March 2017:

Programme	Pages in the annual performance report
Programme 2 - Integrated Economic Development Services	60 - 70
Programme 3 - Trade and Sector Development	70 - 79
Programme 5 - Economic Planning	85 - 97
Programme 7 - Skills Development and Innovation	107 - 113

18. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
19. 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 5 - Economic Planning
- Programme 7 - Skills Development and Innovation

Other matters

20. I draw attention to the matters below:

Achievement of planned targets

21. Refer to the annual performance report on pages 51 to 113 for information on the achievement of planned targets for the year and explanations provided for the under- or overachievement of a number of targets.

Unaudited supplementary information

22. The supplementary information set out on pages 9 to 28 and 114 to 199 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.

Report on the audit of compliance with legislation

Introduction and scope

23. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the Department with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
24. I did not identify any instances of material non-compliance in respect of the compliance criteria for the applicable subject matters.

Other information

25. The Department's accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.
26. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
27. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Internal control deficiencies

28. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. I did not identify any significant deficiencies in internal control.

Auditor - General

Cape Town

31 July 2017



Annexure – auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the Department’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - obtain an understanding of internal control relevant to the audit 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 Department’s internal control.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Department’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor’s report. However, future events or conditions may cause a department to cease operating as a going concern.
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and here applicable, related safeguards.

ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2017

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APPROPRIATION STATEMENT for the year ended 31 March 2017

Appropriation per programme										
Voted funds and Direct charges	2016/17							2015/16		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
Programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
1. Administration	52 314	-	-	52 314	51 656	658	98.7%	41 904	40 330	
2. Integrated Economic Development Services	39 810	-	2 473	42 283	41 661	622	98.5%	54 968	53 802	
3. Trade and Sector Development	59 272	-	(2 619)	56 653	55 591	1 062	98.1%	58 103	57 663	
4. Business Regulation and Governance	10 911	-	-	10 911	10 479	432	96.0%	50 137	49 778	
5. Economic Planning	298 347	-	-	298 347	296 135	2 212	99.3%	144 335	138 785	
6. Tourism, Arts and Entertainment	49 810	-	146	49 956	49 342	614	98.8%	40 271	39 882	
7. Skills Development and Innovation	62 802	-	-	62 802	54 522	8 280	86.8%	54 545	52 544	
TOTAL	573 266	-	-	573 266	559 386	13 880	97.6%	444 263	432 784	

APPROPRIATION STATEMENT for the year ended 31 March 2017

	2016/17			2015/16	
	Final Appropriation	Actual Expenditure		Final Appropriation	Actual Expenditure
TOTAL (brought forward)	573 266	559 386		444 263	432 784
Reconciliation with statement of financial performance					
ADD					
Departmental receipts	775			5 716	
Aid assistance (revenue)	14 771			16 805	
Actual amounts per statement of financial performance (total revenue)	588 812			466 784	
ADD					
Aid assistance (expenditure)		13 900			3 371
Actual amounts per statement of financial performance (total expenditure)		573 286			436 155

APPROPRIATION STATEMENT for the year ended 31 March 2017

Appropriation per economic classification										
2016/17								2015/16		
	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
Economic classification										
Current payments	229 886	(579)	(1 861)	227 446	218 257	9 189	96.0%	221 384	210 287	
Compensation of employees	108 525	-	-	108 525	104 660	3 865	96.4%	104 772	98 229	
Salaries and wages	96 626	(255)	-	96 371	92 969	3 402	96.5%	93 773	87 687	
Social contributions	11 899	255	-	12 154	11 691	463	96.2%	10 999	10 542	
Goods and services	121 361	(579)	(1 861)	118 921	113 597	5 324	95.5%	116 612	112 058	
Administrative fees	203	84	-	287	264	23	92.0%	272	205	
Advertising	9 486	148	4	9 638	9 551	87	99.1%	7 119	6 990	
Minor assets	504	(49)	-	455	418	37	91.9%	434	366	
Audit costs: External	2 772	321	-	3 093	3 093	-	100.0%	3 066	3 066	
Bursaries: Employees	411	(104)	-	307	299	8	97.4%	442	442	
Catering: Departmental activities	1 094	24	-	1 118	1 043	75	93.3%	818	793	
Communication	1 063	(137)	9	935	778	157	83.2%	935	862	
Computer services	7 355	2 174	-	9 529	9 029	500	94.8%	8 710	8 374	
Consultants: Business and advisory services	60 021	(6 404)	(2 171)	51 446	48 111	3 335	93.5%	51 231	49 297	
Legal services	29	64	-	93	93	-	100.0%	-	-	
Contractors	1 094	45	55	1 194	1 174	20	98.3%	1 349	1 310	
Agency and support / out-sourced services	1 822	121	-	1 943	1 942	1	99.9%	1 936	1 936	
Entertainment	81	(8)	(2)	71	44	27	62.0%	74	44	

APPROPRIATION STATEMENT for the year ended 31 March 2017

Appropriation per economic classification										
	2016/17							2015/16		
	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
Fleet services	480	5	-	485	486	(1)	100.2%	683	683	683
Consumable supplies	243	102	-	345	310	35	89.9%	526	459	459
Consumable: Stationery, printing and office supplies	1 468	(193)	(20)	1 255	1 004	251	80.0%	1 143	962	962
Operating leases	532	49	-	581	557	24	95.9%	647	599	599
Property payments	-	110	-	110	106	4	96.4%	133	133	133
Travel and subsistence	2 138	466	(60)	2 544	2 271	273	89.3%	2 643	2 314	2 314
Training and development	28 148	2 501	324	30 973	30 761	212	99.3%	31 308	30 572	30 572
Operating payments	1 179	14	-	1 193	1 082	111	90.7%	1 266	1 091	1 091
Venues and facilities	730	(40)	-	690	551	139	79.9%	1 136	820	820
Rental and hiring	548	88	-	636	630	6	99.1%	741	740	740
Transfers and subsidies	339 853	315	1 826	341 994	337 425	4 569	98.7%	216 912	216 681	216 681
Departmental agencies and accounts	204 452	2	-	204 454	204 454	-	100.0%	125 192	125 192	125 192
Departmental agencies and accounts (non-business entities)	204 452	2	-	204 454	204 454	-	100.0%	125 192	125 192	125 192
Public corporations and private enterprises	5 418	-	533	5 951	5 950	1	100.0%	3 000	2 831	2 831
Public corporations	3 000	-	-	3 000	3 000	-	100.0%	-	-	-
Other transfers to public corporations	3 000	-	-	3 000	3 000	-	100.0%	-	-	-
Private enterprises	2 418	-	533	2 951	2 950	1	100.0%	3 000	2 831	2 831

APPROPRIATION STATEMENT for the year ended 31 March 2017

Appropriation per economic classification										
2016/17									2015/16	
	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
Other transfers to private enterprises	2 418	-	533	2 951	2 950	1	100.0%	3 000	2 831	2 831
Non-profit institutions	116 366	250	1 250	117 866	117 866	-	100.0%	75 693	75 693	75 693
Households	13 617	63	43	13 723	9 155	4 568	66.6%	13 027	12 965	12 965
Social benefits	104	23	43	170	170	-	100.0%	2 227	2 188	2 188
Other transfers to households	13 513	40	-	13 553	8 985	4 568	66.3%	10 800	10 777	10 777
Payments for capital assets	3 353	261	35	3 649	3 528	121	96.7%	5 843	5 692	5 692
Machinery and equipment	3 339	257	35	3 631	3 516	115	96.8%	5 574	5 426	5 426
Transport equipment	1 592	183	-	1 775	1 773	2	99.9%	3 624	3 624	3 624
Other machinery and equipment	1 747	74	35	1 856	1 743	113	93.9%	1 950	1 802	1 802
Software and other intangible assets	14	4	-	18	12	6	66.7%	269	266	266
Payments for financial assets	134	43	-	177	176	1	99.4%	124	124	124
Total	573 266	-	-	573 266	559 386	13 880	97.6%	444 263	432 784	432 784

APPROPRIATION STATEMENT for the year ended 31 March 2017

Programme 1: Administration	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
Sub-programme									
1. Office of the HOD	7 845	81	-	7 926	7 417	509	93.6%	6 113	5 423
2. Financial Management	27 064	(350)	-	26 714	26 714	-	100.0%	25 731	24 847
3. Corporate Services	17 405	269	-	17 674	17 525	149	99.2%	10 060	10 060
Total	52 314	-	-	52 314	51 656	658	98.7%	41 904	40 330
Economic classification									
Current payments	50 206	(126)	-	50 080	49 421	659	98.7%	38 240	36 666
Compensation of employees	34 003	-	-	34 003	33 492	511	98.5%	23 767	22 264
Salaries and wages	30 137	(172)	-	29 965	29 455	510	98.3%	20 972	19 699
Social contributions	3 866	172	-	4 038	4 037	1	100.0%	2 795	2 565
Goods and services	16 203	(126)	-	16 077	15 929	148	99.1%	14 473	14 402
Administrative fees	84	41	-	125	113	12	90.4%	45	43
Advertising	7 891	(848)	-	7 043	6 960	83	98.8%	6 021	6 016
Minor assets	101	(35)	-	66	66	-	100.0%	85	79
Audit costs: External	2 772	321	-	3 093	3 093	-	100.0%	3 066	3 066
Bursaries: Employees	411	(104)	-	307	299	8	97.4%	442	442
Catering: Departmental activities	141	(26)	-	115	110	5	95.7%	107	107
Communication	381	(119)	-	262	262	-	100.0%	235	235
Computer services	531	396	-	927	926	1	99.9%	651	621

APPROPRIATION STATEMENT for the year ended 31 March 2017

Programme 1: Administration (continued)	2016/17							2015/16	
	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	163	-	-	163	163	-	100.0%	390	390
Legal services	-	64	-	64	64	-	100.0%	-	-
Contractors	74	36	-	110	110	-	100.0%	58	45
Entertainment	28	(13)	-	15	15	-	100.0%	15	12
Fleet services	480	5	-	485	486	(1)	100.2%	683	683
Consumable supplies	133	(26)	-	107	106	1	99.1%	129	129
Consumable: Stationery, printing and office supplies	534	(111)	-	423	423	-	100.0%	312	312
Operating leases	146	32	-	178	178	-	100.0%	133	123
Property payments	-	106	-	106	104	2	98.1%	133	133
Travel and subsistence	467	(69)	-	398	398	-	100.0%	280	278
Training and development	809	270	-	1 079	1 077	2	99.8%	764	764
Operating payments	712	(115)	-	597	562	35	94.1%	580	580
Venues and facilities	196	(137)	-	59	59	-	100.0%	285	285
Rental and hiring	149	206	-	355	355	-	100.0%	59	59
Transfers and subsidies	33	2	-	35	35	-	100.0%	16	16
Departmental agencies and accounts	1	2	-	3	3	-	100.0%	1	1
Departmental agencies	1	2	-	3	3	-	100.0%	1	1

APPROPRIATION STATEMENT for the year ended 31 March 2017

2016/17										2015/16	
Programme 1: Administration (continued)	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		
Households	32	-	-	32	32	-	100.0%	15	15		
Social benefits	32	-	-	32	32	-	100.0%	15	15		
Payments for capital assets	2 026	98	-	2 124	2 125	(1)	100.0%	3 648	3 648		
Machinery and equipment	2 013	109	-	2 122	2 123	(1)	100.0%	3 488	3 488		
Transport equipment	1 389	183	-	1 572	1 572	-	100.0%	3 018	3 018		
Other machinery and equip- ment	624	(74)	-	550	551	(1)	100.2%	470	470		
Software and other intangible assets	13	(11)	-	2	2	-	100.0%	160	160		
Payments for financial assets	49	26	-	75	75	-	100.0%	-	-		
Total	52 314	-	-	52 314	51 656	658	98.7%	41 904	40 330		

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB-PROGRAMME: 1.1: Office of the HOD											
2016/17										2015/16	
Economic classification	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		
Current payments	7 763	72	-	7 835	7 325	510	93.5%	5 445	4 755		
Compensation of employees	7 343	-	-	7 343	6 834	509	93.1%	4 393	3 703		
Goods and services	420	72	-	492	491	1	99.8%	1 052	1 052		
Payments for capital assets	62	9	-	71	72	(1)	101.4%	668	668		
Machinery and equipment	62	9	-	71	72	(1)	101.4%	667	667		
Software and other intangible assets	-	-	-	-	-	-	-	1	1		
Payments for financial assets	20	-	-	20	20	-	100.0%	-	-		
Total	7 845	81	-	7 926	7 417	509	93.6%	6 113	5 423		

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB-PROGRAMME: 1.2: Financial and Management											
2016/17										2015/16	
Economic classification	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		
Current payments	25 341	(514)	-	24 827	24 827	-	100.0%	22 735	21 851		
Compensation of employees	18 991	(814)	-	18 177	18 176	1	100.0%	16 870	16 057		
Goods and services	6 350	300	-	6 650	6 651	(1)	100.0%	5 865	5 794		
Transfers and subsidies	25	2	-	27	27	-	100.0%	16	16		
Departmental agencies and ac- counts	1	2	-	3	3	-	100.0%	1	1		
Households	24	-	-	24	24	-	100.0%	15	15		
Payments for capital assets	1 673	136	-	1 809	1 809	-	100.0%	2 980	2 980		
Machinery and equipment	1 672	135	-	1 807	1 807	-	100.0%	2 821	2 821		
Intangible assets	1	1	-	2	2	-	100.0%	159	159		
Payments for financial assets	25	26	-	51	51	-	100.0%	-	-		
Total	27 064	(350)	-	26 714	26 714	-	100.0%	25 731	24 847		

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB-PROGRAMME: 1.3: Corporate Services										
2016/17										2015/16
Economic classification	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	
Current payments	17 102	316	-	17 418	17 269	149	99.1%	10 060	10 060	
Compensation of employees	7 669	814	-	8 483	8 482	1	100.0%	2 504	2 504	
Goods and services	9 433	(498)	-	8 935	8 787	148	98.3%	7 556	7 556	
Transfers and subsidies	8	-	-	8	8	-	100.0%	-	-	
Households	8	-	-	8	8	-	100.0%	-	-	
Payments for capital assets	291	(47)	-	244	244	-	100.0%	-	-	
Machinery and equipment	279	(35)	-	244	244	-	100.0%	-	-	
Intangible assets	12	(12)	-	-	-	-	-	-	-	
Payments for financial assets	4	-	-	4	4	-	100.0%	-	-	
Total	17 405	269	-	17 674	17 525	149	99.2%	10 060	10 060	

APPROPRIATION STATEMENT for the year ended 31 March 2017

2016/17										2015/16	
Programme 2: Integrated Economic Development Services	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		
Sub-programme											
1. Enterprise Development	21 433	181	2 133	23 747	23 496	251	98.9%	34 173	33 747		
2. Regional and Local Economic Development	6 043	494	-	6 537	6 415	122	98.1%	5 880	5 583		
3. Red Tape	12 334	(675)	340	11 999	11 750	249	97.9%	14 915	14 472		
Total	39 810	-	2 473	42 283	41 661	622	98.5%	54 968	53 802		
Economic classification											
Current payments	29 183	(251)	690	29 622	29 016	606	98.0%	40 697	39 701		
Compensation of employees	16 613	-	-	16 613	16 184	429	97.4%	17 253	16 793		
Salaries and wages	14 703	-	-	14 703	14 324	379	97.4%	15 275	14 850		
Social contributions	1 910	-	-	1 910	1 860	50	97.4%	1 978	1 943		
Goods and services	12 570	(251)	690	13 009	12 832	177	98.6%	23 444	22 908		
Administrative fees	44	(6)	-	38	38	-	100.0%	107	67		
Advertising	618	120	-	738	734	4	99.5%	390	386		
Minor assets	23	(1)	-	22	19	3	86.4%	51	15		
Catering: Departmental activities	456	87	-	543	542	1	99.8%	406	399		
Communication	126	(21)	-	105	100	5	95.2%	162	148		
Computer services	3	-	-	3	4	(1)	133.3%	-	-		

APPROPRIATION STATEMENT for the year ended 31 March 2017

2016/17										2015/16	
Programme 2: Integrated Economic Development Services (continued)	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	7 999	(878)	350	7 471	7 450	21	99.7%	15 009	15 004		
Legal services	29	-	-	29	29	-	100.0%	-	-		
Contractors	1 002	9	-	1 011	1 010	1	99.9%	1 119	1 093		
Agency and support / out-sourced services	422	49	-	471	470	1	99.8%	471	471		
Entertainment	16	2	-	18	17	1	94.4%	27	22		
Consumable supplies	26	33	-	59	51	8	86.4%	145	119		
Consumable: Stationery, printing and office supplies	215	(11)	-	204	198	6	97.1%	248	239		
Operating leases	56	14	-	70	48	22	68.6%	44	36		
Travel and subsistence	481	90	-	571	496	75	86.9%	774	673		
Training and development	345	286	340	971	965	6	99.4%	3 162	3 105		
Operating payments	68	10	-	78	66	12	84.6%	97	94		
Venues and facilities	259	105	-	364	357	7	98.1%	595	400		
Rental and hiring	382	(139)	-	243	238	5	97.9%	637	637		
Transfers and subsidies	10 348	250	1 783	12 381	12 375	6	100.0%	13 401	13 232		
Departmental agencies and accounts	2 900	-	-	2 900	2 900	-	100.0%	1 900	1 900		
Departmental agencies	2 900	-	-	2 900	2 900	-	100.0%	1 900	1 900		

APPROPRIATION STATEMENT for the year ended 31 March 2017

2016/17										2015/16	
Programme 2: Integrated Economic Development Services (continued)	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		
Public corporations and private enterprises	5 418	-	533	5 951	5 950	1	100.0%	3 000	2 831		
Public corporations	3 000	-	-	3 000	3 000	-	100.0%	-	-		
Other transfers to public corporations	3 000	-	-	3 000	3 000	-	100.0%	-	-		
Private enterprises	2 418	-	533	2 951	2 950	1	100.0%	3 000	2 831		
Other transfers to private enterprises	2 418	-	533	2 951	2 950	1	100.0%	3 000	2 831		
Non-profit institutions	-	250	1 250	1 500	1 500	-	100.0%	6 448	6 448		
Households	2 030	-	-	2 030	2 025	5	99.8%	2 053	2 053		
Social benefits	-	-	-	-	-	-	-	2 053	2 053		
Other transfers to households	2 030	-	-	2 030	2 025	5	99.8%	-	-		
Payments for capital assets	265	1	-	266	256	10	96.2%	870	869		
Machinery and equipment	265	(2)	-	263	255	8	97.0%	802	802		
Transport equipment	-	-	-	-	-	-	-	264	264		
Other machinery and equip- ment	265	(2)	-	263	255	8	97.0%	538	538		
Software and other intangible assets	-	3	-	3	1	2	33.3%	68	67		
Payments for financial assets	14	-	-	14	14	-	100.0%	-	-		
Total	39 810	-	2 473	42 283	41 661	622	98.5%	54 968	53 802		

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB-PROGRAMME: 2.1: Enterprise Development										
Economic classification	2016/17							2015/16		
	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
Current payments	14 073	(469)	350	13 954	13 706	248	98.2%	22 607	22 350	
Compensation of employees	9 676	-	-	9 676	9 547	129	98.7%	7 749	7 589	
Goods and services	4 397	(469)	350	4 278	4 159	119	97.2%	14 858	14 761	
Transfers and subsidies	7 293	650	1 783	9 726	9 725	1	100.0%	11 452	11 283	
Departmental agencies and ac-counts	-	400	-	400	400	-	100.0%	-	-	
Public corporations and private enterprises	5 268	-	533	5 801	5 800	1	100.0%	3 000	2 831	
Non-profit institutions	-	250	1 250	1 500	1 500	-	100.0%	6 448	6 448	
Households	2 025	-	-	2 025	2 025	-	100.0%	2 004	2 004	
Payments for capital assets	53	-	-	53	51	2	96.2%	114	114	
Machinery and equipment	53	(1)	-	52	50	2	96.2%	113	113	
Software and other intangible assets	-	1	-	1	1	-	100.0%	1	1	
Payments for financial assets	14	-	-	14	14	-	100.0%	-	-	
Total	21 433	181	2 133	23 747	23 496	251	98.9%	34 173	33 747	

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB-PROGRAMME: 2.2: Regional and Local Economic Development										
Economic classification	Adjusted Appropriation	2016/17						2015/16		
		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
Current payments	6 014	499	-	6 513	6 398	115	98.2%	5 807	5 510	
Compensation of employees	3 015	-	-	3 015	2 938	77	97.4%	4 119	3 822	
Goods and services	2 999	499	-	3 498	3 460	38	98.9%	1 688	1 688	
Transfers and subsidies	-	-	-	-	-	-	-	7	7	
Households	-	-	-	-	-	-	-	7	7	
Payments for capital assets	29	(5)	-	24	17	7	70.8%	66	66	
Machinery and equipment	29	(6)	-	23	17	6	73.9%	66	66	
Software and other intangible assets	-	1	-	1	-	1	-%	-	-	
Total	6 043	494	-	6 537	6 415	122	98.1%	5 880	5 583	

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB-PROGRAMME: 2.3: Red Tape											
2016/17										2015/16	
Economic classification	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		
Current payments	9 096	(281)	340	9 155	8 912	243	97.3%	12 283	11 841		
Compensation of employees	3 922	-	-	3 922	3 699	223	94.3%	5 385	5 382		
Goods and services	5 174	(281)	340	5 233	5 213	20	99.6%	6 898	6 459		
Transfers and subsidies	3 055	(400)	-	2 655	2 650	5	99.8%	1 942	1 942		
Departmental agencies and ac- counts	2 900	(400)	-	2 500	2 500	-	100.0%	1 900	1 900		
Public Corporations and private enterprises	150	-	-	150	150	-	100.0%	-	-		
Households	5	-	-	5	-	5	-%	42	42		
Payments for capital assets	183	6	-	189	188	1	99.5%	690	689		
Machinery and equipment	183	5	-	188	188	-	100.0%	623	623		
Software and other intangible assets	-	1	-	1	-	1	-%	67	66		
Total	12 334	(675)	340	11 999	11 750	249	97.9%	14 915	14 472		

APPROPRIATION STATEMENT for the year ended 31 March 2017

2016/17										2015/16	
Programme 3: Trade and Sector Development	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		
Sub-programme											
1. Trade and Investment Promotion	28 417	-	-	28 417	28 417	-	100.0%	23 000	23 000		
2. Sector development	30 855	-	(2 619)	28 236	27 174	1 062	96.2%	35 103	34 663		
Total	59 272	-	(2 619)	56 653	55 591	1 062	98.1%	58 103	57 663		
Economic classification											
Current payments	17 811	(13)	(2 619)	15 179	14 119	1 060	93.0%	11 934	11 502		
Compensation of employees	10 563	-	-	10 563	9 533	1 030	90.2%	11 037	10 815		
Salaries and wages	9 279	-	-	9 279	8 386	893	90.4%	9 872	9 638		
Social contributions	1 284	-	-	1 284	1 147	137	89.3%	1 165	1 177		
Goods and services	7 248	(13)	(2 619)	4 616	4 586	30	99.4%	897	687		
Administrative fees	11	3	-	14	13	1	92.9%	16	12		
Advertising	-	2	-	2	2	-	100.0%	95	95		
Minor assets	-	3	-	3	3	-	100.0%	30	7		
Catering: Departmental activities	11	-	-	11	4	7	36.4%	82	82		
Communication	37	34	-	71	70	1	98.6%	103	75		
Consultants: Business and advisory services	7 009	(300)	(2 521)	4 188	4 187	1	100.0%	64	60		
Entertainment	8	-	(2)	6	-	6	-%	14	1		
Consumable supplies	-	14	-	14	10	4	71.4%	19	16		
Consumable: Stationery, printing and office supplies	58	15	(20)	53	52	1	98.1%	93	38		

APPROPRIATION STATEMENT for the year ended 31 March 2017

2016/17										2015/16	
Programme 3: Trade and Sector Development (continued)	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		
Operating leases	-	16	-	16	16	-	100.0%	90	77		
Travel and subsistence	88	162	(60)	190	184	6	96.8%	200	188		
Training and development	25	-	(16)	9	9	-	100.0%	68	15		
Operating payments	1	20	-	21	19	2	90.5%	22	21		
Venues and facilities	-	-	-	-	-	-	-	1	-		
Rental and hiring	-	18	-	18	17	1	94.4%	-	-		
Transfers and subsidies	41 413	-	-	41 413	41 413	-	100.0%	46 071	46 069		
Departmental agencies and accounts	28 417	-	-	28 417	28 417	-	100.0%	23 000	23 000		
Departmental agencies	28 417	-	-	28 417	28 417	-	100.0%	23 000	23 000		
Non-profit institutions	12 996	-	-	12 996	12 996	-	100.0%	23 000	23 000		
Households	-	-	-	-	-	-	-	71	69		
Social benefits	-	-	-	-	-	-	-	71	69		
Payments for capital assets	26	2	-	28	26	2	92.9%	91	85		
Machinery and equipment	26	-	-	26	24	2	92.3%	87	81		
Transport equipment	26	-	-	26	24	2	92.3%	-	-		
Other machinery and equipment	-	-	-	-	-	-	-	87	81		
Software and other intangible assets	-	2	-	2	2	-	100.0%	4	4		
Payments for financial assets	22	11	-	33	33	-	100.0%	7	7		
Total	59 272	-	(2 619)	56 653	55 591	1 062	98.1%	58 103	57 663		

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB-PROGRAMME: 3.1: Trade and Investment Promotion									
2016/17								2015/16	
	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
Transfers and subsidies	28 417	-	-	28 417	28 417	-	100.0%	23 000	23 000
Departmental agencies and accounts	28 417	-	-	28 417	28 417	-	100.0%	23 000	23 000
Total	28 417	-	-	28 417	28 417	-	100.0%	23 000	23 000

SUB-PROGRAMME: 3.2: Sector Development									
2016/17								2015/16	
	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
Current payments	17 811	(13)	(2 619)	15 179	14 119	1 060	93.0%	11 934	11 502
Compensation of employees	10 563	-	-	10 563	9 533	1 030	90.2%	11 037	10 815
Goods and services	7 248	(13)	(2 619)	4 616	4 586	30	99.4%	897	687
Transfers and subsidies	12 996	-	-	12 996	12 996	-	100.0%	23 071	23 069
Non-profit institutions	12 996	-	-	12 996	12 996	-	100.0%	23 000	23 000
Households	-	-	-	-	-	-	-	71	69
Payments for capital assets	26	2	-	28	26	2	92.9%	91	85
Machinery and equipment	26	-	-	26	24	2	92.3%	87	81
Software and other intangible assets	-	2	-	2	2	-	100.0%	4	4
Payments for financial assets	22	11	-	33	33	-	100.0%	7	7
Total	30 855	-	(2 619)	28 236	27 174	1 062	96.2%	35 103	34 663

APPROPRIATION STATEMENT for the year ended 31 March 2017

2016/17										2015/16	
Programme 4: Business regulation and Governance	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		
Sub-programme											
1. Consumer Protection	10 911	-	-	10 911	10 479	432	96.0%	11 226	10 868		
2. Liquor Regulation	-	-	-	-	-	-	-	38 911	38 910		
Total	10 911	-	-	10 911	10 479	432	96.0%	50 137	49 778		
Economic classification											
Current payments	10 779	-	-	10 779	10 361	418	96.1%	11 294	10 942		
Compensation of employees	8 111	-	-	8 111	8 033	78	99.0%	8 354	8 336		
Salaries and wages	7 130	-	-	7 130	7 074	56	99.2%	7 323	7 305		
Social contributions	981	-	-	981	959	22	97.8%	1 031	1 031		
Goods and services	2 668	-	-	2 668	2 328	340	87.3%	2 940	2 606		
Administrative fees	-	17	-	17	16	1	94.1%	24	24		
Advertising	-	300	-	300	300	-	100.0%	159	46		
Minor assets	16	9	-	25	13	12	52.0%	158	156		
Catering: Departmental activities	24	-	-	24	11	13	45.8%	5	-		
Communication	217	-	-	217	80	137	36.9%	102	93		
Computer services	120	(120)	-	-	-	-	-	61	61		
Consultants: Business and advisory services	158	(129)	-	29	-	29	-%	402	402		
Contractors	18	-	-	18	-	18	-%	1	1		
Agency and support / out-sourced services	1 400	72	-	1 472	1 472	-	100.0%	1 465	1 465		

APPROPRIATION STATEMENT for the year ended 31 March 2017

2016/17										2015/16	
Programme 4: Business regulation and Governance (continued)	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	9	-	-	9	-	9	-%	-	-		
Consumable supplies	-	6	-	6	4	2	66.7%	21	20		
Consumable: Stationery, printing and office supplies	62	(6)	-	56	25	31	44.6%	35	31		
Operating leases	65	2	-	67	67	-	100.0%	43	36		
Property payments	-	3	-	3	2	1	66.7%	-	-		
Travel and subsistence	263	45	-	308	222	86	72.1%	255	246		
Training and development	316	(316)	-	-	-	-	-	17	4		
Operating payments	-	117	-	117	116	1	99.1%	190	19		
Rental and hiring	-	-	-	-	-	-	-	2	2		
Transfers and subsidies	-	-	-	-	-	-	-	38 733	38 733		
Departmental agencies and accounts	-	-	-	-	-	-	-	38 733	38 733		
Departmental agencies	-	-	-	-	-	-	-	38 733	38 733		
Payments for capital assets	90	(6)	-	84	70	14	83.3%	110	103		
Machinery and equipment	90	(8)	-	82	68	14	82.9%	104	98		
Other machinery and equipment	90	(8)	-	82	68	14	82.9%	104	98		
Software and other intangible assets	-	2	-	2	2	-	100.0%	6	5		
Payments for financial assets	42	6	-	48	48	-	100.0%	-	-		
Total	10 911	-	-	10 911	10 479	432	96.0%	50 137	49 778		

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB-PROGRAMME: 4.1: Consumer Protection									
Economic classification	2016/17						2015/16		
	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
Current payments	10 779	-	-	10 779	10 361	418	96.1%	11 116	10 765
Compensation of employees	8 111	-	-	8 111	8 033	78	99.0%	8 176	8 159
Goods and services	2 668	-	-	2 668	2 328	340	87.3%	2 940	2 606
Payments for capital assets	90	(6)	-	84	70	14	83.3%	110	103
Machinery and equipment	90	(8)	-	82	68	14	82.9%	104	98
Software and other intangible assets	-	2	-	2	2	-	100.0%	6	5
Payment for financial assets	42	6	-	48	48	-	100.0%	-	-
Total	10 911	-	-	10 911	10 479	432	96.0%	11 226	10 868

SUB-PROGRAMME: 4.2: Liquor Regulation									
Economic classification	2016/17						2015/16		
	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
Current payments								178	177
Compensation of employees	-	-	-	-	-	-	-	178	177
Transfers and subsidies	-	-	-	-	-	-	-	38 733	38 733
Departmental agencies and accounts	-	-	-	-	-	-	-	38 733	38 733
Total	-	-	-	-	-	-	-	38 911	38 910

APPROPRIATION STATEMENT for the year ended 31 March 2017

2016/17										2015/16	
Programme 5: Economic Planning	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		
Sub-programme											
1. Economic Policy and Planning	3 372	-	-	3 372	3 258	114	96.6%	5 232	4 518		
2. Research and Development	8 152	801	-	8 953	8 882	71	99.2%	6 693	6 693		
3. Knowledge Management	9 654	-	-	9 654	9 654	-	100.0%	12 904	12 010		
4. Monitoring and Evaluation	1	-	-	1	-	1	-%	1 912	1 776		
5. Enabling Growth Infrastructure and Initiatives	214 292	(765)	-	213 527	213 383	144	99.9%	68 258	65 553		
6. Broadband for the Economy	41 191	(36)	-	41 155	39 771	1 384	96.6%	29 049	28 080		
7. Green Economy	21 685	-	-	21 685	21 187	498	97.7%	20 287	20 155		
Total	298 347	-	-	298 347	296 135	2 212	99.3%	144 334	138 785		
Economic classification											
Current payments	64 835	(5)	-	64 830	62 678	2 152	96.7%	65 956	60 564		
Compensation of employees	19 711	-	-	19 711	19 153	558	97.2%	24 321	20 917		
Salaries and wages	17 871	(28)	-	17 843	17 318	525	97.1%	22 460	19 159		
Social contributions	1 840	28	-	1 868	1 835	33	98.2%	1 861	1 758		
Goods and services	45 124	(5)	-	45 119	43 525	1 594	96.5%	41 635	39 647		
Administrative fees	37	11	-	48	46	2	95.8%	23	20		
Advertising	419	661	-	1 080	1 080	-	100.0%	447	447		
Minor assets	317	(3)	-	314	315	(1)	100.3%	80	80		
Catering: Departmental activities	37	3	-	40	33	7	82.5%	51	51		

APPROPRIATION STATEMENT for the year ended 31 March 2017

Programme 5: Economic Planning (continued)	2016/17							2015/16	
	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
Communication	164	(20)	-	144	141	3	97.9%	137	137
Computer services	3 500	1 520	-	5 020	4 520	500	90.0%	5 215	5 215
Consultants: Business and advisory services	39 147	(2 181)	-	36 966	36 218	748	98.0%	34 188	32 309
Contractors	-	-	-	-	-	-	-	5	5
Entertainment	15	1	-	16	7	9	43.8%	11	8
Consumable supplies	40	29	-	69	65	4	94.2%	129	127
Consumable: Stationery, printing and office supplies	305	(51)	-	254	108	146	42.5%	177	174
Operating leases	130	(15)	-	115	115	-	100.0%	254	241
Travel and subsistence	377	50	-	427	422	5	98.8%	397	322
Training and development	106	36	-	142	112	30	78.9%	86	73
Operating payments	304	(33)	-	271	246	25	90.8%	324	328
Venues and facilities	209	(13)	-	196	80	116	40.8%	108	108
Rental and hiring	17	-	-	17	17	-	100.0%	3	2
Transfers and subsidies	232 988	-	-	232 988	232 988	-	100.0%	77 764	77 727
Departmental agencies and accounts	133 159	-	-	133 159	133 159	-	100.0%	33 258	33 258
Departmental agencies	133 159	-	-	133 159	133 159	-	100.0%	33 258	33 258
Non-profit institutions	99 829	-	-	99 829	99 829	-	100.0%	44 430	44 430
Households	-	-	-	-	-	-	-	76	39
Social benefits	-	-	-	-	-	-	-	76	39

APPROPRIATION STATEMENT for the year ended 31 March 2017

2016/17										2015/16	
Programme 5: Economic Planning (continued)	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		
Payments for capital assets	524	5	-	529	469	60	88.7%	498	377		
Machinery and equipment	524	3	-	527	467	60	88.6%	474	353		
Transport equipment	177	-	-	177	177	-	100.0%	-	-		
Other machinery and equip- ment	347	3	-	350	290	60	82.9%	474	353		
Software and other intangible assets	-	2	-	2	2	-	100.0%	24	24		
Payments for financial assets	-	-	-	-	-	-	-	117	117		
Total	298 347	-	-	298 347	296 135	2 212	99.3%	144 335	138 785		

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB-PROGRAMME: 5.1: Economic Policy and Planning										
Economic classification	2016/17							2015/16		
	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
Current payments	3 277	(2)	-	3 275	3 161	114	96.5%	5 086	4 374	
Compensation of employees	2 646	-	-	2 646	2 638	8	99.7%	3 832	3 219	
Goods and services	631	(2)	-	629	523	106	83.1%	1 254	1 155	
Transfers and subsidies	-	-	-	-	-	-	-	9	9	
Households	-	-	-	-	-	-	-	9	9	
Payments for capital assets	95	2	-	97	97	-	100.0%	52	50	
Machinery and equipment	95	2	-	97	97	-	100.0%	52	50	
Payments for financial assets	-	-	-	-	-	-	-	85	85	
Total	3 372	-	-	3 372	3 258	114	96.6%	5 232	4 518	

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB-PROGRAMME: 5.2: Research and Development										
2016/17								2015/16		
Economic classification	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	
Current payments	8 134	801	-	8 935	8 864	71	99.2%	6 535	6 535	
Compensation of employees	3 915	-	-	3 915	3 843	72	98.2%	2 871	2 871	
Goods and services	4 219	801	-	5 020	5 021	(1)	100.0%	3 664	3 664	
Payments for capital assets	18	-	-	18	18	-	100.0%	158	158	
Machinery and equipment	18	-	-	18	18	-	100.0%	157	157	
Software and other intangible assets	-	-	-	-	-	-	-	1	1	
Total	8 152	801	-	8 953	8 882	71	99.2%	6 693	6 693	

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB-PROGRAMME: 5.3: Knowledge Management										
2016/17										2015/16
Economic classification	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	
Current payments	-	-	-	-	-	-	-	5 861	4 967	
Compensation of employees	-	-	-	-	-	-	-	2 422	2 388	
Goods and services	-	-	-	-	-	-	-	3 439	2 579	
Transfers and subsidies	9 654	-	-	9 654	9 654	-	100.0%	7 000	7 000	
Non-profit institutions	9 654	-	-	9 654	9 654	-	100.0%	7 000	7 000	
Payments for capital assets	-	-	-	-	-	-	-	11	11	
Machinery and equipment	-	-	-	-	-	-	-	11	11	
Payments for financial assets	-	-	-	-	-	-	-	32	32	
Total	9 654	-	-	9 654	9 654	-	100.0%	12 904	12 010	

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB-PROGRAMME: 5.4: Monitoring and Evaluation											
2016/17										2015/16	
Economic classification	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		
Current payments	1	-	-	1	-	1	-%	1 881	1 745		
Compensation of employees	-	-	-	-	-	-	-	1 791	1 655		
Goods and services	1	-	-	1	-	1	-%	90	90		
Payments for capital assets	-	-	-	-	-	-	-	31	31		
Machinery and equipment	-	-	-	-	-	-	-	30	30		
Software and other intangible assets	-	-	-	-	-	-	-	1	1		
Total	1	-	-	1	-	1	-%	1 912	1 776		

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB-PROGRAMME: 5.5: Enabling Growth Infrastructure and Initiatives

2016/17										2015/16	
Economic classification	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		
Current payments	7 537	(765)	-	6 772	6 665	107	98.4%	15 851	13 222		
Compensation of employees	3 437	-	-	3 437	3 330	107	96.9%	13 405	10 784		
Goods and services	4 100	(765)	-	3 335	3 335	-	100.0%	2 446	2 438		
Transfers and subsidies	206 659	-	-	206 659	206 659	-	100.0%	52 325	52 288		
Departmental agencies and accounts	133 159	-	-	133 159	133 159	-	100.0%	33 258	33 258		
Non-profit institutions	73 500	-	-	73 500	73 500	-	100.0%	19 000	19 000		
Households	-	-	-	-	-	-	-	67	30		
Payments for capital assets	96	-	-	96	59	37	61.5%	82	43		
Machinery and equipment	96	(1)	-	95	58	37	61.1%	74	35		
Software and other intangible assets	-	1	-	1	1	-	100.0%	8	8		
Total	214 292	(765)	-	213 527	213 383	144	99.9%	68 258	65 553		

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB-PROGRAMME: 5.6: Broadband for the Economy										
2016/17										2015/16
Economic classification	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	
Current payments	38 280	(36)	-	38 244	36 883	1 361	96.4%	27 019	26 088	
Compensation of employees	4 509	-	-	4 509	4 375	134	97.0%	-	-	
Goods and services	33 771	(36)	-	33 735	32 508	1 227	96.4%	27 019	26 088	
Transfers and subsidies	2 650	-	-	2 650	2 650	-	100.0%	1 950	1 950	
Non-profit institutions	2 650	-	-	2 650	2 650	-	100.0%	1 950	1 950	
Payments for capital assets	261	-	-	261	238	23	91.2%	80	42	
Machinery and equipment	261	(1)	-	260	237	23	91.2%	73	35	
Software and other intangible assets	-	1	-	1	1	-	100.0%	7	7	
Total	41 191	(36)	-	41 155	39 771	1 384	96.6%	29 049	28 080	

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB-PROGRAMME: 5.7: Green Economy										
Economic classification	2016/17							2015/16		
	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
Current payments	7 606	(3)	-	7 603	7 105	498	93.4%	3 723	3 633	
Compensation of employees	5 204	-	-	5 204	4 967	237	95.4%	-	-	
Goods and services	2 402	(3)	-	2 399	2 138	261	89.1%	3 723	3 633	
Transfers and subsidies	14 025	-	-	14 025	14 025	-	100.0%	16 480	16 480	
Non-profit institutions	14 025	-	-	14 025	14 025	-	100.0%	16 480	16 480	
Payments for capital assets	54	3	-	57	57	-	100.0%	84	42	
Machinery and equipment	54	3	-	57	57	-	100.0%	77	35	
Software and other intangible assets	-	-	-	-	-	-	-	7	7	
Total	21 685	-	-	21 685	21 187	498	97.7%	20 287	20 155	

APPROPRIATION STATEMENT for the year ended 31 March 2017

2016/17										2015/16	
Programme 6: Tourism, Arts and Entertainment	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		
Sub-programme											
1. Tourism Planning	1	-	-	1	-	1	-%	1 527	1 410		
2. Tourism Growth and Development	1	-	-	1	-	1	-%	1 722	1 710		
3. Tourism Sector Transformation	12 483	-	146	12 629	12 017	612	95.2%	8 722	8 462		
4. Tourism Destination Marketing	37 325	-	-	37 325	37 325	-	100.0%	28 300	28 300		
Total	49 810	-	146	49 956	49 342	614	98.8%	40 271	39 882		
Economic classification											
Current payments	9 716	-	68	9 784	9 173	611	93.8%	11 409	11 021		
Compensation of employees	7 850	-	-	7 850	7 261	589	92.5%	9 685	9 360		
Salaries and wages	6 850	25	-	6 875	6 413	462	93.3%	8 583	8 238		
Social contributions	1 000	(25)	-	975	848	127	87.0%	1 102	1 122		
Goods and services	1 866	-	68	1 934	1 912	22	98.9%	1 724	1 661		
Administrative fees	3	20	-	23	21	2	91.3%	33	16		
Advertising	253	(57)	4	200	200	-	100.0%	-	-		
Minor assets	1	3	-	4	2	2	50.0%	26	29		
Catering: Departmental activities	13	59	-	72	71	1	98.6%	30	25		
Communication	59	(9)	9	59	57	2	96.6%	120	117		
Consultants: Business and advisory services	274	(181)	-	93	93	-	100.0%	60	31		
Contractors	-	-	55	55	54	1	98.2%	166	166		

APPROPRIATION STATEMENT for the year ended 31 March 2017

2016/17										2015/16	
Programme 6: Tourism, Arts and Entertainment (continued)	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	1	-	-	1	1	-	100.0%	-	1		
Consumable supplies	-	53	-	53	50	3	94.3%	24	24		
Consumable: Stationery, printing and office supplies	132	(32)	-	100	98	2	98.0%	134	133		
Operating leases	96	13	-	109	109	-	100.0%	59	62		
Travel and subsistence	72	223	-	295	289	6	98.0%	357	350		
Training and development	937	(99)	-	838	837	1	99.9%	693	689		
Operating payments	25	2	-	27	25	2	92.6%	15	11		
Venues and facilities	-	5	-	5	5	-	100.0%	1	1		
Rental and hiring	-	-	-	-	-	-	-	6	6		
Transfers and subsidies	40 047	-	43	40 090	40 090	-	100.0%	28 312	28 312		
Departmental agencies and accounts	39 975	-	-	39 975	39 975	-	100.0%	28 300	28 300		
Departmental agencies	39 975	-	-	39 975	39 975	-	100.0%	28 300	28 300		
Households	72	-	43	115	115	-	100.0%	12	12		
Social benefits	72	-	43	115	115	-	100.0%	12	12		
Payments for capital assets	43	-	35	78	76	2	97.4%	550	549		
Machinery and equipment	43	-	35	78	75	3	96.2%	547	547		
Transport equipment	-	-	-	-	-	-	-	342	342		

APPROPRIATION STATEMENT for the year ended 31 March 2017

2016/17										2015/16	
Programme 6: Tourism, Arts and Entertainment (continued)	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		
Other machinery and equipment	43	-	35	78	75	3	96.2%	205	205		
Software and other intangible assets	-	-	-	-	1	(1)	-%	3	2		
Payments for financial assets	4	-	-	4	3	1	75.0%	-	-		
Total	49 810	-	146	49 956	49 342	614	98.8%	40 271	39 882		

SUB-PROGRAMME: 6.1: Tourism Planning									
Economic classification	2016/17						2015/16		
	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
Current payments	1	-	-	1	-	1	-%	1 520	1 404
Compensation of employees	-	-	-	-	-	-	-	1 305	1 232
Goods and services	1	-	-	1	-	1	-%	215	172
Payments for capital assets	-	-	-	-	-	-	-	7	6
Machinery and equipment	-	-	-	-	-	-	-	6	6
Software and other intangible assets	-	-	-	-	-	-	-	1	-
Total	1	-	-	1	-	1	-%	1 527	1 410

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB-PROGRAMME: 6.2: Tourism Growth and Development										
2016/17									2015/16	
Economic classification	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	
Current payments	1	-	-	1	-	1	-%	1 286	1 274	
Compensation of employees	-	-	-	-	-	-	-	1 155	1 147	
Goods and services	1	-	-	1	-	1	-%	131	127	
Payments for capital assets	-	-	-	-	-	-	-	436	436	
Machinery and equipment	-	-	-	-	-	-	-	435	435	
Software and other intangible assets	-	-	-	-	-	-	-	1	1	
Total	1	-	-	1	-	1	-%	1 722	1 710	

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB-PROGRAMME: 6.3: Tourism Sector Transformation

2016/17										2015/16	
Economic classification	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		
Current payments	9 714	-	68	9 782	9 173	609	93.8%	8 603	8 343		
Compensation of employees	7 850	-	-	7 850	7 261	589	92.5%	7 225	6 981		
Goods and services	1 864	-	68	1 932	1 912	20	99.0%	1 378	1 362		
Transfers and subsidies	2 722	-	43	2 765	2 765	-	100.0%	12	12		
Departmental agencies and accounts	2 650	-	-	2 650	2 650	-	100.0%	-	-		
Households	72	-	43	115	115	-	100.0%	12	12		
Payments for capital assets	43	-	35	78	76	2	97.4%	107	107		
Machinery and equipment	43	-	35	78	75	3	96.2%	106	106		
Software and other intangible assets	-	-	-	-	1	(1)	-	1	1		
Payment of financial assets	4	-	-	4	3	1	75.0%	-	-		
Total	12 483	-	146	12 629	12 017	612	95.2%	8 722	8 462		

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB-PROGRAMME: 6.4: Tourism Destination Marketing										
Economic classification	2016/17							2015/16		
	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
Transfers and subsidies	37 325	-	-	37 325	37 325	-	100.0%	28 300	28 300	
Departmental agencies and accounts	37 325	-	-	37 325	37 325	-	100.0%	28 300	28 300	
Total	37 325	-	-	37 325	37 325	-	100.0%	28 300	28 300	

APPROPRIATION STATEMENT for the year ended 31 March 2017

2016/17										2015/16	
Programme 7: Skills Development and Innovation	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		
Sub-programme											
1. Provincial Skills and Partnership	10 488	174	-	10 662	10 596	66	99.4%	7 374	6 889		
2. Skills Programme and Projects	50 065	(240)	-	49 825	42 085	7 740	84.5%	46 815	45 299		
3. Skills Incentives	2 249	66	-	2 315	1 841	474	79.5%	356	356		
Total	62 802	-	-	62 802	54 522	8 280	86.8%	54 545	52 544		
Economic classification											
Current payments	47 356	(184)	-	47 172	43 489	3 683	92.2%	41 854	39 891		
Compensation of employees	11 674	-	-	11 674	11 004	670	94.3%	10 355	9 744		
Salaries and wages	10 656	(80)	-	10 576	9 999	577	94.5%	9 288	8 798		
Social contributions	1 018	80	-	1 098	1 005	93	91.5%	1 067	946		
Goods and services	35 682	(184)	-	35 498	32 485	3 013	91.5%	31 499	30 147		
Administrative fees	24	(2)	-	22	17	5	77.3%	24	23		
Advertising	305	(30)	-	275	275	-	100.0%	7	-		
Minor assets	46	(25)	-	21	-	21	-%	4	-		
Catering: Departmental activities	412	(99)	-	313	272	41	86.9%	137	129		
Communication	79	(2)	-	77	68	9	88.3%	76	57		
Computer services	3 201	378	-	3 579	3 579	-	100.0%	2 783	2 477		
Consultants: Business and advisory services	5 231	(2 695)	-	2 536	-	2 536	-%	1 118	1 101		
Entertainment	4	2	-	6	4	2	66.7%	7	-		

APPROPRIATION STATEMENT for the year ended 31 March 2017

2016/17										2015/16	
Programme 7: Skills Development and Innovation (continued)	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		
Consumable supplies	44	(7)	-	37	24	13	64.9%	59	24		
Consumable: Stationery, printing and office supplies	162	3	-	165	100	65	60.6%	144	35		
Operating leases	39	(13)	-	26	24	2	92.3%	24	24		
Property payments	-	1	-	1	-	1	-%	-	-		
Travel and subsistence	390	(35)	-	355	260	95	73.2%	380	257		
Training and development	25 610	2 324	-	27 934	27 761	173	99.4%	26 518	25 922		
Operating payments	69	13	-	82	48	34	58.5%	38	38		
Venues and facilities	66	-	-	66	50	16	75.8%	146	26		
Rental and hiring	-	3	-	3	3	-	100.0%	34	34		
Transfers and subsidies	15 064	23	-	15 087	10 524	4 563	69.8%	12 615	12 592		
Public Corporations and Private Enterprises	40	-	-	40	40	-	100.0%	-	-		
Private enterprises	40	-	-	40	40	-	100.0%	-	-		
Other transfers to private enterprises	40	-	-	40	40	-	100.0%	-	-		
Non-profit institutions	3 541	-	-	3 541	3 541	-	100.0%	1 815	1 815		
Households	11 483	23	-	11 506	6 943	4 563	60.3%	10 800	10 777		
Social benefits	-	23	-	23	23	-	100.0%	-	-		
Other transfers to households	11 483	-	-	11 483	6 920	4 563	60.3%	10 800	10 777		
Payments for capital assets	379	161	-	540	506	34	93.7%	76	61		
Machinery and equipment	378	155	-	533	504	29	94.6%	72	57		
Other machinery and equipment	378	155	-	533	504	29	94.6%	72	57		
Software and other intangible assets	1	6	-	7	2	5	28.6%	4	4		
Payments for financial assets	3	-	-	3	3	-	100.0%	-	-		
Total	62 802	-	-	62 802	54 522	8 280	86.8%	54 545	52 544		

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB-PROGRAMME: 7.1: Provincial Skills and Partnership											
2016/17										2015/16	
Economic classification	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		
Current payments	10 095	81	-	10 176	10 115	61	99.4%	7 318	6 838		
Compensation of employees	5 950	116	-	6 066	6 066	-	100.0%	3 016	2 984		
Goods and services	4 145	(35)	-	4 110	4 049	61	98.5%	4 302	3 854		
Transfers and subsidies	-	40	-	40	40	-	100.0%	-	-		
Households	-	40	-	40	40	-	100.0%	-	-		
Payments for capital assets	350	93	-	443	438	5	98.9%	56	51		
Machinery and equipment	349	87	-	436	436	-	100.0%	56	51		
Software and other intangible assets	1	6	-	7	2	5	28.6%	-	-		
Payments for financial assets	-	-	-	3	3	-	100.0%	-	-		
Total	10 488	214	-	10 662	10 596	66	99.4%	7 374	6 889		

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB-PROGRAMME: 7.2: Skills Programme and Projects											
2016/17										2015/16	
Economic classification	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		
Current payments	35 012	(348)	-	34 704	31 556	3 148	90.9%	34 181	32 698		
Compensation of employees	3 675	(182)	-	3 493	3 282	211	94.0%	7 004	6 425		
Goods and services	31 377	(166)	-	31 211	28 274	2 937	90.6%	27 177	26 273		
Transfers and subsidies	15 024	-	-	15 024	10 461	4 563	69.6%	12 615	12 592		
Non-profit institutions	3 541	-	-	3 541	3 541	-	100.0%	1 815	1 815		
Households	11 483	-	-	11 483	6 920	4 563	60.3%	10 800	10 777		
Payments for capital assets	29	68	-	97	68	29	70.1%	19	9		
Machinery and equipment	29	68	-	97	68	29	70.1%	16	6		
Software and other intangible assets	-	-	-	-	-	-	-	3	3		
Total	50 065	(280)	-	49 825	42 085	7 740	84.5%	46 815	45 299		

APPROPRIATION STATEMENT for the year ended 31 March 2017

SUB-PROGRAMME: 7.3: Skills Incentives										
Economic classification	2016/17							2015/16		
	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
Current payments	2 249	43	-	2 292	1 818	474	79.3%	355	355	355
Compensation of employees	2 049	66	-	2 115	1 656	459	78.3%	335	335	335
Goods and services	200	(23)	-	177	162	15	91.5%	20	20	20
Transfers and subsidies	-	23	-	23	23	-	100.0%	-	-	-
Households	-	23	-	23	23	-	100.0%	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	1	1	1
Software and other intangible assets	-	-	-	-	-	-	-	1	1	1
Total	2 249	66	-	2 315	1 841	474	79.5%	356	356	356

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2017

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 R'000	Variance as a % of Final Appropriation
Administration	52 314	51 656	658	1.26%
Integrated Economic Development Services	42 283	41 661	622	1.47%
Trade and Sector Development	56 653	55 591	1 062	1.87%
Business Regulation and Governance	10 911	10 479	432	3.96%
Economic Planning	298 347	296 135	2 212	0.74%
Tourism, Arts and Entertainment	49 956	49 342	614	1.23%
Skills Development and Innovation	62 802	54 522	8 280	13.18%

Explanation of variance:

Within **Programme 4: Business Regulation and Governance**, a key project involves the utilisation of a call centre service through which complaints are recorded for investigation on an electronic case management system. In this regard, the Department makes use of the transversal contract managed by the Department of the Premier. During the 2016/17 financial year, lower than anticipated claims were received from the Department of the Premier for this service.

Programme 7: Skills Development and Innovation is responsible for the provision of up skilling programmes to ensure the youth of the Province are ready for careers in the workplace. Key amongst these programmes is the provision of a work readiness programme and artisanal training programmes. These projects involves the provision of training as well as stipends to learners who are placed at host companies. In this regard, major contributor to the underspending was the lower than anticipated uptake and placement of stipend training students at companies across the Western Cape.

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	108 525	104 660	3 865	3.56%
Goods and services	118 921	113 597	5 324	4.48%
Transfers and subsidies				
Departmental agencies and accounts	204 454	204 454	-	0.00%
Public corporations and private enterprises	5 991	5 990	1	0.02%
Non-profit institutions	117 866	117 866	-	0.00%
Households	13 683	9 115	4 568	33.38%
Payments for capital assets				
Machinery and equipment	3 631	3 516	115	3.17%
Intangible assets	18	12	6	33.33%
Payments for financial assets	177	176	1	0.56%

Compensation of Employees:

With the implementation of upper limits on Compensation of Employees, the Department had to re-assess and evaluate various posts which could be accommodated not only in the current financial year, but its carry through the medium term. Noting this various posts were delayed while the prioritisation process was being finalised. Where posts were prioritised, unexpected delays in finding suitable candidates were also experienced.

Goods and Services:

The underspending on Goods and Services can be primarily attributed to Programmes 5: Economic Planning and Programme 7: Skills Development and Innovation. In terms of Economic Planning, the underspending is attributed to the Broadband project where final payment for services provided could not be paid during the financial year. The underspending for Skills Development is attributed to professional and specialised services related to the training of learners on the work and skills and artisanal projects.

Households:

The underspending within Households line item is attributed to the lower than anticipated uptake and placement of stipend training students at companies across the Western Cape within programme 7: Skills Development and Innovation. These students formed part of the work and skills and artisanal training programmes where learners are placed at host companies to complete either practical training for the artisanal programme or experiential work placements.

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
REVENUE			
Annual appropriation	1	573 266	444 263
Departmental revenue	2	775	5 716
Aid assistance	3	14 771	16 805
TOTAL REVENUE		588 812	466 784
EXPENDITURE			
Current expenditure			
Compensation of employees	4	104 661	98 230
Goods and services	5	113 598	112 058
Aid assistance	3	1 942	-
Total current expenditure		220 201	210 288
Transfers and subsidies			
Transfers and subsidies	7	337 425	216 682
Aid assistance	3	11 958	3 371
Total transfers and subsidies		349 383	220 053
Expenditure for capital assets			
Tangible assets	8	3 511	5 426
Intangible assets	8	16	265
Total expenditure for capital assets		3 527	5 691
Payments for financial assets	6	175	123
TOTAL EXPENDITURE		573 286	436 155
SURPLUS FOR THE YEAR		15 526	30 629

Reconciliation of Net Surplus for the year

Voted funds		13 880	11 479
Departmental revenue and PRF Receipts	14	775	5 716
Aid assistance	3	871	13 434
SURPLUS FOR THE YEAR		15 526	30 629

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
ASSETS			
Current assets		30 982	28 860
Cash and cash equivalents	9	30 740	28 769
Prepayments and advances	10	35	32
Receivables	11	207	59
Non-current assets		303 869	238 977
Investments	12	303 790	238 790
Receivables	11	79	187
TOTAL ASSETS		334 851	267 837
LIABILITIES			
Current liabilities		31 028	29 015
Voted funds to be surrendered to the Revenue Fund	13	13 880	11 479
Departmental revenue and PRF Receipts to be surrendered to the Revenue Fund	14	23	670
Payables	15	14	626
Aid assistance unutilised	3	17 111	16 240
TOTAL LIABILITIES		31 028	29 015
NET ASSETS		303 823	238 822
Represented by:			
Capitalisation reserve		303 790	238 790
Recoverable revenue		33	32
TOTAL		303 823	238 822

STATEMENT OF NET ASSETS

for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
Capitalisation Reserves			
Opening balance		238 790	223 790
Transfers:			
Other movements		65 000	15 000
Closing balance		303 790	238 790
Recoverable revenue			
Opening balance		32	54
Transfers:		1	(22)
Debts revised		(1)	(4)
Debts recovered (included in departmental receipts)		-	(115)
Debts raised		2	97
Closing balance		33	32
TOTAL		303 823	238 822

CASH FLOW STATEMENT

for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		589 074	499 907
Annual appropriated funds received	<u>1.1</u>	573 266	444 263
Departmental revenue received	<u>2</u>	1 037	38 797
Interest received	<u>2.2</u>	-	42
Aid assistance received	<u>3</u>	14 771	16 805
Net (increase)/decrease in working capital		(655)	1 576
Surrendered to Revenue Fund		(13 185)	(40 726)
Amount included in Adjusted Appropriation		-	(180)
Current payments		(220 201)	(210 288)
Payments for financial assets		(175)	(123)
Transfers and subsidies paid		(349 383)	(220 053)
Net cash flow available from operating activities	<u>16</u>	5 475	30 113
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	<u>8</u>	(3 527)	(5 691)
Proceeds from sale of capital assets	<u>2.3</u>	22	-
(Increase) in investments		(65 000)	(15 000)
Net cash flows from investing activities		(68 505)	(20 691)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in net assets		65 001	14 978
Net cash flows from financing activities		65 001	14 978
Net increase in cash and cash equivalents		1 971	24 400
Cash and cash equivalents at beginning of period		28 769	4 369
Cash and cash equivalents at end of period	<u>17</u>	30 740	28 769

ACCOUNTING POLICIES

for the year ended 31 March 2017

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. Management has concluded that the financial statements present fairly the Department's primary and secondary information.

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.

1	Basis of preparation The financial statements have been prepared in accordance with the Modified Cash Standard. 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.
2	Going concern The financial statements have been prepared on a going concern basis.
3	Presentation currency Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
4	Rounding Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	Foreign currency translation Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payments/receipt.
6	Comparative information
6.1	Prior period comparative information 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.
6.2	Current year comparison with budget A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

7	Revenue
7.1	<p>Appropriated funds</p> <p>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>
7.2	<p>Departmental revenue</p> <p>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>
7.3	<p>Accrued departmental revenue</p> <p>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"> • it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • the amount of revenue can be measured reliably. <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> <p>Write-offs are made according to the department's debt write-off policy.</p>
8	Expenditure
8.1	Compensation of employees
8.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p>Social contributions</p> <p>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>
8.2	<p>Other expenditure</p> <p>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>

8.2.1	Payments for financial assets <p>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>
8.2.2	Transfers and subsidies <p>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>
8.3	Accruals and payables not recognised <p>Accruals and payables not recognised are 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>Accruals and payables not recognised are measured at cost.</p>
8.4	Leases
8.4.1	Operating leases <p>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>
8.4.2	Finance leases <p>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"> • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9	Aid Assistance
9.1	Aid assistance received <p>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>
9.2	Aid assistance paid <p>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>

10	<p>Cash and cash equivalents</p> <p>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 as a current liability.</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>
11	<p>Prepayments and advances</p> <p>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>
12	<p>Loans and receivables</p> <p>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. Write-offs are made according to the department's write-off policy.</p>
13	<p>Investments</p> <p>Investments are recognised in the statement of financial position at cost.</p>
14	<p>Financial assets</p>
14.1	<p>Financial assets (not covered elsewhere)</p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial.</p> <p>At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>
14.2	<p>Impairment of financial assets</p> <p>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>
15	<p>Payables</p> <p>Loans and payables are recognised in the statement of financial position at cost.</p>
16	<p>Capital Assets</p>
16.1	<p>Movable capital assets</p> <p>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 reliably, 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>

16.2	<p>Intangible assets</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 reliably, 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	Provisions and Contingents
17.1	<p>Provisions</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>Contingent liabilities</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>Contingent assets</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>Commitments</p> <p>Commitments (other than for transfers and subsidies) 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>Unauthorised expenditure</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"> • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
19	<p>Fruitless and wasteful expenditure</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>
20	<p>Irregular expenditure</p> <p>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>Changes in accounting policies, accounting estimates and errors</p> <p>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>Events after the reporting date</p> <p>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.</p>
23	<p>Principal-Agent arrangements</p> <p>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>Capitalisation reserve</p> <p>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 Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
25	<p>Recoverable revenue</p> <p>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 Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
26	<p>Related party transactions</p> <p>A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p>
27	<p>Key management personnel</p> <p>Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.</p>
28	<p>Public-Private Partnerships</p> <p>Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <p>A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements (if applicable).</p>
29	<p>Employee benefits</p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

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:

Programmes	2016/17			2015/16	
	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	52 314	52 314	-	41 904	41 904
Integrated Economic Development Services	42 283	42 283	-	54 968	54 968
Trade and Sector Development	56 653	56 653	-	58 103	58 103
Business Regulation and Governance	10 911	10 911	-	50 137	50 137
Economic Planning	298 347	298 347	-	144 335	144 335
Tourism, Arts and Entertainment	49 956	49 956	-	40 271	40 271
Skills Development and Innovation	62 802	62 802	-	54 545	54 545
Total	573 266	573 266	-	444 263	444 263

During 2016/17, an additional Adjusted Estimated appropriation of R100 million was earmarked for the land sale agreement between the Industrial Development Corporation (IDC) and the Saldanha Bay Industrial Development Zone Licencing Company (SBIDZ LiCo).

The comparative figures have been restated to take into account the programme changes within the Department between Programmes 3 and 5.

2. Departmental revenue

	Note	2016/17 R'000	2015/16 R'000
Tax revenue		-	26 178
Sales of goods and services other than capital assets	2.1	320	428
Interest, dividends and rent on land	2.2	-	42
Sales of capital assets	2.3	22	-
Transactions in financial assets and liabilities	2.4	717	12 191
Total revenue collected		1 059	38 839
Less: Own revenue included in appropriation	14	(284)	(33 123)
Departmental revenue collected		775	5 716

The decrease in tax revenue relates to the transfer of the Western Cape Liquor Authority (WCLA) to the Department of Community Safety as from 1 April 2017. All related revenue will therefore be accounted for by the Department of Community Safety.

Revenue amounting R373 000 as collected by the Western Cape Liquor Authority was erroneously paid over to the Department as the previous executive responsibility of the entity instead of the current executive responsibility of the entity i.e. Department of Community Safety which took effective from 01 April 2016. The revenue was paid over to the Provincial Revenue Fund by the Department.

2.1 Sales of goods and services other than capital assets

	Note	2016/17 R'000	2015/16 R'000
Sales of goods and services produced by the department	2	320	428
Administrative fees		304	411
Other sales		16	17
Total		320	428

2.2 Interest, dividends and rent on land

	Note	2016/17 R'000	2015/16 R'000
Interest	2	-	42
Total		-	42

2.3 Sale of capital assets

	Note	2016/17 R'000	2015/16 R'000
Tangible assets	2	22	-
Machinery and equipment	28	22	-
Total		22	-

During 2016/17, the disposal management policy was amended in order to allow staff to purchase IT equipment. The sale of capital assets relates to the proceeds received.

2.4 Transactions in financial assets and liabilities

	Note	2016/17 R'000	2015/16 R'000
Other Receipts including Recoverable Revenue	2	717	12 191
Total		717	12 191

Decrease in departmental revenue collected in 2016/17 relating to receipts from the Saldanha Bay Wireless Project which was not executed as well as liquor licence fees revenue relating to the prior year.

3 Aid assistance

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Opening Balance		16 240	2 986
Transferred from statement of financial performance		871	13 434
Paid during the year		-	(180)
Closing Balance		17 111	16 240

Aid assistance relates to the funds received from the Government Technical Advisory Centre (GTAC) for the Work and Skills Programme. The balance as at 31 March 2017 relates to the funds not spent due to the slow implementation of the Work and Skills Programme during the year. The project will continue to be rolled out during 2017/18.

3.1 Analysis of balance by source

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Aid assistance from other sources	3	17 111	16 240
Closing balance		17 111	16 240

Opening balance		16 240	2 986
Revenue		14 771	16 805
Expenditure		(13 900)	(3 371)
Amount included in the Adjusted Appropriation		-	(180)
Closing balance		17 111	16 240

3.2 Analysis of balance

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Aid assistance unutilised	3	17 111	16 240
Closing balance		17 111	16 240

4 Compensation of employees

4.1 Salaries and Wages

	Note	2016/17 R'000	2015/16 R'000
Basic salary		75 491	70 237
Performance award		1 676	1 385
Service Based		16	65
Compensative/circumstantial		1 137	1 640
Other non-pensionable allowances		14 648	14 360
Total		92 968	87 687

4.2 Social contributions

	Note	2016/17 R'000	2015/16 R'000
Employer contributions			
Pension		8 782	7 887
Medical		2 895	2 640
Bargaining council		16	16
Total		11 693	10 543
Total compensation of employees		104 661	98 230
Average number of employees		224	246

Increase in salaries and wages relates to the inflationary increase in terms of the wage agreement. Decrease in the average number of employees relates to a reduction in the number of interns and contract staff.

5 Goods and services

	Note	2016/17 R'000	2015/16 R'000
Administrative fees		266	206
Advertising		9 551	6 990
Minor assets	5.1	416	364
Bursaries (employees)		299	442
Catering		1 044	794
Communication		778	862
Computer services	5.2	9 028	8 374
Consultants: Business and advisory services		48 111	49 296
Legal services		93	-
Contractors		1 174	1 310
Agency and support / outsourced services		1 942	1 935
Entertainment		43	46
Audit cost – external	5.3	3 093	3 066
Fleet services		486	682
Consumables	5.4	1 314	1 419
Operating leases		556	600
Property payments	5.5	107	135
Rental and hiring		630	739
Travel and subsistence	5.6	2 271	2 317
Venues and facilities		551	821
Training and development		30 762	30 571
Other operating expenditure	5.7	1 083	1 089
Total		113 598	112 058

Advertising – Increase in expenditure due to additional expenditure incurred in the implementation of the Energy Security Game Changer. The purpose of the Game Changer is to deliver on a more energy secure province by effectively contributing to the province's energy needs through energy efficiency and embedded generation at household and business levels.

Bursaries (employees) – Decrease in expenditure due to fewer staff applying for bursaries.

Catering – Increase in expenditure due to project expenditure being allocated in terms of economic classifications instead of being grouped per project.

Consultants: Business and advisory services – Decrease in expenditure due to the implementation of National Treasury cost containment circular. Expenditure incurred relates to the Broadband Project Office, the Citizen Internet Champion Programme, Halal Park Feasibility Study and the Content Stimulation Programme.

Communication, Contractors, Fleet services and Venues and facilities – Decrease in expenditure due to the implementation of National Treasury cost containment circular.

Legal fees – Increase in expenditure is due to costs incurred for the Immigration Regulation review and Cape Film Commission legal costs.

Training and development – Non-employee expenditure relates to training for service excellence, customer service, tourist guides, competency based modular and ICT technical skills. Employee expenditure costs were incurred for the professional development of staff within the Department.

5.1 Minor assets

	Note	2016/17 R'000	2015/16 R'000
Tangible assets	5	416	364
Machinery and equipment		416	364
Total		416	364

5.2 Computer services

	Note	2016/17 R'000	2015/16 R'000
SITA computer services	5	729	584
External computer service providers		8 299	7 790
Total		9 028	8 374

Increase in expenditure due to the E-Skills Platform and additional licence fees paid for Economic Information databases.

5.3 Audit cost – External

	Note	2016/17 R'000	2015/16 R'000
Regularity audits	5	3 093	3 066
Total		3 093	3 066

5.4 Consumables

	Note	2016/17 R'000	2015/16 R'000
Consumable supplies	5	311	510
Uniform and clothing		-	6
Household supplies		45	126
Building material and supplies		28	36
Communication accessories		13	-
IT consumables		176	166
Other consumables		49	176
Stationery, printing and office supplies		1 003	909
Total		1 314	1 419

Decrease in expenditure due to the implementation of National Treasury cost containment circular.

5.5 Property payments

	Note	2016/17 R'000	2015/16 R'000
Municipal services	5	2	2
Security services		105	133
Total		107	135

5.6 Travel and subsistence

	Note	2016/17 R'000	2015/16 R'000
Local	5	1 981	1 730
Foreign		290	587
Total		2 271	2 317

Decrease in expenditure due to the implementation of National Treasury cost containment circular.

5.7 Other operating expenditure

	Note	2016/17 R'000	2015/16 R'000
Resettlement costs	5	18	-
Other		1 065	1 089
Total		1 083	1 089

Resettlement costs relates to the expenditure incurred for one (1) staff member. Other includes printing costs incurred for the Organisation's Strategic publications.

6 Payments for financial assets

	Note	2016/17 R'000	2015/16 R'000
Material losses through criminal conduct		143	32
Theft	6.3	143	32
Other material losses written off	6.1	15	7
Debts written off	6.2	17	84
Total		175	123

6.1 Other material losses written off

	Note	2016/17 R'000	2015/16 R'000
Damages to Government vehicles (2 cases)	6	15	7
Total		15	7

6.2 Debts written off

	Note	2016/17 R'000	2015/16 R'000
Recoverable revenue written off	6		
Ex-employee loss written off (1 case)		4	-
Total		4	-
Other debt written off			
Debt accounts written off (2 cases)		13	84
Total		13	84
Total debt written off		17	84

Debt written off in accordance with the Departmental debt policy and relates to salary overpayments and asset discrepancies.

6.3 Theft

	Note	2016/17 R'000	2015/16 R'000
Nature of theft	6		
Theft of equipment (15 cases)		143	32
Total		143	32

During the year two (2) laptops, one (1) voice recorder, one (1) camera and eleven (11) assets due for disposal were written off on the recommendation of the State Attorneys.

7 Transfers and subsidies

	Note	2016/17 R'000	2015/16 R'000
Departmental agencies and accounts *	Annex 1A	204 454	125 192
Public corporations and private enterprises	Annex 1B	5 950	2 831
Non-profit institutions **	Annex 1C	117 866	75 693
Households	Annex 1D	9 154	12 966
Total		337 424	216 682

Unspent funds transferred to the above beneficiaries

Departmental agencies and accounts		110 243	30 075
Total		110 243	30 075

*Increase in Departmental agencies and accounts relates to a payment to Saldanha Bay Industrial Development Zone Licencing Company (LiCo) of R100 million for the land purchase in terms of sale agreement with the Industrial Development Corporation (IDC).

**Increase in Non-Profit Institutions relates to a payment to the Cape Town International Convention Centre as part of the CTICC expansion project.

8 Expenditure for capital assets

	Note	2016/17 R'000	2015/16 R'000
Tangible assets		3 511	5 426
Machinery and equipment	28	3 511	5 426
Intangible assets		16	265
Software	29	16	265
Total		3 527	5 691

During 2015/16, machinery and equipment expenditure related to a motor vehicle purchased while the software expenditure related to the implementation of Visio.

8.1 Analysis of funds utilised to acquire capital assets – 2016/17

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	3 511	-	3 511
Machinery and equipment	3 511	-	3 511
Intangible assets	16	-	16
Software	16	-	16
Total	3 527	-	3 527

8.2 Analysis of funds utilised to acquire capital assets – 2015/16

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	5 426	-	5 426
Machinery and equipment	5 426	-	5 426
Intangible assets	265	-	265
Software	265	-	265
Total	5 691	-	5 691

8.3 Finance lease expenditure included in Expenditure for capital assets

	Note	2016/17 R'000	2015/16 R'000
Tangible assets		2 098	1 865
Machinery and equipment		2 098	1 865
Intangible assets		16	26
Machinery and equipment		16	26
Total		2 114	1 891

9 Cash and cash equivalents

	Note	2016/17 R'000	2015/16 R'000
Consolidated Paymaster General Account		39 136	34 769
Disbursements		(8 436)	(6 030)
Cash on hand		40	30
Total		30 740	28 769

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 2017.

10 Prepayments and advances

	Note	2016/17 R'000	2015/16 R'000
Travel and subsistence		20	32
Prepayments (Not expensed)	10.1	15	-
Total		35	32

Travel and subsistence includes advances for overseas travel.

10.1 Prepayments (Not expensed)

	Note	2016/17 R'000	2015/16 R'000
Goods and services	10	15	-
Total		15	-

Prepayments not expensed relates due the parking expense that was paid for April 2017.

10.2 Prepayments (Expensed)

	Note	2016/17 R'000	2015/16 R'000
Goods and services	10	276	-
Total		276	-

Prepayments expensed relates due the audit fees and training expenditure incurred.

11 Receivables

	Note	2016/17			2015/16		
		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	124	-	124	-	109	109
Staff debt	11.3	83	79	162	5	78	83
Total		207	79	286	59	187	246

Receivables are split in terms of the probability of recoverability over the next 12 months.

11.1 Claims recoverable

	Note	2016/17 R'000	2015/16 R'000
National departments	11 and Annex 3	-	41
Provincial departments		-	13
Total		-	54

11.2 Recoverable expenditure (disallowance accounts)

	Note	2016/17 R'000	2015/16 R'000
Disallowance damages and losses *	11	124	109
Total		124	109

*Included in the amount are four (4) cases relating to Government vehicles and six (6) cases relating to equipment that are still under investigation.

11.3 Staff debt

	Note	2016/17 R'000	2015/16 R'000
Debt accounts	11	162	83
Total		162	83

Staff debt comprises of salary overpayments, tax, housing and government vehicle accident debt.

Staff debt comprises of the following:

	Number of cases	Value R'000
Assets	3	12
GG Accident	1	8
Salary overpayments	7	97
Supplier overpayments	1	32
Tax debt	6	14

11.4 Impairment of receivables

	Note	2016/17 R'000	2015/16 R'000
Estimate of impairment of receivables		54	51
Total		54	51

All debts are individually reviewed for the possibility of impairment. The impairment includes debtors that were handed over to the State Attorney for recovery.

12 Investments

	<i>Note</i>	2016/17 R'000	2015/16 R'000
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Non-Current

Shares and other equity

Cape Town International Convention Centre

303 790	238 790
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Total

303 790	238 790
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**2016/17
R'000**

**2015/16
R'000**

Analysis of non-current investments

Opening balance

238 790	223 790
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Additions in cash

65 000	15 000
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Closing balance

303 790	238 790
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Number of shares

60 425	41 854
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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 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

	<i>Note</i>	2016/17 R'000	2015/16 R'000
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Estimate of impairment of investment

67 147	63 478
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Total

67 147	63 478
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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 23.24% (2016: 21.97%) in the Cape Town International Convention Centre Company (Pty) Ltd. The shareholding will be finalised at a percentage of 23.93% upon conclusion of the transaction.

13 Voted funds to be surrendered to the Revenue Fund

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Opening balance		11 479	2 439
Transfer from statement of financial performance		13 880	11 479
Paid during the year		(11 479)	(2 439)
Closing balance		13 880	11 479

The closing balance relates to unspent voted funds as at 31 March 2017.

14 Departmental revenue and PRF Receipts to be surrendered to the Revenue Fund

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Opening balance		670	118
Transfer from Statement of Financial Performance		775	5 716
Own revenue included in appropriation	2	284	33 123
Paid during the year		(1 706)	(38 287)
Closing balance		23	670

15 Payables – current

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Clearing accounts	15.1	5	-
Other payables	15.2	9	626
Total		14	626

15.1 Clearing accounts

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Salary: Government Employees Housing Scheme	15	5	-
Total		5	-

15.2 Other payables

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Government Motor Transport	15	9	-
Liquor Licence Deposit		-	1
Provincial Treasury		-	625
Total		9	626

The payable to Provincial Treasury relates to the overpayment of funding as at 31 March 2016.

16 Net cash flow available from operating activities

	Note	2016/17 R'000	2015/16 R'000
Net surplus as per Statement of Financial Performance		15 526	30 629
Add back non cash/cash movements not deemed operating activities		(10 051)	(516)
(Increase)/decrease in receivables – current		(40)	25
(Increase)/decrease in prepayments and advances		(3)	933
(Decrease)/increase in payables – current		(612)	618
Proceeds from sale of capital assets		(22)	-
Expenditure on capital assets		3 527	5 691
Surrenders to Revenue Fund		(13 185)	(40 726)
Amounts included in Adjusted Appropriation		-	(180)
Own revenue included in appropriation		284	33 123
Net cash flow generated by operating activities		5 475	30 113

17 Reconciliation of cash and cash equivalents for cash flow purposes

	Note	2016/17 R'000	2015/16 R'000
Consolidated Paymaster General account		39 136	34 769
Disbursements		(8 436)	(6 030)
Cash on hand		40	30
Total		30 740	28 769

18 Contingent liabilities and contingent assets

18.1 Contingent liabilities

	Note	2016/17 R'000	2015/16 R'000
Liable to Nature			
Claims against the department	Annex 2	-	-
Total			-

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 2 cases that are currently pending.

18.2 Contingent assets

At this stage the Department is not able to reliably measure the contingent asset in terms of the Government Employees Housing Scheme of the Individually Linked Savings Facility (ILSF), relating to resignations and termination of service.

19 Commitments

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Current expenditure		11 711	12 334
Approved and contracted		11 711	12 334
Total Commitments		11 711	12 334

Included in the above are two (2) contracts for the Broadband Project as well as the Energy Advisor.

20 Accruals and payables not recognised

20.1 Accruals

	2016/17 R'000		2015/16 R'000	
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	1 321	36	1 357	708
Total	1 321	36	1 357	708

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Listed by programme level			
Programme 1		133	461
Programme 2		16	51
Programme 3		9	37
Programme 4		5	121
Programme 5		1 080	17
Programme 6		10	2
Programme 7		104	19
Total		1 357	708

Increase in expenditure relates to the Internet Champion Programme Project where expenditure was incurred for the resource and management of Phase 3.

The comparative figures have been restated to be consistent with the Modified Cash Standard.

20.2 Payables not recognised

	2016/17 R'000	2015/16 R'000
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Listed by economic classification

	30 Days	30+ Days	Total	Total
Goods and services	77	50	127	150
Total	77	50	127	150

	Note	2016/17 R'000	2015/16 R'000
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Listed by programme level

Programme 1		3	18
Programme 2		2	4
Programme 3		1	91
Programme 4		3	2
Programme 5		45	19
Programme 6		-	6
Programme 7		73	10
Total		127	150

	Note	2016/17 R'000	2015/16 R'000
Included in the above accrual totals are the following:			
Confirmed balances with other departments	Annex 4	397	271
Confirmed balances with other government entities	Annex 4	-	-
Total		397	271

The comparative figures have been restated to be consistent with the Modified Cash Standard.

21 Employee benefits

	Note	2016/17 R'000	2015/16 R'000
Leave entitlement *		3 279	2 604
Service bonus (Thirteenth cheque)		2 453	2 235
Performance awards **		1 544	1 489
Capped leave commitments		940	969
Other ***		80	79
Total		8 296	7 376

* Included in the 2016/17 disclosure for leave entitlement is the credit amount of R268 974 for leave owed to the Department for those employees who went over their leave credits.

** Performance awards are calculated at 1.5% on the 2017/18 budget for Compensation of Employees for the Department.

*** Other refers to employee related accruals in the 2016/17 disclosure and long service awards at the reporting date 2015/16.

22 Lease commitments

22.1 Operating leases expenditure

2016/17	Machinery and equipment	Total
Not later than 1 year	465	465
Later than 1 year and not later than 5 years	258	258
Total lease commitments	723	723

2015/16	Machinery and equipment	Total
Not later than 1 year	494	494
Later than 1 year and not later than 5 years	520	520
Total lease commitments	1 014	1 014

These operating leases represent the photocopy machines in the department as at 31 March 2017.

22.2 Finance leases expenditure

2016/17	Machinery and equipment	Total
Not later than 1 year	34	34
Later than 1 year and not later than 5 years	-	-
Total lease commitments	34	34

2015/16	Machinery and equipment	Total
Not later than 1 year	65	65
Later than 1 year and not later than 5 years	-	-
Total lease commitments	65	65

These finance leases relates to 3G data cards in the department as at 31 March 2017.

22.3 Finance leases commitments

As determined by the National Accountant General, the arrangement between the Department of Economic Development and Tourism and GMT constitutes finance leases.

	Within year R'000	2 – 5 years R'000	More than 5 years R'000	Total R'000
2016/17	2 174	5 090	-	7 264
Total lease commitments	2 174	5 090	-	7 264

	Within year R'000	2 – 5 years R'000	More than 5 years R'000	Total R'000
2015/16	2 086	7 231	-	9 317
Total lease commitments	2 086	7 231	-	9 317

The Department of Economic Development and Tourism leased 29 vehicles from GMT as at 31 March 2017 (2016: 29). 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 as determined by the lessor, the vehicles are returned where it is sold on auction for the benefit of the lessor.

23 Accrued departmental revenue

	Note	2016/17 R'000	2015/16 R'000
Tax revenue		-	373
Total		-	373

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	2016/17 R'000	2015/16 R'000
Opening balance		-	408
Less: amounts received		-	(408)
Add: amounts recognised		-	373
Closing balance		-	373

24 Irregular expenditure

24.1 Reconciliation of irregular expenditure

	Note	2016/17 R'000	2015/16 R'000
Opening balance		-	-
Add: Irregular expenditure relating to current year		800	-
Closing balance		800	-

Analysis of awaiting condonation per age classification

Current year	800	-
Total	800	-

24.2 Details of irregular expenditure – added current year (relating to current and prior years)

Incident	Disciplinary steps taken/criminal proceedings	2016/17 R'000
Compensation of Service Provider outside of Service Level Agreement	Investigation in progress to determine liability	800
Total		800

25 Related party transactions

	Note	2016/17 R'000	2015/16 R'000
Payments made			
Transfers		65 000	15 000
Total		65 000	15 000

During the financial year the Department received services from the following related parties as indicated below:

- The Department has one (1) public entities under its control:
 - Wesgro
- Mr S Fourie (Head of Department) is an ex-officio member of the Wesgro Board and is currently a director of the Cape Town International Convention Centre Company (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.
- 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	2016/17 R'000	2015/16 R'000
Officials:			
Level 15 to 16	2	3 149	1 694
Level 14 (incl. CFO if at a lower level)	6	6 469	6 391
Total		9 618	8 085

27 Non-adjusting events after reporting date

On 1st April 2017, the Department became a 100% shareholder in Saldanha Bay IDZ Licensing Company (Pty) Ltd (LiCo). The purpose of Saldanha Bay IDZ Licensing Company (Pty) Ltd (LiCo) is to establish and fulfill the purpose of a Special Economic Zone within the greater Saldanha Bay area.

28 Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017					
	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	19 438		1 708	(1 363)	19 783
Transport assets	6 274	-	-	-	6 274
Computer equipment	7 508	-	1 269	(1 064)	7 713
Furniture and office equipment	3 640	-	378	(293)	3 725
Other machinery and equipment	2 016	-	61	(6)	2 071
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	19 438	-	1 708	(1 363)	19 783

Movable Tangible Capital Assets under investigation

	Number	Value R'000
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Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:

Machinery and equipment	10	965
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Assets under investigation relates to assets that were removed by an entity without the necessary approval.

28.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017					
	Cash R'000	Non-cash R'000	(Capital Work in Progress current costs and fi- nance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
MACHINERY AND EQUIPMENT	3 512	294	(2 098)	-	1 708
Transport assets	2 098	-	(2 098)	-	-
Computer equipment	1 251	18	-	-	1 269
Furniture and office equipment	128	250	-	-	378
Other machinery and equipment	35	26	-	-	61
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	3 512	294	(2 098)	-	1 708

28.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017				
	Sold for cash R'000	Non-cash disposal R'000	Total dis- posals R'000	Cash Received Actual R'000
MACHINERY AND EQUIPMENT	855	508	1 363	22
Transport assets	-	-	-	-
Computer equipment	562	502	1 064	22
Furniture and office equipment	287	6	293	-
Other machinery and equipment	6	-	6	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	855	508	1 363	22

28.3 Movement for 2015/16

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016					
	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	16 432	-	5 482	(2 476)	19 438
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
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	16 432	-	5 482	(2 476)	19 438

28.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017			
	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Opening balance	29	4 042	4 071
Additions	-	1 249	1 249
Disposals	-	(450)	(450)
TOTAL MINOR ASSETS	29	4 841	4 870
	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	257	257
Number of minor assets at cost	8	2 152	2 160
TOTAL NUMBER OF MINOR ASSETS	8	2 409	2 417

Minor assets relates to assets that were acquired at the inception of the Department during 2001/2002 financial year.

Minor Capital Assets under investigation

	Number	Value R'000
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Included in the above total of the minor capital assets per the asset register are assets that are under investigation:

Machinery and equipment	8	21
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MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Opening balance	29	3 872	3 901
Additions	-	374	374
Disposals	-	(204)	(204)
TOTAL MINOR ASSETS	29	4 042	4 071
	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	316	316
Number of minor assets at cost	8	1 870	1 878
TOTAL NUMBER OF MINOR ASSETS	8	2 186	2 194

28.5 Movable assets written off
MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2017

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Assets written off	-	-	-
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2016

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Assets written off	-	6	6
TOTAL MOVABLE ASSETS WRITTEN OFF	-	6	6

29 Intangible Capital Assets
MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	1 188	-	-	-	1 188
TOTAL INTANGIBLE CAPITAL ASSETS	1 188	-	-	-	1 188

29.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017					
	Cash R'000	Non-Cash R'000	(Develop- ment work in progress - current costs) R'000	Received current year, not paid (Paid current year, received prior year) R'000	Total R'000
SOFTWARE	16	-	(16)	-	-
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	16	-	(16)	-	-

29.2 Disposals

DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017				
	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash Received Actual R'000
SOFTWARE	-	-	-	-
TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS	-	-	-	-

29.3 Movement for 2015/16

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016					
	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	1 007	-	239	(58)	1 188
TOTAL INTANGIBLE CAPITAL ASSETS	1 007	-	239	(58)	1 188

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 R'000	Value derived using amend- ed estimate R'000	R-value impact of change in estimate R'000
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*Accounting estimate change 1: Change in
percentage shareholding*

Impairment of Investment

63 478

67 147

3 669

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 21.97% to 23.24% during the year.

ANNEXURE 1A STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2015/16
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
South African Broadcasting Corporation (SABC)	1	-	2	3	3	100%	2
Saldanha Bay Industrial Development Zone Licensing Company (SBIDZ LiCo)	130 224	-	-	130 224	130 224	100%	28 958
Wesgro	74 227	-	-	74 227	74 227	100%	57 500
Western Cape Liquor Authority	-	-	-	-	-	-	38 732
TOTAL	204 452	-	2	204 454	204 454		125 192

ANNEXURE 1B STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2015/16
	Adjusted Appropriation Act	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	
Public Corporations									
Transfers									
Casidra (Pty) Ltd	3 000	-	-	3 000	3 000	100%	-	-	-
Sub total	3 000	-	-	3 000	3 000	100%	-	-	-
Private Enterprises									
Transfers									
Cape Capital Project Fund	168	-	-	168	141	83.9%	-	-	2 831
Agri-Processing Supplier Development Programme	2 100	-	533	2 633	2 632	100.0%	-	-	-
Premier's Entrepreneurship Recognition Awards (Judges)	-	-	-	-	27	0.00%	-	-	-
Ovation Destination Management Company	100	-	-	100	100	100.0%	-	-	-
South African Local Government Association	50	40	-	90	50	55.6%	-	-	-
Sub total	2 418	40	533	2 991	2 950	98.6%	-	-	2 831
TOTAL	5 418	40	533	5 951	5 950	99.3%	-	-	2 831

ANNEXURE 1C STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				EXPENDITURE		2015/16
	Adjusted Appropriation Act	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
NON-PROFIT INSTITUTIONS							
Transfers							
BPESA	1 050	-	-	1 050	1 050	100.0%	3 000
Broadband Foundation	-	-	-	-	-	-	700
Cape Digital Foundation	1 400	-	-	1 400	1 400	100.0%	-
Cape Clothing and Textile Cluster	571	-	-	571	571	100.0%	1 500
Cape Craft and Design Institute	9 375	-	-	9 375	9 375	100.0%	6 500
Cape Information and Technology Initiative (CITI)	4 091	-	-	4 091	4 091	100.0%	3 615
Cape Town Fashion Council	1 050	-	-	1 050	1 050	100.0%	1 500
Clotex	700	-	-	700	700	100.0%	1 000
Cape Town International Convention Centre (Convenco)	65 000	-	-	65 000	65 000	100.0%	15 000
Genesis Community IT Initiative	750	-	-	750	750	100.0%	750
Green Cape	14 025	-	-	14 025	14 025	100.0%	16 480
National Empowerment Fund	-	-	1 500	1 500	1 500	100.0%	6 448
South African Oil and Gas	4 900	-	-	4 900	4 900	100.0%	7 000
Western Cape Economic Development Partner	9 654	-	-	9 654	9 654	100.0%	7 000
Western Cape Fine Food Initiative	2 100	-	-	2 100	2 100	100.0%	3 000
Western Cape Tooling Initiative	1 700	-	-	1 700	1 700	100.0%	2 200
TOTAL	116 366	-	1 500	117 866	117 866		75 693

ANNEXURE 1D STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2015/16
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
Transfers							
Bursaries (non-employees)	11 483	-	-	11 483	6 915	60.0%	10 751
Donations and gifts (Monetary gifts given to the winners of the Premier Entrepreneurship Recognition awards)	2 030	-	40	2 070	2 065	99.8%	2 000
Injury on duty	-	-	-	-	-	0.00%	1
Leave gratuity (8 employees have left public service during the year)	104	-	66	170	174	100.0%	214
TOTAL	13 617	-	106	13 723	9 154		12 966

ANNEXURE 1E STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2016/17	2015/16
		R'000	R'000
Received in kind			
Bloomberg	Donation of computer consumables	-	1
Jinko Solar	Donation of bottle of whiskey	-	2
Jinko Solar	Donation of small gifts	1	-
URT Tours	Donation of gift voucher	-	2
University of the Western Cape (UWC)	Sponsorship with regard to partnership in Long Street Kiosk Project	100	-
TOTAL		101	5

ANNEXURE 1F STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	PAID BACK ON/ BY 31 MARCH	CLOSING BALANCE
		R'000	R'000	R'000	R'000	R'000
Received in cash						
Government Technical Advisory Centre (GTAC)	Work and Skills Programme	16 240	14 771	(13 900)	-	17 111
All funding received from GTAC is kept separate from the Department's equitable share.						
TOTAL		16 240	14 771	(13 900)	-	17 111

ANNEXURE 2 STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2017

Nature of Liability	Opening Bal- ance 1 April 2016	Liabilities incurred during the year	Liabilities paid/ cancelled/re- duced during the year	Liabilities recoverable (Provide de- tails hereun- der)	Closing Bal- ance 31 March 2017
	R'000	R'000	R'000	R'000	R'000

Claims against the department

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 dormant.

TOTAL

- - - - -

ANNEXURE 3 CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2016/17 *	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	Receipt date up to six (6) work- ing days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Department of Education	-	13	-	-	-	13		-
Department of Rural Development and Land Reform	-	41	-	-	-	41		-
TOTAL	-	54	-	-	-	54		-

ANNEXURE 4 INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2016/17 *	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	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
DEPARTMENTS								
Current								
Department of the Premier (Amount comprises of claims for training, call centre and business analysis costs)	397	271	-	-	397	271	05/04/2017	390
TOTAL	397	271	-	-	397	271		390
OTHER GOVERNMENT ENTITY								
Current								
Government Motor Transport	-	-	-	-	-	-		-
TOTAL	-	-	-	-	-	-		-

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